

**Full Text of Measure W
City of La Habra**

ORDINANCE NO. ____

AN ORDINANCE OF THE PEOPLE OF THE CITY OF LA HABRA, CALIFORNIA AUTHORIZING
A CANNABIS GROSS RECEIPTS BUSINESS TAX AND AUTHORIZING THE CITY COUNCIL TO
ADOPT AN ORDINANCE ALLOWING UP TO FOUR DELIVERY-ONLY (NON-STOREFRONT)
RETAIL CANNABIS LICENSES

THE PEOPLE OF CITY OF LA HABRA ORDAIN AS FOLLOWS:

SECTION 1. Short Title.

This Ordinance may be referred to as the "City of La Habra Cannabis Business Tax and Regulation Ordinance of 2020."

SECTION 2. Purpose.

The purpose of this Ordinance is to authorize the City Council to (i) impose a business tax on cannabis businesses in the City of La Habra and (ii) permit and regulate up to four non-storefront (delivery only) retail cannabis businesses.

SECTION 3. Authorization.

The City Council is authorized to impose, by ordinance, a cannabis business tax. Such tax shall be imposed upon and payable by persons engaged in cannabis businesses in the City. The rate of such tax shall be up to, but not exceed 2.5% of the gross receipts of all cannabis distribution businesses, up to, but not exceed 2.5% of the gross receipts of all cannabis testing businesses, and up to, but not exceed 6% of the gross receipts of all other cannabis businesses.

SECTION 4. Definitions.

For purposes of this Ordinance, "Cannabis Business" means any business that (i) is licensed by the state pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Business & Professions Code Section 26000 et seq.) and/or (ii) involves the retailing, wholesaling, manufacturing, distributing, cultivation or testing of cannabis or cannabis products or the operation of a cannabis nursery. Each definition set forth in Section 5.04.010 of the Municipal Code shall also apply to this Ordinance.

SECTION 5. Use of Funds and Accountability.

The purpose of this Ordinance is to authorize a tax for revenue purposes. Proceeds of any tax imposed under this authorization shall be deposited in the City's General Fund and available for any lawful municipal purpose. Proceeds of the tax shall be audited by an independent accountant as part of the City's annual financial audit and shall be annually reported to the public and presented to the City Council at a public meeting as part of the City's Comprehensive Annual Financial Report or separately from the City's Comprehensive Annual Financial Report.

SECTION 6. Administration.

Any tax imposed pursuant to this Ordinance shall be administered pursuant to Chapter 5.04 of Title 5 of the La Habra Municipal Code. For purposes of this Ordinance, "Gross Receipts" shall have the meaning set forth in Section 5.04.010(C) of the La Habra Municipal Code. Any tax imposed pursuant to this Ordinance is in addition to any other tax imposed by the City, including the generally applicable business license tax.

SECTION 7. Delivery-Only (Non-Storefront) Retail Cannabis Businesses.

The City Council is authorized to adopt an ordinance that provides for the regulation of and authorizes permits for the operation of up to four delivery-only retail cannabis businesses that do not have a retail storefront in the City at which customers may purchase cannabis in person.

SECTION 8. Interpretive Guideline.

This Ordinance does not itself (i) provide authorization to any person to conduct any business or activity in the City or (ii) alter the provisions of Chapter 18.22 of Title 18 of the La Habra Municipal Code. The adoption of this Ordinance is not meant to restrict the ability of the City Council to adopt any ordinance, resolution, or other enactment (including, but not limited to, ordinances permitting or restricting commercial cannabis businesses and land uses) that the City Council would have the ability to enact if this Ordinance were not in effect. Section 7 of this Ordinance shall neither be interpreted to: (i) impose on the City Council an obligation to authorize delivery-only cannabis businesses or (ii) imply that the City Council, absent this ordinance, could not adopt an ordinance of the type authorized by Section 7.

SECTION 9. Amendment.

The City Council, may, without a vote of the People, adopt ordinances that amend or supersede this ordinance in any respect. However, the City Council shall not, without a vote of the People, amend this Ordinance to (i) authorize a cannabis business tax in excess of the rates authorized by Section 3 of this ordinance or (ii) alter or reduce the authority of the City Council to set or reset the rate of any tax authorized by this Ordinance.

The City Council may not raise the rate of the tax authorized by this Ordinance above the rates authorized by Section 3 of this ordinance unless such increase is approved by the voters.

In any ordinance adopted pursuant to the authority of this Ordinance, the City Council may (i) set the tax at any rate that does not exceed the rates authorized by Section 3 of this ordinance for any taxpayer, (ii) increase or decrease the rate of the tax so long as no rate exceeds the rates authorized by Section 3 of this ordinance, (iii) create different rates for different classes of taxpayers, (iv) create exemptions to the tax, (v) create special procedures for the collection of the tax (including, but not limited to, requiring that the tax be paid in advance or that the tax be payable as often as monthly), and (vi) adopt, notwithstanding Section 6 of this Ordinance, any provisions for the administration and collection of the cannabis business tax

that the City Council finds will contribute to the efficient and fair administration of the cannabis business tax.

SECTION 10. Severability.

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The People of the City of La Habra hereby declare that they would have adopted this Ordinance, and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional, without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 11. Effective Date.

If approved by the voters, this ordinance will take effect on the tenth day following the certification by the City Council of the results of the election at which it is approved.