



County of Monterey

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December 15, 2025

To: Board of Supervisors Cannabis Committee
Fr: Michelle House, Cannabis Program Manager
cc: Nicholas E. Chiulos, Chief Assistant County Administrative Officer

Re: Cannabis Program Updates, Budget, and Performance Measures

Cannabis Program Updates, Budget and Performance Measures

Cannabis Program Updates

The Program hosted a day long (9am-2pm) strategic planning session on November 14, 2025. The meeting included members of the industry, Housing and Committee Development, Treasurer Tax Collectors, Environmental Health, Public Health, District Attorney, and Fire.

The goal of the planning session was to establish a vision and mission statement, update goals and strategies, and determine Program priorities. This is the first in person meeting in many years and provided the opportunity for people to meet and learn from each other. The Program will host a Zoom meeting after the holidays for individuals who were unable to attend. The Program will begin drafting the 2026-28 strategic plan after follow-up meetings are conducted and we anticipate sharing the final product in early autumn.

Cannabis Program Budget

Canopy square footage was shared at the October meeting to illustrate how cannabis nursery and cultivation has slowly decreased since the economic downturn of 2021. The Program will begin tracking changes to the canopy square footage and provide updates during Cannabis Committee meetings. Changes to square footage feeds directly into tax revenue and is a marker to how the industry is adapting to meeting an ever-changing market. Since our base line of July 1, 2025, the following changes have occurred; 1) a decrease in outdoor of 281,351 sq. feet, 2) a decrease in indoor of 5,000 sq. feet, and 3) an increase in nursery of 17,740 sq. feet. Mixed light had no changes.

The Program estimates 3.5 million will be collected during fiscal year (FY) 25-26. Due to farm and dispensary closures in quarter one, Program staff anticipates a decrease in cannabis tax revenue and is currently working with CAO leadership to address budgetary concerns. Monitoring cannabis tax revenue has been identified as a priority and is part of goal D within the current strategic plan. The Treasurer Tax Collector completed quarter one cannabis tax collections at the end of October. The table below reflects the breakdown of taxes collected July 1, 2025, through December 3, 2025.

| Tax | Amount |
|--------------|--------------------|
| FY 24-25 | \$965,683 |
| FY 25-26 | \$820,877 |
| Total | \$1,786,561 |

Performance Measures

- A. Facilitate provisional to annual cannabis business permits and has been identified as a priority and is part of goal A within the current strategic plan. Since the October 22, 2025, Cannabis Committee meeting, two potential applicants were onboarded decreasing the potential applicants from ten to eight. Currently, there are 50 active commercial cannabis business operators (7 dispensaries and 43 cultivators), and one cultivator still holds a provisional license. The Program closed one cultivator, and one dispensary filed a cessation of business.
- B. Assisting with the movement of cannabis land use permits has been identified as a priority and is part of goal A within the current strategic plan. No cannabis land use permits have been approved for FY 25-26. The Program is working with the Planning Department to gain approval for our first outdoor commercial cannabis cultivation.
- C. Conduct Quarterly Compliance Inspection (Priority, Goal C)
Inspectors from Housing and Community Development will enforce county code and work directly with regional fire districts, and the industry to ensure compliance with local and state law and building and/or fire code requirements.

| Fiscal Year | FY 25-26, Q1 | FY 25-26, Q2 | FY 25-26, Q3 | FY 25-26, Q4 |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
| Quarterly Inspections | 100% | 100% | | |

- D. Issuing of a cannabis business permit has been identified as a priority based on results from the FY 2021-22 County of Monterey Civil Grand Jury Report. The Program will issue a cannabis business permit (CBP) within three business days of the operator satisfying requirements from Housing and Community Development, Health Department, and respective Regional Fire Districts. The Program strives to maintain a service level of 100 percent.

| Fiscal Year | FY 25-26, Q1 | FY 25-26, Q2 | FY 25-26, Q3 | FY 25-26, Q4 |
|----------------------|---------------------|---------------------|---------------------|---------------------|
| Service Level | 100% | 100% | | |

- E. Renewing of a cannabis business permit has been identified as a priority based on results from the FY 2021-22 County of Monterey Civil Grand Jury Report. The Program will renew a CBP within three business days of the operator satisfying requirements from Housing and Community Development, Health Department, and respective Regional Fire Districts. The Program strives to maintain a service level of 100 percent.

| Fiscal Year | FY 25-26, Q1 | FY 25-26, Q2 | FY 25-26, Q3 | FY 25-26, Q4 |
|----------------------|---------------------|---------------------|---------------------|---------------------|
| Service Level | 100% | 100% | | |

F. Enforcing unlicensed cannabis activity has been identified as a priority and is part of goal B within the current strategic plan. The County of Monterey Marijuana Eradication Team (COMMET) provides the Program with information on outcomes of search warrants and abatement activities. The chart contains COMMET data for calendar year (CY) 2025.

| Type | CY 2020 | CY 2021 | CY 2022 | CY 2023 | CY 2024 | CY 2025 |
|----------------------------|--------------|--------------|--------------|-------------|-----------|-----------|
| Number of Cannabis Plants | 32,888 | 18,602 | 97,703 | 1,220 | 130 | 114 |
| Cannabis Processed (lbs.) | 5,476 | 1,716 | 38,430 | 506 | 352 | 135.8 |
| Gross Weight Abated (tons) | 19.2 | 10.2 | 68.1 | 2.8 | 0.176 | 0 |
| Firearms | 105 | 97 | 24 | 1 | 16 | 1 |
| Currency | \$28,146 | \$104,700 | \$5,500 | \$0 | \$13,538 | \$0.0 |
| Explosive Material (lbs.) | 0 | 0 | 25 | 0 | 0 | 0 |
| Meth (lbs.) | 0 | 0 | 1 | 0 | 0.073 | 0.121 |
| Cocaine (lbs.) | 0 | 0 | 0 | 0.03 | 0.039 | 0 |
| Clandestine Lab | 2 | 5 | 0 | 0 | 0 | 0 |
| Wholesale Market Value | \$38,364,000 | \$20,303,000 | \$68,066,500 | \$2,834,635 | \$241,433 | \$124,900 |