



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 12/8/2020

To: Board of Supervisors of Sonoma County

Department or Agency Name(s): Auditor-Controller-Treasurer-Tax Collector

Staff Name and Phone Number: Jennifer Calderon: 565-3232

Vote Requirement: Majority

Supervisorial District(s): All Districts

Title:

Waiver of Penalty and Interest Provisions for Transient Occupancy Tax, Business Improvement Area, and Commercial Cannabis Cultivation and Supply Chain Operators Unable to Pay as a Result of Mandatory Evacuations, and Operators Suffering Structure Damage or Loss as a result of the 2020 Fires ("Fires").

Recommended Action:

1. Approval of the Sonoma County Board of Supervisors to waive Transient Occupancy Tax and Business Improvement Area delinquent penalties and interest for the third and fourth calendar quarters of 2020 for operators suffering structure damage or loss as a result of the Fires; and delegating authority to the ACTTC to extend this waiver under extraordinary circumstances.
2. Approval of the Sonoma County Board of Supervisors to waive Cannabis Business Tax delinquent penalties and interest for the first and second quarters of fiscal year 2020-21 for commercial cannabis cultivation and supply chain operators suffering structure damage or loss as a result of the Fires; and delegating authority to the ACTTC to extend this waiver under extraordinary circumstances.

Executive Summary:

The payment deadline for Transient Occupancy Tax (TOT), Business Improvement Area (BIA) Assessment and Cannabis Business Tax was October 31, 2020 (for the July-September quarter). Due to the impact of the recent 2020 Fires the ACTTC is requesting a temporary waiver of delinquent penalties and interest for operators that suffered damage to structure, business property and/or business records for both the July-September and October-December quarters until April 30th, 2021.

Discussion:

Transient Occupancy Tax/Business Improvement Area Assessments

The recent Fires have resulted in damage/loss of vacation rental properties and their corresponding documentation. As a result, some affected operators will not be able to remit taxes for the third and fourth quarters of 2020 on their respective due dates of October 31, 2020 and January 31, 2021. The ACTTC is requesting a temporary waiver of delinquent penalties and interest for those operators subject to TOT and/or the BIA Assessment who have damaged or lost businesses or business documentation due to the Fires. The waiver will remain in effect until April 30, 2021, after which affected operators will be subject to delinquency penalties for failure to report and remit TOT and BIA for the July-September and October-December quarters. The ACTTC is also requesting authority to exercise his discretion to extend this waiver beyond April 30, 2021 in extraordinary circumstances. Under no circumstances will this extraordinary waiver extend beyond July 31,

Agenda Date: 12/8/2020

2021. Should the ACTTC discover that an operator falsely reported a business or documentation loss, the ACTTC will impose delinquent penalties as they would have otherwise been imposed.

Cannabis Business Tax

Cannabis cultivation and supply chain operators have been affected by damage or loss due to the fires. As a result, some affected operators will not be able to remit taxes for the first and second quarters of 2020-21 on their respective due dates of October 31, 2020 and January 31, 2021. The ACTTC is requesting a temporary waiver of delinquent penalties and interest for commercial cannabis operators. The waiver will remain in effect until April 30, 2021. The ACTTC is also requesting authority to exercise his discretion to extend this waiver beyond April 30, 2021 in extraordinary circumstances. Under no circumstances will this extraordinary waiver extend beyond July 31, 2021.

Commercial cannabis operators that incurred crop loss must appeal to the Department of Agriculture/Weights and Measures. Cannabis business tax relief may only be granted in accordance with the Department of Agriculture/Weights and Measures inspection and verification records.

The proposed waivers will provide additional time for affected operators to contact the county and seek relief.

Prior Board Actions:

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY21-22 Projected	FY 22-23 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

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Staffing Impacts:

Agenda Date: 12/8/2020

Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

Attachments:

1. Resolution Waiving Delinquent Penalties and Interest Under the Transient Occupancy Tax and Sonoma County Tourism Business Improvement Area Ordinances for the third and fourth calendar quarter of 2020 for Operators Suffering Structure or Business Damage from the 2020 Fires
2. Resolution Waiving Delinquent Penalties Under the Cannabis Business Tax Ordinance for the First and Second Quarters of Fiscal Year 2020-21 for Operators Suffering Structure or Business Damage from the 2020 Fires

Related Items “On File” with the Clerk of the Board: