Measure CT ("Measure") was placed on the March 7, 2023 General Municipal Election Ballot by the Redondo Beach City Council. If approved, the measure would amend the Redondo Beach Municipal Code to authorize the City of Redondo Beach to impose a general tax on cannabis and industrial hemp business activities within the City.

Cannabis businesses activities as defined in the ordinance are any business activity involving cannabis or industrial hemp, including but not limited to cultivating, transporting, distributing, manufacturing, compounding, converting, processing, preparing, storing, packaging, delivering, testing, dispensing, retailing, and wholesaling of cannabis, cannabis products, industrial hemp, industrial hemp products or of ancillary products and accessories.

Personal cannabis cultivation or use is exempt from this tax.

The Measure authorizes tax rates of:
• A minimum of 3 percent and a maximum of 9 percent of gross receipts for retail sales of cannabis, cannabis products, industrial hemp, and/or industrial hemp products;
• A minimum of 1 percent and a maximum of 3 percent of gross receipts for manufacturing, processing, distribution and testing laboratories for cannabis businesses.

If approved by the voters, the City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax, medicinal cannabis business tax, and the cannabis business tax on hemp or hemp products including the initial rate of these taxes. The Council cannot set the rate below the minimum or above the maximum tax rate. This tax will be levied until repealed by the voters.

This Cannabis Business Tax is expected to generate an estimated $300,000 to $900,000 in tax revenue annually. The revenue will be deposited into the City's General Fund and may be used for any City government purpose, as determined by the City Council.

The ordinance establishes processes for registration, collection, enforcement, and tax appeals. It has provisions addressing delinquency of tax, including penalties and interest. The ordinance also establishes audit and examination of records requirements.

Each and every material violation of the ordinance is deemed a misdemeanor.

Payment of the tax does not authorize illegal or unlawful cannabis business activities, nor does it entitle a person to engage in illegal or unlawful cannabis business activities in violation of any local or State law.

Because the proposed Cannabis Business Tax would be imposed for general municipal governmental purposes, the ballot measure proposes a "General tax" as defined by Article XIII of the California Constitution. Accordingly, for the ballot measure to be adopted, it must receive a simple majority (over 50%) of yes votes.

Pursuant to the California Constitution, Article XIII C(2)(b) and California Elections Code § 9217, if a majority of the voters voting in the election on this measure vote in favor of the adoption of this measure, this ordinance shall be deemed valid and binding and shall be considered adopted upon the date that the vote is declared by the City Council and shall go into effect ten (10) days after that date.
A "yes" vote on Measure CT is a vote to establish a new Cannabis Business Tax. A "no" vote is a vote against the establishment of the tax.

The above statement is an impartial analysis of Measure CT. If you desire a copy of the ordinance or measure, please call the City Clerk's Office (310) 318-0656 or email the same at cityclerk@redondo.org and a copy will be mailed at no cost to you. You may also access the full text of the measure and other election material from the internet of the City's website at: http://www.redondo.org

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