

2016/05/16

MENDOCINO BOARD OF SUPERVISORS MEETING ON
MEDICAL MARIJUANA URGENT ORDINANCE

APPROX 4 hr 36 min DAVID MCPHERSON FROM

HDL COMPANIES

MEMO 5,000-7,500

1-2 YEAR COMPLIANCE 25%

3-5 YEARS COMPLIANCE 40%

WITH PROPER RESOURCES

very) very CONSERVATIVE 51,203,000 4:57

very AGGRESSIVE 100,000,000

Santa Cruz County opens cannabis registry

County interviewing for licensing manager

By Jondi Gumz

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SANTA CRUZ » Whether the online registration process for medical cannabis cultivators will be as smooth as filing your taxes electronically or as bumpy as the first Covered California insurance roll-out remains to be seen.

In any case, it must be done online.

The registration site went live Monday at co.santa-cruz.ca.us/

CannabisLicensingOffice.aspx.

Cannabis cultivators operating since January 2013 and growers with more than three years experience in the commercial ag zone have until midnight Nov. 6 to register.

"This is definitely a big moment for the county," said Trevor Luxon, a Santa Cruz attorney with a specialty in cannabis business law.

"They ask a huge amount of information about the property and the applicant," he said, cautioning, "It's not going to be an easy process for cultivators."

He estimated a complete registration would comprise about 50 pages, and compared it to the pro-

cess of filing for a permit from the Planning Department.

"It's so thorough, it would take you time to get the information," Luxon said. "You're not going to be able to answer it all off the cuff."

The county asks for the federal tax identification number, the state tax identification number and the state Board of Equalization tax identification number, plus a background check for the owner and operators via Live Scan.

D'Angelo "Cricket" Roberto of Responsible Cultivation Santa Cruz, who served on the county's Cannabis Cultivation Choices

Committee, said it was too soon to assess the registration program.

Not so for Jim Coffis of Santa Cruz Mountains for Sustainable Cannabis Medicine, who was surprised there was no Spanish version.

"There's 500-odd questions, some require an essay," he said, questioning the depth of personal background information requested and the requirement to detail a security plan. "These are going to be public documents."

The process is "cumbersome," and "onerous," as he sees it.

"I get it they want to err on the side of caution," he said. "Imag-

ine if this was an economic development issue, you wouldn't make somebody jump through these hoops. There's whole bunch more revenue out there to be captured."

Last year, 14 medical cannabis dispensaries rang up \$32 million in sales.

The applications will be reviewed by staff yet to be hired.

About 120 people applied to become the county's first cannabis licensing manager.

"We're currently interviewing candidates," said county spokesman Jason Hoppin, noting many applicants did not meet the minimum qualifications.

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Registry

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The job called for five years of public administrative or regulatory experience, and a bachelor's degree in economics, business, finance or land use, with a master's degree or law de-

gree "highly desirable." The salary range was listed at \$110,614 to 148,242.

The manager will have a staff of four to assist in reviewing applications.

"We expect it will take some time for applicants to review and complete the forms, which are lengthy comparable to what other states ask of operators," Hoppin said.

exact dimensions.

- Local tax receipts.
- Personal background information on owners and operators.
- Certifications, assurance and warranties form with notarized signatures.
- Security plan.
- Parcel owner certification form if the applicant is not the exclusive owner of the site.

SANTA CRUZ COUNTY CANNABIS CHECKLIST

- Cost: \$3,500 per cultivation site; \$100 for Live Scan background check per owner or operator; \$300 per on-site inspection; extra services at \$110 per hour.
- Background information.
- Applicant owner certification form.

SAN FRANCISCO

Tainted candy at party likely edible pot

The Associated Press

SAN FRANCISCO » A special unit of the San Francisco Police Department is investigating how 19 people including a 6-year-old child could have eaten gummy candies at a birthday party that most likely were marijuana edibles, authorities said Monday.

The 19 were hospitalized Saturday, but all of them were released by Monday.

The unit is interviewing people to see if the candies

were intentionally placed at the party to target children, which would be a serious crime, Officer Grace Gatpandan said at a news conference.

But she said there could have been various ways the candies ended up at the San Francisco quinceanera, a traditional 15th birthday party.

"We don't want to automatically rush the assumption that this was an intentional act," Gatpandan said.

