



OVERVIEW ON CANNABIS REGULATION IN RIVERSIDE COUNTY

Riverside County (County) is seeking the public's input on appropriate regulations for cannabis in the unincorporated County areas. (Unincorporated County areas include all areas of the County except within the limits of a city.) Regulations will include rules for commercial cannabis businesses (e.g., cultivation, manufacturing, and retail sales) and the cultivation of cannabis for personal use at a private residence.

Attached are a series of questionnaires that we are asking stakeholders and constituents to complete and return, as instructed.

The County is seeking input from the constituents and stakeholders to include the public on how the County will draft cannabis regulations in the following areas:

- Where cannabis businesses should locate
- Cannabis taxation & revenue
- Youth access & exposure to cannabis
- Personal cannabis cultivation
- Equity and economic development

I want to talk about something other than the topics picked by the County. Where can I do that?

There are many issues associated with cannabis legalization. It is not possible to set worksheets for all of these issues. However, people are invited to express their views on other issues related to cannabis on below – *'General Concerns About Cannabis Regulation' section - below*

Why isn't this a "town hall" meeting where people can publicly address County officials?

The County is attempting to solicit the maximum amount of public feedback on this important policy area so that the County team has as much input as possible for the development of cannabis regulations. The County has determined that the public is more open and willing to provide written input which is more conducive to obtaining this feedback than "town hall" style meetings which require people to speak in front of a crowd for only minutes.

How will my input be used?

The County wants to ensure that its cannabis regulations are responsive to input from public stakeholders and constituents. This written input will be compiled into a report that will be made available to the public after all input sessions have concluded. The County will use the information from this report to help create its cannabis regulations.

Will what I say become public record?

People's names will not be associated with any particular written comment. A person should not write down any personal or confidential information they do not wish to become public.



What if I think of other comments or concerns after completing this packet?

People are welcome to submit comments online at <http://planning.rctlma.org/Home/Cannabis.aspx> .

You must submit your comment no later than **January 7, 2018**. The County will continue to receive and consider comments after January 7, 2018, but late comments will not be included in the report documenting public feedback.

Where can I go for additional information about cannabis regulations for unincorporated Riverside County?

For more information about cannabis regulations in unincorporated of Riverside County, please visit <http://planning.rctlma.org/Home/Cannabis.aspx> .

GENERAL CONCERNS ABOUT CANNABIS REGULATION

BACKGROUND:

Cannabis legalization in the State represents a dramatic change for many Californians. Some are apprehensive about what legalization will mean for their communities and future generations. Others are excited and supportive of this change. Some topic areas not selected for individual worksheet input include:

- Concerns about health and community impacts from cannabis legalization
- The equitable enforcement of new criminal penalties associated with cannabis
- Environmental sustainability
- Licensing application requirements and operational requirements for cannabis businesses

There are countless other topics and issues related to cannabis legalization. Below are some questions to help people express their views on topics not otherwise being covered on individual worksheets.



QUESTIONS:

The County currently prohibits all cannabis businesses within the unincorporated areas of the County. Should the County continue the ban cannabis businesses or create regulations to allow businesses to locate in the unincorporated areas of the County?

What is your biggest concern about the legalization of cannabis in California? What do you think the County could do to address that concern?

Have you experienced negative impacts from illegal cannabis operations near your residence or business?

Are there aspects of cannabis legalization that you are passionate about that you are not being asked in the following worksheets? What would you like the County to know about these aspects of cannabis legalization?



WORKSHEET #1 – WHERE SHOULD CANNABIS BUSINESSES LOCATE?

BACKGROUND:

State law will provide licenses for the following types of cannabis businesses:

- **Cultivators** - Cannabis cultivators plant, grow, harvest, dry, cure, and trim cannabis plants. Cultivation can take place indoors, outdoors, or in enclosed structures such as greenhouses.
- **Manufacturers** - Cannabis manufacturers convert cannabis plants into concentrated cannabis products (e.g., hash) and edibles such as cookies, brownies, and candy. Some, but not all, manufacturers utilize volatile solvents, such as butane, to process cannabis plants.
- **Distributors** - Cannabis distributors procure, sell, and transport cannabis and cannabis products between cultivators, manufacturers, and retail locations.
- **Microbusiness** - Cultivation of cannabis on an area less than 10,000 square feet and to act as a licensed distributor, Level 1 manufacturer, and retailer under this division.
- **Nursery** - Produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.
- **Testing Laboratories** - Testing laboratories test cannabis and cannabis products prior to sale at retail for potency, chemical residues and pesticides, and contaminants such as mold, insects, and hair.
- **Retailers** - Retailers sell cannabis and cannabis products to consumers.

DRAFT State law rules about where cannabis businesses can locate:

The draft State law provides that cannabis businesses must be at least 600 feet from the following “sensitive” land uses:

- Schools (K–12)
- Day cares (including preschools, but not including home day cares with less than 14 children)
- Youth centers (including youth clubs and video arcades)

However, state law lets counties and cities set their own rules.

