



COUNTY OF HUMBOLDT

For the meeting of: 3/8/2022

File #: 22-289

To: Board of Supervisors

From: Supervisor Michelle Bushnell

Agenda Section: Consent

SUBJECT:

Letter of Support for SB 1074 (McGuire) Cannabis: Excise Tax: Cultivation Tax. (Supervisor Michelle Bushnell)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize the Chair to sign the letter of Support

SOURCE OF FUNDING:

N/A

DISCUSSION:

The Board of Supervisors would like to send a letter of support for SB 1074 sponsored by Senator Mike McGuire entitled Cannabis: Excise Tax: Cultivation Tax.

The Humboldt County Board of Supervisors have recently taken steps to help our cannabis cultivators by reducing our Measure S tax requirements for 2022 and by extending the payment dates for 2021. This effort is in our own local control. However, the cannabis community is reeling in state taxes and processes as well.

If passed, SB 1074 would adjust upwards the applicable retail excise tax based on calculations by the Department of Finance tied to estimates around weight-based cultivation taxes (as in effect on June 30, 2022). The bigger change though is that this bill completely eliminates the current cultivation tax as of July 1, 2022. These moves combined essentially shift the California cannabis tax burden to retailers assisting the farmers. This Senate Bill would further support our platform to assist the many cultivators struggling during this volatile time. Therefore, we support SB1074.

FINANCIAL IMPACT:

N/A

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by providing community-appropriate levels of service

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion

ATTACHMENTS:

Letter of Support

SB 1074 for Reference

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A