

Cannabis Business Tax Consideration of a Draft Ordinance

City Council Meeting
May 15, 2018
Carmen Nichols, Deputy City Manager
Chris Coulter, SCI

Council Action

- Receive information and a presentation regarding Cannabis Business Tax.
 - Provide direction as to taxation model to be used in the ballot language.
 - Direct staff to prepare the ballot language and necessary documents for a Council-initiated ordinance approving and implementing a Cannabis Tax on the November 2018.
 - With these actions, the on June 5th, ballot language and the Cannabis Business Tax Ordinance will be brought to the City Council.
-

Proposed Rates for Ballot Consideration

- Retail Dispensary – 6%
 - Manufacturing – 3.5%
 - Cultivation – 3%
 - Distribution – 2.5%
 - Testing – 1%
 - Nurseries – 1.5%
 - The City can adjust these rates up or down at any time in the future by resolution, and with increases up to the maximum rate of 10%.
 - Multiple operations to be capped at 10% (change from the 8% in report)
-

Council Action

Shall an ordinance be adopted imposing a Cannabis Business Tax on Cannabis operators upon their gross receipts at a rate not to exceed 10%, with initial rates of 6% on retailers, 3.5% on manufacturers, 3% on cultivators, 2.5% on distributors, 1.5% on nurseries and 1% on testing laboratories with a cap of **10%** for multiple operation types estimated to raise \$430,000 to \$1.6 million to fund general municipal expenses?
