



Mendocino County

Legislation Text

File #: 22-0614, Version: 1

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.

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

