

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY

DEPT: Board of Supervisors

BOARD AGENDA: 5.A.6  
AGENDA DATE: June 26, 2018

**SUBJECT:**

Approval of a Request to Consolidate the Municipal Election and a Measure Regarding Cannabis Business License Tax for the City of Oakdale with the Gubernatorial General Election to be Held on November 6, 2018

**BOARD ACTION AS FOLLOWS:**

**RESOLUTION NO. 2018-0285**

On motion of Supervisor Chiesa Seconded by Supervisor Olsen  
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Monteith, and Vice-Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: Chairman DeMartini

Abstaining: Supervisor: None

- 1)  Approved as recommended
- 2)  Denied
- 3)  Approved as amended
- 4)  Other:

**MOTION:**

ATTEST: Elizabeth A. King  
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Board of Supervisors

BOARD AGENDA:5.A.6  
AGENDA DATE: June 26, 2018

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

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**SUBJECT:**

Approval of a Request to Consolidate the Municipal Election and a Measure Regarding Cannabis Business License Tax for the City of Oakdale with the Gubernatorial General Election to be Held on November 6, 2018

**STAFF RECOMMENDATION:**

1. Approve the consolidation of the Municipal Election and a Measure regarding Cannabis Business License Tax for the City of Oakdale with the Gubernatorial General Election to be held on November 6, 2018.

**CONTACT PERSON:**

Elizabeth King, Clerk of the Board

Phone number: 209-525-4494

**ATTACHMENT(S):**

1. City of Oakdale Resolution to Consolidate Election



# Office of the City Clerk

280 North Third Avenue • Oakdale, CA 95361 • Ph: (209) 845-3571 • Fax: (209) 847-6834

**CITY ADMINISTRATION**

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**CITY OF OAKDALE  
WEBSITE**

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**E-MAIL**

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June 7, 2018

Elizabeth A. King  
Clerk of the Board of Supervisors  
Stanislaus County  
1010 Tenth Street  
Modesto, CA 95354

Re: City of Oakdale City Council Resolution 2018-070 and  
Resolution 2018-071

Dear Ms. King:

On behalf of the City of Oakdale, please accept this letter as the City's formal request that the Board of Supervisors consolidate the City of Oakdale's November 6, 2018 Municipal Election with the County's Gubernatorial General Election on the same date and, conduct said election on behalf of the City per Election Code § 10002.

The Oakdale City Council at their June 4, 2018 regular meeting adopted Resolution 2018-071 requesting the Board of Supervisors consolidate the November 6, 2018 City of Oakdale's November 6, 2018 Municipal Election with the County's Gubernatorial General Election to be held on the same date for the purpose of electing two (2) Members of the City Council for the full term of four (4) years and a Mayor for the full term of four (4) years.

Enclosed are certified copies of City Council Resolution 2018-070 and City Council Resolution 2018-071.

The City of Oakdale appreciates the ongoing cooperation of Stanislaus County. Should you require additional information or have any questions please contact me by calling my office at 845-3573.

Sincerely,

Kathy Teixeira, CMC  
City Clerk

cc: Lee Lundrigan, Stanislaus County Registrar of Voters

Hand Delivery

Enclosures: 2

2018 JUN -7 A 10:13  
BOARD OF SUPERVISORS



**IN THE CITY COUNCIL  
OF THE CITY OF OAKDALE  
STATE OF CALIFORNIA  
CITY COUNCIL RESOLUTION 2018-070**

BOARD OF SUPERVISORS  
2018 JUN -7 A 10:13

**A RESOLUTION OF THE CITY OF OAKDALE CITY COUNCIL  
CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION  
TO BE HELD ON TUESDAY, NOVEMBER 6, 2018  
FOR THE ELECTION OF CERTAIN OFFICERS  
AS REQUIRED BY THE  
PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA  
RELATING TO GENERAL LAW CITIES**

**THE CITY OF OAKDALE CITY COUNCIL DOES HEREBY RESOLVE THAT:**

**WHEREAS**, under the provisions of the laws relating to general law cities in the State of California, a General Municipal Election shall be held on November 6, 2018 for the election of Municipal Officers.

**NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF OAKDALE, CALIFORNIA DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** That pursuant to the requirements of the laws of the State of California relating to General Law Cities there is called and ordered to be held in the City of Oakdale, California on Tuesday, November 6, 2018, a General Municipal Election for the purpose of electing a Mayor for the full term of 4 years; and two Members of the City Council for the full term of four years.

**SECTION 2:** That the ballots to be used at the election shall be in form and content as required by law.

**SECTION 3:** That the City Clerk is authorized, instructed and directed to coordinate with the County of Stanislaus Registrar-Recorder/County Clerk to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

**SECTION 4:** That the polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until 8:00 o'clock p.m. of the same day when the polls shall be closed, pursuant to Election Code § 10242 except as provided in § 14401 of the Elections Code of the State of California.

**SECTION 5:** That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.



**CITY OF OAKDALE**  
**City Council Resolution 2018-070**

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**SECTION 6:** That the notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

**SECTION 7:** That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

**SECTION 8:** The City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

**THE FOREGOING RESOLUTION IS HEREBY PASSED, APPROVED AND ADOPTED ON THIS 4th DAY OF JUNE 2018, by the following vote:**

AYES:	COUNCIL MEMBERS:	Bairos, Dunlop, McCarty and Paul	(4)
NOES:	COUNCIL MEMBERS:	None	(0)
ABSENT:	COUNCIL MEMBERS:	Murdoch	(1)
ABSTAINED:	COUNCIL MEMBERS:	None	(0)

SIGNED:

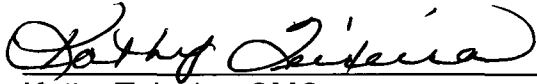
Pat Paul, Mayor

ATTEST:

Kathy Teixeira, CMC  
City Clerk

I hereby certify that the foregoing is a full, correct and true copy of Oakdale City Council Resolution 2018-070 passed by the City Council of the City of Oakdale, a Municipal Corporation of the County of Stanislaus, State of California, at a regular meeting held on the 4th day of June, 2018, and I further certify that said resolution is in full force and effect and has never been rescinded or modified.

Dated: June 5, 2018

A handwritten signature in cursive script, reading "Kathy Teixeira", written over a horizontal line.

Kathy Teixeira, CMC  
City Clerk  
City of Oakdale



**IN THE CITY COUNCIL  
OF THE CITY OF OAKDALE  
STATE OF CALIFORNIA  
CITY COUNCIL RESOLUTION 2018-071**

**A RESOLUTION OF THE CITY OF OAKDALE CITY COUNCIL  
REQUESTING THE BOARD OF SUPERVISORS  
OF THE COUNTY OF STANISLAUS  
TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION  
TO BE HELD ON NOVEMBER 6, 2018  
WITH THE STATEWIDE GENERAL ELECTION  
PURSUANT TO § 10403 OF THE ELECTIONS CODE**

**THE CITY OF OAKDALE CITY COUNCIL DOES HEREBY RESOLVE THAT:**

**WHEREAS**, the City Council of the City of Oakdale called a General Municipal Election to be held on Tuesday, November 6, 2018, for the purpose of the election of a Mayor and two Members of the City Council for the term of office in which ends December 2018; and,

**WHEREAS**, it is desirable that the General municipal election be consolidated with the Statewide General election to be held on the same date and that within the City the precincts, polling places and election officers for the two elections be the same and that the county election department of the County of Stanislaus canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKDALE DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** That pursuant to the requirements of § 10403 of the Elections Code, the Board of Supervisors of the County of Stanislaus is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General election on Tuesday, November 6, 2018, for the purpose of the election of a Mayor and two Members of the City Council for the term of office in which a vacancy was created and which ends December 2018.

**SECTION 2.** That the county election department is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide election.

**SECTION 3.** That the Board of Supervisors is requested to issue instructions to the county election department to take any and all steps necessary for the holding of the consolidated election.



