MEASURE I
City of San Juan Bautista

Ballot Question
Shall an Ordinance adding Title 5, Chapter 5-32 “Cannabis Business Activities Tax Ordinance of the City of San Juan Bautista” to the San Juan Bautista Municipal Code imposing an indefinite tax upon cannabis business activities based on square footage: $3-$12 per foot., increased annually based on Consumer Price Index; on distributors: 0.5%-8%; on manufacturers: 2%-8%; on retailers: 3%-10%; on testing laboratories: 1%-5%; and, on microbusiness: 2%-8%; which revenue can be spent for unrestricted general revenue purposes and may raise $935,000 annually, be adopted?

What your vote means?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
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<tbody>
<tr>
<td>A “YES” vote is a vote to approve imposition of the cannabis business activities tax.</td>
<td>A “NO” vote is a vote against imposition of the cannabis business activities tax.</td>
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What will you find in this pamphlet?

City Attorney’s Impartial Analysis
No Argument in Favor was Submitted
No Argument Against was Submitted

The following statement is an impartial analysis of Measure I. If you desire a copy of the full text of the Ordinance, please contact the Department of Elections at:

http://sbcvote.us/registrar-of-voters/elections-information/
sbcvote@cosb.us
831-636-4016 / 877-777-4017

CITY ATTORNEY’S IMPARTIAL ANALYSIS OF MEASURE I

This measure if approved by a majority of those voting on it, will add Chapter 5-32 to Title 5 of the City of San Juan Bautista Municipal Code, authorizing the City of San Juan Bautista to impose an excise tax on the privilege of cultivating, manufacturing, producing, processing, preparing, storing, providing, donating, selling, or distributing cannabis or cannabis products by a licensee operating under Division 10 (commencing with Section 26000) of the Business and Professions Code (collectively, “cannabis
business activities”) for general governmental purposes. On May 15, 2018, the City of San Juan Bautista approved an ordinance to allow cannabis facility regulatory permits, which becomes operative if voters approve the cannabis business activities tax and written implementing regulations have been approved by the City Council for types of cannabis facility permits for which applications are sought. This tax measure does not allow cannabis business activities, but allows tax to be collected if such activities are permitted by the City of San Juan Bautista.

The ordinance establishes a tax on cannabis business activities based on square footage of $3-$12 per square foot, increased annually based on Consumer Price Index; on distributors at 0.5%-8%; on manufacturers at 2%-8%; on retailers at 3%-10%; on testing laboratories at 1%-5%; and, on microbusiness at 2%-8%. The ordinance contains payment and reporting requirements and enforcement provisions and authorizes the City Manager to administer the tax. The tax and reporting requirements apply to all medicinal and non-medicinal cannabis business activities, not to persons purchasing or acquiring cannabis from those businesses. Personal cultivation and personal use are exempt from the tax. If enacted, cannabis businesses would submit to the City Manager quarterly statements of square footage of canopy or gross receipts, and pay a resulting tax. Definitions of “cannabis businesses activity,” “canopy,” and “gross receipts” are in the ordinance.

The Cannabis Business Activities Tax is a general tax; the purpose of the tax is to raise revenue for general governmental purposes. The tax is estimated to raise $935,000, annually. All revenues from this tax will be deposited into the City’s general fund and used for general municipal governmental services such as code enforcement, fire, street maintenance, municipal water improvement projects, public works, parks, library services, economic development and any other expenditure in the City Council’s discretion. As a general tax, it must be approved by a majority of the voters voting on the tax at an election.

The City Manager would determine whether returns filed or the amount of tax paid are correct, whether penalties in the ordinance for delinquent tax should be imposed, and whether waivers apply or refunds are owing. Liens may be filed. Audits may be conducted determining whether additional tax is owed. Payment of the tax does not authorize unlawful activities.

This tax measure is placed on the ballot by resolution of the City Council.

A “YES” vote is a vote to approve imposition of the cannabis business activities tax.

A “NO” vote is a vote against imposition of the cannabis business activities tax.

s/ DEBORAH MALL, City Attorney       Dated: August 21, 2018