



## Local ballot measure: E

# E

### Santa Cruz County Cannabis Business Tax Amendment

#### Ballot question

Amendment of the Cannabis Business Tax Ordinance. To protect the quality of life in Santa Cruz County and to fund essential County services such as police, fire, emergency response, health services, youth and senior programs, job creation, housing, environmental protection, and animal shelter/adoption, shall Measure K be amended to revise the definition of cannabis to conform to State law and revise the definition of cannabis business or medical marijuana business to include all cannabis businesses with all funds staying local?

#### Pregunta de Boleta

Enmienda de la Ordenanza del Impuesto al Cannabis Comercial. Para proteger la calidad de vida del Condado de Santa Cruz y financiar servicios esenciales del Condado, como policía, bomberos, respuesta de emergencias, servicios de salud, programas para jóvenes y personas mayores, generación de oportunidades laborales, viviendas, protección ambiental y refugios o adopción de animales, ¿debe enmendarse la Iniciativa de Ley K para que se ajuste a la ley estatal y corregir la definición de negocio de cannabis o negocio de marihuana medicinal para que incluya todos los negocios de cannabis y que todos los fondos permanezcan localmente?

#### What your vote means

YES	NO
A "Yes" vote is a vote to adopt the ordinance amending the Santa Cruz County Code.	A "No" vote is a vote against adopting the ordinance.

#### For and against Measure E

FOR	AGAINST
<b>Ryan Coonerty</b> Santa Cruz County 3rd District Supervisor <b>Rahn Garcia</b> Member, Cannabis Cultivation Choices Committee <b>Eric Olsen</b> Cannabis Consultant <b>Shebreh Kalantari-Johnson</b> Member, Cannabis Cultivation Choices Committee	<b>Mike Boyd</b> Taxpayer



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Argument for Measure E	Reply Rebuttal to argument for Measure E
<p>VOTE YES ON MEASURE E - THE CANNABIS BUSINESS TAX</p> <p>Santa Cruz County voters overwhelmingly approved the Measure K Cannabis Business Tax in 2014 with 77.54% of the vote. Santa Cruz County has a history of supporting State and local laws for the compassionate and safe use of medicinal cannabis by physician's recommendation. Residents have strongly supported safe access to medical cannabis for patients in need.</p> <p>As a result, Santa Cruz County continues to work successfully with neighborhood groups and local industry representatives to create laws allowing cannabis to be responsibly cultivated, distributed, delivered, dispensed, sold, or given away without creating a public nuisance.</p> <p>These laws respect the needs of medical patient and their caregivers, as well as legitimate medical cannabis businesses. They also protect our neighborhoods and land from illegitimate operators who harm our environment and neighborhoods.</p> <p>With the recent changes in State law by the Medical Marijuana Regulatory and Safety Act (MMRSA), the County is seeking to amend the language of Measure K to conform to the new State law, defining "cannabis," "cannabis business," and "medical marijuana business" to be the same as that in MMRSA.</p> <p>The Cannabis Business Tax currently provides general purpose funding for County services including:</p> <ul style="list-style-type: none"><li>• public health and safety;</li><li>• fire services;</li><li>• environmental protection;</li><li>• animal shelter and community programs; and</li><li>• financial accountability.</li></ul> <p><b>Measure E will not change the current tax rate or the purposes for which the tax is used. All revenue collected will stay local, to protect and maintain our neighborhoods and environment.</b></p> <p><b>Voting yes will not disadvantage low income patients, as there are resources for income restricted patients to receive low or no cost medicine.</b></p> <p>Measure E maintains the business tax only for cannabis businesses, not all businesses.</p> <p>Measure E is supported unanimously by the Board of Supervisors and will help maintain essential services for County residents.</p> <p>Join us in voting YES ON MEASURE E.</p> <p><b>Ryan Coonerty</b> Santa Cruz County 3rd District Supervisor</p> <p><b>Rahn Garcia</b> Member, Cannabis Cultivation Choices Committee</p> <p><b>Eric Olsen</b> Cannabis Consultant</p> <p><b>Shebreh Kalantari-Johnson</b> Member, Cannabis Cultivation Choices Committee</p>	<p>Please Vote No.</p> <p>The Tax amendment now includes patients' and caregivers' cultivation. The previous elections had support by patient dispensaries and cultivators. They were soon to discover the true meaning of this tax when Sheriff's Deputies showed up at their homes and gardens with machine guns while children and other family members were present to remove crops.</p> <p>My receipts show proof the pro-argument is false, misleading, or inconsistent because of the Federal Judge in my case said I had standing to sue the County because I paid the tax, but my claims weren't federal so she sent it back to state court.</p> <p>The ballot argument for the tax in the County contains false statements.</p> <p>"These laws respect the needs of medical patient and their caregivers, as well as legitimate medical cannabis businesses."</p> <p>"State law, defining 'cannabis,' 'cannabis business,' and 'medical marijuana business' to be the same as that in MMRSA"</p> <p>"Will not change the current tax rate".</p> <p>"Will not disadvantage low income patients".</p> <p>Like measures statewide claiming legalization, as with MMRSA, I am challenging the County of Santa Cruz tax on state constitutional grounds, Article I "A statute or other authority, shall be broadly construed if it furthers the people's right of access, and narrowly construed if it limits the right of access. A statute or other authority adopted after the effective date of this subdivision that limits the right of access shall be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest."</p> <p><b>Mike Boyd</b> Taxpayer</p>



