



air pollution control district
SANTA BARBARA COUNTY

Status Update on Cannabis Permitting Fees

Community Advisory Council

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Our Mission

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



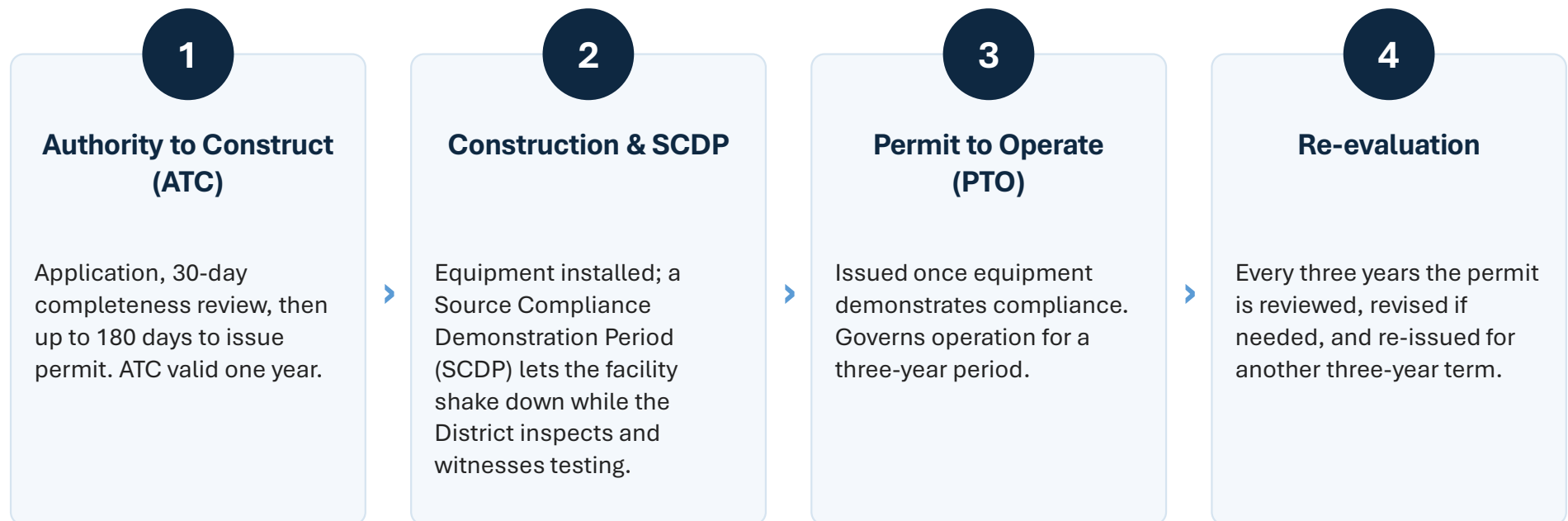
Purpose & Background

- In January and February 2024, the Community Advisory Council (CAC) reviewed proposed amendments to District Rule 210, Fees.
- Public comment centered on the draft cannabis fees.
- Because of the wide variation among cannabis facilities and the newness of the industry, staff removed the draft cannabis fee schedules and switched all cannabis facilities to cost reimbursement.
- The CAC voted unanimously to recommend the Board adopt the amended Rule 210, effective July 1, 2024.
- The CAC asked the District to reassess cannabis-related fees after implementation and report back.

July 1, 2024

Cannabis permitting switched to
cost reimbursement under revised
Rule 210

The Permit Process



The same two-step ATC → PTO process applies to cannabis facilities and to every other stationary source the District permits.

What Requires a Cannabis Permit

The District permits post-harvest cannabis operations that can emit air contaminants (per Rule 201). Cultivation is defined as agriculture under state law and is outside the District's permitting authority.

- Processing (drying, trimming, curing, freezing, packaging)
- Manufacturing (volatile / non-volatile extraction, refinement)
- Storage
- Distribution
- Prime & emergency/standby electrical generators
- Transport Refrigeration Units for extended onsite storage
- Boilers / hot water heaters
- Odor-control and emission-control equipment



How We Analyzed the Costs

Scope. Every cannabis permit issued after July 1, 2024 (the date cost reimbursement took effect) until March 31, 2026 was reviewed facility by facility.

What we counted. The full cost of each permit: the application filing fee plus all labor for application review, permit issuance, CEQA review, inspections, annual report review, and any enforcement.

How we averaged. Costs were totaled per permit, then averaged by permit type (ATC, PTO, Re-evaluation), by facility type (manufacturing, processing/storage), and by permitting task (issuance, inspection, enforcement, CEQA, report review).

