



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Sofia Navarro
Interim Director,
Department of Economic
and Workforce
Development

SUBJECT: Remove Cap on Cannabis Special
Event Permits, Authorize Cannabis
Equity Applicants to Convert Loans to
Grants and Transfer Permits

DATE: October 16, 2023

City Administrator Approval

Date:

Nov 2, 2023

RECOMMENDATION

Staff Recommends That The City Council Adopt The Following Pieces Of Legislation:

A Resolution Amending Resolution No. 86633 C.M.S. And Resolution No. 88030 C.M.S. To Authorize The City Administrator To Modify The Local Cannabis Equity Loan Assistance Program To Allow For The Conversion Of Loans Into Grants; And

An Ordinance Amending the Oakland Municipal Code By:

(1) Removing The Limit On The Number Of Special Event Permits Involving The Sale And/Or Consumption Of Cannabis;

(2) Adding A Provision For The Transfer Of A Cannabis Permit Issued To An Equity Applicant To A General Applicant;

(3) Making Administrative Changes On The Permitting Of Commercial Cannabis Activity; And

(4) Making California Environmental Quality Act Findings

EXECUTIVE SUMMARY

In November 2016, California voters approved Proposition 64, the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA), which legalized the adult use of cannabis in California for people 21 and older. Subsequently, the City Council established the nation's first Cannabis Equity Program (Equity Program) in the spring of 2017 following [a race and equity analysis](#) that identified strategies to promote equitable ownership and employment opportunities in the cannabis industry to address the disproportionate impacts of the war on drugs in marginalized communities of color. The Equity Program included reinvesting local cannabis business tax revenues into a revolving loan program for cannabis equity applicants' due to their lack of intergenerational wealth and cannabis' status as a Schedule One Controlled Substance under

federal law, which prevents federally funded small business programs and banks from supporting cannabis entrepreneurs.

Seven years after the passage of Proposition 64, the regulated cannabis industry needs additional economic opportunities and regulatory flexibility. Although Oakland cannabis operators total gross receipts are higher than before the COVID-19 pandemic, their total gross receipts have declined for three consecutive years (see **Attachment A**, 2023 Report on Cannabis Business Taxes, p.7, Table 10). Equity applicants¹ merit further support as they are disproportionately impacted from the challenges of operating in the regulated market, which has included burglaries that deprive businesses of capital, product, and secure facilities. Consequently, staff has composed legislation to expand opportunities through the following three strategies:

1. Authorizing equity applicants to convert unpaid loans to grants; and
2. Allowing for the transfer of permits from equity applicants to general applicants; and
3. Removing the cap on the number of cannabis special event permits allowed at a location for a one-year pilot period.

This legislation follows years of interactions with cannabis operators, surveys of equity applicants, and guidance from the Cannabis Regulatory Commission on how best to expand opportunities and promote an equitable cannabis industry in the City of Oakland (City).

BACKGROUND / LEGISLATIVE HISTORY

Federal Cannabis Policy

Cannabis remains a Schedule One Controlled Substance under federal law, however, since the 2013 Department of Justice “Cole Memorandum”² and the 2015 Fahr-Rohrbacher federal budget amendment,³ state-compliant medical cannabis facilities have generally been shielded from federal prosecution. The Trump Administration threatened to interrupt this status quo by rescinding the Cole Memorandum. Nonetheless, Congress has consistently extended the Fahr-Rohrbacher amendment and the federal government has not prioritized cannabis prosecutions.

¹ OMC 5.80.010 and OMC 5.81.020 define an “Equity Applicant” as “an Applicant whose ownership/owner: 1. Is an Oakland resident; and 2. In the last year, had an annual income at or less than 80 percent of Oakland Average Medium Income (AMI) adjusted for household size; and 3. Either (i) has lived in any combination of Oakland police beats 2X, 2Y, 6X, 7X, 19X, 21X, 21Y, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X, and 35X for at least ten of the last twenty years or (ii) was arrested after November 5, 1996 and convicted of a cannabis crime committed in Oakland, California.”

² The Cole Memorandum can be found here:

<https://www.justice.gov/iso/opa/resources/3052013829132756857467.pdf>

³ The Fahr-Rohrbacher amendment states: “None of the funds made available in this Act to the Department of Justice may be used, with respect to the States of... California...to prevent such States from implementing their own State laws that authorize the use, distribution, possession, or cultivation of medical marijuana.

Additionally, in October 2022 President Biden directed the Secretary of the Department of Health and Human Services (HHS) and the Attorney General to initiate the process to review how cannabis is scheduled under federal law. Then in August 2023, HHS provided its recommendation to the Drug Enforcement Agency (DEA) that cannabis should be re-scheduled as a Schedule Three Controlled Substance.⁴ The DEA has final authority over re-scheduling a drug under the Controlled Substance Act and is now conducting its review.

California Statewide Cannabis Regulation

Although medical cannabis has been legal in California longer than anywhere in the country, until the passage of the Medical Cannabis Regulation and Safety Act (MCRSA) in 2015, California's system of medical cannabis was one of the least structured regulatory frameworks in the United States. MCRSA created a comprehensive regulatory framework for the cultivation, production, transportation and sale of medical cannabis in California, all overseen by a new state bureau. In November 2016, the people of California enacted the Adult-Use of Marijuana Act (AUMA) or Proposition 64, which among other actions, established a licensing and taxation scheme for the non-medical adult-use of cannabis in California. Then in June 2017, the state legislature consolidated the MCRSA and AUMA into the Medical and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). State agencies have been implementing MAUCRSA ever since, including through the issuance of multiple sets of regulations governing cannabis operations.

Oakland's Cannabis Regulatory History

The City has been a leader in regulating cannabis. In 2004, following the federal closure of the Oakland Cannabis Buyers Club, the City's initial medical cannabis provider under Oakland Municipal Code (OMC) 8.46, the City enacted OMC 5.80, which established the nation's first permitting process for medical cannabis dispensaries. In 2011 the City expanded the number of available dispensary permits from four to eight and attempted to establish a permitting process for the cultivation of medical cannabis under OMC 5.81, however, threats of federal intervention and the lack of comprehensive state law prevented implementation of OMC 5.81.

Oakland Examines Equity Within Cannabis Industry

In anticipation of state legalization of the cannabis industry's supply chain and the adult use of cannabis, in 2015 and 2016, the City began exploring approaches to legalizing the cannabis industry within Oakland. Discussions at the City Council centered around one question: Who benefits from cannabis legalization?

This inquiry led the City Council in the fall of 2016 to adopt the goal of promoting equitable ownership and employment opportunities in the cannabis industry to address the disproportionate impacts of the war on drugs in marginalized communities of color and to direct

⁴ Schedule Three drugs, substances, or chemicals are defined as drugs with a moderate to low potential for physical and psychological dependence. In contrast, Schedule One drugs, substance, or chemicals are defined as drugs with no currently accepted medical use and a high potential for abuse.

the City Administration to conduct a race and equity analysis of proposed medical cannabis regulations.

In March 2017, staff returned with a race and equity analysis⁵ that identified barriers to achieving a more equitable cannabis industry and strategies to remove those barriers. For example, the analysis found disparities within the cannabis industry in access to capital and real estate as well as disparities in operators' familiarity with the "red tape" involved in governmental processes and operating a compliant cannabis business. In response, the analysis recommended the creation of several measures to prioritize lower-income Oakland residents that either had a cannabis conviction arising out of Oakland or had lived in areas of Oakland that experienced disproportionately higher levels of cannabis enforcement.⁶ Strategies identified to prioritize equity applicants included:

- Free industry-specific and business ownership technical assistance;
- A no-interest revolving loan program funded by new cannabis tax revenue;
- A phased permitting process whereby the City Administrator must issue half of all permits under OMC 5.80 and OMC 5.81 to equity applicants during the initial phase;
- An incubator program that prioritized general applicants who provide three years of free space and security to equity applicants; and
- Application and permit fee exemptions for equity applicants.

In the Spring of 2017, the City Council adopted a legislative package ([Ordinance No. 13424 C.M.S.](#) and [Resolution No. 86633 C.M.S.](#)) enacting these recommendations and the City Administrator's Office began accepting applications for non-dispensary permits in May of 2017.

Then in December 2019, the City Council modified the City's tax rates for cannabis businesses and included a tax rebate program for cannabis businesses that hire equity employees. The definition of an equity employee (defined in footnote 1 above) differs from that of an equity applicant, however, both center around individuals either a cannabis conviction or those living in Oakland neighborhoods with historically disproportionately high levels of cannabis criminalization.

