



**COUNTY OF MENDOCINO
CANNABIS DEPARTMENT**
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MEMORANDUM

DATE: September 23, 2025
TO: Executive Office
FROM: Steve Dunnicliff,  Interim Cannabis Director
SUBJECT: Cannabis – September Fee Hearing

The proposed Mendocino Cannabis Department (“MCD”) fee adjustments reflect an average increase of approximately 71%. While the overall staff time per task has decreased due to operational efficiencies and the implementation of improved software systems, the fee increases are primarily the result of incorporating indirect costs through the County’s A-87 Cost Allocation Plan, supervision rate changes, and two impacts of salary increases since the last time Cannabis fees were discussed at the April 2024 fee hearing. Incorporating these costs ensures that departmental fees more accurately reflect the full cost of providing services, which were previously missed. By allocating a fair share of countywide administrative expenses (e.g., accounting, IT, legal support) and supervision rate changes, the Department ensures transparency in the fee structure and aligns with standard governmental accounting practices.

The fees for Cannabis Business Tax Appeal - Hearing Fee, Appeal of Application Denial - Hearing Fee, and the Annual Permit Renewal Fee all include an OVERRIDE fee. The hearing fees include an override to account for County Counsel time and the invoice for the outside hearing officer.

With license renewals covering a period of 5 years, it is policy to conduct inspections on an additional 10% of randomly selected fallowed sites, 5% of randomly selected active program sites, and an estimated six (6) referrals from partner agencies annually. In total, these efforts result in an additional 41 site inspections per year. In accordance with Mendocino County Code Chapter 10A.17.070(Y), the Department has deemed these inspections necessary. As such, a 'Compliance Inspection Fee' of \$443.00 will be added to the Cannabis Cultivation Business License (“CCBL”) renewal fee. This fee represents a 13% increase to the total renewal cost, which is invoiced once every five years by the Department to CCBL holders. This fee reflects the Department’s ongoing commitment to fair, consistent enforcement and responsible program administration.