

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA
DECLARING AN EMERGENCY PURSUANT TO ARTICLE XIII C, SECTION 2(b) OF
THE CALIFORNIA CONSTITUTION FOR PURPOSES OF PLACING THE CANNABIS
BUSINESS TAX ON THE BALLOT AT A SPECIAL ELECTION TO BE HELD ON
JUNE 5, 2018**

WHEREAS, the City of Pasadena has responsibly and proactively managed its finances and its taxpayer dollars through deliberative budget and decision-making processes; and

WHEREAS, in November 1996, California voters passed Proposition 215, legalizing the medical use of cannabis, and in June 2017, the Governor signed into law the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), establishing a licensing regime for both medical and adult recreational use cannabis; and

WHEREAS, in November 2016, California voters passed Proposition 64 to legalize adult recreational use of cannabis and to allow businesses that support such cannabis to operate legally, subject to regulations imposed by state and local public entities; and

WHEREAS, the City has historically and continues to currently ban all commercial cannabis activities except for deliveries and personal cultivation, in order to protect the public health and safety of Pasadena residents; and

WHEREAS, despite such ban, unlicensed and unregulated cannabis businesses have proliferated throughout the City and have illegally engaged in

commercial cannabis activities, creating burdens on nearby homes and businesses, causing secondary effects; and

WHEREAS, the City has been increasingly forced to spend general fund monies to attempt to shut down such illegal cannabis businesses over the past several years, committing police, fire, code enforcement, and legal resources to addressing the illegal cannabis businesses; and

WHEREAS, the City will continue to spend general fund monies to address illegally operating cannabis businesses, until such businesses are closed; and

WHEREAS, the City Council seeks to ensure effective public oversight of cannabis businesses; and

WHEREAS, as a result of the above-mentioned changes to State law, particularly with the passage of Proposition 64 and, more recently, MAUCRSA, there has been an increasingly strong interest by cannabis businesses to operate in the City; and

WHEREAS, even if cannabis businesses were legal and permitted by the City, the City will still be forced to spend general fund monies to address the secondary effects of cannabis businesses, such as increased requests for police and fire services; and

WHEREAS, the City does not currently impose any taxes upon cannabis businesses, aside from generally applicable municipal taxes; and

WHEREAS, the City Council must identify a funding source to support regulation of cannabis businesses to maintain existing community standards, safe neighborhoods and a strong local economy, which includes providing fast and effective 911 services, police and fire protection, road repairs, quality neighborhood parks and recreation areas, and other vital community services; and

WHEREAS, the City Council seeks to require cannabis businesses, whether legal or not, to pay their fair share of taxes to fund vital City services, and the existing business tax, generally levied on all businesses in the City, will not generate sufficient revenue to pay the City's costs of regulating new and unique cannabis businesses in the City; and

WHEREAS, the City Council desires to seek to impose a supplemental license tax upon cannabis businesses, to be known as the "Cannabis Business Tax," which requires voter approval and should be placed before the voters at the earliest opportunity, which would be at a special election in June of 2018; and

WHEREAS, should the City permit and support the cannabis industry in conformance with Proposition 215, Proposition 64, and, most recently, the enactment of MAUCRSA, this would present significant cost implications for the City of Pasadena, due to substantial costs to the City of adopting and implementing regulations to govern this new industry, enforcing those regulations, ensuring public safety, educating residents and businesses, addressing environmental concerns, providing economic development services, and providing other related services.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena that:

Section 1. The City Council hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The City Council unanimously finds and declares the existence of a fiscal emergency within the City, for the reasons described in the Recitals, and as that term is used in article XIII C, Section 2(b) of the California Constitution, justifying calling for a special municipal election on June 5, 2018 in order that the City may propose, and the City voters may consider, adoption of a general tax measure intended to address that emergency.

Section 3. As a result of this declaration, and pursuant to Section 2(b) of Article XIII A of the Constitution, a general tax measure intended to address the fiscal emergency requires approval by a majority of those casting ballots on the measure (50% plus one).

Section 4. This Resolution shall be effective immediately upon adoption.

Adopted at the regular meeting of the City Council on the ___ day of _____,

2018 by the following vote:

AYES:

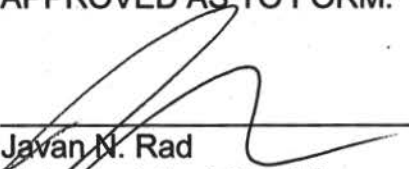
NOES:

ABSENT:

ABSTAIN:

Mark Jomsky, CMC
City Clerk

APPROVED AS TO FORM:



Javan N. Rad
Chief Assistant City Attorney