Agriculture Weights & Measures Department

Hemp Ordinance Proposal

Lottie Martin Deputy Agricultural Commissioner





Hemp Ordinance Overview

- Regulate the cultivation of hemp within the unincorporated area of the County
- Will enhance local oversight with compliance tools that exceed those in the State Regulation
- Annual local licensing requirement
- Necessary to offset costs and provide a high level of customer service to industry without increasing County subsidy.



Background

2014 Farm Bill

 Allowed universities to cultivate industrial hemp for research purposes

2018 Farm Bill

- Removed hemp from the Schedule I Federal Controlled Substance List
- Directed United States Department of Agriculture (USDA) to develop regulations for a new federal regulatory program

California State Regulations

- California Industrial Hemp Farming Act was signed into law on January 1, 2017 authorizing the cultivation of industrial hemp by registered growers and research institutions
- 32 counties currently have registered commercial hemp cultivation sites
- USDA recently certified the State Plan submitted by CDFA as of 1/1/2022
- Santa Barbara County began accepting Industrial Hemp Registrations on 1/1/2022
- Hemp grown for research purposes is required to register as of 1/1/2022





Allan Hancock College Research Hemp

- Dr. Anjali Misra -plant molecular biologist and professor in the AHC industrial hemp research program
- AHC began the program in 2020.
 - 8 growers currently growing Hemp
 - 179 acres of Hemp currently planted
- Built a grower funded lab on the Lompoc Campus to perform genetic testing on hemp plants
- The Hemp and Cannabis Club (THC)
 - Prepare students for industry positions
 - Opportunity to take part in in-field training
 - Hands on work with local community partners





Key Features of the Ordinance

- County License required to grow Hemp
- Cultivation Requirements
- Inspection and Sampling
- Compliance and Enforcement









Potential Additional Restrictions

- Limit the number of licenses available
- Limit the number of acres allowed
- Combination of limiting acres and licenses





Cap Amendment to Ordinance

- § 3-35.A. Add number 7 as follows:
- There is sufficient allowable acreage in the cap for the proposed application.

§ 3-35.B. A new B added as follow and current 3-35.B-D are re-labeled C-E.

- Acreage Cap. No more than 180 acres of hemp may be registered and licensed to be cultivated and cultivated within Santa Barbara County. This cap is applicable to all industrial hemp cultivation, including research hemp and hemp breeding. Once the cap is committed, no additional licenses will be issued until an existing license expires or is otherwise terminated. Registrations and licenses will be issued annually up to the acreage cap in Commissioner's sole discretion based on the timely receipt of a completed application for registration and licensure.
- Amortization of Existing Registrations. If registrations exceeds the cap in Section 3-35.B above, upon the date this ordinance become effective, then once the cap is effective, no additional licenses will be issued and those registered hemp operations will only be allowed to operate for the year their registration is valid. After one year from the date of the registration, the hemp operation must comply with Section 3-35.B above as directed by the Agricultural Commissioner or cease operating.
- Each license issued under this Article shall expire one year from the date of its issuance.
- <u>Licensee must comply with the provisions of this Article and all applicable provisions of Federal law, State law and all associated regulations.</u>
- Failure to pay all fees attributable to the County costs incurred due to the registration, licensing or regulation of industrial hemp shall be cause for non-renewal of the license until all outstanding fees are paid in full. The fees owed and any other costs incurred by the Commissioner as a result of this Article may be taken from the bond if not paid in full prior to the expiration of the license.

• § 3-36.F. A new F added as follows:

• The licensee shall not cultivate more hemp then what is allowed in accordance with their hemp license.

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Cap Amendment to Ordinance

- <u>SECTION 6</u>. Research hemp operations that, as of the date this Ordinance is adopted, are operating in accordance with 7 U.S.C. § 5940 and Cal. Food & Ag.
- Code § 81011, may continue to operate for as long as the research hemp operation complies with federal and state law and operates under a valid contract with an Established Agricultural Research Institution. However, any research hemp operation must also comply with the provisions of this Ordinance.

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• **SECTION 7**: Amortization of any Registered Hemp Operations before this Ordinance is Effective. If any hemp operation receives an issued registration from the Santa Barbara County Agricultural Commissioner in accordance with California Food and Agricultural Code sections 81003(b), 81004(b), 81004.5(b), etc., before the effective date of this ordinance, that registration shall be counted toward the cap established in County Code section 3-35.B. If registrations exceeds the cap in Section 3-35.B, then once the cap is effective, no additional licenses will be issued. In addition, those registered hemp operations will only be allowed to operate for the year their registration is valid and after one year from the date of the registration the hemp operation must comply with County Code section 3-35.B as directed by the Agricultural Commissioner or cease operating.

Recommended Actions

That the Board of Supervisors:

- Approve the introduction of an Ordinance regulating Hemp in the County of Santa Barbara
- Read the title, "An Ordinance Regulating Hemp", and waive further reading of the Ordinance
- Find that the proposed actions are exempt under the California Environmental Quality Act (CEQA) based on CEQA Guidelines 15307, 15308, 15060(c)(2), and 15061(b)(3) as it can be seen with certainty that there is no possibility that these actions will have a significant effect on the environment, these actions will not result in a direct or reasonably foreseeable indirect physical change in the environment, and these actions will assure the maintenance, restoration, or enhancement of natural resources and the environment
- Set a hearing on the Administrative Agenda of February 1, 2022, to consider and approve the adoption of "An Ordinance Regulating Hemp"