

Ramirez, Angelica

Public Comment - Group 1

#3

From: Ruth Green <rgreen1377@gmail.com>
Sent: Saturday, May 14, 2022 2:09 PM
To: sbcob
Subject: Cannabis tax



Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

Dear Board of Supervisors,
Please vote affirmatively for per square foot taxation used by most counties in California.
Regards,
Ruth Green

Ramirez, Angelica

From: Dennis Patrick <patrickdennis2100@gmail.com>
Sent: Saturday, May 14, 2022 2:10 PM
To: Bob Nelson
Cc: sbcob
Subject: Cannabis Taxation Structure

Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

Dear Bob,

As a long time resident of the Santa Ynez Valley, a rancher and owner/proprietor of Zaca Creek Ranch (2100 US Highway 101 Buellton), I have been greatly disappointed by the failure of the Board of Supervisors to adopt and enforce a reasonable structure for the regulation of cannabis cultivation in Santa Barbara County. I am not opposed in principal to cannabis as a local agricultural product. That said, its regulation should be subject to the same set of reasonable strictures as are applied to other agricultural endeavors. This is especially the case given some of the unique, negative "external effects" of cannabis grows.

It is not my purpose to address here the many ways in which SB's regulation of cannabis could be improved. However, at a bare minimum and as a start, the Board clearly must restructure the taxation scheme, the subject of an upcoming vote. Regardless of the myriad other issues, Santa Barbara's reliance on taxing "reported revenues" is, well, absurd. Besides facilitating fraud, it disincentivizes efficient use of land set aside for marijuana grows. It would seem beyond argument that if we are to set aside substantial acreage for pot and suffer the negative external effects, the residents of the county should at least enjoy the upside of fair and adequate revenue extraction. One wonders what the could possibly motivate a contrary conclusion.

I strongly urge the Board to restructure our cannabis taxation scheme by voting to tax cannabis on the basis of the square footage set aside for that purpose.

Please include these comments in the official record of this upcoming vote.

Dennis Patrick

Ramirez, Angelica

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Dennis Patrick

Ramirez, Angelica

From: Dave Clary <templeclary@gmail.com>
Sent: Sunday, May 15, 2022 8:01 AM
To: sbcob
Cc: Dave Clary; Lil Clary
Subject: Public Comment on Departmental Agenda Item 3 scheduled for hearing on May 17, 2022
Attachments: Public Comment re Item 3 on 5 17 2022 by Dave and Lil Clary.docx

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to the Clerk of the
Santa Barbara County
Board of Supervisors

Please forward the attached public comment to each of the members of the Board of Supervisors and post it on public comments regarding item 3 of the Departmental Agenda for the May 17, 2022 BOS hearing. This is the issue which discusses recommendations for cannabis taxation.

Thank you.

David and Lillian Clary

To the Honorable members of the
Santa Barbara County Board of Supervisors

BOS Hearing Date: May 17, 2022

Re: Item 3 on the Departmental Agenda
Consider Recommendations re Cannabis
Taxation options

Submitted by: David and Lillian Clary
Residents of Tepusquet Canyon (EDRN)
For 25 years and Santa Barbara
County for 41 years

In reviewing the documentation submitted by the County CEO's office and responsible citizens regarding this issue, it appears to us that the best approach to this issue would be to select option i) Develop a Tax Structure by Square Foot. This would provide for a more verifiable tax structure than the self-reporting currently in effect.

Option ii) on the other hand, would suffer the same problem as the current structure as it entails in part, self-reporting. One wonders if there would be a race to the bottom under option ii, with many cannabis cultivators simply selecting the minimum year in year out.

Would it be possible for the Board to set a relatively low square foot tax to reflect the current market conditions with the option of raising it if and when economic conditions merit an increase?

The tax rates set by the other counties cited in the documentation reflect very low to very high square foot tax rates. They are not much help.

One would hope that the cannabis industry would support a high enough tax rate to assure that the County would be able to effectively shut down the illicit cannabis cultivators and dispensaries.

Transparency is a serious problem. It is not clear how any of these options would resolve that issue. County taxation data regarding any of these parties is not available to the general public. In the case of cannabis cultivation, it should be a matter of public record.

