



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Economic Development

Prepared by: Danielle O’Leary,
Economic Development Director

City Manager Approval: _____

TOPIC: ANNUAL MEASURE G OVERSIGHT COMMITTEE REPORT

SUBJECT: MEASURE G CANNABIS BUSINESS TAX OVERSIGHT COMMITTEE REPORT FOR FISCAL YEAR 2019-2020

RECOMMENDATION: ACCEPT REPORT

BACKGROUND: On March 6, 2018, the San Rafael City Council voted by [Resolution 14542](#) to place Measure G, the Commercial Cannabis Business Tax on the June 5, 2018 ballot. [Ordinance 1961](#) was approved by San Rafael voters establishing an ongoing tax on cannabis businesses of up to 8% on gross receipts for cannabis businesses operating in the City of San Rafael. Different sectors of the cannabis industry are taxed at different tax rate structures. Currently, testing labs are taxed at 1%, cannabis infusion manufacturers at 3%, cannabis wholesale distribution at 1%, and cannabis retail non-storefront delivery at 4%.

Similar to previous voter measures, Measure S and Measure E, the enabling Cannabis Business Tax Ordinance for Measure G called for the creation of an independent oversight committee to review the collection and expenditure of this tax revenue. The committee was established on October 21, 2019 by City Council [Resolution No. 14731](#), which set forth the roles, responsibilities and duties of the committee. On [February 18, 2020](#), the City Council appointed five members of the public to the committee. The current members are:

- Drew Bulfer – February 18, 2020 to February 28, 2022
- Abi Rivas - February 18, 2020 to February 28, 2024
- Stephen Roth – February 18, 2020 to February 28, 2024
- Erik Revai – February 18, 2020 to February 28, 2024
- Jennifer Dye - February 18, 2020 to February 28, 2022

The purpose of this report is to present and recommend acceptance of the Measure G Oversight Committee report of December 17, 2020 (Exhibit A).

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

ANALYSIS:

The Measure G Oversight Committee met virtually on December 17, 2020, to review the actual Measure G revenues and expenditures for fiscal year 2019-2020. Staff reported that during the fiscal year 2019-2020, \$410,133 of Measure G Cannabis Business Tax proceeds were expended. Authorized Measure G expenditures to maintain/enhance City of San Rafael services include:

- Administer a cannabis oversight program
- Enhance police and fire services
- Repair potholes, maintaining city streets and sidewalks
- Enhance community centers and facilities

The Measure G Cannabis Business Tax Oversight Committee’s report provides the Committee’s conclusions that Measure G revenues received during fiscal year 2019-2020, were “properly allocated in accordance with Measure G and approved guidelines.”

FISCAL IMPACT: There is no fiscal impact associated with the acceptance of the Measure G Cannabis Business Tax Oversight Committee report.

RECOMMENDED ACTION: Accept the Measure G Cannabis Business Tax Oversight Committee Report for Fiscal Year 2019-2020.

ATTACHMENT:

Exhibit A: Measure G Oversight Committee Report

City of San Rafael
Measure G Oversight Committee Report December 17, 2020

The City of San Rafael Measure G Oversight Committee met on December 17, 2020 and received a report from the City of San Rafael Finance Director, Nadine Atieh Hade on the receipt and expenditure of funds during the fiscal year July 1, 2019 to June 30, 2020 pursuant to voter approved Measure G (San Rafael Ordinance 1961).

The Measure G Oversight Committee is required to review the collections and expenditures of Measure G funds, and report to the City Council and the community annually on the expenditures under Guidelines and Policy adopted by the San Rafael City Council.

After review, the Measure G Oversight Committee finds that these funds were properly allocated in accordance with the Measure and approved guidelines.

The Committee would like to commend the City Council and the Finance and Economic Development Departments for their fiscal and project management during the COVID emergency.

Respectfully Submitted:

Approved via email 01/25/2021 _____ Drew Bulfer, Measure G Oversight

Approved via email 01/25/2021 _____ Abi Rivas, Measure G Oversight

Approved via email 01/25/2021 _____ Stephen Roth, Measure G Oversight

Approved via email 01/25/2021 _____ Jennifer Dye, Measure G Oversight