

Impartial Analysis
City of Calabasas
2020 Cannabis Tax Measure
Measure C

Summary: If approved by voters, this measure will enact a tax on the gross receipts of cannabis businesses operating in the City of Calabasas. Calabasas prohibits cannabis businesses from locating within the City. This measure will not change the existing cannabis businesses prohibition. Instead, the tax will apply immediately to any cannabis deliveries into Calabasas and will apply to other cannabis businesses if the City Council or state decide in the future to allow other cannabis businesses to operate in the City.

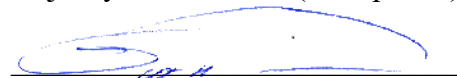
Background: In 2016, California voters approved Proposition 64 legalizing adult-use cannabis and allowing cities to prohibit or regulate cannabis businesses. Proposition 64 and state law impose sales and other taxes on medical and recreational cannabis. Cities may, with voter approval, tax cannabis businesses.

The Measure: If approved, this measure imposes a tax on cannabis businesses in the City – both delivery services operating in the City and any future dispensaries or other cannabis businesses if ever allowed to operate in the City.

The proposed tax requires approval by City’s voters. If approved, any commercial cannabis businesses would pay a maximum tax of up to ten percent (10%) of their yearly gross receipts (all money received), until the voters decide otherwise. The City Council can set the tax rates at or below the ten percent maximum tax rate.

This is a general tax to raise revenue for City services, including public safety, roads and transportation, parks and recreation, and other general services for residents and community members. All expenditures will be reviewed and approved by the City Council. All revenues will be subject to annual independent audits. The City expects the cannabis tax measure will initially raise approximately \$10,000 per year from taxes on deliveries into the City. If the City’s voters, the City Council, or the state ever allow commercial cannabis dispensaries and other businesses to operate in the City, then the City estimates increased revenue of up to \$300,000 per dispensary per year.

Yes/No Statement: A “yes” vote supports imposing the tax. A “no” vote opposes it. A simple majority of votes cast (50% plus 1) will approve or defeat the measure.



Scott H. Howard
August 13, 2020
City Attorney, City of Calabasas

The above is an impartial analysis of Measure C. A complete copy of the proposed tax ordinance appears on the City’s website at www.cityofcalabasas.com. If you would like a copy of the ordinance, please call (818) 224-1661 and a copy will be mailed at no cost to you.