



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FOR MEDIA INQUIRIES:
(213) 978-0444 / Josue.marcus@lacity.org

CITY CLERK APPROVES INITIATIVE ORDINANCE PETITION FOR CIRCULATION CANNABIS TAXES AND SPECIAL FUND FOR CANNABIS TAX REVENUES.

LOS ANGELES (**March 9, 2022**) — Los Angeles City Clerk Holly L. Wolcott announced that a petition submitted for an Initiative Ordinance was approved by the Office of the City Clerk on March 9, 2022, for circulation and collection of signatures of registered voters in the City of Los Angeles. The official title and summary of the proposal as prepared by the City Attorney is included below:

CANNABIS TAXES AND SPECIAL FUND FOR CANNABIS TAX REVENUES. INITIATIVE ORDINANCE.

The proposed ordinance would: (1) reduce the City's existing 10% gross receipts tax rate on the sale of non-medical cannabis to the following tax rate levels: a flat rate of \$1,000 on the first \$300,000 of gross receipts; 2% on gross receipts over \$300,000 but not over \$3.5 million; and 6% on gross receipts over \$3.5 million; and (2) eliminate the City's existing tax on the sale of medical cannabis. Cannabis tax revenues currently can be used for general city purposes. The proposed ordinance would direct a portion of tax revenues toward general City purposes, but would place most of the revenues into a special fund to be used only for the specific uses listed in the ordinance (e.g., programs supporting financing, ownership, and employment opportunities for those disproportionately impacted by drug laws and policies, and other designated uses). The ordinance would establish an oversight commission to conduct audits and advise the Mayor and City Council regarding expenditures from the special fund.

In accordance with Charter Section 451(b), all names signed to the petition must have been secured not more than 120 days prior to the date of filing the completed petition. The petition must be signed by 64,785* registered voters of the City of Los Angeles. In addition, if the petition is not filed within two years after it has been approved for circulation, the proponents must entirely re-submit the petition for approval.

The Office of the City Clerk administers candidate filing for the City of Los Angeles and the Los Angeles Unified School District. More information can be found on the City Clerk's election website: <https://clerk.lacity.org/elections> or by contacting the Election Division at (213) 978-0444, or toll-free at (888) 873-1000 between 8:00 a.m. and 5:00 p.m. Monday through Friday.

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*Per Charter Section 451(b), the number of signatures reflects 15% of total votes cast for all candidates for the Office of Mayor at the last election at which the Mayor was elected.