

ORDINANCE NO. 1946

AN ORDINANCE OF THE CITY OF PALM SPRINGS,
CALIFORNIA, IMPOSING A TAX ON CANNABIS
BUSINESS ACTIVITY.

THE PEOPLE OF THE CITY OF PALM SPRINGS DO ORDAIN AS
FOLLOWS:

SECTION 1. Code Amendment. The Palm Springs Municipal Code is hereby amended to adopt chapter 3.42 regarding Cannabis taxation.

Chapter 3.42 CANNABIS

3.42.010 Purpose.

The purpose of this ordinance is to impose a gross receipts tax not to exceed \$0.15 per \$1.00 of gross receipts, on any cannabis business conducted in the City of Palm Springs, as "cannabis business" is defined in section 3.42.020 of this code, with the exception of cannabis cultivation businesses, which are subject to the tax defined in Section 3.42.040, whether or not such cannabis business has a permit under chapter 5.35, 5.45 or 5.55 of this code.

3.42.020 Definitions.

The following definitions shall apply to the construction of this chapter unless the context is such that it is plain a different meaning is intended:

A. "Cannabis" or "marijuana" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, or any other strain or varietal of the genus *Cannabis* that may exist or hereafter be discovered or developed that has psychoactive or medicinal properties, whether growing or not, including the seeds of such plants. "Cannabis" also means marijuana as defined by section 11018 of the Health and Safety Code and as defined by other state law.

B. "Cannabis business" means the activity of any natural or legal person, business, or collective in the City relating to cannabis, including but not limited to cultivation (including nurseries), transportation, distribution, manufacture, compounding, conversion, processing, preparation, testing, storage, packaging, delivery and sales (wholesale and/or retail sales) of cannabis, cannabis products, or any accessories for the use of cannabis or cannabis products, whether or not carried on for gain or profit, whether or not for medical or adult-use, and whether or not such business is licensed by the state. A cannabis business does not include any business the only relationship of which to cannabis or cannabis products is the production or sale of cannabis accessories.

C. "Cannabis cultivation area" means the total aggregate area(s) of cannabis cultivation on one or more parcels in the City by a cannabis business as measured around the outermost perimeter of each separate and discrete area of cannabis cultivation at the dripline of the canopy expected at maturity and includes, but is not limited to, space between plants within a cultivation area, the exterior dimensions of garden beds, garden plots, hoop houses, green houses, and each room or area where cannabis plants are grown, as determined by the city manager.

D. "Cannabis product" means any product containing cannabis or its derivatives, including, but not limited to, flowers, buds, oils, tinctures, concentrates, extractions, edibles and those products described in section 11018.1 of the Health and Safety Code.

E. "Canopy" means the designated area(s) at a licensed premises that will contain mature plants at any time. If mature plants are cultivated using a shelving system, the surface area of each level shall be included when calculating canopy area. Canopy area shall be expressed in square feet and measured using clearly identifiable boundaries of all areas that will contain mature plants at any time, including the entire area with those boundaries. Canopy may be noncontiguous, but each noncontiguous area shall be defined by an identifiable boundary such as an interior wall or by 10 feet or more feet of open space.

F. "City manager" has the meaning provided by section 1.06.020 of this code.

G. "Commercial cannabis cultivation" means cultivation conducted by, for, or as part of a cannabis business. Commercial cannabis cultivation does not include personal medical cannabis cultivation, or cultivation for personal adult-use as authorized under the "California Control, Regulate and Tax Adult Use of Marijuana Initiative" approved by the state's voters on November 8, 2016, for which the individual receives no compensation whatsoever.

H. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

I. "Cultivator" means any person engaged in cultivation.

J. "Delivery" means the transfer for any form of compensation of cannabis or cannabis products to a customer or caregiver at a location that is not a dispensary.

K. "Dispensary" means a place at which cannabis, cannabis products, or accessories for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that engages in delivery.

L. "Distributor" means a person engaged in procuring cannabis and/or procuring cannabis products for sale to a dispensary or other point of retail sale. "Distribution"

means engaging in that conduct and a “distribution facility” is any real estate, whether or not improved, used in such conduct.

M. Except as otherwise specifically provided in this code or by regulation authorized by this code, “gross receipts” means the total amount actually received or receivable from all sales; the total amount or compensation actually received or receivable for the performance of any act or service, of whatever nature, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise; discounts, rents, royalties, fees, commissions, dividends, and gains realized from trading in stocks or bonds, however designated. Included in “gross receipts” shall be all receipts, cash, credits and property of any kind or nature, without any deduction or setoff therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever.

