

ATTACHMENT A

Cannabis Taxation, Compliance, and Enforcement

FOURTH QUARTER

FISCAL YEAR 2023-2024

CANNABIS TAXES

Table 1 provides a comparison of fourth quarter tax revenue data received from the Treasurer Tax-Collector's Office for this fiscal year versus the last three fiscal years. Cannabis tax revenue totaled \$1.8 million for the fourth quarter reporting period of fiscal year 2023-24 (taxes collected as of July 31, 2024, for the period April 1 to June 30, 2024). The County collected a total of \$5.8 million in cannabis tax revenue for fiscal year 2023-24.

TABLE 1. CANNABIS TAXES – REVENUES

Fourth Quarter	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Taxes Paid (M)	\$3.8M	\$2.4M	\$2.0M	\$1.8M

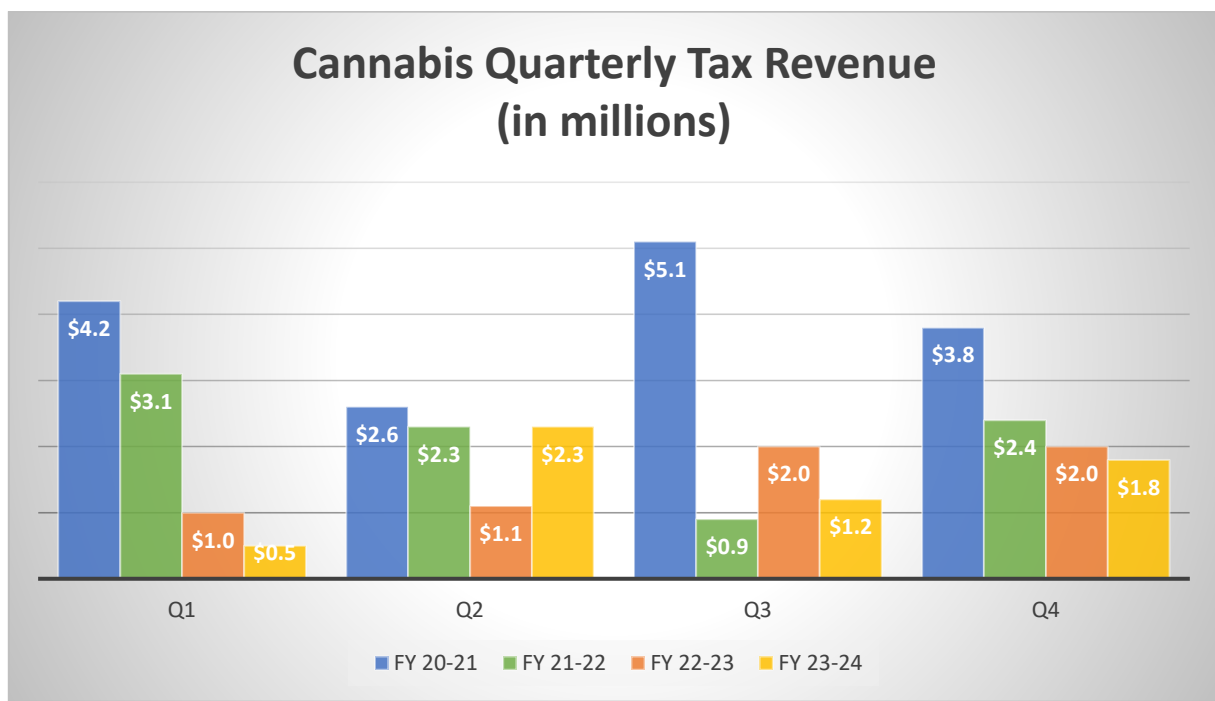


FIGURE 1. TAX REVENUE COMPARISON FY 20-21 TO 23-24 BY QUARTER

TABLE 2. CANNABIS TAXES – REPORTING

Time Frame	Tax Revenue Received	Operators that Did Not Report	Number of Operators Reporting Gross Receipts	Number of Operators Reporting Zero Gross Receipts	Total Number of Operations
FY 23-24 Q4	\$1.8M	5	40	11	56

The 5 operators that did not report are not currently in operation; they do hold active State licenses that will expire this year and their County business licenses will not be renewed.

