

ATTACHMENT A

Cannabis Taxation, Permitting, Licensing, and Enforcement

THIRD QUARTER

FISCAL YEAR 2024-25

CANNABIS TAXES

Table 1 provides a comparison of third quarter tax revenue data received from the Treasurer Tax-Collector's Office for this fiscal year versus the last three fiscal years. Total taxes paid (for the first three quarters of the fiscal year) is \$3.9 million. The revised fiscal year end projection for the full 12 months is \$5.4 million, which is \$700,000 below the adopted budgeted amount of \$6.1 million.

TABLE 1. CANNABIS TAXES – REVENUES

	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Taxes Paid (M) Third Quarter	\$1.5M	\$0.9M	\$1.1M	\$0.9M
Year Total	\$8.7	\$5.6	\$5.9	\$3.9 M* (To Q3)

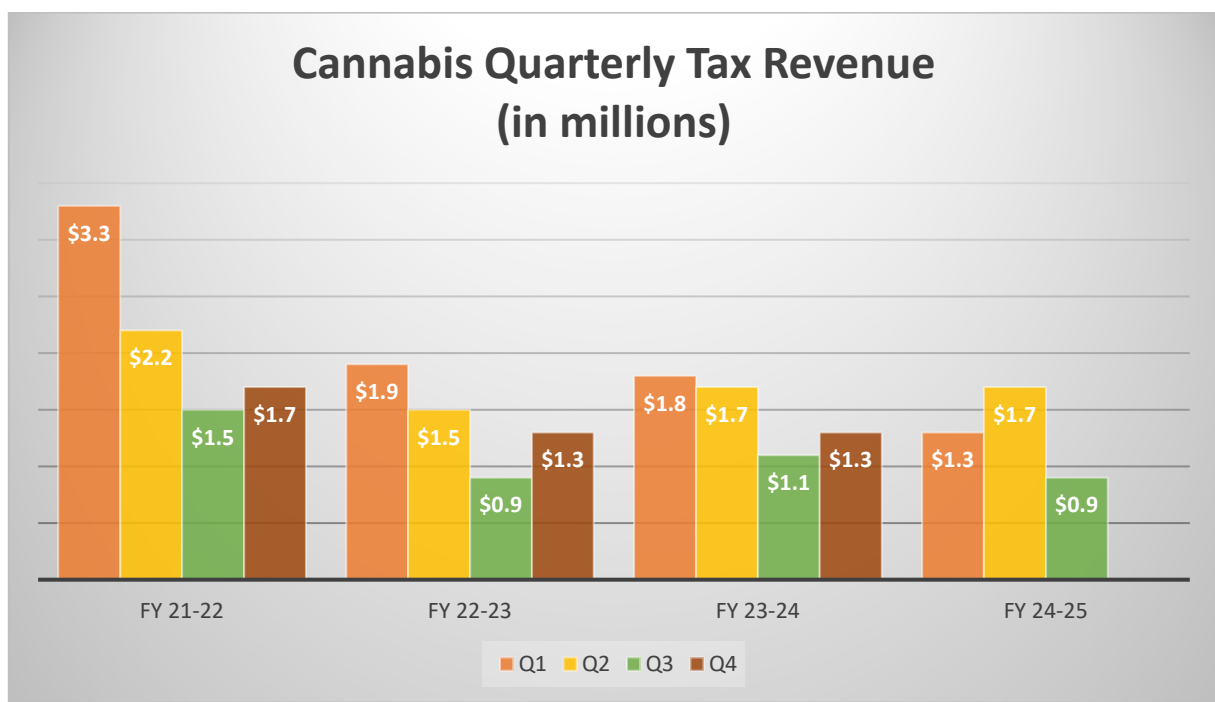


FIGURE 1. TAX REVENUE COMPARISON FY 21-22 TO 24-25 BY QUARTER

Table 2 provides a breakdown of operators required to report their quarterly gross tax receipts. Note that the two operators that did not report are not currently in operation; they do not hold active State licenses or County cannabis business licenses.

TABLE 2. CANNABIS TAXES – OPERATORS REQUIRED TO REPORT

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
FY24-25 Q3	\$0.9M	2	31	18	51

CANNABIS PERMITTING: LAND USE ENTITLEMENT PERMITS

As of May 29, 2025, there are 138.11 acres of cannabis cultivation and processing activities within the Carpinteria Overlay area that are entitled with approved permits, and 1,356.65 acres of cannabis cultivation and processing activities within the remaining Unincorporated area outside of the Carpinteria Overlay that are entitled with approved permits. Of those approved acres, 137.54 acres within the Carpinteria Agricultural Overlay area and 1,189.68 acres in the remaining unincorporated area outside of the Carpinteria Overlay area have been permitted with an issued land use entitlement. The table below summarizes the amount of cultivation and processing acreage that has been applied for, and the amount of cultivation and processing acreage that has been approved and permitted as of May 29, 2025, through the land use entitlement process. These numbers reflect active and/or vested permits and do not include acreage that was proposed under land use entitlement applications that were submitted and then later withdrawn or expired.

