



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

M-1

For the meeting of: December 8, 2015

Date: December 4, 2015

To: Board of Supervisors

From: Jeffrey S. Blanck, County Counsel

Subject: Resolution Authorizing Registration of Persons Interested in Engaging in Commercial Cannabis Activity pursuant to Medical Marijuana Regulation and Safety Act

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive the Report and Recommendation of the Medical Marijuana Subcommittee.
2. Review the Draft Resolution and Registration form.
3. Deliberate and vote on draft resolution authorizing Registration of Persons Interested in Engaging in Commercial Cannabis Activity pursuant to Medical Marijuana Regulation and Safety Act

SOURCE OF FUNDING: General Fund. The Supervisors may wish to establish a registration or certification fee to assist in funding cost of administering the registration program.

Prepared by Joel Ellinwood

CAO Approval Amey Nisen

REVIEW:

Auditor

County Counsel JSB

Human Resources

Other

TYPE OF ITEM:

- ☐ Consent
☒ Departmental
☐ Public Hearing
☐ Other

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Sundberg Seconded by Supervisor Lorelace

Ayes Sundberg, Lorelace, Fennell, Bohn, Bass
Nays
Abstain
Absent

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: Dec. 8, 2015

By: Kathy Hayes
Kathy Hayes, Clerk of the Board

DISCUSSION:

At the request of the Medical Marijuana Subcommittee, County Counsel and the Department of Planning and Building prepared a draft resolution to establish a registration program with the Planning and Building Department to help determine the level of interest in Humboldt County of those persons interested in engaging in commercial cannabis activity pursuant to Medical Marijuana Regulation And Safety Act.

The registry is intended to address two issues:

- 1) identify the demand for different license types (cultivation, manufacture, distribution, testing, dispensary, and transport) to guide development of policy and resources to accommodate the potential volume of applicants; and,
- 2) provide a means for persons seeking to demonstrate that they had established commercial cannabis activities in operation by January 1, 2016, to enable the County of Humboldt to certify that such operations were in good standing with the County, so that the applicant would be entitled to priority license consideration by state licensing authorities.

FINANCIAL IMPACT:

The cost of implementation and administration of a registration and certification is undetermined at this time.

OTHER AGENCY INVOLVEMENT:

The Planning and Building Department staff collaborated with County Counsel to prepare the attached draft resolution and registration form. It is anticipated that the Planning and Building Department staff and County Counsel will consult with Agricultural Commissioner, the County Department of Public Health, the Humboldt County District Attorney, and the Humboldt County Sheriff, and develop criteria for the determination of what constitutes being "in good standing" with the County of Humboldt as of January 1, 2016, and shall publish those criteria when completed. The draft resolution directs that the criteria be made available within thirty (30) days after adoption of the resolution.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board's discretion to approve, modify, or decline to adopt the resolution.

ATTACHMENTS:

1. Draft Resolution Authorizing Registration of Persons Interested in Engaging in Commercial Cannabis Activity pursuant to Medical Marijuana Regulation and Safety Act

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

Certified copy of portion of proceedings, Meeting of December 8, 2015

RESOLUTION NO. 15-127

RESOLUTION ESTABLISHING A PROGRAM OF REGISTRATION FOR PERSONS OR ENTITIES WHO INTEND TO SEEK COMMERCIAL CANNABIS ACTIVITY LICENSES FROM THE STATE OF CALIFORNIA PURSUANT TO THE MEDICAL MARIJUANA REGULATION AND SAFETY ACT FOR OPERATIONS TO BE CONDUCTED IN THE COUNTY OF HUMBOLDT AND FOR WHICH A LOCAL PERMIT, LICENSE, OR OTHER AUTHORIZATION IS REQUIRED

WHEREAS, on October 9, 2015 Governor Brown approved three bills enacted by the legislature on September 11, 2015, SB 643, AB243, and AB 266, collectively known as the Medical Marijuana Regulation and Safety Act (MMRSA), providing for comprehensive, concurrent regulation and licensing by state and local governments of medical marijuana as a commercial cannabis activity; and

