



Legislation Text

File #: 17-114, **Version:** 1

RESOLUTION Setting the Cannabis Business Gross Receipts Tax at a Rate of 6% until June 30, 2019, and Increasing to 7% on July 1, 2019, and Increasing to 8% on July 1, 2021.

WHEREAS, on November 8, 2016, San Leandro voters authorized Measure NN (the Cannabis Business Tax), which established a new gross receipts on cannabis businesses of up to 10%; and

WHEREAS, the results of this election were subsequently certified by the City Council on December 19, 2016; and

WHEREAS, the City Council also previously issued three medical cannabis dispensary permits, consistent with the City's adopted medical cannabis dispensary ordinance; and

WHEREAS, the three permitted medical cannabis dispensaries are subject to the new tax created by Measure NN; and

WHEREAS, in the interests of ensuring the success of these new businesses and in recognition of the fact that these businesses have significant up-front capital and tenant improvement costs as well as other significant state and federal taxes, the City Council desires to implement Measure NN with a lower rate of tax during the initial years of implementation, and then gradually increase the tax rate in subsequent years.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

That said cannabis business tax is hereby set at a rate of 6% of gross receipts, which shall remain in effect until June 30, 2019. On July 1, 2019, the tax rate shall then increase to 7% of gross receipts, and then increase to 8% of gross receipts on July 1, 2021.