Growth of a Larger Movement and State Grant Awards for Equity Program

Oakland's pioneering race and equity analysis of the cannabis industry and creation of an Equity Program inspired jurisdictions across the country to pursue and support similar programs. In 2019, the State of California began setting aside annual grant funding to support local jurisdictions' cannabis equity programs. **Table 1** outlines the amount of funding the City has received from the State of California, Oakland's ranking among local jurisdictions each year, and the total amount of funding set aside by the State of California that year.

⁵ <https://cao-94612.s3.amazonaws.com/documents/Equity-Analysis-and-Proposed-Medical-Cannabis-Amendments.pdf>

Table 1: Oakland’s Receipt of Local Equity Grant Funding

State Funding Agency	Fiscal Year (FY) of State Disbursement	Amount of Funding Received	Oakland's Ranking Among Local Jurisdictions	Total Amount of Funding Available Statewide
BCC ⁷	FY 2019-2020	\$1,657,201.65	2nd	\$10 million
Go-Biz	FY 2019-2020	\$6,576,705.76	1st	\$30 million
Go-Biz	FY 2020-2021	\$2,434,712.51	1st	\$15 million
Go-Biz	FY 2021-2022	\$5,435,140.82	2nd	\$35 million
Go-Biz	FY 2022-2023	\$1,996,487.50	1st	\$15 million

Oakland has consistently ranked first or second in Go-Biz's competitive grant application process in part due to the City's investment in its Equity Program as the Go-Biz application rewards local jurisdictions that invest their own funds in cannabis equity programs with higher scores.

Cannabis Equity Loan Program

When the City created its cannabis equity program in 2017, the City Council adopted [Resolution No. 86633](#) C.M.S., which dedicated the initial \$3 million in new cannabis tax revenue towards a no-interest revolving loan program to provide equity applicants an ongoing source of capital to support their businesses. After collecting this revenue and selecting a consultant to co-design and implement the loan program, the City launched the loan program in November 2018. The program features a tiered-based structure to incentivize and support cannabis equity applicants to establish compliant cannabis businesses. Thanks to state grants in 2020-2023⁸. When asked in surveys in 2021-2023 whether equity applicants preferred to receive capital in the form of grants, no-interest revolving loans, or both, a majority of equity applicants have consistently replied that they would prefer access to both; this is likely because grants do not need to be repaid, while loans are not taxable.

In May 2020, the City launched a loan modification program to assist equity loan borrowers who have become delinquent on their loans. The loan modification program extends the term of loans by 12 months and reduces initial repayments as equity entrepreneurs get their businesses back on track. The goal of the loan modification program is to both acknowledge the financial challenges involved in starting a cannabis business in the regulated marketplace and to ensure that ongoing loan funding is available to equity applicants through loan repayments.

⁷ Initially the Bureau of Cannabis Control, the predecessor to the Department of Cannabis Control, dispersed Local Equity Grant funding.

⁸ More information on both grant and loan programs is available at <https://www.elevateimpactoakland.com/>.

In terms of statistics, to date the City has lent over \$5 million to 73 unique borrowers. In terms of demographics, approximately 81 percent of borrowers identify as African-American, followed by Hispanic at seven percent, Dual/Other at six percent, White at three percent, and Native American and Vietnamese at slightly over one percent each. As of August 2023, approximately twenty-seven percent of loan borrowers were in compliance, while seventy-three percent of loan borrowers were more than two months behind on loan repayments. Furthermore, as of August 2023, the revolving loan program had approximately \$571,178 available for new loans, \$3,771,670 was due in repayments, and equity applicants had repaid over one-million dollars in loans, which the City has recirculated to other equity applicants.

In early 2023, the City surveyed equity applicants on whether and how the City should establish a loan forgiveness program for equity applicants (see **Attachment B**, 2023 Equity Applicant Survey, Questions 13-16). Seventy-six percent of responding equity applicants recommended establishing a loan program, virtually all respondents agreed that equity applicants whose loans had been forgiven should still have access to future City funds, and sixty-eight percent responded that all equity applicants should be eligible for loan forgiveness.

Current Restrictions on Transferring Permits

The current language around transferring business permits resides in [OMC 5.02.70](#), pasted below for reference:

No permit in this Chapter required shall be transferable, nor apply to any premises other than those originally specified as the location of the thing permitted, except upon written permission of the City Administrator, or other official originally granting such permit, granted upon written application by the transferor, made in the same manner as may be required in the instance of the original application for such permit.

Pursuant to this provision, the City has authorized general applicants to transfer their permits to general or equity businesses that comply with permitting requirements but prohibited equity applicants from transferring their permits to general applicants, because the equity applicants' status as an equity applicant was a prerequisite to them obtaining their permit in the first instance. While this avoids the flipping of permits from equity to general applicants and undermining the intent of the equity program of providing business ownership opportunities to equity applicants, it also permanently restricts equity businesses from receiving the financial benefits of selling more than fifty percent of their business to general applicants.

In early 2023, the City surveyed equity applicants on the topic of transferring permits (see **Attachment B, 2023 Equity Applicant Survey**, Questions 19-20). Seventy-one percent of equity applicants responded in favor of the City Council allowing equity applicants to transfer permits to general applicants. In terms of what circumstances a transfer should be allowed, fifty percent of equity applicants responded that equity applicants should only be able to transfer permits one to three years after obtaining their permit, twenty-eight percent responded in favor of whenever an equity applicant wants, and twenty-two percent of respondents recommend the

City only allow such a transfer if three or more years have passed since an equity applicant obtained their permit.

Current Limitations on Cannabis Special Event Permits

In parallel with developments in state law, in 2018 the City adopted [OMC 5.80.030](#) to authorize special events that include the sale of cannabis as long as the events comply with state law and the City's special event ordinance, [OMC 9.52](#). To avoid repeated cannabis special events from becoming a de facto dispensary, the City established a limit of twelve cannabis special event permits per year per property, individual or entity in a calendar year. As cannabis consumption become more accepted, and certain locations more ideal for cannabis special events than others, staff recommends re-examining the existing limitations on cannabis special events.

ANALYSIS AND POLICY ALTERNATIVES

Approval of the requested action advances the Citywide priority of **housing, economic, and cultural security** by promoting business employment opportunities for historically marginalized communities.

A. Authorize Equity Loans to Be Converted to Grants

In light of the challenges equity applicants have faced in navigating the regulated cannabis industry, staff recommends that the City Council amend the City's loan program to provide equity applicants with the option of converting their unpaid loans into grants. This adjustment will eliminate any debt owed to the City that an equity applicant cannot repay and rebalance the City's grant and loan programs, as only loans were available to equity applicants initially. Staff also recommends having no eligibility criteria to qualify for converting loans to grants, such as demonstrating hardship, because such eligibility criteria is subjective and difficult to implement.

To preserve the revolving loan program, which provides a tax-free ongoing source of funding to equity applicants, staff recommends that any loans converted to grants be counted towards an applicant's grant program usage. For example, if an equity applicant received a Tier 3 loan of \$30,000 and elected to convert all of the loan to a grant, this equity applicant would not be eligible for a future Tier 3 grant of \$30,000 but would be eligible for grant Tiers 4-6 provided they meet the requirements of those grant tiers. The intent of this approach is to allow equity applicants that are unable to repay loans to eliminate any City debt, while still supporting the revolving loan program as applicants that repay loans will be eligible for more grant funding than those that convert unpaid loans into grants.

B. Allow the Transfer of Permits from Equity Applicants to General Applicants

In light of the multitude of discussions that have taken place on this topic at the CRC (see **Public Outreach/Interest** section below), survey responses from equity applicants, and equity applicants' need for flexibility, staff recommends that the City Council authorize equity applicants to transfer their local authorization status or permit to a general applicant either one year after obtaining a cannabis permit or three years after submitting a cannabis permit

application, whichever occurs first. This proposed policy avoids immediate flipping of permits from equity applicants to general applicants, while providing equity applicants with the same options general applicants have to sell their business or take on additional investors in exchange for less ownership interest in their business after an initial period of operation.