Final laboratory results

weren't available Monday, but officials say some of the hospitalized patients tested positive for THC, the main psychoactive ingredient in marijuana. Preliminary findings show the candies contain THC, public health officials said.

Thirteen of the patients were 18 or younger. The youngest was 6.

Police did not name the Oakland company that catered the party and provided the food, or say how the gum-

mies were presented.

The prices of the candies vary widely, but they typically can be bought for about \$25 for a pack of 10.

Dr. Craig Smollin, co-director of the San Francisco branch of the California Poison Control Center, said ingesting edibles is not fatal. The people hospitalized showed symptoms consistent with the effects of edible cannabis, including rapid heart rate, high blood pressure, lethargy and confusion.

- Building inspection report for indoor cultivation sites.
- Cannabis cultivation registration application.
- Map of cultivation site, pinpointing the cultivation spot on the parcel with

- Electrical certification form by licensed electrician if indoor cultivation is proposed.
- Well permit and proof of ownership if water is supplied by a well.

Growing divide: Tax now or later?

Cannabis cultivators dispute ballot measure

By Will Houston
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Humboldt County's proposed excise tax for medical marijuana farms has created a rift between local growers.

Several farmers have come out against the tax model, calling it premature, hasty and partial to larger farms. Other cultivators say they are supportive of it and feel that the time is ripe to pay their fair share in society to bring in badly needed revenue for county schools, roads and mental health services among others.

But the recently created Humboldt County Cannabis Chamber of Commerce argues the tax measure as written "misses the mark" on those funding goals.

"A wise tax policy could ensure Humboldt's sustainability for the rest of the century," the chamber's Board of Directors wrote in an opposition statement this month. "The measure being put forward not only fails to provide economic sustainability, but will actively decrease our resources to achieve it. This will set a terrible example to the rest of California's counties as they consider their

Cannabis

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own tax policies."

The county's tax proposal would implement a \$1 to up to \$3 fixed-rate tax for every square foot of medical cannabis cultivation. Indoor grows are taxed at \$3, mixed-light at \$2 and outdoor at \$1 per square foot.

As a general excise tax, the revenue would go directly to the county's General Fund, allowing the Board of Supervisors to spend it as the supervisors will. The Board of Supervisors has stated that it plans to use the tax revenue to fund a variety of services such as mental health, drug addiction, public safety, and environmental cleanup of illegal cannabis grows.

The Board of Supervisors is set to vote on Aug. 9 on whether to place the tax on the November ballot.

The Cannabis Chamber of Commerce and many other growers are calling

on the county to change its model and tax growers based on the amount of product yielded from their farms as the state already does with other agricultural products. According to the chamber's Board of Directors, the county's current model does not take into account issues such as crop loss or low yield, which could result in growers having to pay a fixed tax while also having to make up for unforeseen revenue losses.

Isaiah O'Donnell, one of the founding members of the nonprofit Emerald Family Farms mutual benefit company representing around 10 medical cannabis farms, holds a different view. He states the tax measure is fair and has a simple structure that falls in line with what other counties are considering.

"We need that simplicity right now as we're emerging from the shadows and creating legitimacy to the industry," O'Donnell said. "I think the supervisors

did a very good job knowing how much investment it takes to bring one of these farms into compliance."

But the Cannabis Chamber of Commerce states the county's tax proposal is not taking into account the burden placed on smaller farms that are already struggling to bring their operations into compliance with local and state laws over the next six months.

"The timing of this measure impacts small farmers much more deeply than large, factory style farms," the chamber Board of Directors states.

"In the next 18 months, small and large farmers are burdened with the same fees, farm upgrades, and new operating expenses," the chamber states. "Small cannabis farmers are currently less able to absorb these costs without the agricultural infrastructure afforded other small farms in Humboldt."

Humboldt State University has taken note of the regulatory hurdles medical cannabis farmers are hav-

ing to overcome in order to avoid being labeled a criminal. To help medical cannabis business startups navigate the new rules and requirements, Humboldt State University students have created an online business toolkit with information on the steps that need to be taken and the resources currently available to aid them.

"For better or for worse, local business owners will have to professionalize in order to compete with much larger commercial enterprises eager to exploit the California market," a joint letter from HSU Associate Business Professor Josh Zender and HSU Grant Analyst Sam Barton states. "Although the Humboldt brand will remain strong, collective action will need to be cultivated to achieve sustainability."

The HSU business toolkit can be found online at marijuanabizsource.wordpress.com

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