

RESOLUTION 2019- 2

A RESOLUTION OF THE CITY OF CALIENTE DIRECTING THE CREATION OF A CAPITAL EXPENDITURES FUND, DEBT REDUCTION FUND, AND EMERGENCY RELIEF FUND; ALLOCATION OF TAX REVENUE FROM MARIJUANA FACILITIES.

WHEREAS, the State of Nevada has approved the development and construction of Recreational and Medicinal Marijuana facilities within this State; and

WHEREAS, the City of Caliente adopted Ordinance #183 regulating Marijuana businesses in the City of Caliente and adopting taxes on the Gross Sales of facilities located in Caliente, Nevada; and

WHEREAS, the City of Caliente desires to establish a pattern of fiscal responsibility; and

WHEREAS, revenue from the Gross Sales of Marijuana within the City have been identified by the City Council as a means to protect and preserve city property, relieve debt burdens, and mitigate unexpected costs from natural disasters; and

WHEREAS, the City is authorized by NRS 268.0035 to establish various funds as required to address matters of local concern; and

NOW THEREFORE, it is hereby RESOLVED as follows:

Section 1: Capital Expenditures Fund

1. It is hereby established a separate and distinct enterprise fund, designated the Capital Expenditures Fund.
2. The City Clerk shall allocate to the fund forty percent (40%) monies which are generated by the three percent (3%) taxation on the Gross Sales of any Marijuana Business in the City of Caliente as outlined in Section 15(B) of Exhibits A and B of Ordinance #183.
3. The Capital Expenditures Fund shall not exceed \$2,000,000.00 at any given time. Any monies that would be distributed in excess of the \$2,000,000.00 shall be distributed first to the Debt Reduction Fund; second, to the Emergency Fund; and lastly, to the Marijuana Oversight Fund
4. Any monies within the Capital Expenditures Fund shall only be used for the addition of a permanent structural change or the restoration of some aspect of City property that will either enhance the City property's overall value, prolong its useful life, or adapt it to new uses.

Section 2: Debt Reduction Fund

5. It is hereby established a separate and distinct enterprise fund, designated the Debt Reduction Fund.
6. The City Clerk shall allocate to the fund forty percent (40%) monies which are generated by the three percent (3%) taxation on the Gross Sales of any Marijuana Business in the City of Caliente as outlined in Section 15(B) of Exhibits A and B of Ordinance #183.
7. The Debt Reduction Fund shall not exceed \$500,000.00 at any given time. Any monies that would be distributed in excess of the \$500,000.00 shall be distributed first to the Capital Expenditures Fund; second, to the Emergency Fund; and lastly, to the Marijuana Oversight Fund
8. Any monies within the Debt Reduction Fund shall only be used for payments toward any debt incurred by the City.

Section 3: Emergency Relief Fund

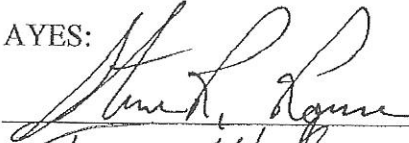
9. It is hereby established a separate and distinct enterprise fund, designated the Emergency Relief Fund.
10. The City Clerk shall allocate to the fund forty percent (10%) monies which are generated by the three percent (3%) taxation on the Gross Sales of any Marijuana Business in the City of Caliente as outlined in Section 15(B) of Exhibits A and B of Ordinance #183.
11. The Emergency Relief Fund shall not exceed \$1,000,000.00 at any given time. Any monies that would be distributed in excess of the \$1,000,000.00 shall be distributed first to the Capital Expenditures Fund; second, to the Debt Reduction Fund; and lastly, to the Marijuana Oversight Fund
12. Any monies within the Emergency Relief Fund shall only be used to mitigate costs incurred by the City as a result of any natural disaster, including, but not limited to, fire, flood, earthquake, hurricane, snow storm, heatwave, drought, etc.


Section 4: Marijuana Oversight Fund


13. The City Clerk shall allocate to the fund the remaining ten percent (10%) of monies which are generated by the three percent (3%) taxation on the Gross Sales of any Marijuana Business in the City of Caliente as outlined in Section 15(B) of Exhibits A and B of Ordinance #183.

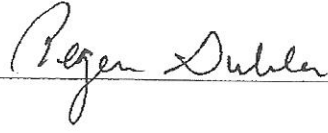
PASSED, ADOPTED, AND APPROVED the 16th day of May, 2019.

AYES:



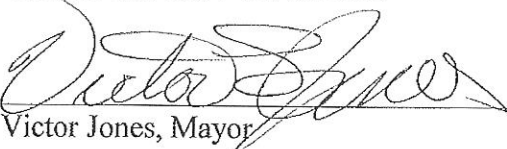






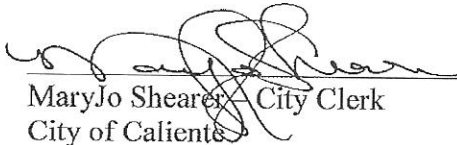
NAYS:

CALIENTE CITY COUNCIL:



Victor Jones, Mayor

ATTEST:



MaryJo Shearer, City Clerk
City of Caliente