



# County of Santa Barbara BOARD OF SUPERVISORS

## Minute Order

May 14, 2024

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**Present:** 5 - Supervisor Williams, Supervisor Capps, Supervisor Hartmann, Supervisor Nelson, and Supervisor Lavagnino

COUNTY EXECUTIVE OFFICE

File Reference No. 24-00484

**RE:** HEARING - Consider recommendations regarding Cannabis Cultivation Taxation Options, as follows: (EST. TIME: 1 HR. 30 MIN.)

a) Consider two alternative methods for cannabis taxation for cultivation:

i) Option 1: Square foot tax rate with a minimum Base Tax Rate and Activity Tax Rate; or

ii) Option 2: Hybrid structure of Gross Receipts Tax Rate with a minimum Base Tax Rate based on square footage;

iii) Direct staff to return on June 25, 2024 with a Taxation Ordinance and ballot measure for cannabis operations for the November 2024 General Election ballot; and

iv) Direct staff to incorporate ballot language to allow for flexibility to adjust square footage tax rates at the Board's discretion without returning to the voters; OR

b) Take no action and maintain the current gross receipts taxation method; and

c) Determine that pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(5) the above actions are not a project subject to CEQA review because they are administrative activities that will not result in direct or indirect physical changes in the environment.

COUNTY EXECUTIVE OFFICER'S RECOMMENDATION: POLICY

HEARING TIME: 9:52 AM - 1:27 AM (3 HR. 35 MIN.)



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Michael Palmer, Micah Anderson, Kevin Wilson, Mario de la Piedra, Peter Dugre, Amy Steinfeld, Todd Mehl, Teddy Cabugos, Grant Trexler addressed the Board.

Received and filed staff presentation and conducted a public hearing.

A motion was made by Supervisor Hartmann, seconded by Supervisor Capps, that this matter be acted on as follows:

a) i) No action taken;

a) ii) Approved Option 2, as follows: (1) Hybrid Structure with an Activity Tax Rate based on state licensed square footage and gross receipts rate, with cultivators paying the greater of the two; (2) Activity rate applies to areas where activity occurring, defined as transfers; (3) Base Activity Rate: \$.10 for outdoor and \$1.00 for non-outdoor; (4) Cap Activity Rate: \$.75 for outdoor and \$2.50 for non-outdoor; (5) Amendments may be made by the Board of Supervisors biennially following implementation, requiring a 4/5ths majority vote;

a) iii) and iv) Directed;

b) No action taken; and

c) Approved.

The motion carried by the following vote:

**Ayes:** 4 - Supervisor Williams, Supervisor Capps, Supervisor Hartmann, and Supervisor Nelson

**Noes:** 1 - Supervisor Lavagnino