

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CHULA VISTA SETTING THE CANNABIS CULTIVATION
TAX AT \$25 PER SQUARE FOOT OF CANOPY

WHEREAS, in March 2018, the City Council adopted Ordinance No. 3418, codified as Chula Vista Municipal Code Chapter 5.19, which created a licensing and regulatory structure for the operation of lawful cannabis businesses in the City of Chula Vista (the “Cannabis Licensing Ordinance”); and

WHEREAS, the legal effectiveness of the Cannabis Licensing Ordinance was made expressly contingent upon voter approval of a tax measure imposing an excise tax on all commercial cannabis businesses in the City; and

WHEREAS, in August 2018, the City Council adopted Ordinance No. 3434, adding Chapter 5.21, “Cannabis Business Tax,” to title 5 of the Chula Vista Municipal Code, subject to approval of a simple-majority of the electorate; and

WHEREAS, in November 2018, the voters approved Ordinance No. 3434, which then became effective in December 2018; and

WHEREAS, Chula Vista Municipal Code Section 5.21.060 imposes on every Cannabis Business engaged in Commercial Cannabis Cultivation in the City, an annual tax in an amount to be established by ordinance or resolution of the City Council within the range of \$5 to \$25 per square foot of Canopy; and

WHEREAS, staff surveyed the municipal and county cannabis tax rates statewide and determined that the majority of California cities that allow for cultivation set their square footage tax at \$25 per square foot of canopy; and

WHEREAS, staff is recommending that Council set the initial Commercial Cannabis Cultivation tax at \$25 per square foot of canopy, pursuant to Chula Vista Municipal Code Section 5.21.060.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it does hereby establish the initial Commercial Cannabis Cultivation Tax at \$25 per square foot of Canopy, pursuant to Chula Vista Municipal Code Section 5.21.060..

Presented by

Approved as to form by

Kelley K Bacon

Glen R. Googins

Deputy City manager

City Attorney