



# County of Sonoma

State of California

Date: April 7, 2020

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_

☐ 4/5 Vote Required

**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, to Waive Delinquent Penalties and Interest Under the Cannabis Business Tax Ordinance for the Third Quarter of Fiscal Year 2019-2020 for Operators Directly Impacted by the COVID-19 Emergency.**

**Whereas**, on March 2, 2020 County of Sonoma declared a Local Public Health Emergency as well as a Local Emergency to respond to COVID-19.; and

**Whereas**, the scope of the emergency caused by the COVID-19 virus has resulted in the Governor of the State of California to proclaim a State of Emergency on March 4, 2020; and

**Whereas**, on March 17, 2020, The Sonoma County Health Officer has issued a Health Order directing residents to shelter in place effective midnight on Wednesday March 18, 2020; and

**Whereas**, on November 7, 2016, Sonoma County voters approved the Cannabis Business Tax Ordinance ("Cannabis Business Tax"); and

**Whereas**, Section 35-5 of the Cannabis Business Tax imposes an annual commercial cannabis business tax on every person who is engaged in commercial cannabis cultivation and supply chain; and

**Whereas**, Section 35-6(a) of the Cannabis Business Tax requires submission of a tax statement and remittance of the tax due to the Treasurer-Tax Collector on or before the last day of the month following the close of each fiscal year quarter; and

**Whereas**, Section 35-11 of the Cannabis Business Tax imposes penalties and interest for the failure to remit the tax by date required by Section 35-6(a); and

**Whereas**, the tax statement and tax remittance for the third quarter of FY 2019-20 is due on April 30, 2020; and

**Whereas,** Section 35-6(e) of the Cannabis Business Tax provides that the Auditor-Controller Treasurer-Tax Collector may, in his discretion, establish shorter or longer report and payment period for any taxpayer as the Auditor-Controller Treasurer-Tax Collector deems necessary to insure collection of the tax; and

**Whereas,** due to potential losses suffered as a result of the COVID-19 emergency, the Auditor-Controller Treasurer-Tax Collector desires to waive the delinquent penalties and interest for reporting and remittance of the Cannabis Business Tax for the third quarter of FY 2019-20 for operators who have been directly impacted by the COVID-19 emergency.

**Now, Therefore, Be It Resolved** that the Board of Supervisors hereby finds, declares, determines and orders as follows:

1. The foregoing recitals are true and correct.
2. Notwithstanding Section 35-6(a) or Section 35-11 of the Cannabis Business Tax, delinquent penalties and interest are hereby waived for the third quarter of FY 2019-20, until June 30, 2020, for every operator who owes the tax imposed by Section 35-5(a) or Section 35-5 (b) of the Cannabis Business Tax, has a quarterly payment due on April 30, 2020, and has been directly impacted by the COVID-19 emergency. An operator will be considered "directly impacted" only upon submission of evidence satisfactory to the ACTTC demonstrating inability to pay the full amount of tax owed in the third quarter of FY 2019-2020 upon the date due. In extraordinary circumstances, the ACTTC may exercise his discretion to extend each waiver up to an additional three months, but under no circumstances may the waiver extend beyond September 30, 2020.
3. This Resolution shall not be construed to affect operators under the Cannabis Business Tax who have not been directly impacted by COVID-19.
4. This Resolution shall not be construed to affect the amount of taxes owed by any person under the Cannabis Business Tax.

**Supervisors:**

Gorin:                      Zane:                      Gore:                      Hopkins:                      Rabbitt:

Ayes:                      Noes:                      Absent:                      Abstain:

**So Ordered.**