

PUBLIC NOTICE OF ADOPTION OF ORDINANCE

CITY OF MERCED

ORDINANCE NO. 2490

NOTICE IS HEREBY GIVEN that on June 5, 2018, the people of the City of Merced adopted Ordinance No. 2490, entitled:

AN ORDINANCE OF THE PEOPLE OF THE CITY OF MERCED, CALIFORNIA, ADDING CHAPTER 3.52 TO THE CITY OF MERCED MUNICIPAL CODE, APPROVING AND IMPLEMENTING A COMMERCIAL CANNABIS BUSINESS TAX

THE PEOPLE OF CITY OF MERCED ORDAIN:

SECTION 1. Special Tax.

The Commercial Cannabis Business Tax is enacted solely to raise revenue for specific governmental purposes for the City of Merced and not for purposes of regulation. All of the proceeds from the tax imposed by this Ordinance shall be used exclusively to fund local police and fire protection services and parks and recreation services and cannot be spent for any other purpose. Local police, fire protection and parks/recreation services shall each receive a minimum of twenty percent (20%) of the tax revenues annually.

SECTION 2. Purpose.

To impose a tax on the privilege of cultivating, manufacturing, processing, storing, laboratory testing, labeling, packaging, transporting, distributing, delivering, or sale of adult-use or medicinal cannabis or adult-use or medicinal cannabis products by commercial cannabis businesses in the City of Merced. Only commercial cannabis businesses are liable for the tax. It is not a sales tax or other tax levied upon recreational cannabis users or medical marijuana patients, nor is it a tax on real property. These revenues will remain locally-controlled and are not subject to seizure by the State. All

revenues are required to be spent in the City of Merced for local police and fire services and parks and recreation services.

SECTION 3. A new City of Merced Municipal Code Chapter 3.52 is hereby adopted to read:

COMMERCIAL CANNABIS BUSINESS TAX

- 3.52.100 Imposition of Tax.**
- 3.52.200 Definitions.**
- 3.52.300 Payment Obligation.**
- 3.52.400 Remittance.**
- 3.52.500 Payment of Tax Does Not Authorize Unlawful Business or Activity.**
- 3.52.600 Modification, Repeal or Amendment.**
- 3.52.700 Use of Tax Proceeds**
- 3.52.800 Administration.**

Ordinance No. 2490 was approved by the qualified electors of the City at a Special Municipal Election held on June 5, 2018 that was certified by the Merced County Registrar of Voters on June 25, 2018 by the following vote:

YES: 7,371

NO: 2,146

A copy of the full text of Ordinance No. 2490 is available for review in the Office of the City Clerk, City of Merced, 678 West 18th Street, Merced, California, and on the City's website at www.cityofmerced.org.

John Tresidder

ASSISTANT CITY CLERK

PUBLISH: 7/5/2018