



Local Ballot Measures: F

F

Nevada City Cannabis Business Tax Ordinance

Ballot question

Shall the measure of the City of Nevada City to tax cannabis (marijuana) businesses to fund general municipal expenses such as police, fire, streets and recreation at annual rates not to exceed \$7.00 per canopy square foot for cultivation (adjustable for inflation), 8% of gross receipts for retail cannabis businesses, and 6% for all other cannabis businesses; generating approximately \$120,000 to \$135,000 annually to be levied until repealed by voters or the City Council, be adopted?

What your vote means

YES	NO
A "Yes" vote on Measure F authorizes imposing a tax on cannabis businesses in Nevada City.	A "No" vote on Measure F is against imposing a tax on cannabis businesses in Nevada City.



Local Ballot Measures: F

Arguments in support of or in opposition to the proposed laws are the opinions of the authors. We print them exactly as submitted, including errors.

Argument In Favor Of Measure F	Argument Against Measure F
<p>Voting Yes on Measure F will allow the City of Nevada City to impose a tax on cannabis (marijuana) businesses. Measure F guarantees that cannabis businesses operating in the City of Nevada City pay their fair share of taxes and will ensure that the City has the resources to properly regulate and support the viability of the industry without reducing investment into core city services. Measure F is a proposed tax to be solely paid by cannabis businesses.</p> <p>Measure F is fiscally responsible, timely and prudent. In the past several years, the City of Nevada City has addressed ongoing essential needs such as increased public safety in police and fire, street improvements, and renovation of recreation infrastructure from a limited pool of resources. By proactively establishing a tax on cannabis businesses, the City's General Fund budget will be protected from any new or unexpected costs associated with the cannabis industry protecting City resources for investment in general municipal service key priorities.</p> <p>A yes vote will amend the Nevada City Municipal Code to add a Cannabis Business Tax to any business that sells, cultivates, manufactures or engages in any other medical cannabis business in the City of Nevada City. The tax will be calculated at annual rates not to exceed \$7.00 per canopy square foot for cultivation (adjustable for inflation), 8% of gross receipts for retail cannabis and 6% for all other cannabis businesses.</p> <p>The passage of Measure F will produce approximately \$120,000 to \$135,000 in annual revenue for the City to help fund police, fire, streets and recreation.</p> <p>We respectfully request a Yes vote on Measure F.</p> <p>Duane Strawser Mayor</p> <p>Evan Phelps Councilmember</p> <p>Stuart Lauters Planning Commission, Chair</p>	<p style="text-align: center;">None Filed</p>



Local Ballot Measures: F

Impartial Analysis of Measure F

Harold E. DeGraw, Contract City Attorney for Nevada City

Nevada City Cannabis Business Tax Ordinance

Measure F has been placed on the ballot by the City Council of Nevada City. Measure F, if approved, would enact an Ordinance that amends the City of Nevada City's Municipal Code to authorize the City Council to impose a tax, for revenue purposes, upon Cannabis Businesses conducted in the City. Because the proposed cannabis business tax would be imposed for general municipal governmental purposes, the ballot measure proposes a "general tax" as defined by Article XIII of the California Constitution that can be adopted by a simple majority "yes" vote.

The Ordinance authorizes the City Council to establish an excise tax on cannabis businesses operating in the City. As an excise tax, the tax will be paid by cannabis businesses based upon gross receipts and square footage of plant canopy. The tax does not apply to the use of cannabis or the cultivation of cannabis for personal use as authorized under state and local law.

All revenue generated from the proposed Cannabis Business Tax would be deposited into the City's General Fund and used to pay for City operations and programs, such as fire and police protection, traffic safety, street and sidewalk repair, park maintenance, debt service and general administration of the City.

The ordinance broadly defines "cannabis business" to include any commercial business activity not limited to, transporting, manufacturing, compounding, converting, processing, preparing, storing, packaging, wholesale, and/or retail sales of Cannabis and any ancillary products in the City, whether or not carried on for gain or profit which is permitted by both State and local law.

The Ordinance sets a maximum tax rate and specifies in some cases a lower initial base rate. The Ordinance identifies four different types of cultivation, depending on energy use. The maximum tax for cultivation will be imposed at \$7.00 per square foot of plant canopy in a facility that uses exclusively artificial light (\$4.00 per square foot initial base rate); \$5.00 per square foot of plant canopy in a facility that uses a combination of natural and artificial light (\$3.00 per square foot initial base rate); \$1.00 per square foot of plant canopy in a facility that uses no artificial lighting, and \$0.50 per square foot for any nursery.

For operation of a testing laboratory, the maximum tax rate shall not exceed 2% of gross receipts. The maximum tax on dispensaries or delivery services shall not exceed 8% of gross receipts, with an initial base rate of 4% of gross receipts. For cannabis manufacturing, processing, distribution, or any other type of cannabis business, the maximum tax shall not exceed 6% of gross receipts, with an initial base rate of 2% of gross receipts. The Ordinance includes procedures for registration, tax reporting, remittance, auditing, and enforcement. If adopted, the amount of revenue projected to be raised is approximately \$120,000 to \$135,000. The Cannabis Business Tax on commercial cannabis businesses shall be effective July 1, 2018, will not sunset, and will be subject to annual adjustments for changes in the Consumer Price Index.

Full text of Measure F

To view the full text of Measure F please visit <https://www.mynevadacounty.com/2485/Measure-F-Full-Text>