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From: Councilmember At-Large Rebecca Kaplan

Re: A Resolution Establishing Budget Priorities for Expenditure Of Marijuana Business Taxes Collected By The City of Oakland

Dear Colleagues on the City Council and Members of the Public,

As we work to expand and improve permitting and regulating of cannabis facilities in the City of Oakland, one issue which has arisen is how to ensure that some of the growing revenue will be used in ways that will serve vital, under-served community needs. In order to ensure that the broader community benefits from this growing revenue, and that those who have historically been left behind are not continually excluded from benefits, it would be helpful to commit a portion of this growing revenue to specified under-served needs.

The City of Oakland has approved specific gross receipts tax rates for cannabis businesses. In November 2010, Oakland's electorate approved business license taxes of five percent of gross receipts medical marijuana business and ten percent of gross receipts on adult use (non-medical) marijuana businesses.

A portion of this tax revenue should support important policy objectives, including blight removal, illegal dumping abatement, and job access programs. Therefore, I have authored the attached Resolution which would establish budget priorities for 20% of the marijuana business taxes that the City collects, to be heard at the Special City Council Meeting on November 14, 2016.

Respectfully submitted,

Adrian Caplan

Councilmember At-Large Rebecca Kaplan

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APPROVED AS TO FORM AND LEGALITY

DRAFT

City Attorney

INTRODUCED BY COUNCILMEMBER KAPLAN

OAKLAND CITY COUNCIL
RESOLUTION No. _____ C.M.S.

**A RESOLUTION ESTABLISHING BUDGET PRIORITIES FOR
EXPENDITURE OF MARIJUANA BUSINESS TAXES COLLECTED BY
THE CITY PURSUANT TO OAKLAND MUNICIPAL CODE SECTION
5.04.480 AND 5.04.481**

WHEREAS, through the passage of Proposition 215, the voters of California authorized the use of cannabis for medical purposes in 1996; and

WHEREAS, by a 79% vote in favor of the proposition, the voters of Oakland overwhelmingly approved Proposition 215; and

WHEREAS, the City Council of the City of Oakland has adopted medical cannabis permitting ordinances to prevent nuisance, provide for effective controls, enable medical cannabis patients to obtain cannabis from safe sources, and provide appropriate licensing in a manner consistent with state law, as codified at Chapters 5.80 and 5.81 of the Oakland Municipal Code; and

WHEREAS, in November 2010, the City's electorate approved business license taxes for imposition on medical marijuana businesses at 5% (five percent), which taxes are codified at Section 5.04.480 of the Oakland Municipal Code, and 10% for adult use cannabis businesses, which taxes are codified at Section 5.04.481 of the Oakland Municipal Code; and

WHEREAS, the City Council of the City of Oakland desires to establish budget priorities for a 20% (20 percent) portion of the taxes collected pursuant to Section 5.04.480 of the Oakland Municipal Code for expenditure on services to support (1) job training and related services, (2) urgent needs such as City beautification, blight abatement projects and services for homeless persons, and (3) the provision of loans for lower-income, under-served persons who seek to open, or to continue operating, medical marijuana dispensaries or cultivation facilities in the City's jurisdiction.

**THE COUNCIL OF THE CITY OF OAKLAND DOES HEREBY RESOLVE AS
FOLLOWS:**

Section 1. Budget Priorities. The City Administrator shall budget for the expenditure of (20%) of the taxes collected pursuant to Section 5.04.480 of the Oakland Municipal Code for the following services:

1. One third for job training and other job-preparation and placement services;
2. One third for blight abatement, prevention and cleanup of illegal dumping, graffiti

abatement, and services for homeless persons;

3. One third to fund loans for lower-income, under-served persons or entities who seek to open, or to continue operating, medical marijuana dispensaries or cultivation facilities in the City's jurisdiction, in compliance with Chapters 5.80 and/or 5.81 of the Oakland Municipal Code.

Section 2. Severability. The provisions of this Resolution are severable. If a court of competent jurisdiction determines that any word, phrase, clause, sentence, paragraph, subsection, section, chapter or other provision (collectively called "Part") is invalid, or that the application of any Part of this Resolution to any person or circumstance is invalid, such decision shall not affect the validity of the remaining Parts of this Resolution. The City Council declares that it would have adopted this Resolution irrespective of the invalidity of any Part of this Resolution or its application to such persons or circumstances have expressly excluded from its coverage.

Section 3. California Environmental Quality Act Requirements. This Ordinance is exempt from the California Environmental Quality Act, Public Resources Code section 21000 et seq., including without limitation" Public Resources Code section 21065, CEQA Guidelines 15378(b)(4) and 15061(b)(3), as it can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, AND
PRESIDENT GIBSON MCELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California