25

permits issued under cost
reimbursement and analyzed

Average Cost by Permit Type

Permit Document Type	Permits Issued	Average Cost
Authority to Construct (ATC)	17	\$4,182
Permit to Operate (PTO)	7	\$4,354
Re-evaluation	1	\$1,965*
All Permits	25	\$4,142

\$4,142

average cost of a typical cannabis permit

** Re-evaluation cost reflects only part of the 3-year cycle; more staff labor related to inspections and annual report review is likely to occur.*

Average Cost by Facility Type

Facility Type	Permits Issued	Average Cost
Manufacturing	6	\$4,202
Processing / Storage	19	\$4,123
All Permits	25	\$4,142

Costs vary minimally by facility type.

\$4,202

Manufacturing

\$4,123

Processing / Storage

What Goes Into a Permit's Cost

Each permit's total is the filing fee plus staff labor across the permit's life.

\$521	\$2,029	\$1,115	\$207	\$159	\$111
Filing fee	Permit issuance	Inspections	Enforcement	Planning/CEQA	Annual Report Review
Set application fee paid at submittal	Application review and drafting the permit	Performing startup and routine field inspections	Follow-up and enforcement when required	Coordinating with lead agencies and performing CEQA review	Time spent reviewing annual reports

Because charges follow actual effort, a straightforward facility pays less and a complex one pays more.

When a Few Facilities Cost Much More

Three facilities required heavy compliance work; repeated inspections, complaint response, and enforcement. These “High Exception” cases are the exception, not the norm.

3

facilities drove outsized compliance costs

~\$93,000

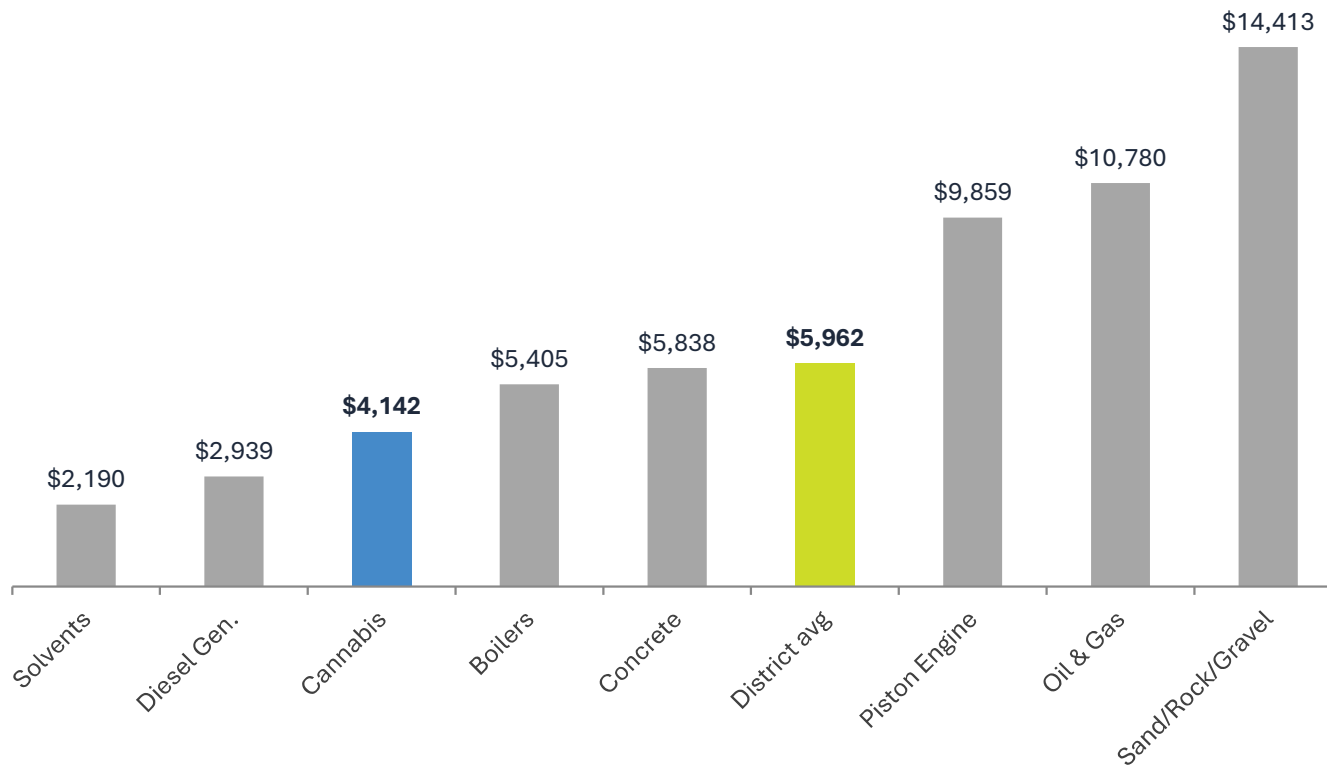
average High Exception case
about 23× a typical permit

