

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA: (A) AMENDING RESOLUTION NO. 2018-128 CALLING A SPECIAL ELECTION TO BE HELD ON NOVEMBER 6, 2018; (B) ORDERING SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY A MEASURE SEEKING APPROVAL OF A GENERAL BUSINESS LICENSE TAX ON CANNABIS BUSINESS ACTIVITY IN THE CITY; (C) AUTHORIZING THE MAYOR TO SUBMIT BALLOT ARGUMENTS IN FAVOR OF THE MEASURE; AND (D) DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE

WHEREAS, the City of Chula Vista, may impose license taxes on businesses in the City for general purposes, pursuant to its home-rule authority and the City Charter, subject to approval by a majority of voters; and

WHEREAS, the newly lawful cannabis businesses in the City will create significant demand for City services, including regulation, law enforcement, and other services;

WHEREAS, the City Council finds it is appropriate that these businesses fund the cost of the services they require; and

WHEREAS, pursuant to California Elections Code Section 9222, the City Council may submit an ordinance directly to the voters for approval; and

WHEREAS, the City Council has adopted an ordinance adding Chapter 5.21 to the Chula Vista Municipal Code, entitled, “Cannabis Business Tax” (the “Ordinance”), which establishes a business license tax on commercial cannabis businesses in the City (the “Cannabis Tax”); and

WHEREAS, this business license tax is imposed to raise revenue and not for regulation; and

WHEREAS, the Ordinance, attached to this Resolution as Exhibit A and incorporated by this reference, would impose a business license tax on persons engaged in commercial activity involving cannabis products in the City of Chula Vista; and

WHEREAS, in accordance with the provisions of the Chula Vista Charter and State law, a Special Municipal Election was called by the City Council pursuant to Resolution No. 2018-128, to be held on Tuesday, November 6, 2018; and

WHEREAS, the City Council desires to amend that Resolution in order to add the Cannabis Business Tax Ordinance to the November 6, 2018 ballot; and

WHEREAS, if approved by the voters, the tax proceeds derived as a result of the Ordinance will be used to fund enforcement efforts against illegal cannabis businesses in the City, as well as other general government purposes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista as follows:

SECTION 1. All of the foregoing recitals are true and correct.

SECTION 2. The City Council, pursuant to its right and authority, does hereby order submitted to the voters at the Special Municipal Election on November 6, 2018 the proposed Measure (the “Cannabis Business Tax Ordinance”), attached as Exhibit “A” and incorporated into this resolution by this reference.

SECTION 3. The type, rate, and method of collection of the tax are set forth in the Cannabis Business Tax Ordinance, the full text of which shall be printed and made available to voters pursuant to Section 9223 of the Elections Code.

SECTION 4. The ballot label for the proposed Measure shall be submitted to the electorate for a “Yes” or “No” vote as follows:

Shall the measure to impose a business license tax of at least 5%, and up to 15%, of gross receipts on cannabis (marijuana) businesses, and at least \$10, and up to \$25, per square foot on space dedicated to cannabis cultivation, to raise an estimated \$6,000,000 per year, until voters change or repeal it, to fund general City services, including enforcement efforts against cannabis businesses that are operating illegally, be adopted?	YES
	NO

SECTION 5. Pursuant to Article XIII C of the California Constitution, this measure requires the approval of a simple majority of voters (50% plus 1 of those casting ballots).

SECTION 6. Resolution No. 2018-128 is amended accordingly and the City Clerk is authorized, instructed, and directed to take all actions necessary to add the Cannabis Business Tax Ordinance to the November 6, 2018 ballot.

SECTION 7. Pursuant to California Elections Code Section 9282, the City Council hereby acknowledges its authority, and the authority of any individual voter who is eligible to vote on the measure, or bona fide association of citizens, or any combination of voters and associations, to submit a written argument, not to exceed 300 words, for or against the measure, and authorizes the Mayor to submit arguments in favor of the measure, on behalf of the City Council. Arguments must be submitted to the City Clerk, and may be changed until and including the date fixed by the City Clerk, after which no arguments for or against the measure may be submitted, withdrawn or changed.

SECTION 8. Pursuant to Elections Code section 9285, rebuttal arguments will be allowed. The rebuttal arguments may not exceed 250 words. Rebuttal arguments must be submitted to the City Clerk, and may be changed until and including the date fixed by the City Clerk, after which no rebuttal arguments for or against the proposed measure may be submitted to the City Clerk. This Section 8 is applicable only to the November 6, 2018 special election called by this resolution and, after that election, shall expire.

SECTION 9. Pursuant to California Elections Code Section 9280, the City Clerk is directed to transmit a copy of the measure to the City Attorney. The City Attorney is directed to 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 analyses to the City Clerk by the date fixed by the City Clerk.

SECTION 10. The City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the Registrar of Voters of the County of San Diego and to issue instructions to the Registrar of Voters to take any and all steps necessary for the holding of the election.

Presented by

Approved as to form by

Gary Halbert
City Manager

Glen R. Googins
City Attorney