



**Mendocino County Board of Supervisors
501 Low Gap Road
Ukiah, CA 95482**

August 19, 2019

Re: Agenda Item 5h & 5i

Honorable Board of Supervisors:

The Mendocino Cannabis Alliance appreciates the opportunity to comment on the Cannabis Business Tax Appeal Procedures and associated fee structure being proposed in Agenda Items 5h and 5i. Our organization has submitted proposed eligibility requirements for tax appeal at a previous meeting and we look forward to seeing what Staff and your Board recommends. MCA has concerns regarding the cost of appeal. We understand there are administrative costs associated with appealing and that they must be recovered. However, if there is a way to reduce the proposed fees by streamlining the process it will help to strike an even balance. MCA is also concerned for the amount of time an applicant has to apply for an appeal since this has not been defined.

Agenda Item 5h: Proposed Cannabis Business Tax Appeal Procedures

MCA suggests that enough time is provided for applicants to apply for an appeal since the timeline was not provided in the proposed procedures, especially for those appealing for the 2018 tax year.

16. Appellate Body will vote on the appeal, a majority vote is required, and a final determination provided to the Appellant and Treasurer Tax Collector.

MCA suggests that this language clarify if the decision will be made in the hearing or not. A timeline should also be outlined for when payment is due upon losing an appeal.

Agenda Item 5i: Proposed Changes to the Master Fee Schedule

Fee Description	Current Fee	Proposed Fee
Cannabis Business Tax Appeal Fee	\$0.00	\$1,334.66

In the proposed fee schedule in Attachment #4 Part B, it outlines 6 members that would be involved in the appeal process including the Director of Planning and Building Services, Administrative Services Manager II, Agricultural Commissioner, Cannabis Program Manager, CEO, and Staff Assistant III. Each member receives a different hourly rate of pay ranging from \$15.70 per hour up to \$99.81 per hour. The chart provided outlines the estimated amount of hours each member will spend on the appeal process ranging from 30 minutes to 2 ½ hours of time. Perhaps this body can be reduced to 3 members instead of 6 to reduce the costs and make it more affordable for those seeking appeal. If the proposed fee of \$1,334.66 is adopted, MCA is concerned for those that are seeking tax relief on an amount less than the proposed fee. It would not make sense for someone in that situation to appeal since the cost to appeal would be greater than the tax owed. A proper balance must be achieved in order to accommodate those in these situations.

It should be noted that the current minimum tax imposed on a 2500 sq ft license is \$1250. If a license holder at that permit size was seeking to appeal, it would not make sense economically to do so given the cost of the appeal as being proposed.

MCA recommends that staff be reduced to 3 instead of 6. Furthermore, if any of the proposed departments delegate the duty to serve on the appeal board to a staff member that receives a different rate of pay, then the fee should be adjusted to reflect this hourly rate change.

We appreciate your time to review our suggestions and comments.

Sincerely,

The Mendocino Cannabis Alliance