

City of Watsonville
Medical Cannabis Advisory Committee

Meeting Notes

April 27, 2016
5:00-7:00 p.m.

Meeting Topic: Cannabis Taxation

Technical Advisory Committee Members:

Dorma Baker	Bryce Berryessa	Erica Padilla Chavez	Allan Flores
Thomas Frye	Felipe Hernandez	Aaron Newsom	Ari Parker
Jarrad Pecoraro	Henry Robles	Jenny Sarmiento	

Staff:

Suzi Merriam, Assistant CDD Director
Ezequiel Vega, Administrative Services Director
Kurt Overmeyer, Senior Planner
Laurie Blackwood, Administrative Analyst
Doug Mattos, Administrative Analyst

- I. **Call to order:** Suzi Merriam called the meeting to order at 5:06 p.m.
- II. **Roll call:** Committee members present were Erica Padilla Chavez, Allan Flores, Thomas Frye, Felipe Hernandez, Aaron Newsom, Ari Parker, Jarrad Pecoraro, Henry Robles, and Jenny Sarmiento. Committee members absent were Dorma Parker and Bryce Berryessa. Rich Buse was present on Ms. Parker's behalf. Staff present were Suzi Merriam, Ezequiel Vega, Laurie Blackwood, and Doug Mattos.
- III. **Ground Rules and Expectations of the Committee:** There was a consensus that only persons appointed to Committee may vote on items, no substitutes or proxies will be allowed.
- IV. **Cannabis Taxation- Review of Tax Structures in Other States and in California**
 - a) **Report by Staff:** Presentation was made by Suzi Merriam on reasons for taxation, existing tax structures, and types of taxes currently in use.

- b) **Advisory Committee Questions:** Members asked about what the City feels it needs to address potential impacts to City resources, the number of application that have been received or could potentially be submitted, and what kinds of taxes the State may be planning to impose.
 - c) **Public Hearing:** Several members of the public spoke about funding effective prevention activities, addressing legal versus illegal activities, access especially by low income patients, safety concerns, costs to City resources, and amount of taxes that will be imposed. Members were urged to consider including amnesty for existing businesses and a tiered rate structure for medical versus recreational uses.
 - d) **Advisory Committee Discussion:** There was some discussion regarding how to determine what impact the Ordinance will have on the City and its resources, the amount of funding needed to address these impacts, what kind of taxes should be applied, and how the tax revenue should be allocated. The Members cited the need to remain aware of what the State may impose so that any proposed City tax structure is fair and equitable. Implementation of a tiered tax structure as well as funding for prevention was also discussed.
 - e) **Motion:** There was general agreement that more information is needed and requested that Staff provide data on other jurisdictions, proposed cost analysis and timeline that needs to be met for discussion and potential action at the next meeting. Members were also urged to provide any information to Staff they feel would be pertinent to this matter.
- V. **Adjournment:** Meeting was adjourned at 6:30 p.m. The next meeting is scheduled for May 18, 2016 at 5:30 p.m.