Potential County rules for unincorporated areas:

The County staff will propose policies about where cannabis businesses can locate through the County’s zoning Ordinance. The County Board of Supervisors will be the ultimate decision makers on which policies will be implemented. Examples of areas that zoning policies for cannabis businesses could be considered are:

- Where to prohibit any cannabis business, i.e. Residential zones
- Determining which zones cannabis testing labs and retailers would be most appropriate
- Determining which zones cultivators, manufacturers, distributors would be most appropriate
- Requirements for commercial cultivation, including whether to allow commercial cultivation
- Development regulations for cannabis businesses
- Concentration of cannabis businesses



QUESTIONS:

If the County regulates cannabis Businesses should the County prohibit cannabis businesses from locating near certain places or “sensitive” land uses, such as schools? If so, what are your specific concerns about cannabis businesses locating near those places or land uses?

Do you think cannabis businesses should be located away from other cannabis businesses? If so, what are your specific concerns about cannabis businesses locating near each other?

Which type of cannabis business (retailer, cultivator, manufacturer, distributor, testing laboratory) most concerns you, if any?

Is there anything else you would like to tell the County about the location of cannabis businesses?



WORKSHEET #2 – TAXATION & REVENUE

BACKGROUND:

Effective January 1, 2018, the state will impose the following taxes on medical and nonmedical (or “recreational”) cannabis:

- A 15% excise tax on all retail sales of cannabis and cannabis products
- A cultivation tax of \$9.25 per ounce of cannabis flowers and \$2.75 per ounce of cannabis leaves
- Medical cannabis purchases will be exempt from state sales tax, which is currently 7.5%

Counties and cities that regulate cannabis can also tax cannabis businesses with voter approval:

State law allows counties and cities to impose their own taxes on cannabis businesses and commercial cannabis activity. Such a tax would need to be approved by voters in that county or city. The type of tax structure a county or city may adopt depends on the specific policies that county or city wishes to advance. Some of the policies that could have a bearing on cannabis taxation include:

- Facilitating the transition from an unlicensed/illegal market to a licensed and regulated market. Some argue that a relatively low tax rate on cannabis businesses would make it easier for licensed businesses to compete with unlicensed/illegal businesses that are not paying taxes.
- Revenue generation. Some argue that tax rates should be designed to generate revenue for cities and counties to fund important programs, including law enforcement and drug prevention programs.
- Discouraging consumption. Some argue that tax rates should discourage consumption by making purchasing cannabis cost-prohibitive for some. While similar strategies have been implemented for tobacco products, others argue that people who cannot afford to buy cannabis legally will be able to buy it easily for less through unlicensed channels.
- Cannabis as medicine. Some argue that counties and cities should tax medical cannabis less than nonmedical cannabis, to ensure those who use cannabis medically can afford it.

How the state will use cannabis tax revenue:

The State of California will use cannabis tax revenue to fund the following:

- Medical cannabis research
- Youth programs (including drug education, prevention, and treatment)
- The prevention and remediation of environmental damage from illegal marijuana producers
- Grants to local health departments and nonprofits to support job placement, drug treatment, and other programs in communities “disproportionately affected by past federal and state drug policies.”



QUESTIONS:

If the County imposes a tax on cannabis businesses and commercial cannabis activity, what should be the purpose of the tax?

What programs or activities would you like to see funded by cannabis tax revenue?

Do you think the County should tax medical cannabis differently than nonmedical (or “recreational”) cannabis?

Is there anything else you would like to tell the County about cannabis taxation and revenue?



WORKSHEET #3 – YOUTH ACCESS & EXPOSURE WORKSHEET

BACKGROUND:

According to the California Department of Public Health, “*Using cannabis regularly in your teens and early 20s may lead to physical changes in your brain. Cannabis can harm a young person’s memory and ability to learn and pay attention. Some studies suggest a permanent impact as well. These harmful effects may make it harder for youth to achieve their educational and professional goals and impact how successful they are in life. Cannabis use also increases the risk for anxiety, depression, suicide and schizophrenia as well as substance use or abuse.*”

State regulators are paying careful attention to advertising and marketing rules, ways to limit youth access and exposure to cannabis, preventing the sale of cannabis and cannabis products to people under 21, and effective conversations parents can have with youth about cannabis.

In addition, regulators, educators and parents are concerned about edible cannabis products, such as candy, cookies, and brownies infused with cannabis. Unlike smoking cannabis, it can be difficult to tell if a person is eating an edible cannabis product. In some cases, these products can be used by young people more easily than dried cannabis, alcohol, or tobacco products, even on school grounds.

State law restrictions on cannabis advertising and marketing:

- Advertising is prohibited within 1,000 feet of schools, day cares, youth centers, and playgrounds.
- Advertising that is “attractive to children” or intended to encourage youth use is prohibited.
- Billboards are prohibited along all interstate highways and some state highways.
- Advertising placed in broadcast, cable, radio, print, and digital media is restricted to audiences where at least 71.6 percent of the audience members are 21 years of age or older.
- Direct advertising or marketing must utilize age-verification software.

