

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF
MEASURE ____

PROPOSED ORDINANCE OF THE CITY OF AVENAL ENACTING A
COMMERCIAL CANNABIS BUSINESS TAX.

In November 2016, California voters approved Proposition 64 which, among other things, decriminalized the use, sale and cultivation of non-medicinal cannabis by adults and set a maximum cultivation allowance for non-medicinal cannabis. Proposition 64 also authorized local control over land uses involving non-medicinal cannabis. The City's existing zoning standards and regulations do not permit commercial cannabis businesses, but could be amended to allow them.

Upon voter approval of Measure ____, Ordinance No. 2022-05 would authorize the City of Avenal ("City") to levy an excise tax upon the privilege of conducting a commercial cannabis business within the City. In order for the tax to be approved, a majority vote of the qualified voters of the City voting on this measure must vote in favor of the measure.

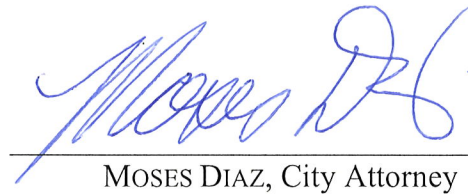
Measure ____ would impose a business tax on every person engaged in a commercial cannabis business within the City, without regard to whether it is medicinal or non-medicinal cannabis. The maximum tax rate would be up to the greater of either: (i) \$25.00 per square foot of business areas, annually adjusted upward based upon the Consumer Price Index ("CPI") for all urban consumers in the San Francisco-Oakland-San Jose areas; or (ii) 15% of gross receipts per fiscal year. The City Council would be authorized to adopt a resolution implementing a tax rate which is lower than the maximum tax rate and may, by unanimous resolution of the entire Council, temporarily suspend collection of the tax.

Measure ____ is a general tax under state law and, if enacted by the voters, the revenues received from the tax must be placed in the City's general fund and may be used in any lawful purpose, as directed by the City Council, including but not limited to addressing cannabis industry impacts and/or maintaining and/or improving: 9-1-1 emergency response and neighborhood police patrols; fire protection services; streets and roads repairs; support of senior and youth services; city parks; recreation programs; and any other city services for Avenal residents and the public.

If this measure is approved by the voters, Ordinance No. 2022-05 shall be adopted by the City Council on the date the City Council declares the election results. The ordinance will become effective (10) ten days thereafter but the tax shall not be levied until the City Council has adopted a resolution setting an effective tax rate and implementing the tax.

This measure was added to the ballot by the City Council and makes no change to

existing laws but will add to existing laws a citywide ordinance imposing a commercial cannabis business tax within the City of Avenal. The electors entitled to vote on this measure are the registered voters within City of Avenal. If the measure is not approved by a majority vote of the votes cast on the measure, the measure will fail and the tax will not be imposed.

 7/20/2022

MOSES DIAZ, City Attorney

The above statement is an impartial analysis of Ordinance or Measure _____. If you desire a copy of the ordinance or measure, please call the elections official's office at 559-386-5766 and a copy will be mailed at no cost to you.