

# Draft Rule 210, Fees

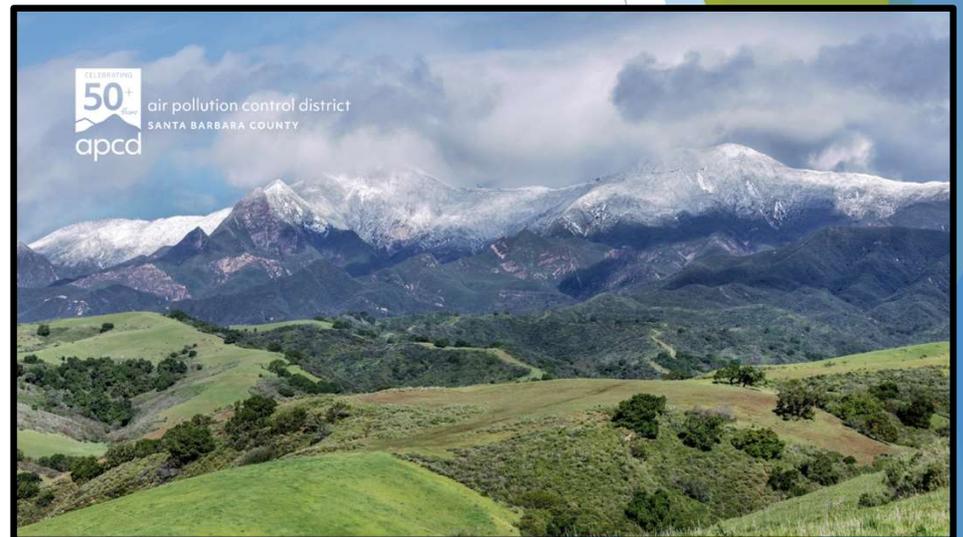
Community Advisory Council  
Thursday, February 15, 2024 - 4:00 PM

## Santa Barbara County Air Pollution Control District

Our Mission: To protect the people and the environment of Santa Barbara County from the effects of air pollution.

Aeron Arlin Genet  
Executive Director / APCO

@OurAirSBC  



# Presentation Outline

- ▶ **Recap of the January 2024 CAC Meeting**
  - Long Range Fiscal Strategy
  - Summary of Rule 210 Amendments
  - Public Outreach & Comments
- ▶ **Changes since the January CAC Meeting (Rule 210 Updates)**
- ▶ **Next Steps**
- ▶ **Questions & Answers**

# Long-Range Fiscal Strategies

- ▶ **October 2023 Board of Directors Meeting**
  - Presented on the Long-Range Fiscal Strategy
  - Matrix Cost Recovery Study
- ▶ **Unanimous Board Direction**
  - Maintain annual CPI
  - Develop a Cost-Recovery Policy (*Adopted January 2024*)
  - Rule 210 amendments
  - Multi-year phase-in of 12% fee increase per fee schedule

# Summary of Rule 210 Amendments

- ▶ Proposing four major changes to Rule 210:
  - 1) Rule clean-up
  - 2) Amendments to administrative procedures
  - 3) Revise rates for existing fees to achieve 85% cost-recovery
  - 4) New and modified fees
- ▶ Over 10 years will reach 85% cost recovery for majority of fee schedules
- ▶ Majority of fees will not see 10 years of increases

# Public Outreach and Comments

- ▶ CAC Meeting conducted on Nov. 2
  - Briefing on Rule 210 amendments
- ▶ Draft Rule and Staff Report noticed on Nov. 30 to 2,000+ stakeholders
- ▶ Public Workshop conducted on Dec. 14
  - Summary of Q&A at the workshop
  - Online scheduling tool set up virtual meetings with District Staff
  - Briefing provided to Agricultural Advisory Committee
- ▶ CAC Meeting conducted on Jan. 10
  - Public comments focused on cannabis fees

# Changes Since the January CAC Meeting

## Draft Rule 210 Updates

- 1) Cannabis Fees
- 2) Delinquency Penalties
- 3) Agricultural Engine Registration Fees

# Cannabis Fees

▶ Comments:

- ▶ Odor-abatement control devices vs systems;
- ▶ Differences between Manufacturing, Processing, and Storage Operations;
- ▶ Requirements imposed by other agencies; and
- ▶ Fee structure not appropriate for very small or very large operations.

▶ Summary of Current Cannabis Permitting - APCD

Operation Type	Current # Permits	Recent Applications
Manufacturing	6	3
Processing	0	12
Storage/Packing/Distribution	6	0
<b>TOTAL</b>	<b>12</b>	<b>15</b>

# Cannabis Fees

## ▶ Proposal:

- Remove the draft fees for Cannabis (Schedule A), and assess fees using the existing rule text, which allows for Cost Reimbursement Basis.

## ▶ Rationale:

- Achieve cost-recovery while permitting both existing and new post-harvest cannabis operations.
- Will result in lower fees as the industry evolves, processes become more streamlined, and the overall issuance of permits and compliance review becomes more efficient.

# Delinquency Penalties

- ▶ Comment: Assessing a 25% penalty at Day 61 is too high.  
Requests existing penalty structure with suspension process.
- ▶ Proposal: Transition delinquency penalty to an escalating structure.

Day #	Existing R210	Draft R210 (2023-11 version)	Draft R210 (2024-2 version)
Day 61	10% penalty	25% penalty	10% penalty
Day 91	10% penalty	25% penalty	20% penalty
Day 121	10% penalty	25% penalty	30% penalty
Day 151+	10% penalty (10% every 30 days)	25% penalty & Suspension Warning	Suspension Warning
<b>Max Penalty</b>	<b>100%</b>	<b>100%</b>	<b>60%</b>

\*All penalties are based on the initial invoiced amount.

- ▶ Rationale: Partially incorporates written comment, while still encouraging the prompt payment of all District invoices.

# Agricultural Engine Registration Fees

- ▶ Comment:
  - Concern about increases to the agricultural engine registration fees.
- ▶ Proposal:
  - Remove Agricultural Engine schedule from the 12% annual increases.
- ▶ Rationale:
  - Aim to maintain 15% reciprocity with SLO County APCD.

## Rule 210 - Next Steps

- ▶ For the CAC to discuss and consider recommending:
  - That the District Board of Directors adopt the proposed amendments to District Rule 210, Fees.
  
- ▶ Board Hearings
  - Rule 210 to be discussed at two Board Hearings.
    - March 21<sup>st</sup> and May 16<sup>th</sup> @ Santa Barbara BoS Hearing Room.
  - Public notice to be issued at least 14 days prior to 1<sup>st</sup> Hearing.
  - Public comments can be submitted at any time, including at each Hearing.
  
- ▶ Pending Board approval - rule effective date of July 1, 2024

**Open to Community Advisory Council  
Question & Answer**

**Followed by Public Comments**