

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE W

On November 8, 2016, the voters of California passed Proposition 64, which legalized the cultivation, manufacture, distribution, testing, and sale of cannabis and cannabis products within the State of California. On March 7, 2018, the City Council of the City of San Bernardino ("City") enacted Ordinance No. MC-1464 which authorizes and regulates local commercial cannabis businesses.

This measure proposes a general tax for general governmental purposes on persons engaged in specified commercial cannabis business activities, to be levied at the following maximum rates: 6% on gross receipts of cannabis retail sale; 3% on gross receipts of cannabis distribution; 2.5% on gross receipts of testing; \$10 per square foot on space utilized for indoor cannabis cultivation; \$7 per square foot on space utilized for mixed-light cannabis cultivation; \$4 per square foot on space utilized for natural light cannabis cultivation; \$2 per square foot on space utilized for cannabis nursery cultivation; and 4% on gross receipts of cannabis manufacturing, processing, non-cultivation microbusiness, or any other. Beginning on January 1, 2022 and every year thereafter, the maximum tax rates described above for cultivation activities will increase by the Consumer Price Index for all urban consumers in the Riverside-San Bernardino-Ontario area as published by the United States Government Bureau of Labor Statistics.

State law authorizes the City to levy a general tax if the City Council approves submission of the tax to the voters and the tax is approved by a majority of the qualified voters of the entire City voting in the election. On August 1, 2018, the City Council unanimously approved submission of the tax to the voters. If a majority of the voters in the City who vote on this measure vote "Yes," the measure will pass, and the general commercial cannabis business tax will be imposed commencing January 1, 2019.

The City Council of the City of San Bernardino placed the measure on the ballot.

Any revenue generated by the tax will be deposited into the City's General Fund. The City Council will annually appropriate the revenue from the tax for general governmental purposes. This measure does not restrict the use of the tax revenue to any specific purpose. The tax will continue until repealed by the City Council or the voters.

A "yes" vote is a vote to authorize the levy of a general commercial cannabis business tax at the maximum rates stated above for specified commercial cannabis business activities. A "no" vote is a vote not to authorize the levy of the general commercial cannabis business tax.

FULL TEXT OF MEASURE AVAILABLE

The above statement is an impartial analysis of Measure W. If you desire a complete copy of the measure, please call the elections official's office at (909) 384-5002 and a copy will be mailed at no cost to you. A copy is also available at:

<http://www.ci.san-bernardino.ca.us/civicax/filebank/blobdload.aspx?BlobID=26248>

CERTIFICATION

This impartial analysis is hereby submitted to the elections official in accordance with Section 9280 of the Elections Code of the State of California.

Dated: August 16, 2018

GARY D. SAENZ, City Attorney

By:  _____

Analysis Word Count: 419