The City Council of the City of Mountain View has placed Measure _Q_ on the November 6, 2018 ballot, which would approve a Cannabis Business Tax Ordinance establishing a tax to be applied to all persons engaged in a cannabis business in the City of up to nine percent (9%) of the gross receipts of these businesses.

Currently, cannabis businesses are not permitted to operate in the City. The cannabis business tax would not change this. However, the City Council will be considering an ordinance allowing and regulating cannabis retail businesses to operate in the City this fall.

If cannabis businesses are permitted in the City, Measure _Q_ sets a maximum tax rate on all cannabis businesses of up to nine percent (9%) on gross receipts. For example, a cannabis business with gross receipts totaling $100,000 would pay up to $9,000 in taxes to the City. Voter approval would be required to increase the tax rate above nine percent (9%) or to change the purpose of the ordinance. However, the City Council would have the ability to amend the ordinance to modify the tax rate or establish different rates for medical and recreational cannabis, so long as the rate does not exceed nine percent (9%). If this measure is approved by a majority of the voters, the Cannabis Business Tax Ordinance would become effective only when an ordinance allowing cannabis businesses to operate in Mountain View is adopted by the City Council and becomes effective.

As a business tax, this measure applies only to cannabis businesses operating in Mountain View. It is not a tax on consumers or users.

The City estimates this tax could generate approximately $1 million annually. The cannabis business tax is a general tax and can be used for general municipal purposes. All tax proceeds would go into the City’s general fund.

Any funds generated by the cannabis tax would be subject to an independent annual audit.

A “YES” vote would adopt the Cannabis Business Tax Ordinance. A “NO” vote would not adopt the Cannabis Business Tax Ordinance.

Measure _Q_ would be approved if it received a simple majority of “YES” votes.

The above statement is an impartial analysis of Measure _Q_. If you desire a copy of the ordinance or measure, please call the City Clerk at (650) 903-6304 and a copy will be mailed at no cost to you. Copies are also available in the City Clerk’s Office and on the City’s website at www.mountainview.gov.

By

Jannie L. Quinn, City Attorney

City of Mountain View

Date: August 8, 2018