

1 BOARD OF SUPERVISORS, COUNTY OF LAKE, STATE OF CALIFORNIA

2 ORDINANCE NO.

3 AN ORDINANCE AMENDING CHAPTER 21, ARTICLES 8, 18, 19, AND 27 OF THE
4 LAKE COUNTY ZONING CODE TO AMEND REGULATIONS PERTAINING TO
5 CANNABIS-RELATED BUSINESSES

6 WHEREAS, the Board of Supervisors originally adopted regulations pertaining to
7 cannabis in 2014; and

8 WHEREAS, there have been numerous changes in state law and business
9 practices in the subsequent years; and

10 WHEREAS, the Board established the Cannabis Ordinance Task Force (COTF)
11 in 2021, and directed the Community Development Department (CDD) to work with
12 COTF to develop recommendations for an update to the cannabis ordinance; and

13 WHEREAS, COTF included representation from Agriculture, Lake County Farm
14 Bureau, local Fire Districts, Cannabis Industry, Lake County Cannabis Alliance, Tribal
15 Representation, and Residents from North and South County; and

16 WHEREAS, CDD and COTF worked diligently to develop regulations pertaining
17 to a wide variety of aspects of cannabis regulation, in meetings open to the public and
18 recorded for the public; and

19 WHEREAS, COTF's recommendations were presented to the Planning
20 Commission and Board of Supervisors, and were considered and approved in concept.

21 NOW THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF
22 LAKE, STATE OF CALIFORNIA, ORDAINS AS FOLLOWS:

23
24 SECTION ONE: Chapter 21, Article 8 of the County of Lake municipal code shall be
25 amended in the following ways:

26 A. Section 8.5(m) shall be added to read to read as follows:

27 "(m) Cannabis cultivation of up to one acre per permit."
28

SECTION TWO: Chapter 21, Article 18 of the County of Lake municipal code shall be amended in the following ways:

A. Section 18.4(g) shall be added as follows:

“(g) Retail sales of Cannabis.”

B. Section 18.5(h) shall be amended to read as follows: “Reserved”.

SECTION THREE: Chapter 21, Article 19 of the County of Lake municipal code shall be amended in the following ways:

A. Section 19.3(o) shall be amended to read as follows: “Reserved”.

B. Section 19.4(o) shall be added to read as follows:

“(o) Retail sales of Cannabis.”

SECTION FOUR: Chapter 21, Article 27 of the County of Lake municipal code shall be amended in the following ways:

A. Section 27.3(ab)(6) shall be added to read as follows:

“Hemp cultivation is prohibited within 100 feet of commercial cannabis cultivation areas.”

B. (XX) Section 27.11 Table B shall be amended to read as follows;

Special Uses	APZ	A	TP Z	RL	RR	SR	R1	R2	R3	C1	C2	C3	CR	CH	M1	M2	MP	O	W	U	PDR	PDC	
(a) Airport, Airstrip or Heliport ⁵	•	•	•	•	•	•					•	•	•		•	•	•	•			□	□	
(b) Bed and Breakfast Inn ^{2, 5, 9}		O		O	O	O			•		•		O	O							□	□	Δ
(c) Cemetery		•		•	•	•					•	•									□	□	
(d) Church or Private School ²				•	•	•	•	•	•	•	•			•							□	□	
(e) Community Care Facility ⁸				•	•	•	•	•	•		•	•									□	□	Δ
(f) Community Club ²³	O	O			•	•	•	•	•	•	•										□	□	Δ
(g) Cottage Industry		O		O	O	•															□	□	Δ
(h) Country Club ²				•	•	•	•	•	•		•		•								□	□	
(i) Dam or Reservoir, Small							O	O	O	O	O							O	•		□	□	Δ
(j) Dam or Reservoir, Medium ¹				O	O	O	•	•	•	•	•	O	•	O	O	O	O	•	•		□	□	Δ

[illegible]

1 **D.** Section 27.13(at)(1)(ii)(e) of Chapter 21 of the Lake County Code shall be
2 amended to read as follows:

3 “(e) Applicant and Ownership Information and Qualifications

4 Applicant must submit the same information required for a state license
5 application, California Code of Regulations 4 CCR §15003. Applications
6 must also include the same information for the property owner, if Applicant
7 is not the property owner.”

