



Ballot Measure F2018

What is it?

At the election in November 2018 voters within the City of Solvang will vote on Measure F2018, a ballot measure to amend the Solvang Municipal Code to impose a tax on the gross receipts of cannabis businesses within the City ranging from an initial minimum of five percent (5%) to a maximum of ten percent (10%).

What will the funding be used for?

The revenues generated from the new tax imposed by this measure would be deposited into the City of Solvang General Fund to be used for such general municipal governmental purposes as street repair, maintenance of City parks, and law enforcement.

How much money will be raised?

It is difficult to estimate the amount of increased revenue potential, however, there is evidence that first year revenue would be approximately \$60,000 increasing annually as the tax rate increases to the full 10%.

What Commercial Cannabis Operations will the City allow?

The City of Solvang's Cannabis Regulations (Ordinance No. 18-332) allows only for the operation of Medical Cannabis Dispensary(ies) obtaining a regulatory permit from the City of Solvang and existing only within the C-3 zone district. The tax would however, also apply to any other commercial cannabis businesses in the City of Solvang, if the City Council should choose to expand allowable activities in the future.

Who pays the tax?

Local citizens and visitors holding a medical marijuana card would be the customers of the Medical Cannabis Dispensary and would thus be the only persons paying the tax.

What is the purpose of Cannabis Business Tax?

To establish a reasonable tax on the operation of an allowed cannabis business within the City.



**NOTICE TO VOTERS OF DATE AFTER WHICH NO ARGUMENTS
FOR OR AGAINST A CITY MEASURE
MAY BE SUBMITTED TO THE CITY CLERK**

NOTICE IS HEREBY GIVEN that the General Municipal Election is to be held in the City of Solvang on November 6, 2018, at which there will be submitted to the voters the following measure(s):

SHALL AN ORDINANCE BE ADOPTED ESTABLISHING A CANNABIS BUSINESS TAX ON GROSS RECEIPTS OF CANNABIS BUSINESSES FROM THE SALE OF CANNABIS AND CANNABIS PRODUCTS, AT A RATE NOT TO EXCEED 10%, WITH INITIAL RATE OF 5% AND A MAXIMUM ANNUAL INCREASE OF 1% UP TO THE MAXIMUM RATE, TO FUND GENERAL MUNICIPAL SERVICES SUCH AS STREET REPAIR, PARKS, AND LAW ENFORCEMENT, UNTIL ENDED BY VOTERS?	YES
	NO

NOTICE IS FURTHER GIVEN that pursuant to Article 4, Chapter 3, Division 9 of the Elections Code of the State of California, the legislative body of the City, or any member or members thereof authorized by the body, may file a written argument, not to exceed 300 words in length, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, for or against the City measure(s).

NOTICE IS FURTHER GIVEN that, based upon the time reasonably necessary to prepare and print the arguments and Voter Information Guide for the election, the City Clerk has fixed **July 31, 2018**, during normal office hours, as posted, as the date after which no arguments for or against the City measure(s) may be submitted to the clerk for printing and distribution to the voters as provided in the Article 4. Arguments shall be submitted to the City Clerk, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument, at City Hall, 1644 Oak Street, Solvang, California. Arguments may be changed or withdrawn until and including the date fixed by the City Clerk.

NOTICE IS FURTHER GIVEN that the city council has determined that rebuttal arguments, not to exceed 250 words in length, as submitted by the authors of the opposing direct arguments, may be filed with the City Clerk, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument, not more than 10 days after the final date for filing direct arguments, fixed as **August 10, 2018**.

NOTICE IS FURTHER GIVEN that any ordinance, impartial analysis, or direct argument filed under the authority of the elections code will be available for public examination in the clerk's office for not less than 10-calendar days from the deadline for the filing of the arguments and analysis(es). Any rebuttal argument filed under the authority of the elections code will be available for public examination in the clerk's office for not less than 10-calendar days from the deadline for filing rebuttal arguments.



