

CITY ATTORNEY IMPARTIAL ANALYSIS OF MEASURE E

If adopted by the voters, Measure E would establish a cannabis business tax by adding a new Chapter 3.33 to Title 3 of Benicia's Municipal Code entitled "Cannabis Business Tax."

The measure would authorize the levy of an annual business tax on commercial cannabis cultivation within the City at maximum rates that do not exceed ten dollars (\$10) per square canopy foot of cannabis cultivation area or fraction thereof. This maximum rate would be subject to increases for inflation based on a consumer price index maintained by the Bureau of Labor Statistics. The tax on commercial cultivation would not apply to cannabis cultivated privately for personal use. All other commercial cannabis businesses would be subject to a business tax at a rate not to exceed six percent (6%) of the gross receipts of each cannabis business. Cannabis businesses are defined broadly to include all persons and businesses that cultivate, possess, manufacture, process, store, test, label, transport, distribute, deliver, or sell cannabis or cannabis products for commercial purposes and that require a state issued license for operation.

The proposed Cannabis Business Tax is a general tax. The revenues from the tax, therefore, would be placed in the City's general fund and used for unrestricted general revenue purposes including, but not limited to, police, fire, parks, and other community services.

The City finance director would have the responsibility of collecting and enforcing the tax. The measure would also authorize the City Council to decrease any tax amounts by a majority vote of the total membership of the City Council.

In order for the Cannabis Business Tax to be approved, the voters must adopt Measure E by a majority (greater than fifty percent (50%)) vote.

A "yes" vote is a vote to adopt the Cannabis Business Tax.

A "no" vote is a vote against adopting the Cannabis Business Tax and there would be no excise tax imposed on commercial cannabis activities of cannabis businesses.

The above statement is an impartial analysis of Measure E. The full text of Measure E is printed in the Voter's Information Pamphlet and is also available on the City of Benicia's website at: <https://www.ci.benicia.ca.us/cityclerk> on the Elections subpage. If you desire a copy of the Measure, please call the City Clerk's office at 746-4200 and a copy will be mailed at no cost to you.



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Date