



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

July 19, 2021

RE: Item 5e) Noticed Public Hearing - Discussion and Possible Action Including Adoption of Resolution Amending the Exhibit X - Master Fee Schedule Effective August 15, 2021 for Probation, Juvenile Hall, Animal Care, Clerk-Recorder, and Cannabis Management Unit

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Honorable Supervisors,

MCA has reviewed the proposed changes to the County's Master Fee Schedule. We appreciate the County providing documents showing how the estimates for costing were determined. MCA proposes the following considerations before adopting specific fees:

1. Maintain parity and continuity between fees for similar staff functions. All businesses should be subject to the same costs for the same underlying staff activities.
2. Provide adequate training and situational education to staff in order to provide an efficient and streamlined process that minimizes staff hours and applicant hourly fees.
3. Confirm that all tasks claimed to be a part of the fee basis should be examined to ensure that they are necessary to the fee category.
4. Clarify why an additional "\$90 per hour" fee is attached to many of the fee estimate items.
5. We request additional clarity on what is included in the initial permit fees and what would incur the hourly rate.

We have noticed a few discrepancies within the various documents that we believe warrants a closer look by staff to determine which fees are to be associated with which services.

For example, In Exhibit X, on lines 1178 and 1179 the Cannabis Business Tax Appeal Fee and Total Cannabis Business Tax Appeal Fee are listed as \$341.82 and \$1194.72 respectively. In Attachment 4, these same items are listed as \$282.87 and \$1,131.95 respectively.

Further, line 1169 in Exhibit X identifies cost for a Cannabis Administrative Permit at \$1261 + \$90/hr, but in Attachment 4, the same service is listed at \$1,508.48.

Given the discrepancies here, we believe that Staff should review all presented documents to ensure that there are no additional inconsistencies before the Board adopts these fees to avoid future confusion.

MCA requests that the Board direct staff to create and maintain parity with other department fees, and to justify why similar permitting functions are higher for cannabis. We have fought for years to be treated as any other business and we believe this parity is a key component of that treatment.

Additionally, below are some comparisons between fees that show the lack of parity between cannabis businesses and other small businesses.

| Line # - Cannabis | Line # - Standard | Cannabis Fee Type                                   | Standard Fee Type                                 | Pricing Difference                                    |
|-------------------|-------------------|---|---|---|
| 537               | 1255              | Annual Cannabis Review - \$182                      | Alcoholic Beverage Control License Review - \$176 | \$8.00 Higher for cannabis                            |
| 1167              | 676               | Cannabis Pre-Application Meeting \$519+\$90/hr      | Land Use Pre-Application Conference Fee \$224.18  | \$294.82 higher for cannabis (plus hourly, if needed) |
| 1166              | 676               | Cannabis Preliminary Review \$536 + \$90/hr         | Pre Application Conference \$224.19               | \$311.81 higher for cannabis (plus hourly, if needed) |
| 1169              | 1137              | Cannabis Administrative Permit - \$1261 + \$90/hr   | Administrative Permit - \$825 + \$90/hr           | \$436 higher for cannabis                             |
| 1170              | 1122              | Cannabis Cottage Use Permit - \$2,220 + \$90/hr     | PBS Cottage Use Permit - \$2,190.59 + \$90/hr     | \$29.41 higher for cannabis                           |
| 1171              | 1118              | Cannabis Minor Use Permit \$2,511+\$90/hr.          | PBS Minor Use Permit Fee \$2,263.38               | \$247.62 higher for cannabis (plus hourly, if needed) |
| 1172              | 1120              | Cannabis Major Use Permit \$6,620+\$90/hr.          | PBS Use Permit Fee \$4,830 + \$90/hr.             | \$1,790 higher for cannabis (plus hourly, if needed)  |
| 1465              | 1464              | Cannabis facilities Business License - \$60         | Business License - \$40                           | \$20 higher for cannabis                              |
| 1181              | n/a               | Annual Application fee - \$881                      | n/a   | No comparable cost                                    |
| 1182              | 29                | Annual Permit and Compliance Inspection Fee - \$738 | Agriculture - Hourly Inspection Rate - \$82.91    | Equivalent to almost 9 hours                          |
| 1186              | n/a               | Cannabis Transferability Fee - \$333.62             | n/a   | No comparable cost                                    |

Thank you for consideration of these apparent inequities. We further recommend that you review the memo from CCAG and provide feedback on the questions they raise.

Sincerely,  
Mendocino Cannabis Alliance