



MICHAEL N. FEUER
CITY ATTORNEY

REPORT NO. 18-0218
JUN 25 2018

REPORT RE:

**REVISED BALLOT RESOLUTIONS AND ELECTION ORDINANCE REGARDING A
PROPOSED SPECIAL TAX PROPOSITION ON VARIOUS CANNABIS-RELATED
ACTIVITIES FOR THE NOVEMBER 6, 2018, BALLOT**

The Honorable City Council
of the City of Los Angeles
Room 395 City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 18-1800-S2

Honorable Members:

On June 15, 2018, this Office transmitted the ballot resolutions and election ordinance necessary to place a measure on the November 6, 2018 ballot authorizing special taxes on various cannabis-related activities.

On June 20, 2018, the Rules Committee considered the matter and recommended specific changes to the draft ballot resolutions and election ordinance. We have prepared and now transmit the enclosed revised draft resolutions and ordinance consistent with the recommendations of the Rules Committee. The revised ballot resolutions add provisions increasing the proposed special tax on commercial cannabis activity to 2% if the gross receipts of all persons subject to the tax reaches \$1.5 billion in any calendar year, as verified by the Office of Finance. The revised resolutions also move back the effective date of the new taxes to July 1, 2019. The revised resolutions and ordinance also amend the ballot title for the measure consistent with the changes above and to include an estimate of the potential revenues from the new taxes of approximately \$30 million annually.

Council Rule 38 Referral

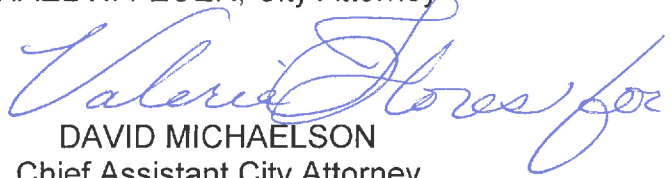
Pursuant to Council Rule 38, we have discussed these revisions with staff of the City Administrative Officer and Office of Finance, and requested that comments, if any, be directed to Council at the time this matter is considered.

If you have questions regarding this matter, please contact Deputy City Attorney Harit Trivedi at (213) 978-7193. A member of this Office will be present when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By

A handwritten signature in blue ink that reads "Valerie Flores for" followed by a stylized signature.

DAVID MICHAELSON
Chief Assistant City Attorney

Transmittal