

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF DESERT HOT SPRINGS, CALIFORNIA, AMENDING TITLE 3 "REVENUE AND FINANCE" OF THE DESERT HOT SPRINGS MUNICIPAL CODE TO ADD CHAPTER 3.34 "MARIJUANA TAX" IMPLEMENTING A MONTHLY \_\_\_\_\_ PERCENT (\_\_\_\_%) TAX ON THE PROCEEDS FROM THE SALE/PROVISION OF MARIJUANA FOR CASUAL/RECREATIONAL USE, FOR THE PURPOSE OF FUNDING GENERAL MUNICIPAL SERVICES**

**THE PEOPLE OF THE CITY OF DESERT HOT SPRINGS ORDAIN AS FOLLOWS:**

**Section 1.                      Marijuana Tax**

That Title 3 "Revenue and Finance" of the Desert Hot Springs Municipal Code is hereby amended as follows:

**Chapter 3.34**

**MARIJUANA TAX**

**3.34.005              Imposition of Tax.**

In the event the casual/recreational use of marijuana is legalized or decriminalized in California, any person or entity legally selling or providing marijuana for casual/recreational use within the City shall pay to the City a monthly tax of \_\_\_\_\_ percent (\_\_\_\_%) of its proceeds from such sales or provision.

**3.34.010              Purpose.**

The purpose of this tax is to raise revenue to fund general municipal services.

**3.34.020              Customers.**

This tax shall not be specifically charged or assessed to any customers or consumers of marijuana subject to this tax. Payment and remittance of the tax to the City shall solely be the responsibility of the person or entity selling or providing the marijuana in the City.

**3.34.050              Proceeds.**

"Proceeds" shall mean gross receipts of any kind, including without limitation, membership dues; the value of in-kind contributions, exchanges, bartered goods or services; the value of volunteer work; reimbursements provided by members regardless of form; cash payments; and anything else of value obtained by any person or entity for legally selling or providing marijuana in the City.

**3.34.060              Modification, Repeal or Amendment.**

The City Council may repeal this chapter, or amend it in a manner which does not result in an increase in the amount of the tax or broaden the scope of the tax imposed herein, without further voter approval. If the City Council repeals any provision of this chapter, it may

subsequently reenact it without voter approval, as long as the reenacted provision does not result in an increase in the amount of the tax or broaden the scope of the tax imposed herein.

### **3.34.070 Administration.**

The City Manager, or designee, and/or the City Council by ordinance, may promulgate regulations to implement and administer the provisions of this chapter.

### **3.34.080 Penalties.**

Any entity that fails to pay the taxes required by this chapter within thirty (30) days after the due date shall pay in addition to the taxes a penalty for nonpayment in a sum equal to twenty-five percent (25%) of the total amount due. Additional penalties will be assessed in the following manner: ten percent (10%) shall be added on the first day of each calendar month following the month of the imposition of the twenty five percent (25%) penalty if the tax remains unpaid -- up to a maximum of one hundred percent (100%) of the tax payable on the due date. Receipt of the tax payment by the City shall govern the determination of whether the tax is delinquent. Postmarks will not be accepted as adequate proof of a timely payment.

### **3.34.090 Additional Penalties.**

Any violation of this chapter shall constitute a public nuisance and infraction pursuant to the provisions of Chapters 4.16 and 4.28 of this Municipal Code.

### **3.34.100 Records Inspection**

Whenever it is necessary to examine any books or records, including tax returns, of any entity subject to the provisions of this chapter, to ascertain the amount of any tax due pursuant to this chapter, the City shall have the power and authority to examine such necessary books and records at any reasonable time including, but not limited to, during normal business hours. Records must be maintained at least seven (7) years.

### **3.34.110 Application of Provisions**

No payment of any tax required under the provisions of this chapter shall be construed as authorizing the conduct or continuance of any illegal business or of a legal business in an illegal manner. Nothing in this chapter implies or authorizes that any activity connected with the cultivation, possession or provision of marijuana is legal unless otherwise authorized and allowed by the State of California and permitted by the City.

## **Section 2. APPROPRIATIONS LIMIT**

That pursuant to Article XIII B of the California Constitution, the appropriation limit for the City of Desert Hot Springs is increased to the maximum extent over the maximum period of time allowed under the law consistent with the revenues generated by this tax.

## **Section 3. SEVERABILITY**

That should any provision, section, paragraph, sentence or word of this ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by

reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this ordinance as hereby adopted shall remain in full force and effect.

**Section 4. REPEAL OF CONFLICTING PROVISIONS**

That all the provisions of the Municipal Code as heretofore adopted by the City of Desert Hot Springs that are in conflict with the provisions of this ordinance are hereby repealed.

**Section 5. AMENDING OF BAIL SCHEDULE**

That the City Attorney's Office is hereby directed to determine whether this ordinance necessitates amendment of the City's Bail Schedule and to cause such necessary amendments to be made and filed with the local branches of the Superior Court of the County of Riverside.

**Section 6. CERTIFICATION**

That the City Clerk shall certify to the passage of this ordinance and shall cause the same to be published according to law.

**Section 7. EFFECTIVE DATE**

That this ordinance shall take effect ten (10) days following the City Council's certification of the results of the November 4, 2014 election.

**PASSED AND ADOPTED** by the People of the City of Desert Hot Springs at a special election held on November 4, 2014.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Jerryl Soriano, City Clerk

\_\_\_\_\_  
Adam Sanchez, Sr., Mayor

**APPROVED AS TO FORM:**

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Steven B. Quintanilla, City Attorney