

IMPARTIAL ANALYSIS OF ADVISORY MEASURE ON USE OF CANNABIS BUSINESS TAX REVENUE—MEASURE M

AUG 19 '16 PM 3:56

This is an advisory measure placed on the ballot by the City Council. It relates to, but is separate from, the Cannabis Business Tax Measure also on the ballot. The Cannabis Business Tax Measure would impose a tax on cannabis businesses in the City of Watsonville. See the accompanying impartial analysis of that tax measure. The advisory measure is analyzed in the next three paragraphs.

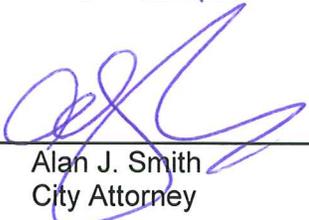
This advisory measure allows voters to say how the cannabis tax revenues should be used if the proposed tax is approved. Specifically, this measure asks voters if the Cannabis Business Tax Measure is approved by the voters, shall (i) 20% of its proceeds be used only to pay for law enforcement and crime prevention services, (ii) 15% only to pay for fire services, (iii) 20% only to pay for community development, (iv) 25% only to pay for parks and community services, (v) 8% only for the City libraries, and (vi) 12% only for non-profit social and community services?

Because this measure is advisory, its passage would not legally require the City Council to spend the revenues as described in the measure. Instead, this measure advises the Council how voters wish tax revenues to be spent. If the Medical Cannabis Business Tax increase passes, the City Council may be guided by the voter's recommendation on the advisory question in deciding how to use the revenue. However, the City Council is not legally bound by the outcome of the vote on the advisory question. The City Council can use the revenue collected for any lawful City purpose.

This measure was placed on the ballot by the Watsonville City Council. It requires a majority vote of the electorate. A "yes" vote is a vote in favor of recommending these uses of cannabis tax revenue to the Council. A "no" vote is a vote against recommending these uses of cannabis tax revenue to the Council.

The above statement is an impartial analysis of the proposed Advisory Measure on Use of Cannabis Business Tax Revenue ordinance.

Dated: August 19, 2016



Alan J. Smith
City Attorney