

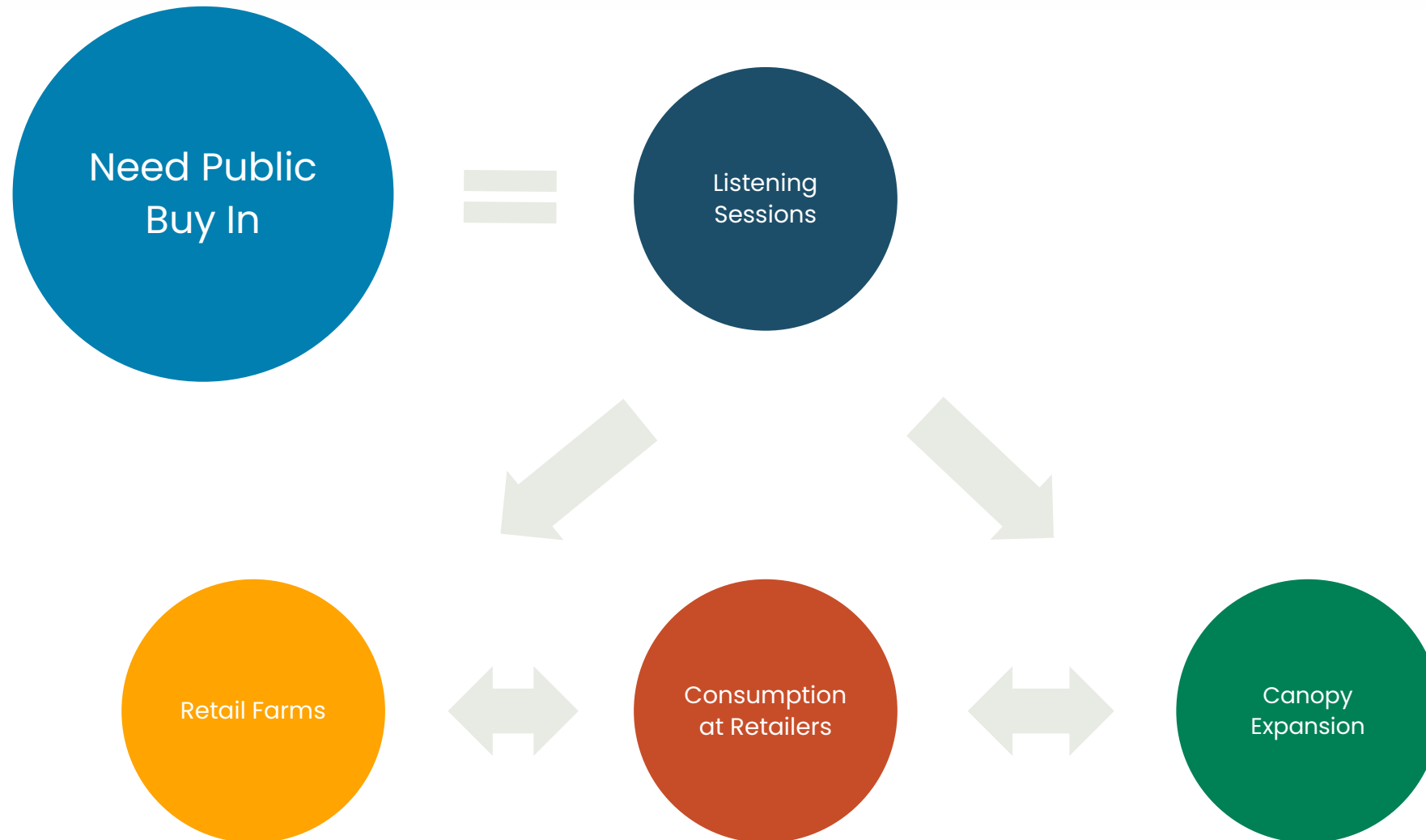


Cannabis Licensing Office

Item 11 Options for Consideration to Allow Cannabis Consumption at Retail Locations and Potential Cannabis Business Tax Revisions

Background

November 14, 2023 Board Meeting



Board Consideration of Listening Sessions

- Staff directed to draft ordinances for Board consideration



Background

October 29, 2024 Board Meeting



Draft consumption ordinance presented to the Board

Board directed staff to:

- Consider ways to extend the opportunity to have consumption lounges in more of the existing retailers.
- Consider ancillary sales.
- Examine CBT sales in retail and lounges, taxation on products consumed in lounges.

**Options for
Consideration
Regarding Locations
for Consumption
Lounges at Retail
Sites**

Option 1- Allow within Existing Retailer or in immediately Adjacent Buildings

All of the existing retailers have adequate space to explore within their existing buildings except 2 in the SLV

Size of lounges would vary

All Building would require retrofits



Option 2 – Allow within Existing Retailer or in Adjacent Buildings & Sites Previously Codified



30 previously codified sites are grouped around Dignity Hospital and Northern 41st Ave

There are 9 potential locations dispersed in Aptos

Option 3 – Allow within Existing Retailers or at Commercial Locations like Restaurants & Bars

Provide the greatest flexibility but could double the retail locations for cannabis purchases

Require changes to land use codes

Could be allowed in the C-1, C-2, C-3, C-4, PA and C-T zones

Require 8-12 months to finalize code changes



Options for Consideration Regarding Cannabis Business Tax Modification

Cannabis Business Tax (CBT) for Lounges

Board of Supervisors has the authority to define cannabis lounges as a separate cannabis business type

- Board may set any tax rate between 0-10% for any cannabis business

CBT on Non-Cannabis Goods

All goods sold by retailers are currently taxed

Defining ancillary goods as those containing cannabis would:

- Exclude non-cannabis goods from having CBT applied

Examples of non-cannabis goods sold at retailers:

- Shirts
- Hats
- Pipes
- Lighters
- Art

Questions on taxes and lounges?

Thank You