~\$220,000

cost of the single highest facility

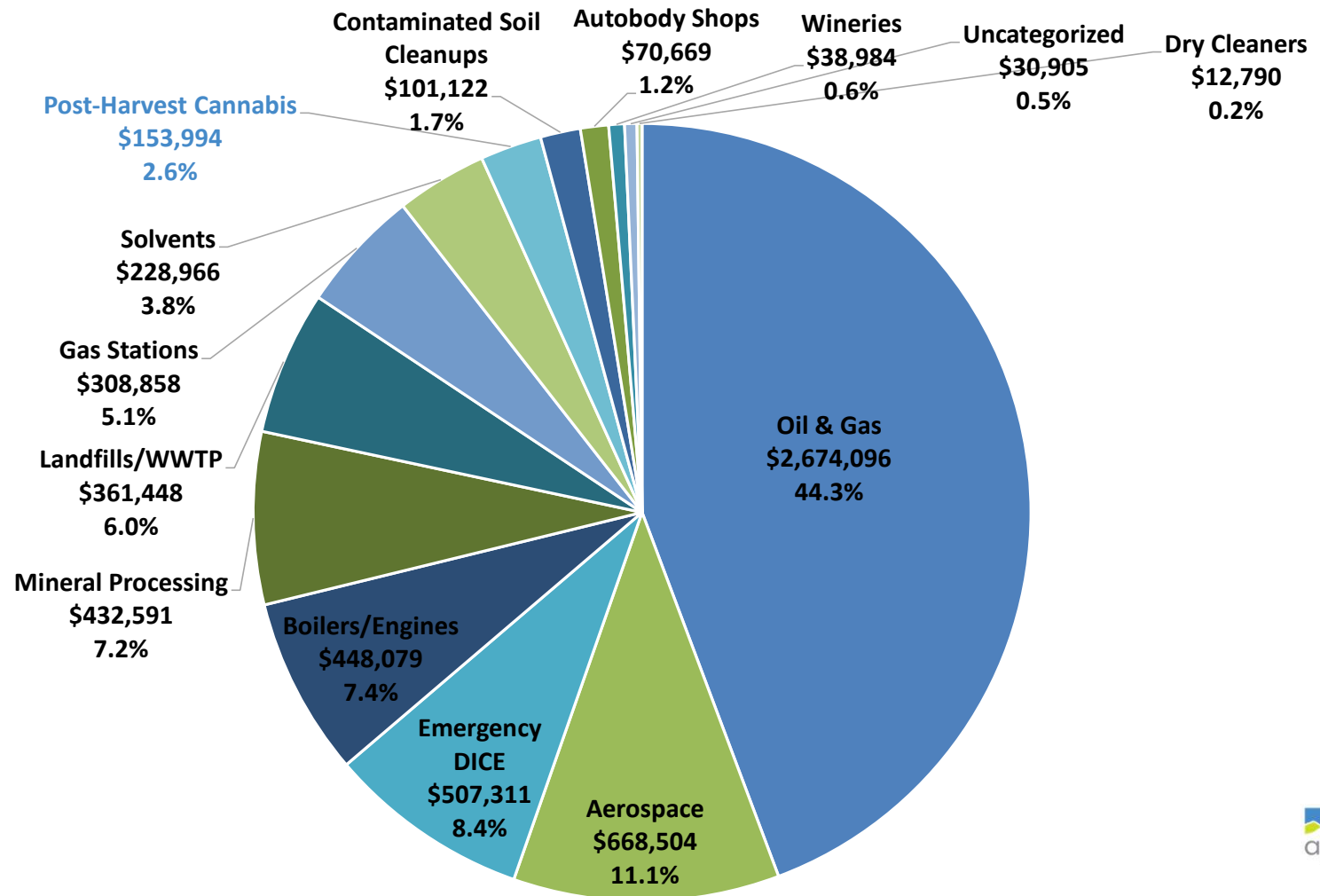
These costs are recovered directly from the facilities that generate them, not spread across all applicants.

How Cannabis Permit Fees Compare



\$4,142 for a cannabis permit sits below the **\$5,962** District-wide average across all 398 permits reviewed.

