

Cannabis Taxation, Permitting, Licensing and Enforcement Report Fourth Quarter - Fiscal Year 2024-25

Board of Supervisors
October 14, 2025



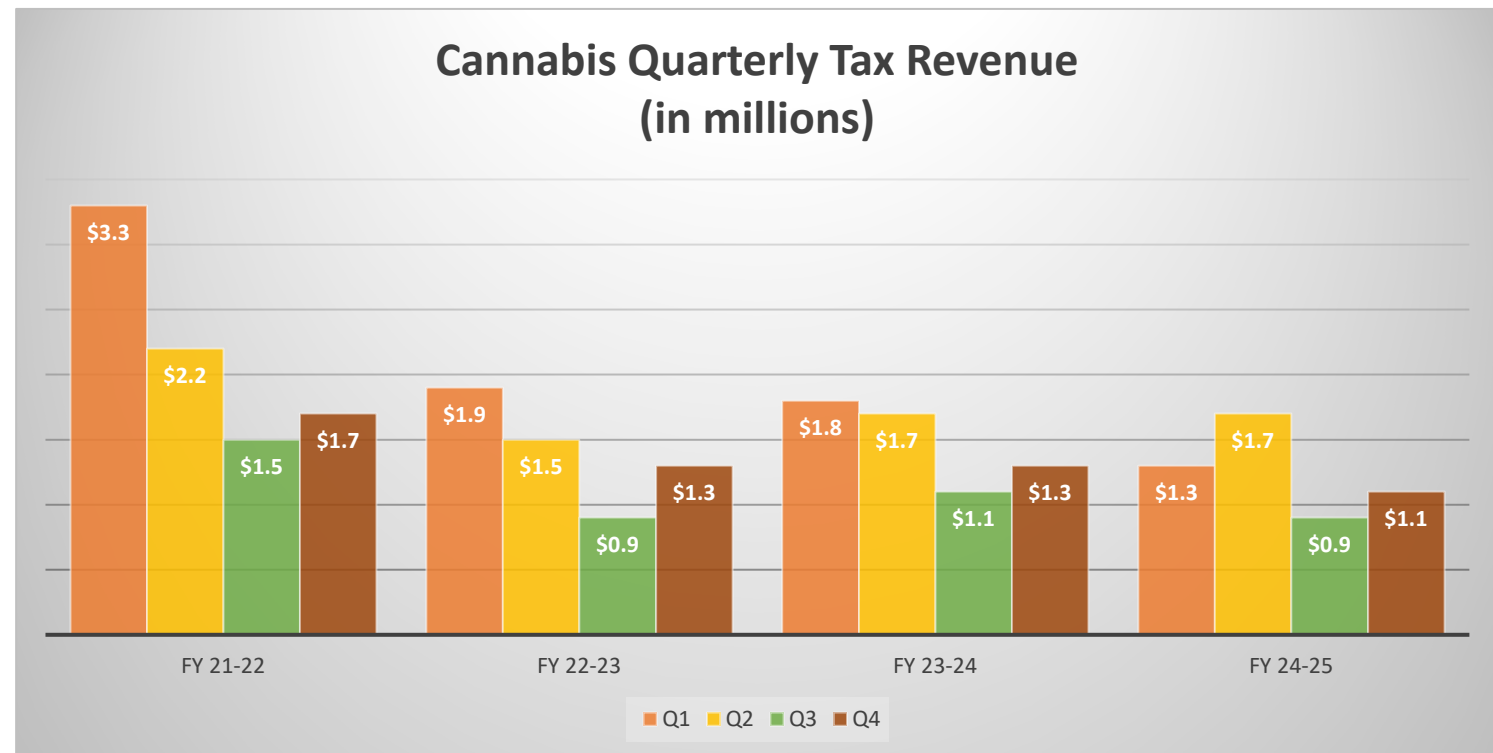
County Executive Office

Context

- Quarterly updates provided to summarize:
 - Tax receipts and compliance
 - Land use permitting and business license activity
 - Enforcement of illegal activity
 - Objectives for the upcoming quarters
- Seek any other board direction regarding the County's cannabis program

Tax Collection and Reporting

- Collected \$1.1M in cannabis gross tax receipts in Q4
- Collections were less than Q4 last year
- FY2024-25 total cannabis revenue is \$5.0M, \$400k below the projected tax revenue of \$5.4M



Indoor vs
Outdoor Tax
Collection

Tax Collection by Operation Type					
FY 2024-2025					
Operation Type	Q1	Q2	Q3	Q4	Total
Non-Cultivation	\$200,965	\$174,509	\$289,524	\$337,006	\$1,002,003
Cultivation Non- Outdoor	\$872,188	\$603,958	\$505,436	\$625,076	\$2,606,658
Cultivation Outdoor	\$260,029	\$922,213	\$75,881	\$108,821	\$1,366,944
	\$1,333,181	\$1,700,680	\$870,841	\$1,070,903	\$4,975,605

Tax Collection and 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 24-25 Q4	<u>\$1.1M</u>	<u>2</u>	<u>33</u>	<u>15</u>	<u>50</u>

- The operators that did not report are not currently in operation; they do not hold active State licenses, one operator surrendered their business license, and the other license was denied.

Land Use Permitting and Licensing

	Submitted Permit Acreage	Approved Permit Acreage	Issued Permit Acreage	Acreage Cap
Carpinteria Agricultural Overlay	1.9	0.00	131.55	134
Remaining Unincorporated Area	52.73	49.97	1,313.72	1,417

CURRENT APPEAL TOTALS	
Number of Cannabis Projects on Appeal to Planning Commission	0
Number of Cannabis Projects on Appeal to Board of Supervisors	1
Total Number of Cannabis Projects Currently on Appeal	1

Odor Abatement

	OAP Submitted; Revisions Required	Filters On-Site; Updated OAP Pending	OAP Not Submitted	Impacted Operators	Affidavit on File
Carpinteria Agricultural Overlay	5	11	10	26	4
Remaining Unincorporated Area	0	0	5	5	3
Totals	5	11	15	31	7

Enforcement of Illegal Activity

	FY 24-25			
	Q1	Q2	Q3	Q4
# of Enforcement Actions	5	6	5	4
# Live Plants Confiscated	94	0	0	685
Live Plant Value \$\$	\$57k	\$0	\$0	\$171k
Dried Product Confiscated (lbs.)	48	65	6	11
Dried Product Value \$\$	\$29k	\$39k	\$3.6k	\$5.5k
Processed Products - Vapes/Edibles/ Prerolls (units)	-	4,706	1,566	0
Processed Products Value	-	\$70k	\$24k	\$0

Objectives for the Upcoming Quarters

- Propose and implement Ch 50 ordinance amendments
 - Consider program efficiencies and reorganization to simplify the issuance of administrative licenses.
- Monitor and coordinate new odor abatement requirement affidavits, extensions and installation deadlines

Recommended Actions

- a) Receive an update on the status of cannabis tax collection, land use permitting, business licensing, and enforcement;
 - b) Provide any other direction to staff regarding the County's cannabis program; and
 - c) Find that the proposed actions are administrative activities of the County, which will not result in direct or indirect changes to the environment and therefore are not a "project" as defined for the purposes of the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15378(b)(5).
-