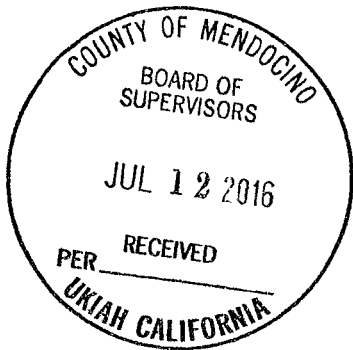


Distribution:  Original to Clerk  
 BOS  CEO  CoCo  Press  COB Staff  Liaison

**From:** Brian Barrick <bhbarrick@icloud.com>  
**To:** <bos@co.mendocino.ca.us>  
**Date:** 7/12/2016 1:21 PM  
**Subject:** Marijuana Tax rates & starting a business

I am concerned that the tax rates proposed to staff are too extreme and punitive. 25%. This is a burden the new or established businesses would crumble under. Add in the expenses without a way to deduct these unique costs. Would you be able to support a business with this.

Brian Barrick  
Sent from my iPhone

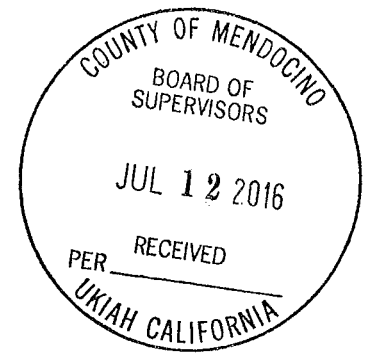




**Comments on the Proposed Medical Cannabis Tax**

**TO: Mendocino County Board of Supervisors and Staff**

**FROM: California Growers Association**



Cannabis tax revenue could help with budgetary needs for our rural, economically depressed area. However, we must use caution when applying a heavy tax burden to an industry that is seeking to come out from the shadows of Prohibition. Heavy taxation will provide a strong incentive for industry participants to stay in the black market, while disproportionately affecting those who have chosen to step forward to participate in the regulated marketplace.

Mendocino County is a land of small, family farms, many of whom are already just barely surviving. A heavy tax burden could very well be the final straw for many of these small farms, pushing them out of existence in favor of larger, consolidated operations that will often be extractive in nature, removing value from our local economy.

We see a number of issues with the tax as proposed. It is clearly written by an entity not based in Mendocino County, one that does not understand our unique way of life. The clear lack of understanding about our locality is somewhat frustrating from our perspective, as was the presentation given to the Board some weeks back.

**Specific Concerns with the Tax:**

- **Rates:** We feel the tax rates are too aggressive. In formulating policy we must be aware of the cumulative regulatory and tax burden that is being placed on farms. The tiered nature of the tax is a good thing, but we feel that the Cottage License Tax should start at \$.25/sq foot and that it would be appropriate to go up from there for larger licenses. We are also unenthused about the suggestion that rates should scale up over time.
- **Crops/Year:** It is important to note that strictly outdoor cultivators can only harvest once per year, which should be factored to have a much lower overall tax rate.
- **Penalties:** A 25% penalty, applied very liberally with little time for response (especially given the rural nature of our mail system) is likely to result in significant charges to cultivators. The fact that it is coupled with a potential for liens against property creates the potential that the county will be taking farms away from cannabis cultivators. This is bad policy.
- **Multiple Steps:** Taxing multiple steps in the supply chain will, again, increase the overall tax burden, thereby increasing the price that patients will pay for their medicine. Extreme caution should be applied.
- **Approach:** We are not impressed with the obvious cookie cutter approach, in which the rates for large cultivation are included in the package even though there has been no recommendations or discussion about the possibility of a large cultivation tax locally. This demonstrates the lack of understanding and knowledge of our situation by the entity responsible for the tax.
- **Gross Receipts:** We feel that it is inappropriate to formulate the tax for businesses based on gross receipts.



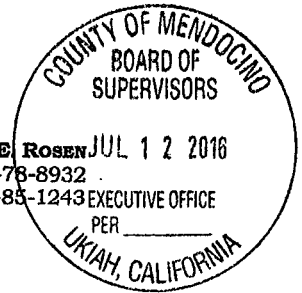
- **Purpose:** We would like to see specific purposes for usage of the tax revenue laid out, including education and environmental cleanup/eradication of trespass grows.
- **Commercial:** There has been much discussion about “commercial cannabis”, and the Sheriff has noted many times that there is no legal commercial cultivation. It cannot be both ways; if taxation is to occur, the activity must be legally sanctioned.
- **Donations:** According to the language in the tax, donations will be taxed. This will discourage and hinder the many Compassion Programs that currently accept donations to provide free or low-cost medicine to patients who cannot afford it. We would propose the opposite, that donations would be eligible for tax credit.
- **Square Footage:** There must be a clear and easy method for deductions to be allowed for unused square footage, otherwise the policy will force cultivators to choose their methods based on the tax bill as opposed to what is most appropriate for their site or farm capabilities.

