

CITY OF ENCINITAS
PUBLIC NOTICE OF ORDINANCE ADOPTION
ORDINANCE NO. 2023-03

NOTICE IS HEREBY GIVEN that the City Council of the City of Encinitas has adopted Ordinance No. 2023-03 titled "An Ordinance of the City Council of the City of Encinitas, California adding Chapter 3.28 (Cannabis Business Tax) to Title 3 of the Encinitas Municipal Code establishing a Tax on Cannabis and Hemp Business Activities within the City and amending Ordinance No. 2022-20."

The purpose of this Ordinance is to adopt a tax, for revenue purposes, pursuant to Sections 37101 and 37100.5 of the California Government Code, upon cannabis and hemp businesses that engage in business in the City. The Cannabis Business Tax is to be levied based upon business gross receipts except for commercial cannabis cultivation or commercial industrial hemp cultivation which shall be taxed on square footage. It is not a sales and use tax, a tax upon income, or a tax upon real property and shall not be calculated or assessed as such. The Cannabis Business Tax shall not be separately identified or otherwise specifically assessed or charged to any member, customer, patient, or caretaker. The Cannabis Business Tax is a general tax enacted solely for general, governmental purposes of the City and not for specific purposes. All of the proceeds from the tax imposed by this chapter are intended to be placed in the City's general fund and be available for any lawful municipal purpose. The Cannabis Business Tax shall be levied based upon business gross receipts at rates of between four to seven percent (4% to 7%) on retail cannabis uses, one to four (1% to 4%) on non-retail uses, except for commercial cannabis cultivation or commercial industrial hemp cultivation which shall be taxed on square footage at rates of between two to ten dollars (\$2 to \$10) per square foot of canopy area.

Ordinance No. 2023-03 was introduced at the Regular City Council meeting held on April 12, 2023, and adopted at the Regular City Council meeting held on April 26, 2023, by the following vote: AYES: Blackwell, Ehlers, Hinze, Kranz, Lyndes; NAYS: None; ABSTAIN: None; ABSENT: None. The Ordinance is on file in the office of the City Clerk, 505 South Vulcan Avenue and may be viewed between the hours of 8:00 a.m. and 5:00 p.m. In compliance with the Americans with Disabilities Act/Section 504 Rehabilitation Act of 1973 and Title VI, this agency is an equal opportunity public entity and does not discriminate on the basis of race, color, ethnic origin, national origin, sex, religion, veteran status or physical or mental disability in employment or the provision of service. /Kathy Hollywood, City Clerk