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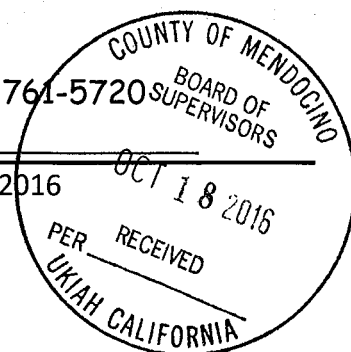
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Board of Supervisors

501 Low Gap Road, Room 1010

Ukiah, CA 95482

October 18, 2016



Re: Cannabis Business Licensing (non-cultivation)

Dear Honorable Board Members:

As the proposed ordinance regarding cannabis business licensing for non-cultivation moves forward, please consider the following:

1. The State Pre-Regulatory process gave the public clear specific regulatory goals to obtain specific comments on and is making sure that the specific regulations that are being drafted match the regulatory goals. It has been an effective technique in both focusing on important goals and in directing input to address those goals. Please consider the need to enunciate the specific regulatory goals proposed language is meant to address and please consider the following questions when deciding policy and drafting language: What is the regulatory goal we are trying to accomplish? Is this the best way to achieve those goals? And, finally, will use of the language we are proposing accidentally create a different problem? Doing so could help avoid confusion, narrow discussion and input and foster methods of achieving the specific goals desired.
2. Please consider calendaring public hearings on the proposed regulations. The State has conducted a series of pre-regulatory meetings that enunciated the specific regulatory goals and received public input on suggestions on how to best achieve them and things to consider that might not otherwise be understood without specific knowledge of and experience in the industry (and more particularly, subparts of each aspect of the industry). Worksheets were published in advance and each workshop had a general topic applicable to each subpart of the industry (distribution, transportation, dispensaries, manufacturing, etc.). After work-shopping the general questions applicable to all (still conducted in small groups but then discussed as a whole), the break-out sessions handled questions based on regulatory goals specific to each subpart. It was extremely effective and focused. I can provide the materials used in those meetings if it would be helpful to use a a starting point to craft materials that might be more specific to the Board's preferred regulatory goals.
3. Please consider a carve-out or an exception for cultivators to be able to use parts of the plant that literally fall off during trimming to turn it into a slightly different form (from kief to hash, etc.) so long as limited, non-dangerous equipment is used (for example, ice baths), without having to apply for a separate manufacturing permit. Additional safety requirements and inspections can be required. Please be sure that zoning regulations allow for farm site manufacturing of limited types with safety requirements. If our small farmers are not able to utilize most of the plant as product without having to go to a separate manufacturer, they will not be able to compete in the marketplace.
4. Please consider a special ordinance for the equivalent of bud and breakfasts or budderies (tasting rooms akin to winery tasting rooms). If the ordinances are contemplating no on-site consumption, then special ordinances will have to be made to allow for the development of these economically beneficial businesses to the County. Proper zoning and other regulations can assist in ensuring that such businesses are properly located and have the necessary features to ensure appropriate restrictions and standards.
5. Please be sure that background checks are specifically tied to a regulatory goal and have specific parameters (i.e., no violent felons, etc.). Yesterday in the Government Committee, the issue of background checks was presented as specifically addressing the goal of not wanting to issue licenses to those who would not qualify for a State license (and therefore would have to be cancelled later). However, the State language has not yet been

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defined and the MCRSA language itself does not present a definite prohibition on prior convictions as a basis for denial of a State license. Instead, it states it MAY be a basis for denial.

6. Please consider defining the period of time that it might take for an application to move through the processing stage and the time by which the County has an obligation to conclude the process once a complete application has been submitted.
7. Please consider provisional or limited transportation license that allows cultivators to move their raw material to a testing facility or to a manufacturer or to a group processing facility.

Thank you for your consideration.

Hannah L. Nelson