

**CITY OF HEMET
HEMET, CALIFORNIA
RESOLUTION NO. 2021-098**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HEMET, CALIFORNIA, SETTING CANNABIS BUSINESS
LICENSE TAX RATES**

The City Council of the City of Hemet, California (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, Ordinance No. 1951, as adopted by the electorate of the City of Hemet on November 6, 2018, establishes a tax on every cannabis business operating in the City of Hemet pursuant to Government Code section 37101; and

WHEREAS, Section 2(B) of Ordinance No. 1951 states that "[t]he city council may impose the tax authorized by this paragraph A at a lower rate and may establish exemptions, incentives, or other reductions, and penalties and interest charges or assessments for failure to pay the tax in a timely manner. No action by the city council to impose the tax at a lower rate shall prevent it from later increasing the tax or removing any exemption, incentive, or reduction, and restoring the maximum tax specified in this paragraph A."; and

WHEREAS, the City Council desires to impose the taxes authorized by Ordinance No. 1951 at the rates stated below.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HEMET FINDS, DETERMINES, ORDERS AND RESOLVES AS FOLLOWS:

SECTION 1. Findings. The recitals set forth above are hereby adopted as findings in support of this Resolution.

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SECTION 2. Fee Schedule. The following tax rates are hereby established and adopted for the operation of cannabis businesses operating in the City of Hemet:

1. 8 cents for each one dollar of gross receipts or fractional part thereof received by any cannabis business engaging in retail sales, including any microbusiness engaging in retail sales.
2. 3 cents for each one dollar of gross receipts or fractional part thereof received by any cannabis business engaging in manufacturing, including any microbusiness engaging in manufacturing.
3. 2 cents for each one dollar of gross receipts or fractional part thereof received by any cannabis business engaging in distribution, including any microbusiness engaging in distribution.
4.
 - a. For the first and second years of operation, 5 dollars per square foot per year for any cannabis business engaging in cultivation, not including square footage that is not directly used in cannabis cultivation such as offices, employee lunch/break rooms, restrooms, and storage areas for materials not used in cultivation activities, or, in the case of microbusinesses, square footage devoted to another business activity.
 - b. For each subsequent year thereafter, 10 dollars per square foot per year for any cannabis business engaging in cultivation, not including square footage that is not directly used in cannabis cultivation such as offices, employee lunch/break rooms, restrooms, and storage areas for materials not used in cultivation activities, or, in the case of microbusinesses, square footage devoted to another business activity.

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5. 4 cents for each one dollar of gross receipts or fractional part thereof received by any cannabis business engaging in another activity not specifically listed above, including any microbusiness engaging in a business activity not specifically listed above.


SECTION 3. CEQA Findings. The City Council hereby finds that the adoption of this Resolution is exempt pursuant to Section 15061(b)(3) of the Guidelines of the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment.

SECTION 4. Effective Date. This resolution shall take effect and be in force immediately.

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PASSED, APPROVED AND ADOPTED this 12th day of October, 2021.


Karlee Meyer, 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 resolution was adopted by the Hemet City Council on the 12th day of October, 2021, and was passed by the following vote:

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



John Paul Maier, City Clerk