

RECEIVED

JAN 16 2026

COUNTY OF LAKE
BOARD OF SUPERVISORS //
ADMINISTRATIVE OFFICE

2:35 PM
CJW

KATZOFF & RIGGS LLP

ATTORNEYS AT LAW
9779 BROADMOOR WAY
KELSEYVILLE, CALIFORNIA 95451
www.katzoffriggs.com

Telephone (707) 277-9200
Emeryville Direct Dial (510) 588-5171

Facsimile (707) 277-9220
Writer's E-Mail rriggs@katzoffriggs.com

January 16, 2026

DELIVERED BY HAND

Attention: Johanna DeLong
Clerk of the Board
Lake County Supervisors
255 N. Forbes Street
Lakeport, CA 95453

Re: Appeal by Gregory K. Hanson of Final Determination of Lake County Tax Collector
Regarding 2025 Cannabis Cultivation Tax Bill for 3360 Merritt Road, Kelseyville
CA 95451; Lake County Assessor's Parcel No. 008-038-400-000

Dear Ms. Delong:

This letter is submitted in our capacity as counsel to Gregory K. Hanson, Trustee of the Gregory K. Hanson Revocable Trust of 2007 ("Mr. Hanson"). Mr. Hanson is the owner of a 52-acre ranch at 3360 Merritt Rd., Kelseyville, CA 95451 ("the 3360 Merritt Property"). It is an appeal of a final determination by the Lake County Tax Collector.

Mr. Hanson was presented with a Lake County 2025 Cannabis Cultivation Tax Bill for the 3360 Merritt Property in the sum of \$26,250.00 ("the 2025 Cannabis Tax Bill"). A copy of the 2025 Cannabis Tax Bill is enclosed. Mr. Hanson engaged in communications and correspondence with Patrick Sullivan, the Lake County Tax Collector, regarding the fact that Mr. Hanson was not subject to the Cannabis Cultivation Tax because he did not engage in any 2025 cannabis cultivation, he has opted out of cannabis cultivation, he gave notice that he was not engaging in any 2025 cannabis cultivation, and he had the property inspected by the Community Development Department on August 7, 2025 to verify the lack of any ongoing cultivation. These communications and correspondence culminated in an email (enclosed) from Mr. Sullivan to Mr. Hanson dated January 9, 2026, in which Mr. Sullivan stated:

The only body with the authority to adjust the taxes owed at this time would be the Board of Supervisors. Please consider this notice to be the final determination by our office, which means you have 10 business days to request an appeal with the Clerk of the Board.

Letter to Clerk of the Board
January 16, 2026
p. 2

This letter constitutes Mr. Hanson's request for an appeal with the Board of Supervisors.

DISCUSSION

Mr. Hanson is a long time Lake County farmer and wine grape grower. On July 14, 2021, he sold the 3360 Merritt Property to Joseph Gustafson, who was planning on cultivating marijuana. Mr. Gustafson defaulted on the promissory note he gave Mr. Hanson in connection with the purchase. Mr. Hanson ended up recovering the 3360 Merritt Property after a trustee's sale, on January 23, 2024. Mr. Hanson has never cultivated any cannabis on the 3360 Merritt Property.

Mr. Hanson appeals the 2025 Cannabis Tax Bill on the following grounds:

1. Mr. Hanson did not cultivate cannabis at the Merritt Road Property at any time during during the 2025 tax year.
2. Mr. Hanson provided timely written notice in 2024 to the Community Development Department that he was not cultivating cannabis at the Merritt Road Property.
3. Mr. Hanson did not understand that he was required to submit any further written notice of a separate opt out covering 2025.
4. In 2025, Mr. Hanson notified Mary Clayborn, Senior Planner with the Community Development Department, that he was not cultivating cannabis on the 3360 Merritt Property.
5. In response to Mr. Hanson's notice, Ms. Clayborn and Pablo Guerrero, Assistant Planner, conducted a site visit to the 3360 Merritt Property on August 7, 2025. They verified Mr. Hanson's notice that he was not engaging in cultivation, in a written report. A copy of that written report is enclosed.

