



**CITY OF HEMET
HEMET, CALIFORNIA
ORDINANCE NO. 1988**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
HEMET, CALIFORNIA, ADDING ARTICLE VI (CANNABIS
BUSINESS TAX) TO CHAPTER 72 OF THE HEMET
MUNICIPAL CODE**

**THE CITY COUNCIL OF THE CITY OF HEMET DOES HEREBY ORDAIN AS
FOLLOWS:**

SECTION 1. Adoption.

Article VI (Cannabis Business Tax) of Chapter 74 (Taxation) is hereby added to the
Hemet Municipal Code to read as follows:

ARTICLE VI

CANNABIS BUSINESS TAX

Sections:

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1 **74-150 Title.**

2 This ordinance shall be known as the Cannabis Business Tax Ordinance.

3 **74-151 Authority and Purpose.**

4 The purpose of this Ordinance is to establish implementation and enforcement
5 procedures for the cannabis business tax as authorized by Ordinance No. 1951, adopted
6 by the People of the City of Hemet on November 6, 2018, which established a tax, for
7 revenue purposes, pursuant to Sections 37101 of the California Government Code, upon
8 Cannabis Businesses that engage in business in the City. The Cannabis Business Tax
9 is levied based upon business gross receipts and square footage of cultivation. It is not a
10 sales and use tax, a tax upon income, or a tax upon real property.
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12 The Cannabis Business Tax is a general tax enacted solely for general
13 governmental purposes of the City and not for specific purposes. All of the proceeds from
14 the tax imposed by this Article shall be placed in the City's general fund and be available
15 for any legal municipal purpose.
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17 **74-152 Intent.**

18 The intent of this Ordinance is to levy a tax on all Cannabis Businesses that operate
19 in the City. Nothing in this Ordinance shall be interpreted to authorize or permit any
20 business activity that would not otherwise be legal or permissible under laws applicable to
21 the activity at the time the activity is undertaken.
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23 **74-153 Definitions.**

24 The following words and phrases shall have the meanings set forth below when
25 used in this Article:

26 A. **“Business”** shall include all activities engaged in or caused to be engaged
27 in within the City, including any commercial or industrial enterprise, trade, profession,
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1 occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but
2 shall not include the services rendered by an employee to his or her employer.

3 B. **“Cannabis”** means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis*
4 *indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether
5 crude or purified, extracted from any part of the plant; and every compound, manufacture,
6 salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also
7 means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis”
8 also means marijuana as defined by Section 11018 of the California Health and Safety
9 Code and is not limited to medical cannabis.
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11 C. **“Cannabis product”** means raw cannabis that has undergone a process
12 whereby the raw agricultural product has been transformed into a concentrate, an edible
13 product, or a topical product. “Cannabis product” also means marijuana products as
14 defined by Section 11018.1 of the California Health and Safety Code and is not limited to
15 medical cannabis products.
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17 D. **“Canopy”** means all areas occupied by any portion of a cannabis plant
18 whether contiguous or noncontiguous on any one site. When plants occupy multiple
19 horizontal planes (as when plants are placed on shelving above other plants) each plane
20 shall be counted as a separate canopy area.
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22 E. **“Cannabis business”** means any person engaged in commercial cannabis
23 activity as defined by MAUCRSA, as it may be amended from time to time, and generally
24 means any business activity involving cannabis, including but not limited to cultivating,
25 transporting, distributing, manufacturing, compounding, converting, processing,
26 preparing, storing, packaging, delivering, testing, dispensing, retailing and wholesaling of
27 cannabis, of cannabis products or of ancillary products and accessories, whether or not
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1 carried on for gain or profit.

2 F. **“Cannabis business tax”** or **“business tax,”** means the tax due pursuant
3 to this Article for engaging in cannabis business in the City.

4 G. **“Commercial cannabis cultivation”** means cultivation in the course of
5 conducting a cannabis business.

6 H. **“City permit”** means a permit issued by the City to a person to authorize that
7 person to operate or engage in a cannabis business.

8 I. **“Cultivation”** means any activity involving the planting, growing, harvesting,
9 drying, curing, grading, or trimming of cannabis and includes, but is not limited to, the
10 operation of a nursery.

