

# MONTEREY COUNTY



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March 15, 2023

Nicole Elliott, Director  
California Department of Cannabis Control (DCC)  
2920 Kilgore Road  
Rancho Cordova, CA 95670

Via email: [Nicole.Elliott@cannabis.ca.gov](mailto:Nicole.Elliott@cannabis.ca.gov)

**RE: Request Emergency Ordinance to Extend the 30-day Renewal Period for Provisional Licenses**

Dear Director Elliott:

On behalf of the County of Monterey Board of Supervisors, I write to request your immediate consideration of an emergency ordinance to extend the 30-day renewal period for provisional licenses to 60-90 days (Section 26013, Business and Professions Code referencing sections 26012 and 260050).

Section 15020, Renewal of License states:

*“(c) A licensee may submit a license renewal form up to 30 calendar days after the license expires. Any late renewal form will be subject to a late fee equal to 50 percent of the applicable licensing fee required by subsection (a). A licensee who does not submit a complete license renewal application, including the late fee, to the Department within 30 calendar days after the expiration of the license shall forfeit their eligibility for a license renewal and be required to submit a new license application.”*

Operators in the County of Monterey currently hold 444 provisional licenses, 223 of which must transition to state licensure in 2023. Although the COVID-19 pandemic contributed to a temporary increase in demand, it was also accompanied by supply chain disruptions that continue to this day and this demand has long since waned. In April 2021, local operators were impacted heavily by the Hop Latent Viroid which significantly affected harvest yields and THC content.

While the State of California commercial cannabis industry has faced challenges with over saturation and a marked decline in wholesale price point since the summer of 2021, small businesses—such as those located within the County of Monterey—are being hit the hardest. They must meet local requirements while competing with the traditional agricultural industry to retain local professionals to complete infrastructure projects. This issue is compounded by the winter storms that have significantly impacted businesses in January and March of 2023.

The County of Monterey's Cannabis Program has worked tirelessly and conducts regular compliance inspections to help ensure that our commercial cannabis operators remain in compliance. The Program diligently administers state and local regulations. Despite extensive and ongoing local tax relief measures, operators have fallen into commercial cannabis business tax delinquency that cannot be overcome given the depressed cannabis market. The Program has had to notify many operators that they must unfortunately cease business operations.

It is for these reasons that we urgently request your consideration of an Emergency Ordinance to extend the 30-day renewal period for provisional licensees to 60-90 days. Should you have any questions, please feel free to contact the County of Monterey's Public Policy Advisor, Ashley Walker of Nossaman LLP at 916-442-8888.

Sincerely,

A handwritten signature in blue ink, appearing to read "Luis A. Alejo".

Luis A. Alejo, Chair  
Monterey County Board of Supervisors

Cc: Hon. Anna Caballero, 14<sup>th</sup> Senate District  
Hon. John Laird, 17<sup>th</sup> Senate District  
Hon. Robert Rivas, 29<sup>th</sup> Assembly District  
Hon. Dawn Addis, 30<sup>th</sup> Assembly District  
California State Association of Counties (CSAC)  
Rural County Representatives of California (RCRC)