C. Remove the Restriction on the Number of Cannabis Special Event Permits at a Location For One-Year Pilot Period

As special events that include cannabis become more common and a means for equity applicants to engage with consumers without the high overhead of a brick-and-mortar dispensary, staff recommends removing the cap on the number of special events allowed per year for a one-year pilot period. This new policy will allow the City to approve repeat events at locations that are conducive to cannabis events, such as Frank H. Ogawa Plaza, which is outdoor and easily fenced in, elements in alignment with cannabis consumption and state cannabis special event regulations. The City can evaluate this new policy over the one-year pilot period and either revert to the current cap of twelve cannabis special events per location or adopt a new policy after the one-year period.

FISCAL IMPACT

Passage of this legislation will require additional staff time to develop loan agreement amendments and ensure the City's accounting records reflect any conversion of loans to grants. That said, staff anticipates that the proposed policy changes will have a positive fiscal impact on the City as they will attract additional investment and offer new opportunities to existing cannabis businesses.

With respect to authorizing equity applicants to convert unpaid loans into grants, this will have no impact on the City's General Fund as these funds were set aside via [Resolution No. 86633](#) C.M.S. for the cannabis equity loan program. Cannabis revolving loan repayments are deposited in General Purpose Fund (1010), Cannabis Organization (85621), Other Revenue: Revolving Loan Repayment Account (48716), Cannabis Cooperative Project (1000105), Administration Program (IP03). Allowing equity applicants to convert unpaid loans into grants may reduce repayments into this fund, which will reduce the amount of funds the City can then lend to other equity applicants. However, equity applicants will still have an incentive to repay loans to maximize their grant program availability and those seeking to convert unpaid loans to grants were already not repaying into the revolving loan program.

Altogether, the proposed Resolution and Ordinance offer strategies to keep cannabis businesses in operation and attract new cannabis business opportunities, which benefits the City via tax revenues and local employment.

PUBLIC OUTREACH / INTEREST

Staff conducted public outreach regarding the proposed Resolution and Ordinance at the October 5, 2023 Cannabis Regulatory Commission (CRC) meeting during which the CRC unanimously approved forwarding staff's recommendation to the full City Council, albeit with each item separated to allow the City Council to examine each policy independently. Staff's recommended legislative package at the October 5, 2023 CRC meeting included increasing the number of cannabis special events allowed at a location from twelve a year to twenty-four and a proposal to establish a cannabis café permit to allow existing retailers to sell food and beverages as well as host live music. Unfortunately, after the October 5th CRC meeting, [Governor Newsom vetoed Assembly Bill 374](#), which was a state bill to explicitly authorize cannabis cafes. As a result, staff modified its recommendation to City Council to remove the cap on cannabis special events for a one-year period and explore cannabis cafes in the future.

The proposed Resolution and Ordinance build on numerous interactions with cannabis operators, surveys of equity applicants, and discussions at the CRC prior to October 2023. For example, staff discussed the cannabis equity loan program with the CRC in [November 2021](#) and [March of 2022](#). Likewise, staff discussed the topic of whether and how to allow equity applicants to transfer their permits with the CRC several times in 2019 as well as January 2021, May 2021, June 2021, July 2021, August 2021, and most recently October 2022.

COORDINATION

The Special Activity Permits Division in the Economic and Workforce Development Department (EWDD) consulted with the Department of Race and Equity, the Finance Department, and the Office of the City Attorney in preparation of this report and legislation.

SUSTAINABLE OPPORTUNITIES

Economic: Establishing a pathway to equitable cannabis industry growth will generate economic opportunities for Oakland residents.

Environmental: Encouraging local employment and business ownership can reduce commutes and related greenhouse gas emissions.

Race and Equity: Promoting equitable ownership and employment opportunities in the cannabis industry can decrease disparities in life outcomes for marginalized communities of color and address disproportionate impacts of the War on Drugs in those communities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt The Following Pieces Of Legislation:

A Resolution Amending Resolution No. 86633 C.M.S. And Resolution No. 88030 C.M.S. To Authorize The City Administrator To Modify The Local Cannabis Equity Loan Assistance Program To Allow For The Conversion Of Loans Into Grants; And

An Ordinance Amending the Oakland Municipal Code By:

- (1) Removing The Limit On The Number Of Special Event Permits Involving The Sale And/Or Consumption Of Cannabis;
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- (3) Making Administrative Changes On The Permitting Of Commercial Cannabis Activity; And
- (4) Making California Environmental Quality Act Findings

For questions regarding this report, please contact Greg Minor, Deputy Director, Economic and Workforce Development Department, at (510) 238-6370.

Respectfully submitted,

Sofia Navarro

SOFIA NAVARRO
Interim Director, Economic and Workforce
Development Department

Prepared by:
Greg Minor
Deputy Director, Economic and Workforce
Development Department

Attachments (2):

Attachment A: 2023 Report on Cannabis Business Taxes

Attachment B: 2023 Equity Applicant Survey

Signature: 

Email: SNavarro@oaklandca.gov



MEMORANDUM

TO:	Cannabis Regulatory Commission	FROM:	Rogers Agaba, Assistant Revenue & Tax Administrator
SUBJECT:	Cannabis Business Taxes	DATE:	July 28, 2023

INFORMATION

This annual report provides the Cannabis Regulatory Commission (“CRC”) the unaudited Business Taxes reported directly to the City of Oakland (“City”) and Sales & Use Taxes reported directly to the California Department of Tax & Fee Administration (“CDTFA”) by individuals and businesses engaging in commercial cannabis activities in Oakland.

BACKGROUND / LEGISLATIVE HISTORY

Oakland’s Cannabis Regulatory History

The City of Oakland has been a leader in regulating cannabis. After California voters legalized medical cannabis in 1996 via Proposition 215, the City established Oakland Cannabis Buyers Club (“OCBC”) as its medical cannabis provider in 1998 under Oakland Municipal Code (“OMC”) Chapter 8.46. Following the federal closure of OCBC, the City of Oakland enacted OMC Chapter 5.80 in 2004, which established the nation’s first permitting process for medical cannabis dispensaries. In 2011 the City of Oakland expanded the number of available dispensary permits from four to eight and attempted to establish a permitting process for the cultivation of medical cannabis under OMC Chapter 5.81; however, threats of federal intervention and the lack of comprehensive state law prevented any implementation of OMC Chapter 5.81.

After the passage of the Medical Cannabis Regulation and Safety Act (“MCRSA”) in 2015 and the Adult-Use of Marijuana (“AUMA”) or Proposition 64 in 2016, the City of Oakland adopted the nation’s first equity program through amendments to OMC Chapters 5.80 and 5.81 that also legalized the adult-use of cannabis and established a permitting process for the cannabis industry’s entire supply chain in the spring of 2017.

Oakland’s Cannabis Taxation History

In July 2009, Oakland voters approved Measure F making Oakland the first City in the nation to impose a tax on (medical) cannabis businesses. Measure F established a tax rate of \$18 per \$1,000, or 1.8 percent, of gross receipts.

In November 2010, Oakland voters approved the 2010 Measure V increasing the tax rate on medical cannabis businesses from 1.8% to five percent (5%) of annual gross receipts and creating a new tax rate of 10 percent (10%) of gross receipts on non-medical cannabis businesses, referred to as adult-use or recreational. The additional 10 percent adult-use tax rate

was put forth in anticipation of Proposition 19, which would have legalized adult use of cannabis in November 2010. Since Proposition 19 failed at the ballot box, Oakland did not implement the adult-use tax rate until January 1, 2018 following the passage of Proposition 64 and City Council’s legalization of adult use in 2017.

In November 2018, Oakland voters approved the 2018 Measure V allowing cannabis businesses to pay business taxes quarterly, cannabis manufacturing and/or cultivation businesses to deduct the value of raw materials from gross receipts in calculating business taxes and authorizing the City Council, without returning to voters, to amend medical or non- medical cannabis business taxes in any manner that does not increase the tax rate.

In December 2019, the Oakland City Council adopted Ordinance No. 13573 C.M.S. amending OMC Title 5, Chapter 5.04, Sections 5.04.480 and 5.04.481 to create a tiered and category-based tax structure for cannabis businesses beginning in 2020 and changing each year for 2021 and 2022 calendar years. Thereafter, the tax rate structure is scheduled to remain the same at the 2022 tax structure unless the City Council makes further changes as authorized in the 2018 Measure V.

In November 2022, the Oakland voters approved the 2022 Measure T repealing and replacing Chapter 5.04 of the Oakland Municipal Code with a new tiered, progressive business tax structure. “Measure T” created a new set of tiered progressive tax rates along with other key changes which became effective on January 1, 2023. The Cannabis Business Tax rates were not affected as the result of the passage of Measure T.

