

**City of Ojai  
RESOLUTION NO. 19-23**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OJAI  
ESTABLISHING FEES FOR APPLICATION PROCESSING AND ANNUAL LICENSES  
FOR CITY LICENSES FOR SPECIFIED CANNABIS BUSINESSES**

**WHEREAS**, California voters approved Proposition 215 (Health and Safety Code Section 11362.5), entitled the Compassionate Use Act (CUA), in 1996, which exempts patients and their primary caregivers from criminal prosecution or sanctions under H&S Code Sections 11357 and 11358 for qualified use and cultivation of medical cannabis; and

**WHEREAS**, the California Legislature passed Senate Bill 420 (H&S Code Sections 11362.7 et seq.) in 2003 to create the Medical Marijuana Program (MMPA), which established a voluntary program for the issuance of medical cannabis identification cards for qualified patients, set limits on the amount of cannabis any individual could possess, and provided an exemption from state criminal liability for persons “who associate within the State of California in order collectively or cooperatively to cultivate marijuana for medical purposes”; and

**WHEREAS**, the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”) was passed by California voters on November 8, 2016, as Proposition 64; and

**WHEREAS**, among other effects, the AUMA authorizes the recreational use of cannabis by persons aged 21 years or older, and regulates personal and commercial activities related to recreational cannabis use; and

**WHEREAS**, on June 27, 2017, the Governor signed into law Senate Bill 94 creating a single regulatory mechanism for both medical and adult-use cannabis — the “Medicinal and Adult-Use Cannabis Regulation and Safety Act” (MAUCRSA). Under MAUCRSA, local governments retain broad authority over most cannabis activity and businesses; and

**WHEREAS**, the City Council adopted and amended Chapter 26 of Title 4 of the Ojai Municipal Code to allow and regulate medical and adult-use cannabis dispensaries and delivery businesses, cannabis testing laboratories, cannabis microbusinesses, and cannabis manufacturing and manufacturing and distribution businesses, and to prohibit other cannabis businesses; and

**WHEREAS**, Article XI, section 7 of the California Constitution authorizes the City to make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws; and

**WHEREAS**, Article XIII C, section 1, subdivision (e) of the California Constitution provides that a “tax” does not include: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege, (2) a charge imposed for a specific government service or product provided directly to the payor that is

not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product, (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof, (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property, and (5) a charge imposed as a condition of property development; and

**WHEREAS**, Article XIII C, section 1, subdivision (e) of the California Constitution provides that fees, including, but not limited to, fees for annual inspections, monitoring, and regulation, and fees for filing and processing applications, may not exceed the estimated reasonable cost of providing the services for which the fees are charged; and

**WHEREAS**, the City Council desires to establish fees to recover the City's costs for reviewing and processing applications for City cannabis licenses and for conducting annual inspections, monitoring, and regulating for City licenses for cannabis dispensaries and delivery businesses, cannabis testing laboratories, cannabis microbusinesses, and cannabis manufacturing and manufacturing and distribution businesses.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Ojai that:

**SECTION 1.** The City Council hereby determines that the foregoing findings are true and correct, and incorporates them herein by reference.

**SECTION 2.** The fees and service charges set forth in Exhibit "A" attached hereto are hereby adopted and effective upon adoption. The City Manager and Finance Director are hereby authorized and directed to include these fees and service charges in the City's Master Fee Schedule.

**SECTION 3.** As demonstrated by the fee justification prepared by City Staff and attached hereto as part of Exhibit "A," the City Council finds and determines that the amounts of the fees therein: (1) do not exceed the estimated reasonable costs of providing the specified services, and (2) do not recover more than the regulatory costs incurred by the City for providing the services for which they are charged.


**SECTION 4.** The Finance Director is authorized and directed to adjust the fees and service charges set forth in Exhibit "A" attached hereto not later than July 1 of each year based on the change, if any, in the Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles Area published by the United States Department of Labor, Bureau of Labor Statistics for February of that year, or a federally published successor indicator. The City Manager and Finance Director are thereafter authorized and directed to include such adjusted fees and service charges in the City's Master Fee Schedule.

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**PASSED, APPROVED AND ADOPTED** this 11<sup>th</sup> day of June 2019 by the following vote:

Ayes: Blatz, Francina, Johnston, Weirick  
Noes: Haney  
Abstain: None  
Absent: None

STATE OF CALIFORNIA

  
\_\_\_\_\_  
John F. Johnston, Mayor  
  
7-8-19  
\_\_\_\_\_  
Date signed

ATTEST:

  
\_\_\_\_\_  
Gail Davis, Deputy City Clerk

Approved as to Form

  
\_\_\_\_\_  
Matthew Summers, City Attorney

Exhibit A to Resolution No. 19-23

City of Ojai Cannabis Business Application and License Fees

The fee schedule for City licenses for cannabis business, which recovers the City's costs of processing permit applications and regulating, inspecting, and completing annual reviews for each of the cannabis business types permitted by the City Council, is as follows:

- \$2,639 - Application fee for cannabis license types including: cannabis dispensary, delivery, or dispensary and delivery; cannabis testing laboratory; cannabis microbusiness; cannabis manufacturing or manufacturing and distribution business.
- \$984 - Interview fee for any cannabis license applicant to receive an interview.
- \$4,803 - Annual license fee for cannabis license types including: cannabis dispensary, delivery, or dispensary and delivery; cannabis testing laboratory; cannabis microbusiness; cannabis manufacturing or manufacturing and distribution business.