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Argument against Measure E	Reply Rebuttal to argument against Measure E
<p>Proposition 215 the Compassionate Use Act of 1996 passed with 5,382,915 (55.6%) votes in favor and 4,301,960 (44.4%) against. Like other local and state measures claiming they are for legalization of marijuana, Measure E is a fraud to repeal rather than amending the Compassionate Use Act. The Compassionate Use Act does not include any of the words "Cannabis business" or "tax".</p> <p>Proposition 215 said "the purposes of the Compassionate Use Act of 1996 are as follows, to ensure that patients and their primary caregivers who obtain and use marijuana for medical purposes upon the recommendation of a physician are not subject to criminal prosecution or sanction. To encourage the federal and state governments to implement a plan to provide for the safe and affordable distribution of marijuana to all patients in medical need of marijuana. The purposes of this section, 'primary caregiver' means the individual designated by the person exempted under this section who has consistently assumed responsibility for the housing, health, or safety of that person." Classifying "caregivers" as a "Cannabis business" stigmatizes patients' compassionate use.</p> <p>I'm asking you as a taxpayer, voter, and as a medical marijuana patient who relies on this medicine for pain relief, please vote no on the amendment to the so-called Cannabis business tax because it discriminates against me personally and you too because the law says medical marijuana shouldn't be taxed just like any other prescription medicine you pick up at your pharmacy has no tax.</p> <p>I filed a lawsuit against the City of Santa Cruz and County of Santa Cruz and the previous election the voters approving the tax means as a medical marijuana patient I'm a member of a political minority group who lacks the political power to overcome unlawful discrimination against me. So even if you hate me because my medicine is marijuana, every vote counts, please vote your conscious, since it helps my lawsuit.</p> <p><b>Mike Boyd</b> Taxpayer</p>	<p>Measure E simply extends the Cannabis Business Tax, which currently only applies to dispensaries, to all cannabis-related businesses, such as cultivators.</p> <p>It also aligns the definition of cannabis to conform to State law. Measure E does not repeal or amend the Compassionate Use Act.</p> <p>It is well settled that cannabis is taxable. The production of cannabis comes with steep local costs such as the regulation of illegitimate operators and environmental damage which must be mitigated. The cost to protect our community and the environment should be borne by all cannabis-related businesses.</p> <p>Measure E is supported unanimously by the Board of Supervisors and will help expand and maintain essential services for County residents.</p> <p><b>Join us in voting YES ON MEASURE E.</b></p> <p><b>Zach Friend</b> Santa Cruz County Supervisor, 2nd District</p> <p><b>Jim Hart</b> Sheriff-Coroner</p> <p><b>Colin L. Disheroon*</b> Director, Santa Cruz Mountain Naturals</p> <p><b>Josephine Roberto*</b> Chairperson, Responsible Cultivation Santa Cruz</p> <p><b>D'Angelo "Cricket" Roberto*</b> Board Member, Responsible Cultivation Santa Cruz</p> <p>*Signing on behalf of the organization listed below the name.</p>



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### Impartial analysis of Measure E

**Dana McRae**, County Counsel

By Jane M. Scott, Assistant County Counsel

If approved by a majority of those voting, this measure will amend three provisions of the existing Cannabis Business Tax which applies to the unincorporated area of the County of Santa Cruz.

In 2014 the voters approved Measure K which enacted the ordinance entitled Cannabis Business Tax. It is codified as Chapter 4.06 of the Santa Cruz County Code.

This measure would adopt an ordinance to amend the language defining "cannabis," "cannabis business," and "medical marijuana business" for purposes of that tax. It would not change the tax rate nor the purposes for which the tax is used.

This measure was placed on the ballot by the Santa Cruz County Board of Supervisors.

A "yes" vote on Measure E is a vote to adopt the ordinance amending the Santa Cruz County Code.

A "no" vote on Measure E is a vote against adopting the ordinance.

### Fiscal impact statement Measure E

**Edith Driscoll**, Auditor-Controller/Treasurer-Tax Collector

Measure E would authorize the County of Santa Cruz to amend Chapter 4.06 of the County Code and revise the definitions of the terms 1) "cannabis" and 2) "cannabis business" or "medical marijuana business". This change will result in all cannabis businesses such as cannabis cultivators, manufacturers, transporters and distributors in the unincorporated areas of Santa Cruz County being subject to the Santa Cruz County Cannabis Business Tax.

#### Fiscal Effect

This amendment will expand the number of businesses subject to the tax which will result in additional tax revenue being generated.

#### Use of the Funds

This amendment does not change the purposes for which the tax approved in 2014 may be used. These taxes are considered General County Revenues which are deposited into the County General Fund and kept locally. The funds can be spent on general governmental services currently supplied by the County such as public protection, health services, parks and recreation and other county services.

#### Accountability

This amendment does not change the Auditor-Controller/Treasurer-Tax Collector's role as tax administrator with authority to examine the books and records of cannabis businesses to verify the accuracy of their Cannabis Business Tax reporting and to authorize assessments for unpaid taxes.

### Full text of Measure E

#### **ORDINANCE AMENDING THE CANNABIS BUSINESS TAX**

#### **BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF SANTA CRUZ:**

Chapter 4.06.030(F) and 4.06.030(G) of the Santa Cruz County Code are hereby amended to read as follows:

(F) "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, as defined under the California Medical Marijuana Regulation and Safety Act at Business and Professions Code section 19300.5(f), as may be amended.

(G) "Cannabis business" or "medical marijuana business" means business activity directly involved with, related to, or concerning cannabis, including, but not limited to, cultivating, dispensing, transporting, manufacturing, compounding, converting, processing, preparing, storing, packaging, or conducting wholesale and/or retail sales of cannabis and any ancillary products in the unincorporated area of the County, whether or not carried on for gain or profit.