Measure E-18 seeks to establish a tax on cannabis businesses operating illegally at any time or operating legally should such businesses be permitted in the future.

If adopted by the voters, Measure E-18 adds a new Chapter 3-17 to the Atascadero Municipal Code to implement a Cannabis Business Tax.

Measure E-18 would tax cannabis businesses at annual rates not to exceed $10.00 per canopy square foot for cultivation (adjustable for inflation after January 1, 2022), 10% of gross receipts for retail cannabis businesses, 2.5% for testing laboratories, 3% for distribution businesses, and 6% of gross receipts for all other cannabis businesses.

Cannabis businesses are defined broadly to include all persons and businesses that cultivate, possess, manufacture, process, store, test, label, transport, distribute, deliver, or sell cannabis or cannabis products for commercial purposes and that require a state issued license for operation.

Personal cannabis cultivation, as defined by state law, will not be subject to this tax.

The Measure also outlines procedures for collecting, enforcing, and appealing violations related to the Cannabis Business Tax.

A “yes” vote is a vote to adopt the Cannabis Business Tax, effective January 1, 2019.

A “no” vote is a vote against adopting the Cannabis Business Tax, and there would be no tax imposed on potential commercial cannabis activities of cannabis businesses within the City.

Pursuant to Article XIII C of the Constitution, this measure requires approval by a majority of those casting ballots on the measure unless another threshold is otherwise required by law.

Because the Cannabis Business Tax is a general tax, the revenues from the tax would be placed in the City’s general fund and used for unrestricted general revenue purposes, including, but not limited to, police, fire, parks, and other community services.

/s/ Brian A. Pierik,
City Attorney for the City of Atascadero

The above statement is an impartial analysis of Measure E-18. If you desire a copy of the Measure, please call the elections official's office at (805) 470-3400 and a copy will be mailed or e-mailed at no cost to you. The full text of Measure E-18 is available on the City of Atascadero's website at: https://www.atascadero.org/