

BOARD OF SUPERVISORS, COUNTY OF LAKE, STATE OF CALIFORNIA RESOLUTION NO. _____

RESOLUTION FURTHER AMENDING RESOLUTION NUMBERS 2024-51, 2019-70, AND 2019-162 TO CLARIFY
THE PROCEDURES USED IN THE COLLECTION OF TAXES DUE PURSUANT TO THE LAKE COUNTY CANNABIS
CULTIVATION TAX ORDINANCE

WHEREAS, on November 8, 2016, the voters of Lake County approved the Lake County Cannabis Cultivation Tax Ordinance (hereinafter, the “Ordinance”), which authorizes the imposition of a tax upon cannabis cultivation operations which occur in the unincorporated areas of the County of Lake. Personal use, as defined therein, is exempted from such taxation; and

WHEREAS, the Ordinance further authorizes the County to take such actions necessary for the implementation and administration of the provisions of this Chapter, which actions may include the adoption of regulations and policies determined by the Board of Supervisors to be necessary to implement and administer the Ordinance and/or to amend the Ordinance so long as the amendment does not increase the tax or broaden the scope of the tax absent voter approval; and

WHEREAS, on or about May 14, 2019, the Board adopted Resolution Number 2019-70 to implement a policy and practice concerning the manner of collection of those taxes due and payable under the Ordinance; and

WHEREAS, Resolution Number 2019-70 included an affirmative declaration by this Board that cannabis cultivation taxes under the Ordinance begin to accrue on the date on which a person becomes engaged in legally-authorized cannabis cultivation; and

WHEREAS, Resolution Number 2019-70 further included that for purposes of the accrual of taxes under Ordinance to “begin to engage in cannabis cultivation operations” means to take any action(s) on that real property for which the permit is obtained to physically carry on a cannabis cultivation activity described in the Ordinance; and

WHEREAS, on or about November 5, 2019 Resolution Number 2019-70 was amended by the adoption of Resolution Number 2019-162 to allow for a narrowly-defined opt-out period from cannabis cultivation; and

WHEREAS, on or about June 2, 2020, Resolution 2019-70 was amended to restate billing procedures and permit an a temporary extension of the 2020 opt-out deadline from June 1st to June 15th; and

WHEREAS, on May 14, 2024, Resolution 2024-51 the Board adopted Resolution 2024-51 requiring that a cannabis cultivator must notify the Community Development Department of any proposed reduction in cannabis cultivation, whether partial or complete, by June 1st of each calendar year; and that unless said notification of any proposed reduction cannabis cultivation is timely made to the Community Development Department, cannabis cultivation tax will be imposed at the maximum canopy area permitted pursuant to the use permit.

WHEREAS, further clarification of said policy and practice is necessary in order to ensure the equitable and consistent collection of taxes in a manner authorized by the electorate under the Ordinance.

NOW, THEREFORE, BE IT RESOLVED that the County Board of Supervisors hereby finds and

declares that, effective as of the 2025 tax year:

- 1) Cannabis cultivation tax will be imposed based upon the canopy area, rather than the total cultivation area.
- 2) Increases in the tax rates pursuant to the Consumer Price Index remain suspended for both Cannabis Cultivation and Cannabis Businesses taxes for the 2025 and 2026 tax years.
- 3) The original cultivation tax rates are reduced by 50% for the 2026 tax year.

THIS RESOLUTION WAS PASSED AND ADOPTED by the Board of Supervisors of the County of Lake, State of California, at a regular meeting thereof on _____, 2025 by the following vote:

AYES

NOES:

ABSENT OR NOT VOTING:

CHAIR, Board of Supervisors

ATTEST: SUSAN PARKER

Clerk of the Board of Supervisors

By: _____

APPROVED AS TO FORM:

LLOYD GUINTIVANO County Counsel

By: _____