COMPANIES

CITY of SAN FERNANDO Community Workshop

Presented by: Matthew Eaton

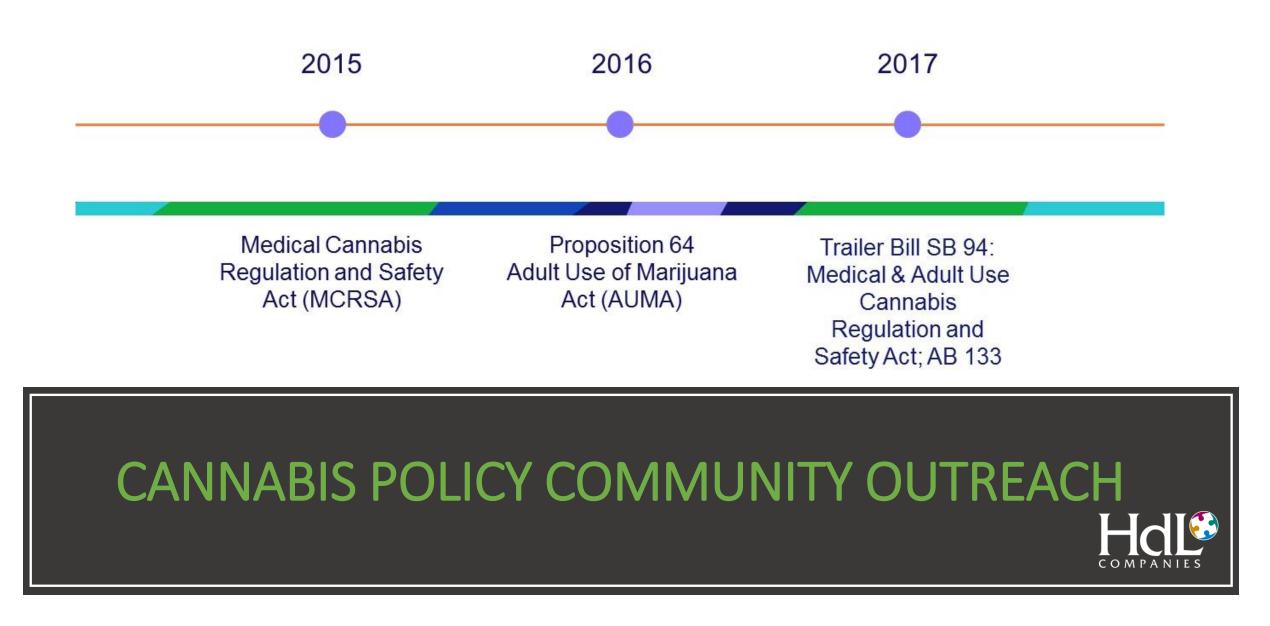


COMPANIES

Overview of State & Local Legislation



California Cannabis Legislation

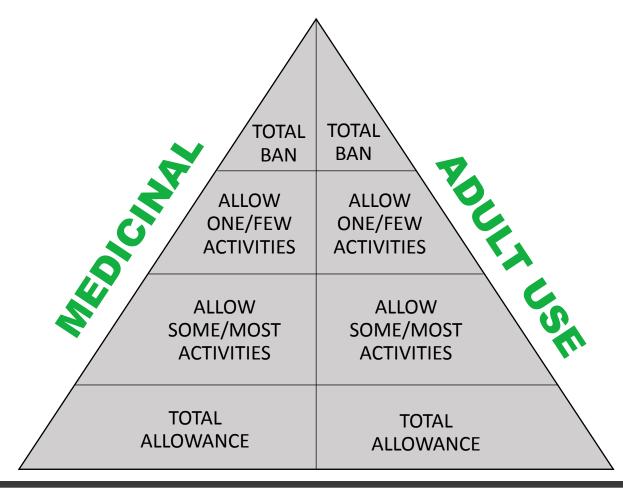


Protects local control by:

- **Dual licensing:** A requirement in statute that all marijuana businesses must have both a state license and a local license or permit to operate legally in California. Jurisdictions that regulate or ban medical marijuana will be able to retain their regulations or ban.
- Enforcement: Local governments may enforce state law and local ordinances if they request that authority and if it is granted by the relevant state agency.