**CITY OF OAKDALE  
CITY COUNCIL RESOLUTION 2018-071**

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**SECTION 4.** That the City of Oakdale recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

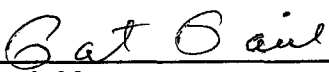
**SECTION 5.** That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the county election department of the County of Stanislaus.

**SECTION 6.** That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.


**THE FOREGOING RESOLUTION IS HEREBY PASSED, APPROVED AND ADOPTED ON THIS 4th DAY OF JUNE 2018,** by the following vote:

AYES:	COUNCIL MEMBERS:	Bairos, Dunlop, McCarty and Paul	(4)
NOES:	COUNCIL MEMBERS:	None	(0)
ABSENT:	COUNCIL MEMBERS:	Murdoch	(1)
ABSTAINED:	COUNCIL MEMBERS:	None	(0)

SIGNED:

  
\_\_\_\_\_  
Pat Paul, Mayor

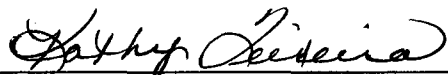
ATTEST:

  
\_\_\_\_\_  
Kathy Teixeira, CMC  
City Clerk



I hereby certify that the foregoing is a full, correct and true copy of Oakdale City Council Resolution 2018-071 passed by the City Council of the City of Oakdale, a Municipal Corporation of the County of Stanislaus, State of California, at a regular meeting held on the 4th day of June, 2018, and I further certify that said resolution is in full force and effect and has never been rescinded or modified.

Dated: June 5, 2018

A handwritten signature in cursive script, reading "Kathy Teixeira", written in black ink.

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Kathy Teixeira, CMC  
City Clerk  
City of Oakdale



# Office of the City Clerk

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June 21, 2018

Elizabeth A. King  
Clerk of the Board of Supervisors  
Stanislaus County  
1010 Tenth Street  
Modesto, CA 95354

Re: City of Oakdale City Council Resolution 2018-085

Dear Ms. King:

This letter is to request that the Stanislaus County Board of Supervisors add a ballot measure relating to a Cannabis Business License Tax to the City of Oakdale's request dated June 7, 2018 to the consolidated November 6, 2018 Municipal Election with the County's Gubernatorial General Election on the same date and, conduct said election on behalf of the City per Election Code § 10002.

The Oakdale City Council at their June 18, 2018 regular meeting adopted Resolution 2018-085 directing a ballot measure be submitted to the City's Qualified Voters at the November 6, 2018 Statewide General Election. Enclosed is a copy of City Council Resolution 2018-085. This request is in addition to our previous request submitted to hold a consolidated election for the purpose of electing two (2) Members of the City Council for the full term of four (4) years and a Mayor for the full term of four (4) years.

If you need additional information, please contact me by calling my office at 845-3573 at your convenience.

Sincerely,

Kathy Teixeira, CMC  
City Clerk

cc: Lee Lundrigan, Stanislaus County Registrar of Voters

Hand Delivery

Enclosures: 1

BOARD OF SUPERVISORS  
2018 JUN 21 P 12:02



BOARD OF SUPERVISORS

**IN THE CITY COUNCIL  
OF THE CITY OF OAKDALE  
STATE OF CALIFORNIA**

2018 JUN 21 P 12:12

**CITY COUNCIL RESOLUTION 2018-085**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKDALE  
SUBMITTING A BALLOT MEASURE TO THE  
CITY'S QUALIFIED VOTERS AT THE NOVEMBER 6, 2018,  
STATEWIDE GENERAL ELECTION, AUTHORIZING THE CITY TO IMPOSE A  
BUSINESS LICENSE TAX ON THE GROSS RECEIPTS OF CANNABIS  
BUSINESSES IN AN AMOUNT NOT TO EXCEED FIFTEEN PERCENT**

**THE CITY OF OAKDALE CITY COUNCIL DOES HEREBY RESOLVE THAT:**

**WHEREAS**, in 2016, the voters of California approved Proposition 64 entitled the "Control, Regulate and Tax Adult Use of Marijuana Act" ("AUMA"). AUMA legalized the adult-use and possession of cannabis by persons 21 years of age or older and the personal cultivation of up to six cannabis plants within a private residence; and,

