

APPENDIX A

Cannabis Taxation, Compliance, and Enforcement

FOURTH QUARTER

FISCAL YEAR 2020/2021

CANNABIS TAXES

Table 1 provides a comparison of operator reporting statistics and tax revenue data received from the Treasurer Tax-Collector's Office for this fiscal year versus last fiscal year.

TABLE 1. CANNABIS TAXES – REPORTING AND REVENUES

Time Frame	Tax Revenue Received	Operators Reporting Gross Receipts	Operators Reporting Zero Gross Receipts*	Operators that Did Not Report	Operator Totals
FY19-20 Q1	\$2.8M	34	34	22	90
FY19-20 Q2	\$2.0M	43	48	15	106
FY19-20 Q3	\$1.9M	46	44	23	113
FY 19-20 Q4	\$5.5M	50	43	25	118
FY 19-20 Total	\$12.2M				
FY 20-21 Q1	\$4.2M	54	38	29	121
FY 20-21 Q2	\$2.6M	56	37	25	118
FY 20-21 Q3	\$5.1M	59	41	18	118
FY 20-21 Q4	\$3.8M	58	43	11**	112
FY 20-21 Total	\$15.7M				

*The reasons for reporting zero gross receipts are varied. This number is a combination of both nursery and cultivation licenses. A few of these operators are new, submitted reports but did not have any gross receipts to report as of June 30. Others report gross receipts in cultivation but none in nursery or report in nursery but zero gross receipts in cultivation.

** Operators hold multiple licenses and this number does not represent unique operators that did not report. This number continues to decrease as staff follows up on duplicate entries and clean up on the state licensing side. Staff will coordinate with the Treasurer-Tax Collector in taking appropriate action against these operators as necessary.

