



## Legislation Text

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**File #:** 2023-0013, **Version:** 1

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**To:** Board of Supervisors

**Department or Agency Name(s):** County Counsel and Auditor-Controller-Treasurer-Tax Collector

**Staff Name and Phone Number:** Kristin Horrell, Deputy County Counsel, 707-565-2421

**Vote Requirement:** Majority

**Supervisory District(s):** Countywide

**Title:**

Hearing Officer Proposed Decision for Cannabis Tax Assessment Appeal

**Recommended Action:**

Adopt Hearing Officer Proposed Decision In the Matter of Appeal of FY 18-19 CBT Appeal, Natasha Khallouf, for Cannabis Operations at 8105 Davis Lane, Penngrove.

**Executive Summary:**

The County's Cannabis Business Tax Ordinance, codified in Chapter 35 of the Sonoma County Code, sets forth an appeal procedure for any taxpayer who has received a notice of assessment from the County's Treasurer-Tax Collector for failure to report taxes and/or failure to pay the taxes due. Following these procedures, the Board of Supervisors appointed the Office of Administrative Hearings to hear the cannabis tax appeal for Natasha Khallouf. The proposed decision of the Hearing Officer is coming to your Board, as required by the Ordinance, for a final decision on the penalties assessed. Staff recommends your Board adopt the hearing officer proposed decision to uphold the penalties assessed against Natasha Khallouf in the amount of \$990.26 as properly calculated.

**Discussion:**

The Cannabis Business Tax Ordinance requires that, to appeal the assessment of cannabis business taxes, the taxpayer must apply in writing to the Treasurer-Tax Collector for a hearing on the assessment. Following that hearing, any taxpayer aggrieved by any decision of the Treasurer-Tax Collector with respect to the amount of tax, interest, penalties and fees, if any, due may appeal to the Board of Supervisors (the Board). The Board may appoint a referee to take testimony at the subsequent tax appeal hearing, who shall report their findings and recommendations to the Board, who will then make a final decision on what tax, fees, interest or penalties, if any, are due to the County. The Board can refer any hearing duties to the County hearing officer, whose duties may be performed by the Office of Administrative Hearings (OAH). Accordingly, the Board appointed the OAH to hear this penalty assessment appeal for Cannabis Operator Natasha Khallouf (Appellant) for cannabis operations that took place at 8105 Davis Lane, Penngrove.

On December 7, 2022, the OAH heard the appeal against Appellant. Appellant and County staff presented their case, as allowed by the Hearing Officer. The Hearing Officer has submitted a written recommendation in the form of a proposed decision, as required by the Cannabis Business Tax Ordinance and the County's Rules and Procedures for Administrative Hearings, which governed the hearing. The Board shall determine from the proposed decision the amount of tax, interest, penalties and fees, if any, that are due to the County from the

appellant.

Staff recommends that your Board accept the proposed decision of the Hearing Officer to uphold the amount of penalties as assessed by the Treasurer-Tax Collector of \$990.26. The decision made by your Board, based on the recommendation of the Hearing Officer, is final and conclusive. A copy of this decision shall be served upon the appellant. Because Appellant has already paid the entire penalty amount of \$990.26, nothing further is due and payable from this appeal.

**Strategic Plan:**

N/A

**Prior Board Actions:**

N/A

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 22-23 Adopted</b>	<b>FY23-24 Projected</b>	<b>FY 24-25 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			

**Narrative Explanation of Fiscal Impacts:**

N/A

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

Proposed Decision of Hearing Officer

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

N/A