**WHEREAS**, on November 20, 2017, the City Council of the City of Oakdale ("City Council") adopted Ordinances 1251, 1255, and 1256 amending the City of Oakdale's ("City") municipal code, thereby authorizing commercial cannabis activity in the City; and,

**WHEREAS**, the City Council seeks authorization to enact a tax on the gross receipts of cannabis businesses located in the City; and,

**WHEREAS**, pursuant to Elections Code section 9222 and Government Code section 53724, the City Council desires to submit a measure to the qualified electors of the City at the next Statewide General Election on November 6, 2018, asking for authorization to impose a business license tax on cannabis businesses in an amount not to exceed fifteen percent (15%); and,

**WHEREAS**, pursuant to Government Code section 53724, the City Council must approve this resolution by a two-thirds vote to submit the Measure to the City's qualified voters; and,

**WHEREAS**, pursuant to Elections Code section 10400 et seq., the City Council finds it necessary and desirable to request consolidation of this measure with the Stanislaus County Board of Supervisors and Registrar of Voters.

**NOW, THEREFORE, BE IT RESOLVED** by the **CITY COUNCIL** for the **CITY OF OAKDALE** as follows:

1. The foregoing recitals are true and correct and are hereby incorporated by reference.



**CITY OF OAKDALE**  
**City Council Resolution 2018- 085**

2. Pursuant to California Elections Code section 9222, the City Council hereby calls an election to be held during the Statewide General Election on Tuesday, November 6, 2018, and orders that the following question be submitted to the voters at such election:

Shall the measure adopting an ordinance authorizing the City Council of the City of Oakdale to impose a business license tax at a rate of up to fifteen percent (15%) of gross receipts on cannabis businesses and dispensaries, to help fund general municipal services, be adopted?	YES	
	NO	

3. Pursuant to Elections Code sections 10002 and 10403, the City Council hereby requests that the Stanislaus County Board of Supervisors consolidate the election of this measure with the Statewide General Election, to be conducted on November 6, 2018, and that the consolidated election be held and conducted in the manner prescribed by Elections Code section 10418.

4. The City Council hereby requests that the Stanislaus County Board of Supervisors authorize the Stanislaus County Registrar of Voters to provide any and all services necessary to conduct the election, and the City agrees to pay for said services.

5. The City Council hereby directs the City Clerk to deliver certified copies of this Resolution to the Clerk of the Stanislaus County Board of Supervisors and the Stanislaus County Registrar of Voters on or before July 1, 2018.

6. The City Attorney is hereby directed to prepare an impartial analysis of the measure pursuant to Election Code section 9280, to be submitted to the City Elections Official on or before July 23, 2018.

7. The City Council is hereby authorized and directed to form a two (2) member subcommittee to formulate, execute, and submit the argument in favor of the measure, limited to 300 words, and shall include up to five (5) signatures, pursuant to Elections Code sections 9282 and 9283. The argument in favor shall be submitted to the City elections official on or before July 23, 2018.

8. The two (2) member subcommittee shall be authorized to formulate, execute, and submit a rebuttal to any argument submitted against the measure, limited to 250 words, and to include up to five (5) signatures, pursuant to Elections Code sections 9285 and 9283, to be submitted to the City elections official on or before July 30, 2018.

9. The City Clerk and other City officers and employees are hereby authorized and directed to take all other actions that are necessary to have the City's measure properly submitted to the City voters at the Statewide General Election on November 6, 2018.



