

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

2024-91

**RESOLUTION TO EXTEND TEMPORARY REDUCTION OF THE CANNABIS  
CULTIVATION TAX RATE, EXTEND TEMPORARILY LIMITING CULTIVATION TAX TO  
CANOPY AREA THROUGH 2025, AND RESCIND THE SUSPENSION OF TAX RATE  
INCREASES PURSUANT TO THE CONSUMER PRICE INDEX**

**WHEREAS**, on November 8, 2016, the voters of Lake County approved the Lake County Cannabis Cultivation Tax 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**, on November 6, 2018 the voters of Lake County approved the Lake County Cannabis Business Tax Ordinance, which authorizes the imposition of a tax upon types of cannabis cultivation not addressed under the Cultivation Tax Ordinance as well as other types of cannabis business; and

**WHEREAS**, the Lake County Cannabis Cultivation Tax Ordinance and the Lake County Cannabis Business Tax Ordinance (hereinafter, collectively, "Ordinances") further authorize the County of Lake to take such actions necessary for the implementation and administration of the provisions of the Ordinances, which actions may include the adoption of regulations and policies determined by the Board of Supervisors to be necessary to implement and administer the Ordinances and/or to amend the Ordinances so long as the amendments do not increase the tax or broaden the scope of the tax absent voter approval; and

**WHEREAS**, on or about January 25, 2022, the Board of Supervisors postponed the due date for cannabis tax payments to May 15, 2022 and suspended the late payment penalty during the postponement; and, directed staff to develop additional options for cannabis tax relief, within the purview of the Board, for discussion as soon as possible; and

**WHEREAS**, on or about February 1, 2022, the Board of Supervisors approved a resolution postponing the due date to May 15, 2022; and

**WHEREAS**, on or about April 12, 2022, the Board of Supervisors approved a resolution postponing the due date for the 2<sup>nd</sup> installment of 2021 cannabis cultivation tax payments to October 31, 2022, and that all applicable late payment penalties shall be suspended during the postponement; and

**WHEREAS**, the resolution further declared the new cannabis cultivation tax installment due dates going forward, starting with activity in the 2022 calendar year, shall be January 1<sup>st</sup> and May 1<sup>st</sup> of the following calendar year; and

**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 Ordinances; and

**WHEREAS**, on February 1, 2022, the Board of Supervisors passed Resolution 2022-15 which temporarily suspended the tax rate increases pursuant to the consumer price index until 2024; and

**WHEREAS**, on April 19, 2022, the Board of Supervisors passed Resolution 2022-45 which temporarily reduced the cannabis cultivation tax rate for 2021 and 2022, and temporarily limited the cultivation tax to the canopy area for 2022 and 2023.

**WHEREAS**, on April 11, 2023, the Board of Supervisors passed Resolution 2023-43 amending Resolution 2022-15 and Resolution 2022-45 to extend the original resolution the end of the year 2024.

**NOW, THEREFORE, BE IT RESOLVED** that this resolution addresses past Board resolutions 2022-15, 2022-45, & 2023-43. Note that the suspension of consumer price index tax increases of 2022-15 are not continued in to calendar year 2025 and will begin to accrue as of 1/1/2025.

**NOW, THERE, BE IT FURTHER RESOLVED** that the County Board of Supervisors hereby finds and declares that, in order to provide our local Lake County cannabis industry with a predictable and viable economic future, the following shall be occur:

- Cannabis cultivation tax rates shall continue to be temporarily reduced by 50% of the original tax rate prior to Resolution 2022-45 for the 2025 cannabis cultivation year.
- Canopy area, as measured by the Community Development Department, shall be temporarily utilized as the taxable area rather than the cultivation area for the 2025 cannabis cultivation year.
- Tax rate increases pursuant to the consumer price index will no longer be suspended and begin to accrue as of January 1, 2025.
- Resolution 2022-15, 2022-45, and 2023-43 shall all be rescinded as of December 31, 2024.


**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 by the following vote:

AYES: Supervisors Simon, Crandell, Pyska, and Sabatier


NOES: Supervisor Green


ABSENT OR NOT VOTING: None

COUNTY OF LAKE

  
Bruno Sabatier (Aug 28, 2024 16:33 PDT)  
Chair, Board of Supervisors



  
Johanna Delong (Aug 28, 2024 09:22 PDT)  
ATTEST: SUSAN PARKER  
Clerk of the Board of Supervisors

  
APPROVED AS TO FORM:  
LLOYD C. GUINTIVANO  
County Counsel

By CARLOS TORREZ  
Deputy County Counsel