Table 1: 2023 & After Tax Rates

2023 & After Cannabis Business Tax Rates					
	Retail (store-front & delivery)	Indoor Cultivation	Outdoor Cultivation	Manufacturing Packaging & Storage	Distribution
Equity					
\$0 - \$1.5M	0.12%	0.12%	0.12%	0.12%	0.12%
\$1.5M - \$5M	5.00%	5.00%	4.50%	4.50%	3.00%
Over \$5M	5.00% (Non-Marginal)	5.00% (Non-Marginal)	5.00%	5.00%	4.00%
General (Non-Equity)					
\$0 - \$750K	0.12%	0.12%	0.12%	0.12%	0.12%
\$750K+ - \$1.5M	4.00%	4.00%	3.50%	3.50%	2.50%
\$1.5M+ = \$5M	5.00%	5.00%	4.50%	4.50%	3.00%
Over \$5M	5.00% (Non-Marginal)	5.00% (Non-Marginal)	5.00%	5.00%	4.00%

Oakland's Cannabis Equity Tax Rebate Program

In addition to the new tiered and category-based tax structure for cannabis businesses in December 2019, the City Council also adopted an Equity Tax Rebate Program for cannabis businesses. The program consists of four different tax rebates totaling nine separate and distinct conditions upon which a cannabis business would be entitled to the rebate of a portion of the taxes paid. The Equity Tax Rebate Program was not affected as the result of the passage of Measure T.

Table 2: 2023 Cannabis Tax Rebate Program

2023 CANNABIS BUSINESS TAX REBATE PROGRAMS			
Rebate Program	Rebate Conditions	Qualifying Period	Rebate Amount
Local Hiring Rebate (5.04.481.B.2.a.)	i. 30% of workforce consists of "Equity Employees"	182 Days	0.50%
	II. 25% of workforce consists of Equity Employees in "Essential Roles"	182 Days	0.50%
	III. 20% of workforce consists of Equity Employees in "Managerial Roles"	182 Days	0.50%
Equity Supply Chain (5.04.481.B.2.b.)	I. 30% of value of cannabis products delivered to the business were delivered by an Equity Businesses	365 Days	0.50%
	II. 25% of value of cannabis products delivered to the businesses were originally cultivated or manufactured by an Equity Business	365 Days	0.50%
Workforce Quality of Life (5.04.481.B.2.c.)	I. \$20/hr. with health benefits <u>or</u> \$25/hr. without health benefits for all employees employed	365 Days	0.50%
	II. 80% of total employees are full-time employees	365 Days	0.25%
Incubation (5.04.481.B.2.d.)	I. Provide free rent to Equity Business beyond the initial three-year period	Year 4th	0.5% - 1.50%*
	II. Provide free rent to Equity Business in the tax year but does not seek "permitting priority"	365 Days	0.5% - 1.50%*
	* Incubation Rebate Amount is based on 2021 total gross receipts: Less than \$2M = 1.5%; Up to \$7.5M = 1%; Greater than \$7.5M but less than \$12.5M = 0.5%; Greater than \$12.5M = no rebate.		
IMPORTANT NOTE: In no case will a business be entitled to any rebates that would reduce the overall tax rate of less than 2.5% for 2023 Tax Year or 2022 Tax Year for those cannabis businesses established in 2022; In other words, a cannabis business would be subject to pay the floor/minimum tax rate of 2.5% regardless of the number or the amount of the tax rebates.			

California Sales & Use Tax

Sales and Use Tax applies to the retail sale or use of “tangible personal property.” The total sales tax percentage in the City of Oakland is 10.25% meaning on a \$1 taxable purchase, the sales tax paid is 10.25 cents. The City receives 1% of the total sales, meaning the City receives 1 cent on a \$1 purchase. The remaining 9.25% is allocated to the state and local taxing districts.

California Cannabis Excise Taxes

The passage of Proposition 64 created two new State cannabis taxes. The tax rates for 2023 are:

1. A 15 percent excise tax imposed upon the purchasers of cannabis and cannabis products.
2. According to the CDTFA¹, “Beginning July 1, 2022, the cultivation tax no longer applies to cannabis or cannabis products entering the commercial market.”

CANNABIS BUSINESS TAX REVENUE & STATISTICS

Table 3 summarizes the reported cannabis business tax revenue for the calendar years 2015-2022 and the latest reported revenue for the current calendar year 2023.

Table 3: Cannabis Business Tax Revenue

Tax Year	Number of Business	Revenue
2023	266	\$5.64 million ²
2022	259	\$7.92 million
2021	187	\$13.47 million
2020	252	\$8.89 million
2019	195	\$12.85 million
2018	139	\$8.07 million
2017	85	\$7.48 million
2016	77	\$4.64 million
2015	70	\$3.61 million

General Statistics:

The following general statistics are intended to provide the CRC a snapshot of key information as of the date of this report. Certain statistics for prior years, such as the number of retailers vs. non-retailers, equity vs. non-equity businesses, are not available because the tax rates were fixed prior to 2019 tax year regardless of the type of operation or activity. The tax rates applicable to individual activity or segment of the cannabis industry (store front, delivery, cultivation, manufacturing, distribution, etc.) did not become effective until 2020. For businesses engaging in multiple activities, such as those grouped under Micro-business, the applicable tax is the tax rate that produces the highest amount of the taxes owed based on the

¹ Source: <https://www.cdtfa.ca.gov/formspubs/L856.pdf>

² Through July 24, 2023: Total \$5.64M (Paid = \$2.63 million: Outstanding Balance = \$3.01 million)

total gross receipts generated by the business without respect to the portion of gross receipts generated from any particular taxable activity (Oakland Municipal Code § 5.04.480.C).

Table 4: Retail vs. Non-Retail Operation

Tax Year	Retail	Non-Retail	Total
2023	121	145	266
2022	127	132	259
2021	93	94	187
2020	112	140	252
2019	73	122	195

Table 5: Equity vs. Non-Equity Operation

Tax Year	Equity	Non-Equity	Total
2023	106	160	266
2022	107	152	259
2021	54	133	187
2020	78	174	252
2019	Not Tracking		

Table 6: Payment Plan vs. Non-Payment Plan

Tax Year	Payment Plan	Non-Payment Plan	Total
2023	33	233	266
2022	40	219	259
2021	30	157	187
2020	42	210	252
2019	57	138	195

Table 7: Business by Gross Receipts and Percentage of Reported Revenue

Gross Receipts	2019		2020		2021		2022		2023	
	No. of Business	Percentage of Revenue	No. of Business	Percentage of Revenue	No. of Business	Percentage of Revenue	No. of Business	Percentage of Revenue	No. of Business	Percentage of Revenue
Up to \$500K	151	7.75%	195	8.94%	115	6.72%	165	0.33%	176	0.49%
\$500K+ - \$1.5M	19	15.40%	27	8.88%	35	13.26%	51	4.66%	55	4.57%
\$1.5M+ - \$5M	18	29.92%	26	39.46%	26	29.01%	32	33.42%	28	35.36%
Over \$5M	7	46.93%	4	42.72%	11	51.01%	11	61.59%	7	59.59%
Total	195	100%	252	100%	187	100%	253	100%	266	100%

SALES & USE TAX REVENUE

Table 8: Adjusted Sales Tax reported to the CDTFA

Calendar Year	Number of Business	Revenue
2023 ³	99	\$423,000 ⁴
2022	124	\$1.35 million
2021	103	\$1.54 million
2020	103	\$1.56 million
2019	121	\$1.30 million
2018	79	\$1.16 million

Table 9: Reported number of Employees

Calendar Year	Full Time	Part Time	Total Employees
2023	1818	424	2242
2022	2094	287	2381

³ There is an interval of time lag of approximately 2 – 2 ½ months from the close of the quarter to the date the City receives the Sales & Use Tax data. For example, the City expects to receive the sales tax data for the second quarter 2023 (April-June 2023) in August 2023. The time lag represents the interval needed for filers to prepare their returns and remit their payments to the CDTFA, and for the CDTFA to process returns and prepare the data for the City.

