



CARP  
GROWERS

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May 16, 2022

Honorable Board Members,

CARP Growers is an association of 10 members operating 20 cannabis farm projects in Carpinteria Valley. Since 2018, the organization has been committed to setting the highest standards in cannabis farming and farming in a way that is transparent and accountable to all stakeholders.

We are writing in support of Option 1 - Develop Tax Structure for Cultivation Area by Square Foot. Taxing operators on square footage removes the burden from the county of needing to audit and enforce on self-reported receipts and makes the income predictable with less administrative overhead.

While multiple counties are allowing tax holidays, we understand paying taxes to live and operate in Santa Barbara County is a necessity but encourage a competitive rate to match other counties in the state. Lake County charges \$1/square foot for mixed light cultivation where Mono County charges \$0.50/square foot for outdoor operators. Adopting these taxes in Santa Barbara would increase revenue for the county and allow for both operators and the county to budget on the fixed amount.

The acreage provided in Attachment B of the County report, lists licensed state acreage representing approximately 75% of the county acreage cap. Using those numbers, at \$1 a square foot for mixed light cultivation, the tax generated through mixed light greenhouse cultivation would be around 6.5 million annually. A fifty cent per square foot tax on outdoor cultivation would generate 25 million based on the numbers in staff's proposal for 31.5 million total. In the 2020-21 fiscal year, the county reported collecting \$15.7 million in taxes. Based on those numbers the county would generate over double the revenue currently generating at full production. Should growers choose to fallow their crop or skip a harvest cycle, adjustments to the annual taxes would still generate more than the last fiscal year.

The ease of monitoring, tax compliance and budgeting make this tax option the clear choice for both the county and growers.

Thank you,

  
Terra Stephan, President