



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
M-2

For the meeting of: May 5, 2015

Date: April 22, 2015
To: Board of Supervisors
From: Phillip Smith-Hanes, County Administrative Officer *PSH*
Subject: Six-County Marijuana Policy Statement

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the attached statement as a policy statement of the county and an addendum to the county's 2015 legislative platform;
2. Authorize the Chair to sign a joint letter of transmittal with the Chairs of the Boards of Supervisors of Del Norte, Lake, Mendocino, Sonoma and Trinity counties;
3. Direct the County Administrative Officer to transmit this policy statement to Peterson Consulting and to communicate the county's support to state legislators, the California State Association of Counties (CSAC) and the Rural County Representatives of California (RCRC); and
4. Direct the Board's designated representatives to CSAC and RCRC to advocate for policies consistent with this policy statement within each of their respective organizations.

SOURCE OF FUNDING: N/A

Prepared by Phillip Smith-Hanes CAO Approval *Amy Wilson*
REVIEW: Auditor _____ County Counsel _____ Human Resources _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor Bohn Seconded by Supervisor Sundberg
Ayes Sundberg, Lovelace, Fennell, Bohn, Bass
Nays _____
Abstain _____
Absent _____

PREVIOUS ACTION/REFERRAL:
Board Order No. G-1
Meeting of: 2/24/15

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.
Dated: May 5, 2015
By: *Kathy Hayes*
Kathy Hayes, Clerk of the Board

DISCUSSION:

Over the past year, North Coast counties have been informally discussing the possible impacts of legalized cannabis on the economy, the environment and public safety. Chair Fennell received an invitation dated February 3, 2015, from Mendocino County Board Chair Carre Brown to attend a regional summit on the impacts of marijuana legalization. On February 24, your Board discussed this item and designated Chair Fennell and Supervisor Lovelace as an ad hoc committee for the purpose of representing Humboldt County at this summit.

On March 5, 2015, the North Coast regional summit on the Economic Impacts of Legalized Cannabis was held at the City of Santa Rosa Utilities Field Operations Center. The goal of the summit was to develop a regional and unified position statement to help shape state legislation in order to influence cannabis policy and potential legalization with appropriate local control. Supervisors and county administrative officers from the counties of Del Norte, Humboldt, Lake, Mendocino, Sonoma and Trinity attended (Attachment 1).

Guest speakers at the event included:

- David Baumgarten, Esq., from Gunnison County, Colorado: Keynote presentation entitled, "Lessons Learned: A Colorado Attorney Perspective Regarding Legalization of Recreational Marijuana"
- Assembly Member Jim Wood, 2nd District: Update on Assembly Bill 243
- Representatives from CSAC, RCRC and legislative advocacy firm Shaw/Yoder/Antwih, Inc. provided updates on marijuana-related legislation.

The majority of the day was spent in breakout groups and a roundtable discussion between the Supervisors from the participating counties. While the primary focus of the summit was on potential economic impacts to the region, participants also discussed important impacts for local governments that need to be addressed in a regulatory framework. Breakout group topics consisted of the policy areas of local control, revenue and taxation, environment and economics.

The results from the breakout groups were compiled to craft a working outline for a regional policy statement. Since the Summit, attendees have collaborated repeatedly to create a uniform policy statement that reflects the priorities identified through the event. Comments and feedback were solicited and incorporated into the development of the statement. On April 22, 2015, Supervisors representing each of the six counties approved a final North Coast Counties Marijuana Policy Statement.

Adoption of a unified regional statement provides the opportunity for counties to come together and influence the state legislative process to protect, support and enhance local economies, environment and quality of life, while retaining local control. The North Coast Counties Marijuana Policy Statement will go before each of the participating counties' Board of Supervisors during the month of May for possible adoption as a companion statement to individual counties' legislative platforms on marijuana. Upon regional adoption the policy statement will be sent to CSAC, RCRC, and all rural counties for consideration.

FINANCIAL IMPACT:

There is minimal financial impact associated with transmittal of this policy to designated statewide organizations.

Adoption of this policy statement supports your Board's strategic framework, priorities for new initiatives, by engaging and influencing an area of statewide concern.