MEDICAL & ADULT-USE CANNABIS REGULATION AND SAFETY ACT (MAUCRSA)





REGULATORY OPTIONS

MARIJUANA POLICY DEVELOPMENT

"Policies designed today will help shape how your industry looks tomorrow." -HdL Companies

CREATING REGULATIONS

Areas to Consider

- Hours of operation
- Business location (zoning)
- Signage/advertisement
- Physical security
- Smell, sight, noise
- Reporting requirements
- Employee badge requirements

CREATING REGULATIONS

Areas to Consider

- Unpermitted construction activity
- Vendors and consultants
- Access control requirements
- Record reporting/retention requirements
- Investigation and inspection protocols
- Good neighbor policy

COMPANIES

Overview of Commercial Cannabis Business types



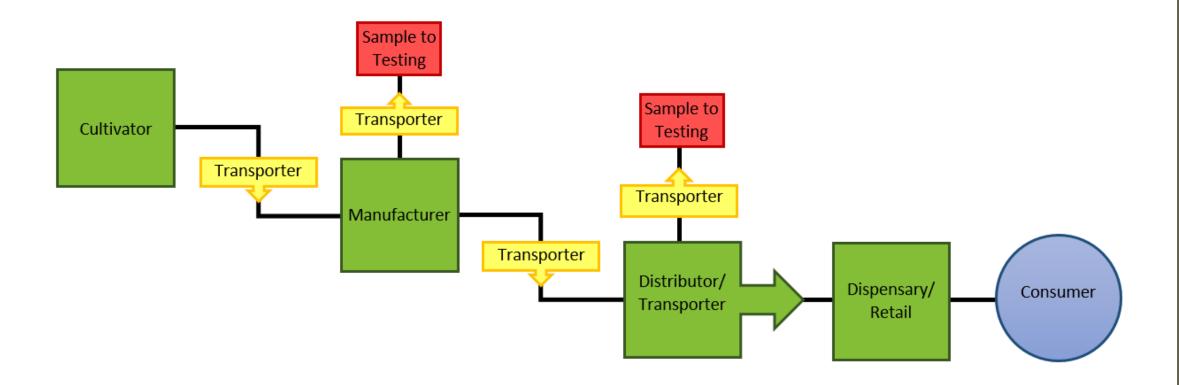


CANNABIS POLICY COMMUNITY OUTREACH

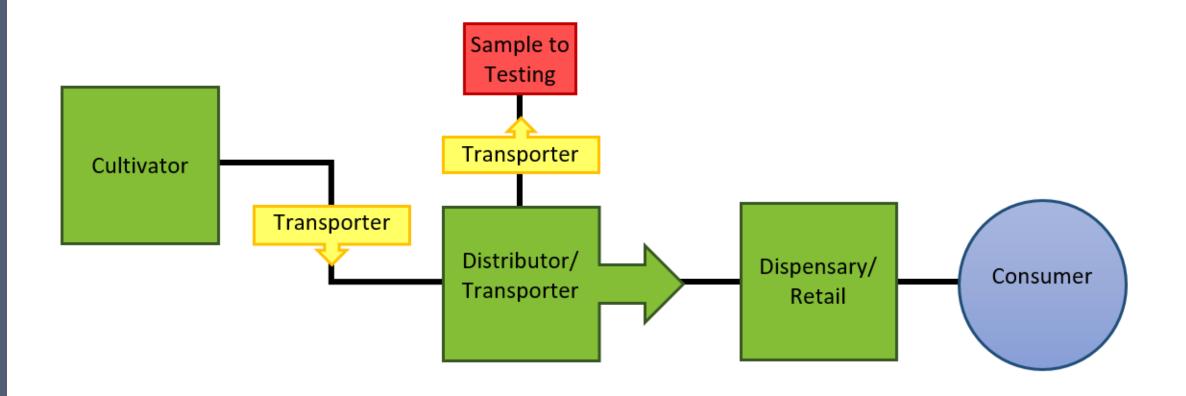
City Council Sets Cannabis Regulatory Policies on:

- Cultivation
- Microbusiness
- Manufacturing
- Testing Labs
- Delivery/Non Store Front Retailer
- Retail-Medicinal/Adult-Use
- Distribution Facilities

Manufactured Cannabis Products Model (concentrates, edibles, salves, tinctures, etc.)



