

## **Measure B – The City of Riverside’s Cannabis Business Tax Measure**

### **City Attorney’s Impartial Analysis**

Measure B was placed on the ballot by the City of Riverside City Council.

If approved by a majority of voters, Measure B will add Chapter 5.78 (Cannabis Business Tax) to the Riverside Municipal Code and enact a maximum tax of up to ten (10) percent of gross receipts on all commercial cannabis businesses operating within the City.

The actual tax rate imposed under this chapter will be established by resolution of the City Council. The City Council, in its discretion, may adopt a tax rate lower than the maximum tax rate of ten (10) percent of gross receipts.

The tax would not apply to the legal cultivation of cannabis for personal medicinal or adult use allowed under the Riverside Municipal Code and state law. The tax is only on commercial cannabis businesses. The tax is not a sales tax imposed on individuals purchasing adult-use or medicinal cannabis.

Currently, Chapter 5.77 of the Riverside Municipal Code allows fourteen commercial cannabis storefront retail dispensaries (dispensaries) to operate within the City of Riverside, and allows for licenses for dispensaries, manufacturing/distribution, and testing laboratories. Approval of Measure B (Cannabis Business Tax) would not change Chapter 5.77.

Measure B, if enacted by the voters, would raise revenue for general governmental purposes for the City of Riverside and not for purposes of regulation. The City of Riverside has estimated that tax proposed by Measure B would raise approximately \$2,000,000 annually. The proceeds from the tax imposed by Measure B would go into the City’s general fund

and may be used for any lawful governmental purpose. Measure B does not place any restrictions on the use of the funds.

The tax would continue until repealed by the voters. The tax cannot be increased above the maximum rate of ten (10) percent without the approval of the voters.

A “yes” vote on Measure B would approve the Cannabis Business Tax and authorize the City Council, by resolution, to impose a Cannabis Business Tax up to a maximum rate of ten (10) percent.

A “no” vote on Measure B would not approve the Cannabis Business Tax.

A majority vote is required to approve the Cannabis Business Tax.

The above statement is an impartial analysis of Measure B. If you desire a copy of the measure, including the ordinance, please visit the City’s website at [www.riversideca.gov](http://www.riversideca.gov) or contact the City Clerk at 951-826-5557 and a copy will be mailed at no cost to you.

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