N. “Manufacturer” means a person who engages in the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis.

O. “Nursery” means a person, facility or activity that transfers for any form of consideration cannabis clones, immature plants, and/or seeds for planting, propagation, and/or cultivation of cannabis.

3.42.030 Gross Receipts Tax.

A. There is hereby imposed on every cannabis business in the City an annual cannabis industry tax at a rate established from time to time by resolution of the City Council that shall not exceed fifteen percent (15%) of gross receipts. The sole exception to this tax upon gross receipts shall be cannabis cultivation businesses, which are subject to the tax defined in Section 3.42.040. The tax imposed under this section shall be due and payable as provided in section 3.42.100. As noted in section 3.42.040, cultivators shall pay a cultivation tax in lieu of this gross receipts tax.

B. The City Council may by resolution, in its discretion, implement a tax rate lower than the maximum rate established in subsection (A) of this section for all persons engaged in a cannabis business in the City, or establish differing tax rates for different categories of cannabis business, including for medical versus adult-use. The City Council may, by resolution, also decrease or increase any such tax rate from time to time, provided that the tax rate shall not, at any time, exceed the maximum tax rate established in subsection (A) of this section. An affirmative vote of at least four (4) members of the City Council is required for any increase in tax payable pursuant to this section 3.42.030.

C. Cannabis businesses subject to the tax imposed by subsections (A) and (B) of this section shall also register and pay the registration fee described in section

3.42.045, but shall be exempt from paying the general business tax imposed by Title 3, Division II of the Palm Springs Municipal Code. Any cannabis business not subject to the tax imposed by subsections (A) and (B) of this section is subject to the general business tax imposed by Title 3, Division II of the Palm Springs Municipal Code except as otherwise provided by this Code or other applicable law.

3.42.040 Cultivation Tax.

A. Any cannabis business engaged in the cultivation of cannabis shall pay (i) the cultivation tax imposed by this section instead of the tax imposed by section 3.42.030 on its cultivation activity and (ii) the tax imposed by section 3.42.030 on its other cannabis business activity. The activity of nurseries as defined in section 3.42.020 is subject to the tax imposed by section 3.42.030 rather than the tax imposed by this section.

B. There is hereby imposed on every cannabis business engaged in commercial cannabis cultivation in the City, an annual tax in an amount established from time to time by resolution of the City Council which does not exceed either \$10.00 per square foot of cannabis cultivation area or fraction thereof. The maximum square foot tax shall be adjusted annually (and rounded to the nearest cent) each January 1st based on the year-over-year percentage change in Bureau of Labor Statistics Los Angeles-Riverside-Orange County Consumer Price Index – All Urban Consumers (CPI-U) October to October comparison, or if such index is discontinued, a comparable or successor consumer price index designated by the City Council. The tax shall be due and payable in installments as provided in section 3.42.100. The tax authorized under this section shall not be implemented unless and until the city council acts by resolution to do so.

C. The city council may by resolution, in its discretion, implement a tax rate lower than the maximum rates set forth in subsection (B) of this section for all businesses engaged in commercial cannabis cultivation in the City or establish tax rates for categories of commercial cannabis cultivation. For example, and without limitation, the City Council may set different tax rates for cannabis cultivation for medical or adult-use, or for indoor rather than outdoor or mixed-light cultivation. The City Council may, by resolution, also decrease or increase any such tax rate from time to time, provided that the tax rate shall not, at any time, exceed the maximum established in subsection (A) of this section. An affirmative vote of at least four (4) members of the City Council is required for any increase in tax payable pursuant to this section 3.42.040.

D. Cannabis businesses engaged in cultivation and subject to the tax imposed by subsections (A) and (B) of this section and liable for the tax imposed by this chapter shall also register and pay the registration fee described in section 3.42.045, but shall be exempt from the general business tax required under Title 3, Division II of the Palm Springs Municipal Code. Any business not subject to the tax imposed by this section 3.42.040 is subject to the general business tax required under Title 3, Division II of the Palm Springs Municipal Code except as otherwise provided by this code or other applicable law.

