

RESOLUTION NO.: 2022 - 8352

POLICY REGARDING MARIJUANA PRODUCT(s)  
BEING CONSIGNED/SOLD TO EXTRACTION FACILITIES and/or OTHER GROWING FACILITIES

May 17, 2022

It has come to our attention that rather than selling their product directly to a dispensary or pot shop, growers are selling/consigning it to extraction facilities. As a result, the county has extreme difficulty following the product and ensuring they receive their 5% excise tax. Further, with many of these transactions, payment is not received by the grower upon the initial transfer, which is a violation of the ballot question submitted to the voters of Crowley County in November of 2016.

As some of you know, the Commissioners have been studying this issue for quite some time. They do not want to create a harmful situation for the growers, but at the same time they must find a way to comply with the original ballot question. In this regard, the following policy has been approved and becomes effective May 17, 2022.

Alternative 1: When the product is sold to an extraction facility and the payment is received immediately, the grower receives payment, enters this information in Metrc and pays the county 5% of the total sales. This payment must be made by the 20<sup>th</sup> of the month following the month the product is sold.

Alternative 2: When the product is consigned to an extraction facility and the payment is not received by the grower immediately, the grower must record the grams of product transferred in Metrc and based on the total weight of the transaction(s) and the current State Average Market Rate, the grower must pay the county 5% excise tax on the total sale. This payment must be made by the 20<sup>th</sup> of the month following the month the product is sold. The State Average Market Rate will be determined by using the rate sheet produced by the Department of Revenue for the specific product transfer date.

In the event one grower is selling product to another grower, the rule is the seller must pay the county the 5% excise tax on the total sale amount. This amount must be paid no later than the 20<sup>th</sup> day of the month following the date of sale.