



County of Monterey

ADMINISTRATIVE OFFICE

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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, Local Jurisdiction Grant, and Performance Measures

Cannabis Program Budget

A. Cannabis Program (Program) Contingency:

The Program has no contingency funds allocated for FY 25-26. The table below reflects the fiscal year (FY) 24-25 contingency balance, no funds were utilized during FY 24-25.

	Allocation	Remaining Balance
Cannabis Program Contingency	\$10,750.00	\$10,750.00

B. Program Taxes (Priority, Goal D):

The Program estimated 4 million would be collected in cannabis tax dollars during FY 24-25. The Treasurer - Tax Collector is currently collecting quarter four taxes for FY 24-25, and all payment plans have been completed.

The table below reflects the breakdown of taxes collected February 19, 2025, through June 30, 2025.

The Program estimates 3.5 million will be collected in cannabis tax dollars in FY 25-26.

Tax	Amount
FY 24-25	\$986,964
FY 24-25 (delayed revenue)	\$0.00
FY 21-22 (extended payment plan)	\$1,280
Total	\$988,244



Local Jurisdiction Assistance Grant Activity

The Program has completed our contract with the Department of Cannabis Control to administer the Local Jurisdiction Assistance Grant (LJAG). Grant funds were utilized to facilitate the transition from provisional to annual cannabis business permits (CBP). LJAG had three goals: (1) provide pass-through funds to qualified cannabis licensees to assist in moving from provisional to annual licenses, (2) reimburse mitigation measure costs related to cannabis farmland, and (3) improve Accela Automation reporting and the on-line cannabis business permit application process. When the LJAG program began in 2022, the Program had 423 provisional license holders. Of those 423 provisional license holders, 39 utilized pass-through funds, and 16 of the 39 are still in business.

1. Pass-through funds were provided to provisional license holders to meet deadlines of annual requirements at the state and local level. The Program provided 39 provisional license holders a total of \$723,366 in pass-through funds.
2. Reimbursed mitigation measure costs on behalf of land use permits associated with a traffic impact study for improvements of roads leading to and from cannabis farms (Spence, Harris, and Potter Roads). Example of projects include repairing of frontage roads and linking of frontage roads to major interchanges. The Program reimbursed 32 sites \$436,285 in mitigation measure costs.
3. Removing obstacles from the permitting process was accomplished by contracting with two outside vendors to enhance the current Accela Automation CBP module. Enhancements were completed to make the system user friendly, reduce paper documents, and create efficiencies by providing capacity for those applying for or renewing the CPB to upload required documents within the on-line cannabis business permit application system. The Program provided \$170,772 in contract services.

Performance Measures

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

Currently there are 53 active commercial cannabis business operators (8 dispensaries and 45 cultivators). The Program is working with 11 potential cannabis business applicants. Since the March 6, 2025, Cannabis Committee meeting, four provisional permittees moved to an annual, six business closed (two were provisional and one was a forced closure), and one dispensary closed and one opened. The table below provides a comparison of data between the previous and current Cannabis Committee meeting

Type of Permit	July Meeting	March Meeting
Potential Applicants	11	10
Annual	45	41
Provisional	8	14
Forced Closure	4	3
Closed	97	92
Total	165	160

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

No cannabis land use permits were approved in FY 24-25. The Program is working with one South County landowner to gain approval for our first outdoor commercial cannabis cultivator. The table below shows the number of cannabis land use permits approved by fiscal year.

Fiscal Year	# Approved
FY 17-18	1
FY 18-19	3
FY 19-20	8
FY 20-21	8
FY 21-22	22
FY 22-23	18
FY 23-24	5
FY 24-25	0
FY 25-26	0
Total	65

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.

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	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.

Fiscal Year	FY 24-25, Q1	FY 24-25, Q2	FY 24-25, Q3	FY 24-25, Q4
Quarterly Inspections	100%	100%	100%	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.

Fiscal Year	FY 24-25, Q1	FY 24-25, Q2	FY 24-25, Q3	FY 24-25, Q4
Service Level	100%	100%	100%	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.

Fiscal Year	FY 24-25, Q1	FY 24-25, Q2	FY 24-25, Q3	FY 24-25, Q4
Service Level	100%	100%	100%	100%