3.42.045 Registration of Cannabis Business.

A. All persons engaging in a cannabis business, whether an existing, newly-established or acquired business, shall register with the city manager's office by the later of (i) 30 days of commencing operation or (ii) by January 1, 2018 and shall annually renew such registration no more than a calendar year after the date of the most recent registration. In registering, such persons shall furnish to the City Manager a sworn statement, upon a form provided by the City Manager, setting forth the following information:

1. The name of the business;
2. The names and addresses of each owner;
3. The nature or kind of all business activity to be conducted;
4. The place or places where such business is to be carried on; and
5. Any further information which the City Manager may require.

B. Such persons shall pay an annual registration fee in an amount established from time to time by resolution of the city council to recover the city's costs to implement the taxes imposed under this chapter, the registration requirement of this section, and the other provisions of this chapter. As a regulatory fee, such fee shall be limited to the City's reasonable regulatory costs.

C. The registration and registration fee shall be collected and enforced in accordance with Title 3, Division II of this code ("Business Tax").

D. The tax registration certificate required and the general business license required under Title 3, Division II of the Palm Springs Municipal Code may constitute a single document.

3.42.050 Payment Obligation.

All taxpayers subject to a tax under this this chapter shall pay that tax regardless of any rebate, exemption, incentive, or other reduction set forth elsewhere in this code, except as required by state or federal Law. Failure to pay such a tax shall be subject to penalties, interest charges, and assessments as provided in this chapter and the City may use any or all other code enforcement remedies available at law or in equity. No provision of this code shall be interpreted to reduce a tax rate established under this chapter or otherwise reduce the taxes paid hereunder unless the provision specifically expresses that reduction.

3.42.060 City Council Authorization to Adjust Rates.

The city council may impose a tax authorized by this chapter at a lower rate and may establish exemptions, incentives, or other reductions, and penalties and interest charges or assessments for failure to pay the tax when due, as otherwise allowed by

the city charter and California law. No action by the city council under this section shall prevent it from later increasing the tax or removing any exemption, incentive, or reduction, and restoring the maximum tax authorized by this chapter provided only that the maximum taxes stated in section 3.42.030, subsection (A) and 3.42.040, subsection (B) may not be increased without voter approval.

3.42.070 Tax Payment Does Not Authorize Activity.

The payment of a tax imposed under this chapter shall not be construed to authorize the conduct or continuance of any illegal business or of a legal business in an illegal manner. Nothing in this chapter authorizes or implies the lawfulness of any activity connected with the distribution or possession of cannabis unless otherwise authorized and allowed in strict and full conformance with this code, including without limitation chapters 5.35, 5.45 and 5.55. Nothing in this chapter shall be applied or construed as authorizing the sale of cannabis.

3.42.080 Cannabis Tax Is Not a Sales Tax.

The taxes provided for under this chapter are excises on the privilege of doing business in the City and legally incident on those engaged in such business. It is not a sales or use tax and shall not be calculated or assessed as such. Nevertheless, at the option of the taxpayer, the tax may be separately identified on invoices, receipts and other evidences of transactions.

3.42.090 Amendments and Administration.

A. Voters approved this chapter. Any amendment to this chapter to increase the tax above the maximum rates provided requires further voter approval. The voters authorize the city council to set the tax at or below that maximum or otherwise to amend, modify, change, or revise any provision of this chapter as the city council deems in the best interest of the city.

B. The city manager, in consultation with the city attorney, may promulgate rules, regulations, and procedures to implement and administer this chapter to ensure the efficient and timely collection of the taxes and fee imposed by this chapter, including without limitation, formulation and implementation of penalties and interest to be assessed for failure to pay the taxes as provided. Notice of such regulations shall be given as required for ordinances of the city council and such regulations shall be immediately effective when such notice is given unless a different effective date is provided by a regulation.

C. The city manager shall annually audit the cannabis taxes imposed by this chapter to verify that tax revenues have been properly collected and expended in accordance with the law.

D. Pursuant to California Constitution, article XIII B, the appropriation limit for the City is increased to the maximum extent over the maximum period of time allowed under law consistent with the revenues generated by the taxes and fee imposed by this chapter.

3.42.100 Returns and Remittances.

The Tax shall be due and payable as follows:

A. Each cannabis business owing tax shall provide a tax return to the city manager on or before the last business day of each month stating the tax owed and the basis of its calculation for the preceding month. The taxpayer shall remit the tax owed to the city manager when the return is due whether or not a return is filed as required.

B. All tax returns shall be completed on forms provided by the city manager.

C. Tax returns and payments for all outstanding taxes, fees, penalties and interest owed the city are immediately due upon cessation of business for any reason.