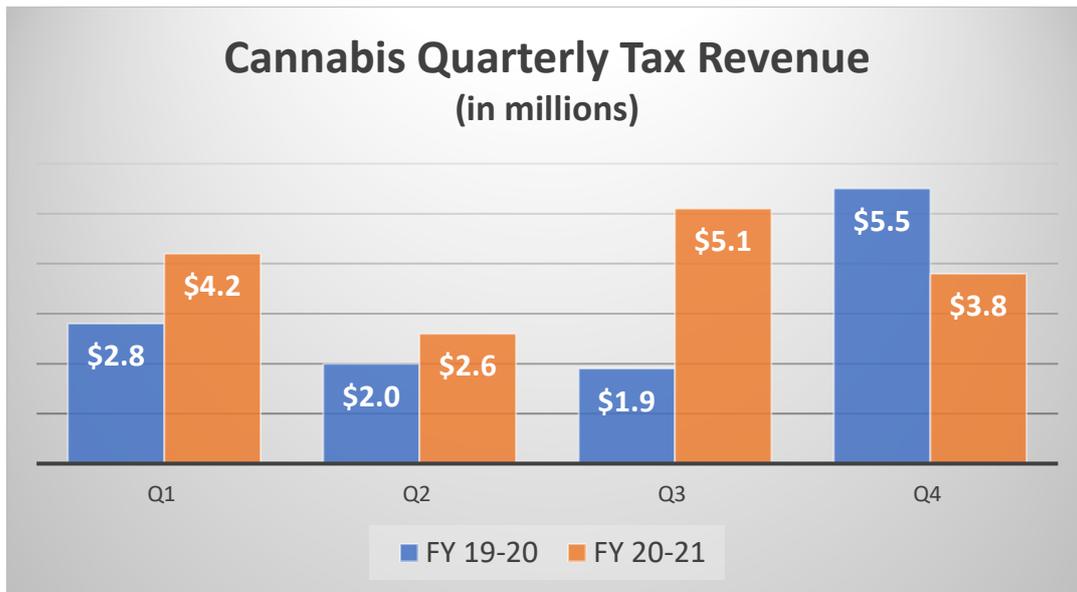


FIGURE 1. TAX REVENUE COMPARISON FY 19-20 TO 20-21 BY QUARTER

CANNABIS COMPLIANCE: LAND USE ENTITLEMENT PERMITS

To-date, P&D received 181 projects. Of the 181 projects, a total of 30 were withdrawn or closed through the course of review. Of the remaining 151 projects, P&D has taken action on 69 projects as follows: 34 projects received issued permits, 22 projects are approved and are pending issuance, 12 projects are currently on appeal, and one project was denied. The 69 actions taken reflect the initial decision-maker action and do not include *de novo* actions taken on appeal. A total of 51 appeal applications have been filed for 35 projects. The number of appeals exceeds the number of projects because projects can be appealed after each decision-maker action or can be appealed by more than one aggrieved party. Of the 35 projects that were appealed, 12 projects have been resolved, 11 project appeals have been withdrawn, and 12 are currently going through the appeal process.

Table 2 summarizes the number of cannabis-related project applications submitted to the Planning and Development Department (P&D) from the start of the cannabis program to the end of the fourth quarter for FY20-21. The table below reflects the total number of projects, regardless of the number of individual permits as some projects include multiple permit types.

TABLE 2. CANNABIS-RELATED PROJECTS IN PROCESS WITH PLANNING & DEVELOPMENT

Q4 Numbers	
New Projects Submitted in Q4	
- Carp-Ag Overlay	0
- Other Coastal (Goleta Valley)	1
- Inland	4
TOTAL	5
Projects/Permits Approved, Appealed, or Issued in Q4	
- Projects Approved	7
- Projects Appealed*	2
- Permits Issued**	8

* Count includes all appeals received during Q4, even if the project that was appealed was approved in a previous quarter.

** Permits issued in Q4 represent projects that have been approved in Q4 or previous quarters but have now satisfied all "prior to permit issuance" requirements.

CUMULATIVE TOTALS	
Projects	
- Carp-Ag Overlay	40
- Other Coastal (Goleta Valley)	3
- Inland	<u>138</u>
TOTAL	181
Appeals	
Appeals Withdrawn	11
Appeals Resolved	12
Currently on Appeal	<u>12</u>
TOTAL	35
Summary Of Actions	
Projects Withdrawn/Closed (No Action)	30
Project Actions Taken	69
- Denied (Final Action)	1
- Issued (Final Action)*	34
- Pending Issuance**	22
- Currently on Appeal	12
Pending Action/Under Review	<u>82</u>
TOTAL	181

**Projects under the "issued" category have completed the land use entitlement process (including appeals) and the permit has been issued. No further action is needed.*

*** Projects under the "pending issuance" category have completed the land use entitlement process but have outstanding items due prior to permit issuance or are still in appeal period.*

ACREAGE CAPS

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 August 24, 2021 through the land use entitlement process.

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

	Acreage Cap	Submitted Permit Acreage*	Approved Permit Acreage*	Issued Permit Acreage
Carpinteria Agricultural Overlay	186	221.61	82.21	46.32
Remaining Unincorporated Area	1,575	3,120.88	1,391.57	502.15

