

Chapter 50 Commercial Cannabis Amendments, Retail Standards & Fee Ordinance Amendments

Santa Barbara County
Board of Supervisors
August , 2019



Board Direction on Chapter 50 Changes

Issue Area	Direction on Amendments	County Code section
Cap	1. Limit cannabis cultivation operations countywide to the acreage for accepted land use entitlement applications as of July 9, 2019 while maintaining the Carpinteria Agricultural Overlay	County Code § 50-7
Earlier Odor Control	1. Add to Chapter 50-8 that cultivators currently cultivating must demonstrate the effectiveness of odor control systems during the Business License application review process as soon as the land use entitlement is issued	County Code § 50-8(b)(8)
Earlier Odor Control	1. Require the submission of land use entitlement or evidence of land use application acceptance for processing to allow for concurrent processing of Business License Application	County Code § 50-6, 50-8
Eligible List	1. Place operators in the Carpinteria Agricultural Overlay on an “Eligible List” for the 186 acre cultivation cap upon approval of a land use entitlement	County Code § 50-7(a)(2),(d)(1)
Appeals	1. Expand who may be used as Hearing Officer to match County Code Chapter 24A	County Code § 50-2(h)

Clarifying Unincorporated Cap Area

- **At Section 1, i.**

~~“Inland boundaries~~ Unincorporated area outside of the Carpinteria Agricultural Overlay” means any portion of the unincorporated area of Santa Barbara County located outside of the Carpinteria Agricultural Overlay District Boundaries, as described in . . .

- **At Section 4, a.3.**

No more than 1,575 acres of cannabis cultivation, nurseries and microbusinesses with cultivation shall be licensed at any one time within the ~~inland boundaries~~ Unincorporated area outside of the Carpinteria Agricultural Overlay (as defined at Section 50-2, Subsection i) of the County of Santa Barbara. . .

- **At Section 4, a.3.i, ii, iii. Revise all references as follows:**

. . . the List shall be entitled “Eligible Business Applicants List: ~~Inland~~ Unincorporated”.

Calculating the Countywide Cap for Section 50-7

- On July 16, 2019, the Board conceptually approved limiting cannabis cultivation by capping the number of acres countywide while maintaining the established Carpinteria Agricultural Overlay District-based cap of 186 acres;
- The Board provided direction that cultivation cap should be calculated by the same method as the Carpinteria cap, based on submitted applications on July 9, 2019;
- P&D confirmed the total acreage of all pending cannabis cultivation operations as of July 9th to be approximately 1,264 acres countywide outside of the Carpinteria cap area. 32 acres have been added as a buffer. This equates to approximately 2% of the total cap;
- Additionally, 311 acres (countywide outside of the Carpinteria cap area) had already been approved or issued permits prior to July 9, 2019;
- Added together, that would cap all cannabis cultivation operations countywide outside of the Carpinteria cap area at 1,575 acres.

Amending the License Fee Schedule

- On May 15, 2018, the Board adopted Ordinance 5041 establishing fees for the Cannabis Business License application, renewal and compliance programs;
- Two small changes are presented in this proposed amendment:
 - Adding Community Services Department staff to those identified in Attachment B of Ordinance 5041 as a result of an ordinance amendment approved in March 2019 to shift Energy Conservation Plan review to the Community Services Department Energy Division; and
 - Establishing a Cannabis Retail Storefront Pre-Qualification Application Fee;
- The two new fees were developed in consultation with staff from the Auditor-Controller's Office. The fee study is maintained at the Office of the Auditor-Controller;
- The resulting proposed fees are directly related to the cost reasonably necessary to provide the related services and do not exceed the estimated reasonable cost of providing the service or regulatory activity for which the fee will be charged.

Requirements for Cannabis Storefront

- Chapter 50 (b) limits the number of storefront retail licenses to eight countywide with no more than one in each of six community plan areas and two for unincorporated areas outside of a community plan area;
- Chapter 50-7 (c) through (e) outlines the process of selecting who is eligible for a cannabis storefront retail license by pre-qualification, establishing an eligible list and conducting a random selection and then the selected parties requirements to complete permitting and licensing;
- The County will only accept one application per person per proposed operating location;
- Other jurisdictions, such as the City of Santa Barbara and the City of Goleta, conducted an open application for cannabis retail operators that included a criteria based scoring system to determine who could operate a cannabis business.

Requirements for Cannabis Storefront

- Chapter 50-25 (a) through (d) contains an extensive series of requirements for all cannabis operators, including cannabis storefront and non-storefront retail. The list of operating requirements includes:
 - Annual licenses that can be renewed, non-renewed, suspended or revoked;
 - Non-transferable and any ownership changes will require background checks;
 - Extensive premises restrictions on activities not allowed on a licensed site;
 - Must receive a live scan criminal background check for +20% owners;
 - Must provide security including the cleanup of graffiti, trash around the premises
 - Must maintain video recordings for forty five (45) days;
 - Must notify the Sheriff within 12-24 hours after discovering any theft or loss;
 - Must provide a community relations contact available 24-hours a day;
 - Must allow County staff to enter the premises during standard operating hours;
 - Must allow records, books, accounts, financial data, and any and all data relevant to its licensed activities to be reviewed by County personnel; and
 - It is a misdemeanor for any person to impede, obstruct, or interfere with an inspection, or the review of the copying of records and monitoring.

Recommended Actions

- Consider the introduction (First Reading) of an Ordinance of the Board of Supervisors of the County of Santa Barbara amending Chapter 50 of the Santa Barbara County Code, Licensing of Commercial Cannabis;
- Read title and waive reading of the Ordinance in full;
- Set a hearing on the Administrative Agenda for August 27, 2019 to consider the adoption (Second Reading) of an Ordinance Amending Chapter 50 of the Santa Barbara County Code, Licensing of Commercial Cannabis Operations; and
- Consider the introduction (First Reading) of an Ordinance of the Board of Supervisors of the County of Santa Barbara amending the Ordinance 5041, “An Ordinance Establishing the Cannabis Business License Fee”;
- Read title and waive reading of the Ordinance in full;
- Set a hearing on the Administrative Agenda for August 27, 2019 to consider the adoption (Second Reading) of “An Ordinance Amending Ordinance 5041, An Ordinance Establishing the Cannabis Business License Fee”;
- Provide direction to staff on revisions to cannabis storefront retail requirements, if desired; and
- Make the required CEQA findings

THANK YOU