

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE TR

Measure TR would add Section 4-36 to Chapter 4 of the Lynwood Municipal Code, regarding business license taxes on retail business establishments selling cannabis products. Section 4-36 would impose a new business license tax of from 5% to a maximum of 10% of gross receipts derived from the retail sale of medicinal cannabis or medicinal cannabis products or adult-use cannabis or adult-use cannabis products.

It is estimated that at the five percent cannabis business license tax rate each approved business location will generate annually a minimum of \$250,000 and could exceed over \$1,000,000 in new general fund revenues. Changes in the tax rate can be considered in the future when post pandemic economies return and/or the needs of the community change.

The updated second year budget of the biennial fiscal year 2021-22 and 2022-23 budget shows several funds critical to the City's ability to provide public services have large increases in financial liabilities. For example, over the last several fiscal years the landscape fund has grown to a deficit projected to be over \$6 million dollars in fiscal year 2022-23. With limited opportunities to generate additional revenues, Measure TR will provide new general fund revenues to help fund critical public services such as public safety, public works and critical quality of life programs such as recreation and community services.

Measure TR was placed on the November 8, 2022 election ballot by a 4/1 vote of the Lynwood City Council. Proposition 218 as contained in the California Constitution requires the City to obtain majority voter approval of any business license tax increase or addition.

The above statement is an impartial analysis of Ordinance No. 1752 or Measure TR. If you desire a copy of the ordinance or measure, please call the elections official's office at (310) 603-0220 x 214 and a copy will be mailed at no cost to you.