Inyo Supervisors Mull Marijuana Regulations

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Deb Murphy

Inyo’s Board of Supervisors took the safe and sane approach to what many assume will be legalized recreational use of marijuana: let the community weigh in on the November 8 ballot, but, just in case, also include a measure on a tax model for commercial operations.

Planning Department staff was directed to develop options for consideration and action at the Board’s August 9 meeting. This is one of those “time is of the essence” scenarios; the deadline for the County’s general election ballot is three days after the meeting: August 12.

Legislation prepared in anticipation of the passage of Prop. 64 gives counties and municipalities the final word on nearly every aspect of commercial marijuana operations. The only thing counties can’t do is prohibit six plants grown for personal use.

“We need to determine, is cultivation, delivery, sales consistent with our community values,” said Board Chairman Jeff Griffiths. Griffiths noted that a ballot initiative would give the County information, precinct by precinct. “If there’s acceptance, it will take time to determine the regulations and conditions for a special use permit.”

The state is going through the same preparations, with a timeline for permitted operations in 2018. Supervisor Matt Kingsley noted the two measures on Inyo’s ballot “will give us time to work out the details.” The Supervisors agreed that public outreach was absolutely necessary.

The public comment period included four speakers, all in favor of allowing sales and commercial operations.

Steve McNeal already cultivates pot in Nye County but plans on developing a 20,000 square foot site on his land in Charleston View. He urged the Board to not overtax grow operations, pushing the cost to consumers up and “generating more black market” operations.

McNeal anticipated his Inyo County operation would bring in $2 million annually. “I’ll donate $100,000 to the local volunteer fire department and money to local schools,” he said.

McNeal also said marijuana takes half the water of alfalfa and he intends to incorporate recycling water from the half-acre operation. He added that his target market was Los Angeles.
Two other speakers, Reginald Cook, a collective operator who grows pot for pain management, and Jason Meade, a cannabis consultant, both favored state regulations which would take effect if Inyo chose not to ban, but also not to regulate, commercial operations.

**POT NUTS AND BOLTS**

Paul Smith with the Rural County Representatives of California gave the Board and staff a tutorial on the politics of pot, starting with the background, a series of federal memos handed down by the Department of Justice during the Barrack Obama administration. The directives gave enforcement of federal marijuana laws a very low priority, provided certain thresholds were met. While memos can be reversed, Smith said, Congress appeared to agree, providing few resources for medical marijuana violations. One of those thresholds was that pot couldn’t be moved across state lines. That directive is reflected in California’s legislation.

Growers also have to identify their water source during the licensing process. According to Smith, the RCRC lobbied state legislators for “the four things we (rural counties) could live with”: local control and taxing authority, consideration of environmental impacts and an end to the current collective model. All four are in the three-bill package passed in 2015 and the series of trailers that are still winding their way through the legislative labyrinth.

Smith also admitted the lengthy legislation included a lot of redundancy. “It had to be legally tight to avoid litigation.” That legislation allows counties to put tax measures on the ballot to cover deliveries, sales, and commercial grow operations.

The state will levy a 15-percent excise tax (similar to gas taxes that are figured into the price to the consumer at the pump) on the grow operations plus a sales tax only on recreational marijuana. To explain where those funds go, Smith used the analogy of buckets, with administrative costs, youth education, environmental impacts and local enforcement buckets lined up in that order. “Once that first (administrative) bucket is full, the money spills into the next,” he said.

Monies for local law enforcement will be made available in the form of grants. “The state will look to counties to enforce state and local licensing requirements,” Smith said. The state will take on non-licensed operations. State licensing appears to treat marijuana like any other consumable. The California Department of Food and Agriculture will issue state licenses to growers. The Bureau of Consumer Affairs will issue licenses for distribution, transport and testing labs. Licensing for edibles or oils will require a manufacturing license from the Department of Public Health.

Santa Cruz, Mendocino, Humboldt and Calaveres counties have structures in place for commercial operations. Counties choosing to heavily restrict or ban could come under referendum pressure from voters, Smith said.