



# City of Culver City

## Staff Report

File #: 18-0496, Version: 1

Item #: A-2.

**CC - (1) Adoption of a Resolution Calling a General Municipal Election to be Held in the City of Culver City on Tuesday, April 10, 2018 to Elect Two Council Members to the City Council, Each for a Full Term of Four Years, and for Submitting to the Voters a Ballot Measure Relating to a Commercial Cannabis Business Tax Ordinance; (2) Adoption of a Resolution Requesting the Board of Supervisors of the County of Los Angeles to Render Specified Services to the City Related to the Conduct of Said Election; (3) (If Desired) Adoption of a Resolution Authorizing the City Council and/or Certain Council Members to Submit Primary Ballot Arguments Regarding the Measure; (4) Potential Creation and Appointment of Members to an Ad-Hoc Subcommittee to Draft and/or Submit Such Ballot Argument(s); (5) Adoption of a Resolution Approving Rebuttal Arguments, (6) Instruct City Clerk to post a Notice Setting the Date after which no Arguments May be Submitted; and (7) Instruct City Attorney to Prepare the Impartial Analysis for the City Measure.**

**Meeting Date:** November 13, 2017

**Contact Person/Dept:** Jeremy Green, City Clerk

**Phone Number:** 310-253-5851

**Fiscal Impact:** Yes  No

**General Fund:** Yes  No

**Public Hearing:**

**Action Item:**

**Attachments:** Yes  No

**Commission Action Required:** Yes  No  **Date:**

**Commission Name:**

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (11/09/17)

**Department Approval:** Serena Wright-Black, Administrative Services Director  
(11/08/17)

### **RECOMMENDATION:**

Staff recommends the City Council (1) adopt a resolution calling a General Municipal Election to be held on Tuesday, April 10, 2018 for purposes of electing two members to the City Council for a full term of four years each and submitting to the voters a question related to a Cannabis Business Tax

Ordinance; (2) adopt a resolution requesting the Board of Supervisors of the County of Los Angeles to render specified services to the City relating to the conduct of the General Municipal Election; (3) discuss and, if desired, adopt a resolution authorizing the City Council and/or certain Council Members to submit primary arguments regarding the ballot measures; (4) discuss and, if desired, create and appoint members to one or more ad-hoc subcommittees to draft and/or submit such ballot arguments; (5) adoption of a Resolution approving rebuttal arguments, (6) instruct City Clerk to post a Notice Setting the Date after which no arguments may be submitted; and (7) instruct the City Attorney to prepare the impartial analysis for the City measures.

## **BACKGROUND:**

At the October 9, 2017 meeting, City Council directed staff to prepare a commercial cannabis business excise tax ballot measure. Staff was directed to include the following tax rates for commercial cannabis businesses in the ballot measure:

- Retail (medicinal): range of 5 - 8% with an initial rate of 5%
- Retail (adult-use): range of 6 - 10% with an initial rate of 6%
- Manufacturing: range of 4 - 6% with an initial rate of 4%
- Distribution: range of 2 - 6% with an initial rate of 2%
- Testing: 1 - 1.5% with an initial rate of 1%
- Cultivation: \$12 per square foot of canopy

The above initial and maximum rates are reflected in the proposed excise tax ballot measure. The initial tax rate would be effective through June 30, 2020. After that date, for all categories except cultivation, the tax rate may be increased by resolution of the City Council, up to the maximum rate. For cultivation, the tax rate would increase based on the Consumer Price Index. Taxes are to be remitted quarterly. The tax would be in effect until repealed by voters. Staff projects approximately \$1.2 million in annual tax revenue using the City Council approved initial rates (See Attachment 3 for assumptions).

