



COUNTY OF HUMBOLDT

For the meeting of: 2/10/2026

File #: 26-88

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Adoption of an Ordinance Repealing Measure S Cannabis Cultivation Tax

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the ordinance (Attachment 1) repealing the Measure S Cannabis Cultivation Tax.

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:

On Jan. 27, 2026, your Board introduce the above-reference ordinance for adoption with a directive to the Clerk of the Board to publish a pre-adoption summary of the ordinance and set the ordinance for adoption on Feb. 10, 2026. The recommended action will complete adoption of the ordinance and result in the publication of a post-adoption summary.

SOURCE OF FUNDING:

General Fund

FINANCIAL IMPACT:

<i>Expenditures (Fund, Budget Unit)</i>	FY25-26	FY26-27 Projected*	FY27-28 Projected*
<i>Budgeted Expenses</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Additional Appropriation Requested</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Total Expenditures</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

*Projected amounts are estimates and are subject to change.

<i>Funding Sources (Fund, Budget Unit)</i>	FY25-26	FY26-27 Projected*	FY27-28 Projected*
<i>General Fund</i>	<u>\$335,000</u>	<u>\$0</u>	<u>\$0</u>
<i>Fees/Other</i>	<u>(\$100,000)</u>	<u>\$0</u>	<u>\$0</u>
<i>Total Funding Sources</i>	<u>\$225,000</u>	<u>\$0</u>	<u>\$0</u>

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

This ordinance eliminates future Measure S cannabis cultivation tax revenue beginning with cultivation year 2026 (taxes due in 2027 and beyond). The Board already suspended the tax for cultivation year 2025 (taxes due in 2026) at the Nov. 12, 2024, meeting.

Outstanding tax obligations totaling approximately \$12.5 million remain collectible:

- \$11.45 million in past due balances from prior years
- \$1.052 million from the current tax year (cultivation year 2024/tax year 2025)

The elimination of the Measure S tax will reduce the ongoing staff expense of approximately \$8,000 annually related to confirming square footage for taxation purposes. In recent years, Measure S has generated minimal revenue compared to administrative costs, and staff have not been budgeting for Measure S revenues.

STAFFING IMPACT:

Narrative Explanation of Staffing Impact:

Repealing Measure S eliminates annual staff time currently spent on preparing base data for cannabis cultivation taxes. This will allow the Planning and Building Department's staff to focus on other priorities. The Treasurer-Tax Collector's office will continue collection efforts on outstanding tax obligations but will not need to process new Measure S billings beginning with cultivation year 2026.

OTHER AGENCY INVOLVEMENT:

Planning and Building Department, Treasurer-Tax Collector, County Counsel

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to adopt this ordinance, which would leave Measure S tax rates in place at their current levels. However, this would be inconsistent with the Board's Oct. 28, 2025, direction to repeal Measure S. The Board could also choose to delay adoption to gather additional information, though the administrative challenges and limited revenue generation discussed in the Oct. 28, 2025, staff report would remain.

ATTACHMENTS:

1. Ordinance repealing Measure S Cannabis Excise Tax
2. Humboldt County Code Chapter 719 as Amended
3. Post-Adoption Publication Summary

PREVIOUS ACTION/REFERRAL:

Meeting of: Jan. 27, 2026

File No.: 26-54