



COUNTY OF HUMBOLDT

For the meeting of: 6/17/2025

File #: 25-708

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Public Hearing

Vote Requirement: Majority

SUBJECT:

Revocation of Nine Cannabis Permits Due to Unpaid Measure S Taxes
(PLN-10424-SP, PLN-11402-CUP, PLN-11582-CUP, PLN-12042-SP, PLN-12488-SP, PLN-12756-ZCC, PLN-12776-SP, PLN-12806-SP, and PLN-16141-CUP)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the attached resolutions (Attachments 1-9), which do the following:
 - a. Finds the permits have been exercised contrary to the terms and conditions of approval; and
 - b. Revoke the nine Permits per Section 312-14 of the Humboldt County Code; and
 - c. Direct the Clerk of the Board to provide a certified board order to the Planning and Building staff to be included with the notification of decision to the appropriate parties.

STRATEGIC PLAN:

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

Area of Focus: Sustainable Natural Resources & Infrastructure Stewardship
Strategic Plan Category: 9999 - Core Services/Other

DISCUSSION:

Executive Summary

This item requests the Board of Supervisors revoke nine approved permits for cannabis cultivation due to the permits being in violation of County Code and the conditions of permit approval by not having paid Measure S taxes or entering an agreement to pay Measure S Taxes. To be efficient nine permits are being brought forward for revocation at once. There has been no response from these permit holders so it is not expected that there will be discussion on these permits. There are nine different resolutions, one for each permit. Each action is considered separately based on its own merit, but in each case the violations are the same, only the names and amount owed is different. The recommendation will allow the Board to act on all nine permits as part of a single motion.

On Oct. 24, 2023, the Board of Supervisors received a report that there is approximately \$14 million in unpaid Measure S Taxes and \$2.1 million in unpaid permit processing costs associated with cannabis permits and applications. The Board set deadlines for cannabis cultivators to pay outstanding processing costs and enter an agreement to pay the balance on unpaid Measure S taxes. The Board's action allowed permit holders to enter an agreement for outstanding Measure S taxes. By not entering into the

agreement these permit holders are in violation of the requirement to pay the Measure S taxes.

Permit holders were provided notice of the Board's direction including a description of the consequences if processing costs and Measure S taxes not paid. The communications included a detailed Jan. 9, 2024, letter, follow up emails, and social media announcements encouraging applicants and permit holders to bring their account current and enter an agreement to resolve their tax obligation before March 31, 2024. On March 25, 2025, the Board extended the deadline to enter into a payment plan for taxes from April 3, 2025 to March 31, 2026. None of these permit holders took advantage of the extension to enter into a payment plan for taxes.

Each of the projects identified below were suspended last year due to failure to bring their accounts current with the department and for failing to enter into an agreement to pay Measure S taxes. Revocation of these permits is appropriate due to permit holders' failure to pay required Measure S taxes as outlined in Humboldt County Code. These permit holders have been notified both through a certified, return receipt mailed letter and through a notice of public hearing of potential revocation. As of the date of this staff report, no responses have been received.

Three of these permits were the recipient of Trellis grant funds. None of these permits received Department of Cannabis Control (DCC) grant funding for water and solar projects.

The 9 permits are described below:

1. PLN-2020-16141, Doja Gold, LLC: Conditional Use Permit and Special Permit for 3,000 square feet of outdoor commercial cannabis cultivation within greenhouses and 300 square feet of ancillary propagation space in the Willow Creek Community Planning Area on APN 524-201-025.

On Jan. 9, 2024, the permit holder was sent a letter regarding any potential outstanding fees and Measure S tax balances. The contact also included an email to the permit holder of record. The notice required the permit holder to pay all outstanding fees with the Planning and Building Department and, at minimum, start a payment plan regarding Measure S with the Humboldt County Tax Collector. A date of March 31, 2024, was given to complete this, or revocation could follow. On May 3, 2024, a letter was sent to the permit holder notifying them that their permit was in Suspension. The outstanding balance of \$506.25 for Measure S taxes has not been paid and a payment plan has not been entered.

