

Supervisors vote to modify cannabis ordinance, add poison pill

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WOODLAND — Yolo County supervisors on Tuesday narrowly approved modifications to the county's interim ordinance on commercial cultivation of medical cannabis, including a poison pill that would eliminate the entire program if voters do not approve a cannabis tax in June.

Supervisors Don Saylor of Davis and Matt Rexroad of Woodland voted against the revisions, which will return to the board for a second vote next month.

Several of the revisions to the interim ordinance drew criticism from local growers, including one that will allow co-location of more than one licensed grower on a single site, but with the limitation that only two growers can co-locate and only on sites 40 acres or larger.

Local growers questioned the minimum parcel size and limit on growers, arguing that some parcels could accommodate as many as five cultivators on as few as 10 acres without creating problems.

Currently, the ordinance allows a single licensed grower to cultivate medical cannabis on up to one acre of land.

"These sites will create very little odor nuisance and be far away from residences," licensed cultivator Anthony Vasquez said of co-located sites.

Additionally, he noted, increased co-location will lead to increased efficiency for growers who could share costs of security and reduced costs for the county because enforcement activity would be easier.

Currently, the county has 64 licensed growers on separate sites.

"I think we're going in the right direction allowing two (growers to co-locate)," Vasquez said, "but we need to allow more."

Agriculture Commissioner John Young agreed that if there is an ideal location that doesn't impact neighbors, "it makes sense to add more cultivators."

However, he said he was hesitant to expand beyond two growers on one site given that the additional cultivation acreage could lead to impacts on neighbors that didn't previously exist — particularly a greater odor nuisance.

"I don't want to create more problems than we already have," Young said.

Other modifications approved by the board Tuesday included:

- * Enabling a license holder to relocate a cultivation site to a site with less community impact;

- * Requiring that the cultivation license issued by the county be prominently displayed at the cultivation site;

- * Increasing administrative penalties for violations of the ordinance;

- * Establishing standards and requiring that cannabis be tested for contaminants and requiring mitigation for contaminants; and

- * Specifying that cultivation licenses cannot be sold or transferred.

The board has been discussing and modifying the interim ordinance almost since its original adoption two years ago and Assistant County Counsel Carrie Scarlata noted Tuesday that most of those revisions — including the ones approved Tuesday — “are lessons learned in the past year ... ways to tighten up the ordinance and make it work better for the county, the community and the cultivators.”

But hanging over all of it now is the issue of a poison pill.

The ordinance was revised Tuesday to add a sunset provision automatically repealing the entire ordinance on Dec. 31, 2018, unless the board places a commercial cannabis tax on the June 2018 ballot that voters then approve. The tax is intended to cover the costs of increased law enforcement as well as the health impacts of cannabis.

The December 2018 sunset would give growers already in the midst of cultivation in June time to complete the season before winding down operations.

But both Rexroad and Supervisor Duane Chamberlain of the rural 5th District have said they oppose a tax — though Chamberlain said Tuesday that if it is the only way to cover the sheriff’s enforcement costs, he would support it. Placing a tax measure on the ballot requires a four-fifths vote of the board.

And current licensees — as well as nursery owners and hand-trimming operators who will be licensed through a pilot program contained in the ordinance — object to the uncertainty such a poison pill presents for their business operations.

“What we all want, both the county and the operators, is certainty,” Daniel Conway said.

“I find that really troubling, that we’re potentially collateral damage in this vote and we don’t want to be.”

He suggested that the county look at other ways to generate revenue for cannabis enforcement. Currently, fees paid by Conway and other licensed growers cover the cost of enforcement activities at legal cultivation sites, but not the cost of enforcement for illegal grows, which is what the proposed tax revenue would cover.

Conway also questioned why there would be additional enforcement costs if commercial cultivation continues as a permitted business.

“I don’t see how this commodity that’s been grown in the county for decades is going to have additional impacts,” he said.

But Supervisor Oscar Villegas of West Sacramento said keeping the commercial cultivation program without increased revenue to pay for enforcement would result in cuts to other county programs, including health and social services.

"I'm not cutting programs and services to subsidize this initiative," he said.

Supervisor Jim Provenza of Davis agreed, and noted that, "the Legislature gave us the authority to impose this tax to deal with the impacts (of cannabis) and that authority is not limited."

Rexroad countered that if the cost to the county for enforcement is that great, the poison pill should take effect immediately in June, rather than six months later in December.

"If the argument is that we have to have the tax in order to make the county whole," Rexroad said, "the (best) business decision would be to cut them off as soon as possible.

"If you're digging a hole, stop digging."

"I'm supportive of that," Villegas replied, "because you're right. There's going to be additional administrative costs. Why not just say, 'It all ends?'"

But in the end the board voted 3-2 to include the poison pill while giving cultivators until the end of the year to close up shop if the tax measure fails.

"It passes for now," Chamberlain said of the revised ordinance, before adding, "this is a moving target."

The ordinance will return for a second vote next month.