



Legislation Text

File #: 20-523, Version: 1

Memorandum

Date: June 2, 2020

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

From: Carol J. Huchingson, County Administrative Officer

Subject: Consideration of Resolution Further Amending Resolution 2019-79 to Clarify the Procedures Used in the Collection of Taxes Due Pursuant to the Lake County Cannabis Cultivation Tax Ordinance

Executive Summary: (include fiscal and staffing impact narrative):

At the previous Board of Supervisors meeting on March 3, 2020, your Board provided staff direction regarding the collection of cannabis cultivation taxes. Staff advised that it would return to your Board with a resolution implementing said direction with the assistance of County Counsel.

Per your direction, the cannabis cultivation tax accrual shall be on an annualized basis using a calendar year model. This brings the process into alignment with Resolution 2019-162, which offered cultivators the opportunity to opt-out of cultivation in the current calendar year so long as the necessary documentation was filed by June 1st.

The annual cultivation tax will be imposed in its entirety in the calendar year in which the taxpayer begins to engage in cannabis cultivation operations. There will be no proration of cultivation taxes based off the amount of time in operation or a delayed start date. In consideration of the impacts surrounding COVID-19, the Resolution before your Board would extend the filing deadline to opt-out of cultivation to June 15th. This would offer any cultivator who has not yet begun operations, or a site in its first year of operation with a start date later this year, an opportunity to delay their operational date to January 1st, 2021, thereby not incurring a 2020 tax bill.

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

Adopt the Resolution Further Amending Resolution 2019-79 to Clarify the Procedures Used in the Collection of Taxes Due Pursuant to the Lake County Cannabis Cultivation Tax Ordinance