## **DISCUSSION:**

### **Process to Call the Election**

Pursuant to Section 1500 of the current City Charter, the General Municipal Election shall be held on the second Tuesday of April in each even numbered year. In 2018, the date of the General Municipal Election is Tuesday, April 10, 2018. As Per Elections Code Section 12111, "in case of a municipal election on any measure, the city elections official shall publish a synopsis of the measure at least one time not later than one week before the election in a newspaper of general circulation in the city". Elections Code Section 12101 requires notice of elections for candidates between December 4 and December 18, 2017. Therefore two notices will be prepared and posted to comply with the California Elections Code: 1) to post the measure and 2) to notify the public about the election of Council Members.

To call the election and to effectuate the placement of the proposed measure on the ballot of the April

10, 2018 election, the City Council is requested to:

- (1) Adopt a resolution calling and giving notice of a General Municipal Election to be held on Tuesday, April 10, 2018 for the purpose of electing two Council Members and submitting to the voters a ballot measure;
- (2) Adopt a resolution requesting the Board of Supervisors of the County of Los Angeles render specified services related to the conduct of said Election;
- (3) Discuss and, if desired, adopt a resolution authorizing the City Council and/or certain Council Members to submit Ballot Argument(s) regarding the measure; and,
- (4) Discuss and, if desired, create and appoint Council Members to an Ad-Hoc Subcommittee to draft and/or submit such Ballot Argument(s).

### *Requesting the County to Render Specified Services*

In accordance with Section 10002 of the Elections Code of the State of California, the governing body of any city or district may, by resolution, request the Board of Supervisors of the county to permit the County Elections Official to render specified services to the city or district relating to the conduct of an election. The City Clerk recommends the City Council adopt the proposed resolution which requests the Board of Supervisors render specified services to the City relating to the conduct of said election.

### *Naming of Measure*

California Elections Code Section 13116 states that “(a) In an election at which state, county, city, or other local measures are submitted to a vote of the voters, all state measures shall be numbered in numerical order, as provided in this chapter or division. All county, city, or other local measures shall be designated by a letter, instead of a figure, printed on the left margin of the square containing the description of the measure, commencing with the letter “A” and continuing in alphabetical order, one letter for each of these measures appearing on the ballot.” For ease of identifying the measure, staff recommends that the Cannabis Tax Ordinance be called “Measure A.”

### *Authorizing the City Council and/or Certain Council Members to Submit Arguments*

The City Council, authorized members of the City Council, citizen associations and private citizens may submit arguments for or against the proposed Measure. Only one ballot argument for and one ballot argument against the measure and rebuttals to each may be printed in the Voter Information Guide (formerly known as the Sample Ballot.). The Elections Code gives preference to the arguments submitted by the City Council, as a body, or by Council Members authorized to submit arguments by the City Council.

Should the City Council decide to submit an argument as a body, it is automatically placed in the Voter Information Guide. If the City Council decides to have some of its members submit an

argument, those members need to be designated by the City Council in order for their argument(s) to receive priority.

The City Council should decide whether it will submit initial and rebuttal arguments for or against the measure as a body or designate individual Council Members to submit those arguments. If individual members are to be designated, then the City Council should make those designations at this meeting. Please note, that if more than two City Council Members will be working together to write, or intend to give comments on the same argument, then, pursuant to the Brown Act, the discussions and comments among those Council Members may only occur during a duly noticed public meeting of the City Council.

Based on the calendar for the April 10, 2018 election, primary arguments are due to the City Clerk's Office **no later than the close of business (5:30 PM) on Monday, November 27, 2017** and shall not exceed 300 words in length. Should the City Council determine that this City Council wishes to review and approve the primary arguments written by the subcommittee, staff recommends such review and approval be agendized for the November 27, 2017 City Council Meeting, which would need to meet to finalize, sign, and submit the official City Council argument prior to the deadline for arguments at 5:30pm that date.

