



County of Monterey

ADMINISTRATIVE OFFICE

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August 6, 2026

To: Board of Supervisors Cannabis Committee

Fr: Michelle House, Cannabis Program Manager

Cc: Deborah Paolinelli, Assistant County Administrative Officer

Re: Cannabis Program Updates, Budget, and Performance Measures

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Cannabis Program Updates

On July 8, 2026, the Cannabis Program met with four industry members, from 10:00 am to 12:00 pm via Zoom to review proposed amendments to Monterey County Code Chapter 7.90. Housing and Community Development staff will present a draft consumption lounge ordinance to the Planning Commission on August 26, 2026. There was a theft on July 13, 2026, involving 280 mature plants. This is the second theft this year, occurring at separate, unrelated locations. The Drug Enforcement Administration (DEA) convened an administrative hearing commencing on June 29, 2026, and concluding on July 15, 2026, to evaluate the potential rescheduling of all cannabis products from Schedule I to Schedule III. A key outcome of this change would be the eligibility of medical cannabis operators for federal tax benefits. The Chief Administrative Law Judge will issue a recommendation, which the DEA Administrator must review before any final rule is adopted. No established timeline has been provided.

Cannabis Program Budget

The Program monitors changes in canopy square footage because fluctuations directly affect tax revenue and serve as indicators of how the industry is responding to an evolving market. Cultivators adjust their canopy by expanding or reducing square footage based on seasonal factors and current market conditions. For fiscal year (FY) 2026–27, the Program will use canopy square footage effective July 1, 2026, as the baseline and will evaluate all subsequent changes against this baseline throughout the fiscal year.

Canopy square feet (sq. ft.) totals from July 1, 2025, when compared to July 1, 2026, show the following trends:

- Indoor canopy increased by 10,360 sq. ft
- Greenhouse canopy (no lights) decreased by 249,477 sq. ft
- Nursery canopy decreased by 52,010 sq. ft
- Mixed-light canopy increased by 16,588 sq. ft

The Program provided an estimate of 3.5 million in tax revenue collections for FY 25-26 and current estimates track tax collections at approximately 3.2 million. The Treasurer Tax Collector completed quarter four cannabis tax collections on July 31, 2026. The table below reflects the breakdown of taxes collected July 1, 2025, through July 28, 2026.

Tax	Amount
FY 24-25	\$965,683
FY 25-26	\$2,633,729
Total	\$3,599,412

Performance Measures

- A. Since the June 18, 2026, Cannabis Committee meeting, one potential applicant was onboarded, we currently have nine potential applicants (1 dispensary, 7 cultivators and 1 nursery). There are currently 48 active commercial cannabis business operators; seven dispensaries, 36 farms (6 only nursery and 30 nursery/cultivators), and five operators engaged in other activities (manufacturing, distribution, and processing). Additionally, one farm filed cessation of business documentation.
- B. The County of Monterey Marijuana Eradication Team (COMMET) provides the Program with information on the outcomes of search warrants and abatement activities. The chart below reflects data for calendar years (CY) 2021 through 2026. Currently, COMMET has no data to report for CY 2026.

Type	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026
Number of Cannabis Plants	18,602	97,703	1,220	130	114	0
Cannabis Processed (lbs.)	1,716	38,430	506	352	135.8	0
Gross Weight Abated (tons)	10.2	68.1	2.8	0.176	0	0
Firearms	97	24	1	16	1	0
Currency	\$104,700	\$5,500	\$0	\$13,538	\$0.0	0
Explosive Material (lbs.)	0	25	0	0	0	0
Meth (lbs.)	0	1	0	0.073	0.121	0
Cocaine (lbs.)	0	0	0.03	0.039	0	0
Clandestine Lab	5	0	0	0	0	0
Wholesale Market Value	\$20,303,000	\$68,066,500	\$2,834,635	\$241,433	\$124,900	\$0.00