CITY OF HALF MOON BAY

AUG 13 2018

OFFICE OF THE CITY CLERK

BALLOT MEASURE PRIMARY ARGUMENT SUBMISSION FORM

A ballot argument shall not be accepted unless accompanied by this completed form. In addition to the information provided here, the argument shall contain the printed name(s) and signature(s) of the person(s) who submitted it or, if submitted on behalf of a bona fide association or citizens/organization, the name of the association or organization and the printed name and signature of at least one of its principal officers who is the author of the argument.

Word count limit for Primary Arguments = 300 words

Primary Argument in **FAVOR** of: _____

Primary Argument **AGAINST:** cannabis tax

1.	Name: Dustin Cline	Title (optional): Co-founder, Coastside Cannabis Coalition
Phone: [redacted]		Email: [redacted]
Address: [redacted] HMB		
Signat[redacted]		Date: 8/13/18
2.	Name: Lauren Silberman	Title (optional): Co-founder & Coordinator, Coastside Cannabis Coalition
Phone: [redacted]		Email: [redacted]
Address: [redacted] Montara, CA 94037		
Signature:		Date:
3.	Name:	Title (optional):
Phone:		Email:
Address:		

Measure __:

Shall an ordinance be adopted to tax any cannabis business operating within the City at annual rates not to exceed $2.00 to $10.00 per square foot for cultivation (inflation adjustable), and 6% of gross receipts for retail, 2.5% for testing, 3% for distribution, and 4% for manufacturing, levied until repealed, estimate to raise at least approximately $64,000 annually from deliveries and potentially more if other businesses are allowed, to fund general City services and expenses?

Primary Argument Against:

According to the City of HMB, 69% of voters favored Proposition 64, which legalized a regulated cannabis industry statewide two years ago. These cannabis ballot measures are a continuation of the process to implement a local, regulated cannabis industry in alignment with the mandate of our voters from 2016.

The Coastside Cannabis Coalition does not support this measure to tax any cannabis business operating within the City at the rates prescribed by this measure.

We strongly support a fair and common sense taxation structure on all cannabis businesses operating within the City to fund general City services and expenses, but the rates set out in this measure will completely stifle a local, regulated cannabis industry.

Taxes are part of a regulated market, and should be required as part of any commercial activity in HMB – especially the currently operating out-of-town delivery services. However, the tax rates here are prohibitively high and will severely limit the ability of our local patients to afford their medicine and the ability of our local farmers and entrepreneurs to operate local cannabis businesses.

Salinas and Monterey County learned this lesson the hard way, when their initially high cannabis taxation structure nearly put their local businesses under while encouraging growth of the illegal market. In May of this year, they slashed their cannabis taxation rates to fix this problem – bringing cultivation tax below $5-8 per square foot, retail sales at 4%, testing labs at 1%, and manufacturers and distributors at 2.5%. This move ultimately expanded the tax base, and made up for the initial drop in revenue.

We support the City Council in developing and implementing a more balanced and strategic tax regulation that more closely follows the market, and will not limit the ability of a local cannabis industry to exist and contribute to our community.

Learn more at: www.coastsidecannabis.org