WHEREAS, the MMRSA establishes 17 different license types for different classifications of commercial cannabis activity, enumerated at Business and Professions Code section 19300.7, including cultivation and processing, testing, manufacture, distribution, transportation, and dispensing; and

WHEREAS, the MMRSA, at Business and Professions Code section 19316, subsection (a), provides, in pertinent part, that,

"(a) Pursuant to Section 7 of Article XI of the California Constitution, . . . a . . . county may adopt ordinances that establish additional standards, requirements, and regulations for local licenses and permits for commercial cannabis activity. Any standards, requirements, and regulations regarding health and safety, testing, security, and worker protections established by the state shall be the minimum standards for all licensees statewide."

WHEREAS, the MMRSA, at Business and Professions Code section 19320, subsection (a) provides, in pertinent part, that,

"A licensee shall not commence activity under the authority of a state license until the applicant has obtained, in addition to the state license, a license or permit from the local jurisdiction in which he or she proposes to operate, following the requirements of the applicable local ordinance."; and

WHEREAS, the MMRSA, at Business and Professions Code section 19321, subsection (c) provides, in pertinent part, that,

"(c) Notwithstanding subdivision (a) of Section 19320, a facility or entity that is operating in compliance with local zoning ordinances and other state and local requirements on or before January 1, 2018, may continue its operations until its application for licensure is approved or denied pursuant to this chapter. In issuing licenses, the licensing authority shall prioritize any facility or entity that

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can demonstrate to the authority's satisfaction that it was in operation and in good standing with the local jurisdiction by January 1, 2016."

WHEREAS, the state statutes establishing a regulated, legitimate basis for commercial medical cannabis activities under the authorization of state law provide an opportunity to bring unregulated activities into compliance with existing law and ameliorate adverse environmental impacts, and to convert an underground, black-market economy into a legitimate agricultural and commercial contributor to the local and state economy; and

WHEREAS, the unregulated cultivation, processing, testing, manufacture, distribution, transportation, dispensing, and delivery of cannabis is widespread throughout Humboldt County, however the level of interest of existing and prospective operators' participation in a local and state regulated system of commercial cannabis activity for medical use is unknown; and

WHEREAS, in order to determine whether or not facilities or entities operating commercial cannabis activities were in operation and in good standing with the County of Humboldt by January 1, 2016, for purposes of qualification for priority processing of a state commercial cannabis activity license application, a means for registration and recognition of such facilities or entities must be established for each of the 17 different license classifications; and

WHEREAS, the County of Humboldt has previously adopted land use ordinances governing indoor and outdoor cultivation of medical marijuana for personal use on parcels of five (5) acres or less, regardless of zoning; and,

WHEREAS, the County of Humboldt is in the process of adopting land use ordinances governing dispensaries for medical marijuana and the commercial cultivation of cannabis for medical use, which may include provisions for processing facilities separate from cultivation sites, and facilities for distribution, manufacturing, transportation, delivery, and testing.

NOW, THEREFORE, be it resolved and determined by the Board of Supervisors of Humboldt County:

1. The Department of Planning and Building shall immediately establish a form for the registration of persons and entities interested in applying for commercial medical cannabis activity permits or licenses. The registration form shall, at a minimum, include:
 - a. The name, address, telephone number, and email address, if any, of the registrant;
 - b. If registrant desires recognition that the commercial medical cannabis activity was established prior to January 1, 2016; a description of the location, extent and nature of such activity and the dates during which the activity was established and operated;
 - c. If the registrant is proposing to establish a new facility or operation of commercial medical cannabis activity after January 1, 2016, a description of the proposed location, extent and nature of such activity being proposed; and
 - d. The state license classification(s) for which the registrant intends to apply.

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2. Within thirty (30) days of the adoption of this resolution the Department of Planning and Building shall consult with the County Agricultural Commissioner, the County Department of Public Health, the Humboldt County District Attorney, and the Humboldt County Sheriff, and develop criteria for the determination of what constitutes being "in good standing" with the County of Humboldt as of January 1, 2016, for as many of the 17 commercial cannabis activity license categories under state law as possible, and develop an appropriate form of certification for presentation to state license authorities for priority processing.
3. The Department of Planning and Building shall accept registration forms from persons or entities seeking to obtain permits or licenses from the County of Humboldt for commercial medical cannabis activities until July 31, 2016.

