



# Mendocino County

## Legislation Details (With Text)

**File #:** 22-0614      **Version:** 1      **Name:**  
**Type:** Approval      **Status:** Agenda Ready  
**File created:** 4/13/2022      **In control:** Executive Office  
**On agenda:** 4/19/2022      **Final action:**  
**Title:** Discussion and Possible Action Including Approval of Direction to Staff to Return with Action to Reduce Cannabis Business Tax Collection, including the Minimum Business Tax, by 50% for Two Years Starting in Tax Year 2022-23 and Require Tax Compliance for Cannabis Permit Renewal (Sponsor: Supervisor Williams)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
4/19/2022	1	Board of Supervisors		

**To:** Board of Supervisors

**From:** Supervisor Williams

**Meeting Date:** April 19, 2022

**Department Contact:** Supervisor Williams

**Phone:** 937-6500

**Department Contact:**      **Phone:**

**Item Type:** Regular Agenda

**Time Allocated for Item:** 20 Minutes

**Agenda Title:**

Discussion and Possible Action Including Approval of Direction to Staff to Return with Action to Reduce Cannabis Business Tax Collection, including the Minimum Business Tax, by 50% for Two Years Starting in Tax Year 2022-23 and Require Tax Compliance for Cannabis Permit Renewal (Sponsor: Supervisor Williams)

**Recommended Action/Motion:**

Direct staff to return with action to reduce Cannabis Business Tax Collection, including the minimum business tax, by 50% for two years starting in tax year 2022-23 and require tax compliance for Cannabis Permit Renewal.

**Previous Board/Board Committee Actions:**

None.

**Summary of Request:**

Ordinance No. 4394 adopted Chapter 6.36 - Cannabis Facilities Businesses and Chapter 20.243 - Cannabis Facilities, effective November 16, 2017. The voter-passed tax assumed lucrative illicit market cannabis

transactions. Since its passage, small farms and the County have struggled with un-bearably onerous state regulation in the absence of local control. Simultaneously, economic profit has been approaching zero, the natural consequence of market goods in the long run, because of the entry of new firms, which drives down the market price. While it is difficult to recommend a tax cut at a time our County is facing a major deficit, the current tax schedule is doing more harm than good. Concurrent with reducing the tax rate, it should be mandated that applicable businesses stay current on taxes. With limited resources in the department, it is important that we focus renewal efforts on those who are fulfilling their voter passed tax obligation.

**Alternative Action/Motion:**

No Action.

**Does This Item Support the General Plan?** N/A

**Supervisory District:** All

**vote requirement:** Majority

**Supplemental Information Available Online At:** N/A

**Fiscal Details:**

**source of funding:** N/A

**current f/y cost:** Zero

**annual recurring cost:** Unpredictable

**budget clarification:** N/A

**budgeted in current f/y:** Complicated  
**if no, please describe:**

**revenue agreement:** N/A

**Agreement/Resolution/Ordinance Approved by County Counsel:** Choose an item.

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**CEO Liaison:** Judy Morris, Deputy CEO

**CEO Review:** Yes

**CEO Comments:**

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Executed By: Atlas Pearson, Deputy Clerk II

Date: April 21, 2022

Final Status: Direction Given to Staff