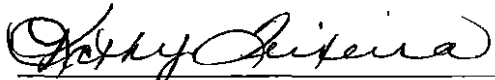
**CITY OF OAKDALE**  
**City Council Resolution 2018-085**

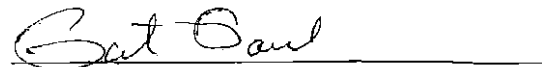
**PASSED AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF OAKDALE ON THIS 18th DAY OF JUNE 2018, BY THE FOLLOWING VOTE:**

AYES:	COUNCIL MEMBERS:	Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS:	None	(0)
ABSENT:	COUNCIL MEMBERS:	None	(0)
ABSTAIN:	COUNCIL MEMBERS:	None	(0)

ATTEST:

APPROVED:

  
 \_\_\_\_\_  
 Kathy Teixeira, CMC  
 City Clerk


  
 \_\_\_\_\_  
 Pat Paul, Mayor

APPROVED AS TO FORM:

  
 \_\_\_\_\_  
 Thomas P. Hallinan, City Attorney

I hereby certify that the foregoing is a full, correct and true copy of Oakdale City Council Resolution 2018-085 passed by the City Council of the City of Oakdale, a Municipal Corporation of the County of Stanislaus, State of California, at a regular meeting held on the 18th day of June, 2018, and I further certify that said resolution is in full force and effect and has never been rescinded or modified.

Dated: June 19, 2018

  
 \_\_\_\_\_  
 Kathy Teixeira, CMC  
 City Clerk  
 City of Oakdale



**IN THE CITY COUNCIL  
OF THE CITY OF OAKDALE  
STATE OF CALIFORNIA  
ORDINANCE \_\_\_\_**

**AN ORDINANCE OF THE CITY OF OAKDALE  
AMENDING CHAPTER 11, FINANCE AND TAXATION  
ADDING CANNABIS BUSINESS TAX, TO ARTICLE VII. IMPOSING A BUSINESS  
LICENSE TAX AT A RATE OF UP TO FIFTEEN PERCENT (15%) ON THE GROSS  
RECEIPTS OF COMMERCIAL CANNABIS BUSINESSES IN CITY**

**THE CITY COUNCIL OF THE CITY OF OAKDALE DOES ORDAIN AS FOLLOWS:**

**WHEREAS**, in 1996, the voters of the state of California approved Proposition 215 (codified as California Health and Safety Code section 11362.5, and known as “The Compassionate Use Act of 1996” of “CUA”); and,

**WHEREAS**, in 2003, the California Legislature passed SB 420 (Medical Marijuana Program Act), which amended the Health and Safety Code to permit the establishment of medical cannabis dispensaries for the distribution of cannabis for medical purposes; and,

**WHEREAS**, on October 9, 2015, Governor Brown signed three bills into law (AB 266, AB 243, and SB 643), collectively referred to as the Medical Marijuana Regulation and Safety Act (the “MMRSA”). MMRSA set up a state licensing system for commercial medical cannabis uses while also allowing cities to maintain local control of cannabis cultivation; and,

**WHEREAS**, in 2016, the voters of California approved Proposition 64 entitled the “Control, Regulate and Tax Adult Use of Marijuana Act” (“AUMA”). AUMA legalized the adult-use and possession of cannabis by persons 21 years of age or older and the personal cultivation of up to six (6) cannabis plants within a private residence; and,

**WHEREAS**, on June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”), which created a single regulatory scheme for both medical and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction; and,

**WHEREAS**, on November 20, 2017, the City Council of the City of Oakdale (“City Council”) adopted Ordinances 1251, 1255, and 1256 amending the City of Oakdale’s (“City”) municipal code, thereby authorizing commercial cannabis activity in the City; and,

**WHEREAS**, the City Council seeks authorization to enact a tax on cannabis businesses; and,



**CITY OF OAKDALE  
ORDINANCE \_\_\_\_\_**

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**WHEREAS**, this Ordinance would tax businesses engaged in commercial cannabis activity at a maximum rate of up to fifteen percent (15%) of monthly gross receipts, as directed by the City Council by resolution; and,

**WHEREAS**, the City Council of the City finds that it is in the best interest of the health, welfare, and safety of the public to submit this Ordinance to the qualified voters of the City at the next Statewide General Election on November 6, 2018.

**NOW, THEREFORE, THE PEOPLE OF THE CITY ORDAIN:**

**SECTION 1.** Article VII, Cannabis Business Tax, of Chapter 11, Finance and Taxation, of the City's Municipal Code shall be added to read as follows:

Sec. 11-60.           Definitions.