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	140.03	138.11	137.54
Remaining Unincorporated Area	1,575	1,410.59	1,356.65	1,189.68

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.

Note: All submitted, approved and issued acreage listed above includes both cultivation and processing acres.

To date, P&D has received 102 unique appeals of 65 cannabis projects. Of the 102 appeals received, 98 have been withdrawn, closed, or action has been taken by the decision maker. There is currently one active appeal to the County Planning Commission, which is the Appeal of the Valley Crest Change in Hours of Operation. The Appeal of the G&K Processing Building Design Review is the only active appeal to the County Board of Supervisors.

TABLE 4. STATUS OF CANNABIS APPEALS

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

CANNABIS LICENSING – COUNTY BUSINESS LICENSING

TABLE 5. CANNABIS BUSINESS LICENSES ISSUED

	Unincorporated	Carpinteria	Total
Cultivator	22	20	42
Nursery	14	14	28
Manufacturer	0	1	1
Retail Non-Storefront	0	0	0
Retail Storefront	3	0	3
Distributor	0	3	3
Total	39	38	77

There are 39 issued cannabis business licenses in the Unincorporated area outside of the Carpinteria Overlay and 38 issued cannabis business licenses in the Carpinteria Overlay area. There are 77 total issued cannabis business licenses in the County.

TABLE 6. INITIAL APPLICATIONS PENDING BY LICENSE TYPE

	Unincorporated	Carpinteria	Total
Cultivator	15	5	20
Nursery	6	4	10
Manufacturer	0	0	0
Retail Non-Storefront	0	0	0
Retail Storefront	1	0	1
Distributor	0	1	1
Total	22	10	32

There are 22 initial applications in the queue in the Unincorporated area outside of the Carpinteria Overlay and 10 initial applications in the Carpinteria Overlay area. There are 32 total initial applications in the queue.

TABLE 7. CANNABIS BUSINESS LICENSE & APPLICATION WITHDRAWALS BY LICENSE TYPE

	Unincorporated (Applications)	Unincorporated (Licenses)	Carpinteria (Applications)	Carpinteria (Licenses)
Cultivator	1	2	4	-
Nursery	1	2	2	-
Manufacturer	-	-	-	-
Retail Non- Storefront	-	-	-	-
Retail Storefront	-	-	1	-
Distributor	-	-	1	-
Total	2	4	8	-

5 initial applicants withdrew their business license applications, representing 10 initial licenses. 2 licensed operators surrendered their cannabis business licenses, representing 4 licenses.

Withdrawn Applicants:

1. 3823 SCL, LLC; 3823 Santa Claus Lane, Carpinteria
2. Flora Coast; 3508 Via Real, Carpinteria
3. Island Breeze; 3376 Foothill Road, Carpinteria
4. Twisted Roots (3508); 3508 Via Real, Carpinteria
5. VR1; 3892 Via Real, Carpinteria

Surrendered Licensees:

1. Hidden Oaks Enterprises, LLC; 5935 Dominion Road, Santa Maria
2. Winchester Canyon, LLC; 222 Winchester Canyon Road, Goleta

CANNABIS ENFORCEMENT

TABLE 8. CANNABIS ENFORCEMENT ACTIVITIES

	FY 22-23				FY 23-24				FY 24-25		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2*	Q3
# of Enforcement Actions	4	5	6	4	5	4	5	5	5	6	5
# Live Plants Confiscated	300	1,969	0	554	0	1,259	423	0	94	0	0
Live Plant Value \$\$	\$148.5K	\$974K	0	\$274K	0	\$624K	\$140K	0	\$57K	\$0	\$0
Dried Product Confiscated (lbs.)	62	586	2,657	20	303	259	271	303	48	65	6
Dried Product Value \$\$	\$77.5K	\$664.5K	\$3.4M	\$35K	\$304.5K	\$261K	\$180K	\$304.5K	\$29K	\$39K	\$3.6K
Processed Products - Vapes/Edibles/Prerolls (units)	-	-	-	-	-	-	-	-	-	4,706	1,566
Processed Products Value	-	-	-	-	-	-	-	-	-	\$70K	\$24K

*Q2 numbers have been revised from the 3.18.25 Q2 Cannabis Update Report.