11 J. **“Employee”** means each and every person engaged in the operation or
12 conduct of any business, whether as owner, member of the owner's family, partner,
13 associate, agent, manager or solicitor, and each and every other person employed or
14 working in such business for a wage, salary, commission, barter or any other form of
15 compensation.

16 K. **“Engaged in business as a cannabis business”** means the commencing,
17 conducting, operating, managing or carrying on of a cannabis business, whether done as
18 owner, or by means of an officer, agent, manager, employee, or otherwise, whether
19 operating from a fixed location in the City or coming into the City from an outside location
20 to engage in such activities. A person shall be deemed engaged in business within the
21 City if:
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- 23 1. Such person or person's employee maintains a fixed place of business
24 within the City for the benefit or partial benefit of such person;
- 25 2. Such person or person's employee owns or leases real property within the
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City for business purposes;

- 3. Such person or person's employee regularly maintains a stock of tangible personal property in the City for sale in the ordinary course of business;
- 4. Such person or person's employee regularly conducts solicitation of business within the City; or
- 5. Such person or person's employee performs work or renders services in the City.

The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

L. **"Evidence of doing business"** means evidence such as, without limitation, use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, or representation to a government agency or to the public that such person is engaged in a cannabis business in the City.

M. **"Calendar year"** means the twelve consecutive month period from the first day of January through the last day of the following December, inclusive.

N. **"Gross Receipts,"** shall have the same meaning as that term is defined in Section 18-44 of the Hemet Municipal Code, as that section may be amended from time to time.

O. **"Lighting"** means a source of light that is primarily used for promoting the biological process of plant growth. Lighting does not include sources of light that primarily exist for the safety or convenience of staff or visitors to the facility, such as emergency lighting, walkway lighting, or light admitted via small skylights, windows or ventilation openings.

P. **"Nursery"** means a facility or part of a facility that is used only for producing

1 clones, immature plants, seeds, and other agricultural products used specifically for the
2 planting, propagation, and cultivation of cannabis.

3 Q. "Person" means an individual, firm, partnership, joint venture, association,
4 corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or
5 any other group or combination acting as a unit, whether organized as a nonprofit or for-
6 profit entity, and includes the plural as well as the singular number.
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8 R. "Sale" means and includes any sale, exchange, or barter.

9 S. "State" means the State of California.

10 T. "State license," "license," or "registration" means a state license issued
11 pursuant to California Business & Professions Code Sections 26050, *et seq.* or other
12 applicable state law.
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14 U. "Tax Administrator" means the Finance Director of the City of Hemet or his
15 or her designee.

16 V. "Testing Laboratory" means a cannabis business that (i) offers or performs
17 tests of cannabis or cannabis products, (ii) offers no service other than such tests, (iii) sells
18 no products, excepting only testing supplies and materials, (iv) is accredited by an
19 accrediting body that is independent from all other persons involved in the cannabis
20 industry in the state and (v) is registered with the Bureau of Cannabis Control.
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22 **74-154 Tax imposed.**

23 A. There is imposed upon each person who is engaged in business as a
24 cannabis business a cannabis business tax. Such tax is payable regardless of whether
25 the business has been issued a cannabis business license or permit to operate lawfully in
26 the City or is operating unlawfully. The City's acceptance of a cannabis business tax
27 payment from a cannabis business operating illegally will not constitute the City's approval
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1 or consent to such illegal operations.

2 B. The initial rate of the cannabis business tax shall be as follows:

3 1. Fifteen cents for each one dollar of gross receipts or fractional part
4 thereof received by a dispensary or any other type of cannabis business not
5 specifically listed below.

6 2. Twenty-five cents for each one dollar of gross receipts or fractional
7 part thereof received by a manufacturing business.

8 3. Thirty dollars per square foot of each cultivation business, not
9 including square footage that is not directly used in cannabis cultivation such as
10 offices, employee lunch/break rooms, restrooms, and storage areas for materials
11 not used in cultivation activities. The maximum rate for this cultivation tax shall
12 increase annually based on the Consumer Price Index for all urban consumers for
13 the Los Angeles-Riverside-Orange County metropolitan area. For purposes of this
14 Article, the square feet of a cultivation business shall be rebuttably presumed to be
15 the maximum square footage of canopy allowed by the business's City permit for
16 commercial cannabis cultivation, or, in the absence of a City permit, the square
17 footage shall be the maximum square footage of canopy for commercial cannabis
18 cultivation allowed by the state license type.

