

**CITY OF RANCHO CORDOVA
MEASURE O**

O PERSONAL CANNABIS CULTIVATION TAX MEASURE. Shall an ordinance be adopted requiring individuals cultivating cannabis (marijuana) for personal use to pay a tax to fund general municipal services, including public safety and code enforcement, in an amount not to exceed the following: 1) for indoor cultivation, from \$600 to \$900 per year for each square foot of area cultivated; and 2) for outdoor cultivation, from \$600 to \$900 per year for each 12.5 square feet of area cultivated.

IMPARTIAL ANALYSIS OF MEASURE O

Prepared by Rancho Cordova City Attorney

The Rancho Cordova City Council has placed Measure O on the November 2, 2010 general municipal election ballot which asks voters to adopt an ordinance that would amend Rancho Cordova's Municipal Code to add a new Chapter 3.85 entitled "Personal Cannabis Cultivation Tax."

If approved by a majority of voters at the November 2, 2010 election, Measure O would establish a new excise tax on the privilege of lawful cultivation of marijuana for personal use within the City of Rancho Cordova. Measure O would impose a tax on cultivation as follows:

For indoor cultivation:

- a. If the cultivated area is equal to or less than 25 square feet, \$600 per year for each square foot of cultivated area, or
- b. If the cultivated area is over 25 square feet, \$900 per year for each square foot of cultivated area.

For example: A residence where the cultivated area indoors is 10.5 square feet shall pay \$6,300 annually ($\$600/\text{sq. foot} \times 10.5 \text{ sq. feet}$). A residence where the cultivated area indoors is 30 square feet shall pay \$27,000 annually ($\$900/\text{sq. foot} \times 30 \text{ sq. feet}$).

For outdoor cultivation:

- a. If the cultivated area is equal to or less than 25 square feet, \$600 per year for each 12.5 square feet of cultivated area, or
- b. If the cultivated area is over 25 square feet, \$900 per year for each 12.5 square feet of cultivated area.

For example: A residence where the cultivated area outdoors is 25 square feet, shall pay \$1,200 annually ($(25 \text{ sq. feet}/12.5 \text{ sq. feet}) = 2 \times \$600/12.5 \text{ sq. feet}$). A residence where the total cultivated area outdoors is 30 square feet shall pay \$2,160 annually ($(30 \text{ sq. feet}/12.5 \text{ sq. feet}) = 2.4 \times \$900/12.5 \text{ sq. feet}$).

If a property has cultivated area both indoors and outdoors, Measure O would require the cannabis grower to pay the sum of the indoor and outdoor taxes.

Before engaging in cannabis cultivation, Measure O would require all cannabis growers to register with the City by completing and filing an application form for Personal Cannabis Cultivation with the City's Finance Department.

The proposed Personal Cannabis Cultivation Tax is a general tax, and therefore the revenues from the tax are placed in the City's general fund for the usual expenses of the City, and then may be used for general governmental purposes, such as providing code enforcement and police services. Pursuant to Article XIII(C), Section 2(b) of the California Constitution, in order for the Personal Cannabis Cultivation Tax to be approved, the electorate must adopt Measure O by a majority vote.

A "yes" vote is a vote to adopt the Personal Cannabis Cultivation Tax.

A "no" vote is a vote against adopting the Personal Cannabis Cultivation Tax.

s/ Adam Lindgren,
City Attorney

FULL TEXT OF MEASURE O

"The above statement is an impartial analysis of City of Rancho Cordova Ordinance No. 19-2010, adding chapter 3.85 to the Rancho Cordova Municipal Code with respect to a personal cannabis cultivation tax. If you desire a copy of the ordinance, please access the City of Rancho Cordova website at: <http://www.cityofranhocordova.org/Index.aspx?page=67>, or call the Office of the City Clerk, City of Rancho Cordova, at (916) 851-8720 and a copy will be mailed at no cost to you."

ARGUMENT IN FAVOR OF MEASURE O

The City of Rancho Cordova complies with existing law allowing the private cultivation of medicinal marijuana. But we know such cultivation presents problems to neighbors and neighborhoods. Your YES vote on Measure O will help ensure that the City can afford the licensing, services and oversight to minimize problems for residents and neighborhoods to maintain Rancho Cordova's steady improvement.

