



**BOARD OF SUPERVISORS
AGENDA LETTER**

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:

Department Name: County Executive Office
Department No.: 012
For Agenda Of: June 27, 2023 Set Hearing
July 18, 2023: 1st Reading
August 22, 2023: 2nd Reading
Placement: Set Hearing
Estimated Time: 30 minutes on July 18, 2023 Adoption on August 22, 2023
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department: Mona Miyasato, County Executive Officer
Director(s)
Contact Info: Brittany Odermann, Deputy County Executive Officer

DocuSigned by:

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SUBJECT: Amendments to the Cannabis Business Licensing Fee Ordinance

County Counsel Concurrence

As to form: Yes

Risk Management:

As to form: N/A

Recommended Actions:

That the Board of Supervisors on June 27, 2023, set a public hearing on the Departmental Agenda for July 18, 2023 to consider recommendations, as follows:

On July 18, 2023:

- a) Consider the introduction (First Reading) of an Ordinance of the Board of Supervisors of the County of Santa Barbara amending the Ordinance 5181, “An Ordinance Establishing the Cannabis Business License Fee”;
- b) Read the title and waive further reading of the Ordinance in full;
- c) Set a hearing on the Administrative Agenda of August 22, 2023 to consider recommendations, as follows:

Auditor-Controller Concurrence

As to form: N/A

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On August 22, 2023:

- a) Consider adoption (Second Reading) of an Ordinance of the Board of Supervisors of the County of Santa Barbara amending Ordinance No. 5181, “An Ordinance Establishing the Cannabis Business License Fee”; and
- b) Determine for the purposes of CEQA that:
 - i. Pursuant to CEQA Guidelines section 15168(c), these actions are within the scope of the Cannabis Land Use Ordinance and Licensing Program, and the Cannabis Land Use Ordinance and Licensing Program Final Programmatic Environmental Impact Report (PEIR) (17EIR-00000-00003, State Clearinghouse No. 2017071016) adequately describes this activity for the purposes of CEQA.
 - ii. Pursuant to CEQA Guidelines section 15162(a), after considering the PEIR certified by the Board of Supervisors on February 6, 2018, that no subsequent EIR or Negative Declaration is required because: i) no substantial changes are proposed which require major revisions of the PEIR due to the involvement of new significant environmental impacts or a substantial increase in the severity of previously identified significant effects; ii) no substantial changes have occurred with respect to the circumstances under which the ordinance is undertaken which require major revisions of the PEIR due to the involvement of new significant environmental impacts or a substantial increase in the severity of previously identified significant effects; and iii) no new information of substantial importance concerning the ordinance’s significant effects or mitigation measures, which was not known and could not have been known with the exercise of reasonable diligence at the time that the PEIR was certified, has been received that shows any of the elements of CEQA Guidelines Section 15162(a)(3) apply.

Summary Text:

In May 2018, the Board adopted Ordinance No. 5041 of the Santa Barbara County Code, “An Ordinance Establishing the Cannabis Business Licensing Fee.” Cannabis business license fees are collected for initial applications, annual renewals, and compliance activities. On June 6, 2023 the ordinance was amended and superseded to update fees to reflect changes in salaries and benefits; adjust annual set fees to accurately reflect the time coded and associated with renewal and compliance activities; adjust Indirect Cost Rate Proposals (ICRP); and secure full-cost recovery for the two cannabis business license specialists.

At the May 16th hearing to consider the first reading of the fee ordinance amendment your Board directed staff to explore and return in the future with an additional amendment to include cost recovery for the County’s annual cost to access the on-line platform that provides analytics of the State’s cannabis track-and-trace data to County staff. This amendment will establish an additional fee to be applied to all cannabis operations that hold active state licenses in the County. The amount of the fee will be a function of the number and type of state licenses held.

A more detailed Board Letter with all necessary attachments will be prepared and provided prior to the July 18, 2023 hearing.

Special Instructions: Publish the Notice of Public Hearing 5 and 10 days before the hearing date in the *Santa Barbara News Press* in accordance with Government Code Sections 66018(a) and 6062a.

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After the Ordinance is passed publish a summary of the ordinance in *the Santa Barbara News Press* within 15 days of the adoption of the ordinance in accordance with Government Code section 25124.

Authored by:

Brittany Odermann, Deputy CEO, x83409