



Memo Regarding the April 2023, Fee Hearing

Background

All amended or updated fees include current weighted rate for Department staff, updated mileage rate of \$0.655/mile as applicable, and built-in inspection fees as appropriate, except for lines 1487 and 1488, which used weighed rates as provided by former Director Kristin Nevedal, instead of the average weighted rates.

Lines 1480 – 1501 of the County of Mendocino Master Fee Schedule identifies fees collected by the Mendocino Cannabis Department. Department staff recommends striking lines 181 – 1501 and replacing with updated fee schedule. Staff believes this will simplify the Department's fee schedule for the public.

Notable Details

Lines 1481 – 1486 of the Master Fee Schedule, are fees that were developed for the purposes of implementing Chapter 22.18. This ordinance was repealed in September of 2021, by the Board of Supervisors, making these fees irrelevant. Please remove these fees from the fee schedule.

Line 1490 of the Master Fee Schedule is the **10A.17 – Annual Renewal or Modification Fee**. The Department would like to eliminate this fee and replace it with the following two fees:

- **10A.17 Annual Permit Renewal Fee - Application Review, Inspection, & Issuance Fee. Plus, actual time as applicable.**
- **10A.17 Modification Application Fee - Application Review & Issuance Fee. Plus, actual time and inspection fee as applicable.**

Line 1494 currently reads, **Cannabis Facility Business License**, \$176.04. This fee should be replaced with the **Cannabis Business Facility License Application Fee - Application Review, Inspection & Issuance Fee. Plus, actual time as applicable.**, fee. The updated fee includes a significant fee increase due to the addition of a pre-issuance inspection, inclusion of state mandated environmental review, and increased staff costs.

Line 1496 currently reads Special Inspection Fee. The department has updated the fee to reflect current staffing costs and would like to change the fee title to **Inspection Fee**.

Suggested Amendments to the Master Fee Schedule

1480	Cannabis Management Unit		
1481	Cannabis Administrative Permit	-\$1,548.08	MCC 22.18
1482	Cannabis Minor Use Permit	-\$2,681.06	MCC 22.18
1483	Cannabis Minor Use Renewal/Modification	-\$2,390.76	MCC 22.18
1484	Cannabis Major Use Permit	-\$4,974.86	MCC 22.18
1485	Cannabis Major Use Renewal/Modification	-\$4,035.83	MCC 22.18
1486	Cannabis Variance	-\$2,251.59	MCC 22.18
1487	Cannabis Business Tax Appeal - Initial Fee	-\$282.87	-
1488	Cannabis Business Tax Appeal - Hearing Fee	-\$1,131.95	-

1489	10A.17 - Initial Application Review, Inspection, & Issuance Fee	-\$1,648.59	10A.17
1490	10A.17 - Annual Renewal or Modification Fee	-\$733.33	10A.17
1491	10A.17 - Appendix G	-\$693.33	10A.17
1492	10A.17 - Nursery Add-On Fee (same owner & property)	-\$369.49	10A.17
1493	Cannabis Transferability Fee	-\$255.63	-
1494	Cannabis Facility Business License	-\$176.04	-
1495	Cannabis Pre-Application Conference	-\$493.20	-
1496	Special Inspection Fee	-\$448.49	-
1497	Program Hourly Fee	-\$90.00	-
1498	Appeal of Application Denial - Department Review	-\$1,152.94	Ordinance 4514 Amending Chapter 10A.17, Reso No. 22-243
1499	Appeal of Application Denial - Appeal Hearing	-\$1,140.00	Ordinance 4514 Amending Chapter 10A.17, Reso No. 22-243
1480	Cannabis Management Unit		
1481	10A.17 Application Fee - Initial Application Review, Inspection, & Issuance Fee. Plus, actual time as applicable.	\$5,329.00	
1482	10A.17 Annual Permit Renewal Fee - Application Review, Inspection, & Issuance Fee. Plus, actual time as applicable.	\$1,092.00	
1483	10A.17 Modification Application Fee - Application Review & Issuance Fee. Plus, actual time and inspection fee as applicable.	\$794.00	
1484	10A.17 Appendix G Checklist Fee - Review & Certification Fee. Plus, actual time as applicable.	\$871.00	
1485	10A.17 Nursery Add-On Application Fee - Application Review, Inspection & Issuance Fee. Plus, actual time and second inspection fee as applicable.	\$1,092.00	
1486	10A17 Cannabis Permit Transfer Fee - Application Review and Issuance Fee. Plus, actual time as applicable.	\$334.00	
1487	Cannabis Business Tax Appeal - Administrative Fee	\$329.17	
1488	Cannabis Business Tax Appeal - Hearing Fee	\$1,632.44	
1489	10A17 Appeal of Application Denial - Administrative Fee	\$1,260.00	Ordinance 4514 Amending Chapter 10A.17, Reso No. 22-243
1490	10A17 Appeal of Application Denial - Hearing Fee	\$1,872.00	Ordinance 4514 Amending Chapter 10A.17, Reso No. 22-243
1491	Inspection Fee	\$556	
1492	Cannabis Business Facility License Application Fee - Application Review, Inspection & Issuance Fee. Plus actual time as applicable.	\$1,427	
1493	Cannabis Department Pre-Application Conference	\$327	

