



CANNABIS PROGRAM
MONTEREY COUNTY

Board of Supervisors
February 1, 2022

Ordinance to Provide Tax Relief to Cannabis Operators

Proposed amendments to Chapter 7.100 include:

- Reduces commercial cannabis cultivation rates:
 - Mixed Light \$5.00 to \$3.00
 - Indoor \$8.00 to \$7.00
 - Outdoor \$2.50 to \$1.00
- Reduces distribution tax to 0% of gross receipts.
- Removes automatic increases.
- Waives penalties and interest on unpaid installments for Q3.

Wholesale Pricing Update

Month	2020		2021	
	Mixed	Indoor	Mixed	Indoor
Jan	\$954		\$1,117	\$1,647
Feb	\$1,008		\$1,159	\$1,679
Mar	\$949	\$1,279	\$1,187	\$1,608
Apr	\$1,221	\$1,736	\$1,170	\$1,800
May	\$1,305	\$1,397	\$1,284	\$1,729
Jun	\$1,282	\$1,767	\$1,237	\$1,575
Jul	\$1,167	\$1,912	\$1,154	\$1,681
Aug	\$1,296	\$1,969	\$878	\$1,561
Sep	\$1,174	\$1,838	\$720	\$1,406
Oct	\$1,222	\$1,816	\$539	\$1,555
Nov	\$1,132	\$1,484	\$443	\$1,151
Dec			\$469	\$1,303

Approved Canopy Modifications Update – FY 21-22

Cultivation Type	Registered Canopy July 2021	Registered Canopy January 2022	+/-
Mixed	3,351,430	3,009,870	-341,560
Indoor	82,325	84,363	+2,038
Nursery	1,528,022	1,455,369	-72,653
Total	4,961,778	4,549,603	-412,175

Modification Type	# of	+/-
Increase	4	+100,093
Decrease	12	-533,480
CNB Renewal	3	+64,166
Total	19	-305,055

Estimated FY 22 Revenue at Current and Proposed Rates

Current Rates and Estimated Revenue

Proposed Rates and Estimated Revenue

Cannabis Type	Current Tax Rate	FY 22 Tax Revenue	Proposed Tax Rate	FY 22 Tax Revenue
Mixed-Light	\$5.00	\$16,757,152	\$3.00	\$12,039,480
Indoor	\$8.00	\$803,755	\$7.00	\$632,723
Outdoor	\$2.50		\$1.00	
Nursery	\$1.00	\$1,528,022	No Change	\$1,455,369
Total Cultivation		\$19,088,930		\$14,127,572
Distribution	3%	\$1,332,386	0%	\$666,193
Manufacturing	3.50%	\$46,346	No Change	\$46,346
Retail	4.50%	\$894,916	No Change	\$894,916
Total Cannabis Tax Revenue		\$21,362,579		\$15,735,027



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Questions