

**CITY COUNCIL OF THE CITY OF SAN DIEGO  
SUPPLEMENTAL DOCKET NUMBER 2  
FOR THE REGULAR MEETING OF  
TUESDAY, JULY 26, 2016  
CITY ADMINISTRATION BUILDING  
COUNCIL CHAMBERS – 12<sup>TH</sup> FLOOR  
202 “C” STREET  
SAN DIEGO, CA 92101**

-----

This information will be made available in alternative formats upon request, as required by the Americans with Disabilities Act (ADA), by contacting the City Clerk at (619) 533-4000 or <mailto:cityclerk@sandiego.gov>. Requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for auxiliary aids, services or interpreters, require different lead times. Please keep this in mind and provide as much advance notice as possible in order to ensure availability. Assistive Listening Devices (ALDs) are available in Council Chambers upon request.

Pursuant to California Senate Bill 343 (Section 54957.5(b) of the Brown Act), late-arriving documents related to City Council meeting agenda items which are distributed to the legislative body prior to and during the Council meeting are available for public review in the Office of the City Clerk on the second floor of the City Administration Building, 202 C Street, San Diego, CA 92101. This relates to those documents received after the agenda is publicly noticed and during the 72 hours prior to the start of the meeting. Please note: Approximately one hour prior to the start of the Council Meeting, the documents will be available just outside Council Chambers in the lobby of the 12th floor of the City Administration Building in a binder labeled “SB 343.” Late-arriving materials received during the City Council meeting are available for review by making a verbal request of City Clerk staff located in Council Chambers.

**ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS**  
**ORDINANCES TO BE INTRODUCED, READY FOR DISPENSING WITH THE READING**  
**AND ADOPTION WITH RESOLUTIONS TO BE ADOPTED:**

**This item may be taken in the morning session if time permits.**

ITEM-S501: Consideration of a proposed Cannabis Business Tax Ordinance for placement on the November 2016 ballot. (Citywide.)

**ITEM DESCRIPTION:**

Request that the City Council adopt the ordinances in Sub-item A to place on the November 8, 2016, Municipal Special Election ballot a measure to implement a gross receipts tax on recreational marijuana businesses; and adopt the resolution in Sub-item B, directing the preparation of related ballot materials.

**TODAY'S ACTIONS ARE:**

Introduce and adopt the ordinance; and adopt the resolution:

Subitem A: (O-2017-20) (Rev. 7/25/16)

Introduction and adoption of an Ordinance submitting to the qualified voters of the City of San Diego, at the Municipal Special Election, consolidated with the Statewide General Election to be held on November 8, 2016, one measure amending the San Diego Municipal Code to impose a General Tax on Non-Medical Cannabis businesses engaged in business in the City of San Diego. (Rev. 7/25/16)

Subitem B: (R-2017-53) (Rev. 7/25/16)

Directing the City Attorney to prepare a ballot title and summary, and an impartial analysis, of the proposed ballot measure for inclusion in the voter pamphlet and to deliver the ballot title and summary, and the impartial analysis, to the Office of the City Clerk, Elections Section, no later than August 22, 2016;

Directing the Independent Budget Analyst, working with the Mayor (or the Mayor's designee) and the City Auditor, to prepare a fiscal impact analysis of the proposed ballot measure for inclusion in the voter pamphlet and to deliver the analysis to the Office of the City Clerk, Elections Section, no later than August 22, 2016;

Authorizing \_\_\_\_\_ to sign and file a written ballot argument in \_\_\_\_\_ the ballot measure for inclusion in the voter pamphlet, and to deliver the argument to the Office of the City Clerk, Elections Section, no later than August 25, 2016. (Rev. 7/25/16)

**SUPPORTING INFORMATION:**

**FISCAL CONSIDERATIONS:**

\$4,173,583 is budgeted under Citywide Program Expenditures for the November 2016 election. The final cost will be impacted by the total number of ballot measures approved for the ballot and is unknown at this time.

**PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:**

This item was presented to the Rules Committee on June 20, 2016. Motion by Councilmember Kersey, second by Councilmember Cole, to forward the proposed Cannabis Business Tax Ordinance to the City Council, and direct the City Attorney, Independent Budget Analyst, Chief Financial Officer's Office and relevant Council staff to bring a final proposal to the full City Council on July 11; and make the implementation of the proposed gross receipts tax contingent upon passage of the statewide Adult Use of Marijuana Act. (4-1; Kersey-yea, Lightner-yea, Cole-yea, Emerald- yea, Cate-nay).

This item was presented to City Council on July 11, 2016. Councilmember Kersey motioned to include recreational cannabis and exclude medicinal cannabis from the proposed Cannabis Business Tax Ordinance and to phase the gross receipts tax in at 5% in the first two years and move to 8% thereafter, and direct the City Attorney's Office to prepare ballot language for the Municipal Special Election, consolidated with the California State General Election to be held on November 8, 2016.

Bouteller

Primary Contact\Phone: Patrick Bouteller\619-236-6655

Secondary Contact\Phone: Alex Vivona\619-236-7018