8 **E.** Section 27.13(at)(1)(ii)(f) of Chapter 21 of the Lake County Code shall be
9 amended to read as follows (additions in bold):

10 “(f) Background Checks

11 All applicants, full-time employees, and property owner(s) shall undergo a
12 background check by the Lake County Sheriff Department. An individual may fail
13 the background check if the individual has been convicted of an offense that is
14 substantially related to the qualifications, functions, or duties of the business or
15 profession for which the application is made, except that if the Sheriff determines
16 that the applicant, property owner, or permittee is otherwise suitable to be issued
17 a permit and granting the permit would not compromise public safety, the Sheriff
18 shall conduct a thorough review of the nature of the crime, conviction,
19 circumstances, and evidence of the rehabilitation of the applicant, property
20 owner, or permittee, and shall evaluate the suitability of the applicant, property
21 owner, or permittee be issued a permit based on the evidence found through the
22 review. In determining which offenses are substantially related to the
23 qualifications, functions, or duties of the business or profession for which the
24 application is made, the Sheriff shall include, but not be limited to, the conditions
25 described in Section 26057 of the California Business and Professions Code.”

26 **F.** Section 27.13(at)(1)(ii)(g)(1) of Chapter 21 of the Lake County Code shall be
27 amended to read as follows:

28 “(1) An applicant for a commercial cannabis cultivation permit shall do all of the
following:

1 (i) Each applicant, full-time employee, and property owner shall electronically
2 submit to the Department of Justice fingerprint images and related information
3 required by the Department of Justice for the purpose of obtaining information as
4 to the existence and content of a record of state or federal convictions and
5 arrests for which the Department of Justice establishes that the person is free on
6 bail or on his or her own recognizance, pending trial or appeal.”

7 (ii) An applicant shall not be eligible to receive a permit until electronic fingerprint
8 images have been submitted to the Department of Justice as described in this
9 Section and the Lake County Sheriff Department has reviewed the resulting
10 background information provided by the Department of Justice and determined
11 that the applicant is eligible to receive a permit, as the case may be.”

12 (iii) “Reserved.”

13 (iv) The Sheriff’s Office shall request from the department of Justice subsequent
14 notification 24 service, as provided pursuant to Section 11105.2 of the Penal
15 Code, for applicants.

16 (v) The applicant will be responsible to pay any fee for the Department of Justice
17 charges as set by the Department of Justice and sufficient to cover the
18 reasonable cost of processing the requests described in this paragraph.”

19 **G.** Section 27.13(at)(1)(ii)(h)(3) of Chapter 21 of the Lake County Code shall be
20 amended to read as follows:

21 “(3) The applicant, property owner, or permittee has been convicted of an offense
22 that is substantially related to the qualifications, functions, or duties of the
23 business or profession for which the application is made, except that if the Lake
24 County Sheriff finds that the applicant, property owner, or permittee is otherwise
25 suitable to be issued a permit, and granting the permit would not compromise
26 public safety, the Lake County Sheriff shall conduct a thorough review of the
27 nature of the crime, conviction, circumstances, and evidence of rehabilitation of
28 the applicant, property owner, or permittee and shall evaluate the suitability of the
applicant, property owner, or permittee to be issued a permit based on the
evidence found through the review.”

1 **H. Section 27.13(at)(1)(ii)(l) shall be amended to read as follows:**

2 **“(l) Construction Hours, Operating Hours, and Delivery Hours**

3 (1) All construction activities including engine warm-up shall be limited
4 to Monday through Friday: 7:00 a.m. – 7:00 p.m., and Saturday: 12:00
5 p.m. – 5:00 p.m. Backup beepers shall be adjusted to the lowest
6 allowable level.

7 (2) Maximum non-construction related sound levels shall not exceed
8 levels of 55 dBA between the hours of 7:00 a.m. – 10:00 p.m., and 45
9 dBA between the hours of 10:00 p.m. – 7:00 a.m. at the property
10 lines.

11 (3) Cultivation operational hours: Farming operations and activities
12 may be coordinated with other similar agricultural uses, with flexibility
13 to operate during hours essential for planting and harvesting periods.

14 (4) A retailer shall sell and deliver cannabis goods only between the
15 hours of 6:00 a.m. – 10:00 p.m.”

16 **I. Section 27.13(at)(1)(ii)(m) shall be amended to read as follows:**

17 **“(m) Reduced Canopy and Opt Out Requests**

18 Cultivation Permittees, upon issuance of their state cultivation license(s), may
19 request a temporary adjustment to the permit activity on an annual basis, in
20 writing and no later than January 15th of each calendar year to:

- 21 • Reduce the size of the canopy grown during the growing season; or
- 22 • Not cultivate during the growing season (Opt Out). Opt Out requests shall
23 not be approved for consecutive years. Two consecutive years of
24 noncultivation shall result in the expiration of the use permit.