Rebuttal arguments are due 10 days after the primary arguments are due and shall not exceed 250 words. The deadline for submission of rebuttal arguments to the City Clerk's Office would be **no later than close of business (5:30 PM) on December 7, 2017**. If a rebuttal argument is necessary, and the City Council wishes to review and approve a rebuttal argument written by the subcommittee(s), then such review and approval would need to be conducted by the City Council prior to the deadline for rebuttals, which would require a special City Council Meeting.

### Candidate Statement Costs

Section 13307 of the Elections Code of the State of California provides that the governing body of any local agency adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the candidate's statement. The City Council rescinded Resolution 95-R104 and approved and adopted Resolution 2007-R068 on December 3, 2007, which fulfills this requirement.

### FISCAL ANALYSIS:

The estimated costs for the election is approximately \$200,000 and occur across two fiscal years. The current amount budgeted in account 10111100. 610600 for FY 2017-18 is \$100,000. Additional costs incurred will be processed in FY 2018-19 and will be included in that budget.

### ATTACHMENTS:

- 1) Resolution 2007-R068 Approving Candidate Statement Costs

- 2) Proposed Resolution Calling a General Municipal Election to be Held on Tuesday, April 10, 2018 for two (2) Council Members for terms of four (4) years each and the Submitting of a Question Relating to a Cannabis Business Excise Tax.
- 3) Revenue Projection for Cannabis Business Excise Tax
- 4) Proposed Resolution Requesting the Board of Supervisors of the County of Los Angeles to Render Specified Services to the City of Culver City Relating to the Conduct of a General Municipal Election to be Held in the City on Tuesday, April 10, 2018.
- 5) Proposed Resolution Authorizing the City Council and/or Certain Council Members to Submit Arguments Regarding a Question Relating to a Cannabis Business Tax Ordinance.
- 6) Proposed Resolution for Approving Rebuttal Agreements.

**RECOMMENDED MOTION(S):**

That the City Council:

1. Adopt the proposed resolution Calling and Giving Notice of a General Municipal Election to be held on Tuesday, April 10, 2018 for two (2) Council Members for terms of four (4) years and the Submitting of a Question Relating to a Cannabis Business Tax; and,
2. Adopt the proposed Resolution Requesting the Board of Supervisors of the County of Los Angeles to Render Specified Services to the City of Culver City Relating to the Conduct of a General Municipal Election to be Held in the City on Tuesday, April 10, 2018; and
- 3.A. Adopt a Resolution Authorizing the City Council and/or Certain Council Members to Submit Primary Arguments Regarding the proposed Ballot Measure;

AND

- 3.B. Discuss the formation of Ad Hoc Subcommittee(s) and appoint the following Council Members thereto for the purpose of drafting of the Primary Ballot Argument(s):
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AND

- 3.C. If an Ad Hoc Subcommittee(s) is created, authorize the Subcommittee(s) to submit the Primary Ballot Argument(s) by the filing deadline of 5:30 PM on November 27, 2017;

OR

3.D. Direct the Ad Hoc Subcommittee(s) to complete its work in time to present the Primary Ballot Argument(s) to the City Council for review and approve on November 27, 2017, and set the start time for that meeting to be 4:00PM; and

4.A. Adopt a Resolution Authorizing the City Council and/or Certain Council Members to Submit Rebuttal Arguments Regarding the proposed Ballot Measure;

AND

4.B. If an Ad Hoc Subcommittee(s) is created for the Primary Argument(s), authorize such Subcommittee(s) to also submit the Rebuttal Argument(s) by the filing deadline of 5:30 PM on December 7, 2017;

OR

4.C. Direct the Ad Hoc Subcommittee(s) to complete its work in time to present the Rebuttal Argument(s) to the City Council for review and approval prior to filing deadline of 5:30 PM on December 7, 2017 (which would require a Special City Council Meeting be scheduled prior to the filing deadline);

5. Direct the City Clerk to post a Notice Setting the Date after which no Arguments May be Submitted; and

6. Direct the City Attorney to Prepare the Impartial Analysis For the City Measure.