This Master Fee Schedule supersedes the prior fee schedule adopted April 16, 2022 by Resolution 22-091

Fee Increase & Decrease Details

Row 1481, 10A.17 Application Fee – Initial Application Review, Inspection & Issuance Fee. Plus, actual time as applicable.

- This fee has been increased by 223.2%.
- Reflects increased salaries, effective January 1, 2023.
- Includes supervisor and management positions' review time. Many of these positions were not included in previous fee schedules.
- Reflects increased inspection costs related to billable mileage increase.
- Increases the planner review time from 19 to 60.6 hours. This increase reflects the time associated with the review of environmental performance standards including referral to California Department of Fish and Wildlife which is required of all Phase Three applications. The costs associated with conducting a full review of all environmental performance standards was not previously considered in this fee justification.

10A.17 Annual Permit Renewal Fee – Application Review, Inspection & Issuance Fee. Plus, actual time as applicable.

- This fee has been increased by 48.9%.
- Reflects increased salaries, effective January 1, 2023.
- Includes supervisor and management positions' review time. Many of these positions were not included in previous fee schedules.
- Includes site inspection, which was previously an a la carte fee that is charged in addition to the current \$733.33 fee for processing a renewal application.

10A.17 Nursery Add-On Application Fee – Application Review, Inspection & Issuance. Plus, actual time as applicable.

- This fee has been increased by 195.5%
- Reflects increased salaries, effective January 1, 2023.
- Includes supervisor and management positions' review time. Many of these positions were not included in previous fee schedules.
- Includes site inspection costs which were not previously included for this fee.
- This fee was originally developed as a second application fee for Phase One cultivation applicants wishing to add a nursery operation to their existing cultivation site.
- This fee previously included only 3 hours of planner review which has been increased to 9.4 hours of planner review time to ensure cost recovery for the review of environmental performance standards.

Cannabis Business Tax Appeal – Administrative Fee.

- This fee has been increased by 16.4%
- Reflects increased salaries, effective January 1, 2023.
- Updates the cost of a hearing officer in alignment with the 10A.17 Appeal of Application Denial – Hearing Fee

Cannabis Business Tax Appeal – Hearing Fee.

- This fee has been increased by 44.2%
- Reflects increased salaries, effective January 1, 2023.
- Updates the cost of a hearing officer in alignment with the 10A.17 Appeal of Application Denial – Hearing Fee

Cannabis Business Facility License Application Fee – Application Review, Inspection & Issuance. Plus, actual time as applicable.

- This fee has been increased by 710.6%.
- Reflects increased salaries, effective January 1, 2023.
- Includes the cost of site inspection which was not previously included in the fee calculation.
- Increases the amount of planner review time from 1.5 hours to 10.6 hours