Other state rules are intended to prevent people under age 21 from accessing or being exposed to cannabis:

- All cannabis sold at retail must be in a re-sealable, tamper-evident, and child-resistant package.
- Packages and labels must not be “attractive to children.”
- The possession or consumption of cannabis is prohibited at a school, day care, or youth center while children are present.
- Smoking cannabis is prohibited within 1,000 feet of a school, day care, or youth center while children are present, except at a private residence if smoke is not detectable at the school, day care, or youth center.



QUESTIONS:

What most concerns you about cannabis legalization and the potential impact on young people, if anything?

What regulations or restrictions would you like to see for cannabis advertising and marketing, if any?

What regulations or restrictions would you like to see regarding publicly visible signage at a cannabis business, if any?

What rules can the County put in place to ensure people under 21 are not able to obtain cannabis or cannabis products? How can retailers partner with the County and local communities to achieve that goal?

Is there anything else you would like to tell the County about youth access and exposure to cannabis?



**WORKSHEET #4 –
PERSONAL CULTIVATION WORKSHEET**

BACKGROUND:

State law regarding the cultivation of cannabis for personal nonmedical (or “recreational”) use:

- Adults age 21 and over may grow up to six plants per residence (not per person)
- Plants can be grown indoors or outdoors, provided they are not visible from a public place
- Counties and cities can ban outdoor personal cultivation but not indoor personal cultivation, and counties and cities that ban outdoor personal cultivation are disqualified from receiving state grants to assist with law enforcement, fire protection, and other local programs related to the implementation of cannabis regulations.
- Any regulations for personal cannabis cultivation adopted by counties and cities must be “reasonable.”

State law regarding the cultivation of cannabis for personal medical use:

State law allows the following cultivation for personal medical use:

- A qualified patient with a doctor’s recommendation to consume cannabis to treat a serious medical condition may grow up to 6 mature or 12 immature plants per patient.
- A primary caregiver designated by the qualified patient may grow up to 6 mature or 12 immature plants per qualified patient, for up to 5 patients.
- Counties and cities may limit or ban cultivation for personal medical use.

The County currently bans the cultivation of cannabis except for small amounts of cultivation for personal medical purposes and in specified circumstances:

- The prohibition of cannabis cultivation in the unincorporated areas of the county shall not apply to a person over the age of 21 who engages in the indoor cultivation of six or fewer living cannabis plants within a single private residence or inside a detached accessory structure located upon the grounds of a private residence that is fully enclosed and secured.



QUESTIONS:

What concerns, if any, do you have about people growing cannabis plants in their homes or in their yards? What rules could the County implement to address those concerns?

Do you agree that outdoor personal cultivation should be prohibited near schools, parks, libraries, day cares, and youth centers? Should outdoor personal cultivation be prohibited near other places?

Are you concerned that regulations for personal cultivation might make it harder for a medical cannabis patient to grow cannabis to treat a serious illness, such as cancer?

Is there anything else you would like to tell the County about personal cannabis cultivation?



WORKSHEET #5 – EQUITY AND ECONOMIC DEVELOPMENT

BACKGROUND:

One of the goals of Proposition 64 is to reduce barriers to entry into the regulated cannabis market, especially for individuals from communities that have been most impacted by past drug enforcement policies and the “war on drugs.” Some barriers to entry include:

- Prior drug convictions. Under Proposition 64, persons who have been convicted of a cannabis-related offense that is no longer illegal under state law are not automatically disqualified from applying for and receiving a license to operate a cannabis business.
- Lack of access to startup capital. High startup costs can prevent many people from entering the cannabis marketplace or competing on equal footing with well-funded competitors.
- Complicated regulations and licensing requirements. Many “mom-and-pop” cannabis operators find it difficult to navigate and comply with complex cannabis regulations and licensing requirements.

Many argue that reducing these barriers to entry will result in more equitable ownership patterns for cannabis businesses, and increase economic development in communities hardest hit by the “war on drugs.”

Concerns that cannabis legalization might impede equitable economic development:

Some people are concerned that cannabis legalization will negatively impact minority communities and communities struggling with relatively high rates of unemployment, under-employment, and crime. These people worry that an overconcentration of cannabis retailers within these communities could result in negative health, social, and economic outcomes over time, especially for young people exposed to cannabis, and could displace other community-serving businesses such as family restaurants, small grocers, and laundromats. Comparisons have been made to the overconcentration of liquor stores in some of these communities, which sometimes results in elevated rates of alcoholism, crime, and blight.

Under this view, local regulations for cannabis businesses should prevent an overconcentration of cannabis businesses and ensure that cannabis businesses advance economic development within these communities, not impede it.



QUESTIONS:

How can the County appropriately expand economic opportunities in the cannabis industry while preventing the negative impacts potentially associated with an overconcentration of cannabis businesses?

Should cannabis businesses engage with local communities to foster economic development and prevent negative impacts, such as loitering and crime? How so?

What programs do you think the County should offer to advance economic development in communities where cannabis businesses locate?

Is there anything else you would like to tell the County about equity and economic development as it relates to the cannabis industry?



Contact Information:

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