

The City of Bellflower

Families. Businesses. Futures.

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November 29, 2016

Sent Via Email and U.S. Mail

**Email: lglasgow@bos.lacounty.gov
executiveoffice@bos.lacounty.gov
submit@bos.lacounty.gov**

Ms. Lori Glasgow, Executive Officer
County of Los Angeles Board of Supervisors
Kenneth Hahn Hall of Administration
500 West Temple Street, Ste. 383
Los Angeles, CA 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

57 December 20, 2016


LORI GLASGOW
EXECUTIVE OFFICER

RE: Request for Consolidation of One Measure Contest to the Previously Called and Consolidated March 7, 2017, General Municipal Election

Dear Ms. Glasgow:

This letter is to inform you that formal action was taken by the City Council of the City of Bellflower at its November 28, 2016, Regular Meeting to add one measure contest to the previously called March 7, 2017, General Municipal Election submitting to the voters a proposition which would impose a new tax upon cannabis-related businesses and request consolidation with the Special Countywide Election to be held on that same date. A certified copy of Resolution No. 16-81 formally requesting consolidation with the March 7, 2017, Special Countywide Election is enclosed. We respectfully ask that consideration of our request be placed on the Board's agenda as soon as possible.

Certified copies of the election-related resolutions formalizing the City Council's actions are also being provided to Registrar-Recorder/County Clerk Dean C. Logan under separate cover.

If you have any questions or need additional information, please do not hesitate to contact me at Bellflower City Hall, telephone no. (562) 804-1424, extension 2222, or via e-mail at mochiqui@bellflower.org.

As always, thank you for your help and consideration. I look forward to hearing from you.

Sincerely,



Mayra Ochiqui, CMC
City Clerk

Enclosure

cc: Dean C. Logan, Registrar-Recorder/County Clerk (without enclosures)

> Dan Koops
Mayor

Ron Schnablegger
Mayor Pro Tem

Ray Duntton
Council Member

Juan Garza
Council Member

Sonny R. Santa Ines
Council Member

CITY OF BELLFLOWER

RESOLUTION NO. 16-81

A RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ADD A MEASURE CONTEST TO THE PREVIOUSLY CONSOLIDATED GENERAL MUNICIPAL ELECTION TO BE HELD ON MARCH 7, 2017, WITH THE SPECIAL COUNTYWIDE ELECTION TO BE HELD ON THAT DATE PURSUANT TO ELECTIONS CODE § 10403

THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. The City Council finds as follows:

A. The City Council called a general municipal election to be held on March 7, 2017, for the purpose of electing two (2) members of the City Council for a full term of four (4) years and obtained consent from the Board of Supervisors of the County of Los Angeles to consolidate such election to be held with the Special Countywide Election on that same date.

B. The City Council now desires to add a measure contest to the previously called and consolidated general municipal election to be held on March 7, 2017.

SECTION 2. Pursuant to the requirements of California Elections Code section 10403, the Board of Supervisors of the County of Los Angeles is hereby requested to consent and agree to the consolidation of a measure contest on the ballot for the General Municipal Election consolidated with the Special Countywide Election on Tuesday, March 7, 2017.

SECTION 3. A measure is to appear on the ballot as follows:

| | |
|--|------------|
| CANNABIS TAX Shall the proposition imposing a tax on cannabis-related businesses operating within the City of Bellflower be adopted? | YES |
| | NO |

SECTION 4. The complete text of the proposed ballot measure to be submitted to the voters is attached as Exhibit A, Full Text of the Ballot Measure (Ordinance No. 1324).

SECTION 5. The vote requirement for the proposed ballot measure to pass is a majority (50% + 1) of the votes cast.

SECTION 6. The County election department is authorized to canvass the returns of the general municipal election. The election shall be held in all respects as if there were only one election and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide or special election.

SECTION 7. The Board of Supervisors is requested to issue instructions to the County election department to take any and all steps necessary for the holding of the consolidated election.

SECTION 8. The City of Bellflower recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

SECTION 9. The City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the County election department of the County of Los Angeles.

SECTION 10. The City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

SECTION 11. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.