⁴ From January 1, 2023 through March 31, 2023

Table 10: Annual Gross Receipts Tax Years (2018 – 2023)

Year	2018	2019	2020	2021	2022	2023
Equity	N/A	N/A	\$21,141,465.27	\$35,974,745.13	\$37,803,609.10	\$37,609,413.12
General	N/A	N/A	\$152,193,969.69	\$235,610,581.28	\$207,113,784.78	\$163,441,215.46
Total Gross Receipts	\$171,546,992.15	\$165,351,330.15	\$173,335,434.96	\$271,585,326.41	\$244,917,393.88	\$201,050,628.58

Table 11: Equity Cannabis Gross Receipts by Activity (2020 – 2023)

Equity Business	2020			2021			2022			2023		
	No. of business	Total Gross Receipts	Average Gross Receipts	No. of business	Total Gross Receipts	Average Gross Receipts	No. of business	Total Gross Receipts	Average Gross Receipts	No. of business	Total Gross Receipts	Average Gross Receipts
Retail	44	\$19,476,090.16	\$902,851.51	38	\$24,221,032.76	\$2,732,820.88	47	\$22,612,021.65	\$732,643.69	41	\$24,710,178.92	\$602,687.29
Indoor Cultivation	8	\$169,262.99	\$5,289.47	14	\$2,879,508.58	\$477,908.64	14	\$2,455,154.00	\$537,299.29	14	\$4,763,305.81	\$340,236.13
Outdoor Cultivation	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	\$0.00	\$0.00
Manufacturing	5	\$0.00	\$0.00	11	\$1,699,036.67	\$397,444.65	19	\$3,686,342.49	\$776,582.21	17	\$2,474,189.19	\$145,540.54
Distribution	24	\$1,041,583.12	\$10,849.83	12	\$3,048,013.82	\$227,366.57	17	\$2,721,496.74	\$250,898.42	14	\$2,388,487.07	\$170,606.22
Micro-business	3	\$454,529.00	\$37,877.39	19	\$4,127,153.30	\$662,749.03	18	\$6,328,594.22	\$877,402.91	20	\$3,273,252.13	\$163,662.61
Total	84	\$21,141,465.27		94	\$35,974,745.13		115	\$37,803,609.10		106	\$37,609,413.12	

Table 12: General Cannabis Gross Receipts by Activity (2020 – 2023)

General Business	2020			2021			2022			2023		
	No. of business	Total Gross Receipts	Average Gross Receipts	No. of business	Total Gross Receipts	Average Gross Receipts	No. of business	Total Gross Receipts	Average Gross Receipts	No. of business	Total Gross Receipts	Average Gross Receipts
Retail	70	\$83,001,443.64	\$4,130,348.89	59	\$139,280,304.77	\$3,859,870.21	58	\$114,588,282.50	\$3,460,412.86	58	\$65,854,042.78	\$1,135,414.53
Indoor Cultivation	31	\$15,260,122.08	\$974,366.71	34	\$44,462,812.01	\$2,776,361.97	41	\$38,158,778.58	\$2,254,026.79	53	\$50,193,953.97	\$947,055.74
Outdoor Cultivation	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	\$0.00	\$0.00
Manufacturing	25	\$12,270,412.93	\$1,129,569.29	18	\$9,884,469.23	\$1,219,128.89	24	\$14,468,329.56	\$1,122,505.62	19	\$12,777,799.25	\$672,515.75
Distribution	36	\$26,323,038.59	\$951,131.63	29	\$20,351,761.86	\$2,117,523.67	15	\$16,401,492.31	\$2,674,659.38	19	\$25,360,291.38	\$1,334,752.18
Micro-business	13	\$15,338,952.45	\$2,686,589.01	13	\$21,631,233.41	\$4,458,398.73	23	\$23,496,901.83	\$3,248,223.87	11	\$9,255,128.08	\$841,375.28
Total	175	\$152,193,969.69		153	\$235,610,581.28		161	\$207,113,784.78		160	\$163,441,215.46	

Table 13: Year-Over-Year (“YOY”) Changes Annual Gross Receipts (2020 – 2023)

Business Type	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$21,141,465.27	\$35,974,745.13	\$14,833,279.86	70.16%	\$37,803,609.10	\$1,828,863.97	5.08%	\$37,609,413.12	-\$194,195.98	-0.51%
General	\$152,193,969.69	\$235,610,581.28	\$83,416,611.59	54.81%	\$207,113,784.78	-\$28,496,796.50	-12.09%	\$163,441,215.46	-\$43,672,569.32	-21.09%
Total	\$173,335,434.96	\$271,585,326.41	\$98,249,891.45		\$244,917,393.88	-\$26,667,932.53		\$201,050,628.58	-\$43,866,765.30	

Table 14: Year-Over-Year (“YOY”) Changes by Activity - Retail Gross Receipts (2020 – 2023)

Retail	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$19,476,090.16	\$24,221,032.76	\$4,744,942.60	24.36%	\$22,612,021.65	-\$1,609,011.11	-6.64%	\$24,710,178.92	\$2,098,157.27	9.28%
General	\$83,001,443.64	\$139,280,304.77	\$56,278,861.13	67.80%	\$114,588,282.50	-\$24,692,022.27	-17.73%	\$65,854,042.78	-\$48,734,239.72	-42.53%
Total	\$102,477,533.80	\$163,501,337.53	\$61,023,803.73		\$137,200,304.15	-\$26,301,033.38		\$90,564,221.70	-\$46,636,082.45	

Table 15: Year-Over-Year (“YOY”) Changes by Activity - Indoor Cultivation Gross Receipts (2020 – 2023)

Indoor Cultivation	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$169,262.99	\$2,879,508.58	\$2,710,245.59	1601.20%	\$2,455,154.00	-\$424,354.58	-14.74%	\$4,763,305.81	\$2,308,151.81	94.01%
General	\$15,260,122.08	\$44,462,812.01	\$29,202,689.93	191.37%	\$38,158,778.58	-\$6,304,033.43	-14.18%	\$50,193,953.97	\$12,035,175.39	31.54%
Total	\$15,429,385.07	\$47,342,320.59	\$31,912,935.52		\$40,613,932.58	-\$6,728,388.01		\$54,957,259.78	\$14,343,327.20	

Table 16: Year-Over-Year (“YOY”) Changes by Activity - Manufacturing Gross Receipts (2020 – 2023)

Manufacturing	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$0.00	\$1,699,036.67	\$1,699,036.67	NA	\$3,686,342.49	\$1,987,305.82	116.97%	\$2,474,189.19	-\$1,212,153.30	-32.88%
General	\$12,270,412.93	\$9,884,469.23	-\$2,385,943.70	-19.44%	\$14,468,329.56	\$4,583,860.33	46.37%	\$12,777,799.25	-\$1,690,530.31	-11.68%
Total	\$12,270,412.93	\$11,583,505.90	-\$686,907.03		\$18,154,672.05	\$6,571,166.15		\$15,251,988.44	-\$2,902,683.61	

Table 17: Year-Over-Year (“YOY”) Changes by Activity - Distribution Gross Receipts (2020 – 2023)


Distribution	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$1,041,583.12	\$3,048,013.82	\$2,006,430.70	192.63%	\$2,721,496.74	-\$326,517.08	-10.71%	\$2,388,487.07	-\$333,009.67	-12.24%
General	\$26,323,038.59	\$20,351,761.86	-\$5,971,276.73	-22.68%	\$16,401,492.31	-\$3,950,269.55	-19.41%	\$25,360,291.38	\$8,958,799.07	54.62%
Total	\$27,364,621.71	\$23,399,775.68	-\$3,964,846.03		\$19,122,989.05	-\$4,276,786.63		\$27,748,778.45	\$8,625,789.40	

Table 18: Year-Over-Year (“YOY”) Changes by Activity - Micro-business Gross Receipts (2020 – 2023)

Micro-business	2020	2021	YOY Change (in \$)	YOY Change (in %)	2022	YOY Change (in \$)	YOY Change (in %)	2023	YOY Change (in \$)	YOY Change (in %)
	Total Gross Receipts	Total Gross Receipts			Total Gross Receipts			Total Gross Receipts		
Equity	\$454,529.00	\$4,127,153.30	\$3,672,624.30	808.01%	\$6,328,594.22	\$2,201,440.92	53.34%	\$3,273,252.13	-\$3,055,342.09	-48.28%
General	\$15,338,952.45	\$21,631,233.41	\$6,292,280.96	41.02%	\$23,496,901.83	\$1,865,668.42	8.62%	\$9,255,128.08	-\$14,241,773.75	-60.61%
Total	\$15,793,481.45	\$25,758,386.71	\$9,964,905.26		\$29,825,496.05	\$4,067,109.34		\$12,528,380.21	-\$17,297,115.84	

Staff will be available to speak to the information provided herein at the August 3, 2023 CRC meeting. For questions regarding this report, please contact Nicole Andrino, Tax Auditor II, (510) 238-6767.