2. PLN-12806-SP, The GNL Group, LLC: Special Permit for 6,869 sf existing outdoor cannabis cultivation and 1,000 sf existing mixed-light cannabis cultivation on one legal parcel made of two APNs 222-155-005 & 222-154-011.

On Jan. 9, 2024, the permit holder was sent a letter regarding any potential outstanding fees and Measure S tax balances. The contact also included an email to the permit holder of record. The notice required the permit holder to pay all outstanding fees with the Planning and Building Department and, at minimum, start a payment plan regarding Measure S with the Humboldt County Tax Collector. A date of March 31, 2024, was given to complete this, or revocation could follow. On May 3, 2024, a letter was sent to the permit holder notifying them that the permit was in Suspension. The outstanding balance of \$33,430.05 for Measure S taxes has not been paid and a payment plan has not been entered.

3. PLN-12776-SP, Green Leaf Nurseries, LLC: Special Permit for 7,959 square feet of existing outdoor cannabis cultivation on APN 208-341-023.

On Jan. 9, 2024, the permit holder was sent a letter regarding any potential outstanding fees and Measure S tax balances. The contact also included an email to the permit holder of record. The notice required the permit holder to pay all outstanding fees with the Planning and Building Department and, at minimum, start a payment plan regarding Measure S with the Humboldt County Tax Collector. A date of March 31, 2024, was given to complete this, or revocation could follow. On May 3, 2024, a letter was sent to the permit holder notifying them that their permit was in Suspension. The outstanding balance of \$5,656.86 for Measure S taxes has not been paid and a payment plan has not been entered into. This permit holder was a recipient of Trellis funds.

4. PLN-12756-ZCC, Mycality Medicinals: Zoning Clearance Certificate for 3,260 square feet of existing outdoor cannabis on APN 521-091-043.

On Jan. 9, 2024, the permit holder was sent a letter regarding any potential outstanding fees and Measure S tax

balances. The contact also included an email to the permit holder of record. The notice required the permit holder to pay all outstanding fees with the Planning and Building Department and, at minimum, start a payment plan regarding Measure S with the Humboldt County Tax Collector. A date of March 31, 2024, was given to complete this, or revocation could follow. On May 3, 2024, a letter was sent to the permit holder notifying them that their permit was in Suspension. The outstanding balance of \$4,260.65 for Measure S taxes has not been paid and a payment plan has not been entered into.

5. PLN-12488-SP, Daydream Enterprises, LLC: Special Permit to allow a 9,000 SF outdoor cannabis cultivation operation with appurtenant propagation and drying activities on APN 208-231-013.

On Jan. 9, 2024, the permit holder was sent a letter regarding any potential outstanding fees and Measure S tax balances. The contact also included an email to the permit holder of record. The notice required the permit holder to pay all outstanding fees with the Planning and Building Department and, at minimum, start a payment plan regarding Measure S with the Humboldt County Tax Collector. A date of March 31, 2024, was given to complete this, or revocation could follow. On May 3, 2024, a letter was sent to the permit holder notifying them that their permit was in Suspension. The outstanding balance of \$6,396.75 for Measure S taxes has not been paid and a payment plan has not been entered into.

6. PLN-12042-SP, Reuben Valdivia: Special Permit to allow for an existing 7,964 square feet of outdoor cannabis cultivation on APN 221-211-025.

On Jan. 9, 2024, the permit holder was sent a letter regarding any potential outstanding fees and Measure S tax balances. The contact also included an email to the permit holder of record. The notice required the permit holder to pay all outstanding fees with the Planning and Building Department and, at minimum, start a payment plan regarding Measure S with the Humboldt County Tax Collector. A date of March 31, 2024, was given to complete this, or revocation could follow. On May 3, 2024, a letter was sent to the permit holder notifying them that their permit was in Suspension. The outstanding balance of \$2,365.83 for Measure S taxes has not been paid and a payment plan has not been entered into. The permit holder was a recipient of Trellis funds.

