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October 5, 2020

Dear Board of Supervisors,

I am writing as I understand the board will be reviewing proposed amendments to the financial security ordinance tomorrow. I hope you will consider this letter of strong opposition of the proposed amendments to the financial security ordinance which would require paid security bonds from legal cannabis farmers in order to ensure payment of excise taxes.

I am a legally permitted operator, and also own another business which works to support our legacy farms through compliance with the long-term mission to bolster our local economy.

While the excise tax is necessary, I cannot believe the additional financial and compliance burden of bonds specific to the excise tax would work in any way to support our permit holders, or really to support the county's efforts in collecting taxes. There are current late penalties in place, which are substantial. It is my understanding; the majority of permit holders do indeed pay their taxes and should not be punished by the few who remain outstanding. Most of our operators are extremely hard working, and all of our permit holders show exemplary standards on getting on the right side of the fence for themselves, the industry, and our county. Humboldt has long been a cannabis leader, this is shown through our early adoption of our ordinance and folks in the fields working to bring quality product to market. With the amount of foresight the county has shown in leading this industry it seems in stark contrast to place a bond requirement on operators already in good standing. Perhaps those who do not make payments on time should be the ones that are required to hold a bond, if absolutely necessary. Otherwise, if bonds are required I highly recommend lowering the late payment fees, which are unbelievably high. Many folks have invested everything into their businesses, and at this time another financial hurdle will only hurt our emerging compliant industry. Please consider letting operators invest instead in meeting their condition requirements (often in the hundreds of thousands of dollars), and the many other cross-agency requirements they must achieve in order to stay in business. As a county, we should continue to prioritize leadership and understanding by identifying ways to further grant support rather than issuing more obstacles for the sustainability of this industry and our economy.

Thank you for your time and work.

Respectfully,

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