Personal cultivation of marijuana poses challenges to the health and safety of the community and therefore requires ongoing enforcement. Indoor marijuana cultivation is particularly damaging to housing stock, since it is usually done without required building permits and in violation of building safety codes, resulting in serious negative impacts on structures, residents and neighbors due to mold and water damage, fires, vandalism, home invasion, nuisance conditions such as missing house numbers, blacked-out windows, noise, odors, property neglect, etc. Outdoor cultivation poses similar, though different concerns to neighbors and neighborhoods, with the potential for foul odors, thefts, increased noise and traffic.

Revenues from the tax would pay for some of the additional expense for code enforcement, building and safety inspections, and numerous public safety services. It will help protect the quality of the housing stock, maintain the stability of our neighborhoods, promote and protect the health, safety and welfare of residents and businesses in the City of Rancho Cordova.

Approval of Measure O does not endorse or encourage the cultivation or use of marijuana. Measure O will tax only the individuals engaged in the related activities. Other residents and businesses would not be taxed. This is a user-based tax to fund the increased oversight that personal cultivation requires.

A YES vote on Measure O will support our Strong Neighborhoods programs by protecting the interests, values, and quality of life for the residents of the City of Rancho Cordova.

s/Ken Cooley, Mayor
City of Rancho Cordova

s/Linda Budge, AICP, Council Member
City of Rancho Cordova

s/Jeffrey M. Morris,
Retired California Highway Patrol Lieutenant

s/Michael E. Mitchum, Past President
Cordova Community Council

s/Stephen P. Serrott,
Retired Small Business Owner

**NO REBUTTAL TO ARGUMENT IN FAVOR OF
MEASURE O WAS FILED**

ARGUMENT AGAINST MEASURE O

This measure makes no distinction between medical and recreational cultivation of marijuana and is meant to outlaw marijuana cultivation altogether in the City of Rancho Cordova. If this measure goes into effect, patients who grow in a typical 200 square foot area will be forced to pay as much as \$180,000 in taxes ($\$900 \times 200 \text{ sq ft}$). This completely unreasonable tax, which does an end-

run around state law by effectively banning cultivation, is likely to be an unconstitutional restriction on Proposition 215, the Compassionate Use Act. This cultivation "sin" tax unfairly targets medical marijuana patients who are growing for their own personal use and will likely see years of legal challenges. Don't deny patients their rights under the law. Vote NO on Measure O.

s/Kris Hermes, Media Director
Americans for Safe Access

REBUTTAL TO ARGUMENT AGAINST MEASURE O

Since becoming a city in 2003, Rancho Cordova has kept a sharp focus on strengthening and improving our city.

Our goal is to build and safeguard a better future for Rancho Cordova.

We have initiated many successful programs to build strong neighborhoods and upgrade the quality and safety of our community such as removal of abandoned vehicles, reducing illegal dumping, safety and code compliance inspections, and the establishment of our Volunteers in Neighborhood Service program (VINS) to strengthen our neighborhoods. These efforts cost money and require city resources. Personal cultivation of marijuana, whether for medicinal or recreational purposes, whether indoors or outdoors, can negatively impact the quality of life of the properties directly involved and the neighborhoods.

The argument against Measure O discusses the tax on a 200 square feet indoor 'garden'. But that is the equivalent of two bedrooms being used entirely for the growth of marijuana plants. Cultivation of that magnitude will surely severely impact the physical safety of the housing stock and create many other problems for the neighbors. Without a tax, the City is unable to afford to exercise proper controls to ensure your safety and neighborhood value.

Only the people engaged in personal cultivation would pay the tax since their activities would require more public safety oversight.

Your "YES" vote on Measure O will make sure that the City of Rancho Cordova can continue to strike a fair balance between the rights California gives our citizens and our community's right to protect our neighbors and neighborhoods.

s/Ken Cooley, Mayor
City of Rancho Cordova

s/Linda Budge, AICP, Council Member
City of Rancho Cordova

s/Stephen P. Serrott,
Retired Small Business Owner