

**Argument in Favor of Measure O  
Tax on Cannabis Retail Businesses**

Submitted by the City Council for the City of Banning

YES on MEASURE O — It protects Banning residents, allows for the regulation of cannabis retail businesses, and will generate up to \$1.5 million in annual City revenue, which could fund police, fire, paramedics, youth and senior programs, parks and more.

Proposition 64 legalized recreational cannabis in 2016. Whether you agree with the legalization of cannabis or not, the City is now faced with a choice of either keeping retail sales of cannabis in Banning illegal, underground and tax free, or allowing a some State and City-regulated stores to operate in the City generating needed TAX REVENUE for the City.

Measure O would impose an annual tax on retail cannabis businesses of 10% of the businesses gross receipts and allow the City Council to raise that tax up to 15% in the future. Operators would pay the tax. RESIDENTS WHO DON'T PURCHASE CANNABIS FROM STORES IN THE CITY WOULD NOT PAY THE TAX.

If Measure O is passed, the City Council will have the option to permit a limited number of legitimate and state-regulated retail cannabis stores to operate in the City and only in certain commercially zoned areas AWAY FROM residentially zoned neighborhoods, schools, day care centers, youth centers and parks. Stringent standards on these businesses would apply, including security. These standards will seek to preserve the quality of life for Banning's residents and businesses and protect our neighborhoods from their potentially negative impacts.

MEASURE O will bring needed revenue to the City to address a budget deficit, effectively enforce our ordinances, and fund critical services such as police, fire, parks, roads, and more.

A YES vote means CONTROLLING and TAXING the RETAIL CANNABIS INDUSTRY and PROVIDING FUNDING FOR CITY SERVICES.

VOTE YES ON MEASURE O.


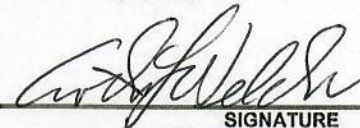
## STATEMENT BY PROPONENTS/AUTHORS OF ARGUMENTS

(Section 9600 of the Elections Code requires that all arguments concerning measures filed pursuant to this division shall be accompanied by the following form statement, to be signed by each proponent and by each author, if different, of the argument).

The undersigned proponent(s) or author(s) of the Primary argument in favor of  
(PRIMARY/REBUTTAL) (IN FAVOR OF/AGAINST)  
 ballot proposition 0 at the General Municipal  
(NAME OR NUMBER) (TITLE OF ELECTION)  
 election for the City of Banning to be held on November 6, 2018  
(JURISDICTION) (DATE)

hereby state that this argument is true and correct to the best of their knowledge and belief.  
(HIS/HER/THEIR)

**PROponent'S/AUTHOR'S NAME:**

- |    |                                    |  |
|----|------------------------------------|--|
| 1. | Don M. Peterson, Mayor Pro Tem     | SIGNATURE:<br> |
|    | PRINTED NAME (TITLE OPTIONAL)      | SIGNATURE  |
|    | 494 Weather Way, Banning, CA       | 951 849 5725 8-20-18   |
|    | ADDRESS                            | (PHONE) DATE   |
| 2. | Arthur L. Welch, Council Member    |               |
|    | PRINTED NAME (TITLE OPTIONAL)      | SIGNATURE  |
|    | 4952 COPPER CREEK DR, BANNING, CA. | 951-237-2525   |
|    | ADDRESS                            | (PHONE) DATE   |
| 3. |                                    |  |
|    | PRINTED NAME (TITLE OPTIONAL)      | SIGNATURE  |
|    |                                    |  |
|    | ADDRESS                            | (PHONE) DATE   |
| 4. |                                    |  |
|    | PRINTED NAME (TITLE OPTIONAL)      | SIGNATURE  |
|    |                                    |  |
|    | ADDRESS                            | (PHONE) DATE   |
| 5. |                                    |  |
|    | PRINTED NAME (TITLE OPTIONAL)      | SIGNATURE  |
|    |                                    |  |
|    | ADDRESS                            | (PHONE) DATE   |

In order to enable the elections official to determine whether it qualifies as a bona fide association of citizens, an organization or association submitting an argument for or against a measure shall submit with its argument a copy of one of the following:

- (1) Its articles of incorporation, articles of association, partnership documents, bylaws, or similar documents.
- (2) Letterhead containing the name of the organization and its principal officers.
- (3) If the organization or association is a primarily formed committee established to support or oppose the measure, its statement of organization filed pursuant to Section 84101 of the Government Code.