

SPECIAL ELECTION – CITY OF SHASTA LAKE  
MEASURE A:

# COMMERCIAL CANNABIS BUSINESS TAX

## FAQ

1. What is the Commercial Cannabis Business Tax?

Measure A continues and clarifies a tax on commercial cannabis businesses operating within the City of Shasta Lake. Currently, in the City of Shasta Lake the following commercial cannabis businesses will be allowed: indoor cultivation, mixed-light cultivation, non-volatile manufacturing, retail, distribution, testing and nurseries.

2. What are the goals of Measure A?

- Continue comprehensive regulations that preserve the health and safety of our community.
- Establish a new source of funding that benefits the entire community.
- Create a reasonable tax structure that supports financially stable cannabis businesses.
- Provide access to medical cannabis for those who benefit from its use.
- Reduce and eliminate the black market for cannabis.

3. What are the proposed RATES?

Measure A would have a lower tax rate than the maximum square foot tax listed in the ordinance. The maximum allowable tax rate of up to \$26 per square on indoor cultivation area, up to \$18 per square foot on mixed-light cultivation area, up to \$10 per square foot of indoor cultivation area, up to \$25 per square foot of non-volatile manufacturing area, and up to 12% gross receipts on cannabis retail, distribution, testing and nurseries.

Proposed rates, as mentioned above the actual taxes imposed for all commercial cannabis businesses will be at reduced rates shown in the tables below, unless modified by a vote of the City Council.

Cultivation Area (s/f)	Rate per s/f
<b>Outdoor</b>	
5000	\$2.00
5,001 to 10,000	\$5.00
10,001 to 22,000	\$7.00
<b>Indoor</b>	
5000	\$7.00
5,001 to 10,000	\$10.00
10,001 or more	\$15.00
<b>Mixed-light</b>	
5000	\$5.00
5,001 to 10,000	\$8.00
10,001 or more	\$11.00

- **Manufacturing:**

Operator	Rate per s/f
Manufacturer	\$7.00

- **Retail, Distribution, Testing and Nurseries:**

Operator	Percentage of Gross Receipts
Cannabis Nursery	3%
Dispensary	6%
Distributor	3%
Testing Laboratory	0%
Transporter	0%

Please note, recent state legislation has eliminated the transporter license.

4. **Is there an existing cannabis tax?**

In 2014, the City of Shasta Lake voters approved Measure C with 73.18% support, which placed a 6% gross receipts tax on cannabis dispensaries. On average, Measure C has brought in \$400,000+ revenue on an annual basis. However, with the passage of Prop 64 additional commercial cannabis business types are now allowed in California for both medical and recreational cannabis. Measure A would repeal Measure C and extend the cannabis taxation to include all approved commercial cannabis business operations within the City of Shasta Lake.

5. **What will the funds be used for?**

All the proceeds from Measure A will be used to fund local law enforcement and code enforcement within the City of Shasta Lake and would be used for no other purpose.

6. **Can the tax rates be adjusted?**

The City Council may adjust any tax rate (lower or higher); however, the tax rates cannot exceed the maximum tax rates listed in Measure A without voter approval. This flexibility gives the City Council the ability to establish a reasonable tax structure as the market price for cannabis fluctuates to ensure financially stable cannabis businesses within the City to remain competitive.

7. **How do I vote?**

You must be a registered voter within the City of Shasta Lake to vote on this measure. Vote-by-mail ballots must be postmarked or delivered to the Shasta County Elections Office, an Official Ballot Drop-Off Box, or any polling place in Shasta County on Election Day, August 29th. Registered voters may vote early in person at the Shasta County Elections Office located at 1643 Market St, Redding, CA 96001. Polling Places will be open on August 29, from 7am to 8pm. For more information regarding voting, please contact the Elections Office at 530-225-5730.

For any additional information or questions regarding Measure A, please contact the City of Shasta Lake at 530-275-7400.