



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 1st, 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):

☐ Not applicable

☒ Well-being of Residents

☒ Public Safety

☒ Infrastructure

☐ *Technology Upgrades*

☒ Economic Development

☐ Disaster Recovery

☒ County Workforce

☐ *Revenue Generation*

☒ Community Collaboration

☐ Business Process Efficiency

☐ Clear Lake

☐ *Cost Savings*

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.