IMPARTIAL ANALYSIS OF MEASURE A

If this Measure is adopted by at least a 2/3 majority of the voters, then a cannabis business tax will take effect in the City of Shasta Lake. This cannabis business tax would repeal and replace the general tax that is presently collected from medical marijuana dispensaries operating in the City.

The cannabis business tax would impose up to a $26 per square foot tax on marijuana cultivation, up to a $25 per square foot tax on marijuana manufacturing, and up to a 12% gross receipt tax on other cannabis businesses located in the City of Shasta Lake. Proceeds raised by the tax measure would go to fund local law enforcement and code enforcement within the City of Shasta Lake, and would be used for no other purpose.

The tax would be imposed on all commercial cannabis business, commercial cannabis manufacturing, and commercial cannabis cultivation within the City, whether related to cannabis or medical cannabis. Payment of the tax would not be construed by the City as authorizing the conduct or permitting the continuance of any illegal business within the City, nor will this measure in itself permit any commercial cannabis activity. Nothing in the measure would imply or authorize any activities connected with the distribution, possession, or sale of cannabis unless authorized by California law and as may be permitted by the City of Shasta Lake.

Passage of the measure would authorize City management and staff to promulgate rules, regulations, and procedures to implement and administer the tax, and would authorize the City Council to amend, modify, change, revise, or appeal any provision of the measure without a vote of the people to the extent allowed by law. However, voter approval would still be required for any amendment that would increase the rate of any tax levied pursuant to this measure above the maximum rates established by the measure. The City Council would be permitted to impose any tax authorized by the measure at a lower rate and may establish exemptions, incentives, reductions, and interest charges for failure to pay the tax in a timely manner, as otherwise allowed by California law.

Submitted by

/s/ John Sullivan Kenny
City Attorney