SECTION 12. This Resolution will become effective immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BELLFLOWER ON THIS 28th DAY OF NOVEMBER, 2016.



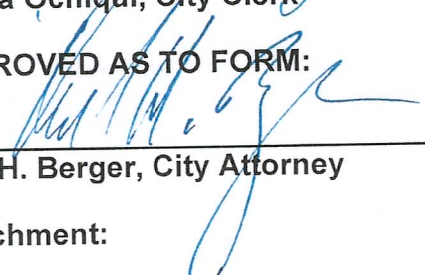
Dan Koops, Mayor

Attest:



Mayra Ochiqvi, City Clerk

APPROVED AS TO FORM:



Karl H. Berger, City Attorney

Attachment:

Exhibit A – Full Text of the Ballot Measure (Ordinance No. 1324)

**EXHIBIT A
FULL TEXT OF THE BALLOT MEASURE**

CITY OF BELLFLOWER

ORDINANCE NO. 1324

**A PROPOSITION ADOPTING AN ORDINANCE TO APPROVE
ARTICLE II OF CHAPTER 3.37 TO TITLE 3 OF THE BELLFLOWER
MUNICIPAL CODE ENTITLED "CANNABIS TAX" AND IMPOSING A
TAX ON VARIOUS CANNABIS-RELATED BUSINESSES**

**THE PEOPLE OF THE CITY OF BELLFLOWER DO HEREBY ORDAIN AS
FOLLOWS:**

SECTION 1. Article II of Chapter 3.37 in Title 3 of the Bellflower Municipal Code ("BMC"), entitled "*Cannabis tax*," is approved to read as follows:

"ARTICLE II – VOTER APPROVED TAX

§ 3.37.040 VOTER APPROVAL REQUIRED.

This Article II of Chapter 3.37 of the Bellflower Municipal Code must be approved by voters in accordance with applicable law.

§ 3.37.050 TAX IMPOSED.

There is established and imposed, beginning July 1, 2017, a cannabis tax in the manner and rates set forth in this chapter.

§ 3.37.060 CANNABIS TAX.

- A. Tax on commercial cannabis cultivation except nurseries.
1. Every person who is engaged in commercial cannabis cultivation in the City must pay an annual Cannabis tax. The initial tax rate effective July 1, 2017 for commercial cannabis cultivation, excluding nurseries, is set at \$15.00 per fiscal year, per square foot of canopy space authorized by each City permit, or by each state license in the absence of a City permit, not deducting for unutilized square footage. The square footage is the maximum square footage of canopy allowed by the City permit for commercial cannabis cultivation, or, in the absence of a City permit, the square footage is the maximum square footage of canopy for commercial cannabis cultivation allowed by the state license type. In no case can canopy square footage which is authorized by the permit or license, but not utilized for cultivation, be deducted for the purpose of determining the tax for cultivation unless duly authorized in writing by the administrator.

1. Beginning on July 1, 2020, the tax rate will automatically increase each fiscal year by \$2.50 per square foot of authorized canopy. Except as otherwise provided, the maximum tax rate is \$25.00 per square foot.

B. Tax on cultivation of cannabis as a nursery.

2. Every person who is engaged in cultivation of cannabis as a nursery as defined in this chapter in the City must pay an annual Cannabis tax. The initial tax rate effective July 1, 2017 is set at \$2.00 per square foot of canopy authorized by each City permit, or by each state license in the absence of a City permit, not deducting for unutilized square footage. The square footage is the maximum square footage of canopy allowed by the City permit for cultivation of cannabis as a nursery, or, in the absence of a City permit, the square footage is the maximum square footage of canopy for cultivation of cannabis as a nursery allowed by the state license type. In no case must canopy square footage which is authorized by the permit or license but not utilized for cultivation as a nursery be deducted for the purpose of determining the tax for cultivation as a nursery unless duly authorized in writing by the administrator.

1. Beginning on July 1, 2020, such tax rate will automatically increase each fiscal year by \$1.50 per square foot of canopy utilized for cannabis cultivation as a nursery. Except as otherwise provided, the maximum tax rate is \$5.00 per square foot per annum.