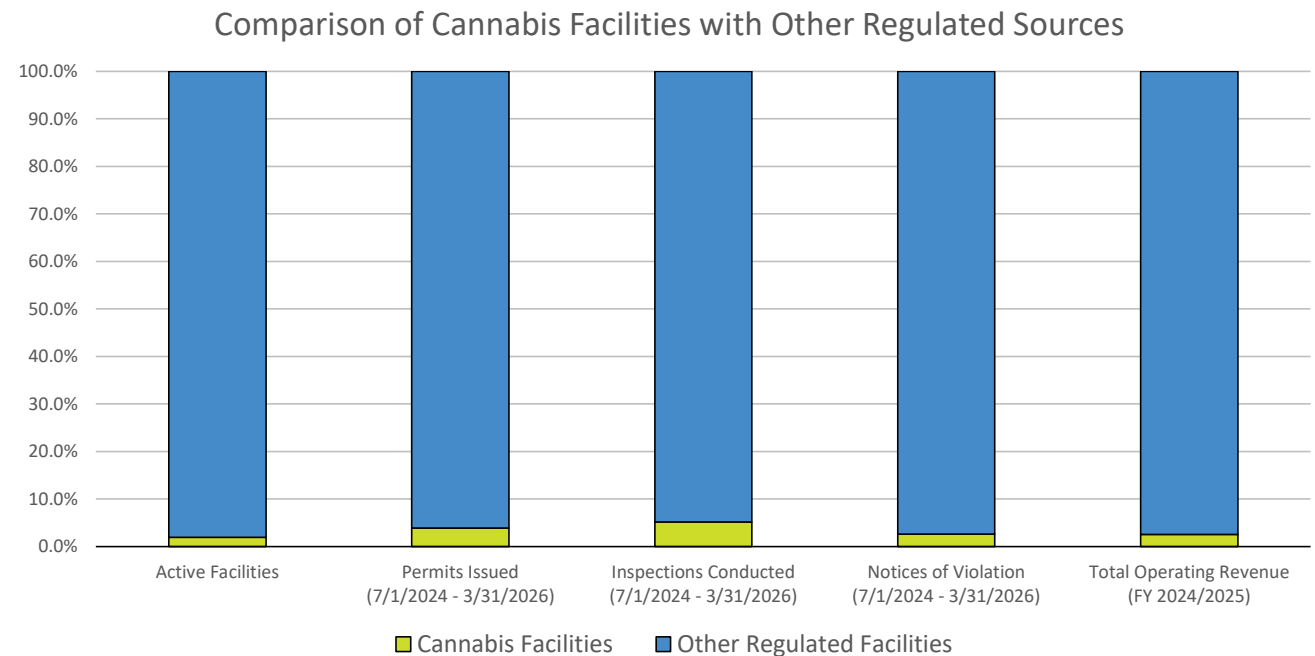
How Cannabis Revenue Compares



Putting It Into Perspective

Comparing Cannabis Facilities with Other Sources:

- 1.9% of facilities
- 3.9% of total permits
- 5.2% of total compliance inspections
- 2.6% of total violations
- 2.6% of total operating revenue



Cannabis Permitting Efficiency Measures

Since 2019, the District has made cannabis permitting as coordinated and streamlined as possible, saving operators time and lowering fees, without relinquishing its regulatory authority.

- ✓ **Dedicated Application Form (Form-104).** A cannabis-specific form helps applications come in complete and get processed on the first submittal.
- ✓ **Coordinated County Permitting.** We align with County Planning & Development and perform coordinated inspections when possible.
- ✓ **Odor Abatement Plans by Reference.** Existing OAPs plans are incorporated into our permits instead of requiring duplicative plans or conditions.
- ✓ **Expedited Equipment Changes Condition.** A unique permit condition lets operators add or replace equipment without a new permit application when certain criteria are met.

Key Takeaways

- 1 **Cost reimbursement is working as intended.** It recovers the District's actual costs while keeping typical cannabis permit fees moderate.
- 2 **Cannabis is not unusually expensive.** At \$4,142, a typical permit costs less than the \$5,962 District-wide average and less than most other source categories.
- 3 **Cost follows actual effort.** Each charge reflects real staff labor, so straightforward facilities pay less and those needing complicated permits or repeated inspections or enforcement pay more.
- 4 **Cannabis is a small share of District workload.** Cannabis is about 2% of facilities and only 3–5% of permits, inspections, violations, and revenue.
- 5 **A few cases drive the big numbers.** Three high-compliance facilities account for the largest costs, billed to those facilities rather than spread across all applicants.
- 6 **Efficiency measures keep costs down.** A dedicated application form, coordinated County inspections, and an expedited equipment-change condition streamline permitting and lower operators' fees.



Open to Community Advisory Council Questions and Discussion

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