

# CITY OF SAN PABLO MEASURE M

## Frequently Asked Questions: Commercial Cannabis Business License Tax Measure on the November 5, 2024 Local Ballot in San Pablo

**Q: What is Measure M?**

**A:** Measure M is a proposed new, commercial cannabis business license tax measure that will appear on the November 5, 2024 local ballot in San Pablo. The specific ballot language is:

*“Shall the measure imposing a cannabis (“marijuana”) business license tax of up to 7% of gross receipts, or \$10 per square foot of commercial grow area, lasting until voters end it, and estimated to generate \$1,500,000 to \$2,200,000 annually to provide City services such as police protection, recreational services, services to local youth and seniors, community grant programs, and for general government use, with all funds staying local and subject to annual audit, be adopted?”*

**Q: Is Measure M a new tax? Will the passage of Measure M increase my taxes?**

**A:** Measure M will NOT increase taxes for local residents in general; Measure M is a new, COMMERCIAL BUSINESS LICENSE TAX that, if enacted by the voters, would only apply to new commercial cannabis businesses that are legally established in the City with all proper permitting. No other businesses or local residents are directly affected by this proposed ballot measure.

**Q: How much will this cannabis business license tax cost consumers?**

**A:** The proposed commercial cannabis business license tax applies to operators of legally established commercial cannabis businesses permitted by the City. It is NOT imposed directly on consumers or other local businesses within City limits. This proposed tax only applies to legally established cannabis businesses and does NOT apply to other types of businesses in the City or when consumers make purchases of other non-cannabis items in other local San Pablo businesses, such as food (groceries), medicines, or prescription drugs, etc.

**Q: If passed by local voters, how much will Measure M generate annually for the City?**

**A:** The new commercial cannabis business license tax, if passed by local voters, could generate **between \$1.5 million and \$2.2 million annually** in general fund revenues for the City of San Pablo.

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### **Q. What will the funds be used for?**

**A:** If Measure passes, the funds could be used to fund local City services such as (but not limited to) the following:

- **Public Safety programs** (including gang prevention; mental health response; illegal dumping and code enforcement).
- **Job Creation, Training, and Job Placement** for local residents, including youth and the disenfranchised (those with barriers to employment) who reside in San Pablo.
- **Youth services** (designed to keep kids off the streets and out of gangs).
- **Housing/Tenant Protection:** Funds could be used to fund new rental assistance programs, and tenant protection services for local residents provided under State law.
- **Residential Health and Safety programs:** Funds could assist the City in reducing substandard rental housing, and to better ensure rental properties meet required building and life safety code requirements to operate safely within the City.

### **Q: What will happen if Measure M fails to secure simple-majority support?**

**A:** If Measure M fails to secure simple-majority support (50%+1 vote) from San Pablo voters, the City will be unable to impose the proposed tax on any commercial cannabis businesses that may be legally established within City limits in the future.

### **Q: Impact of Measure M, if passed, on San Pablo residents?**

**A:** Measure M, if it passes, will only apply to operators of cannabis businesses who have legal and permitted commercial establishments in the City, and it would not be imposed on local consumers of non-cannabis products or property owners in general. There are no financial impacts to mortgage, other debt payments, utilities, services, medicine and most grocery purchases

### **Q: Impact of Measure M, if passed, on the local Business Community?**

**A:** Measure M, if it passes, will impose a new business license tax directly on operators of the cannabis business itself. Non-cannabis businesses will not be affected by the new, commercial

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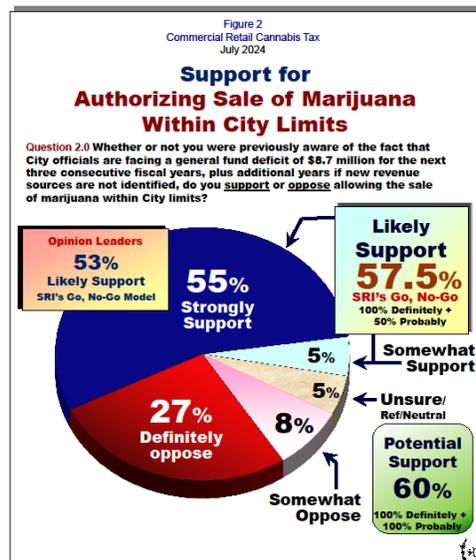
cannabis business license tax as they already pay their own individual business license tax to the City to operate within City limits.

**Q. If Measure M passes, does the State of California receive these monies to use as it sees fit?**

**A:** No! No portion of these funds would be paid to the State of California; 100% of these monies would stay in San Pablo and could be used by the City to benefit local San Pablo residents.

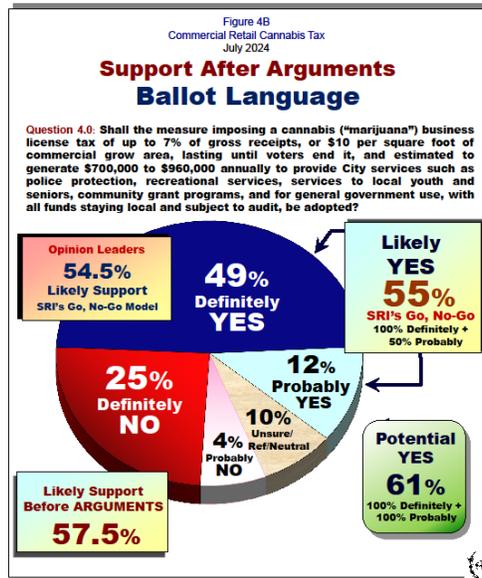
**Q: Were local residents asked for their input?**

**A:** Yes! The decision to place Measure M on the local ballot followed a process in which the City's residents and local voters were surveyed about authorizing the sale of cannabis within City limits and the proposed ballot measure language being considered by the City Council (see survey results below). Information was shared with the City Council from City surveys conducted in December 2023/January 2024, and July 2024 prior to the decision made by the City Council to place the measure on the November 5, 2024 ballot on July 15, 2024.



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**Q: Will there be monitoring of these funds generated from this measure?**

**YES.** Annual audits and community reporting will be conducted by the City to monitor the expenditures from this new commercial cannabis business license tax to ensure that the funds are spent in accordance with spending priorities and programs expressed by local residents.

**Q: How can I get more information?**

**A:** As we continue to address the fiscal challenges facing the City of San Pablo, City staff will work hard to keep you informed of City actions or decisions regarding this proposed commercial cannabis business license tax measure. Please visit the City's website at [www.sanpabloca.gov](http://www.sanpabloca.gov) or call (510) 215-3000.

**For further information, contact:**

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