



Measure D & Measure E:

Local Ballot Measures for Palm Springs Voter Consideration

The City Council has placed two ballot measures before voters for the November 7, 2017 Municipal Election to provide locally controlled funding for essential services and programs for Palm Springs residents.

Measure D: Palm Springs Essential Services and Public Safety Measure

If approved by voters, Measure D would authorize a half-cent increase in sales tax for essential City services. Measure D would raise an estimated \$6 million to \$7 million annually. Measure D replaces an expiring state sales tax with local revenue, 100% of which will stay in Palm Springs.

How Much Would Tourists Pay?

Up to 2/3 of the revenue will be paid by tourists who benefit from public safety and other services when they visit.



Use of Measure D Funds

Measure D would provide a source of locally controlled funding to:

- Maintain and improve Police and Fire/Paramedics 911 response times
- Increase neighborhood police patrols
- Keep fire stations fully staffed
- Add paramedic services
- Address homelessness by increasing access to job training, mental health and substance abuse services, helping individuals and families transition off the street
- Provide lifesaving equipment to first responders in medical emergencies
- Keep increased gang presence in neighboring cities away from Palm Springs
- Increase water conservation and repair streets and potholes

Measure D Helps Avoid Cuts

The State has taken \$30 million from Palm Springs over the last five years, and in upcoming years the City will be required to fund another \$30-40 million burden. Measure D would help the City avoid cuts in essential services, maintaining and improving public safety.

Measure D Fiscal Accountability Provisions

Measure D would require public oversight and annual audits to ensure funds are spent as stated. By law, Measure D funds must remain in our city and cannot be taken away. Groceries, prescription medicine, gas, utilities and other essential items are exempt from sales tax.

Measure E: Palm Springs Cannabis Business Taxation

When California voters approved legalization of adult-use of cannabis (effective 2018), the State left cities to cover all costs related to legalized use. Measure E would update the existing tax paid by medical cannabis collectives to apply to any new commercial medical and recreational cannabis sales and businesses.

Measure E would not authorize additional cannabis dispensaries or businesses. It would simply preserve the right of our community to apply a local tax to these businesses as they profit from operating here.

How Much Would Cannabis Businesses Pay?

Currently, the City receives a 10% tax from Medical Cannabis operators on gross receipts. This tax is important to assist the City's regulation of these operations in our community.

Measure E would ensure the same tax could be equally applied to any new commercial medical and adult-use operators. Cannabis cultivation (grows) would be taxed up to \$10 per square foot of the cultivation area.

Use of Measure E Funds

Measure E enhances City resources to monitor and ensure proper location of cannabis cultivation, processing and sales in Palm Springs – without taxing local residents.

Measure E would also make funding available for cannabis-related programs such as drug education and prevention programs for at-risk youth.

The amount of funds raised from Measure E is hard to estimate at this time; however, currently, the City receives approximately \$1.5 million annually in cannabis tax revenues.

Measure E Fiscal Accountability Provisions

All funds raised by Measure E would be subject to annual audits and public oversight, and by law, all funds must be used in the City of Palm Springs, to benefit our community.