The IRS relies on a self-reporting system. A major cannabis cultivator/dispensary owner in San Luis Obispo County has pled guilty to federal income tax evasion for more than 3.4 million dollars. This same individual has had substantial cannabis cultivation sites in Santa Barbara County that increased enormously over about 4 years. Most are now shut down (many are in an EDRN. Another has been abandoned). Has the County tax collector ever attempted to collect taxes on these cultivation sites in the County or investigated tax evasion on his part? I do not believe so. Do you think the rest of us haven't noticed? The system needs to catch these scofflaws and shut them down.

Respectfully submitted,

David and Lillian Clary

Ramirez, Angelica

From: ginbliss@aol.com
Sent: Sunday, May 15, 2022 12:29 PM
To: sbcob; Williams, Das
Subject: Cannabis Tax Options

Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

Dear Supervisors,

We understand that you will be considering reevaluating the cannabis tax structure this Tuesday. We think that that is a very good idea, and support what you are calling "option one" which taxes the operations per square foot versus self-reporting income.

There are many reasons that this option makes the most sense which we are sure that you realize, but we will name them here just to let you know our thinking.

1. It keeps everyone honest.
2. It is easy to check compliance
3. It provides you with easier future budgeting (you can predict the revenue)

Thank you for revisiting this important issue.

Sincerely,

Ginny and Tim Bliss
Carpinteria

Ramirez, Angelica

From: PAUL EKSTROM <paulekstrom@cox.net>
Sent: Sunday, May 15, 2022 3:33 PM
To: sbcob
Subject: Cannabis taxation changes

Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

Dear Clerk of the Board.

Please read my letter to the Supervisors May 17 for the record. For too long, cannabis growers have not paid their fair share of taxes to our county. This is a main reason why there are no odor enforcement officers for Carpinteria Valley and pretty much anywhere else in the county. Santa Barbara County is the only county in California that is on the "honor system" for self reporting income. I support developing a tax structure for cultivation area by the square foot. This would be so much better than the current system. The cannabis industry has too much power in our county and this would help bring better transparency. Thank you, Paul Ekstrom 1489 Manzanita St. Carpinteria, CA 93013

Ramirez, Angelica

From: Anna Carrillo <annacarp@cox.net>
Sent: Sunday, May 15, 2022 5:08 PM
To: sbcob; Hartmann, Joan; Williams, Das; Lavagnino, Steve; Nelson, Bob; Hart, Gregg
Subject: Item #3, Cannabis Taxation Options

Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

To: Board of Supervisors
From: Anna Carrillo
May 14, 2022

I would like to make some comments regarding cannabis taxation options before you today.

1. Relying on operators to self-report their gross receipts is not an accurate method for what may be actually cultivated and processed.
2. If the tax to be paid was based on square footage of the cultivation sites and the processing sites, this would be a much more transparent process.
3. I am disappointed to hear that the state's promised Track and Trace system never materialized as promised.
4. Proposing of annual budgets would be much simpler and more accurate for the County if the expected revenue was already known ahead of time rather than just relying on the self-reporting of gross receipts.
5. If Option 1 were chosen, many residents in the County would be happy to know there now is a more reliable tax base for needed effective enforcement and compliance.
6. I support the Coalition's recommendation of \$3 per square foot for indoor and mixed light canopy and \$1 per square foot for outdoor canopy as appropriate. The tax rates should be written into the ordinance, so the public will know what level of tax revenues can be expected from a vote on this measure. I'm not sure what the processing fee should be.
7. The other 2 options presented will still rely on self-reporting which the county now states does not work.
8. Use the county's definition of cultivated acreage to determine what taxes are to be paid.
9. Please support a simplified method to insure a fair tax revenue stream for budgeting purposes. There's just too much leeway given when operators only self-report their gross receipts.
10. It's important for everyone to know that the tax revenues provide a steady source of income since this was the promise when all the cultivation was permitted.
11. Three years after the first permitted cannabis cultivation site in Carpinteria, many residents are still dealing with the inability of the county to identify the source of the noxious odors, so the whole complaint process is problematic..
12. Please listen to your constituents and protect us, not just the cannabis farmers.

Thank you for your consideration in this matter.

