



## Local Ballot Measure: DD

Arguments and rebuttals are the opinions of the authors. We print them exactly as submitted.

### Argument Against Measure DD

The Monterey County Regional Fire Protection District Board of Directors urge residents to vote NO on Measure DD.

The Monterey County Regional Fire Protection District provides Fire and Advanced Life Support medical services to 400 square miles of unincorporated Monterey County. These services are provided 24/7/365 by Firefighters staffing your neighborhood stations in Toro Park, Chualar, Laureles Grade, Carmel Valley Village, Mid-Carmel Valley, Santa Lucia Preserve and East Garrison.

In 2018, the District voters approved Measure H, creating the Commercial Cannabis Business Tax whose funding offsets the increased prevention and service demands of a vibrant Monterey County Cannabis industry.

The annual Monterey County Agricultural Commissioner crops report values the County Cannabis industry at \$362,610,000.00 for the calendar year 2023, representing a \$79,452,000/28.1% increase from the 2022 report. The District tax on the 30 Cannabis Operators imposes a fair share contribution for Fire District services without unfairly impacting residents.

The District generates \$450,000 annually from the cannabis tax, funding necessary to pay for fire prevention and emergency response costs. The District Commercial Cannabis Business Tax revenue equates to .125% of the current value of the product, and is based on square footage for the following usages:

- Cultivation --\$0.22/sqft.
- Nursery-- \$0.12/sqft.
- Manufacturing-- \$1.23/sqft.
- Retail-- \$1.23/sqft.

Taxes for individual operators varies on the size of the specific cannabis operation. These range annually from \$2,000 for the smallest facility to \$42,000 for the largest.

A loss of the Commercial Cannabis Business Tax funding DOES NOT remove the District responsibilities to provide Emergency Response and Fire Prevention services to the Cannabis industry, but it will compromise the safety of our residents, property owners, and Firefighters.

A loss of the Commercial Cannabis Business Tax funding DOES unfairly burden District residents and property owners with no affiliation to the Cannabis industry to subsidize the required response and prevention services though their property taxes.

Vote NO on Measure DD.

/s/ Aimee Dahle, Board President

/s/ Jim Slaten, Board Director

/s/ Chad Lindley, Board Director

/s/ Brent Buche, Board Director

### Rebuttal To Argument Against Measure DD

We all want fire protection services to be adequately funded. But the current fire tax unfairly burdens one industry: cannabis growers. This industry is struggling with low profitability and trying to establish itself in Monterey County, in order to continue providing good jobs to County residents. If the industry fails, there will be no more taxes to fund fire services.

The opponents misstate the industry's success. The Monterey County Cannabis Crop Report only reflects gross income and does not include any of the costs of production or handling. It cannot be used to indicate profit or loss. The peak value reported in 2021 was \$618 million. In 2022 it fell to \$283 million as the market crashed. The industry shrunk by approximately half and showed a slight rebound in 2023. It is still in a tenuous position in 2024.

Property taxes are the primary funding source for the District and cannabis cultivators pay those taxes too. Cannabis properties were reassessed by the Tax Assessor following all the infrastructure improvements required to operate, and their property tax bills were greatly increased. Once the fire suppression systems and other requirements were completed, the workload of the District should have been reduced.

It is simply not true that cannabis growing imposes a special fire protection burden. This tax isn't making cannabis pay its fair share – it's making small farmers underwrite fire protection for all of us. Vote Yes on Measure DD to end this unfair tax.

/s/ Robert Roach, Asst. Agricultural Commissioner, Retired

/s/ Paul Moncrief, Attorney

/s/ Curtis Louie, Farmer

/s/ Sergio Silva, Land Owner