

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT, BALLOT RESOLUTIONS, and ORDINANCE FIRST CONSIDERATION relative to submitting to the voters, a proposed special tax proposition on various cannabis-related activities, and calling a Special Election on the proposition and consolidating it with the State General Election to be held on November 6, 2018.

Recommendations for Council action:

1. ADOPT the accompanying RESOLUTION, providing that a ballot measure be submitted to the qualified voters of the City of Los Angeles, at a Special Election to be held on Tuesday, November 6, 2018, to authorize special taxes on various cannabis-related activities, and consolidating this Special Election with the State's General Election to be held on the same date, as amended to:
 - a. Add a provision that when the cannabis industry within the City of Los Angeles reaches an aggregate of \$1.5 billion in annual total gross receipts between January 1st and December 31st of any given year, as verified by the Office of Finance, the special tax for cannabis would increase on the following July 1st to two percent, or \$20.00 for each \$1,000 of gross receipts.
 - b. Change the effective date of all taxes (e.g. Los Angeles Municipal Code 21.51.1(g); 21.52.1(g); 21.51.2(h); 21.18.3; and, 21.19.3) in the ballot measure to July 1, 2019.
 - c. Set the dollar amount in the ballot question at potentially \$30 million dollars a year.
2. ADOPT the accompanying amended BALLOT TITLE RESOLUTION, as follows and as further amended consistent with Recommendation No. 1 above:

Shall an ordinance funding: public improvements, parks, libraries, recreation centers near cannabis businesses; cannabis-related programs including education, outreach, social equity and enforcement; and youth and education programs; through special 1 percent gross receipts taxes on commercial cannabis activity, cannabis event organizers and management companies, and \$5 surcharges on tickets to cannabis events and tests of cannabis products; raising approximately \$30 million annually, until ended by the City/voters, be adopted?
3. ADOPT the accompanying amended RESOLUTION to request the Los Angeles County Board of Supervisors to authorize consolidation of the City of Los Angeles Special Election with the State General Election to be held on November 6, 2018 for the purpose of submitting to the qualified voters of the City of Los Angeles the ballot proposition described in Recommendation No. 2 above.
4. PRESENT and ADOPT the accompanying amended ORDINANCE, and with the Ballot Title description as amended in Recommendation No. 2 above, SUBJECT TO THE APPROVAL OF THE MAYOR, calling a Special Election to be held on Tuesday, November 6, 2018, for the purpose of submitting to the qualified voters of the City of Los Angeles a special tax relating to cannabis activity, and consolidating this Special Election

with the State's General Election to be held on the same date.

5. REQUEST the City Attorney to submit all revised documents for Council consideration on Tuesday, June 26, 2018 that includes the amendments.

Fiscal Impact Statement: None submitted by the City Attorney. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

TIME LIMIT FILE - JULY 3, 2018

(LAST DAY FOR COUNCIL ACTION - JULY 3, 2018)

SUMMARY

At a special meeting held on June 20, 2018, the Rules, Elections, and Intergovernmental Relations Committee considered a City Attorney report, Ballot Resolutions, and Ordinances relative to submitting to the voters, a proposed special tax proposition on various cannabis-related activities, and calling a Special Election on the proposition and consolidating it with the State General Election to be held on November 6, 2018.

During discussion of this matter, the Director of Department of Cannabis Regulation and representatives of the Department of City Planning and the Office of the City Attorney addressed the Committee and responded to related questions. Additionally, the Committee Chair submitted recommendations into the record which were distributed to the public and attached to the Council file. The recommendations request the City Attorney to make revisions to the draft Ordinance and Ballot Resolutions as detailed in Recommendation No. 1a - 1c above, and to submit the revised documents to Council on Tuesday, June 26, 2018.

After providing an opportunity for public comment, the Rules, Elections, and Intergovernmental Relations Committee recommended that Council adopt the accompanying Resolutions and Ordinances as amended. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
WESSON:	YES
HUIZAR:	YES
HARRIS-DAWSON:	YES

REW 6/20/18 FILE NO. 18-1800-S2

-NOT OFFICIAL UNTIL COUNCIL ACTS-