Non-Manufactured Cannabis Model (flower, leaf or pre-rolled)





RETAILER/MICROBUSINESS

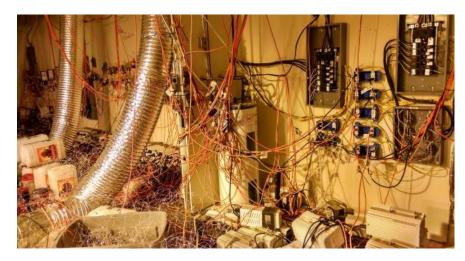






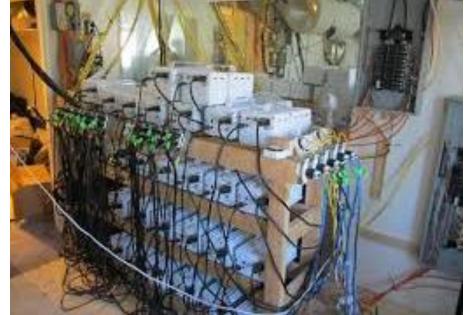
CULTIVATIONS











ELECTRICAL EQUIPMENT







EXTRACTION FACILITY







MANUFACTURING







UNLICENSED ACTIVITIES







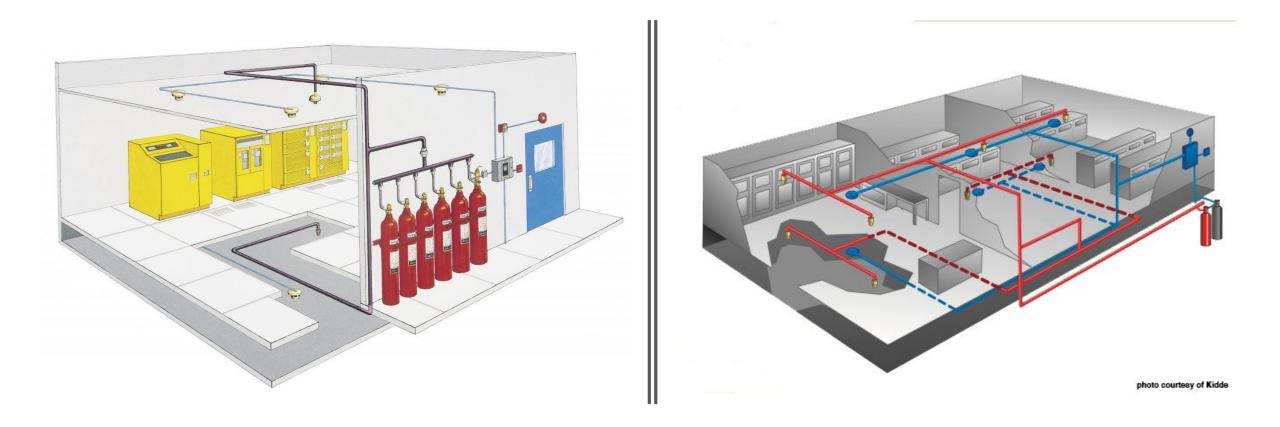


DISTRIBUTION

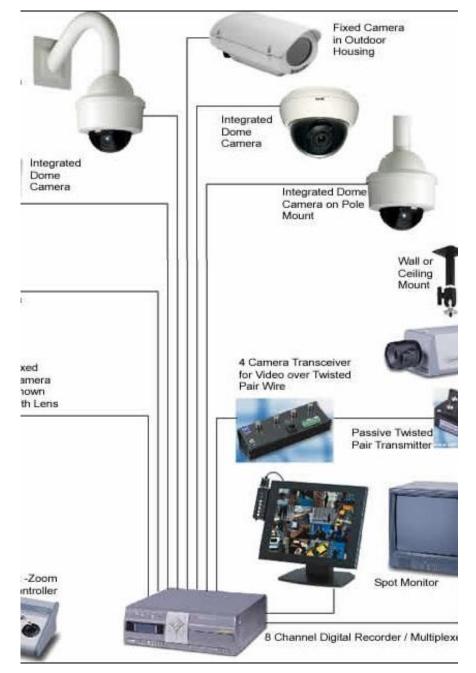


TESTING LABORATORIES











SECURITY PLAN





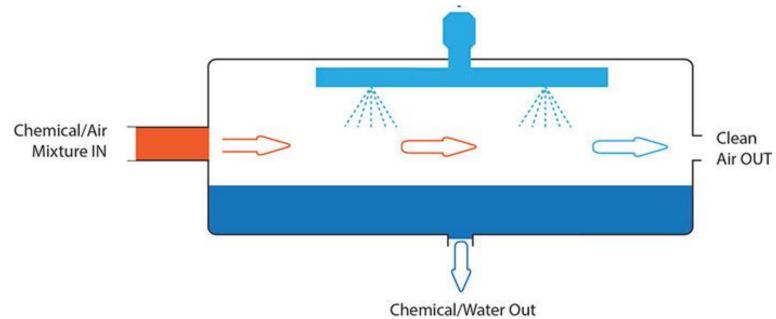


INVENTORY TRACKING









ODOR MITIGATION





CHILD RESISTANT ASTM D3475 CERTIFIED

ENHANCED PRODUCT SAFETY (Regulated Product Packaging)