Dated: December 8, 2015



ESTELLE FENNELL, Chair
Humboldt County Board of Supervisors

Adopted on motion by Supervisor Lovelace, seconded by Supervisor Bass, and the following vote:

AYES:	Supervisors	Sundberg, Lovelace, Fennell, Bohn, Bass
NAYS:	Supervisors	--
ABSENT:	Supervisors	--
ABSTAIN:	Supervisors	--

STATE OF CALIFORNIA)
County of Humboldt)

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be a full, true, and correct copy of the original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California as the same now appears of record in my Office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.



By ANA HARTWELL
Deputy Clerk of the Board of Supervisors of the
County of Humboldt, State of California



County of Humboldt

COMMERCIAL CANNABIS ACTIVITY REGISTRATION

Note: The purpose of completing and submitting this form is for the County of Humboldt to assess the level of interest of persons to engage in any of the various types of commercial cannabis activities pursuant to the Medical Marijuana Regulation and Safety Act, Business and Professions Code section 19300, et seq. (the "MMRSA") within the County of Humboldt. Registration of existing commercial cannabis activities established prior to January 1, 2016 using this form will also permit the County of Humboldt to make a determination that the registrant was in operation and in good standing with the County of Humboldt by January 1, 2016, for purposes of Business and Professions Code section 19321 (c) eligibility for priority processing of state license applications required by MMRSA. Registration does not in any way guarantee that the registrant will be entitled to the issuance of any permit or license which may now or hereafter be required by the County of Humboldt, or that the State of California will in fact accept any certification by the County of Humboldt that the facility or entity was in good standing with the County of Humboldt for purposes of priority processing of any state license application.

Parcel Number: _____
Also known as "Fee Number" on your property tax bill.

Name of Business Owner: _____

Business Location Address: _____

Mailing Address: _____

Telephone: _____ Email Address: _____

Name of Property Owner: _____

Address of Property Owner: _____

☐ If in operation by January 1, 2016, a description of the location, size (dimensions or area) and nature of commercial cannabis activity and the dates during which the activity was established and operated.

☐ If proposed, a description of the proposed location, size (dimensions or area) and nature of commercial cannabis activity.

Signature of Registrant

Date: _____

State Commercial Cannabis Activity License Type for existing or proposed business.

Cultivation:

☐ Type 1, Specialty Outdoor, no artificial lighting, with 5,000 sq. ft. or less of canopy, or up to 50 plants on noncontiguous plots.

☐ Type 1A. Specialty Indoor, exclusively artificial lighting 5,000 sq. ft. or less of canopy.

☐ Type 1B. Specialty Mixed Light, combination of natural & supplemental lighting with 5,000 sq. ft. or less canopy.

☐ Type 2. Small Outdoor, no artificial lighting, with 5,001 – 10,000 sq. ft. of canopy.

☐ Type 2A. Small Indoor, exclusively artificial lighting, with 5,001 – 10,000 sq. ft. of canopy.

☐ Type 2B. Small Mixed Light, combination of natural & supplemental lighting, with 5,001 – 10,000 sq. ft. of canopy.

☐ Type 3. Outdoor, no artificial lighting, with 10,001 – 43,560 sq. ft. of canopy.

☐ Type 3A. Indoor, exclusively artificial lighting, with 10,001 – 22,000 sq. ft. of canopy.

☐ Type 3B. Small Mixed Light, combination of natural & supplemental lighting, with 10,001 – 22,000 sq. ft. of canopy.

☐ Type 4. Nursery

Manufacturer:

☐ Type 6, Production of medical cannabis products using nonvolatile solvents.

☐ Type 7, Production of medical cannabis products using volatile solvents

Testing:

☐ Type 8 Testing laboratory

Dispensary

☐ Type 10 General

☐ Type 10A No more than 3 retail sites

Distribution

☐ Type 11

Transporter

☐ Type 12