**Submitted permit acreage can fluctuate based on project redesigns or changes to proposed cultivation areas*

***Once a permit is approved the applicant may apply for a business license.*

TABLE 4. ELIGIBILITY LIST FOR ACREAGE CAP

Updated: 8/27/21

Rank	Operator	Address	Date Placed on List	Acreage Requested	Acreage Issued	Acreage left in cap
CARPINTERIA AGRICULTURAL OVERLAY DISTRICT						186
1	Olivella, Inc	4488 Foothill Rd, Carpinteria, 93013	04/15/20	0.03	0.03	185.97
2	G&K Produce/K&G Produce	3561 Foothill Rd, Carpinteria 93013	10/01/19	8.17	8.17	177.80
3	Farmlane, Inc	1540 Cravens Ln, Carpinteria, 93013	11/20/19	5.60	Pending	172.20
4	Ednigma, Inc	3684 Via Real, Carpinteria, 93103	04/22/21	3.80	Pending	168.40
5	Emmawood B1, LLC	5888 Via Real, Carpinteria, 93013	06/14/21	7.95	Pending	160.45
6	CAS Road Investments, LLC	1530 Casitas Pass Road, Carpinteria, 93103	06/24/21	4.73	Pending	155.72
7	Bosim 1628 Management Company, LLC	1628 Cravens Ln., Carpinteria, 93013	06/25/21	5.63	Pending	150.09
8	Farmlane, Inc	1400 Cravens Ln, Carpinteria, 93013	06/28/21	8.90	Pending	141.19
9	Twisted Roots, Inc	3798 Via Real, Carpinteria, 93103	06/29/21	0.43	Pending	140.76
10	CP1 Supply Systems, Inc	4505 Foothill Rd, Carpinteria, 93013	07/15/21	4.76	Pending	136.00
11	Autumn Brands, LLC	3615 Foothill Rd, Carpinteria, 93103	08/06/21	6.19	Pending	129.81

Updated: 8/27/21

Rank	Operator	Address	Date Placed on List	District	Acreage Requested	Acreage Issued in License	Acreage left in cap
REMAINING UNINCORPORATED AREA							1,575
1	Healy & Associates, LLC	2900 Hwy 135, Los Alamos, 93440	09/27/19	4	39.60	39.60	1,535.40
2	Cuyama Ventures, LLC	5925 Hwy 166, Cuyama, 93212	10/03/19	1	0.23	0.23	1,535.17
3	Sierra Botanicals, LLC	1999 Hwy 101, Buellton, 93427	10/03/19	3	3.50	3.50	1,531.67
4	Chips 18, Inc	3700 Hwy 135, Los Alamos, 93440	10/07/19	4	60.00	60.00	1,471.67
5	HBF, LLC	510 Hwy 101, Buellton, 93427	10/22/19	3	7.00	Pending	1,464.67
6	Busy Bee's Organics, Inc	1180 W Hwy 246, Buellton, 93427	10/22/19	3	22.33	22.33	1,442.34
7	Central Coast Chronic, LLC	3100 Drum Canyon Rd, Lompoc, 93436	12/23/19	3	15.85	Pending	1,426.49
8	Sunset Point Nursery	9676 Harvest Rd, Los Alamos, 93440	04/16/20	3	7.10	7.10	1,419.39
9	EVO Gardens, LLC	2300 Santa Barbara Canyon Rd, Ventucopa, 93252	05/22/20	1	2.06	Pending	1,417.33
10	TSBC Ranch, LLC	2500 Artesia Ave, Lompoc, 93436	06/16/20	3	14.64	14.64	1,402.69
11	Fields, LLC	2460 Hwy 135, Los Alamos, 93440	06/17/20	4	49.00	49.00	1,353.69
12	Castlerock Family Farms II, LLC	2200 W Hwy 246, Buellton, 93427	08/28/20	3	22.95	Pending	1,330.74
13	Santa Barbara Westcoast Farms, LLC	1800 HWY 246, Buellton 93427	05/13/21	3	50.12	50.12	1,280.62
14	San Antonio Ranch 101, LLC	2051 N Hwy 101, Buellton, 93427	05/13/21	3	4.62	Pending	1,276.00
15	Santa Barbara's Finest, LLC	9676 Harvest Rd, Los Alamos, 93440	05/14/21	3	8.69	8.69	1,267.31
16	Chips 18, Inc (modification)	3700 State Hwy 135, Los Alamos, 93455	05/18/21	4	0.29	Pending	1,267.02
17	Central Coast Ag Farming, LLC	5645 Santa Rosa Rd, Lompoc, 93436	05/18/21	4	24.45	Pending	1,242.57
18	Central Coast Ag Farming, LLC	8701 Santa Rosa Rd, Buellton, 93427	05/18/21	3	29.78	Pending	1,212.79
19	Cuyama Farms, LLC	2225 Foothill Rd, Cuyama, 93254	06/15/21	1	34.70	Pending	1,178.09
20	Organic Liberty Santa Barbara, LLC	5665 Campbell Rd, Lompoc 93436	06/16/21	4	42.00	Pending	1,136.09
21	Greenies Management, LLC	801 E Hwy 246, Lompoc, 93436	06/29/21	4	4.93	Pending	1,131.16
22	Heavenly Green, Inc	4301 Dominion Rd, Santa Maria 93455	06/29/21	4	37.00	Pending	1,094.16
23	Alamos Farm, Inc	9676 Harvest Rd, Los Alamos, 93440	07/01/21	3	8.56	Pending	1,085.60

