



# County of Monterey

## ADMINISTRATIVE OFFICE

Sonia M. De La Rosa

COUNTY ADMINISTRATIVE OFFICER

168 West Alisal St. 3<sup>rd</sup> Floor

Salinas, CA 93901

831 755 5115

cao-admin@countyofmonterey.gov

April 2, 2026

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

A reminder: the Office of the Agricultural Commissioner will hold an informative workshop for cannabis growers, operation supervisors and managers on April 9, 2026, from 8:00am to 11:00am. The goal of the workshop is to provide guidance on the State's pesticide use permitting process, employee training and safety responsibilities, and proper pesticide use in compliance with California regulations. Please contact the Office of the Agricultural Commissioner for further information.

### Cannabis Program Budget

The Cannabis Program (Program) began tracking changes to the canopy square footage in July of 2025 as changes to square footage feeds directly into tax revenue and is a marker of how the industry is adapting to an ever-changing market. The Program tracks canopy using July 1, 2025, as a baseline. Since the February 27, 2026, meeting, the following changes have occurred; 1) no change to indoor canopy, 2) increase in outdoor canopy of 56,874 sq. feet, 3) increase in nursery canopy of 69,000 sq. feet, and 4) decrease in mixed light canopy of 94,211 sq. feet.

The Program provided an estimate of 3.5 million in tax revenue collections during fiscal year (FY) 25-26. Due to industry closures, Program staff anticipates a decrease in cannabis tax revenue. Current estimates track tax collections at approximately 3.2 million for FY 25-26. The Program estimates 3 million in tax revenue collections for FY 26-27, decreasing department allocations from \$3,353,692 in FY 25-26 to \$2,700,000 in FY 26-27; a decrease of \$653,692.

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 two cannabis tax collections in January and will begin quarter three collections in April. The table below reflects the breakdown of taxes collected July 1, 2025, through March 13, 2026, a total of \$44,373 has been collected since the February 27, 2026, meeting.

| <b>Tax</b>   | <b>Amount</b>      |
|--------------|--------------------|
| FY 24-25     | \$965,683          |
| FY 25-26     | \$1,676,351        |
| <b>Total</b> | <b>\$2,642,034</b> |

Performance Measures

- A. Facilitate provisional to annual cannabis business permits has been identified as a priority and is part of goal A within the current strategic plan. Since the February 27, 2026, Cannabis Committee meeting, one potential applicant was onboarded and the Program received three potential applicants, increasing the potential applicants from five to seven. There are currently 49 active commercial cannabis business operators; 7 dispensaries, 37 farms (5 only nursery and 32 nursery/cultivators), and 5 operators engaged in other activities (manufacturing, distribution, and processing). The Program received one cessation of business for a nursery.
  
- 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 first outdoor commercial cannabis cultivation site was discussed at the February 25, 2026, County of Monterey Planning Commission and a Board of Supervisors hearing is scheduled for April 28, 2026. If approved, an amendment to the text of the Central Salinas Valley Area Plan will be added to Policy CSV-1.8, to create a special treatment area on APN 420-063-014-000. The special treatment area will allow up to 20,000 square feet of outdoor cannabis cultivation.
  
- C. Conduct Quarterly Compliance Inspection has been identified as a priority and is part of goal C within the current strategic plan. 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 building and/or fire code requirements. 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>Quarterly Inspections</b> | 100%         | 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.

| <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%         | 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.

| <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%         | 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 below contains data for the calendar year (CY) 2021 through 2026. Currently, COMMET has no data 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  |