City Clerk

Dated: *July 09, 2018*

CITY OF SOLVANG
CITY ATTORNEY'S IMPARTIAL ANALYSIS FOR
MEASURE F2018

Measure F2018 is a ballot measure placed on the ballot by the City Council of the City of Solvang. If approved by the voters, Measure F2018, would amend the Solvang Municipal Code to impose a tax ranging from an initial minimum of five percent (5%) to a maximum of ten percent (10%) on the gross receipts of cannabis businesses within the City of Solvang. Under Measure F2018, a "cannabis business" would be defined as any business, organization or facility, regardless of form, whether operating for profit or not for profit, that cultivates, processes, stores, tests, packages, labels, distributes, transports, and/or sells, dispenses or delivers cannabis, cannabis products and/or devices for the use of cannabis or cannabis products. Measure F2018 would authorize the Solvang City Council to decrease the tax rate, or to increase the tax rate subject to a maximum increase of one percent (1%) per year up to the maximum tax rate of ten percent (10%). Measure F2018 would provide administrative procedures for the collection and enforcement of the tax, and penalties for failure to pay the tax.

The revenues from the increased tax imposed by this measure would be deposited into the City's General Fund to be used for such general municipal governmental purposes as the City Council directs. Among such purposes are street repair, parks and law enforcement.

The ordinance proposed by this measure will only become effective if approved by a majority of those electors voting on the measure.

A YES vote approves the measure.

A NO vote rejects the measure.

The above statement is an impartial analysis of Measure F2018. If you desire a copy of the measure, please call the elections official's office at (805) 688-5575 and a copy will be mailed at no cost to you.



David Fleishman
City Attorney
City of Solvang

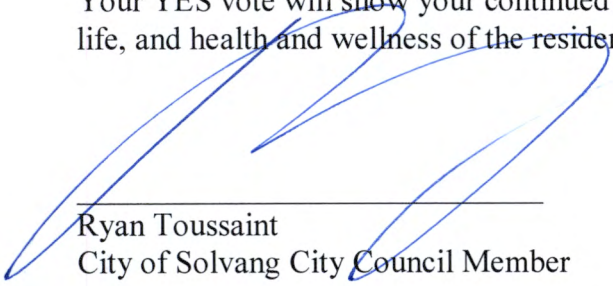
ARGUMENT IN FAVOR OF MEASURE F2018

Vote YES on Measure F2018 to impose a reasonable and fair taxation of commercial cannabis businesses within the City of Solvang. Measure F2018 places a tax on commercial cannabis businesses to help maintain essential city services such as public safety and road maintenance which we all use and benefit from.

Measure F2018 is designed to protect local control. The City's goals in regulating commercial cannabis businesses are: Reduce and eliminate the black market for cannabis; Establish reasonable and comprehensive regulations that preserve the health and safety of our community; Provide access to medical cannabis for those who benefit from its use; Establish a new source of funding that benefits the entire community; and Create a fair and reasonable tax structure that supports financially stable cannabis businesses. Measure F2018 will help the City achieve all five goals.

Measure F2018 will be implemented through a regulatory ordinance. It is the City's intent to allow only highly qualified operators that meet the standards of the City's zoning and regulatory ordinances. Measure F2018 is fiscally responsible, timely and prudent. Passage of this new tax measure will ensure that the City receives its fair share of cannabis taxation revenue.

Your YES vote will show your continued support for protecting the interests, values, quality of life, and health and wellness of the residents of the City of Solvang.



Ryan Toussaint
City of Solvang City Council Member

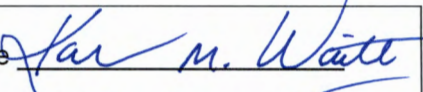
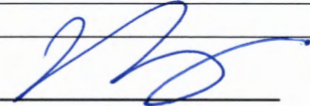


Karen M. Waite
City of Solvang City Council Member

**FORM OF STATEMENT TO BE FILED BY
AUTHORS OF ARGUMENTS**

All arguments concerning measures filed pursuant to Division 9, Chapter 3 (beginning with § 9200) of the Elections Code shall be accompanied by the following form statement to be signed by each proponent, and by each author, if different, of the argument:

The undersigned authors of the primary **Argument in Favor of Ballot Measure F2018 at the General Municipal election for the City of Solvang to be held on November 6, 2018** hereby state that the argument is true and correct to the best of their knowledge and belief.

Print Name <u>KAREN M. WAITE</u>	Signature <u></u>
Title <u>CITY COUNCIL MEMBER</u>	Date <u>7.30.18</u>
Name of Organization <u>City of Solvang</u>	
Print Name <u>Ryan Toussaint</u>	Signature <u></u>
Title <u>City Council Member</u>	Date <u>7/31/18</u>
Name of Organization <u>City of Solvang</u>	

"Arguments in support or opposition of the proposed laws are the opinions of the authors."