Rank	Operator	Address	Date Placed on List	District	Acreage Requested	Acreage Issued in License	Acreage left in cap
24	Canyon Produce, LLC	795 Hwy 135, Los Alamos, 93440	07/06/21	4	62.47	Pending	1,023.13
25	Canna Rios, LLC	4651 Santa Maria Mesa Rd, Santa Maria 93454	07/06/21	5	48.18	Pending	974.95
26	Clean and Clear, LLC	2140 Sweeney Rd, Lompoc, 93436	07/14/21	4	14.85	Pending	960.10
27	Rancho Riviera, Inc	12750 Calle Real, Goleta, 93117	07/15/21	3	4.09	Pending	956.01
28	Xotics, LLC	1499 Hwy 246, Lompoc, 93436	07/15/21	4	4.73	Pending	951.28
29	BDZ, Inc	7369 Hwy 246, Lompoc, 93436	07/23/21	3	40.00	Pending	911.28
30	Villa Americana, Inc	125 N Refugio Rd, Santa Ynez, 93460	07/23/21	3	6.50	Pending	904.78
31	La Hoya Creek Farms	3625 Jalama Road, Lompoc, CA, 93436	07/27/21	3	1.00	Pending	903.78
32	Gypsy Canyon Farms, Inc.	3200 Gypsy Canyon Rd, Lompoc, CA 93436	08/11/21	4	10.21	Pending	893.57
33	Chips19 LLC	7855 Careaga Ranch Rd., Los Alamos, CA 93440	08/17/21	4	45.18	Pending	848.39
33	Cuyama Foothill Road Farm	2011 Foothill Rd., Cuyama, CA 93254	08/19/21	1	91.49	Pending	756.90
34	SBC Farms, LLC	1051 Foothill Rd & 1150 Foothill Rd, Maricopa 93252	08/19/21	1	167.28	Pending	589.62

*Pending status indicates that a business license has not yet been issued

CANNABIS COMPLIANCE: COUNTY BUSINESS LICENSING

TABLE 5. CANNABIS BUSINESS LICENSES ISSUED AND PENDING

	Business Licenses Issued thru <u>FY20-21 Q1</u>	Business Licenses Issued thru <u>FY20-21 Q2</u>	Business Licenses Issued thru <u>FY20-21 Q3</u>	Business Licenses Issued thru <u>FY20-21 Q4</u>	Business Licenses Pending thru <u>FY20-21 Q4</u>	Total Applications Rec'd thru <u>FY20-21 Q4</u>
Cultivator	10	11	12	13	58	71
Nursery	7	8	9	10	29	39
Manufacturer	0	0	0	0	0	0
Retail Non-Storefront	1	1	1	1	2	3
Distributor	0	0	0	0	10	10
Totals	18	20	22	24	99	123

CANNABIS ENFORCEMENT

TABLE 6. CANNABIS ENFORCEMENT ACTIVITIES

Fiscal Year 2020 - 2021	Q1	Q2	Q3	Q4
# of Enforcement Actions	5	6	4	9
# Live Plants Confiscated	7,220	64	594	6,975
Live Plant Value \$\$	\$3.6M	\$32K	\$297K	\$4.2M
Dried Product Confiscated (lbs.)	250	180	123	1,615
Dried Product Value \$\$	\$250K	\$315K	\$291K	\$1.9M