

## City Attorney's Impartial Analysis

Measure [REDACTED], if approved by a majority of voters, will enact an alternative tax that the City Council may impose on persons actively engaged in the business of Cannabis Cultivation in the City, at a monthly rate of up to \$1.75 per square foot of Cannabis Cultivation Area or fraction thereof. Starting January 1 of the first full year after such tax is implemented by the City Council, and on each January 1, thereafter, the maximum monthly tax rate above shall increase by the percentage increase in CPI, but in no case more than 5% or less than 2%.

During the time the alternative tax is imposed by Council, the enforcement of the percentage-based Marijuana Business Tax (Measure S, 2012) shall be suspended as to Cannabis Cultivation, only. This tax will be in addition to any current business tax imposed on businesses in the City, and nothing therein prevents or otherwise suspends the enforcement of the Marijuana Business Tax as to any other Cannabis Business types in the City.

This tax will not take effect until the City Council, by ordinance, sets the rate of the tax, which cannot exceed a monthly tax rate of up to \$1.75 per square foot of Cannabis Cultivation Area or fraction thereof, plus the CPI adjustment. The City Council may, at any time, set a lower tax rate for Cannabis Cultivation Facilities or establish differing tax rates for different categories of Cultivation Facilities, subject to the maximum monthly rates set forth above. The City Council may also increase the tax rate from time to time, provided the rate set does not exceed the maximum rate set forth above.

The revenues from the tax imposed by Measure [REDACTED] will be deposited in the a general fund and will be subject to the annual audit performed by the City's independent auditor which is reported in the City's Comprehensive Annual Financial Report.

A "yes" vote is a vote to permit the City Council to impose, by ordinance, an alternative tax on persons actively engaged in the business of Cannabis Cultivation operating in the City based on square footage at a monthly rate of up to \$1.75 per square foot of Cannabis Cultivation Area or fraction thereof, plus the CPI adjustment. A "yes" vote will not impact the City's current Marijuana Business Tax as to other Cannabis Business types.

A "no" vote is a vote not to permit the City Council to impose an alternative tax on Cannabis Cultivation and Cultivation Facilities operating in the City based on square footage. A "no" vote will not impact the City's current Marijuana Business Tax.

Measure [REDACTED] was placed on the ballot by the City Council.

/s/

John O. Pinkney  
City Attorney  
City of Needles

**The above statement is an impartial analysis of Measure [REDACTED]. If you desire a copy of the ordinance or measure, please visit <https://cityofneedles.com/> or call the elections official's office at 760-326-2113 and a copy will be mailed at no cost to you.**