

FY 2018-19 Budget Workshop Board Inquiry Form

Board Member	
Williams	
Wolf	X
Hartmann	
Adam	
Lavagnino	

Inquiry Number: 008

Department: CEO/P&D/AG/Sheriff
 Date: 4-18-2018
 Page(s) of PowerPoint: n/a

Request/Question:

As of this morning, Santa Barbara County has authorized the issuance of 785 State Cannabis Temporary licenses—comprising 24% of all licenses in the State; however as of today we are receiving NO application fees, license fees or tax funds to monitor or respond to complaints generated by these operations.

What would the cost be of a one-time enforcement and monitoring “team” be, comprised of P&D/Sheriff/Ag Commissioner?

The BOS received an update on Cannabis permitting, licensing and enforcement on April 10th. The Board Letter Financial analysis section about permit and license compliance included:

“The current estimate for cannabis enforcement Staffing is approximately \$1.9 million annually. It is anticipated that the cost of enforcement will come from general county revenue, including cannabis tax proceeds if voters approve the cannabis tax measure in June. The current estimate of additional Permitting, Licensing and Compliance staffing costs is approximately \$2.4 million annually when permitting and licensing begins. Fee revenue will be generated from license application and compliance fees charged to those applying for and receiving a cannabis business license. Following Board adopted budget policies, the fees will fully recover the cost of the licensing and compliance program. This additional revenue and expense is not likely until FY 2018-19 and is contingent on the Treasurer-Tax Collector opening a bank account in a suitable financial institution.

A request for any required new legal positions, a fee study and a fee ordinance for license application processing and compliance will be finalized and brought back to the Board for approval on May 8, 2018. If approved by the Board and pending any further direction at the April Budget Workshops, staffing costs for licensing, compliance and enforcement will be included on the FY 2018-19 Recommended Budget”.

Devoting funds, approximately \$317 thousand for enforcement in May and June in the current fiscal year (FY17-18), would likely have minimal enforcement impact as no additional capacity could be applied that quickly by the impacted departments.