

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO SUBMITTING TO THE VOTERS AT THE NOVEMBER 3, 2020 GENERAL MUNICIPAL ELECTION A CANNABIS BUSINESS TAX MEASURE, REQUESTING THAT SUCH ELECTION BE CONSOLIDATED WITH THE STATEWIDE GENERAL ELECTION HELD ON THAT DATE AND TAKING CERTAIN OTHER ACTIONS

WHEREAS, the City of San Bruno currently prohibits cannabis (marijuana) businesses in the City; and

WHEREAS, as these types of businesses are now legal in California, in the future these types of businesses could be made legal in our city; and

WHEREAS, should that happen in the future, the City must be prepared to collect revenue from these businesses, so they pay their fair share, just like any other business does for the right to do business in San Bruno; and

WHEREAS, this type of measure does not increase taxes for San Bruno residents who are not cannabis proprietors; and

WHEREAS, any funds generated in the future would require annual independent financial audits and public review of expenditures; and

WHEREAS, any funds generated in the future would remain in the San Bruno and cannot be taken by Sacramento; and

WHEREAS, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Business & Professions Code Section 26000 *et seq.*) (the "Act"), as adopted by the voters in 2016 as Proposition 64 and subsequently amended by the legislature, authorized the State to license certain business activities related to cannabis and cannabis products; and

WHEREAS, Section 26200 of the Act provides that the Act does not supersede or limit the authority of local jurisdictions to regulate such cannabis businesses and specifically provides that local jurisdictions may prohibit the establishment or operation of such businesses; and

WHEREAS, by prior resolution, the City Council called a general municipal election (the "Election") for November 3, 2020, to be consolidated with the statewide general election to be held on that same date; and

WHEREAS, arguments for and against said measure may be filed in accordance with applicable provisions of the law pursuant to Elections Code Section 9282, which allows a ballot argument on this Measure to be submitted by any individual voter eligible to vote on the Measure, a bona fide association of citizens, or any combination of voters or associations. Pursuant to Section 9285 of the California Elections Code, the provisions of which are hereby adopted, when the City Clerk has selected the arguments for and against the measure which will be printed and distributed to the voters, the City Clerk shall send copies of the argument in favor of the measure to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. The rebuttal arguments shall be filed with the City Clerk not more than ten (10) days after the final date for filing direct arguments. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument, which it seeks to rebut. The text of the measure shall be printed on the ballot in the voter information portion of the sample ballot; and

WHEREAS, the City Council desires to have the matter of a cannabis business tax presented to the voters on the November 3, 2020 ballot.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF SAN BRUNO, CALIFORNIA, AS FOLLOWS:

1. Pursuant to Government Code Section 53724 and Election Code Section 9222, the City Council directs that the ordinance attached hereto as Exhibit "A" and incorporated herein by reference (the "Ordinance") be submitted to the qualified voters of the City of San Bruno at the Election.
2. The question shall appear on the ballot as follows:

Although no cannabis (marijuana) businesses are currently allowed in the City, shall an ordinance be adopted imposing an additional business license tax of up to 10% of gross receipts on cannabis businesses, until ended by voters, with annual audits and all funds for San Bruno (this tax will generate no revenue initially, but would generate revenue if, in the future, cannabis businesses are permitted or exist in the City)?	Yes
	No

This measure must be approved by a majority of the votes cast in order to be adopted.

3. The City Council hereby directs the City Clerk to transmit a copy 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, and transmit such impartial analysis to the City Clerk no later than August 24, 2020 by 5:00 p.m.
4. The City Council adopts the provisions of Elections Code section 9285(a) regarding rebuttal ballot arguments. Arguments for and against the Measure may be submitted to the City Clerk's office, 567 El Camino Real, San Bruno, CA 94066-4299, until 5 p.m. on August 14, 2020. Rebuttal arguments will be permitted and must be received in the City Clerk's office by 5:00 pm on August 24, 2020.
5. Pursuant to Elections Code Section 10403, the City Council requests that the San Mateo County Board of Supervisors consent to consolidation of the Election with the general election to be conducted by the San Mateo County Registrar of voters on November 3, 2020. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating a special election consolidated with a statewide election. The City will bear all costs customarily charged by the County to a city in connection with a ballot question submitted at a municipal election that is consolidated with an election conducted by the County.
6. The City Clerk shall certify to the passage and adoption of this Resolution and enter into the book of original Resolutions.
7. The City Council directs the City Clerk to file a certified copy of this Resolution with the Registrar of Voters of San Mateo County.
8. Notice of the time and place of holding of the election is given and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election in the time, form, and manner as required by law.
9. Pursuant to Section 10400 et seq. of the Elections Code, the Board of Supervisors of San Mateo County is requested to consolidate the election on this ballot measure with other elections held on the same day in the County.
10. The Board of Supervisors is authorized to canvass the returns of the Election pursuant to Section 10411 of the Elections Code.

