



COMPARISON CHART: Measure Z & Measure Y

There will be two measures regarding the cannabis industry on the November, 2018 ballot for Hemet voters – Measures Z and Measure Y. They are competing proposals. The measure with the most “YES” votes will prevail. **Any information provided by the City is required by law to be factual and presented in an unbiased and objective manner.** The following is an overview of the two proposals before Hemet voters.

THE FACTS: WHAT THE LAW SAYS NOW

FEDERAL Under federal law, cannabis is still illegal. It has not been decriminalized.

STATE The state of California has legalized cannabis use for those over 21. The conflict between state and federal laws has yet to be resolved.

CITY The City of Hemet presently bans all retail sales and commercial cultivation, manufacturing, distribution and testing of cannabis.

WHAT MEASURE Z SAYS Prohibition with taxation Measure Z upholds the city ban on any form of cannabis business. All retail sales and manufacturing activities will still be illegal. However, it now establishes a penalty tax on cannabis businesses that will generate funds for the city.	WHAT MEASURE Y SAYS Legalization with taxation Will legalize indoor cannabis cultivation, manufacturing, distribution, and testing laboratories to operate in Hemet’s manufacturing zoning districts by creating an exemption in Hemet’s current ban.
CANNABIS STILL PROHIBITED All forms of cannabis businesses will still be prohibited. In 2021, the city would determine any changes to the law and how to prohibit or regulate cannabis businesses.	NO REGULATION Cannabis businesses will be able to operate without city regulation or city-conducted background checks. The City would be prohibited from determining applicants’ past business or criminal records.
VOTER CONTROL/TIME FRAME Two years with continued citizen input Measure Z provides increased opportunity for voter input. Establishes two-year time frame for community feedback and to develop a plan for regulating cannabis business in Hemet. After 2020, Hemet citizens can determine how they want to legalize or regulate cannabis activities.	VOTER CONTROL/TIME FRAME 90 days with no further citizen input The City Clerk must start accepting applications from proposed cannabis businesses 31 days after Measure Y takes effect. There is no allowance for further voter input.
BALLOT SPONSOR Measure Z was placed on the ballot by the Hemet City Council as an alternative to Measure Y.	BALLOT SPONSOR Measure Y was placed on the ballot by two private citizens and attorney Jason Ryan Thompson who represents major cannabis manufacturers. No business or investor affiliations disclosed.
IMPOSITION OF PENALTY TAX - \$30 per square foot Imposition of penalties will not authorize cannabis activity. Imposes penalties on all illegal cannabis businesses as follows: \$30 per square foot for cannabis cultivation 25% of gross receipts for cannabis manufacturing 15% of gross receipts for all other cannabis business including dispensaries, testing laboratories and distributors. Should the City Council enact a permitting ordinance after 2020, these amounts are maximum rates and would be imposed on any legal cannabis business. The City Council may also opt for lower rates after 2020.	TAX - \$10 per square foot Imposes a \$10 per square foot tax on cultivation businesses excluding square footage not used for cultivation activities.
FINE REVENUE PROJECTION - \$3.5 million Projected to generate a maximum of \$3,500,000 in annual revenue. After 2021, these fines can be amended as directed by voters.	TAX REVENUE PROJECTION - \$1 million Projected to generate \$1,000,000 in tax revenue to the city.
LIMITED OPPORTUNITY TO LEVY ANY TAX State law requires any city-proposed general tax to be voted on at the same time as city general municipal elections. If Measure Z is not approved, the City cannot propose any cannabis fines, taxes or an increase to the cannabis tax proposed by Measure Y until after 2020.	LIMITED OPPORTUNITY TO LEVY ANY TAX State law requires any city-proposed general tax to be voted on at the same time as city general municipal elections. The City cannot add to Measure Y or increase the cannabis tax proposed by Measure Y until after 2020.
USE OF REVENUE Specifies revenue to go to the City’s General Fund which can be spent for police and fire protection, road improvements, parks and recreation and other needed city services.	USE OF REVENUE Does not specify how money to the City is to be spent.
NO COMPANIES ELIGIBLE Any form of cannabis business activity remains illegal. After 2020, Hemet citizens can then determine how to legalize or regulate cannabis activities.	COMPANIES ELIGIBLE Cannabis companies registered for business with the state on or before October 6, 2017, citing the Medicinal and Adult-Use Cannabis Regulation & Safety Act, can apply for a city permit. Any company applying to the state after October 2017, would not be eligible.
LOCATIONS ALLOWED None. All cannabis cultivation, manufacturing, distribution, and testing laboratories will remain illegal in Hemet.	LOCATIONS ALLOWED Measure Y will allow indoor cannabis cultivation, manufacturing, distribution, and testing laboratories to operate in Hemet’s manufacturing zoned districts.

If you would like copy of these measures, please call the elections official's office at (951) 765-2307 and a copy will be mailed at no cost to you. You may also view the full text of Measures Z and Y at www.cityofhemet.org.