



COUNTY OF HUMBOLDT

For the meeting of: 6/27/2023

File #: 23-872

To: Board of Supervisors
From: Agricultural Commissioner
Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:

Approve Amendment 2 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 2 to Standard Agreement No. 21-0022, known as the Cannabis Cultivation Licensing Inspection Agreement with the California Department of Cannabis Control;
2. Authorize the Chair to sign the agreement amendment and return all copies 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.

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. On July 19, 2022, your Board approved Amendment 1 to Standard Agreement No. 21-0022 that provided changes to the original agreement that reflected the consolidation. Those changes included, but were not limited to, updated contact information, address changes and changes to

payment/invoicing procedures.

The California Department of Cannabis Control has requested a second amendment to Standard Agreement No. 21-0022. Amendment No. 2 extends the duration of the agreement through June 30, 2024, and modify the language within Exhibit A Scope of Work, the actual scope of work does not change.

FINANCIAL IMPACT:

Approval of amendment No. 2 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 for state license inspection activities for 2 fiscal years from July 1, 2021, to June 2023. This amendment will extend the agreement an additional fiscal year July 1, 2023, to June 30, 2024. 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). Inspection 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.

Core Roles: Enforce laws and regulations to protect residents

New Initiatives: N/A

Strategic Plan: 3.2 - Stabilize and support a successful cannabis economy

OTHER AGENCY INVOLVEMENT:

California Department of Cannabis Control (DCC)

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose not to approve this amendment. That is not recommended as it would prevent extension of the term of the agreement and prohibit the Agricultural Commissioner's Office from receiving reimbursement for these inspections.

ATTACHMENTS:

1. Amendment No. 2 to Standard Agreement No. 21-0022
2. Revised Exhibit A, Scope of Work, to Standard Agreement No. 21-0022
3. Standard Agreement No. 21-0022
4. Amendment 1 to Standard Agreement No. 21-0022.

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-1

File #: 23-872

Meeting of: 5/18/2021, 7/19/2022

File No.: 21-559, 22-919