RESOLUTION NO. 22-3374



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTCLAIR ORDERING THE SUBMISSION TO THE VOTERS OF THE CITY OF MONTCLAIR A MEASURE TO CONSIDER A GENERAL BUSINESS LICENSE TAX ON CANNABIS BUSINESSES AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2022; DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE; AND PROVIDING FOR THE FILING OF ARGUMENTS AND REBUTTAL ARGUMENTS IN FAVOR OF AND AGAINST THE MEASURE

WHEREAS, the City of Montclair provides unmatched neighborhood services, including public safety through the Montclair Police and Fire Departments, repair and maintenance of streets and sidewalks, high-quality parks, community centers, family services and libraries services, seniors and youth programs, low-cost healthcare and education services, and community revitalization; and

WHEREAS, the City of Montclair imposes license taxes upon businesses in the City; and

WHEREAS, the Ordinance attached hereto as Exhibit "A" and incorporated herein by reference would impose a business license tax on persons engaged in commercial activity in the City involving cannabis products; and

WHEREAS, these business license taxes are imposed to raise revenue and not for regulation; and

WHEREAS, this measure is projected to raise an estimated \$3,500,000 annually for the City's General Fund and could be used to maintain and enhance City's existing services such as local public safety, maintaining 911 emergency, police and fire response times, street and infrastructure maintenance, assistance for the individuals experiencing homelessness, city-funded after-school and summer recreational programs which provide healthy alternatives for at-risk youth, keeping communities safe and clean, and quality of life programs; and

WHEREAS, all revenue raised by this measure will be used locally to benefit Montclair residents and businesses, and cannot be used by other governmental agencies or districts; and

WHEREAS, this measure only applies to individuals or businesses engaging in the cannabis business and does not increase other taxes on Montclair residents or businesses within the City; and

WHEREAS, this measure as a general tax includes strict accountability requirements to make sure that the funds are placed in the City's General Fund and are used effectively and as promised including online and public disclosure of all spending; and

WHEREAS, the City Council may submit the Ordinance directly to the voters pursuant to Section 9222 of the California Elections Code; and

WHEREAS, at a properly noticed meeting on June 20, 2022 the City Council adopted Resolution No. 22–3359 to call a general election for November 8, 2022, at which it will submit to the qualified voters of the City the Ordinance to impose a general tax on commercial cannabis activity in the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Montclair as follows:

Section 1. Ballot Measure. Pursuant to the laws of the State of California applicable to general law cities, the City Council of the City of Montclair does hereby order submitted to the voters at the General Municipal Election to be held on November 8, 2022, the following question:

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BY DEPUTY

Shall the measure funding general Montclair services, including supporting 911/police/fire response; preventing thefts/property crime; recruiting/retaining firefighters, paramedics; retaining local business/jobs; repairing streets/potholes; addressing homelessness; by taxing cannabis retail, delivery, cultivation, manufacturing/testing businesses at a rate of not more than 7% of gross receipts, raising about \$3,500,000 annually, until ended by voters, requiring audits, spending disclosure, funds used locally, cannabis businesses follow laws protecting public health/safety, be adopted?

YES

NO

This measure requires the approval of a simple majority (50% plus 1) of those voting and the full text of the referenced measure (Ordinance No. 22-999) is attached hereto as Exhibit "A" and incorporated into this Resolution by this reference.

Section 2. Impartial Analysis. The City Clerk is directed to transmit copies of the measure to the City Attorney. The City Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure. The impartial analysis shall include a statement indicating the Measure was placed on the ballot by the City Council. There shall be printed immediately below the impartial analysis, in not less than 10-point font bold type, the following: "The above statement is an impartial analysis of Ordinance No. 22-999. If you desire a copy of the ordinance, please call the elections official's office at (909) 625-9416 and a copy will be mailed at no cost to you." The impartial analysis shall be filed by 12:00 p.m. on August 22, 2022.

Section 3. Arguments and Rebuttals. Pursuant to Elections Code Section 9282(b), the City Council authorizes any and all members of its body, an individual voter who is eligible to vote on the measure, a bona fide association of citizens, or a combination of voters and associations, to file a written argument for or against the measure not exceeding 300 words regarding the City measure as specified above, which shall be submitted to the City Clerk no later than 12:00 p.m. on August 22, 2022.

Pursuant to Elections Code Section 9285, the City Council authorizes the filing of rebuttal arguments for and against measures in the Election. Rebuttal arguments not exceeding 250 words concerning this measure shall be submitted to the City Clerk no later than 6:00 p.m. on August 25, 2022. This Section 3 shall expire with the Election, and shall not authorize rebuttal arguments as to measures presented at any future election.

Section 4. Public Examination. Pursuant to Elections Code Section 9295, this Measure will be available for public examination for no fewer than ten (10) calendar days prior to being submitted for printing in the voter information guide. The City Clerk shall post notice in the Clerk's office and City website (www.cityofmontclair.org) of the specific dates that the examination period will run.

Section 5. CEQA. The adoption of this Resolution is exempt from the California Environmental Quality Act (Public Resources Code Section 21000 et. seq. ("CEQA") and 14 Cal. Code Reg. §15000 et. seq. ("CEQA Guidelines"). The noticing of a Municipal Election is not a project within the meaning of CEQA Guidelines Section 15378, subsection (b)(3).

Section 6. Certification. The City Clerk shall certify to the passage and adoption of this Resolution and its approval by the City Council and shall cause the same to be listed in the records of the City and entered into the book of original Resolutions; and shall file with the Board of Supervisors and the Registrar of Voters of the County of San Bernardino, California, a certified copy of this Resolution.

The City Clerk is authorized and directed to take all other steps necessary to conduct the election on the Measure and to cooperate with the County Elections Official to consolidate it with the November 8, 2022 Statewide General Election.

Section 7. Severability. If any section, subsection, sentence, clause, phrase or portion of this Resolution or its application to any person or circumstance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution or its application to other persons and circumstances. The City Council of the

City of Montclair hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional and, to that end, the provisions hereof are hereby declared to be severable.

Section 8. Effective Date. This Resolution shall take effect immediately upon its adoption as a measure affecting an election.

APPROVED AND ADOPTED this 1st day of August, 2022.

ATTEST:

I, Andrea M. Myrick, City Clerk of the City of Montclair, DO HEREBY CERTIFY that Resolution No. 22-3374 was duly adopted by the City Council of said city and was approved by the Mayor of said city at a regular meeting of said City Council held on the 1st day of August, 2022, and that it was adopted by the following vote, to-wit:

AYES: Lopez, Martinez, Johnson, Dutrey

NOES: Ruh ABSTAIN: None ABSENT: None

> Andrea M. Myrick City Clerk

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REGISTRAR OF VOTERS