CANNABIS COMPLIANCE: LAND USE ENTITLEMENT PERMITS

As of July 10, 2024, P&D has approved 170.28 acres of cannabis cultivation within the Carpinteria Agricultural Overlay Area and 1,760.81 acres of cannabis cultivation within the remaining unincorporated area. Of those approved acres, 148.58 acres within the Carpinteria Agricultural Overlay Area and 1,019.17 acres in the remaining unincorporated area have been permitted with an issued land use entitlement. The table below summarizes the amount of acreage that has been applied for, and the amount of acreage that has been approved and permitted as of July 10, 2024, through the land use entitlement process.

TABLE 3. ACREAGE CAP STATUS BY AREA – LAND USE ENTITLEMENT PROCESS

	Acreage Cap	Submitted Permit Acreage¹	Approved Permit Acreage^{2,4}	Issued Permit Acreage³
Carpinteria Agricultural Overlay	186	196.39	170.28	148.58
Remaining Unincorporated Area	1,575	2,465.39	1,760.81	1,019.17

1. Submitted permit acreage can fluctuate based on project redesigns or changes to proposed cultivation areas.
2. An applicant may apply for a business license upon approval of their land use entitlement.
3. The “Issued Permit Acreage” is a subset of the “Approved Permit Acreage”. A land use entitlement can only be issued after it has been approved.
4. The approved acreage can fluctuate down from previous quarterly data due to changes to approved projects during the appeal process or when a project is withdrawn after approval.

To date, P&D has received 97 unique appeals of 64 cannabis projects. Of the 97 appeals received, 93 have been withdrawn, closed, or action has been taken by the decision maker. P&D is currently processing three unique appeals of three cannabis projects which are on appeal to the County Planning Commission and Board of Supervisors.

TABLE 4. STATUS OF CANNABIS APPEALS

CURRENT APPEAL TOTALS	
Number of Cannabis Projects on Appeal to Planning Commission	2
Number of Cannabis Projects on Appeal to Board of Supervisors	1
Total Number of Cannabis Projects Currently on Appeal	3

CANNABIS COMPLIANCE: COUNTY BUSINESS LICENSING

TABLE 5. CANNABIS BUSINESS LICENSES – ACTIVE

	Unincorporated	Carpinteria	Total
Cultivator	21	22	43
Nursery	14	14	29
Manufacturer	0	1	1
Retail Non-Storefront	0	0	0
Retail Storefront	2	0	2
Distributor	0	4	4
Total	37	41	78

There are 78 cannabis business licenses that have been issued or are in the renewal process. Twenty-six licenses were issued in fiscal year 2023-24. Of this number, 23 were renewal licenses reflecting 12 operations and 3 were new licenses reflective of one newly licensed operation. The program has 45 total operators representing 78 total cannabis business licenses. Additionally, 3 initial applicants withdrew, and 3 licensed operators surrendered their license.

TABLE 6. CANNABIS BUSINESS LICENSES PENDING – INITIAL APPLICATIONS

	Unincorporated	Carpinteria	Total
Cultivator	23	11	34
Nursery	9	8	17
Manufacturer	0	0	0
Retail Non-Storefront	1	0	1
Retail Storefront	2	0	2
Distributor	1	1	2
Total	36	20	56

TABLE 7. CANNABIS BUSINESS LICENSE & APPLICATION WITHDRAWALS

FY2023-24 Q4 WITHDRAWAL TOTALS	
Number of Cannabis Business License Applications Withdrawn	3
Number of Cannabis Business Licenses Surrendered	3
Total Number of Cannabis Business License/Application Withdrawals	6

CANNABIS ENFORCEMENT

TABLE 8. CANNABIS ENFORCEMENT ACTIVITIES

	FY 21-22			FY 22-23			FY 23-24		
	Q2	Q3	Q4	Q2	Q3	Q4	Q2	Q3	Q4
# of Enforcement Actions	7	4	6	5	6	4	5	4	5
# Live Plants Confiscated	9,886	78	1,701	1,969	0	554	N/A	1,259	423
Live Plant Value \$\$	\$4.9M	\$38.6K	\$842K	\$974K	0	\$274K	N/A	\$624K	\$140K
Dried Product Confiscated (lbs.)	2,313	41	9	586	2,657	20	303	259	271
Dried Product Value \$\$	\$2.3M	\$40.7K	\$13.5K	\$664.5K	\$3.4M	\$35K	\$304.5K	\$261K	\$180K