



**El Dorado County Board of Supervisors  
12/04/18  
THE DEVELOPMENT OF A COMMERCIAL CANNABIS  
PROGRAM**



# Presentation Overview

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- Today's presentation is about outlining the next steps in the creation of a commercial cannabis program. Which will include:
  - Current commercial cannabis rules in the County
  - Review the approved measures
  - Next steps in the process
    - Steps and timelines



# Current Ban in El Dorado County

- Temporary ban on any commercial cannabis activity through 12/12/19.
- Cultivating, distributing, selling, or delivering commercial cannabis for medicinal or recreational adult use is not authorized in the County.
- Ordinance 4999 - Medical Cannabis Dispensaries
  - Ordinance 4999 banned medicinal cannabis dispensaries.
  - At the time of banning, Ordinance 4999 provided that the ban would not be enforced against a limited number of medicinal cannabis dispensaries that were in operation for 6 months before October 30, 2011, provided that operations remain the same as they did in October 30, 2011
- Measures P, Q, R, and S amended the temporary ban to remove the commercial cannabis activities authorized in each measure. However, commercial cannabis activities are authorized under the measures only upon issuance of a Commercial Cannabis Use Permit and Annual Operating Permit, thus no commercial cannabis activity is legal until permits are issued.



# Commercial Cannabis Ballot Measures

**The following measures were passed by the El Dorado County voters and enacted ordinances addressing:**

- Measure N (section 130.14.280) – Taxation, permitting, and enforcement of commercial cannabis activities
- Measure P (section 130.14.290) – Commercial outdoor and mixed-light cultivation of cannabis for medicinal use
- Measure Q (section 130.14.300) – Commercial outdoor and mixed-light cultivation of cannabis for recreational adult use
- Measure R (section 130.14.310) – Retail sale, commercial distribution, and commercial indoor cultivation of cannabis for medicinal use
- Measure S (section 130.14.320) – Retail sale, commercial distribution, and commercial indoor cultivation of cannabis for recreational use



# El Dorado County Commercial Cannabis in Context of State Licensing

Of the available state licenses, the ballot measures provided for the following commercial cannabis activities in red for both medicinal adult use recreational:

## Cultivation

- Indoor - specialty small; non-specialty small, medium, or large
- Outdoor - specialty small; non-specialty small, medium, or large
- Mixed-Light - specialty small; non-specialty small, medium, or large
- Specialty cottage - small; outdoor; indoor; or mixed-light
- Nursery (cloning and seed propagation)
- Processing (only trimming, drying, curing, grading, or packaging)
- **Manufacturer**
- **Testing Laboratory**
- **Retailer** (Storefront/Public and Nonstorefront/Not Public)
- **Distributor** (transports, arranges for testing, and conducts quality control)
- **Distributor transport** (transports between licensed cultivators, manufactures, and distributors, but not to licensed retailers)
- **Microbusiness**

# Approved Ballot Measure Next Steps

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- The taxation aspect of Measure N (section 130.14.280) is effective 10 days after the Board certifies the election results.
- The regulatory aspect of Measure N (section 130.14.290) and Measures P, Q, R, and S are effective 30 days after the results of the tax measure is certified.
- Measure N provides that the Planning and Building Department shall begin developing the program necessary to carry out the ordinance and shall have applications available to the public no later than six months after the effective date of the ordinance.
  - The Board of Supervisors may grant extension(s) based on a finding of unforeseen circumstances, changes in state or federal law, lack of sufficient funding, or other reason necessitating an extension.

# Creating an Administrative Process

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- Creating an administrative process that provides clear rules for applicants and neighborhoods will take time
  - Many counties and stakeholders have emphasized the importance of taking the time to create an administrative process instead of moving forward too quickly
    - Learn from the successes and challenges of others
  - That being said, no process will be perfect and we will learn along the way
  - A Deputy Chief Administrative Officer will be assigned as the lead individual responsible for the development of a program and process, in coordination with the Director of Planning and Building and County Counsel
  - Start with an environmental scan of our benchmarks

# First Steps ...

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- As discussed and presented, the measures tax but do not have rules for three license types:
  - Manufacturing
  - Nurseries
  - Testing laboratories
  
- If all measures passed, we would bring ordinances with rules for these uses
  - February
  - Provide time to obtain benchmark information for ordinances



# First Steps ...

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- Measure N sets a range from which the Board of Supervisors sets the initial tax rate for each commercial cannabis use.
  - February
    - Provide time to obtain benchmark and other information
- Staffing study in an effort to create an efficient and effective program that provides services to applicants, participants and the general public
  - March
    - Provides time to study staffing levels and process timeframes
- Fee study looking at the program fees that applicants and participants pay

# First Steps ...

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- Creation of procedures and forms in application process
  - Decision to be made after environmental scan from benchmarks
    - It has been 6 months since last contact with benchmarks – this is a lifetime in the industry
  - Have procedures and forms update to the Board in April
    - Benchmark environmental scan will be completed
    - Discussion department/commission procedures will be well underway
    - Allow for feedback from the public
    - Many other decision points that effect this will be decided

# Availability of Grant Funds

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- Obtain information on the state grant process for receiving funds
- Work with County departments/or agencies on programs that could benefit from grant funds:
  - First 5 El Dorado
  - Public Health
  - Agriculture

# Recommendation on Structure Moving Forward

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- Continue to have El Dorado County cannabis working group meet to discuss procedures – internal departments
  - What departments will be assisting in the program moving forward
- Continue to have public meetings to discuss process – the feedback is important



# Communication Moving Forward

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Keep updated on the Commercial Cannabis administrative process through the following methods:

- Visit the County's Commercial Cannabis website to get the latest information at:

<https://www.edcgov.us/Government/CAO/Cannabis/Pages/Cannabis-Information-Home-Page.aspx>

- Sign up for County email alerts, which can be customized to only receive email alerts on cannabis.



# Estimated Timelines

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- Any policy decisions will come back to the Board for decision/direction
- Per Measure N – The County has 6 months, which is the beginning of July, to start taking applications
- February – Rules for manufacturing, nurseries, and testing labs
- February – Tax rate recommendation
- March – Staffing study to help determine fee study
- April – Procedures and forms update