

What is a Cannabis Dispensary?

A cannabis dispensary is a physical retail location where adults — including medical patients — can legally purchase cannabis and cannabis products. These businesses are strictly regulated and must follow rigorous local and state permitting processes to ensure product safety, community compliance, and security.

A retail dispensary is simply that — a storefront to sell products directly to consumers. Think of it as a drug store that specializes in cannabis products. It is not a cultivation operation, a consumption location, or an industrial distribution operation, all of which require different permits. A dispensary *may* be allowed to deliver cannabis products in addition to serving walk-in customers.

Where are we in this process?

Nevada County has established a competitive process for selecting a dispensary in either Soda Springs or North San Juan. An ad hoc Cannabis Permit Evaluation Committee is guiding this process. The committee includes community members appointed from each of the County's five Supervisorial Districts. The Committee is working with County staff to create a set of criteria by which permit applications will be evaluated. The criteria selected and refined by the Committee will be forwarded to the Board of Supervisors for final approval; then a 30-day application window will open.

Once applications have been received, the Evaluation Committee will review and score each one. The top scoring application will be invited to apply to the Planning Department for a Use Permit within 12 months. Applicants with an approved Use Permit must obtain a Cannabis License from the State of California, an Annual Cannabis Permit from Nevada County, and other relevant permits from the County and other local agencies.

The top scoring application could be in either Soda Springs or North San Juan (but not both). A year after the first selection, the County may repeat the process to consider applications only for the area that was not selected in the first round. The intent is ultimately to have one dispensary in each rural center.

Why Soda Springs?

Nevada County recognizes the legal cannabis industry as an economic development opportunity. There are currently two dispensaries in western Nevada County — one in Grass Valley and one in Nevada City. It recently passed Resolution 24-594 to permit one new location in Soda Springs and one new location in North San Juan. These unincorporated County locations were selected because they would provide legal retail access to cannabis in areas of the County currently without legal walk-in service.

What about Truckee and other parts of Nevada County?

Each jurisdiction in California can determine its own cannabis regulations. The Town of Truckee currently allows delivery-only services, which are accessible from Donner Summit and other areas near Truckee. In the western part of Nevada County, dispensary storefronts are operating in both Grass Valley and Nevada City. If a dispensary opens in either Soda Springs or North San Juan, it will be the first in unincorporated Nevada County.

What is the economic benefit?

A storefront offers advantages such as the ability for customers to talk with a specialist about the products and access educational programs about cannabis use and abuse. Those advantages make a storefront a stronger economic driver for the surrounding community than a delivery service. The storefront operation also provides a higher level of security for both employees and customers than a delivery service.

California's state excise tax of 15% of gross receipts from retail sales is levied on all cannabis retailers (note that medical patients may be exempt from this tax). Nevada County imposes additional taxes on commercial cannabis activities under Ordinance 32456 — 2.81% on gross receipts, with a minimal annual tax of \$2,500. Revenue projections are not necessarily included in the current application process and vast tax revenues generated from a Rural Center cannabis dispensary are not expected.

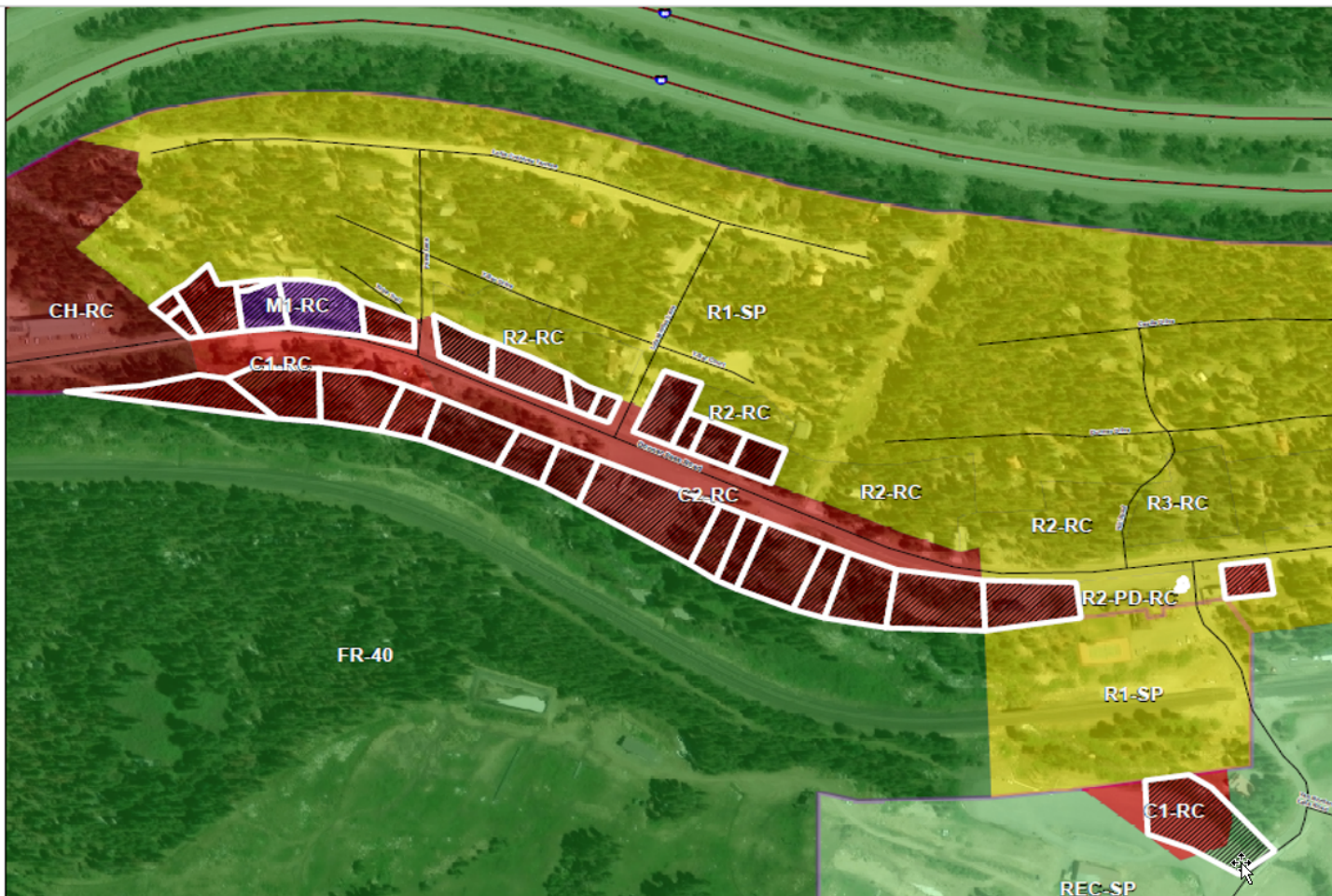
No funds collected through County taxes will come back to the community automatically; they'll go to the County's General Fund. County Staff and the Board of Supervisors may advocate that funds be allocated to specific projects on Donner Summit — for example, the Donner Summit Visitor Center project; but there is no requirement that they do so. The Nevada County Office of Economic Development works closely with Supervisor Hardy Bullock to identify and support economic vitality in Soda Springs and is open to community input.

