



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Submitted on:
(COB Stamp)

Department Name: CEO
Department No.: 012
For Agenda Of: June 4, 2024: Set Hearing
June 18, 2024: 1st Reading
July 9, 2024: 2nd Reading
Placement: Set Hearing
Estimated Time: 1 hour 30 minutes on June 18, 2024, Adoption on July 9, 2024
Continued Item: No
If Yes, date from:
Vote Required: Majority to set hearing, 4/5 to put on the ballot

TO: Board of Supervisors

FROM: Department Director(s):
Contact Info:

Mona Miyasato, County Executive Officer
Nancy Anderson, Chief ACEO
Brittany Odermann, Deputy CEO

DocuSigned by:
Mona Miyasato
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SUBJECT: Tax on Cannabis Operations Ordinance for November 2024 General Election Ballot

Concurrences as to Form:

County Counsel – Yes
Treasurer-Tax Collector - Yes

Recommended Actions:

That the Board of Supervisors on June 4, 2024, set a public hearing on the Departmental Agenda for June 18, 2024 to consider the following actions:

On June 18, 2024:

- a) Consider the introduction (First Reading) of an ordinance of the Board of Supervisors of the County of Santa Barbara amending Chapter 50A of the Santa Barbara County Code “Tax on Cannabis Operations” to change the tax on cannabis cultivation in the unincorporated area of the County (“Ordinance”);
- b) Read the title and waive further reading of the Ordinance in full;

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- c) Appoint member(s) of the Board of Supervisors to draft on behalf of the Board an argument in favor of the Tax on Cannabis Operations ballot measure and return to the Board for consideration on July 16, 2024;
- d) Set a hearing on the Administrative Agenda of July 9, 2024 to consider the following actions:

On July 9, 2024:

- a) Consider adoption (Second Reading) of an ordinance of the Board of Supervisors of the County of Santa Barbara amending Chapter 50A of the Santa Barbara County Code ("Tax on Cannabis Operations") to change the tax on cannabis cultivation in the unincorporated area of the County ("Ordinance"); and
- b) Adopt a Resolution submitting the proposed Ordinance and ballot language to change the tax on cannabis cultivation to the electorate for approval, and requesting and ordering consolidation with the November 5, 2024 General Election; and
- c) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(4) of the CEQA Guidelines because they consist of the creation of government funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary:

On May 14, 2024, the Board requested staff to return to the Board on June 18th with proposed ordinance language to revise Chapter 50A, "Tax on Cannabis Operations." The direction included drafting new ordinance language that would change the way cannabis cultivation activity is taxed. The Board directed that the proposed ordinance language include the following:

- hybrid structure of gross receipts tax rate with a minimum activity tax rate based on State licensed square footage
- apply activity rate to licensed square footage where activity occurs, defined as transfers
- set initial activity rate at 10 cents outdoor and \$1.00 non-outdoor
- set a maximum activity rate at \$0.75 outdoor and \$2.50 non-outdoor
- limit Board action to change rates to once every 2 years following implementation by 4/5 vote

A more detailed Board letter with all the necessary attachments will be prepared and provided prior to the June 18, 2024 hearing.

Special Instructions to Clerk of the Board:

The Clerk of the Board is requested to publish notice of the ordinance in accordance with Government Code section 25124.

Authored by:

Brittany Odermann, Deputy CEO

cc: Harry Hagen, Treasurer-Tax Collector