



MEASURE "C"

FREQUENTLY ASKED QUESTIONS

What is Measure C?

If approved, Measure C will establish a tax rate for cannabis businesses should they ever be permitted in Avenal. In 2016, a majority of Avenal residents voted in support of Proposition 64 that legalized the use of recreational cannabis in California. However, commercial cannabis activities and sales, like dispensaries, are currently prohibited in Avenal.

Does Measure C allow the sale of cannabis products?

Measure C does not approve or allow for cannabis businesses to open and operate in Avenal. Instead, Measure C would establish local control and ensures that if allowed, commercial cannabis businesses operating in Avenal will pay a fair share of taxes. This special tax will provide Avenal with additional revenue to pay for vital public services such as police, fire, roads and parks and recreation.

Who pays the Measure C tax?

Only those purchasing cannabis at a dispensary and/or cannabis businesses pay this tax. General members of the community who do not purchase, cultivate, test or process cannabis will not pay any additional taxes.

How much money would Measure C raise?

Current estimates are \$400,000 - \$600,000 annually specifically for the City of Avenal's General Fund, which pays for most City services.

Do other cities tax cannabis?

Yes. The City of Avenal studied other California cities for their tax rates. Cities across California tax this industry at different rates, with rates up to 30 percent of gross receipts. A study of those other cities shows that Avenal's rates would be at approximately the midpoint, up to 15%. Cities such as Coalinga, Lemoore, and Hanford allow the sale of cannabis products and dispensaries, where those cities fully benefit from the tax revenue and not Avenal.

How would the Measure C revenues be spent?

Measure C would ensure tax revenue generated from cannabis businesses within the City limits contribute their fair share to the funding of vital public services such as police, fire, roads and parks and recreation. By acting now, the City will have a tax in place if cannabis businesses are approved later or allowed by the State of California.

Would the sale of cannabis products increase crime?

If Measure C is adopted and later the City Council allows the sale of cannabis products, Measure C and the taxing cannabis businesses would help eliminate illegal cannabis operations and ensure the cannabis industry operates legally and contributes positively to the quality of life in the City of Avenal.

If you have additional questions and or concerns about Measure C, please forward those to the City Clerk at the following email address: CityClerk@CityofAvenal.us