Mr. Hanson substantially complied with the requirements for a complete opt-out under Ordinance 2019-162 by 1) providing verbal notice, 2) providing written consent to an inspection of the Merritt Road Property, 3) having an inspection done which verified his lack of cultivation, and 4) abstaining in any way from the cultivation of cannabis on the Merritt Road Property during the 2025 tax year. In light of this, Mr. Hanson requests that the 2025 Cannabis Tax Bill be rescinded.

CONCLUSION

Please let Mr. Hanson know, in care of this office, if this appeal will be calendared for hearing before the Board, and if so, on what date.

Letter to Clerk of the Board
January 16, 2026
p. 3

Thank you for your attention to this matter.

Sincerely,



Robert R. Riggs
Attorney for Gregory K. Hanson, Trustee

RRR:krl
encls.

I hereby authorize the foregoing appeal and request its consideration by the Board of Supervisors.

Dated: January 16, 2026.


Gregory K. Hanson, Trustee
Gregory K. Hanson, Trustee



LAKE COUNTY 2025 CANNABIS CULTIVATION TAX BILL

Patrick M. Sullivan, Treasurer-Tax Collector
255 N. Forbes Street, Room 215, Lakeport CA 95453

PROPERTY INFORMATION	IMPORTANT MESSAGES
CULTIVATION SITE: 3360 Merritt Road, Kelseyville, CA 95451 PERMIT NUMBER(S): MUP 20-13 OWNER: Greg Hanson 63322 East View Dr. Bend, OR 97701 <i>Common. Bend Dept. Mary 263-2221</i>	THIS BILL IS FOR 2025 Failure to pay may result in revocation of permit and enforcement actions. <u>Please contact the office to make arrangements for cash payments.</u>

TAX VALUE				
TAX QUESTIONS: (707) 263-2234	CULTIVATION TYPE	CANOPY	50% RATE	TAX
	OUTDOOR		.525	
	MIXED LIGHT	25,000	1.05	\$26,250.00
	INDOOR		1.57	
			TOTAL*:	\$26,250.00

POSTMARKS WILL NOT BE ACCEPTED AS ADEQUATE PROOF OF A TIMELY PAYMENT

SQUARE FOOTAGE X CULTIVATION TYPE RATE=TAX TOTAL

1 ST INSTALLMENT	2 ND INSTALLMENT	TOTAL TAXES
\$13,125.00	\$13,125.00	\$26,250.00
DUE 01/1/2026 DELINQUENT AFTER 01/30/2026	DUE 05/1/2026 DELINQUENT AFTER 5/30/2026	

LAKE COUNTY CANNABIS CULTIVATION TAXES—2ND INSTALLMENT PAYMENT STUB

CULTIVATION SITE: 3360 Merritt Road, Kelseyville, CA 95451
PERMIT NUMBER(S): MUP 20-13

OWNER: Greg Hanson
63322 East View Dr.
Bend, OR 97701

**2025
2ND
INSTALLMENT**

MAKE CHECKS PAYABLE TO:
LAKE COUNTY TAX COLLECTOR

Payment Due → May 30, 2026

\$13,125.00

Delinquent after 5/30/2026, add 25% penalty

\$3,281.25

Please cut off and include this stub with your payment or note the property's 'Permit Number' on your check

Total Amount Due if Paid on or after 5/31/2026

\$16,406.25

LAKE COUNTY CANNABIS CULTIVATION TAXES—1ST INSTALLMENT PAYMENT STUB

CULTIVATION SITE: 3360 Merritt Road, Kelseyville, CA 95451
PERMIT NUMBER(S): MUP 20-13

OWNER: Greg Hanson
63322 East View Dr.
Bend, OR 97701

**2025
1ST
INSTALLMENT**

MAKE CHECKS PAYABLE TO:
LAKE COUNTY TAX COLLECTOR

Payment Due → January 30, 2026

\$13,125.00

Delinquent after 01/30/2026, add 25% penalty

\$3,281.25

Please cut off and include this stub with your payment or note the property's 'Permit Number' on your check

Total Amount Due if Paid on or after 1/31/2026

\$16,406.25

Greg Hanson Appeal
Enclosure #1

Forwarded Conversation

Subject: 2025 Cannabis Cultivation Tax Bill

From: **Elizabeth Martinez** <Elizabeth.Martinez@lakecountyca.gov>

Date: Tue, Jan 6, 2026 at 10:58 AM

To: 2065 <greghanson3360@gmail.com>

Good morning,

I spoke with our tax collector regarding your inquiry on the 2025 cannabis cultivation tax bill.