Respectfully submitted,


Rogers Agaba [Jul 27, 2023 14:19 PDT]

Rogers Agaba
Assistant Revenue and Tax Administrator
Finance Department

2023 Oakland Equity Applicant Survey

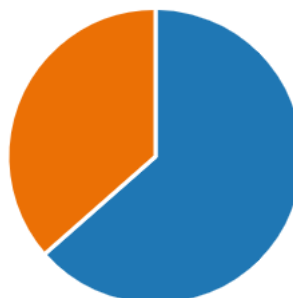
85
Responses

191:55
Average time to complete

Active
Status

1. Are you currently operating?

● Yes	54
● No	31



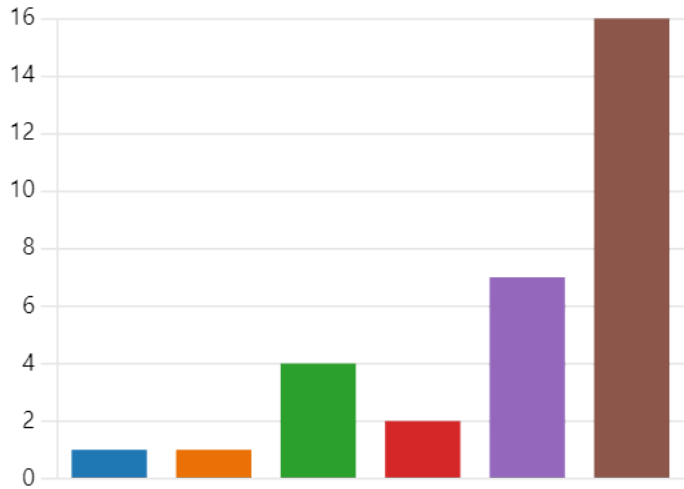
2. How long have you been operating?

● 0-6 months	5
● 7-12 months	5
● 1-2 years	9
● More than 2 years	35



3. Please select the top reason why you are not operating. If you select "Other," please explain.

- Incubation period ended and co... 1
- Build-out was too expensive. 1
- It took too long to generate rev... 4
- Burglaries 2
- Negative incubation experience. 7
- Other 16



4. How many individuals do you currently employ? For this question, an employee is someone who works at least 35 hours a week.

- None. I run my business by mys... 57
- 1-2 15
- 3-5 7
- 6-10 2
- More than 10 4



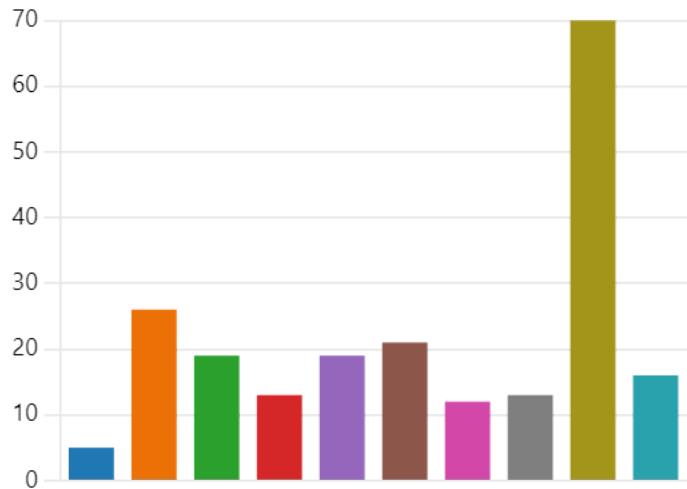
5. Have you added or reduced staff in the last 12 months?

- Added staff. 4
- Reduced staff. 30
- Staffing level has stayed the sa... 51



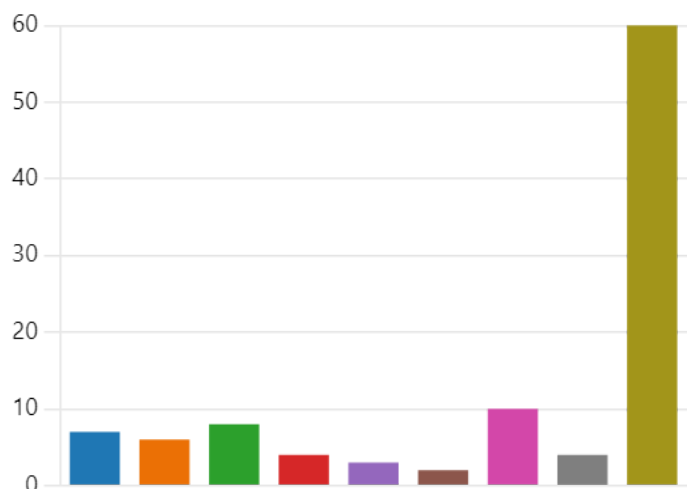
6. What barriers are you encountering as you establish a compliant cannabis business (please select all that apply)? If you select "Other," please explain.

● None	5
● Finding a location	26
● Slow buildout	19
● Obtaining insurance	13
● Hiring and training staff	19
● State licensing compliance	21
● Legal disputes	12
● Tax problems	13
● Lack of capital	70
● Other	16

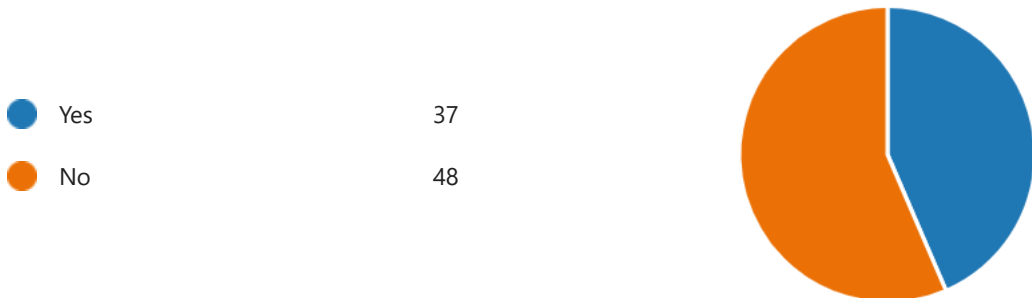


7. Have you experienced any barriers with the following City departments/outside agencies?

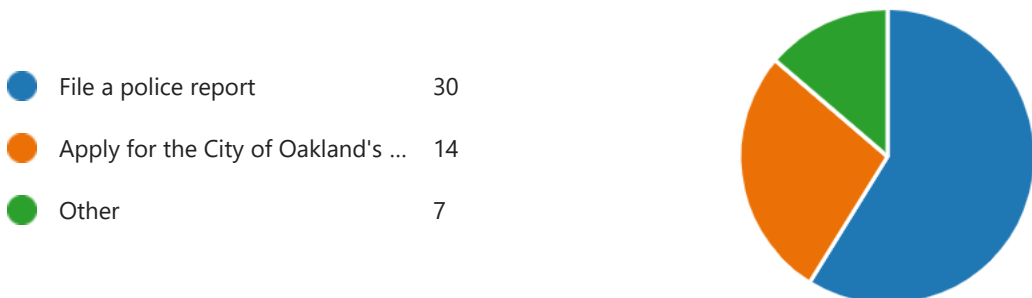
● Special Activity Permits Division	7
● Bureau of Planning	6
● Bureau of Building	8
● Fire Prevention Bureau	4
● Oakland Police Department	3
● Alameda County Environmental ...	2
● EBMUD	10
● PG&E	4
● No, I have not experienced any ...	60



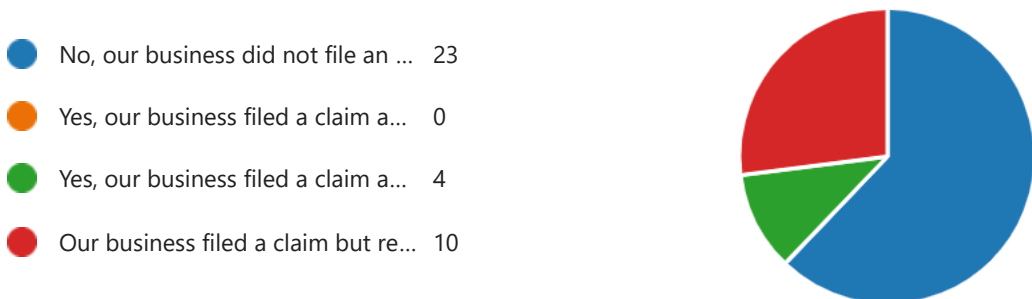
8. Has your business or staff experienced any burglaries or robberies?



