



Staff Report

File #: 22-0686

REQUEST FOR CITY COUNCIL ACTION

DATE: 08/10/2022

TO: Honorable Mayor and City Council Members

FROM: Legal and Risk Management

SUBJECT:

Resolution amending ballot label/ballot question for commercial cannabis business tax measure to be placed on November 8, 2022 general municipal election ballot.

EXECUTIVE SUMMARY:

California Elections Code Sections 13247 and 9051 provide that a ballot label/ballot question may not exceed 75 words. The ballot question for the commercial cannabis business tax measure that was approved by the City Council on July 6, 2022 contains more than 75 words. Resolution No. 2022-108 amends the ballot question so that it complies with the Elections Code. Resolution No. 2022-108 also makes some formatting changes to Ordinance No. 3352, which is the ordinance to be submitted to the voters to establish the tax on commercial cannabis businesses and is attached as Exhibit "A" to Resolution No. 2022-108.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2022-108 amending the ballot label/ballot question for a general tax measure to be placed on the November 8, 2022 general municipal election ballot relating to a proposed ordinance establishing a tax on commercial cannabis businesses operating within the City of Corona.

BACKGROUND & HISTORY:

On July 6, 2022, the City Council adopted Resolution No. 2022-102, placing a measure on the November 8, 2022 general municipal election ballot for submission to Corona voters a proposed ordinance amending the Corona Municipal Code to establish a tax on commercial cannabis businesses operating within the City. Elections Code Sections 13247 and 9051 require that the ballot label/ballot question not exceed 75 words. The ballot label/ballot question that was adopted as part of Resolution No. 2022-102 exceeds 75 words.

ANALYSIS:

Resolution No. 2022-108 has been prepared to amend the ballot label/ballot question for the

commercial cannabis business tax measure to comply with the Elections Code. The proposed amendments to the ballot label/ballot question are as follows:

"Shall the City of Corona adopt an ordinance enacting a **gross receipts** tax on commercial cannabis businesses of up to 9% of ~~gross receipts~~ for retail sale (including delivery), up to 7% of ~~gross receipts~~ for manufacturing and distribution, up to 3% of ~~gross receipts~~ for testing laboratories, and up to 15% of ~~gross receipts~~ for all other commercial cannabis businesses, generating approximately \$5,000,000 annually for general government use, such as police and emergency response, parks and youth/senior services, and street repair, until ended by voters?"

With these amendments, the ballot label/ballot question is 72 words, which complies with the requirements of Elections Code Sections 13247 and 9051.

City staff also identified a few formatting issues in Ordinance No. 3352, which is the ordinance to be submitted to the voters that adds Chapter 3.38 to the Corona Municipal Code and establishes the tax on commercial cannabis businesses operating within the City. The proposed revisions are identified in the redline version of Resolution No. 2022-108 attached to this report.

FINANCIAL IMPACT:

There is no financial impact associated with the adoption of Resolution No. 2022-108.

ENVIRONMENTAL ANALYSIS:

This action is exempt under the California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(5), which states that a project is exempt from CEQA if the activity relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of CEQA. The recommended action simply amends the ballot label/ballot question for a proposed tax measure on the November ballot, and there is no possibility that this action will have a significant effect on the environment. Therefore, no further environmental analysis is required

PREPARED BY: JAMIE RAYMOND, CHIEF DEPUTY CITY ATTORNEY

REVIEWED BY: DEAN DERLETH, CITY ATTORNEY/LRM DIRECTOR

Attachments:

1. Exhibit 1 - Resolution No. 2022-108 (Redline)
2. Exhibit 2 - Resolution No. 2022-108 (Final)