Unfortunately, since the opt out paperwork was not filed as required, we do not have the authority to cancel this tax bill.

Respectfully,

[cid:image001.png@01DC7EFB.653670F0]

Liz Martinez

Assistant Treasurer - Tax Collector

Lake County Treasurer - Tax Collector

255 N. Forbes St.

Lakeport, CA 95453

Phone: (707) 263-2234

Fax: (707) 263-2254

Greg Hanson Appeal

Enclosure #2

From: **Greg Hanson** <greghanson3360@gmail.com>
Date: Tue, Jan 6, 2026 at 11:54 AM
To: Elizabeth Martinez <Elizabeth.Martinez@lakecountyca.gov>

Good morning Elizabeth,

Thank you for responding.

Unfortunately my property has been in transition for several years after a sale that failed. It lead to a foreclosure that resulted in me personally taking over this property and permit. It took a lot of time and effort to reclaim the property and get the permit into my name. I realize none of this necessarily concerns you, but it's background. Being new to these rules I was unaware of my requirement to check an opt out box. As you know, I did cooperate with a physical inspection of the property to confirm that no planting took place in 2025. I'm hopeful that most if not everyone would agree that to tax me \$26,000 for an innocently made clerical oversight would be a bit overboard to say the least. If the powers in your department don't feel they have the authority to rectify this.... then Elizabeth, I need to ask your advice... who does have the authority?
Thank you.....

Best Regards,
Greg Hanson

From: **Patrick Sullivan** <Patrick.Sullivan@lakecountyca.gov>
Date: Fri, Jan 9, 2026 at 3:49 PM
To: greghanson3360@gmail.com <greghanson3360@gmail.com>
Cc: Elizabeth Martinez <Elizabeth.Martinez@lakecountyca.gov>

Good Afternoon,

Our office does not have the ability to waive this requirement in these circumstances. It appears your trustee's sale was initiated in December 2023, and you completed it in January 2024. Your 2024 opt out form was timely filed that year.

The only body with the authority to adjust the taxes owed at this time would be the Board of Supervisors. Please consider this notice to be the final determination by our office, which means you have 10 business days to request an appeal with the Clerk of the Board.

“Any Person may file an appeal of the decision of the Treasurer-Tax Collector with respect to the amount of tax, interest, penalties and fees, if any, due under this Chapter. A Person may appeal to the Board of Supervisors by filing a request for appeal in writing within ten (10) business days..” Sec. 18-60.8

Thanks,

Patrick



Patrick Sullivan

Treasurer – Tax Collector

Treasurer- Tax Collector

255 N. Forbes St.

Lakeport, CA 95453

Phone: (707) 263-2234

Fax: (707) 263-2254

Email: patrick.sullivan@lakecountyca.gov



Cultivation Inspection Report

2025 Annual Compliance Monitoring

COUNTY OF LAKE
COMMUNITY DEVELOPMENT
DEPARTMENT / Planning Division
255 N. Forbes Street
Lakeport, California 95453
Ph. (707)263-2221 • FAX (707)263-2225

Page 1

Section 1: Project Information

Premises Information		Authorized Representative	
Use Permit No.	MUP 20-13	Permittee Name	Greg Hanson
License Type(s)	(10) A Type 1C / Director mod for Type 4	Authorized Representative	
Approved Canopy SF	25,000	Position/Title of Authorized Rep.	
Assessor's Parcel No.	008-038-40	Identification Verified	Yes ☐ No ☐
Site Address	3360 Merritt Rd	Phone	707-900-1476
Mailing Address		Email	greghanson3360@gmail.com
Request to Reduce/Opt Out	-	Cannabis Business Name/DBA	3360 Merritt Rd
Performance Report Submitted	Received. Has not operated	Inspection Date/Time	8/7/25
Inspection Fee paid	Not paid	Annual ☒	Follow-up ☐

Section 2: Summary

Category	Compliant	Non - Compliant
Property	☐	☐
Premises	☐	☐
Waste Management	☐	☐
Pest Management	☐	☐
Lighting (Cultivation only)	☐	☐
Water Source	☐	☐
Energy Source	☐	☐

