

CITY OF COLTON  
CITY ATTORNEY'S IMPARTIAL ANALYSIS  
OF BALLOT MEASURE U  
(Cannabis/Marijuana Business Tax)

Measure U was placed on the ballot by the Colton City Council and, if approved by a majority of Colton voters, will amend the Municipal Code to impose a tax on cannabis/marijuana businesses operating within the City. Measure U is a tax measure only. It does not amend the City's existing cannabis regulations or authorize new or additional types of cannabis businesses to operate in the City.

If approved, Measure U would impose a maximum tax rate on cannabis businesses of up to twenty-five dollars (\$25) per square foot of space used for cultivation or processing of cannabis and cannabis products. Measure U would also impose a maximum tax rate of up to ten percent (10%) of gross receipts for all cannabis businesses (i.e., cannabis retail sale, delivery, manufacturing, processing, testing and/or distribution). Measure U authorizes the City Council to set the actual tax rates, provided that the rates do not exceed the voter-approved maximum rates set by Measure U.

Measure U would be a "general tax". All revenue from this tax would be deposited into the City's General Fund and could be used for general City operations and services, including police enforcement, emergency response, parks, youth and senior services, and street repair. Pursuant to State Law, a "general tax" requires approval by a majority of the City's voters voting at an election.

The City currently allows cannabis testing facilities and two cannabis cultivation facilities of up to 22,000 square feet, subject to the issuance of a Commercial Marijuana Operators Permit and a Conditional Use Permit. If approved, Measure U would impose a tax on all cannabis businesses currently operating in the City. The tax would also apply to any other cannabis businesses that may be allowed in the future by amendments to State law or the Colton Municipal Code. As noted above, Measure U would not change or expand the number or types of cannabis businesses currently allowed in the City. If approved, Measure U is anticipated to raise approximately \$2,100,000 annually.

A "yes" vote on Measure U will approve the cannabis business tax.

A "no" vote on Measure U will not approve the cannabis business tax.

**The above statement is an impartial analysis of Measure U. If you desire a copy of the ordinance or measure, please call the City Clerk's office at (909) 370-5001 and a copy will be mailed at no cost to you.**

/s/ Carlos Campos, City Attorney



**FILED**  
AUG 21 2018  
BY  DEPUTY  
REGISTRAR OF VOTERS