



County of Santa Cruz

County Administrative Office

701 Ocean Street, Suite 520, Santa Cruz, CA 95060-4073
Phone:(831) 454-2100 Fax:(831) 454-3420 TDD/TTY: call 711
Carlos J. Palacios, County Administrative Officer

Meeting Date: November 7, 2017
Date: October 30, 2017
To: The Board of Supervisors
From: Carlos J. Palacios, County Administrative Officer
Subject: Ordinance To Amend SCCC Chapter 4.06 re: CBT Rates

On October 24, 2017, your Board lowered the cannabis business tax rate for cannabis cultivation business and cannabis manufacturing business. Per the Board's direction, the rates for such business will be lowered to five percent of gross receipts for years 2018 and 2019, then raised to six percent of gross receipts for years 2020 and 2021, then raised to seven percent of gross receipts for year 2022 and thereafter.

Measure K requires that your Board's decision be executed via an ordinance. Accordingly, attached as Exhibit A is a draft ordinance amending County Code Section 4.06.070(C) to enact the changes the Board has ordered. Exhibit B contains a red-lined copy of that section demonstrating the specific language being added.

It is, therefore, RECOMMENDED that your Board adopt the attached ordinance amending County Code Section 4.06.070(C) documenting changes to the cannabis business tax rate for cannabis cultivation business and cannabis manufacturing business, make the recommended CEQA Findings, and instruct staff to place the ordinance on your next available agenda for final adoption.

Submitted by:

Carlos J. Palacios, County Administrative Officer 10/31/2017

Attachments:

- a Exhibit A - Ordinance Amending Section 4.06.070(C)
- b Exhibit B - Section 4.06.070(C) (strikeout-underline copy)