9. After the burglary/robbery, did your business do any of the following? Please select all that apply and please describe if you select "other."



10. After the burglary/robbery, did your business file an insurance claim, and if so, did your business receive a payout from your insurance company?



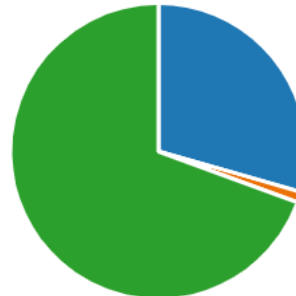
11. Please rate your business' future outlook.

● Very promising	13
● Promising	15
● Neutral	35
● Negative	12
● Very Negative	10



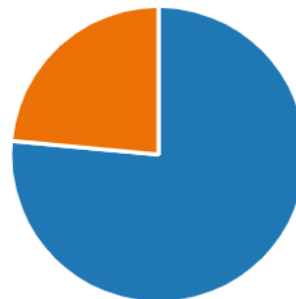
12. How do you recommend that the City provide capital to operators: grants, interest-free revolving loans, or both? Please note that while loans must be repaid, loans are not taxable and loan repayments provide future funds for equity applicants. On the other hand, grants need not be repaid, but they are taxable and provide no future funds to equity applicants.

● Grants only	25
● Interest-free revolving loans only	1
● Both grants and interest-free re...	59



13. Should the City Council establish a loan forgiveness program for equity applicants that are behind on loan repayments? Please note, any forgiven loans will be taxable and reduce the amount of funding the City can disperse as new loans to equity applicants.

● Yes	65
● No	20



14. Should an equity applicant whose unpaid loan is forgiven be eligible for future City loans or grants? And if yes, should they have to wait a period of time before receiving additional funds?

- No, they should not be eligible f... 3
- Yes, they should be eligible for f... 35
- Yes, they should be eligible for f... 27



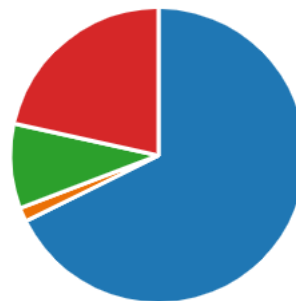
15. What is an appropriate period of time for someone who has had their unpaid loan forgiven to have to wait before receiving additional City funds?

- 6-12 months 11
- 1 year 8
- 2-3 years 6
- More than 3 years 2



16. Should there be any eligibility criteria before the City forgives an equity applicant's unpaid loan? If you select "Other," please explain.

- Any loan borrower should be eli... 44
- Only loan borrowers that were b... 1
- Only loan borrowers that are no... 6
- Other 14



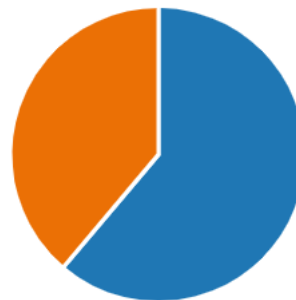
17. To lower monthly loan payments, should the City extend all outstanding loan terms to 10 years? Please note that the longer the loan term, the less repayments that will be available in the short term to distribute to equity applicants via new loans.

- No keep the loan terms as is. 33
- Yes extend the loan agreements... 35
- Extend loan agreements to mor... 17



18. Should the City remove matching funds requirements for the rental assistance grant? Please note that the matching funds requirement was established to make sure that a business would be self-sustaining over time, thereby avoiding creating false hope for a business that was ultimately going to close.

- Yes remove the matching funds ... 52
- No keep the matching funds re... 33



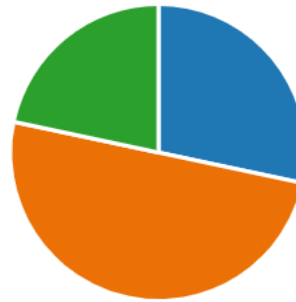
19. The City of Oakland currently prohibits equity applicants from transferring their permits to general applicants. This includes prohibiting an equity business from taking on investors that control more than fifty percent of the business. Should the City Council change this policy and allow for equity businesses to transfer their permit(s) to general applicants? Please note, if you answer yes, in the next question you can specify under what conditions the City should allow the transfer of permits to general applicants.

- Yes 60
- No 25



20. Under what circumstances should equity applicants be able to transfer their permit(s)?

- Whenever they want. 17
- 1-3 years after they have receive... 30
- More than 3 years after they ha... 13



21. How can the City of Oakland better support your business?

72
Responses

Latest Responses

- "Follow up and make sure dispensaries and cannabis business a..."*
- "Expediting loan and grant processes"*
- "I think Oakland does a great job."*

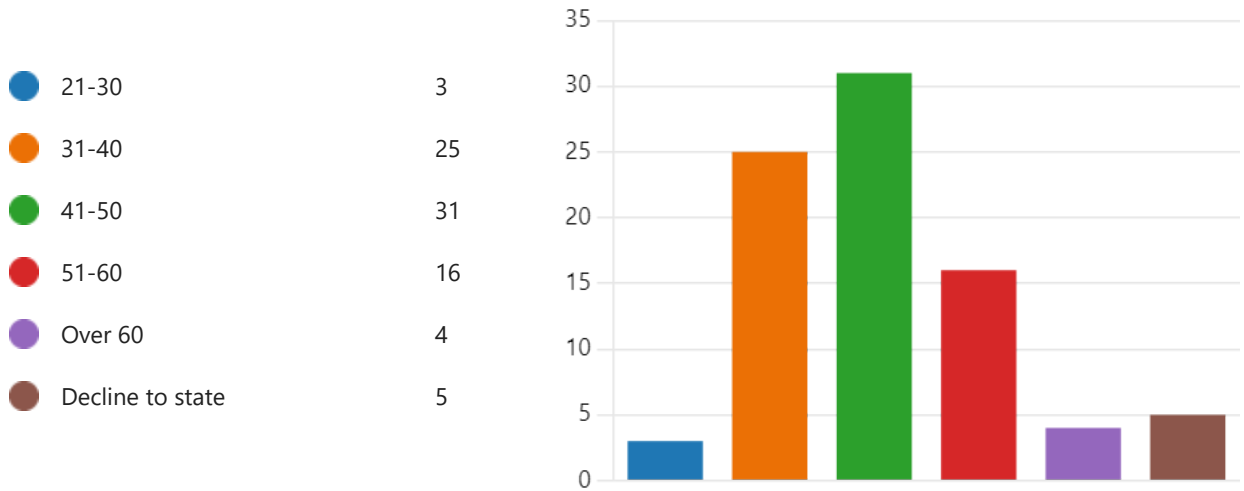
22. What else would you like to say about operating a cannabis business in Oakland?

69
Responses

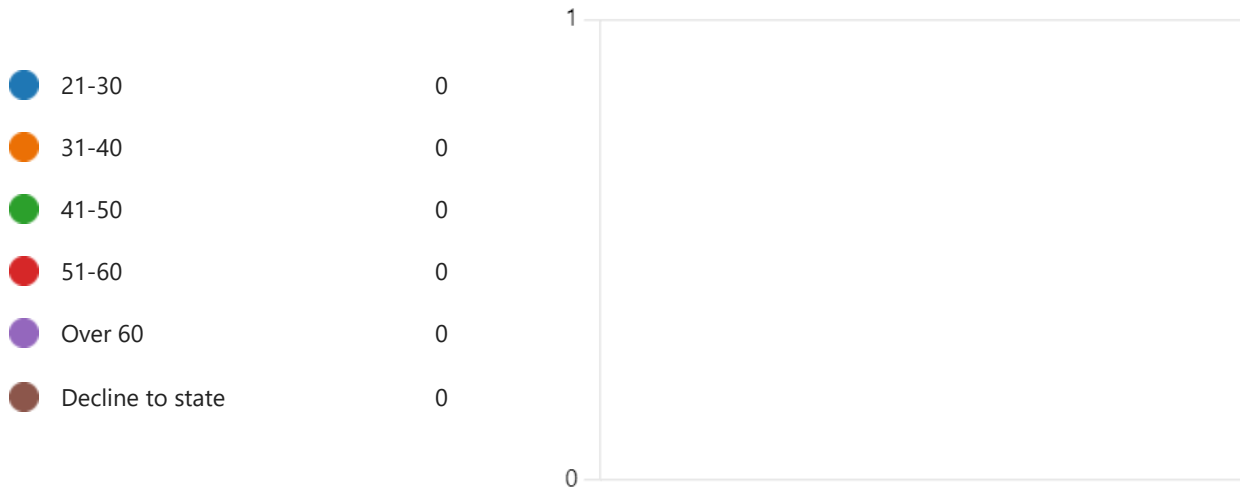
Latest Responses

- "Its extremely frustrating jumping through hoops for both the ci..."*
- "Too many security breaches."*
- "Safety is always a concern. "*

