

ARGUMENT IN FAVOR OF MEASURE Y

Our City was an early supporter of legalized cannabis. West Hollywood was among the first in the nation to support medical cannabis, and when the legalization of adult-use cannabis appeared on California ballots, 83% of West Hollywood voters said YES.

Once adult-use cannabis became legal, the City began the process of gathering input from the community to inform the implementation of adult-use cannabis. The input guided the City Council's decision to approve a comprehensive cannabis ordinance including adult-use cannabis businesses in adult-use retail, medical dispensary, on-site consumption and delivery.

This measure would create a new 7.5% tax on gross-receipts from adult-use cannabis businesses. These funds will allow the City to better regulate cannabis businesses and pay for services such as public safety, pedestrian/bike safety, street repair, park improvements, and importantly, housing and services for homeless. **The tax will NOT apply to medical cannabis.**

Increasingly, the State of California has shifted responsibility for many community-serving programs to local cities, such as West Hollywood, while taking away revenues previously allocated to cities. Revenues from the cannabis tax can only be used in West Hollywood for local purposes. Additionally, the measure contains accountability requirements including annual independent financial audits and public review of cannabis revenue spending.

This measure is not a tax increase for all residents; it will only be paid by adult-use cannabis businesses. Many cities have cannabis taxes, including the City of Los Angeles's tax of 10% on adult-use cannabis and 5% on medical cannabis; West Hollywood's rate for adult-use will be 7.5% and there will be no tax for medical. Many patrons of current cannabis retailers are visitors; a cannabis tax will ensure that cannabis businesses benefiting from visitors pay their fair share to fund services that benefit our community.

Please join us in supporting Measure Y.

JOHN J. DURAN
Mayor

JOHN D'AMICO
Mayor Pro Tempore

JOHN HEILMAN
Councilmember

LINDSEY P. HORVATH
Councilmember

LAUREN MEISTER
Councilmember

NO ARGUMENT AGAINST THIS MEASURE WAS SUBMITTED