

BALLOT MEASURE U

City of San José

Measure U would allow the City Council to impose a business tax on marijuana businesses in San Jose at a rate of up to 10% of gross receipts. The tax would only be imposed if the City Council approved an ordinance setting the specific tax rate, which could not exceed 10% of gross receipts. This tax would be in addition to the current city business tax that is already imposed on businesses in San Jose.

Vote by mail ballots will begin to be distributed the week of October 4, and the election will be held on Tuesday, November 2.

If Measure U is approved by a majority of the voters, the City Council could not set the tax rate higher than 10% of gross receipts. However, as long as the rate does not exceed 10%, the City Council would have the flexibility to set the tax rate lower than 10%, to set different tax rates respectively for medical and recreational marijuana businesses, or to change the tax rates in the future.

Measure U does not permit medical or recreational marijuana businesses nor does it legalize the recreational use of marijuana within the City of San Jose. It allows the City Council to impose a tax on marijuana businesses.

If Measure U is approved and the City Council imposes the tax, it would apply to the planting, cultivation, harvesting, transporting, manufacturing, compounding, converting, processing, preparing, storing, packaging, and wholesale and retail sales of marijuana and ancillary products, for both medical and recreational marijuana businesses.

Under Measure U, the revenues from the marijuana business tax would be subject to the annual audit performed by the City's independent auditor, which is reported in the City's Comprehensive Annual Financial Report.



FOR MORE INFORMATION: Residents can visit the City Clerk's website at www.sanjoseca.gov/clerk for additional information on these measures, including the City Attorney's Impartial Analysis, the Arguments For and Against, and the full text of the Measures.