7. PLN-11582-CUP Eco Green Grow LLC: Conditional Use Permit and Special Permit for 43,560 ft² of pre-existing outdoor and 3,600 ft² of pre-existing mixed-light commercial cannabis cultivation, and 4,716 ft² for ancillary propagation space. A Special Permit was required for a setback reduction to Six Rivers National Forest on APN 523-015-009

On Jan. 9, 2024, the permit holder was sent a letter regarding any potential outstanding fees and Measure S tax balances. The contact also included an email to the permit holder of record. The notice required the permit holder to pay all outstanding fees with the Planning and Building Department and, at minimum, start a payment plan regarding Measure S with the Humboldt County Tax Collector. A date of March 31, 2024, was given to complete this, or revocation could follow. On May 3, 2024, a letter was sent to the permit holder notifying them that their permit was in Suspension. The outstanding balance of \$117,690.87 for Measure S taxes has not been paid and a payment plan has not been entered into.

8. PLN-11402-CUP, Soul Arc Solutions, Inc: Conditional Use Permit for 18,092 square feet (SF) of existing cannabis operation utilizing 8,000 SF mixed light techniques with the remainder 10,092 SF utilizing outdoor light deprivation cultivation techniques on APN 108-012-010.

On Jan. 9, 2024, the permit holder was sent a letter regarding any potential outstanding fees and Measure S tax balances. The contact also included an email to the permit holder of record. The notice required the permit holder to pay all outstanding fees with the Planning and Building Department and, at minimum, start a payment plan regarding Measure S with the Humboldt County Tax Collector. A date of March 31, 2024, was given to complete this, or revocation could follow. On May 3, 2024, a letter was sent to the permit holder notifying them that their permit was in Suspension. The outstanding balance of \$15,975.26 for Measure S taxes has not been paid and a payment plan has not been entered into.

9. PLN-10424-SP, 4th Gen Family Farms Humboldt: Special Permit for operating an existing 10,000 square foot mix light and outdoor commercial medical cannabis cultivation on APN 209-321-007.

On Jan. 9, 2024, the permit holder was sent a letter regarding any potential outstanding fees and Measure S tax balances. The contact also included an email to the permit holder of record. The notice required the permit holder to pay all outstanding fees with the Planning and Building Department and, at minimum, start a payment plan regarding Measure S with the Humboldt County Tax Collector. A date of March 31, 2024, was given to complete this, or revocation could follow. On May 3, 2024, a letter was sent to the permit holder notifying them that their permit was in Suspension. The outstanding balance of \$35,872.50 for Measure S taxes has not been paid and a payment plan has not been entered into. This farm was a recipient of Trellis funds

SOURCE OF FUNDING:

There is no identified funding source for this action. This is funded by the General Fund Contribution to department operations. To date, the unpaid Measure S taxes for these nine permits totals \$222,155.02

FINANCIAL IMPACT:

No funds have been identified to cover the costs of processing this revocation

OTHER AGENCY INVOLVEMENT:

Humboldt County Tax Collector

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to revoke the Permits. The Planning and Building Department does not recommend this because of the continued cost of permitting and inspections and the potential continued loss of tax funds and operator fees.

ATTACHMENTS:

NOTE: The attachments supporting this report have been provided to the Board of Supervisors; copies are available for review in the Clerk of the Board's Office.

1. PLN-2020-16141 Resolution No. 25-__
2. PLN-12806-SP Resolution No. 25-__
3. PLN-12776-SP Resolution No. 25-__
4. PLN-12756-ZCC Resolution No. 25-__
5. PLN-12488-SP Resolution No. 25-__
6. PLN-12042-SP Resolution No. 25-__
7. PLN-11582-CUP Resolution No. 25-__
8. PLN-11402-CUP Resolution No. 25-__
9. PLN-10424-SP Resolution No. 25-__

PREVIOUS ACTION/REFERRAL:

Meeting of: N/A

File No.: N/A