Permit applications will be judged, in part, on the applicant's commitment to community benefits such as financial contributions, programs, and partnerships. The permit allows for tangential activities that could support economic vitality, such as cannabis-related events.

A cannabis dispensary in Soda Springs will generate spending opportunities for visitors and draw business from a wide area not currently served by walk-in dispensaries. A "trickle down" effect is anticipated, adding year-round employment opportunities and making the Soda Springs Rural Center more attractive for other new businesses.

What are proposed locations?

Applicants for the cannabis Use Permit must propose for either Soda Springs or North San Juan; but that choice is not part of the evaluation. The permit application does not require the applicant to identify a building or parcel number. The proposed parcel will be part of the Use Permit application that will be reviewed for approval by the Planning Commission. There are several parcels in the Soda Springs Rural Center that meet requirements in terms of zoning (“RC” or Rural Center zoning designation), setbacks, etc.; see outlined parcels in the map below.



Timing?

The “winner” of the current competitive application process will have 12 months to submit an application for a Use Permit to the Planning Department. The Use Permit application will require detailed maps, diagrams, and written reports. Depending on the proposed site, additional surveys and studies may be required. The Use Permit application is typically evaluated for compliance with the California Environmental Quality Act (CEQA).

Opportunities for public input?

The decision to move forward with the cannabis dispensary selection for Soda Springs and North San Juan has been made; that question is no longer open for discussion (though you can always comment to public officials on any subject).

The Board of Supervisors will review and approve the proposed cannabis application evaluation criteria. BOS meetings are public and include an opportunity to submit public comment at or prior to the meetings.

The Evaluation Committee will review and score applications, possibly holding a public meeting prior to that process. The actual scoring will not take place in a public meeting.

The CEQA process embedded in the Use Permit approval includes a public comment period. The Planning Commission will hold at least one public hearing where neighbors and stakeholders can provide input.

County staff are receiving and sharing public comments throughout this process. Any community member can reach out to the staff with questions or comments.

Materials from Nevada County

Also include/post RES 24-594

[Commercial Cannabis Dispensary Application Evaluation Committee | Nevada County, CA](#) (Evaluation Committee)

[Section 12.03.300 - Cannabis Cultivation. | Code of Ordinances | Nevada County, CA | Municode Library](#) (Retail Storefront Sales)

[Section 12.02.710 - Rural Center Combining District \(RC\). | Code of Ordinances | Nevada County, CA | Municode Library](#) (Rural Center)

[Section 12.04.112 - Signs. | Code of Ordinances | Nevada County, CA | Municode Library](#) (Signs)

[TITLE 12. - ZONING REGULATIONS | Code of Ordinances | Nevada County, CA | Municode Library](#) (Design Guidelines)

[TITLE 12. - ZONING REGULATIONS | Code of Ordinances | Nevada County, CA | Municode Library](#) (Use Permit)

The below links can assist you in contacting the Grass Valley and Nevada City Planning Departments to inquire about their program. In addition, you will find a link to the Nevada County Auditor/controller for tax questions.

[Planning | Nevada City, CA](#)

[Planning - City of Grass Valley](#)

[Auditor - Controller | Nevada County, CA](#)