C. Tax on transportation businesses.

Every person who is engaged in a cannabis transportation business must pay an annual Cannabis tax of \$1,500.00 per year effective July 1, 2017.

D. Tax on all other commercial cannabis businesses.

3. Every person who is engaged in business as a dispensary, manufacturer, testing laboratory, or distribution facility, or engaging in delivery of cannabis in the City must pay an annual commercial Cannabis tax. The initial tax rate effective July 1, 2017 is set at 5% of the gross receipts per fiscal year.

1. Beginning on July 1, 2020, the tax rate will automatically increase each fiscal year by 2.5%. Except as otherwise provided, the maximum tax rate is 10% per fiscal year on gross receipts.

§ 3.37.070 AUTOMATIC TAX INCREASE.

- A. Beginning on July 1, 2024, non-gross receipts based taxes imposed by this chapter will be increased annually each July 1st on a percentage basis using the percentage increase in the consumer price index ("CPI") for all urban consumers as calculated by the United States Department of Labor, Bureau of Labor Statistics, for the Los Angeles-Riverside-Orange County area, for the 12 months ending March 31st of each year.
- B. Notwithstanding any other provisions of this code, the tax imposed in this chapter will be increased by a minimum of one cent (\$0.01) every year for square footage-based or other non-gross receipts based taxes.

§ 3.37.080 REPORTING AND REMITTANCE OF TAX.

- A. Each person required by this chapter to remit a tax must file a return to the administrator on forms approved by the administrator on or before the due date. The full amount of the tax owed must be included with the return and filed with the administrator. The administrator is authorized to require such additional information as deemed necessary to determine if the tax is being levied, collected, and remitted in accordance with this chapter. Pursuant to Revenue and Tax Code § 7284.6, the administrator, and its agents, must maintain such filing returns as confidential information, and not subject to the California Public Records Act.
- B. The Cannabis tax imposed by this chapter is imposed on a fiscal year basis and is due and payable in quarterly installments as follows:
 - 4. Each person or business owing a Cannabis tax must, on or before the last day of the month following the close of each fiscal year quarter remit to the administrator the tax due. The tax due is no less than the quarterly installment due, but the taxpayer may at any time pay the tax due for the entire fiscal year.
 - 1. If the Cannabis tax is owed on commercial cannabis cultivation, the square footage tax due is paid based on the square footage of cultivation authorized by the City permit. The tax will not be prorated or adjusted for any reduction in the square footage authorized but not utilized for cultivation unless duly authorized in writing by the administrator. If the cultivation begins in the middle of a fiscal year, the administrator must prorate, in daily increments, the amount due for the fiscal year.
- C. Tax statements and payments for all outstanding taxes owed the City are immediately due to the administrator upon cessation of business for any reason.

- D. The administrator may establish shorter reporting and payment periods for any taxpayer as the administrator deems necessary to ensure collection of the tax.
- E. The administrator may, as part of administering the tax, modify the form of payment and take such other administrative actions as needed to facilitate collection of the tax.

§ 3.37.090 CONSTITUTIONAL EXEMPTIONS.

- A. The tax imposed by this chapter does not apply to:
 - 5. Any person or service when imposition of the tax upon that person or service would violate a federal or state statute, the Constitution of the United States, or the Constitution of the state of California;
 - 6. The city.
- B. Except as otherwise provided, any person that is exempt from the tax imposed by this chapter must file an application with the administrator for an exemption. The application for a Tax exemption must be made upon a form approved by the administrator and state those facts, declared under penalty of perjury, which qualify the applicant for an exemption, and include the names of all utility service providers serving that person. If deemed exempt by the administrator, such person must give the administrator timely written notice of any change in utility service providers so that the administrator can properly notify the new utility service provider of the person's Tax exempt status.
- C. A person failing to comply with this section is not entitled to a refund of Tax remitted to the administrator from such person as a result of such non-compliance.

§ 3.37.100 SUSPENSION OR REDUCTION.

Nothing in this chapter requires the City Council to collect a tax; the city council may suspend or reduce tax rates imposed by this chapter by resolution after a public hearing.

