



# COUNTY OF HUMBOLDT

For the meeting of: 12/9/2025

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File #: 25-1367

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**To:** Board of Supervisors

**From:** Planning and Building Department

**Agenda Section:** Departmental

**Vote Requirement:** Majority

**SUBJECT:**

Informational Report on the Process for Suspending and Revoking Cannabis Permits When the Permit is Associated with Delinquent Measure S Excise Taxes

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Receive the staff report and provide direction to staff as necessary.

**STRATEGIC PLAN:**

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: A Diverse, Equitable & Robust Economy

Strategic Plan Category: 2001 - Promote strong economic resiliency and growth

**DISCUSSION:**

This report provides the Board of Supervisors with information on how the Planning and Building Department will address cannabis permit holders who are delinquent in Measure S tax payments as of the Dec. 31, 2025, deadline. The Board of Supervisors action is to receive this report, unless a different approach is desired. If a different approach is desired, please provide that direction.

Background:

On Oct. 24, 2023, your Board approved a plan requiring cannabis permit holders to pay the costs associated with processing and inspecting their permits and to enter into an agreement with the Treasurer Tax Collector for Measure S taxes by March 31, 2024. The payment agreement would allow the permit holders to repay the Measure S taxes by March 31, 2025 (File ID 23-1374, Attachment 1).

On March 25, 2025, your Board considered whether to enforce the previously established deadlines related to payment of Measure S taxes, or to allow some flexibility in the payment of these taxes. Your Board granted farmers the ability to enter a payment plan if they had not previously, and provided a time extension to Dec. 31, 2025, to pay their tax bills.

Discussion:

The previous direction by your Board is that all Measure S taxes must be paid in full by the deadline of Dec. 31, 2025. The Planning & Building Department is prepared to implement this direction. This will involve two steps, suspending those permits and then bringing them forward for revocation. Attachment 3 is a letter written to notify those permit holders their permits are suspended, and that the permits will be scheduled for revocation. This letter will be sent on Jan. 2, 2026, or as soon thereafter as practicable. The permit will be placed in a suspended status and remain suspended until the permit can be scheduled for a revocation hearing.

Revocation hearings will begin as early as February of 2026 but not later than March of 2026 and will be brought forward in large groupings.

The Planning and Building Department does not notify the Department of Cannabis Control about a suspended license but does notify the DCC when a county permit is revoked.

The Board of Supervisors has started to receive emails about the unique circumstances people have relating to their inability to pay Measure S taxes. Every story is unique. The proposed action will affect hundreds of permits (staff are still working on an exact number and plan to have that information available at the Board meeting.) The Board has been signaling this moment would come for at least two years. For many farmers this will be a traumatic event, but for the farmers who are current on their taxes, this is affirmation of their responsible actions.

**SOURCE OF FUNDING:**

There is not a funding source for the preparation of this report. It is covered under the General Fund contribution to budget unit 277.

**FINANCIAL IMPACT:**

Undetermined. The cost of preparing suspension letters and holding revocation hearings is unlikely to be recovered. There are likely to be many farmers calling the department to talk about their Measure S taxes. It may be that some of these farmers will pay their Measure S taxes.

**OTHER AGENCY INVOLVEMENT:**

Treasurer Tax Collector

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

Board Discretion

**ATTACHMENTS:**

1. October 24, 2023, Board Report
2. March 25, 2025 Board Report
3. Draft Letter to Permit Holders
4. Public Comment

**PREVIOUS ACTION/REFERRAL:**

Meeting of: Oct. 24, 2023, March 25, 2025

File No.: 23-1374, 25-368