



CITY OF HAYWARD

Hayward City Hall
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Hayward, CA 94541
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Cover Memo

File #: LB 16-090, **Version:** 1

DATE: July 26, 2016

TO: Mayor and City Council

FROM: City Attorney

SUBJECT

Submission of Cannabis Tax Measure to Hayward Voters on November 8, 2016

RECOMMENDATION

That the Council adopts the attached resolution calling a special election for a general tax measure regarding adult use of recreational cannabis and medical cannabis to Hayward voters on November 8, 2016, and calling a special municipal election to be consolidated with the statewide presidential election on said date.

SUMMARY

On July 19, 2016, the City Council considered a report and recommendation regarding the submission of a cannabis tax to Hayward voters on November 8, 2016. That report LB 16-087 can be found [here](https://hayward.legistar.com/MeetingDetail.aspx?ID=496111&GUID=82000040-3EB8-4D7B-B392-B429A68D16C4&Options=&Search=>) [<https://hayward.legistar.com/MeetingDetail.aspx?ID=496111&GUID=82000040-3EB8-4D7B-B392-B429A68D16C4&Options=&Search=>](https://hayward.legistar.com/MeetingDetail.aspx?ID=496111&GUID=82000040-3EB8-4D7B-B392-B429A68D16C4&Options=&Search=>).

After discussion on July 19, 2016 regarding the ballot question, staff was directed to revise the ballot question consistent with Council's direction. Pursuant to that direction, the revised ballot question is as follows:

TO ASSURE LOCAL CONTROL AND CLOSE ON-GOING DEFICITS, SHALL THE CITY BE AUTHORIZED TO ENACT A GENERAL TAX ORDINANCE NOT EXCEEDING 15% OF GROSS SALES FOR ALL PRODUCTS ASSOCIATED WITH MEDICAL OR ADULT USE OF CANNABIS, FROM CULTIVATION, DISTRIBUTION, MANUFACTURING, AND RETAILING OF CANNABIS OR PRODUCTS DERIVED THEREFROM, IF THE CITY OF HAYWARD PERMITS CANNABIS BUSINESS ACTIVITIES, SUCH TAX TO BE IN ADDITION TO ANY OTHER TAXES IMPOSED BY THE CITY OR THE STATE? (count: 71)

The revised ballot question is included in the resolution (Attachment I) which the Council must adopt in order to call a special municipal election that is consolidated with the statewide presidential election on November 8, 2016.

The City Clerk's updated schedule of deadlines is also attached (Attachment II).

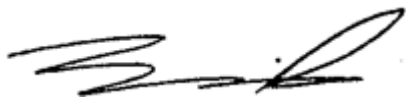
FISCAL IMPACT

As previously discussed, the cost of the special election is approximately \$258,000, though the final cost could be lower.

The amount that could be generated from a cannabis tax is difficult to project because of the multiple variables discussed in the July 19, 2016 staff report.

Prepared and Recommended by: Michael Lawson, City Attorney

Approved by:



Fran David, City Manager

Attachments:

Attachment I
Attachment II

Resolution
Draft Key Dates and Deadlines