D. Whenever any payment, statement, report, request or other communication is received by the city manager after the time prescribed by this section for its receipt, but is in an envelope postmarked on or before the date prescribed by this section for its receipt, the city manager shall regard such payment, statement, report, request, or other communication as timely. If the due date falls on Friday, Saturday, Sunday, or a holiday, the due date shall be the last earlier business day on which City Hall is open to the public.

E. Unless otherwise specifically provided by this chapter, the taxes imposed by this chapter shall be deemed delinquent if not paid on or before the due date specified in subsection A of this section.

F. The city manager need not send a delinquency or other notice or bill to any person subject to a tax or fee imposed by this chapter and failure to send such notice or bill shall not affect the validity of any tax, fee, interest or penalty due under this chapter.

3.42.110 Failure to Pay Timely.

A. Any person who fails or refuses to pay any tax or fee imposed by this chapter when due shall pay penalties and interest as follows:

1. A penalty equal to 25 percent of the tax or fee; and

2. An additional penalty equal to 25 percent of the amount of the tax or fee if unpaid for a more than a month beyond the due date; and

3. Unpaid tax, fee, penalties shall bear 1 percent interest per month from the date due until paid.

B. If a check is submitted in payment of a tax or fee and is returned unpaid by the bank upon which drawn, and the check is not redeemed before the due date, the taxpayer will be liable for the tax or fee due plus penalties and interest as provided for in this section plus any amount allowed under state law for the returned check.

C. The tax due shall be that amount due and payable from the later of (i) the effective date of the taxes under this chapter as determined by resolution of the city council or (ii) the first date on which the cannabis business first operated in the city.

D. The city manager may waive some or all of the penalties imposed by this section as to any person if:

1. The person provides evidence satisfactory to the city manager that failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, and the person paid the delinquent tax or fee and accrued interest owed the city upon applying for a waiver.

2. A waiver authorized by this subsection shall not apply to tax, fee or interest and may be granted only once during any 24-month period.

3.42.120 Refunds.

A. No refund shall be made of any tax collected pursuant to this chapter, except as provided in this section.

B. No refund of any tax collected pursuant to this chapter shall be made because of the discontinuation, dissolution, or other termination of a cannabis business.

C. Any person entitled to a refund of sums paid under this chapter may elect to have such refund applied as a credit against future obligations under this chapter.

D. Whenever any tax, fee, penalty, or interest under this chapter has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the city, such amount shall be refunded to the person who paid the tax upon a timely written claim for refund filed with the city manager.

E. The city manager may examine and audit all the books and business records of the claimant to determine eligibility to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of the claimant's books and business records.

F. A sum erroneously paid under this chapter due to an error of the city shall be refunded to the claimant in full upon a timely claim. If an error is attributable to the claimant, the city may retain an amount established by resolution of the city council from time to time in an amount sufficient to recover the city's cost to process the claim and refund the balance.

G. The city manager shall initiate a refund of any sum overpaid or erroneously collected under this chapter whenever the overpayment or erroneous collection is disclosed by a City audit for the period of time unprotected by the duty to file a timely claim under the Government Claims Act.

3.42.125 Enforcement.

A. The city manager shall enforce this chapter.

B. The city manager may audit and examine all business locations, books and records of cannabis businesses, including both state and federal income tax returns, California sales tax returns, or other evidence documenting the gross receipts of a cannabis business to ascertain any tax due under this chapter and to verify any returns or other information any person submits to the city under this chapter. If a cannabis business, after written demand by the city manager, refuses to make available for audit, examination or verification such locations, books, and records as the city manager requests, the city manager may, after full consideration of all such information as is available make an assessment of tax or fee due and demand payment from the tax- or fee-payer, together with any penalties and interest due for late payment.

C. The conviction and punishment of any person for failure to pay a sum required under this chapter shall not excuse or exempt such person from any civil action for the debt. No civil action shall prevent a criminal prosecution for any violation of this chapter or of any state law requiring the payment of all taxes. No election of remedies shall apply to the enforcement of this chapter or any other provision of this code and the city may pursue one or more remedies in its discretion provided only that no double recovery shall be permitted.

D. Any person violating any of the provision of this chapter or any regulation or rule adopted pursuant to it, or knowingly or intentionally misrepresenting any material fact to the city in procuring a certificate or document from the city under this chapter, or under chapter 5.35, 5.45, or 5.55, shall be deemed guilty of a misdemeanor unless the city attorney, in his or her discretion, elects to prosecute it as an infraction.

