



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: February 28, 2023

TO: Honorable Mayor and Members of the City Council

FROM: Jovan D. Grogan, City Manager

PREPARED BY: Peter Gilli, Community and Economic Development Director

SUBJECT: Consider Adoption of an Ordinance of the City of San Bruno Amending Title 3 (Revenue and Finance) of the Municipal Code to Increase the Tax Imposed on Cannabis Businesses

BACKGROUND:

On February 14, 2023 following a duly noticed Public Hearing, the City Council introduced an ordinance to amend Title 3 (Revenue and Finance) to raise the cannabis business tax by 1% from 5% to 6%.

DISCUSSION:

Pursuant to Government Code Section 54954.6, the City Council considered the proposed tax increase at a public meeting and at a subsequent public hearing following published notice provided for three weeks pursuant to Government Code Section 6063. The notice was published on December 9, 2022, December 16, 2022, and on December 23, 2022. At the regular City Council meeting on January 24, 2022, this item was reviewed as part of the consent calendar, with no modifications requested to the draft ordinance that was provided for review. The City Council held a public hearing on the ordinance at its meeting on February 14, 2023. Notice of proposed adoption of the ordinance was published on February 23, 2023.

The purpose of this consent item is to serve as a second reading and action for adoption of the ordinance. No changes have been made to this ordinance since its introduction. The ordinance is presented as Attachment 1.

FISCAL IMPACT:

There is no immediate fiscal impact from the adoption of the ordinance. However, should cannabis businesses be permitted to operate within the City, future tax revenue to the City from those cannabis businesses will increase by 1%.

ENVIRONMENTAL IMPACT:

The adoption of the ordinance is not considered a "Project" per CEQA Guidelines. As defined in CEQA Guidelines Section 15378 (b)(4), "Project" does not include "the creation of governmental funding mechanisms or other governmental fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment." Therefore no further environmental analysis is required.

RECOMMENDATION:

Consider adoption of an Ordinance of the City of San Bruno Amending Title 3 (Revenue and Finance) of the Municipal Code to Increase the Tax Imposed on Cannabis Businesses

ALTERNATIVES:

Direct staff to make modifications to the ordinance; substantive modifications will require re-introduction at a subsequent meeting.

ATTACHMENTS:

1. Ordinance