

COUNTY OF NEVADA
STATE OF CALIFORNIA
BOARD OF SUPERVISORS



Heidi Hall
Supervisor, 1st District
Email: heidi.hall@co.nevada.ca.us

NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo

MEETING DATE: August 11, 2020

TO: Board of Supervisors

FROM: **Heidi Hall, District I Supervisor**

SUBJECT: Letter of Support for SB 67 (McGuire) as amended: Cannabis Appellations Program

RECOMMENDATION: Approve and authorize the Chair to sign and send the attached Letter of Support

FUNDING: Not applicable.

BACKGROUND: The California Department of Food and Agriculture (CDFA) CalCannabis Cultivation Licensing Division (CalCannabis) is the regulatory entity within the CDFA that manages commercial cannabis from cultivation to sale through its Licensing, Compliance and Enforcement, and Administration divisions. CalCannabis is required by the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) under the Business and Professions Code Section 26063 to establish a) standards by which a licensed cannabis cultivator may designate a county of origin for cannabis, and b) a process by which licensed cannabis cultivators may establish appellations of origin that include standards, practices, and cultivators applicable to cannabis produced in a certain geographical area in California. Furthermore, pursuant to Senate Bill 94 (2017), a Cannabis Appellations of Origin program is required to be established by January 1, 2021. Appellations of Origin is an optional marketing system designed to be more exclusive and specialized for cannabis licensees than County of Origin designations, which are more inclusive and encompass all cannabis products regardless of cultivation standards or varieties.

On February 20, 2020 CDFA released proposed regulations for the appellations of origins for cannabis. All interested parties were encouraged to provide public comments about the proposed regulations by May 6, 2020. Attached hereto include the comments submitted by the 1) Origins Council, a nonprofit educational, research and advocacy organization that partners with several regional cannabis trade associations, including the Nevada County Cannabis Alliance, and 2) Rural County Representatives of California (RCRC). A robust appellations system is envisioned to ward off the commoditization of cannabis to provide a

950 Maidu Avenue, Suite 200, Nevada City CA 95959-8617
phone: 530.265.1480 | fax: 530.265.9836 | toll free: 888.785.1480 | email: bdofsupervisors@co.nevada.ca.us
website: <http://www.mynevadacounty.com/nc/bos>

vibrant economy for growers, manufacturers, and distributors, as well as support consumer confidence, and ultimately provide the tax revenue voters intended for youth programs, environmental cleanup, and public safety.

At issue is the concern that the Business and Professions Code Section 26063 as adopted by the Legislature does not afford CDFA with the necessary authority to issue regulations that ensure that an appellations program has the highest integrity with exclusivity to the region where the product is produced by guaranteeing that the product is grown in full sun, open air, and in the ground in the County or City of origin. Senate Bill (SB) 67 (McGuire) as amended will require the Business and Professions Code Section 26063 to limit the approval of appellations for cannabis unless it requires the practice of planting in the ground in flowering areas and excludes the practice of using artificial lighting and structures in flowering areas. The bill would also require CalCannabis to establish standards by which a licensed cultivator may designate a city or county of origin for cannabis produced 100% within the designated city or county.

I am requesting that the Board of Supervisors consider and approve the attached Letter of Support for SB 67 (McGuire) as amended to allow and direct CalCannabis to implement a cannabis appellations program that ensure the integrity and exclusivity of cannabis cultivated in Nevada County. Other neighboring counties with cultivation programs have submitted Letters of Support that include the Mendocino County and Humboldt County (attached hereto). The estimated impact to the Nevada County Cannabis Compliance Division is negligible and is supported in concept by County Staff especially because the appellations program is tied to licensure, which will help incentivize legal cannabis cultivation compliance. The Nevada County Cannabis Alliance supports SB 67 (McGuire) as it will build a “strong appellation program, mirroring that of California’s wine industry, [and] will demonstrate Nevada Counties reputation in producing highly sought-after and environmentally sustainable outdoor cannabis. Nevada County is renowned cannabis producing region in the state of California, home to a great many multi-generational cultivators, breeders, manufacturers, and other added value cannabis industry participants. Appellations will protect the genetic resources and heritage of our region's cannabis farming communities, while supporting their long-term economic viability.”

Therefore, I am requesting the Board of Supervisors approve and authorize the Chair to sign and send the attached Letter of Support for SB 67 (McGuire) as amended, as it will promote and support the Board’s 2020 Priority Objectives on cannabis compliance and economic development.

Sincerely,

Heidi Hall
District I Supervisor