**Thank you for your sincere consideration, this issue will have deep, long-lasting impacts on the future of our county.**

**ROSEN LAW**  
TECHNOLOGY LAW OFFICES

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May 7, 2016

Board of Supervisors  
Marijuana Ad Hoc Committee  
Mendocino Department of Agriculture  
890 North Bush St.  
Ukiah, CA 95482

Dear Board of Supervisors:

Enclosed please find my application for a permit for cannabis cultivation and other cannabis activity at our current address (see above) as defined by MMRSA, Business and Professions Code section 19300, et seq. We are currently registered with the Mendocino Department of Agriculture for our organic vineyard.

I am filing this as a personal application. However, I have also registered a new company, Miralago Ag Ventures LLC, to be responsible for this business. I will amend the required paperwork for a permit once the State approves this company registration. I am the sole manager of that LLC.

We are now growing 25 cannabis plants under the current Mendocino County 9.31 Marijuana Cultivation Ordinance. This has been with express permission from the Mendocino County Sheriff. We have purchased the required plant ties from that office. Also, on February 12, 2016, I wrote to Undersheriff Johnson requesting permission to increase our grow permits in accordance with AB 266 (the California Medical Marijuana Regulation and Safety Act). A copy of my letter is enclosed to document the current existence of our cannabis operation under current law.

Our existing ranch is approximately 160 acres, at the end of a 1.5-mile private road about 15 minutes from Ukiah above Lake Mendocino. (APN 188-05-05 and 188-06-06.) We have an existing organic Cabernet vineyard that is licensed by the Department of Agriculture and certified by CCOF (ME275). We have a reliable water supply and electricity from both the grid and solar. We have camera security. And we have the skills and financial capability to create a successful and legal medical cannabis business in Mendocino County.

We intend an outdoor grow under a Type 2 license (up to 99 mature plants not to exceed 10,000 square feet of total canopy size in one premise). We will grow those plants inside our existing 5-acre fenced vineyard.

We also intend an indoor starter plant operation with a Type 1A license in a secure 4,000 square foot metal building with efficient LED lights and fans, and solar power on the roof. A preliminary building plan is attached. We will apply for building permits when our grow permit is approved.

I have read AB 266 and we are prepared currently to abide completely by state law and county regulations. Please let me know if any additional information is required.

Best regards,

A handwritten signature in black ink, appearing to read "Lawrence Rosen".

Lawrence Rosen

## Lawrence Rosen

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**From:** Lawrence Rosen <lrosen@rosenlaw.com>  
**Sent:** Wednesday, June 29, 2016 12:30 PM  
**To:** 'Katharine L. Elliott'  
**Cc:** Lawrence Rosen  
**Subject:** Cannabis regulations in Mendocino County

Hi Katharine,

Thank you again for agreeing to review the approval of my own well-timely application dated May 7 for a license to grow 99 cannabis plants. As you can tell from our conversation and my emails yesterday, I scrupulously followed all published County procedures. I look forward to your return from vacation next week and to a prompt response including your formal permission for me to grow.

I'm back-reading recent press announcements of the County's settlement with the Mendocino County Blacktail Association to terminate licensing. They shock me. However, without the actual pleadings and a copy of the settlement agreement, I can't judge this fairly. Please send me copies. Email, PDFs, or pointers to websites will suffice.

There is no proper way for the Mendocino County Board of Supervisors, after a private executive session with counsel alone but without public input, can reach such an important settlement. It contradicts the open meetings and other California law provisions for substantive issues presented to County officials. And it contradicts the spirit and intention of AB 266, approved by the California legislature and governor last October. Even the federal government is cooperating with this medical cannabis movement. I expect all Mendocino County Supervisors will be equally ardent in their support for the new state law because of the huge benefits this end of cannabis prohibition brings to Mendocino County.

Speaking personally but as an attorney, the Mendocino County Blacktail Association has no standing to complain. They can't object to reasonable emergency Mendocino County regulations to make legal – under California's new law – what is currently taking place widely and illegally by county citizens. Publicly announced and entirely reasonable Mendocino County "temporary urgency" regulations cannot be stopped abruptly by secret negotiations among Supervisors and some singular objector.

I request, upon your return, that you rescind this improper action by the Board of Supervisors. Please return this issue to the public calendar where it belongs.

Best regards,

/Larry Rosen

Bcc: Sheriff's Office, Department of Agriculture

I authorize copies of this email for County officials and the Board of Supervisors. /LR

Lawrence Rosen  
Rosenlaw ([www.rosenlaw.com](http://www.rosenlaw.com))