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ORDINANCE NO. O-07-19

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF COLTON, CALIFORNIA, SETTING THE TAX RATES
ON MARIJUANA BUSINESSES OPERATING WITHIN
THE CITY OF COLTON**

WHEREAS, on November 6, 2018, the voters of the City of Colton approved the adoption of Ordinance O-11-18, adding Chapter 3.26 to the Colton Municipal Code in order to establish a general tax on marijuana businesses operating within the City of Colton, should such activities be permitted in the City; and

WHEREAS, Section 3.26.030 of the Colton Municipal Code authorizes a general tax on marijuana businesses at the maximum voter-approved rates of: (i) up to ten (10) percent of gross receipts generated by a cannabis business at wholesale or retail, and (ii) up to twenty-five dollars (\$25.00) per square foot of space utilized in with marijuana cultivation/processing; and

WHEREAS, Section 3.26.050 of the Colton Municipal Code authorizes the City Council to impose this general tax at lower rates than the voter-approved maximum without a further vote of the People; and

WHEREAS, the City Council desires to set the tax rates for marijuana businesses at lower rates than the voter-approved maximum, as more particularly set forth below.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLTON, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. Pursuant to the authority set forth in Section 3.26.050 of the Colton Municipal Code, the City Council hereby authorizes the imposition of a general tax on marijuana businesses operating within the City of Colton at the following rates:

- A. Manufacturer: 2.5% of gross receipts
- B. Distributor: 2.0% of gross receipts
- C. Cultivation: \$7.00 per square foot of space utilized in connection with cannabis cultivation.
- D. Testing Lab: 1% of gross receipts.

1 **SECTION 2.** Except as otherwise amended herein, all provisions of Chapter
2 3.26 of the Colton Municipal Code shall apply to the taxation of marijuana businesses
operating in the City of Colton.

3 **SECTION 3.** Pursuant to Section 3.26.050(A) of the Colton Municipal Code,
4 the City Council may, by future ordinance, adjust the general tax rates set forth
5 herein, upwardly or downwardly, without a further vote of the People; provided that
6 the adjusted rates are no higher than the voter-approved maximum rates set forth in
Section 3.26.080.

7 **SECTION 4.** If any section, subsection, sentence, clause, phrase or word of
8 this Ordinance is for any reason held to be invalid or unconstitutional by the decision
9 of any court of competent jurisdiction, such decision shall not affect the validity of the
10 remaining portions of this Ordinance. The City Council hereby declares that it would
11 have adopted this Ordinance, and each and every section, subsection, sentence,
clause, or phrase not declared invalid or unconstitutional without regard to whether
any portion or the Ordinance would be subsequently declared invalid or
unconstitutional.

12 **SECTION 5.** This Ordinance supersedes and voids all prior ordinances,
13 resolutions, and other Council actions which are inconsistent with its terms.

14 **SECTION 6.** Based on the entire record before the City Council, and all
15 written and oral evidence presented to the City Council, the City Council hereby finds
16 that this ordinance is exempt from review under the California Environmental Quality
17 Act ("CEQA"), pursuant to Sections 15060(c)(2) (the activity will not result in a direct
or reasonably foreseeable indirect physical change in the environment) and
15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA
Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no
potential for resulting in physical change to the environment, directly or indirectly.

18 **SECTION 7. Certification/Publication.** The City Clerk shall certify to the
19 passage of the Ordinance and cause the same or a summary thereof to be published
20 within fifteen (15) days after adoption in a newspaper of general circulation published
and circulated in the City of Colton.

21 **SECTION 8.** This Ordinance shall become effective thirty (30) days after its
22 adoption in accordance with the provisions of California law.

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PASSED, APPROVED AND ADOPTED this 17th day of December, 2019.

City of Colton


ERNEST R. CISNEROS, Mayor Pro Tem

ATTEST:


Carolina R. Padilla, City Clerk

APPROVED AS TO FORM:


Best Best & Krieger LLP
City Attorney

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STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.
CITY OF COLTON)

CERTIFICATION

I, **CAROLINA R. PADILLA**, City Clerk for the City of Colton, California, do hereby certify that the foregoing is a full, true and correct copy of **ORDINANCE NO. O-07-19**, duly adopted by the City Council of said City, and approved by the Mayor of said City, at its Regular Meeting of said City Council held on the **17th day of December 2019**, and that it was adopted by the following vote, to wit:

AYES: COUNCILMEMBER Toro, Cisneros, Koperski, González, Woods, Suchil
NOES: COUNCILMEMBER None
ABSTAIN: COUNCILMEMBER None
ABSENT: COUNCILMEMBER Mayor Navarro

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Colton, California, this ___ day of _____, ____.

CAROLINA R. PADILLA
City Clerk
City of Colton

(SEAL)