
MEASURE C

CITY OF COLFAX

“To fund general municipal expenses such as police, fire, roads and recreation, shall the City tax cannabis (marijuana) businesses at annual rates not to exceed \$10.00 per canopy square foot for cultivation (adjustable for inflation), 6% of gross receipts for retail cannabis businesses, and 4% for all other cannabis businesses; which is expected to generate an estimated \$8,000 to \$12,000 annually and will be levied until repealed by the voters or the City Council?”

YES _____

NO _____

IMPARTIAL ANALYSIS BY COLFAX CITY ATTORNEY

Measure C is a City-initiated ballot measure that was placed on the ballot by the Colfax City Council. Colfax Ordinance 536 effective March 30, 2018 added Chapter 5.32 to the Colfax Municipal Code and conditionally allows specific cannabis businesses to operate in Colfax. Measure C, if passed, will impose a general tax for revenue purposes upon cannabis businesses that engage in business in the City of Colfax. Passing Measure C and approving the cannabis business tax does not authorize cannabis businesses to operate in the City of Colfax.

Measure C will approve the addition of Chapter 5.14 to the Colfax Municipal Code and establish annual cannabis business tax rates not to exceed \$10.00 per canopy square foot on cultivation, 6% of gross receipts on retail cannabis businesses, 3% of gross receipts on cannabis distribution, and 4% for all other types of cannabis businesses. Initial tax rates, which can be adjusted by Council ordinance or resolution, will not exceed \$7.00 per canopy square foot on cultivation, 4% of gross receipts on retail cannabis businesses, 2% of gross receipts on cannabis distribution, and 2.5% for all other types of cannabis businesses. Maximum tax rates based on square footage will be subject to annual adjustment based on increases in the Consumer Price Index.

Colfax Municipal Code Chapter 5.14, which will be approved if Measure C passes, contains extensive reporting, enforcement and penalty provisions. All cannabis taxes can become a lien against the property upon which the cannabis business is operated. The City's tax administrator will have the authority to revoke any permit for a cannabis-related business for failure to timely pay taxes. Violators can also be subject to criminal misdemeanor prosecution.

Colfax Municipal Code Chapter 5.14 also contains remedial provisions to make sure that the City collects no more taxes than it is owed. Individuals and entities subject to the cannabis business tax may appeal any tax determination to the City Council.

A "Yes" vote on Measure C is a vote to adopt the proposed ordinance adding Chapter 5.14 to the Colfax Municipal Code and allow the proposed taxes to be levied against cannabis businesses that engage in business in Colfax. This will be a general tax, so the proceeds will be used for general governmental purposes within the City.

A "No" vote on Measure C is a vote to reject the proposed ordinance and cannabis business tax but will not outlaw commercial cannabis businesses within the City.

Alfred A. Cabral,
Colfax City Attorney

The above statement is an impartial analysis of Measure C. If you desire a copy of the ordinance, please call the Colfax City Clerk's office at (530) 346-3213 and a copy will be mailed at no cost to you.

NO ARGUMENT FOR OR AGAINST MEASURE C WAS SUBMITTED