OTHER AGENCY INVOLVEMENT:

Counties of Del Norte, Lake, Mendocino, Sonoma and Trinity
State of California
California State Association of Counties
Rural County Representatives of California

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board's discretion

ATTACHMENTS:

1. List of Attendees
2. Policy Statement

Attachment 1

North Coast Regional Summit	
Supervisors and County Administrative Office Attendees	
Mendocino County	
Mendocino Supervisor	John McCowen
Mendocino Supervisor	Tom Woodhouse
Mendocino County Executive Officer	Carmel Angelo
Humboldt County	
Humboldt Supervisor	Estelle Fennell
Humboldt Supervisor	Mark Lovelace
Humboldt Deputy County Administrative Officer	Amy Nilsen
Lake County	
Lake Supervisor	Anthony Farrington
Lake Supervisor	Jim Steele
Lake County Administrative Officer	Matt Perry
Trinity County	
Trinity Supervisor	Judy Morris
Trinity Supervisor	John Fenley
Trinity County Administrative Officer	Wendy Tyler
Sonoma County	
Sonoma Supervisor	Susan Gorin
Sonoma Supervisor	David Rabbitt
Sonoma County Administrator	Veronica Ferguson
Del Norte County	
Del Norte Supervisor	Gerry Hemmingsen
Del Norte County Administrative Officer	Jay Sarina



North Coast Counties Marijuana Policy Statement

Preamble

North Coast Counties have unique insight into the significant problems and opportunities posed by statewide regulation and potential legalization of adult recreational use of marijuana. Inconsistent State and Federal laws and existing ambiguities in State law have caused significant economic, environmental, and public safety impacts to North Coast Counties related to the cultivation and distribution of marijuana. We strongly encourage the adoption of comprehensive State marijuana policies that will protect local communities and governments and also respect local control.

There is a need for certain and uniform state regulation while at the same time allowing local governments the flexibility to address individual community needs. State regulation should set clear minimum guidelines and should expressly not preempt local government control. State law and policy should reflect the basic reality that economic effects, environmental impacts, and community sensitivity vary widely from rural to urban areas and from one area to another, and have a direct impact on local quality of life. It is imperative that counties retain local control to address impacts appropriately from rural to urban communities.

Policy Statements

I. Local Control

- State leadership is critical to provide a comprehensive regulatory framework which clearly delineates the roles of local and state government.
- Minimum statewide standards on a range of issues including licensing, safety, accounting, state taxation, cultivation standards, distribution and consumer standards should be developed with local input.
- A statewide regulatory program must explicitly preserve the right of local jurisdictions to regulate items of local concern including authority to: issue business licenses and impose local taxes to produce funding streams to fully cover local costs; to enact land use regulations; and to enact other restrictions applicable to the cultivation, distribution, and sale of marijuana based on a local governing body's determination of local needs.
- Existing local authority to regulate or prohibit the indoor or outdoor cultivation of marijuana and the establishment of dispensaries in certain areas must be explicitly preserved.
- The right of local jurisdictions to provide for the health, safety and welfare of their constituents must be respected within an overall state regulatory framework.

II. Revenue & Taxation

- Counties must have the ability to impose fees and fines to recover direct costs of local regulation and code enforcement with respect to all aspects of marijuana cultivation, sales and distribution.
- Counties must have the option to adopt local excise and sales taxes to recover enforcement, environmental and other costs, subject to uniform statewide tax cap limits.

- State and local marijuana related excise and sales tax limits must be set at a level that does not discourage transition to a regulated market.
- Counties must be granted flexibility to further incentivize the transition to a regulated market, for instance, by deferring full imposition of the adopted local tax structure.
- Marijuana, no matter its use (medical or recreational), must be subject to state and local taxation in the same manner and at the same level in order to provide regulatory certainty and avoid the difficulties inherent in establishing a dual system of administration.

III. **Environmental Protection**

- Environmental protection and remediation shall be paramount in any regulatory and/or funding framework.
- Best management practices must be developed and adopted.
- Current environmental enforcement should remain the responsibility of existing regulatory agencies.
- Adequate and flexible enforcement tools must be available to local jurisdictions, including the availability of incentives to encourage responsible environmental practices.
- Counties must receive adequate funding from the state to compensate for local environmental enforcement and remediation including legacy impacts.

IV. **Economics**

- Legalization of marijuana for adult recreational use will have economic implications for North Coast Counties. To mitigate negative effects, the state must allocate a portion of state revenue to assist counties.
- A statewide regulatory program must provide economic development assistance including job training to help North Coast counties of origin successfully rebuild their traditional resource based economies while transitioning to a fully regulated legalized marijuana industry.
- State leadership is also necessary to address larger education and research programs beyond the purview of individual counties. Much like tobacco, the state must allocate funds to implement research, education and prevention programs, particularly for youth, to mitigate marijuana abuse and dependence.
- To ensure that counties can differentiate their products in the marketplace a statewide chain of custody certification program is needed to allow local branding that highlights regional strains, sustainable environmental practices, responsible processing, and ethical business behavior. Chain of custody certification will increase value to local producers and encourage consumers to make responsible purchasing decisions.

Conclusion

North Coast Counties support a comprehensive state regulatory framework that explicitly preserves existing local control, while protecting the environment, local economies and quality of life. We welcome the opportunity to provide additional language and information that supports these policy concepts.