19 C. The City Council may, by resolution or ordinance, impose the tax authorized
20 by this section at a lower rate and may establish exemptions, incentives, or other
21 reductions, and penalties and interest charges or assessments for failure to pay the tax in
22 a timely manner. No action by the city council to impose the tax at a lower rate shall prevent
23 it from later increasing the tax or removing any exemption, incentive, or reduction, and
24 restoring the maximum tax specified.
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D. The maximum annual tax rate per square foot of cultivation shall increase by the percentage change between January of the calendar year prior to such increase and January of the calendar year of the increase in the Consumer Price Index ("CPI") for all urban consumers in the Los Angeles-Riverside-Orange County metropolitan area as published by the United States Government Bureau of Labor Statistics. However, no CPI adjustment resulting in a decrease of any tax imposed by this subsection shall be made.

74-155 Reporting and remittance of tax.

A. The cannabis business tax imposed by this Article shall be paid, in arrears, on a quarterly basis. For commercial cannabis cultivation, the tax due for each calendar quarter shall be based on the square footage of the business's cultivation area during the quarter and the rate shall be twenty-five percent (25%) of the applicable annual rate. For all other cannabis businesses activities, the tax due for each calendar quarter shall be based on the gross receipts for the quarter.

B. Each person owing cannabis business tax for a calendar quarter shall, no later than the last day of the month following the close of the calendar quarter, file with the Tax Administrator a statement of the tax owed for that calendar quarter and the basis for calculating that tax. The Tax Administrator may require that the statement be submitted on a form prescribed by the Tax Administrator. The tax for each calendar quarter shall be due and payable on that same date that the statement for the calendar quarter is due.

C. Upon cessation of a cannabis business, tax statements and payments shall be immediately due for all calendar quarters up to the calendar quarter during which cessation occurred.

D. The Tax Administrator may, at his or her discretion, establish shorter report

1 and payment periods for any taxpayer as the Tax Administrator deems necessary to
2 ensure collection of the tax. The Tax Administrator may also require that a deposit, to be
3 applied against the taxes for a calendar quarter, be made by a taxpayer at the beginning
4 of that calendar quarter. In no event shall the deposit required by the Tax Administrator
5 exceed the tax amount he or she projects will be owed by the taxpayer for the calendar
6 quarter. The Tax Administrator may require that a taxpayer make payments via a cashier's
7 check, money order, wire transfer, or similar instrument.

9 **74-156 Payments and communications – timely remittance.**

10 Whenever any payment, statement, report, request or other communication is due,
11 it must be received by the Tax Administrator on or before the final due date. A postmark
12 will not be accepted as timely remittance. If the due date would fall on a Saturday, Sunday
13 or a holiday observed by the City, the due date shall be the next regular business day on
14 which the City is open to the public.

16 **74-157 Payment - when taxes deemed delinquent.**

17 Unless otherwise specifically provided under other provisions of this Article, the
18 taxes required to be paid pursuant to this Article shall be deemed delinquent if not received
19 by the Tax Administrator on or before the due date.

21 **74-158 Notice not required by the City.**

22 The City may as a courtesy send a tax notice to the business. However, the Tax
23 Administrator is not required to send a delinquency or other notice or bill to any person
24 subject to the provisions of this Article. Failure to send such notice or bill shall not affect
25 the validity of any tax or penalty due under the provisions of this Article.

26 **74-159 Penalties and interest.**

27 A. Any person who fails or refuses to pay any cannabis business tax required
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1 to be paid pursuant to this Article on or before the due date shall pay penalties and interest
2 as follows:

3 1. A penalty equal to ten percent (10%) of the amount of the tax, in
4 addition to the amount of the tax, plus interest on the unpaid tax calculated from the
5 due date of the tax at the rate of one percent (1.0%) per month.
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7 2. If the tax remains unpaid for a period exceeding one calendar month
8 beyond the due date, an additional penalty equal to twenty-five percent (25%) of the
9 amount of the tax, plus interest at the rate of one percent (1.0%) per month on the
10 unpaid tax and on the unpaid penalties.

