



COUNTY OF HUMBOLDT

For the meeting of: 7/19/2022

File #: 22-919

To: Board of Supervisors

From: Agricultural Commissioner

Agenda Section: Consent

SUBJECT:

Approval of Amendment 1 to Standard Agreement No. 21-0022, Cannabis Cultivation Licensing Inspection Agreement between Humboldt County and the California Department of Cannabis Control, Compliance Division

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve Amendment No. 1 to Standard Agreement No. 21-0022, known as the Cannabis Cultivation Licensing Inspection Agreement;
2. Authorize the Chair to sign the amendment and return the original signed copy to the Agricultural Commissioner's Office for further processing; and
3. Grant a waiver from the provisions of the Nuclear Free Ordinance.

SOURCE OF FUNDING:

California Department of Cannabis Control (DCC), Agricultural Commissioner (1100-261)

DISCUSSION:

The waiver from the provisions of the nuclear free ordinance is requested because the State of California will not modify its "standard agreements" to accommodate local ordinances. County agricultural commissioners (CAC) are locally responsible for administration and enforcement of multiple state programs under the authority of CDFA as authorized by the California Food and Agriculture Code and Business and Professions Code. Passage of the Medical Cannabis Regulation and Safety Act (MCRSA) and the Adult Use of Marijuana Act mandated to CDFA significant responsibility for regulating cannabis cultivation and activities related to the production of commercial cannabis. Humboldt County has contracted with California Department of Cannabis Control (formerly CalCannabis) to perform state cultivation license site inspections since 2017.

On May 18, 2021, your Board approved Standard Agreement No. 21-0022, known as the Cannabis Cultivation Licensing Inspection Agreement. In an effort intended to improve access to licensing and simplify regulatory oversight of commercial cannabis activity, the three licensing entities that were housed at - the Bureau of Cannabis Control, the Department of Food and Agriculture, and the

Department of Public Health - were consolidated into a single Department of Cannabis Control in July 2021. The California Department of Cannabis Control has requested to amend Standard Agreement No. 21-0022 to reflect this consolidation. Amendment No. 1 provides changes to the original agreement that includes, but is not limited to update contact information, address changes and changes to payment/invoicing procedures. The overall scope of work is not changed.

FINANCIAL IMPACT:

Approval of the amendment to Standard Agreement No. 21-0022 does not change the financial impact. Standard Agreement No. 21-0022 provides a total of \$182,000 in funding to Humboldt County in Fund 1100, Budget Unit 261, Agricultural Commissioner for state license inspection activities for 2 fiscal years from July 1, 2021 to June 30, 2023.

As with the original agreement, funding will be received by the Agricultural Commissioner Budget Unit 1100-261 Agriculture Programs. Reimbursements for inspections are based on the number of licenses on a single premise and are reimbursed a flat fee for each inspection (reimbursement amounts based on number of licenses: 1-10 = \$400, 11-30 = \$500, 31-60 = \$600, 61+ = \$700). All costs for personnel, mileage and supplies are covered by the agreement. All costs are billed to DCC monthly and payment is made in arrears to Humboldt County. No supplemental budget accompanies this request as revenue and expenditure account adjustments related to services performed under this agreement were funded in anticipation of this agreement.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by enforcing laws and regulations to protect residents .

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose not to approve the amendment, however, that is not recommended as it will not allow for reimbursement for state cannabis licensing cultivation inspections negatively impacting cannabis growers.

ATTACHMENTS:

1. Amendment No. 1 to Standard Agreement No. 21-0022
2. Exhibits to Amendment No. 1
3. Executed Standard Agreement No. 21-0022

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-1
Meeting of: 5/18/21
File No.: 21-559