

TRINITY COUNTY PLANNING DEPARTMENT

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Trinity County Planning Commission Meeting December 7, 2017

SUBJECT: Ordinance Allowing for Distribution of Cannabis

Background: MAUCRSA (SB 94) defines "distribution" as the procurement, sale, and transport of Cannabis and Cannabis products between licensees.

Distributors are the only licensees that can transport Cannabis and Cannabis products between licensees as well as being the only licensees that must make sure third-party testing is completed and that all product packaging and labeling meet state requirements.

Although Cannabis licensees (cultivators / manufacturers) are not specifically required to sell their Cannabis or Cannabis products through a distributor, they are required to contract/interact with a licensed distributor for testing, packaging and labeling quality assurance, even if they are not selling the actual product through the distributor. Distributors are allowed to charge fees for these additional services.

Distributors will also be responsible for collecting and remitting taxes on behalf of cultivators and retailers and they must secure a Board of Equalization permit (in addition to obtaining a State license).

Staff proposes the following:

- 1. A Type 11 Distribution License is proposed with a Conditional Use Permit in the following zoning districts:
 - General Commercial ("C2")
 - Heavy Commercial ("C3")
 - Industrial ("I")
 - Agricultural ("A")
 - Specific Unit Development ("SUD"), whose guidelines specifically identify parcels for industrial development

On November 16, 2017, The State Bureau of Cannabis Control (BCC) released emergency regulations to provide guidelines for Cannabis distribution in California (California Code of Regulations, Title 16, Division 42). The BCC is the lead agency in developing regulations for medical and adult-use Cannabis in California and is responsible for licensing retailers, distributors, testing labs, and microbusinesses.

The emergency regulations provide general definitions, application requirements, licensing details, posting and advertising requirements, security regulations, track and trace requirements, and guidelines regarding returns and destruction. Chapter 2 of the emergency regulations provide detailed guidelines for distributors.

2. Planning Staff and the Commission should analyze and discuss the following:

Are there any land-use issues affected by the activities expected to occur under a Type 11 Distribution License that the BCC emergency regulations include that are inconsistent with the Trinity County Zoning Ordinance or General Plan?

3. Recommendation:

Staff recommends that, after listening to comments and suggestions from the public, the Commission:

- A. Discuss and provide direction to staff regarding any changes to the proposed Ordinance; and
- B. Recommend that the Board of Supervisors adopt the Ordinance incorporating the suggested edits from the Planning Commission amending Trinity County Zoning Ordinance No. 315 Allowing for Distribution of Cannabis.

Respectfully Submitted,

Leslie J. Hubbard Interim Planning Director