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Public Comment

From: mikestoker@aol.com
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To: sbcob
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"The SBCTAC...Fighting for the Taxpayer and Helping our Business Members Succeed!"

Dear Chairwoman Capps and Honorable Members of the Board,

As CEO of SBCTAC, I represent more than 300 concerned citizens and businesses throughout the County.

Per your September 14 Agenda, we understand that you will be discussing possible changes to the Cannabis Licensing/Chapter 50. While the SBCTAC has not previously weighed-in on Cannabis we would like to take this opportunity to do so at this time. We hope you find our comments helpful.

North County/Open Grow Cannabis

We join other organizations in asking you to mandate Best Available Control Technology (BACT) Carbon Scrubbers and Property Line Odor testing for its Mixed Light Greenhouses in the Carpinteria Valley. That said, we are concerned that North County residents—who are subjected to open grow Cannabis—might be left behind.

In reviewing P&D's Chapter 35-focused proposals, NOTHING speaks to open grow Cannabis in the Inland Zone (1,570-acre Cap). Indeed, the disparate treatment of Cannabis in AG I and AG II is troubling as it could, if we don't set consistent odor standards, create a second class of North County residents. From my perspective as a former North County Supervisor and as the Southwest Administrator of the US EPA, it just doesn't make sense for this Board to take Ordinance actions that would effectively abate a Public Nuisance in South County but do nothing in North County.

Option 1 (Setbacks and Property Line Odor Testing)

Whether through the annual licensing requirements of Chapter 50 or through the Land Use provisions of Chapter 35, or both, the SBCTAC suggests a 2,500 foot property line set back **AND** periodic property line odor testing. Our recommendation is based on the following:

- SB County wrongly failed to develop Overlays and/or total acre-to-grow Density requirements like the few other counties that allow outdoor grows.
- Per certain testing, Cannabis terpene smell has a noticeable odor (20-40 PPB) to approximately 2,500 feet.
- Property Line testing should be mandated not to exceed a 2 D/T odor threshold. This is the odor threshold that the City of Carpinteria requested and one that we believe should be mandated in the north.

Option 2 (Increase Taxes or Sunset Outdoor Cannabis)

As various 2024 hearings demonstrated there are approximately 285 acres of open Cannabis in the North County. Because our "trust me" tax system is based on reported cash revenue, more than 50% of all Growers are not paying anything (or are reporting zero revenues).

When the CAO converted what is being paid, they found it generated an effective per acre rate of just \$.06/SF which means just \$750K of annual taxes for 285 acres of outdoor Cannabis. For this reason, the CAO recommended a \$.25 rate (still pitifully low compared to other counties) yet this Board decided to do nothing.

Because outdoor Cannabis represents just 13% of the total taxes generated, we believe that Cannabis should be limited to the 180 acres of Greenhouse Cannabis. When you think about the risk to the wine industry, hospitality industry, and the neighbor nuisance it seems silly that until/unless taxes are increased, we should even allow outdoor open grow Cannabis. Or, alternatively, we could mandate—aesthetics aside—sealed greenhouses and sunset the idea of open grow Cannabis. This would increase the taxes—significantly greater for higher-priced indoor Cannabis—and not affect legacy businesses or neighbors.

The SBCTAC estimates the cost (total FTE's, never-ending Audits, Geosyntec's multi-million-dollar consulting contract, and annual Dept. of Cannabis Control fees) to administer this \$5.8M tax revenue program to be between \$9M - \$10M. If we included allocated vs. dedicated FTE costs it would be even greater. In short, as **Chairwoman Capps** correctly said last year "our County is subsidizing this industry."

Let's cut back on the outdoor grows and the costs to administer them so that Cannabis can do what it was intended to do—add REAL revenue to our General Fund.

Thank you for your consideration.

Mike Stoker
President & CEO, SBCTAC