



OFFICE OF THE CITY ATTORNEY
Long Beach, California

ORD-28

CHARLES PARKIN
City Attorney

MICHAEL J. MAIS
Assistant City Attorney

PRINCIPAL DUPLICATES

Gary J. Anderson
Charles M. Gale
Anne C. Lattime
Howard D. Russell

DUPLICATES

David R. Albers
C. Geoffrey Allred
Taylor M. Anderson
Richard F. Anthony
William R. Baerg
Sarah E. Green
Monica J. Kilaita
Nicholas J. Masero
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Arturo D. Sanchez
Chelsea N. Trotter
Todd Vigus
Amy R. Webber
Erin Weesner-McKinley
Theodore B. Zinger

December 17, 2019

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Recommendation to declare ordinance amending Long Beach Municipal Code Subsection 3.80.261.C.4, to reduce cannabis business license tax rates for manufacturers, distributors and testing laboratories to one percent (1%) of gross receipts, read the first time and laid over to the next regular meeting of the City Council for final reading. (Citywide)

DISCUSSION

Pursuant to your request of December 3, 2019, the attached ordinance has been prepared and is submitted for your consideration. This ordinance reduces cannabis business license tax rates from the current rate of six percent (6%) to one percent (1%) for manufacturers, distributors and testing laboratories.

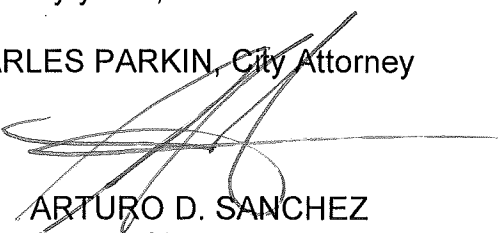
SUGGESTED ACTION:

Approve recommendation.

Very truly yours,

CHARLES PARKIN, City Attorney

By


ARTURO D. SANCHEZ
Deputy City Attorney

REDLINE

1 4. Every marijuana business, whether medical or non-
2 medical, that is engaged in marijuana distribution, transport, processing, or testing
3 within the City, shall pay business tax at a rate of up to eight percent (8%) of gross
4 receipts. The tax which was shall be initially set at a rate of six percent (6%), is
5 reduced and set at a rate of one percent (1%). The tax under this section shall not
6 be increased on marijuana businesses unless and until the City Council by
7 ordinance takes action, and the tax rate shall not exceed eight percent (8%) of
8 gross receipts. If a marijuana business that is engaged in marijuana distribution,
9 transport, processing, or testing, is also engaged in marijuana retail sale or delivery
10 of the same marijuana and marijuana products, then it shall pay the business taxes
11 set forth in paragraphs C.1. or C.2., as applicable, for retail sale or delivery of any
12 marijuana or marijuana products and is not required to pay the business taxes set
13 forth in this paragraph for marijuana distribution, transport, processing, or testing
14 for the same marijuana and marijuana products. The marijuana business has the
15 burden of proving that the marijuana or marijuana products involved in distribution,
16 transport, processing, or testing are the same.

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CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4511

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ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH AMENDING THE LONG BEACH
MUNICIPAL CODE BY AMENDING SUBSECTION
3.80.261.C.4 RELATING TO MARIJUANA BUSINESSES
BUSINESS LICENSE TAX RATES

The City Council of the City of Long Beach ordains as follows:

Section 1. Subsection 3.80.261.C.4 of the Long Beach Municipal Code is amended to read as follows:

4. Every marijuana business, whether medical or non-medical, that is engaged in marijuana distribution, transport, processing, or testing within the City, shall pay business tax at a rate of up to eight percent (8%) of gross receipts. The tax which was initially set at a rate of six percent (6%), is reduced and set at a rate of one percent (1%). The tax under this section shall not be increased on marijuana businesses unless and until the City Council by ordinance takes action, and the tax rate shall not exceed eight percent (8%) of gross receipts. If a marijuana business that is engaged in marijuana distribution, transport, processing, or testing, is also engaged in marijuana retail sale or delivery of the same marijuana and marijuana products, then it shall pay the business taxes set forth in paragraphs C.1. or C.2., as applicable, for retail sale or delivery of any marijuana or marijuana products and is not required to pay the business taxes set forth in this paragraph for marijuana distribution, transport, processing, or testing for the same marijuana and marijuana products. The marijuana business has the burden of proving that the marijuana or marijuana products involved in distribution, transport, processing, or testing are the same.

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Section 2. The City Clerk shall certify to the passage of this ordinance by the City Council and cause it to be posted in three (3) conspicuous places in the City of Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the Mayor.

I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Long Beach at its meeting of _____, 2020, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

Approved: _____
(Date)

Mayor