



Council Policy Prioritization: Early Consideration Response Form

Department Finance
Department Rep. Name/Ext. Rick Bruneau (535-8310)
Policy/Ord. Subject Cannabis Business Tax (SJMC 4.66)

Rules Date 10/28/2020 Item G.2
Council Member Sponsorship Johnny Khamis
Pam Foley

Staff Recommendation

- ☐ GREEN The Administration can implement this Nominated Idea under its current workplan
- ☐ ALREADY UNDERWAY ☐ MINIMAL WORK LESS THAN 40 HOURS ☐ REQUEST FOR INFORMATION
- ☒ YELLOW The Administration recommends Council send this Nominated Idea to the Priority Setting Process (See Complexity Level Below)
- ☐ RED The Administration recommends Council not adopt this Nominated Idea
- ☐ NEEDS CLARIFICATION OR MORE TIME TO EVALUATE

Criterion to Determine Scale of Project Complexity

Project complexity is determined by scoring the project in each of the 3 criteria below and then summing the score.

- a. Low Complexity is a sum of 6 or less.
- b. Medium Complexity is a sum of 7 - 9
- c. High Complexity is a sum of 10 or greater.

Total Score = **9**

DEPT. Required	Scoring Criterion	Low Complexity		Medium Complexity		High Complexity	
		Estimated Duration		Estimated Duration		Estimated Duration	
<input type="checkbox"/> Airport <input type="checkbox"/> CA <input type="checkbox"/> Housing <input type="checkbox"/> ES <input checked="" type="checkbox"/> CMO <input type="checkbox"/> DOT <input type="checkbox"/> OED <input type="checkbox"/> LIB. <input type="checkbox"/> PRNS <input type="checkbox"/> PW <input checked="" type="checkbox"/> PD <input type="checkbox"/> FD <input type="checkbox"/> PBCE <input type="checkbox"/> EM	Organizational Complexity	6 - 9 months	<input checked="" type="checkbox"/> =1	9 - 18 months	<input type="checkbox"/> =2	More than 18 months	<input type="checkbox"/> =3
	(Internal)	Can Easily be Absorbed into Existing Workplan	<input type="checkbox"/> =1	Planned Work (Future)	<input type="checkbox"/> =2	Work Not Currently Proposed	<input checked="" type="checkbox"/> =3
	(Internal)	Have staff with required skillset/ knowledge	<input type="checkbox"/> =1	Have staff with required skillset/ requires moderate research	<input checked="" type="checkbox"/> =2	Do not have staff with required skillset/ requires significant research	<input type="checkbox"/> =3
		Less than or equal 2 Staff required	<input checked="" type="checkbox"/> =1	3 - 4 Staff required	<input type="checkbox"/> =2	More than 5 Staff required	<input type="checkbox"/> =3
	(External)	1 Additional Departments	<input type="checkbox"/> =1	2 Other Department Involved	<input checked="" type="checkbox"/> =2	3 or more Depts Involved	<input type="checkbox"/> =3

Analysis

Explain the rationale for Staff recommendation, including any mitigating factors that need to be considered (recent legislative action, significant workplan changes, etc). Please address the following as well.

GREEN LIGHT: The Administration can implement this Nominated Idea under its current workplan. Item should be sent to Council to add to Department workplan. Explain how the Idea will be approached.

YELLOW LIGHT: The Administration recommends Council send this Nominated Idea to the Priority Setting Process due to [describe cost implications, workload impacts, or other factors].

The recommendation to explore, analyze, and report back to City Council on an option to exempt medical marijuana identification card (MMIC) holders from paying the City's Cannabis Business Tax (CBT) is advised to follow the Priority Setting Process for the following reasons:

- 1) The analysis to determine the budgetary impact will require the collection and review of large amounts of data from the Cannabis businesses. The analysis will also require a sensitivity analysis of various inputs to determine the potential impact.
- 2) The County's Health Advisory Commission is evaluating a recommendation to eliminate or reduce the MMIC processing fee. Changes to the MMIC fee would impact the analysis on the City's CBT and sales tax revenue. Analysis should only proceed after the County has made a determination on the amount of the MMIC fee.
- 3) The business unit responsible for overseeing this program for the City is at capacity with other high priority work plan assignments.

RED LIGHT: The Administration recommends Council not adopt this Nominated Idea due to [describe reason implementation would be difficult if not impossible – conflict with other laws, etc].