

**ORDINANCE NO. \_\_\_\_**

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF SAN BRUNO,  
CALIFORNIA, ADDING CHAPTER 3.18 TO THE SAN BRUNO MUNICIPAL  
CODE, ESTABLISHING A CANNABIS BUSINESS TAX**

**THE PEOPLE OF CITY OF SAN BRUNO ORDAIN AS FOLLOWS:**

**SECTION 1.** Short Title

This Ordinance may be referred to as the “City of San Bruno Cannabis Business Tax Ordinance of 2020.”

**SECTION 2.** Purpose.

The purpose of this Ordinance is to impose a business tax on cannabis businesses in the City of San Bruno.

**SECTION 3.** Chapter 3.18 is added to the San Bruno Municipal Code to read as follows:

**“3.18 CANNABIS BUSINESS TAX**

- 3.18.010 Imposition of Tax.
- 3.18.020 Cannabis Business.
- 3.18.030 Use of Funds.
- 3.18.040 Administration.
- 3.18.050 No Businesses Authorized

3.18.010 Imposition of Tax.

Every person engaged in a Cannabis Business in the City shall pay a cannabis business tax of 10% of Gross Receipts.

3.18.020 Cannabis Business

A Cannabis Business is a business that is licensed by the state pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Business & Professions Code Section 26000 *et seq.*) and/or involves the retailing, wholesaling, manufacturing, distributing, cultivation or testing of cannabis or cannabis products or involves the operation of a cannabis nursery.

3.18.030 Use of Funds

The purpose of this Chapter is to impose a tax for revenue purposes. Proceeds of the tax shall be deposited in the City’s general fund and available for any municipal purpose.

3.18.040 Administration

**ATTACHMENT 2**

The tax imposed by this Chapter shall be administered in the same manner as the generally applicable business license tax imposed by Section 3.08.020 of this Code. For purposes of this Chapter, "Gross Receipts" shall have the meaning set forth in Section 3.04.170 of this Code. This tax is in addition to any other tax imposed by the City, including the generally applicable business license tax.

3.18.050 No Business Authorized

This Chapter does not authorize any person to conduct any business or activity in the City.

**SECTION 4.** This Ordinance may be amended by the City Council in any respect without a vote of the people. Specifically, the City Council may reduce the rate of the tax set forth herein, may create exemptions to the tax, and may create special procedures for the collection of the tax (including, but not limited to, requiring that the tax be paid in advance or that the tax be payable as often as monthly). The City Council may, without a vote of the people, adjust the rate of the tax so long as no cannabis business is subject to a cannabis business tax that is higher than a maximum rate of 10% of Gross Receipts. However, as required by the California Constitution, the City Council may not raise the rate of the tax above that maximum rate unless such increase is approved by the voters.

**SECTION 5.** If any provision, clause, sentence or paragraph of this Ordinance or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance which can be given effect without the invalid provisions or application, and to this end the provision of this Ordinance are declared to be severable.

**SECTION 6.** If approved by the voters, this ordinance will be effective on March 1, 2021.

**Approved by the People of the City of San Bruno at the General Municipal Election Held on November 3, 2020.**

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Rico E. Medina  
Mayor

**ATTEST:**

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Melissa Thurman, CMC  
City Clerk

provisions or application, and to this end the provision of this Ordinance are declared to be severable.

**SECTION 6.** If approved by the voters, this Ordinance will be effective on March 1, 2021. The intent of this Ordinance is that the transient occupancy tax will be in place at the existing rate until the rate set forth in this Ordinance becomes effective and that collection and administration of the transient occupancy tax will not be interrupted in any way by the adoption or effectiveness of this Ordinance.

**Approved by the People of the City of San Bruno at the General Municipal Election Held on November 3, 2020.**

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Rico E. Medina  
Mayor

**ATTEST:**

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**Melissa Thurman, CMC**  
**City Clerk**