

Desert Hot Springs Municipal Code[Up](#)[Previous](#)[Next](#)[Main](#)[Collapse](#)[Search](#)[Print](#)**[Title 3 REVENUE AND INANCE](#)****Chapter 3.35 MEDICAL MARIJUANA CULTIVATION TAX**

3.35.005 Imposition of tax.

Every medical marijuana collective, cooperative, dispensary, operator, establishment, provider or other type of entity legally cultivating medical marijuana in the City, consistent with the provisions of the Medical Marijuana Program Act (California Health and Safety Code Section 11362.5 et seq.), shall pay an annual tax of \$25 per square foot for the first 3,000 square feet and then \$10 per square foot for the remaining space utilized in connection with the cultivation of marijuana for medical use. (Ord. 559 11-4-14)

3.35.010 Purpose of tax.

The purpose of this tax is to raise revenue to fund general municipal services. (Ord. 559 11-4-14)

3.35.020 Qualified patients and caregivers.

This tax shall not be specifically charged or assessed to any qualified patient or primary caregiver. Payment and remittance of the tax to the City shall solely be the responsibility of the medical marijuana collective, cooperative, dispensary, operator, establishment, provider or other type of entity, that is authorized to legally cultivate medical marijuana, within the City, consistent with the provisions of the Medical Marijuana Program Act (California Health and Safety Code Section 11362.5 et seq.). (Ord. 559 11-4-14)

3.35.030 Medical Marijuana Program Act.

Unless otherwise specifically provided in this chapter, the words, terms and phrases used in this chapter shall have the same meanings set forth in the Medical Marijuana Program Act (California Health and Safety Code Section 11362.5 et seq.). (Ord. 559 11-4-14)

3.35.040 Space.

“Space utilized in connection with the cultivation of medical marijuana” shall mean any space or ground, floor or other surface area (whether horizontal or vertical) which is used during the marijuana germination, seedling, vegetative, pre-flowering, flowering and harvesting phases, including without limitation any space used for activities such as growing, planting, seeding, germinating, lighting, warming, cooling, aerating, fertilizing, watering, irrigating, topping, pinching, cropping, curing or drying marijuana or any such space used for storing any products, supplies or equipment related to any such activities, no matter where such storage may take place or such storage space may be located. (Ord. 559 11-4-14)

3.35.050 Annual adjustment.

The taxes imposed by this chapter shall be adjusted annually beginning on July 1, 2015, and July 1st of each succeeding year based on the Consumer Price Index (CPI) for all urban consumers in the Los Angeles-Riverside-Orange County areas as published by the United States Government Bureau of Labor Statistics; however, no adjustment shall decrease any tax imposed by this chapter, unless approved by the City Council. (Ord. 559 11-4-14)

3.35.060 Remittance.

The taxes imposed by this chapter shall be remitted to the City biennially, on or before December 31st and June 30th every year. (Ord. 559 11-4-14)

3.35.070 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. (Ord. 559 11-4-14)

3.35.080 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. (Ord. 559 11-4-14)

3.35.090 Penalties.

Any entity that fails to pay the taxes required by this chapter within 30 days after the due date shall pay in addition to the taxes a penalty for nonpayment in a sum equal to 25 percent of the total amount due. Additional penalties will be assessed in the following manner: 10 percent shall be added on the first day of each calendar month following the month of the imposition of the 25 percent penalty if the tax remains unpaid—up to a maximum of 100 percent of the tax payable on the due date. Receipt of the tax payment in the office shall govern the determination of whether the tax is delinquent. Postmarks will not be accepted as adequate proof of a timely payment. (Ord. 559 11-4-14)

3.35.100 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. (Ord. 559 11-4-14)

3.35.110 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 for at least seven years. (Ord. 559 11-4-14)

3.35.120 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 for medical purposes and permitted by the City. (Ord. 559 11-4-14)

3.35.130 Operative date.

This tax shall become operative commencing upon the effective date of an ordinance permitting marijuana collectives, cooperatives, dispensaries, operators, establishments, providers or other type of entities to sell, distribute, exchange, deliver, provide or dispense medical marijuana within the jurisdictional boundaries of the City of Desert Hot Springs. (Ord. 559 11-4-14)

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