E. In addition to the penalty imposed for a failure to timely pay any tax or fee imposed by this chapter imposed pursuant to Section 3.42.110, the City Attorney shall have the discretion to issue an administrative citation with respect to said failure, and impose an administrative fine in the amount of \$5,000 for each month that any payment of tax is overdue. Each cannabis business subject to any such administrative citation

and fine shall have the opportunity to appeal same pursuant to Chapter 2.50 of this Code.

F. In the event that any appeal as to an administrative citation and fine pursuant to this Section 3.42.125, or any other action in relation thereto takes place, the City shall be entitled to recover its attorneys' fees and administrative costs incurred unless the appeal in question is granted, or the cannabis business initiating any other action is the prevailing party.

3.42.130 Consistency with Business Tax Rules.

The People of the City of Palm Springs intend this chapter to be enforced consistently with Title 3, Division II of this code and any rule or regulation promulgated under that division except as expressly provided to the contrary in this chapter.

3.42.135 Successor And Assignee Responsibility.

A. If any person, while liable for any amount under this chapter, sells, assigns or otherwise transfers half or more of a taxed cannabis business, whether voluntarily or involuntarily; the person's successor, assignee or other transferee, or other person or entity obtaining ownership or control of the business ("transferee") shall pay that amount when due. A transferee shall notify the city manager of a transfer 30 days before the transfer date; or if the agreement to sell, transfer, or otherwise dispose of the business is made less than 30 days before the date of transfer, on the first day City Hall is open for business after the transfer.

B. A transferee shall be deemed to have satisfied an unpaid liability if the transferee complies with the requirements of California Revenue and Taxation Code Section 7283.5 and this section by withholding from the purchase price, for the benefit of the city, an amount sufficient to cover the liability, or by otherwise paying the liability and obtaining from the city manager a "Tax Clearance Certificate" showing that all outstanding liability has been paid through the date of transfer.

C. Within 90 days of receiving a written request from a Transferee, the city manager may issue a "Tax Clearance Certificate" stating either the amount due as to the business under this chapter, or stating that there is no liability due for the business through a stated date. The city manager may also request financial records from the transferor to audit the amount due under this chapter. The city manager shall issue a tax clearance certificate within 30 days of completing the audit, stating any amount owed, unless the city manager determines the records provided for audit are insufficient to determine whether taxes, fees, penalties and/or interest are due and in what amounts. If so, the city manager may rely on available information to estimate any amount due and shall issue a tax clearance certificate stating that amount. A written application for an appeal hearing on the amount assessed on a tax clearance certificate must be made within 10 days after the city manager serves or mails the certificate. The appeal

provision of section 3.68.010 of this code shall apply. If a timely application for a hearing is not made, the tax clearance certificate shall serve as conclusive evidence of the liability under this chapter associated with the business through the date stated on the certificate.

3.42.140 Debts; Deficiencies; Assessments.

A. The amount of any tax, fee, penalties, and interest imposed by this chapter shall be deemed a debt to the city and any person operating a cannabis business without first having procured a business tax license as provided in Division II of Title 3 of this code shall be liable in an action in the name of the city in any court of competent jurisdiction for the amount due.

B. If no return or statement is timely filed, or if the city manager is not satisfied that any return or other statement filed under this chapter is correct, or that the amount due is correctly computed, the city manager may determine that amount and make a deficiency determination upon available information. The city manager may make one or more deficiency determinations for a period or periods. When a person discontinues engaging in a business, the city manager may make a deficiency determination at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued before the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned as are notices of assessment under subsections C, D, and E of this section.

C. Under any of the following circumstances, the city manager may make and give notice of an assessment of taxes, fees, penalties and interest owed under this chapter:

1. If the person has not filed any statement or return required by this chapter;
2. If the person has not paid any tax, fee, penalty or interest due under this Ordinance;
3. If the person has not, after demand by the city manager, filed a corrected statement or return, or adequate substantiation of the information contained in a statement or return previously filed, or paid any additional amount due under this chapter;
4. If the city manager determines nonpayment of any amount due under this chapter or Division II of Title 3 is due to fraud, a penalty of 25 percent of the amount of otherwise due shall be added thereto in addition to penalties and interest otherwise stated in this chapter.

5. The notice of assessment shall separately set forth any amount the city manager knows or estimates to be due under this chapter, including any penalties or interest accrued to the date of the notice.

