



CANNABIS PROGRAM
MONTEREY COUNTY

Board of Supervisors Meeting
May 2, 2023
Legistar File Number: 23-335

Report Title

- a. Receive an update on direction received for commercial cannabis cultivation business tax payment plans.
- b. Receive and approve an interest rate for Fiscal Year 21-22 formal payment plans if the operator chooses to extend payments to three years.
- c. Consider adoption of a resolution to authorize the Treasurer-Tax Collector to:
 - a. Extend the previously authorized conditional waiver of penalties and resume interest on unpaid installments of the annual commercial cannabis cultivation business tax for the second through fourth quarters of Fiscal Year 21-22, so long as the full amount due is received by the Treasurer-Tax Collector on or before March 31, 2026.
 - b. Extend the previously authorized conditional waiver of penalties and interest on unpaid installments of the annual commercial cannabis cultivation business tax for all quarters of Fiscal Year 22-23, so long as the full amount due is received by the Treasurer-Tax Collector on or before December 15, 2023.
- d. Provide further direction as appropriate.

FY 21-22 Cannabis Business Tax Payment Plans for Cultivation

- Budget Committee recommendations presented April 4, 2024.
 - Staff directed to return with an interest rate for extended FY 21-22 payment plans.
 - Extension period is from March 2023 – March 2026.
 - Up to 19 Operators with current payment plans could extend.

FY 22-23 Cannabis Business Tax Payment Plans for Cultivation

- Budget Committee recommendations presented April 4, 2024.
 - Staff directed to implement FY 22-23 payment plans.
 - 26 Operators have been approved for payment plans.
 - \$2,119,916.92 in total repayment.

Monterey County Code 7.100(A)(1)

A. Any person who fails or refuses to pay any commercial cannabis business tax required to be paid pursuant to this Chapter on or before the due date shall pay penalties and interest as follows:

1. A penalty equal to ten (10) percent of the amount of the tax, in addition to the amount of the tax, plus **interest on the unpaid tax calculated from the due date of the tax at the rate of one and one-half percent per month**; and

Resolution to Extend Time to Pay

- Q2 – Q4 of FY 21-22
 - Extends conditional waiver of penalties to March 31, 2026.
 - Resumes interest on unpaid balances.
- Q1 – Q4 of FY 22-23
 - Extends conditional waiver of penalties and interest to December 15, 2023.

Cannabis Business Tax Payment Plan Calendar

April 2023						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July 2023						
S	M	T	W	T	F	S
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

October 2023						
S	M	T	W	T	F	S
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22	23	24	25	26	27	28
29	30	31				

May 2023						
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28	29	30	31			

August 2023						
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27	28	29	30	31		

November 2023						
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26	27	28	29	30		

June 2023						
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September 2023						
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December 2023						
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24	25	26	27	28	29	30
31						

Payment Plan

Monthly Installment for Q2-Q4 of FY 21-22 Payment Plan Due

15% Deposit for Q1-Q3 of FY 22-23 Payment Plan Due

Monthly Installment for Q1-Q3 of FY 22-23 Payment Plan Due

Quarterly Installment for Monterey County Regional Fire District Payment Plan Due

Direction from Board of Supervisors

- Interest rate that should be applied to unpaid balances of FY 21-22 payment plans.
- Previous direction to shut down operators who are tax delinquent and not in a payment plan, including those that default on a payment plan.



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Questions