For the purpose of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

"Business" means professions, trades, occupations, gainful activities, and all and every kind of calling whether or not carried on for profit.

"Cannabis" or "Marijuana" has the meaning as defined in California Health and Safety Code Section 11018.

"Cannabis business" means any business activity involving the commercial cultivation, distribution, and exchange of cannabis, including, but not limited to, the planting, cultivation, harvesting, transporting, manufacturing, compounding, converting, processing, preparing, storing, packaging, providing, wholesale and retail sales, whether fixed, mobile, permanent or temporary, where cannabis is made available, sold, given distributed, or otherwise provided in accordance with the existing laws of the state of California, whether for medical or non-medical reasons.

"City" means the City of Oakdale, a municipal corporation of the state of California, in its present incorporated form or in any later reorganized, consolidated, enlarged, or reincorporated form.

"Collector" means the Director of Finance or other City officer or employee charged with the administration of this chapter.

"Fixed place of business" means the premises occupied in the City for the particular purpose of conducting a business there and regularly kept open for that purpose with a competent person in attendance for the purpose of attending to such business.



**CITY OF OAKDALE  
ORDINANCE \_\_\_\_\_**

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“Gross receipts” means the total amount charged or received for the performance of any act, service, or employment of whatever nature it may be, whether or not such service, act, or employment is done as a part of or in connection with the sale of goods, wares, merchandise, for which a charge is made or credit allowed. Gross receipts shall be calculated without any deduction on account of any of the following: (i) the cost of tangible property sold or bartered; (ii) the cost of materials or products used, labor or service cost, interest paid, losses, or other expense; or (iii) transportation costs.

“Person” means all domestic and foreign corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, business or common law trusts, societies, and individuals transacting and carrying on any business in the City.

“Reporting Period” means a year, quarter, or calendar month, as determined by the Collector.

**Sec. 11-61 Cannabis Business Tax.**

A. Every person engaged in a cannabis business shall pay an annual business license tax of up to 15 cents for each \$1.00 of gross receipts, regardless whether the City has authorized the cannabis business.

B. The tax rate shall be set by resolution of the City Council. The City Council may, in its discretion, implement such cannabis business tax rate it deems appropriate, and may by resolution increase or lower such tax rate from time to time, provided that the cannabis business tax shall not exceed 15 cents for each \$1.00 of gross receipts.

C. Any tax adopted by the City Council pursuant to this chapter shall apply only to those cannabis businesses operating outside the scope of a development agreement approved by the City Council. However, the tax may apply to all cannabis businesses in the event the City Council cancels the Cannabis Pilot Program.

D. The Collector shall establish reporting periods for the periodic collection of gross receipts. The reporting period may fall under yearly, quarterly, or monthly reporting, or any reasonable reporting period established by the Collector.

E. Failure to pay the cannabis business tax shall be subject to penalties, interest charges, and assessments, as the City Council may establish by resolution, and the City may use any and all code enforcement remedies available at law to collect such payments.

F. The payment of the cannabis business tax shall not be construed as authorizing the conduct or continuance of any illegal business or of a legal business in an illegal manner. Nothing in this section shall be applied or construed as authorizing the sale of cannabis.





**CITY OF OAKDALE  
ORDINANCE \_\_\_\_**

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G. The Collector or his or her designee shall annually audit any cannabis business taxes imposed by this section to verify that tax revenues have been properly expended in accordance with the law.

H. The cannabis business tax is not a sales tax and shall not be assessed as such.

I. This section was submitted to the qualified voters of the City for approval. Any amendment to the maximum tax rate therefore may not become effective until such amendment is approved by the voters. The voters expressly authorize the City Council to amend, modify, change, or revise any other provisions of this section as the City Council deems in the best interest of the City. The City Council or City Manager may promulgate rules, regulations and procedures to implement this section and to ensure the efficient and timely collection of any taxes or any related penalties imposed by this section.

