

ARGUMENT AGAINST MEASURE E

Cannabis dispensaries, distribution, delivery, cultivation, manufacturing, microbusiness, and testing laboratories are currently allowed. In fact, three dispensary permits have already been approved for operation within the City of Red Bluff. Passage of Measure E would rescind and replace City of Red Bluff Ordinance 1063 and while it would not invalidate the permits and development agreements that the City has diligently been working on for the past two years, current permittees may not be re-permitted at their annual review under Measure E.

Measure E has several legal deficiencies that would subject it, and the City, to legal challenges and at least partial invalidity: (1) the residency preference would subject commercial cannabis permit applicants potentially violating our Constitution's Commerce Clause, Privileges and Immunities Clause, and Equal protection Clause, (2) the restrictions on criminal background of applicants could be unconstitutionally vague; and (3) the process for revoking commercial cannabis permits may violate a permittee's procedural due process rights. Finally, there are ambiguities within the Measure that will complicate implementation if passed and Measure E does not reflect best practices for commercial cannabis permitting ordinances.

Measure E would have a detrimental financial effect on the City because the initial fees will likely not cover the City's costs of processing applications, requiring a subsidy from the General Fund. Additionally, Measure E does not provide for public benefit payments in connection with their applications. The financial loss to the City if this Measure is passed is estimated to be approximately \$400,000 annually. Furthermore, Measure E allows consumption lounges within the City, while City of Red Bluff Ordinance 1063 does not allow consumption lounges.

The City Council is opposed to Measure E. It is unnecessary since the City has passed Ordinance 1063 which already permits cannabis operations within City limits and urges the public to vote No.

s/ Kris Deiters
Councilmember Kris Deiters, Mayor