11. Pursuant to Section 10002 of the Elections Code, the Board of Supervisors is requested to permit the County Clerk to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the City agrees to reimburse the County, in accordance with current County pro-rations and allocation procedures.
12. The City Clerk shall file a certified copy of this Resolution with the County Clerk.
13. The City Clerk is hereby authorized to do all things necessary and proper to implement the provisions of this Resolution, including certifying the passage and adoption of this Resolution and entering it into the book of original Resolutions.

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I hereby certify that foregoing **Resolution No. 2020 - 61** was introduced and adopted by the San Bruno City Council at a regular meeting on July 28, 2020, by the following vote:

AYES: Councilmembers: Davis, Mason, M. Medina, Salazar, Mayor R. Medina

NOES: Councilmembers: None

ABSENT: Councilmembers: None

[Redacted Signature]

Vicky S. Hasha, Deputy City Clerk

I hereby certify this to be a full, true and correct copy of the document it purports to be, the original of which is on file in my office.

Dated: August 5, 2020

[Redacted Signature]
Deputy City Clerk of the City of San Bruno



Exhibit "A"

ORDINANCE NO. _____

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF SAN BRUNO, CALIFORNIA,
ADDING CHAPTER 3.18 TO THE SAN BRUNO MUNICIPAL CODE, ESTABLISHING
A CANNABIS BUSINESS TAX**

THE PEOPLE OF CITY OF SAN BRUNO ORDAIN AS FOLLOWS:

SECTION 1. Short Title

This Ordinance may be referred to as the "City of San Bruno Cannabis Business Tax Ordinance of 2020."

SECTION 2. Purpose.

The purpose of this Ordinance is to impose a business tax on cannabis businesses in the City of San Bruno.

SECTION 3. Chapter 3.18 is added to the San Bruno Municipal Code to read as follows:

3.18 CANNABIS BUSINESS TAX

- 3.18.010 Imposition of Tax.
- 3.18.020 Cannabis Business.
- 3.18.030 Use of Funds.
- 3.18.040 Administration.
- 3.18.050 No Businesses Authorized

3.18.010 Imposition of Tax.

Every person engaged in a Cannabis Business in the City shall pay a cannabis business tax of 10% of Gross Receipts.

3.18.020 Cannabis Business

A Cannabis Business is a business that is licensed by the state pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Business & Professions Code Section 26000 *et seq.*) and/or involves the retailing, wholesaling, manufacturing, distributing, cultivation or testing of cannabis or cannabis products or involves the operation of a cannabis nursery.

3.18.030 Use of Funds

The purpose of this Chapter is to impose a tax for revenue purposes. Proceeds of the tax shall be deposited in the City's general fund and available for any municipal purpose.

3.18.040 Administration

The tax imposed by this Chapter shall be administered in the same manner as the generally applicable business license tax imposed by Section 3.08.020 of this Code. For purposes of this Chapter, "Gross Receipts" shall have the meaning set forth in Section 3.04.170 of this Code. This tax is in addition to any other tax imposed by the City, including the generally applicable business license tax.

3.18.050 No Business Authorized

This Chapter does not authorize any person to conduct any business or activity in the City.

SECTION 4. This Ordinance may be amended by the City Council in any respect without a vote of the people. Specifically, the City Council may reduce the rate of the tax set forth herein, may create exemptions to the tax, and may create special procedures for the collection of the tax (including, but not limited to, requiring that the tax be paid in advance or that the tax be payable as often as monthly). The City Council may, without a vote of the people, adjust the rate of the tax so long as no cannabis business is subject to a cannabis business tax that is higher than a maximum rate of 10% of Gross Receipts. However, as required by the California Constitution, the City Council may not raise the rate of the tax above that maximum rate unless such increase is approved by the voters.

SECTION 5. If any provision, clause, sentence or paragraph of this Ordinance or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance which can be given effect without the invalid provisions or application, and to this end the provision of this Ordinance are declared to be severable.

SECTION 6. If approved by the voters, this ordinance will be effective on March 1, 2021.

Approved by the People of the City of San Bruno at the General Municipal Election Held on November 3, 2020.

Rico E. Medina
Mayor

APPROVED AS TO FORM:

Marc Zafferano, City Attorney

ATTEST:

Melissa Thurman, CMC
City Clerk