



# County of Monterey

## ADMINISTRATIVE OFFICE

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October 20, 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 Budget, Local Jurisdiction Grant, and Performance Measures

## **Cannabis Program Budget and Performance Measures**

### Cannabis Program Budget

#### A. Program Taxes (Priority, Goal D):

##### **Fiscal year (FY) 2024-2025**

The Board approved 14.15 positions at a cost of \$3.4 million across seven departments to be used for cannabis related work with most departments spending eighty percent or more of their cannabis program allocation. The County received \$259,948 in other non-tax related revenues. These revenues include items such as, direct fees for cannabis business licenses, permits, and building permit fees that are collected by the receiving department at their own discretion.

The County of Monterey Cannabis Program (Program) estimated 4 million would be collected in cannabis tax dollars during FY 2024-2025. Cannabis business tax revenue collected in FY 2024-2025 was 3.9 million dollars. The revenue is based on cultivation and nursery square footage declared on annual or provisional cannabis business permits (CBP). All declared canopy must fall at or below the square footage shown on the CBP as measured during compliance inspections to ensure these limits are not exceeded.

The square footage for cannabis nursery and cultivation has slowly decreased since the economic downturn of 2021. This issue has strained an industry that has taken protective measures, such as scaling down cannabis operations. In addition to scaling down operations, several farms have moved to outdoor licenses to save money. Outdoor licenses (grown without lights) save money in two ways; 1) decrease cannabis tax payments from \$1.46 to \$0.71 per square feet and 2) decrease in the cost of monthly power bills.

Cultivation cannabis tax revenue is billed annually and collected quarterly; however, canopy footage may be modified up to two times during the annual term of the CBP. Because of this fluctuation, cultivation tax revenue is reported as a projected annualized figure that assumes each business will remain operational and will not modify square footage up or down for the remainder of the fiscal year.

Formal payment plans for unpaid cannabis business tax installments are complete as of FY 2024-2025. The fiscal year 2021-2022 payment plan was paid off by 11 participants and 21 defaulted and/or ceased operations. The fiscal year 2022-2023 payment plan was paid off by 27 participants that ended December of 2023.

**Fiscal year FY 2025-2026**

The Board approved 12.65 positions at a cost of \$3.35 million across seven departments to be used for cannabis related work. The Program had estimated 3.5 million would be collected during FY 2025-2026. Due to farm closures, the program anticipates a sharp decrease in cannabis tax revenue. More information will be shared during the December Cannabis Committee meeting.

The Treasurer - Tax Collector is currently collecting quarter one taxes for FY 25-26 due by October 31, 2025. The table below reflects the breakdown of taxes collected July1, 2025 through October 7, 2025.

<b>Tax</b>	<b>Amount</b>
FY 24-25	\$932,225
FY 25-26	\$33,458
<b>Total</b>	<b>\$988,244</b>

Performance Measures

A. Facilitate Provisional to Annual Cannabis Business Permits (Priority, Goal A):

Since the July 31, 2025, Cannabis Committee meeting, three provisional permittees have moved to an annual CBP. Of the total active cannabis business operators, four cultivators still hold a provisional CBP. The Program is working with 10 potential cannabis business applicants. Currently, there are 51 active commercial cannabis business operators (8 dispensaries and 43 cultivators).

B. Cannabis Land Use Permits (Priority, Goal B):

No cannabis land use permits have been approved for FY 25-26. The Program is working with one South County landowner to gain approval for our first outdoor commercial cannabis cultivator.

C. Enforce Unlicensed Cannabis Activity (Priority, Goal B)

The County of Monterey Marijuana Eradication Team (COMMET) provides the Program with information to update the Cannabis Committee on outcomes of search warrant and abatement activities. COMMET has no data for calendar year (CY) 2025.

<b>Type</b>	<b>CY 2020</b>	<b>CY 2021</b>	<b>CY 2022</b>	<b>CY 2023</b>	<b>CY 2024</b>	<b>CY 2025</b>
Number of Cannabis Plants	32,888	18,602	97,703	1,220	130	0
Cannabis Processed (lbs.)	5,476	1,716	38,430	506	352	0
Gross Weight Abated (tons)	19.2	10.2	68.1	2.8	0.176	0
Firearms	105	97	24	1	16	0
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
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	\$0.0

D. 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.

<b>Fiscal Year</b>	FY 25-26, Q1	FY 25-26, Q2	FY 25-26, Q3	FY 25-26, Q4
<b>Quarterly Inspections</b>	100%			

E. Issuing of a Cannabis Business Permit (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.

<b>Fiscal Year</b>	FY 25-26, Q1	FY 25-26, Q2	FY 25-26, Q3	FY 25-26, Q4
<b>Service Level</b>	100%			

F. Renewing of a CBP (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.

<b>Fiscal Year</b>	FY 25-26, Q1	FY 25-26, Q2	FY 25-26, Q3	FY 25-26, Q4
<b>Service Level</b>	100%			