11 3. Interest shall be applied at the rate of one percent (1.0%) per month
12 on the first day of the month for the full month and will continue to accrue monthly
13 on the tax and penalty until the balance is paid in full.
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15 B. Whenever a check or electronic payment is submitted in payment of a
16 cannabis business tax and the payment is subsequently returned unpaid by the bank for
17 any reason, the taxpayer will be liable for the tax amount due plus any fees, penalties and
18 interest as provided for in this Section, and any other amount allowed under state law.

19 **74-160 Refunds and credits.**

20 A. No refund shall be made of any tax collected pursuant to this Article, except
21 as provided in Section 74-161.
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23 B. No refund of any tax collected pursuant to this Article shall be made because
24 of the discontinuation, dissolution, or other termination of a business.

25 **74-161 Refunds and procedures.**

26 A. Whenever the amount of any cannabis business tax, penalty or interest has
27 been overpaid, paid more than once, or has been erroneously collected or received by the
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1 City under this Article, it may be refunded to the claimant who paid the tax provided that a
2 written claim for refund is filed with the Tax Administrator within one (1) year of the date
3 the tax was originally due and payable.

4 B. The Tax Administrator, his or her designee or any other City officer charged
5 with the administration of this Article shall have the right to examine and audit all the books
6 and business records of the claimant in order to determine the eligibility of the claimant to
7 the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow
8 such examination of claimant's books and business records after request by the Tax
9 Administrator to do so.

10 C. In the event that the cannabis business tax was erroneously paid, and the
11 error is attributable to the City, the City shall refund the amount of tax erroneously paid up
12 to one (1) year from the date that the tax was paid.

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15 **74-162 Personal Cultivation Not Taxed.**

16 The provisions of this Article shall not apply to personal cannabis cultivation as
17 defined in the "Medicinal and Adult Use Cannabis Regulation and Safety Act." This Article
18 shall not apply to personal use of cannabis that is specifically exempted from City and
19 state licensing requirements, that meets the definition of personal use or equivalent
20 terminology under state law, and for which the individual receives no compensation
21 whatsoever related to that personal use.

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23 **74-163 Administration of the tax.**

24 A. It shall be the duty of the Tax Administrator to collect the taxes, penalties,
25 fees, and perform the duties required by this Article.

26 B. For purposes of administration and enforcement of this Article generally, the
27 Tax Administrator may from time to time promulgate such administrative interpretations,
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1 rules, and procedures consistent with the purpose, intent, and express terms of this Article
2 as he or she deems necessary to implement or clarify such provisions or aid in
3 enforcement.

4 C. The Tax Administrator may take such administrative actions as needed to
5 administer the tax, including but not limited to:
6

- 7 1. Provide to all cannabis business taxpayers forms for the reporting of
8 the tax;
- 9 2. Provide information to any taxpayer concerning the provisions of this
10 Article;
- 11 3. Receive and record all taxes remitted to the City as provided in this
12 Article;
- 13 4. Maintain records of taxpayer reports and taxes collected pursuant to
14 this Article;
- 15 5. Assess penalties and interest to taxpayers pursuant to this Article;
- 16 6. Determine amounts owed and enforce collection pursuant to this
17 Article.
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19 **74-164 Appeal procedure.**

20 Any taxpayer aggrieved by any decision of the Tax Administrator with respect to the
21 amount of tax, interest, penalties and fees, if any, due under this Article may appeal the
22 decision filing a notice of appeal with the City Clerk within thirty (30) calendar days of the
23 serving or mailing of the determination of tax due. The City Clerk, or his or her designee,
24 shall fix a time and place for hearing such appeal, and the City Clerk, or his or her
25 designee, shall give notice in writing to such operator at the last known place of address.
26 The appeal shall be heard by the City Council or by the appointed hearing officer. The
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1 finding of the City Council or appointed hearing officer shall be final and conclusive. Any
2 amount found to be due shall be immediately due and payable upon the service of the
3 notice.