**SECTION 2.** This is a City Council sponsored initiative ordinance that shall only be amended by the qualified voters of the City as provided in the ordinance. The City Council reserves the right and authority to amend the ordinance as authorized, or at any time after a state or federal law is enacted, which requires amendments in order for the ordinance to be in compliance with such law or laws.

**SECTION 3.** If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The People of the City hereby declare that they would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

**SECTION 4.** After its adoption by the voters, this ordinance shall be in full force and effect ten (10) days after the vote is declared by the legislative body, pursuant to the provisions of Elections Code sections 9217 and 15400, and as provided by law.

Passed, Approved and Adopted on this \_\_\_\_ day of November 2018.

AYES: COUNCIL MEMBERS:  
NOES: COUNCIL MEMBERS:  
ABSENT: COUNCIL MEMBERS:  
ABSTAIN: COUNCIL MEMBERS:



**CITY OF OAKDALE  
ORDINANCE \_\_\_\_\_**

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ATTEST:

APPROVED:

\_\_\_\_\_  
Kathy Teixeira, CMC  
City Clerk

\_\_\_\_\_  
Pat Paul, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Thomas P. Hallinan, City Attorney



**IN THE CITY COUNCIL  
OF THE CITY OF OAKDALE  
STATE OF CALIFORNIA  
ORDINANCE 2018-\_\_**

**AN ORDINANCE OF THE CITY OF OAKDALE  
AMENDING CHAPTER 11, FINANCE AND TAXATION  
ADDING CANNABIS BUSINESS TAX, TO ARTICLE VII. IMPOSING A BUSINESS  
LICENSE TAX AT A RATE OF UP TO FIFTEEN PERCENT (15%) ON THE GROSS  
RECEIPTS OF COMMERCIAL CANNABIS BUSINESSES IN CITY**

**THE CITY COUNCIL OF THE CITY OF OAKDALE DOES ORDAIN AS FOLLOWS:**

**WHEREAS**, in 1996, the voters of the state of California approved Proposition 215 (codified as California Health and Safety Code section 11362.5, and known as "The Compassionate Use Act of 1996" of "CUA"); and,

**WHEREAS**, in 2003, the California Legislature passed SB 420 (Medical Marijuana Program Act), which amended the Health and Safety Code to permit the establishment of medical cannabis dispensaries for the distribution of cannabis for medical purposes; and,

**WHEREAS**, on October 9, 2015, Governor Brown signed three bills into law (AB 266, AB 243, and SB 643), collectively referred to as the Medical Marijuana Regulation and Safety Act (the "MMRSA"). MMRSA set up a state licensing system for commercial medical cannabis uses while also allowing cities to maintain local control of cannabis cultivation; and,

**WHEREAS**, in 2016, the voters of California approved Proposition 64 entitled the "Control, Regulate and Tax Adult Use of Marijuana Act" ("AUMA"). AUMA legalized the adult-use and possession of cannabis by persons 21 years of age or older and the personal cultivation of up to six (6) cannabis plants within a private residence; and,

**WHEREAS**, on June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medical and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction; and,

**WHEREAS**, on November 20, 2017, the City Council of the City of Oakdale ("City Council") adopted Ordinances 1251, 1255, and 1256 amending the City of Oakdale's ("City") municipal code, thereby authorizing commercial cannabis activity in the City; and,

**WHEREAS**, the City Council seeks authorization to enact a tax on cannabis businesses; and,



**CITY OF OAKDALE  
ORDINANCE 2018-\_\_\_**

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**WHEREAS**, this Ordinance would tax businesses engaged in commercial cannabis activity at a maximum rate of up to fifteen percent (15%) of monthly gross receipts, as directed by the City Council by resolution; and,

**WHEREAS**, the City Council of the City finds that it is in the best interest of the health, welfare, and safety of the public to submit this Ordinance to the qualified voters of the City at the next Statewide General Election on November 6, 2018.

