



## Local Ballot Measure: DD

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

### Argument In Favor of Measure DD

Vote Yes on DD to save Monterey County Jobs!

The Monterey County Regional Fire District (the District) cannabis business tax enacted in 2018 is irreparably flawed and must be repealed by the voters. As written, the tax cannot ever be lowered except by voters and is raised annually for inflation, which does not allow the District to adjust to the economic reality of cannabis farming. Initial expectations for revenue generated by the tax were very high and have proven to be unrealistic. While the County lowered its initial tax on greenhouse cultivation by over 90%, the District increased theirs. Accordingly, cannabis growers must pay the County approximately \$63,598 per acre annually and they must pay the District an additional approximately \$9,583 per acre for greenhouse cultivation. Other fire districts in the County don't tax cannabis, which makes for unfair competition. Overproduction and illicit market competition have reduced the market price to the point that over half our county cannabis cultivators have closed. This tax is disproportionate to the regulatory needs of the industry and is contributing to the loss of businesses and jobs in the County. More than 10% of all projected tax revenue from the cannabis industry in 2024-2025 for unincorporated Monterey County goes to the District, as reported by the Monterey County Grand Jury. From July 2021 to October 2022, industry employment fell from 2,400 to 1,400, according to the County Cannabis Program. If necessary, the District can place on the ballot of a future election another tax measure without the flaws of the current one. Only the voters can repeal the current tax measure since it passed by a vote of the people. If approved, this measure permits the District to continue to collect all back taxes.

Vote Yes On Measure DD to keep cannabis jobs in Monterey County and support our small farms.

/s/ Robert Roach, Assistant Agricultural Commissioner, Retired

/s/ Paul Moncrief, Attorney

/s/ Curtis Louie, Farmer

/s/ Sergio Silva, Land Owner/Business Owner

### Rebuttal To Argument In Favor of Measure DD

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

Repealing the Monterey County Regional Fire District's Cannabis Business Tax ignores the community benefit of the Cannabis Industry paying its fair share of taxes. The District's Cannabis Tax exclusively obligates the Cannabis Industry to pay for fire and life safety resources for Cannabis facility operations. If repealed, the burden of the Cannabis Industry impacts would be passed onto District taxpayers, taking valuable resources away from the many communities we serve.

The County of Monterey's significant tax reduction reflects a response to an extremely high initial tax assessment, while the substantially lower District Cannabis Tax has only seen a minimal increase, based on the annual CPI inflator, to absorb the rising costs of supporting the Cannabis Industry fire and life safety regulations.

Blaming the District's Cannabis Tax for the closure of cannabis businesses ignores broader economic issues such as market saturation, state regulations, and the illegal market. The District's Cannabis Tax provides funding from the Cannabis Industry to support the services provided to them by the Fire District.

The decline in Cannabis Industry employment is not a result of a tax representing just a fraction of one percent (0.12%) of the \$362.6 million dollar Monterey County Cannabis Industry. However, repealing the District Cannabis Tax underfunds essential fire prevention and emergency response services to the Cannabis facilities.

A NO Vote on measure DD protects fire prevention and emergency response services without passing costs onto taxpayers.

/s/ Aimee Dahle, Board President