4 **74-165 Enforcement - action to collect.**

5 Any taxes, penalties and/or fees required to be paid under the provisions of this
6 Article shall be deemed a debt owed to the City. Any person owing money to the City
7 under the provisions of this Article shall be liable in an action brought in the name of the
8 City for the recovery of such debt. The provisions of this Section shall not be deemed a
9 limitation upon the right of the City to bring any other action including criminal, civil and
10 equitable actions, based upon the failure to pay the tax, penalties and/or fees imposed by
11 this Article or the failure to comply with any of the provisions of this Article.
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13 **74-166 Apportionment.**

14 If a business subject to the tax is operating both within and outside the City, it is the
15 intent of the City to apply the cannabis business tax so that the measure of the tax fairly
16 reflects the proportion of the taxed activity actually carried on in the City. To the extent
17 federal or state law requires that any tax due from any taxpayer be apportioned, the
18 taxpayer may indicate said apportionment on his or her tax return. The Tax Administrator
19 may promulgate administrative procedures for apportionment as he or she finds useful or
20 necessary.
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22 **74-167 Constitutionality and legality.**

23 This tax is intended to be applied in a manner consistent with the United States and
24 California Constitutions and state law. None of the tax provided for by this Article shall be
25 applied in a manner that causes an undue burden upon interstate commerce, a violation
26 of the equal protection or due process clauses of the Constitutions of the United States or
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1 the State of California or a violation of any other provision of the California Constitution or
2 state law. If a person believes that the tax, as applied to him or her, is impermissible under
3 applicable law, he or she may request that the Tax Administrator release him or her from
4 the obligation to pay the impermissible portion of the tax.

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6 **74-168 Audit and examination of premises and records.**

7 A. For the purpose of ascertaining the amount of cannabis business tax owed
8 or verifying any representations made by any taxpayer to the City in support of his or her
9 tax calculation, the Tax Administrator shall have the power to inspect any location where
10 commercial cannabis cultivation occurs and to audit and examine all books and records
11 (including, but not limited to bookkeeping records, state and federal income tax returns,
12 and other records relating to the gross receipts of the business) of persons engaged in
13 cannabis businesses. In conducting such investigation, the Tax Administrator shall have
14 the power to inspect any equipment, such as computers or point of sale machines, that
15 may contain such records.
16

17 B. It shall be the duty of every person liable for the collection and payment to
18 the City of any tax imposed by this Article to keep and preserve, for a period of at least
19 three (3) years, all records as may be necessary to determine the amount of such tax as
20 he or she may have been liable for the collection of and payment to the City, which records
21 the Tax Administrator or his/her designee shall have the right to inspect at all reasonable
22 times.
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24 **74-169 Other licenses, permits, taxes, fees or charges.**

25 A. Nothing contained in this Article shall be deemed to repeal, amend, be in
26 lieu of, replace or in any way affect any requirements for any City permit, permit or license
27 required by, under or by virtue of any provision of any other Article of this Code or any
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1 other ordinance or resolution of the City, nor be deemed to repeal, amend, be in lieu of,
2 replace or in any way affect any tax, fee or other charge imposed, assessed or required
3 by, under or by virtue of any other Article of this Code or any other ordinance or resolution
4 of the City. Any references made or contained in any other Article of this Code to any
5 licenses, license taxes, fees, or charges, or to any schedule of license fees, shall be
6 deemed to refer to the licenses, license taxes, fees or charges, or schedule of license
7 fees, provided for in the other Article of this Code.
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9 B. The Tax Administrator may revoke or refuse to renew the license required
10 by Article XVI of Chapter 18 of this Code for any business that is delinquent in the payment
11 of any tax due pursuant to this Article or that fails to make a deposit required by the Tax
12 Administrator.
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14 **74-170 Payment of tax does not authorize unlawful business.**

15 A. The payment of a cannabis business tax required by this Article, and its
16 acceptance by the City, shall not entitle any person to carry on any cannabis business
17 unless the person has complied with all of the requirements of this Code and all other
18 applicable state laws.

