

Resolution No. 22-10

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA
ESTABLISHING CANNABIS BUSINESS TAX RATES FOR VARIOUS TYPES OF
COMMERCIAL CANNABIS BUSINESS PERMITS**

WHEREAS, on November 2, 2020, voters of the City of Madera approved Measure R in favor of establishing a cannabis business tax on cannabis and hemp businesses within the City if the City permits and regulates such businesses; and

WHEREAS, the cannabis business tax ordinance approved by the voters is codified in Chapter 4 to Title VI of the Madera Municipal Code; and

WHEREAS, on June 16, 2021, the City Council of the City of Madera adopted Ordinance No. 977 C.S. adding Chapter 5 to Title VI (Cannabis Businesses) to the Madera Municipal Code to establish a regulatory program requiring all commercial cannabis uses to obtain a commercial cannabis business permit issued by the City prior to commencing operation within the City; and

WHEREAS, Madera Municipal Code Section 6-4.05 provides that the Council may by resolution set cannabis business tax rates at annual rates not to exceed \$10.00 per canopy square foot for cultivation (adjustable for inflation), 6% gross receipts for retail businesses, and 4% for all other such businesses; and

WHEREAS, the Council wishes to implement the cannabis business tax at rates authorized under Madera Municipal Code Section 6-4.05.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Madera as follows:

- Section 1. The foregoing recitals are true and correct and incorporated by reference.
- Section 2. The City Council approves the cannabis business tax rates established by this Resolution.
- Section 3. The rate of the cannabis business tax shall be calculated as follows:
- A. For every person engaged in commercial cannabis cultivation, including cultivation of industrial hemp, in the City:
1. Through January 1, 2024, the annual rate shall be:
 - a. Six dollars (\$6.00) per square foot of canopy space in a facility that uses exclusively artificial lighting.

- b. Four dollars (\$4.00) per square foot of canopy space in a facility that uses a combination of natural and supplemental lighting as defined in Section 6-4.04 Q of this chapter.
 - c. Two dollars (\$2.00) per square foot of canopy space in a facility that uses no artificial lighting.
 - d. One dollar (\$1.00) per square foot of canopy space for any nursery.
2. In accordance with Madera Municipal Code Section 6-4.05, on January 1, 2024, and on each January 1, thereafter, the annual tax rates specified above shall increase by the percentage increase in the Consumer Price Index ("CPI") for consumers in the Western Region as published by the United States Government Bureau of Labor Statistics. However, no CPI adjustment resulting in a decrease of any tax imposed by this resolution shall be made.
 3. For every person engaged in the operation of a testing laboratory for cannabis, cannabis products, industrial hemp and/or industrial hemp products s/he/it shall be subject to the tax rate not to exceed one percent (1%) of gross receipts.
 4. For every person engaged in retail sales of cannabis, cannabis products, industrial hemp, and/or industrial hemp products, including as a retailer (dispensary) or non-storefront retailer (retail delivery business), or microbusiness, s/he/it shall be subject to the tax rate not to exceed four percent (4%) of gross receipts.
 5. For every person engaged in distribution of cannabis, cannabis products, industrial hemp and/or industrial hemp products, s/he/it shall be subject to the tax rate not to exceed two percent (2%) of gross receipts.
 6. For every person engaged in manufacturing or processing of cannabis, cannabis products, industrial hemp and/or industrial hemp products, or any other type of cannabis business not described in Section 6-4.05 (C) (1), (2), (3), or (4) s/he/it shall be subject to the tax rate not to exceed two percent (2%) of gross receipts.

Section 3. The City Manager and Finance Director are authorized to establish administrative procedures as they deem necessary to facilitate the orderly and efficient implementation of the cannabis business tax which are consistent with this Resolution.

Section 4. This Resolution shall be effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Madera this 19th day of January 2022 by the following vote:


AYES: Mayor Garcia, Councilmembers Gallegos, Rodriguez, Montes, Evans, Mejia, and Villegas.

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

APPROVED:



SANTOS GARCIA, Mayor

ATTEST:



ALICIA GONZALES, City Clerk

