



Legislation Details (With Text)

**File #:** 20-1032      **Version:** 1      **Name:**

**Type:** Action Item      **Status:** Agenda Ready

**File created:** 10/21/2020      **In control:** BOARD OF SUPERVISORS

**On agenda:** 10/27/2020      **Final action:**

**Title:** Consideration of Cannabis Tax Usage & Expenditure Policies & Procedures

**Sponsors:** Administrative Office

**Indexes:**

**Code sections:**

**Attachments:** 1. TOT policy, 2. CANNABIS TAX USAGE POLICIES PROCEDURES - DRAFT 102720

Date	Ver.	Action By	Action	Result
10/27/2020	1	BOARD OF SUPERVISORS	Adopted	Pass

**Memorandum**

**Date:** October 27, 2020

**To:** The Honorable Moke Simon, Chair, Lake County Board of Supervisors

**From:** Carol J. Huchingson, County Administrative Officer

**Subject:** Consideration of Cannabis Tax Usage & Expenditure Policies & Procedures

**Executive Summary:** (include fiscal and staffing impact narrative):  
 The Cannabis Cultivation and Business Taxes, authorized by Lake County voters through Measure C and Measure K, are both general purpose taxes not designated for specific uses. In the past, for the only existing similarly structured local tax, Transient Occupancy Tax (TOT), your Board approved a set of policies and procedures detailing the annual allocation of these funds. Presently, there are no policies and procedures in place regarding the annual allocation of Cannabis Cultivation and Business Taxes. For your reference, a copy of your TOT policy is attached.

Approval of policies and procedures would provide guidelines for the expenditure of the Cannabis Tax revenues. There are eight proposed categories, some of which are department specific while others represent broader objectives. These categories include: 1) Planning/Code Enforcement/Water Resources; 2) Law Enforcement; 3) Economic Development/Housing/Risk Reduction; 4) Youth Alcohol & Drug Education Programs; 5) CannGrant; 6) Workforce Retention & Development; 7) Board of Supervisors Discretionary Spending Fund; and 8) Cannabis Revenue Stabilization Fund.

The tax revenue prior to the current fiscal year has already been allocated by your Board so the proposed allocation would apply to revenue received after July 1<sup>st</sup>, 2020. The proposed Cannabis Tax Usage & Expenditure Policies & Procedures are attached for your Board's consideration.

**If not budgeted, fill in the blanks below only:**

Estimated Cost: \_\_\_\_\_ Amount Budgeted: \_\_\_\_\_ Additional Requested: \_\_\_\_\_ Future Annual Cost: \_\_\_\_\_

**Consistency with Vision 2028 and/or Fiscal Crisis Management Plan** (check all that apply):

- |   |  |  |   |
|---|--|--|---|
| <input checked="" type="checkbox"/> Well-being of Residents | <input checked="" type="checkbox"/> Public Safety    | <input checked="" type="checkbox"/> Infrastructure   | <input type="checkbox"/> Not applicable             |
| <input checked="" type="checkbox"/> Economic Development    | <input type="checkbox"/> Disaster Recovery           | <input checked="" type="checkbox"/> County Workforce | <input type="checkbox"/> <i>Technology Upgrades</i> |
| <input checked="" type="checkbox"/> Community Collaboration | <input type="checkbox"/> Business Process Efficiency | <input type="checkbox"/> Clear Lake                  | <input type="checkbox"/> <i>Revenue Generation</i>  |
|   |  |  | <input type="checkbox"/> <i>Cost Savings</i>        |

**If request for exemption from competitive bid in accordance with County Code Chapter 2 Sec. 2-38, fill in blanks below:**

Which exemption is being requested?  
How long has Agreement been in place?  
When was purchase last rebid?  
Reason for request to waive bid?

**Recommended Action:**

Approve Cannabis Tax Usage & Expenditure Policies & Procedures.