19 B. No tax paid under the provisions of this Article shall be construed as
20 authorizing the conduct or continuance of any illegal or unlawful business, or any business
21 in violation of any local or state law.
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23 **74-171 Deficiency determinations.**

24 If the Tax Administrator is not satisfied that any statement filed as required under
25 the provisions of this Article is correct, or that the amount of tax is correctly computed, he
26 or she may compute and determine the amount to be paid and make a deficiency
27 determination upon the basis of the facts contained in the statement or upon the basis of
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1 any information in his or her possession or that may come into his or her possession within
2 three (3) years of the date the tax was originally due and payable. One or more deficiency
3 determinations of the amount of tax due for a period or periods may be made. When a
4 person discontinues engaging in a business, a deficiency determination may be made at
5 any time within three (3) years thereafter as to any liability arising from engaging in such
6 business whether or not a deficiency determination is issued prior to the date the tax would
7 otherwise be due. Whenever a deficiency determination is made, a notice shall be given
8 to the person concerned in the same manner as notices of assessment are given under
9 Section 74-173.

11 **74-172 Failure to report—nonpayment, fraud.**

12 A. Under any of the following circumstances, the Tax Administrator may make
13 and give notice of an assessment of the amount of tax owed by a person under this Article
14 at any time:

16 1. If the person has not filed a complete statement required under the
17 provisions of this Article;

18 2. If the person has not paid the tax due under the provisions of this
19 Article;

21 3. If the person has not, after demand by the Tax Administrator, filed a
22 corrected statement, or furnished to the Tax Administrator adequate substantiation
23 of the information contained in a statement already filed, or paid any additional
24 amount of tax due under the provisions of this Article; or

25 4. If the Tax Administrator determines that the nonpayment of any
26 business tax due under this Article is due to fraud, a penalty of twenty-five percent
27 (25%) of the amount of the tax shall be added thereto in addition to penalties and
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1 interest otherwise stated in this Article and any other penalties allowed by law.

2 B. The notice of assessment shall separately set forth the amount of any tax
3 known by the Tax Administrator to be due or estimated by the Tax Administrator, after
4 consideration of all information within the Tax Administrator's knowledge concerning the
5 business and activities of the person assessed, to be due under each applicable section
6 of this Article, and shall include the amount of any penalties or interest accrued on each
7 amount to the date of the notice of assessment.
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9 **74-173 Tax assessment - notice requirements.**

10 The notice of assessment shall be served upon the person either by personal
11 delivery, by overnight delivery by a nationally-recognized courier service, or by a deposit
12 of the notice in the United States mail, postage prepaid thereon, addressed to the person
13 at the address of the location of the business or to such other address as he or she shall
14 register with the Tax Administrator for the purpose of receiving notices provided under this
15 Article; or, should the person have no address registered with the Tax Administrator for
16 such purpose, then to such person's last known address. For the purposes of this Section,
17 a service by overnight delivery shall be deemed to have occurred one (1) calendar day
18 following deposit with a courier and service by mail shall be deemed to have occurred
19 three (3) days following deposit in the United States mail.
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22 **74-174 Tax assessment - hearing, application and determination.**

23 Within thirty (30) calendar days after the date of service the person may apply in
24 writing to the Tax Administrator for a hearing on the assessment. If application for a
25 hearing before the City is not made within the time herein prescribed, the tax assessed by
26 the Tax Administrator shall become final and conclusive. Within thirty (30) calendar days
27 of the receipt of any such application for hearing, the Tax Administrator shall cause the
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1 matter to be set for hearing before him or her no later than thirty (30) calendar days after
2 the receipt of the application, unless a later date is agreed to by the Tax Administrator and
3 the person requesting the hearing. Notice of such hearing shall be given by the Tax
4 Administrator to the person requesting such hearing not later than five (5) calendar days
5 prior to such hearing. At such hearing said applicant may appear and offer evidence why
6 the assessment as made by the Tax Administrator should not be confirmed and fixed as
7 the tax due. After such hearing the Tax Administrator shall determine and reassess the
8 proper tax to be charged and shall give written notice to the person in the manner
9 prescribed in **Section 74-173** for giving notice of assessment.

11 **74-175 Relief from taxes -disaster relief.**

12 A. If a business is unable to comply with any tax requirement due to a disaster,
13 the business may notify the Tax Administrator of this inability to comply and request relief
14 from the tax requirement. A request for relief must clearly indicate why relief is requested,
15 the time period for which the relief is requested, and the reason relief is needed for the
16 specific amount of time.

