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NB-17

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April 13, 2021

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution of the City Council of the City of Long Beach in Support of Senate Bill 603, which Provides for a Cannabis License Deferral and Waiver Fee Program; Tax Credit. (Citywide)

DISCUSSION:

Pursuant to your request of April 6, 2021, this office has prepared and submits the above-described resolution for your consideration.

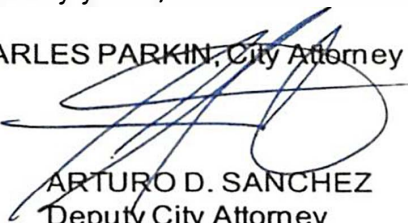
SUGGESTED ACTION:

Approve recommendation.

Very truly yours,

CHARLES PARKIN, City Attorney

By:


ARTURO D. SANCHEZ
Deputy City Attorney

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF LONG BEACH IN SUPPORT OF SENATE BILL 603,
WHICH PROVIDES FOR A CANNABIS LICENSE DEFERRAL
AND WAIVER FEE PROGRAM; TAX CREDIT

WHEREAS, California State Senator Steven Bradford, representing the
35th District, introduced Senate Bill 603 (“SB 603”) which is currently being reviewed by
the Senate Committee on Governance and Finance; and

WHEREAS, the Medicinal and Adult-Use Cannabis Regulation And Safety
Act (“MAUCRSA”) requires the Bureau of Cannabis Control in the Department of
Consumer Affairs to administer a grant program to assist with the development of a local
jurisdiction’s local equity program or to assist applicants and licensees in a local
jurisdiction’s equity program, and authorizes the bureau to provide technical assistance to
the local equity program; and

WHEREAS, MAUCRSA defines a local equity program to mean a program
adopted or operated by a local jurisdiction that focuses on inclusion and support of
individuals and communities in California’s cannabis industry who are linked to
populations or neighborhoods that were negatively or disproportionately impacted by
cannabis criminalization; and

WHEREAS, MAUCRSA required a state licensing authority, on or before
January 1, 2021, to develop and implement a program to provide a deferral or waiver for
an application fee, a licensing fee, or a renewal fee for a needs-based applicant or
needs-based licensee. Existing law made the operation of those provisions contingent
upon an appropriation in the annual Budget or another statute for purposes of those
provisions; and

WHEREAS SB 603 would remove the above-mentioned date and the

1 appropriation condition on the operation of those provisions thereby requiring a state
2 licensing authority to develop and implement that fee deferral and waiver program; and

3 WHEREAS, SB 603 would amend Section 26249 of the Business and
4 Professions Code to require the state licensing authority to develop and implement a
5 program to provide a deferral or waiver for an application fee, a licensing fee, or a
6 renewal fee for a needs-based applicant or needs-based licensee; and

7 WHEREAS the Personal Income Tax Law allows various credits against the
8 taxes imposed by that law. Existing law requires any bill authorizing a new tax
9 expenditure to contain, among other things, specific goals, purposes, and objectives that
10 the tax expenditure will achieve, detailed performance indicators, and data collection
11 requirements; and

12 WHEREAS, SB 603 will allow a credit against those taxes for each taxable
13 year beginning on or after January 1, 2021, equal to the amount of state and local
14 cannabis licensing fees paid by a local equity applicant or a local equity licensee, as
15 those terms are defined by MAUCRSA. SB 603 also would state the intent of the
16 Legislature to comply with the additional information requirement for any bill authorizing a
17 new income tax credit; and

18 WHEREAS, SB 603 will add Section 17053.71 to the Revenue and
19 Taxation Code, which will provide for a cannabis equity business tax credit equal to the
20 amount of state and local cannabis licensing fees paid by either a local equity applicant
21 or local equity licensee as defined in Section 26240 of the Business and Professions
22 Code;

23 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
24 follows:

25 Section 1. The City Council of the City of Long Beach does hereby
26 indicate its support of SB 603, which establishes a cannabis license deferral and waiver,
27 and tax credit. By providing this needed relief to social equity businesses, SB 603 will
28 help businesses owned by communities of color and provide low income earners with job

1 opportunities.

2 Section 2. This resolution shall take effect immediately upon its adoption
3 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

4 I hereby certify that the foregoing resolution was adopted by the City
5 Council of the City of Long Beach at its meeting of _____, 2021, by the
6 following vote:

7

8 Ayes: Councilmembers: _____

9 _____

10 _____

11 _____

12 Noes: Councilmembers: _____

13 _____

14 Absent: Councilmembers: _____

15 _____

16 Recusal(s): Councilmembers: _____

17 _____

18 _____

19 _____

City Clerk

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