

IMPARTIAL ANALYSIS BY COUNTY COUNSEL  
MEASURE D  
MONO COUNTY CANNABIS BUSINESS TAX  
(A GENERAL TAX)

The Mono County Board of Supervisors proposes “Measure D.” Approval of Measure D would, beginning July 1, 2018, impose a tax on each person engaged in a cannabis business, including cultivation, processing, manufacturing, distribution and sale, within the unincorporated area of Mono County (not within the Town of Mammoth Lakes). The tax would not apply to personal cannabis cultivation as defined in the “Medicinal and Adult Use Cannabis Regulation and Safety Act” or to personal use of cannabis that is specifically exempted from state licensing requirements and meets specified criteria. The details of the proposed tax are contained in Ordinance ORD18-02 of the Mono County Board of Supervisors.

The cannabis business tax would be levied on cultivation based upon square footage of plant canopy (including each level of canopy if plants are grown on stacked shelves) and on other cannabis businesses based on gross receipts.

The tax rates for commercial cultivation are as follows:

- \$2.00 annually per square foot of canopy space in a facility that uses exclusively artificial lighting, capped at \$3.00 through June 30, 2021.
- \$1.50 annually per square foot of canopy space in a facility that uses a combination of natural and supplemental artificial lighting, capped at \$2.50 through June 30, 2021.
- \$.50 annually per square foot of canopy space in a facility that uses no artificial lighting, capped at \$1.50 through June 30, 2021.
- \$.50 annually per square foot of canopy space for any nursery, capped at \$1.00 through June 30, 2021.

On July 1, 2021, and on each following July 1, the maximum annual tax rate per square foot of canopy space would increase by the percentage change between January of the calendar year prior to the increase and January of the calendar year of the increase in the Consumer Price Index (“CPI”) for all urban consumers in the Western Region as published by the United States Government Bureau of Labor Statistics.

The tax on non-cultivation commercial cannabis business activity would be as follows:

- Testing laboratory: 1% of gross receipts, not to exceed 2.5%.
- Retail sales of cannabis as a retailer (dispensary) or non-store front retailer (delivery) or microbusiness (retail sales): 4% of gross receipts, not to exceed 8%.

- Cannabis distribution business: 2% of gross receipts, not to exceed 4%.
- Cannabis manufacturing, processing, or microbusiness (non-retail), or any other type of commercial cannabis business: 2.5% of gross receipts, not to exceed 4%.

The Board of Supervisors may, by ordinance or resolution, increase the tax rates for non-cultivation operations from the minimum percentages stated above to the maximum percentages stated above.

The cannabis business tax is a general tax enacted solely for general governmental purposes of Mono County and not for specific purposes. All of the proceeds from the proposed tax would be placed in Mono County's general fund and be available for any legal County purpose.

A “Yes” vote is a vote to approve the imposition of the tax.

A “No” vote is a vote against imposition of the tax.

The measure requires a simple majority vote for approval.