

# Update on the Cannabis Land Use Ordinance Amendments and Licensing Program

Santa Barbara County  
Montecito Planning Commission  
August 16, 2017



# Update on State & Federal Regulations

- Senate Bill (SB) 94
  - Establishes a single system of administration at the State for both medical and recreational cannabis licensing activities
  - Significant changes to State law designed to:
    - Improve public safety
    - Regulate tax compliance
    - Set standards for testing and packaging of cannabis products, and
    - Establish the collection of data related to driving under the influence
- Federal status remains unchanged

# Ad Hoc Subcommittee Status

- Established by the Board to assist staff in developing cannabis regulations
- Met with staff 12 times since March
- Department staff support for Ad Hoc Subcommittee
- Conducted two Town Hall meetings
- Established five working groups to expedite the work:
  - Land use and development code amendments
  - Business licensing
  - Tax measure
  - Health impacts
  - Enforcement planning

# Cannabis Registry

- Ordinance establishing registry approved in April 2017
- Closed on June 30<sup>th</sup>
- Purpose: Collect data on past, present, & future operations
- Economic & environmental consultants will use data to inform their studies
- Preliminary data:
  - Total received = 534
  - Past cultivators = 240 Current = 216 Future = 506
  - Current under 1,000 ft<sup>2</sup> = 55 Current over one acre = 105
  - Current acres = 396 Future acres = 1,126
  - Current in Carpinteria = 52 Other South Coast = 38 Buellton = 33  
Lompoc Valley = 58 Orcutt/Santa Maria = 20 Tepusquet = 21

# Zoning Code Amendments

- Objective: Develop a comprehensive land use regulatory program for the entire cannabis industry (medicinal and recreational)
- Currently only legal non-conforming medicinal operations and indoor cultivation for personal use is permissible, pursuant to Article X (Chapter 35) and the urgency ordinance (adopted on April 4, 2017, and extended on May 2, 2017)
- Involves amendments to the Land Use and Development Code, Coastal Zoning Ordinance, Montecito Land Use and Development Code, Article X, and, possibly, other land use-related policies and regulations (e.g., Land Conservation Act Program Uniform Rules).
- Preparation of an environmental impact report to inform decision-makers about the environmental impacts of permitting and licensing regulatory options

# Environmental Review

- Preparation of a programmatic environmental impact report (EIR)
- Board approved the EIR Contract with AMEC-Foster Wheeler on June 20, 2017
- Notice of Preparation Comment Period: July 12, 2017, to August 11, 2017
- Scoping Meetings on July 26 & 27, 2017
- Draft EIR is expected to be published in September 2017 for 45-day comment period.

# CalCannabis Program EIR

- Identified the following potential effects to Agricultural Industry:
  - Conversion of prime, unique or farmland of statewide importance to nonagricultural use
  - Conversion of farmland to cannabis cultivation from other crops
  - Diversion of surface water from crop irrigation to cannabis cultivation
  - Cause aquifer depletion from use for crop irrigation
  - Potential impacts to crops resulting in the spread of pests and diseases
  - Potential impacts to crops and livestock and water sources resulting from the use, transportation and storage of hazardous materials
- Draft EIR comment period closed on July 31, 2017

# Industrial Hemp

- SB 566-California Industrial Hemp Farming Act
  - Effective January 1, 2017 (pursuant to Prop. 64)
  - Industrial Hemp Advisory Board
  - California Department of Food and Agriculture's Seed Inspection Services is developing a new program to administer this new law
    - Registration process
    - Fee structure
    - Regulations
    - Other administrative details
- Grown for industrial uses of its derived products
  - Variety of Cannabis sativa L
  - No more than 3/10 of 1% THC
  - "Agricultural product"
  - Federal Controlled Substances Act: Schedule I drug



# Cannabis/Hemp Pesticide Use

- California Department of Pesticide Regulation shall develop guidelines
  - Pesticide use
  - Residues
  - Training requirements for employees
  - County Agricultural Commissioner's regulatory responsibility
    - Provide outreach/training
    - Conduct pesticide Inspections/Investigations

# Weights & Measures

## Bus. and Prof. Code 26060(b)(1)

- Commercial devices used in connection with the sale or distribution of cannabis are required to be:
  - Type approved by the California Department of Measurement Standards
  - Registered and inspected by the County Agricultural Commissioner annually
- Package Inspections
- Labeling and packaging requirements

# Business Licenses

- Who is conducting the business?
- What business can they conduct?
- Possible licensing requirements presented by Ad Hoc:
  - Live Scans for every employee
  - Promote vertical integration
  - Licenses issued by Treasurer-Tax Collector
  - Limited retail licenses are okay
  - Connect delivery to brick and mortar retail (if deliveries are allowed at all)
  - Consider license caps
  - Allow multiple licenses per premises for cultivation
  - Production, retail or deliveries require a weighing device permit
  - Determine whether edible cannabis products should be available through retail licensees

# Tax Measure & Fee Study

- Possible June 2018 ballot measure
- Economic analysis is underway to identify possible options for taxation of cannabis operations
- Possible fees for land use permits would likely already be part of fee schedules
- Possible licensing fees would be at cost reimbursement for providing the possible licenses

# Current Project Schedule

- August and September 2017: Refine/revise project description and publish Draft EIR for 45-day public comment period
- September and October 2017: Present draft Article X Ordinance Amendments to the County Planning Commission on September 13, 2017, and Board of Supervisors on October 17, 2017
- September 19, 2017 : Board of Superisors hearing to discuss cannabis license types
- November 2017: Project status update to the Board of Supervisors
- December 2017 through February 2018: Prepare Final EIR and draft ordinance amendments for decision-maker hearings:
  - Montecito Planning Commission Hearing: January 4, 2018
  - County Planning Commission Hearing: January 10, 2018
  - Board of Supervisors Hearing: February 6, 2018
- February through June 2018: Development of, and vote on, cannabis tax ballot measure
- May through June 2019: Coastal Commission Certification and final Board of Supervisors action on the Local Coastal Program (LCP) Amendments

# Questions/Comments?

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