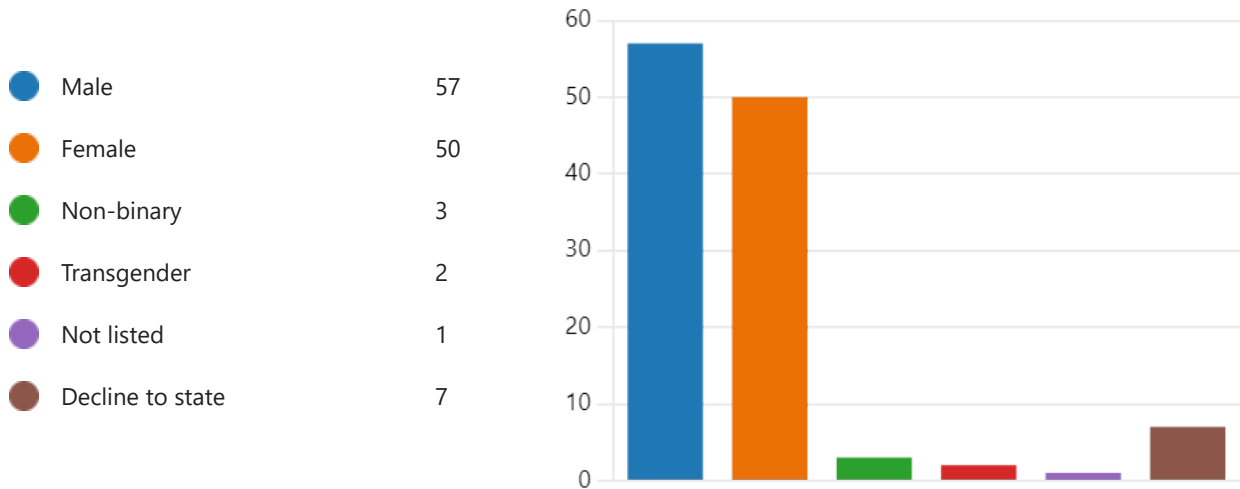
23. Please select your age or the average age of your business' partners/owners/board members.



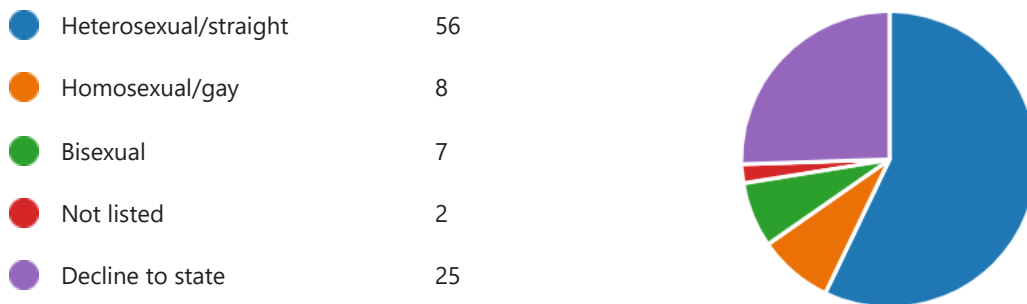
24. Please select your age or the average age of your business' partners/owners/board members.



25. Please select all gender options below that represent your business' owners/partners/board members.

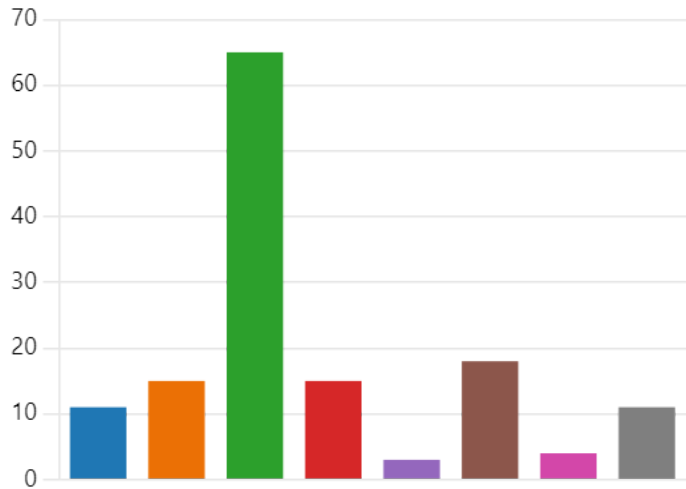


26. Please select all sexual orientation options below that represent your business' owners/partners/board members.



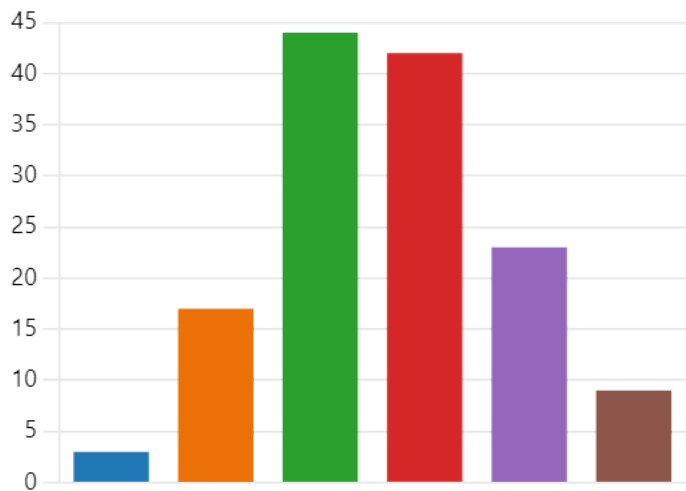
27. Please select all race and ethnicity options below that represent all of your business' owners/partners/board members.

- American Indian/Native American 11
- Asian 15
- Black/African-American 65
- Hispanic/Latino 15
- Native Hawaiian 3
- White 18
- Not listed 4
- Decline to state 11



28. Please select the level(s) of education that represent(s) all of your business' owners/partners/board members.

- No high school diploma 3
- High school diploma 17
- Some college, no degree 44
- Bachelor's degree 42
- Graduate or professional degree 23
- Decline to state 9



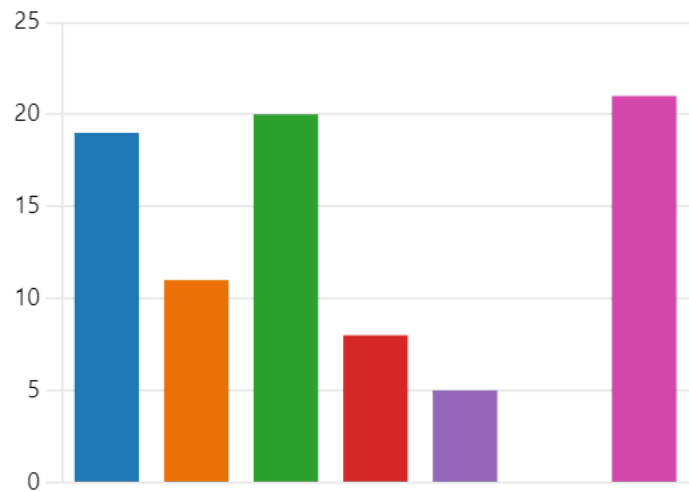
29. Does one or more of your business' owners/partners/board members have a disability?

Yes	15
No	59
Decline to state	9



30. Please select the annual personal income level(s) that represent(s) all of your business' owners/partners/board members.

Less than \$20,000	19
\$20,000-\$39,999	11
\$40,000-\$59,999	20
\$60,000-\$79,999	8
\$80,000-\$100,000	5
More than \$100,000	0
Decline to state	21






31. Has any owner/partner/board member of your business or any immediate family members (parent, sibling, spouse, child) been convicted of or incarcerated for any cannabis related charges?

Yes	40
No	29
Decline to state	15



32. Has any of your business owners/partners/board members served or are currently active in the military?

	Yes	7
	No	65
	Decline to state	12

