



CANNABIS PROGRAM
MONTEREY COUNTY

Board of Supervisors Meeting
October 5, 2021

Impetus for amendments to Chapter 7.90 of MCC

Adverse affects to wholesale pricing

- Substantial declines experienced statewide.
- Articles from industry publications substantiate claims.
- Supply and Demand.
- Operators requesting tax relief and increased flexibility.
 - Market conditions.
 - Learned cultivation experience.
 - Winter months: climate and decreased sunlight negatively affects plant development.
 - Decreased yields, quality, THC content; lower profitability.
- CCA – critical for licensees to report consistent and accurate data.

Fiscal Year Square Footage

- Cannabis Business Permit or Cannabis Program Registration form.
 - Both commit the operator to square footage.
- November 2019: BOS approved an amendment to MCC Chapter 7.90 to allow one canopy limit modification.
 - Historical Modifications.
 - FY 2019-20: 22 modifications: 5 to decrease and 17 to increase.
 - FY 2020-21: 31 modifications: 7 to decrease and 24 to increase.

Current cultivation figures, Estimated Commercial Tax

Type	Canopy	Projected Tax Revenue
Mixed Light	3,351,430	\$16,757,150
Indoor	100,469	\$803,752
Nursery	1,527,714	\$1,527,714
Outdoor		
Total	4,979,614	\$19,088,622

Steps to modify square footage

Operator submits request:

1. Program reviews.
 - Issues letter of request.
 - All related permits.
 - Correction notice(s).
 - Good Standing Criteria.
 - Tax delinquency.
2. TTC reviews modification request.

If approved:

1. Program conducts site inspection to verify canopy limit.
2. Operator pays modification fee.
3. Program issues letter of approval.
 - Previous square footage.
 - Modified square footage.
 - Effective date.
4. Internal systems updated.
 - Cultivation tax projections.
 - Performance indicators.
5. CNB reissued/registration form updated.
6. TTC updates system to reflect changes.

Ordinance to Amend Chapter 7.90

Benefits

Increased flexibility for operators to conduct business

Challenges

Significant impacts to administration

- Cannabis Program
 - Treasurer Tax-Collector
 - Inspection staff
-

Impacts to cultivation tax revenue in current fiscal year and beyond

Uncertainty: seasonal decline or permanent market correction?



CANNABIS PROGRAM
MONTEREY COUNTY

Questions