

| Industry | Existing | Proposed* | Approved by Board of Supervisors on May 22, 2018** |
|---------------|---|---|---|
| Cultivation | \$15/sq. ft. Beginning July 1, 2020, increase each fiscal year by \$5/ sq. ft. not to exceed \$25/sq. ft. | Board Committee recommends a cultivation rate within the range of \$4 - \$8 sq. ft. for 1 fiscal year (7/1/18-6/30/19); An increase of \$1.00/sq. ft. per fiscal year beginning July 1, 2019 | \$5/sq. ft. for mixed light (greenhouses) \$8/sq. ft. for indoor (warehouses, etc.) for 2 fiscal years. An increase of \$1.00/sq. ft. per fiscal year beginning on July 1, 2020. Max. rate is \$15.00/ sq. ft. |
| Nursery | \$2/sq. ft. Beginning July 1, 2020, increase each fiscal year by \$1.50/ sq. ft. not to exceed \$5/sq. ft. | \$1/sq. ft. for 2 fiscal years (7/1/18-6/30/20); An increase of \$1/sq. ft. per fiscal year beginning July 1, 2020 | \$1/sq. ft. for 2 fiscal years An increase of \$1/sq. ft. per fiscal year beginning July 1, 2020 Maximum rate is \$5/sq. ft. |
| Manufacturers | 5% of gross receipts Beginning July 1, 2020, increase each fiscal year by 2.5% not to exceed 10% | 2.5% of gross receipts An increase of 1% per fiscal year beginning July 1, 2019 | 2.5% of gross receipts An increase of 1% per fiscal year beginning July 1, 2019 |
| Distributors | 5% of gross receipts Beginning July 1, 2020, increase each fiscal year by 2.5% not to exceed 10% | 2% of gross receipts An increase of 1% per fiscal year beginning July 1, 2019 | 2% of gross receipts An increase of 1% per fiscal year beginning July 1, 2019 |
| Testing | 5% of gross receipts Beginning July 1, 2020, increase each fiscal year by 2.5% not to exceed 10% | 1% of gross receipts No increase for testing facilities | 1% of gross receipts No increase for testing facilities |
| Retailers | 5% of gross receipts Beginning July 1, 2020, increase each fiscal year by 2.5% not to exceed 10% | 4% of gross receipts An increase of 0.5% per fiscal year beginning July 1, 2019 | 4% of gross receipts An increase of 0.5% per fiscal year beginning July 1, 2019 |

*Approved by the Board of Supervisors on May 22, 2018. Staff was directed to prepare amendments to Monterey County Code Chapter 7.100 to implement tax rates. Hearing dates in the ordinance to take place in June or July 2018.

** For the proposed tax rates, the tax rates escalate as indicated above until the maximum rate is reached, and after that time the tax rate for cultivators and nurseries will increase every fiscal year by the annual average of the Consumer Price Index as currently provided in Monterey County Code Chapter 7.100.