UNIVERSAL SYMBOL

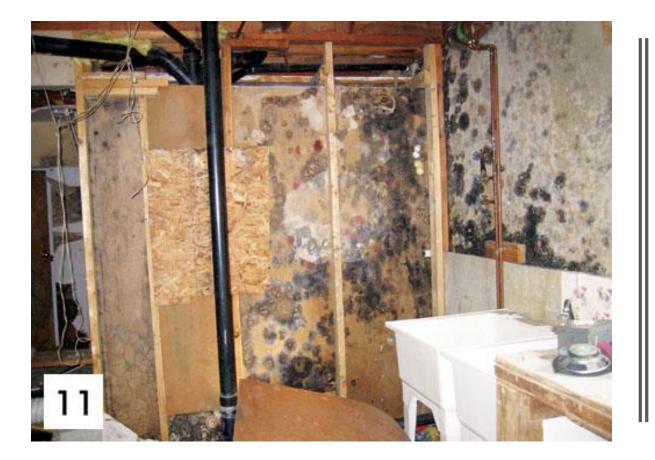


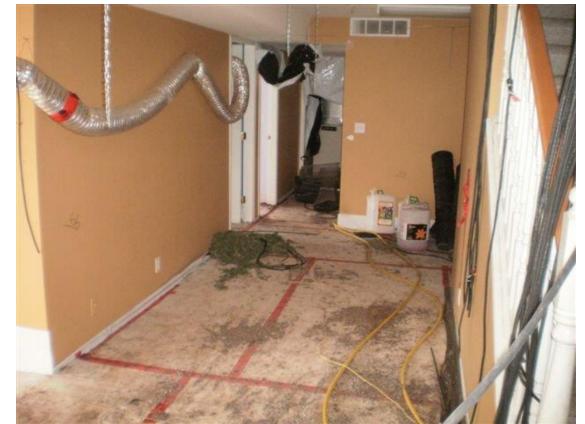




PERSONAL CANNABIS CULTIVATIONS







IMPACTS OF PERSONAL CANNABIS CULTIVATIONS



THOUGHTFUL LOCAL REGULATIONS SHOULD ADDRESS THE POTENTIAL IMPACTS:

- Unsafe electrical & construction
- Waste management
- Water & power usage
- Quality of life complaints
 - Lighting, noise, odor

HEALTH AND SAFETY IMPACTS



COMPANIES

Benefits of Regulation (Lessons Learned)



BALANCED APPROCH TO OVERSIGHT

1

MONITOR: The progress

2

MEASURE: The results

3

MODIFY: The rules as needed

COMPANIES

Taxes & Fees



CANNABIS STATE AND LOCAL TAX RATES

State Cannabis Excise Tax

(Applies to medical and non-medical)

Retail Tax

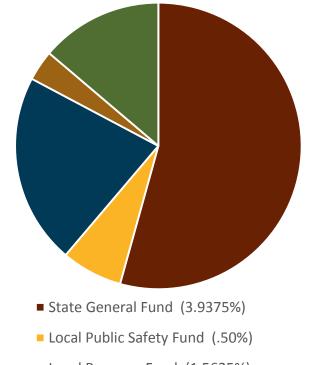
15% Gross Receipts of Retail Sales

Cultivation Tax

\$9.25/oz. Flowers \$2.75/oz. Leaves

Sales and Use Tax: 7.25% +

Adult-Use Subject to Tax Medicinal May be Subject to Tax



- Local Revenue Fund (1.5625%)
- County Transportation Fund (.25%)
- City/County Operations Fund (1.00%)

City Cannabis Tax (Medicinal /Adult –Use)

XX% of Gross Receipts\$XX Per Square Feet\$XX Flat Rate\$XX Per Weight

City Cost Recovery Fees (Prop 26) (Medicinal/Adult-Use)

\$XX Application Fee \$XX License Fee \$XX Renewal Fee \$XX Administration Fee

	MEDICINAL	ADULT-USE
Cultivation	YES / NO	YES/NO
Manufacturing	YES / NO	YES / NO
Testing (Quality Control)	YES / NO	YES / NO
Retailer/Non-Store Front Retailer (Dispensary/Delivery Services)	YES/NO	YES / NO
Distribution Facility	YES / NO	YES / NO
Microbusiness	YES/NO	YES / NO

CATEGORIES OF USE



COMPANIES

THANK YOU!

Matthew Eaton Cannabis Compliance Manager <u>meaton@hdlcompanies.com</u> (909) 861-4335