

CITY OF BURLINGAME

CITY ATTORNEY IMPARTIAL ANALYSIS – MEASURE X

The Burlingame City Council placed Measure X on the November 2022 ballot. If adopted 11
by a majority of voters, Measure X would amend Chapters 6.04 and 6.08 of the 141
Burlingame Municipal Code to increase existing business license tax rates and to impose 11
a new business license tax on commercial cannabis businesses. 9

Currently all businesses are required to pay an annual business license tax of \$100, 14
regardless of the business' annual gross receipts. Thus the largest and smallest 12
businesses pay the same amount of tax. 7

If approved, Measure X would amend the business license tax rates to increase the tax 141
on all businesses. The flat rate would change to a three-tiered structure based on the 16
annual gross receipts of the business. Businesses with annual gross receipts of less than 141
\$250,000 would pay a yearly business license tax of \$200. Businesses with annual gross 141
receipts from \$250,000 to \$999,999 would pay a yearly tax of \$300. Businesses with 14
annual gross receipts of \$1,000,000 or more would pay a yearly tax of \$750. 14

Measure X would also impose a new business license tax on cannabis businesses at a 141
rate of 5% of annual gross receipts. The City Council would adopt the effective tax rate 16
by separate resolution. The City Council may also raise or lower the tax rate from time to 17
time by resolution; however the tax rate may not exceed 5% unless authorized by another 15
vote of the electorate. The tax is only on cannabis businesses and is not a sales tax on 18
persons purchasing cannabis products. The tax would not be imposed on persons 12
engaged in personal cultivation or use in accordance with State law, and provided the 141
individual receives no compensation for that personal cultivation or use. 10

If adopted, Measure X would generate an estimated \$2,500,000 annually. The proposed 11
measure is a general tax, and therefore the resulting revenues would go into the City's 15
General Fund. The revenues may be used for unrestricted governmental purposes such 12
as maintenance and repair of streets and sidewalks, police services, undergrounding 11
power lines, and other general City services. The tax would remain in place until repealed 15
by the voters. 3

As a general tax, Measure X must be adopted by a majority vote (50% + 1) of the 17
electorate. A "Yes" vote would approve the amended business license tax. A "No" vote 141
would reject the measure, and the existing business license tax structure would remain 13
in place, and no new business license tax would be imposed on cannabis businesses. 141

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