

Quarterly Update for Cannabis Ad Hoc

The Board Chair formed the 2017 Cannabis Ad Hoc Committee on January 10, 2017. The Board recognized a continued need for prioritization and leadership in the cannabis regulation area. Per the adopted charter, the primary purpose of the Ad Hoc is to ensure the successful implementation of the County Cannabis Program that enables and incentivizes the industry to come into compliance while ensuring the interests of all residents and the environment are protected. The desired outcome will be the successful implementation of the County's Medical Cannabis Program including the Land Use Ordinance, Cannabis Health Ordinance, and Cannabis Business Tax Ordinance (Measure A).

Members: James Gore, Supervisor District 4
Lynda Hopkins, Supervisor District 5

Staff: Christina Rivera, Assistant County Administrator; *covering Ad-Hoc support functions previously performed by Niki Berrocal, former Deputy County Administrator*
McCall Miller, CAO Department Analyst
Andrew Smith, Agricultural Commissioner
Scott Orr, Permit Sonoma Deputy Director - Planning

FY 2020-21, Quarterly Update 11/10/2020

Ordinance Update

Ad Hoc members accepted staff recommendation to consider a General Plan Amendment that will treat cannabis cultivation similarly to other agricultural uses. Same as any amendments to the Cannabis Land Use Ordinance, the approach recognizes that a General Plan Amendment will need to be studied under California Environmental Quality Act (CEQA), and adopted in compliance with state planning and zoning law.

Ordinance changes and associated environmental analysis is expected to be available for public review before the end of 2020. The review will include engaging Tribal partners in compliance with SB 18

(https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=200320040SB1) and

AB 52

(https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB52).

Additionally, to prepare for increased cannabis related workload, the Department of Agriculture/Weights & Measures (AWM) management team will be soon presenting a request for additional staff financed with Cannabis funds.

Current Ordinance Implementation

Permit and monitor medical cannabis cultivators, nurseries, manufacturers, transporters, distributors, testing laboratories, and dispensaries.

STATUS OF PERMITS

From 1/1/2017 – 10/28/2020

Ministerial Permits

213 applications entered:

- 141 permits issued to date, including renewals
- 31 applications in process (started or under review/tribal review)
- 2 applications voided
- 39 applications withdrawn

103 currently active applications (NOT expired):

- 74 permits issued and currently active/valid
- 7 applications under AWM review
- 20 applications under Tribal review
- 2 applications started (renewals; awaiting payment to issue)

Conditional Use Permits

- 6 issued (met compliance conditions of approval)33 approved
- 2 denied
- 3 appealed to Board of Supervisors
- 56 in process (this includes applications with status of “paid”, “in review”, “referrals sent”, “ready for public notice”, and “complete for processing”)

There are currently 37 penalty relief applications pending.

There are 19 projects applications that were identified as original jurisdiction projects to come before the Board for decision. The Board has approved two projects and one project application has been withdrawn, leaving 16 project applications on the original jurisdiction list. Planning staff are prioritizing these projects along with any appeals. Cannabis use permits will continue on the virtual Board of Zoning Adjustments calendar.

CANNABIS TAX

The Department of Agriculture/Weights & Measures conducts canopy verification inspections on cultivation as requested by permitted growers or the Auditor and forwards these canopy verifications to Auditor staff for tax calculations and collection. The County Administrator coordinates with both Auditor-Controller-Treasurer-Tax Collector and the Department of Agriculture/Weights & Measures for the penalty relief program and overall cannabis taxes as the fund manager.

40406 Cannabis Business Tax	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21 <i>(as of 10/30/20 Financial System)</i>
Collected	\$ 3,403,895.61	\$ 2,297,321.08	\$ 2,547,095.34	\$70,000.50*
Budgeted	\$ 3,935,502.00	\$ 1,363,914.00	\$ 1,471,585.00	\$1,950,000.00

*Cultivators were allowed to apply for a waiver of penalty and interest for the 3rd quarter of FY19-20 taxes until September 30, 2020 in alignment with providing essential business COVID-19 relief. The ACTTC is also pursuing authority from the BOS to grant cultivators a waiver of penalties and interest if they experienced crop loss from Walbridge Fire or Glass Incident.