§ 3.37.110 CITY COUNCIL AUTHORITY TO AMEND.

Unless voter is approval is required by the California Constitution or applicable law, the City Council may exercise all applicable powers set forth in the Government Code including, without limitation, amending this chapter by ordinance upon three affirmative votes by its members. It may, in addition, adopt by ordinance or resolution such additional regulations that may be necessary to implement the purposes of this chapter.”

SECTION 2. *Environmental Analysis.* This Resolution is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 2100, *et seq.*, "CEQA") and CEQA regulations (14 California Code of Regulations §§ 15000, *et seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Resolution does not constitute a "project" that requires environmental review (*see specifically* 14 CCR § 15378(b)(4-5)).

SECTION 3. *Interpretation.* This Proposition must be interpreted so as to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Proposition is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this Proposition. The voters declare that this Proposition, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this Proposition is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Proposition that can be given effect without the invalid application.

SECTION 4. *Severability.* If any portion of this Proposition is held by a court of competent jurisdiction to be invalid, the remainder of the Proposition and the application of such provision to other persons or circumstances will not be affected thereby. We the People indicate our strong desire that: (i) the City Council use its best efforts to sustain and reenact that portion, and (ii) the City Council implement this Proposition by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Proposition, and then adopting or reenacting such portion as necessary or desirable to allow imposition of the tax.

SECTION 5. *Construction.* This Proposition must be broadly construed in order to achieve the purposes stated in this Proposition. It is the intent of the voters that the provisions of this Proposition be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Proposition.

SECTION 6. *Effective Date.* This Proposition will enact and impose a general tax. Accordingly, it will be submitted to a general election on March 7, 2017 for voter approval. If a majority of voters vote in favor of this Proposition, it will become valid and binding ten days after the date that the City Council certifies the election results in accordance with Elections Code § 9217.

SECTION 7. *City Council Authority.* BMC Chapter 3.37 may be repealed or amended by a majority of the City Council without voter approval. However, voter approval is required for any amendment that would increase the rate of any tax levied pursuant to this Proposition as required by California Constitution Article XIII C. Should the provisions of Government Code § 53720, *et seq.* or California Constitution Article XIII C be repealed or amended, or interpreted by the courts so that voter approval is not required for enacting this Proposition, then this Proposition will take effect as provided for all other City ordinances and may be amended in the same manner as all other City ordinances.

SECTION 8. *Effective Date.* The Mayor will sign this Proposition and the City Clerk will attest and certify to the passage and adoption of this Ordinance if a majority of the voters voting in the City's general election on March 7, 2017 approve the Proposition.

I HEREBY CERTIFY MEASURE ___ (ORDINANCE NO. 1324) WAS PASSED, APPROVED, AND ADOPTED BY THE VOTE OF THE PEOPLE OF THE CITY OF BELLFLOWER ON _____.

Mayor

Attest:

City Clerk

APPROVED AS TO FORM:

City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)SS
CITY OF BELLFLOWER)

I, **Mayra Ochiqui**, City Clerk of the City of Bellflower, California, do hereby certify under penalty of perjury that the foregoing Resolution No. 16-81 was duly passed, approved, and adopted by the City Council of the City of Bellflower at its Regular Meeting of November 28, 2016, by the following vote to wit:

AYES: Council Members – Garza, Santa Ines, Schnablegger, Dunton,
and Mayor Koops

Dated: November 29, 2016



Mayra Ochiqui, City Clerk
City of Bellflower, California

(SEAL)

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF BELLFLOWER)

I, **Mayra Ochiqi**, City Clerk of the City of Bellflower, California, do hereby certify under penalty of perjury that the foregoing is a true and correct copy of Resolution No. 16-81 adopted by the City Council of the City of Bellflower at its Regular Meeting of the Bellflower City Council thereof held on the 28th day of November 2016.

**In Witness hereof I have hereunto set
my hand and affixed the seal of the
City of Bellflower, California, this 29th
day of November 2016.**



**Mayra Ochiqi, City Clerk
City of Bellflower, California**