18 B. To obtain relief, the cannabis business must agree to grant the Tax
19 Administrator or his/her designee access to the location where the cannabis business has
20 been impacted due to a disaster.

22 C. The Tax Administrator, in his/her sole discretion, may provide relief from the
23 cannabis business tax requirement for businesses whose operations have been impacted
24 by a disaster of such tax liability does not exceed five thousand (\$5,000) dollars. If such
25 tax liability is five thousand one (\$5,001) dollars or more than such relief shall only be
26 approved by the City Council.

27 D. Temporary relief from the cannabis tax may be granted for a reasonable
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1 amount of time as determined by the Tax Administrator or the City Council, as applicable
2 in order to allow the cannabis business time to recover from the disaster.

3 E. The Tax Administrator or City Council, as applicable, may require that
4 certain conditions be followed in order for a cannabis business to receive temporary relief
5 from the cannabis business tax requirement.
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7 F. For purposes of this section, "disaster" means fire, flood, storm, tidal wave,
8 earthquake, or similar public calamity, whether or not resulting from natural causes.

9 **74-176 Conviction for violation - taxes not waived.**

10 The conviction and punishment of any person for failure to pay the required tax shall
11 not excuse or exempt such person from any civil action for the tax debt unpaid at the time
12 of such conviction. No civil action shall prevent a criminal prosecution for any violation of
13 the provisions of this Article or of any state law requiring the payment of all taxes.
14

15 **74-177 Violation deemed misdemeanor.**

16 Any person violating any of the provisions of this Article shall be guilty of a
17 misdemeanor.

18 **74-178 Severability.**

19 If any provision of this Article, or its application to any person or circumstance, is
20 determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise
21 void, that determination shall have no effect on any other provision of this Article or the
22 application of this Article to any other person or circumstance and, to that end, the
23 provisions hereof are severable.
24

25 **74-179 Remedies cumulative.**

26 All remedies and penalties prescribed by this Article or which are available under
27 any other provision of the Hemet Municipal Code and any other provision of law or equity
28

1 are cumulative. The use of one or more remedies by the City shall not bar the use of any
2 other remedy for the purpose of enforcing the provisions of this Article.

3
4 **SECTION 2. Deletion.**

5 Section 90-79 of the Hemet Municipal Code is hereby deleted.

6
7 **SECTION 3. Environmental Determination.**

8 The City Council finds the adoption of this Ordinance is not subject to the California
9 Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not
10 result in a direct or reasonably foreseeable indirect physical change in the environment),
11 15060(c)(3) (the activity is not a project as defined in Section 15378 because the activity
12 relates to organizational or administrative activities of governments that will not result in
13 direct or indirect physical changes in the environment under Section 15378(b)(5)), and
14 15061(b)(3) (the activity will not have an effect on the environment) of the CEQA
15 Guidelines, California Code of Regulations, Title 14, Article 3, because this ordinance has
16 no potential for resulting in physical change to the environment, directly or indirectly.

17
18 **SECTION 4. Severability.**

19 While it is the intent City Council to adopt policies and procedures implementing a
20 comprehensive tax on commercial cannabis activities within the City of Hemet, if any
21 provision of this Ordinance or the application thereof to any person or circumstances is
22 held invalid, such invalidity shall not affect other provisions or applications of this
23 Ordinance which can be given effect without the invalid provision or application, and to
24 this end, the provisions of this Ordinance are severable. The City Council of the City of
25 Hemet declares that they would have adopted this Ordinance irrespective of the invalidity
26 of any particular portion thereof.
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INTRODUCED at the regular meeting of Hemet City Council on December 14, 2021.



Malcolm Llienthal, Mayor

ATTEST:



John Paul Maier, City Clerk

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State of California)
County of Riverside)
City of Hemet)

I, John Paul Maier, City Clerk of the City of Hemet, do hereby certify that the foregoing Ordinance is the actual Ordinance adopted by the City Council of the City of Hemet and was passed at a regular meeting of the City Council on the 11th day of January, 2022

AYES: Council Members: Krupa, Brown, Males, Mayor Pro Tem Meyer, Mayor Lilienthal
NOES: Council Members: None.
ABSTAIN: Council Members: None.
ABSENT: Council Members: None.



John Paul Maier, City Clerk