Section 3: Inspector

Inspector Name	Mary Claydon	Other Divisions/Agencies Present:
Inspector Title	Senior Planner	Pablo Guerrero, Assistant Planner

Greg Hanson Appeal

Enclosure #3



Cultivation Inspection Report

2025 Annual Compliance Monitoring

COUNTY OF LAKE
COMMUNITY DEVELOPMENT
DEPARTMENT / Planning Division
255 N. Forbes Street
Lakeport, California 95453
Ph (707)263-2221 FAX (707)263-2225

Page 2

Section 4: License Requirements

Property	Yes	No	NA	Waste Management	Yes	No	NA
Address prominently displayed	☐	☒	☐	Waste management (composting, waste pickup, self haul) matches submitted record / meets requirements	☐	☐	☒
License(s) prominently displayed	☐	☒	☐	Record Retention	☐	☐	☒
Security gate and perimeter fencing	☒	☐	☐	Pest Management	Yes	No	NA
KnoxBox emergency access	☐	☒	☐	Matches submitted record / meets requirements	☐	☐	☒
PRC 4290/91 Road Standards (mixed-light, processing facility)	☒	☐	☐	Lighting (Mixed-light and indoor cultivation)	Yes	☒	NA
Premises	Yes	No	NA	Total number of lights in the canopy area		☒	
Cultivation Yes ☐ No ☒				Maximum wattage of each light		☒	
Canopy size matches Conditions of Approval	☐	☒	☐	Security Measures	Yes	No	NA
Canopy location matches site plans	☐	☒	☐	Cameras and livefeed	☐	☐	☒
Proof of Track & Trace enrollment/METRC Tags	☐	☒	☐	Downcast security lighting	☐	☐	☒
Cultivation Method				Water Source	Yes	No	NA
Outdoor	☐	☐	☐	Groundwater Well ☒ Well Meter ☐			
Mixed-Light (approved)	☒	☐	☐	Annual Water Monitoring ☐ Water Diversion/Rights ☐			
Indoor	☐	☒	☐	Dedicated Fire Suppression ☐ CDFW Lake/Streambed Alteration ☐			
Soil Storage Containment	☐	☒	☐	Energy Source			
Cannabis waste area	☐	☒	☐	Grid ☐ Solar ☐ Generator ☐			
Ag-Exempt Hoop Houses/Temporary Processing Facility	☐	☒	☐	Generator: Transitional Use ☐			
Processing area (if applicable)	☐	☒	☐	Generator: Emergency Use Only ☐			
Packaging area (if applicable)	☐	☒	☐	Miscellaneous			
Manufacturing Yes ☐ No ☒				Required vegetative screening/Tree Replacement Plan	☐	☒	☐
Type 6 Non-volatile ☐ Type 7 Volatile ☐				Building/Plumbing/Grading permits	☒	☐	☐
F1 Occupancy sprinkler system required?	☐	☐	☐	Employee Livescan Background Checks	☒	☐	☐
Hazardous Material Storage (flammable, combustible)	☐	☐	☐	Secondary Containment for fertilizers/pesticides	☐	☒	☐
Compounding, Blending, Extraction, Infusion	☐	☐	☐	ADA Compliance (parking and restroom)	☐	☒	☐
Processing Type N ☐ Type P ☐				Operator ID and PAC obtained from Ag. Dept. Yes ☒ No ☐ Expiration:			
Harvest Storage	☐	☐	☐	Violations Observed	Yes	No	NA
Drying/processing	☐	☐	☐		☐	☐	☐
Packaging/labeling	☐	☐	☐				
Cannabis waste	☐	☐	☐				

Section 5: Photo Checklist

- | | | | | |
|--|---|--|---|--|
| ☐ Posted License | ☐ Posted Address | ☐ Immature Plant Area | ☐ Pesticide Storage Area | ☐ Any Hazards (If Safe to Photograph) |
| ☐ Driver's License | ☐ Canopy | ☐ Waste Area | ☐ ADA Compliance | ☐ Hoop Houses/ Temp. Structures |
| ☐ Street View of Premises | ☐ Harvest Storage Area | ☐ Well Meter | ☐ Security | ☐ PRC 4290/91 Road Standards |

Notes: Permittee provided written consent to verify no cultivation on site. Greenhouses on site. No cultivation. Compliance monitoring fee is past due. Contact COD for payment.