D. A notice of assessment shall be served upon the tax- or fee-payer either by personal service or by a deposit in the United States mail, postage prepaid, addressed to the address appearing on the business tax certificate issued under Division II of Title 3, or such other address as he or she may provide the city manager in writing for notices under this chapter or that Division II; or, should the person have no business tax certificate issued and no address provided to the city manager for such purpose, then to such person's last known address. Service by mail is complete upon deposit in the United States mail as provided in this paragraph.

E. Within 10 days after service of a notice of assessment, the tax- or fee-payer may apply in writing to the City Manager for a hearing on the assessment. If no timely application for a hearing is made, the amount assessed shall be final and conclusive. Within 30 days of the receipt of an application for hearing, the city manager shall cause the matter to be set for hearing before a hearing officer pursuant to section 1.06.050 of this code. The city manager shall give notice of such hearing to the person requesting it not later than five days before the hearing. At such hearing, the applicant may appear and offer evidence why the assessment should not be confirmed. After such hearing, the hearing officer shall determine the amount due under this chapter and shall give written notice to the person as prescribed in this chapter for giving notice of assessment. That decision is final as to the city, but either the city or the applicant may seek judicial review as provided by California Code of Civil Procedure section 1094.5.

SECTION 2. AMENDMENT. This Ordinance may be repealed or amended by the City Council without a vote of the People except as follows: as required by Article XIII C of the California Constitution, any amendment that increases the amount or rate of tax beyond the levels authorized by this Ordinance may not take effect unless approved by a vote of the People. The City Council may impose the tax in any amount or rate which does not exceed the rate approved by the voters of the City.

SECTION 3. SEVERABILITY. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby. The People hereby declare that they would have adopted this Ordinance and each portion thereof regardless of the fact that an invalid portion or portions may have been present in the Ordinance.

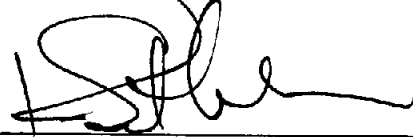
SECTION 4. CEQA. This measure to be submitted to the voters adopts a general tax to fund any legitimate purpose of the City. As such, under CEQA Guidelines section 15378(b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant impact on the environment. Therefore, under CEQA Guidelines section 15060, review under CEQA is not required.

SECTION 5. EFFECTIVE DATE. This Ordinance relates to the levying and collecting of the City's cannabis tax and shall not take effect until ten days after the certification of its approval by the majority of the voters voting at the general municipal election to be held on November 7, 2017 pursuant to Elections Code section 9217.

SECTION 6. SUSPENSION OF CANNABIS AND MARIJUANA TAX. While the taxes imposed by this Ordinance are in effect, the tax imposed by Chapter 3.35 of the Palm Springs Municipal Code shall be suspended. Should either of the taxes in this Ordinance be repealed, suspended, invalidated, ruled unenforceable or otherwise rendered ineffective, the tax imposed by Chapter 3.35 of the Palm Springs Municipal Code shall return to force without further action by the voters of the City.

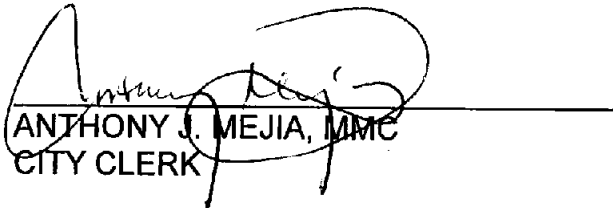
SECTION 7. CERTIFICATION; PUBLICATION. Upon approval by the voters, the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause it to be published according to law.

ADOPTED AND APPROVED THIS 6TH DAY OF DECEMBER, 2017.



ROBERT MOON, MAYOR

ATTEST:

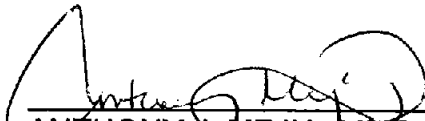


ANTHONY J. MEJIA, MMC
CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, ANTHONY J. MEJIA, City Clerk of the City of Palm Springs, California, do hereby certify that Ordinance No. 1946 is a full, true, and correct copy, and was adopted by a majority vote of the People of the City of Palm Springs, at the Regular Municipal Election held the 7th day of November, 2017, as appears by the official returns of said election, and the Statement of Votes Cast as declared by the City Council, Resolution No. 24333, adopted the 6th day of December, 2017.



ANTHONY J. MEJIA, MMC
CITY CLERK