**NOW, THEREFORE, THE PEOPLE OF THE CITY ORDAIN:**

**SECTION 1.** Article VII, Cannabis Business Tax, of Chapter 11, Finance and Taxation, of the City's Municipal Code shall be added to read as follows:

Sec. 11-60. Definitions.

For the purpose of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

"Business" means professions, trades, occupations, gainful activities, and all and every kind of calling whether or not carried on for profit.

"Cannabis" or "Marijuana" has the meaning as defined in California Health and Safety Code Section 11018.

"Cannabis business" means any business activity involving the commercial cultivation, distribution, and exchange of cannabis, including, but not limited to, the planting, cultivation, harvesting, transporting, manufacturing, compounding, converting, processing, preparing, storing, packaging, providing, wholesale and retail sales, whether fixed, mobile, permanent or temporary, where cannabis is made available, sold, given distributed, or otherwise provided in accordance with the existing laws of the state of California, whether for medical or non-medical reasons.

"City" means the City of Oakdale, a municipal corporation of the state of California, in its present incorporated form or in any later reorganized, consolidated, enlarged, or reincorporated form.

"Collector" means the Director of Finance or other City officer or employee charged with the administration of this chapter.

"Fixed place of business" means the premises occupied in the City for the particular purpose of conducting a business there and regularly kept open for that purpose with a competent person in attendance for the purpose of attending to such business.



**CITY OF OAKDALE  
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"Gross receipts" means the total amount charged or received for the performance of any act, service, or employment of whatever nature it may be, whether or not such service, act, or employment is done as a part of or in connection with the sale of goods, wares, merchandise, for which a charge is made or credit allowed. Gross receipts shall be calculated without any deduction on account of any of the following: (i) the cost of tangible property sold or bartered; (ii) the cost of materials or products used, labor or service cost, interest paid, losses, or other expense; or (iii) transportation costs.

"Person" means all domestic and foreign corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, business or common law trusts, societies, and individuals transacting and carrying on any business in the City.

"Reporting Period" means a year, quarter, or calendar month, as determined by the Collector.

**Sec. 11-61 Cannabis Business Tax.**

A. Every person engaged in a cannabis business shall pay an annual business license tax of up to 15 cents for each \$1.00 of gross receipts, regardless whether the City has authorized the cannabis business.

B. The tax rate shall be set by resolution of the City Council. The City Council may, in its discretion, implement such cannabis business tax rate it deems appropriate, and may by resolution increase or lower such tax rate from time to time, provided that the cannabis business tax shall not exceed 15 cents for each \$1.00 of gross receipts.

C. Any tax adopted by the City Council pursuant to this chapter shall apply only to those cannabis businesses operating outside the scope of a development agreement approved by the City Council. However, the tax may apply to all cannabis businesses in the event the City Council cancels the Cannabis Pilot Program.

D. The Collector shall establish reporting periods for the periodic collection of gross receipts. The reporting period may fall under yearly, quarterly, or monthly reporting, or any reasonable reporting period established by the Collector.

E. Failure to pay the cannabis business tax shall be subject to penalties, interest charges, and assessments, as the City Council may establish by resolution, and the City may use any and all code enforcement remedies available at law to collect such payments.

F. The payment of the cannabis business tax shall not be construed as authorizing the conduct or continuance of any illegal business or of a legal business in an illegal manner. Nothing in this section shall be applied or construed as authorizing the sale of cannabis.



**CITY OF OAKDALE  
ORDINANCE 2018-\_\_\_**

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G. The Collector or his or her designee shall annually audit any cannabis business taxes imposed by this section to verify that tax revenues have been properly expended in accordance with the law.

H. The cannabis business tax is not a sales tax and shall not be assessed as such.

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NOES:                    COUNCIL MEMBERS:  
ABSENT:                COUNCIL MEMBERS:  
ABSTAIN:               COUNCIL MEMBERS:



**CITY OF OAKDALE  
ORDINANCE 2018-\_\_**

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ATTEST:

APPROVED:

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Kathy Teixeira, CMC  
City Clerk

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Pat Paul, Mayor

APPROVED AS TO FORM:

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Thomas P. Hallinan, City Attorney