CITY ATTORNEY’S IMPARTIAL ANALYSIS OF MEASURE B

Measure B is a proposition placed on the ballot by the Bellflower City Council. If approved by voters, Measure B would impose a new general tax upon cannabis businesses operating within the City of Bellflower including commercial cultivation, distribution, manufacturing, and retail sales. All tax revenue derived from the tax would be deposited in the City's General Fund.

Measure B itself does not authorize or permit cannabis business activities. Rather, beginning July 1, 2017, it authorizes imposition of an annual tax upon all commercial cannabis activities authorized by separate City Council action and state law.

For commercial cannabis cultivation (except for nurseries) the tax would be $15.00 per fiscal year, per square foot of authorized space. Commencing July 1, 2020, this tax will increase each fiscal year by $2.50 per square foot until it reaches a maximum annual tax rate of $25.00 per square foot. For nurseries, the tax would be $2.00 per square foot of authorized space. Beginning July 1, 2020, this tax will increase each fiscal year by $1.50 per square foot until it reaches a maximum annual tax rate of $5.00 per square foot.

Every person transporting cannabis or cannabis products from one permitted business location of one permittee to another must pay an annual tax of $1,500.00 per year.

Every person who operates a dispensary, manufacturing facility, testing laboratory, or distribution facility, or engages in delivery of cannabis in the City must pay an initial annual tax of 5% of the gross receipts per fiscal year. That rate would increase on July 1, 2020 (and for each fiscal year thereafter) by 2.5% until it reaches an annual maximum tax rate of 10%.

Beginning July 1, 2024, and continuing each July 1st thereafter, non-gross receipt based cannabis taxes (cultivation, nurseries, and transportation) would increase based upon the consumer price index.

There is no sunset clause on the taxes. All the taxes implemented by Measure B may be suspended or reduced by City Council action. Any other increase of the tax would require voter approval.

Measure B would impose a “general tax.” Therefore, all tax revenue would be available for use by the City to pay for general City operations and services. The City would not be legally bound in any way to use the tax monies for any special purpose or for any particular facilities or programs. Since this ballot measure proposes a “general tax” rather than a “special tax,” it requires approval by a simple majority of the City’s voters.

A “yes” vote on Measure B favors the Measure. A “no” vote on Measure B opposes the Measure.