



Mendocino County

Legislation Text

File #: 22-0838, Version: 1

To: Board of Supervisors

From: County Counsel and Cannabis

Meeting Date: July 12, 2022

Department Contact: Christian Curtis

Phone: 707-234-6885

Department Contact: Kristin Nevedal

Phone: 707-234-6680

Item Type: Consent Agenda

Time Allocated for Item: N/A

Agenda Title:

Adoption of an Ordinance Amending Chapter 6.32 - Cannabis Business Tax to Add Section 6.32.055 - Relief From Minimum Tax - Notice and Affidavit of Fallowing

Recommended Action/Motion:

Adopt Ordinance amending Chapter 6.32 - Cannabis Business Tax to add Section 6.32.055 - Relief From Minimum Tax - Notice and Affidavit of Fallowing; and authorize Chair to sign same.

Previous Board/Board Committee Actions:

On August 2, 2016, the Board adopted Ordinance No. 4361, adding Chapter 6.32 to the County Code. On July 10, 2018, the Board adopted Ordinance No. 4412, making certain amendments to Chapter 6.32. On March 2, 2022, the Board directed staff to prepare amendments to Chapter 6.32 to create a procedure where cultivators could fallow their cultivation site for a year and receive relief from the minimum tax requirement of Chapter 6.32. On May 17, 2022, the Board of Supervisors introduced and waived first reading of the ordinance.

Summary of Request:

Pursuant to the direction of the Board, County Counsel's Office has prepared an ordinance that creates a new section 6.32.055 within Chapter 6.32, which creates a process where cannabis cultivation permittees or applicants for cannabis cultivation permits (under Phase 1 of Chapter 10A.17) may file a notice of fallowing for a calendar year with the Cannabis Department. The ordinance allows for fallowing of either a portion or the entirety of a cultivation site.

During that calendar year, the applicant or permittee would be limited to growing cannabis only to the limits stated in paragraph (B) and/or paragraph (C) of section 10A.17.030 (medical and personal use, respectively), and utilizing any immature plant area identified on the most recent site plan to maintain genetic stock. In addition, if only a portion of the cultivation site is being fallowed, the remainder of that site could be used for cultivation.

After the fallowed year, the applicant or permittee would be required to submit an affidavit of fallowing to the Cannabis Department, affirming compliance with the requirements of section 6.32.055. The Cannabis Department would then determine whether the applicant or permittee was in compliance with that section. If

compliance is confirmed, the minimum tax would be reduced or eliminated, depending on the square footage fallowed. If a cultivation site is fallowed in its entirety, the minimum tax would not be owed. A partial fallow would result in the site being subject to the minimum tax that corresponds to the square footage of the non-fallowed portion of the cultivation site. If the non-fallowed portion of the cultivation site is 2,500 square feet or less, the cultivator would pay the minimum tax applicable to cultivation sites of that size, or \$1,250 per calendar year. If the non-fallowed portion of the cultivation site is above 2,500 square feet and up to 5,000 square feet, the cultivator would pay the minimum tax applicable to cultivation sites of that size, or \$2,500 per calendar year. However, if a 10,000 square foot cultivation site is not fallowed below 5,000 square feet, there would be no reduction in the minimum tax.

Filing a false document pursuant to section 6.32.055 or failure to adhere to its requirements shall constitute a violation of law and constitute grounds for denial of a permit application or revocation of a permit, and may result in administrative penalties.

Alternative Action/Motion:

Do not introduce ordinance; provide direction to staff.

Does This Item Support the General Plan? N/A

Strategic Plan Priority Designation: An Effective County Government

Supervisory District: All

vote requirement: Majority

Supplemental Information Available Online At: N/A

Fiscal Details:

source of funding: N/A

current f/y cost: N/A

annual recurring cost: N/A

budget clarification:

budgeted in current f/y: N/A

if no, please describe:

revenue agreement: No

Agreement/Resolution/Ordinance Approved by County Counsel: Yes

CEO Liaison: Executive Office

CEO Review: Yes

CEO Comments:

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Executed By: Atlas Pearson, Deputy Clerk II

Date: July 12, 2022

Final Status: Adopted

Executed Item Type: Ordinance Number:
4508