25 Two compliance monitoring site visits are required during the calendar year for all
26 permits granted Opt Out and Reduced Canopy. Opt Out and Reduced Canopy
27 requests are also subject to fees from the Treasurer-Tax Collector’s Office for
28 processing the request, as established by the Board of Supervisors Master Fee
Schedule. The Permittee is required to pay the fees at the time of submitting the
request. Failure to pay the fees in a timely manner, and accommodate Staff for
both site visits could result in fines and revocation of the permit.

J. Section 27.13(at)(1)(ii)(q) shall be added to read as follows:

“(q) Setbacks from Closest Offsite Residence

Zoning District	Setback from Closest Offsite Residence
“A” Agriculture	200 feet
“APZ” Agriculture Preserve Zone	200 feet
“TPZ” Timber Preserve Zone	200 feet
“RL” Rural Lands	300 feet
“RR” Rural Residential	500 feet

”

K. Section 27.13(at)(1)(ii)(r) shall be added to read as follows:

“(r) Maximum Canopy

Zoning District	Maximum canopy
“A” Agriculture	20 acres
“APZ” Agriculture Preserve Zone	20 acres
“TPZ” Timber Preserve Zone	20 acres
“RL” Rural Lands	20 acres
“RR” Rural Residential	One acre

”

L. Section 27.13(at)(1)(ii)(s) shall be added to read as follows:

“(s) Incomplete, Inactive, and Abandoned Applications

Incomplete applications shall not be processed. If applicant fails to demonstrate significant progress toward completion within 180 days of date of Incomplete Letter, the application shall be considered abandoned. Fees are not refunded for abandoned applications.”

M. Section 27.13(at)(1)(ii)(t) shall be added to read as follows:

“(t) Surety Bond

Each permit is required to have a \$5,000 surety bond with County of Lake as Obligee.”

N. Section 27.13(at)(1)(iii)(g) shall be added to read as follows:

“(g) Cultivation within greenhouses shall not include open venting of the sides of the structure to the outside open air. Greenhouse(s) shall contain air filtration systems sufficient to remove odors and not be an odor nuisance to offsite residences.”

O. Section 27.13(at)(1)(v)(c) shall be amended to read as follows:

“c. Public lands, where, because of development or other actions, it is clear that the public is invited to use such locations as places of recreation and other destination activities, including but not limited to, hiking, bird watching, equestrian activities, and camping. Additionally, the waters of Clear Lake at 7.79 Rumsey, and all State and County parks are public lands.”

P. Section 27.13(at)(1)(v)(k) shall be added to read as follows:

“k. Parcels within the “FPZ” Farmland Protection Zone Boundaries”

Q. Section 27.13(at)(1)(vi)(d)(v) shall be added to read as follows:

“v. Greenhouse construction shall utilize anchor-point foundations, where feasible. Concrete slab foundations are discouraged.”

R. Section 27.13(at).2.i(a).b shall be amended to read as follows:

“b. Major Use Permit: A major use permit is required for the following cannabis cultivation licenses: M – Type 3, A – Type 3, M – Type 3A, A – Type 3A, M – Type 3B, A – Type 3B, or Type 5 licenses.”

S. Section 27.13(at).2.i(b).d.(8) shall be amended to read as follows:

“(8) A complete list of every owner of the applicant entity and property owner. Each individual owner shall submit the following information:

- (i) Full legal name;
- (ii) Title within the applicant entity;
- (iii) Home address;
- (iv) Primary phone number;

- (v) Email address;
- (vi) Date ownership interest in the applicant entity was acquired;
- (vii) Percentage of the ownership interest held in the applicant entity by the owner;
- (vii) A list of all valid licenses, including license type(s) and license number(s), from the department and other cannabis licensing authorities that the owner is listed as either an owner or financial interest holder;
- (ix) A copy of their government-issued identification. Acceptable forms of identification are a document issued by a federal, state, county, or municipal government that includes the name, date of birth, physical description, and picture of the person, such as a driver's license or passport.
- (x) For applicants that are a cannabis cooperative as defined by Division 10, Chapter 22 (commencing with section 26220) of the Business and Professions Code, identification of all members.
- (xi) Evidence that the applicant entity has the legal right to occupy and use the proposed location.
- (xii) Evidence of enrollment with the applicable Regional Water Quality Control Board or State Water Resources Control Board for water quality protection programs or written verification from the appropriate board that enrollment is not necessary;
- (xiii) Evidence that the applicant has conducted a hazardous materials record search of the EnviroStor database for the proposed premises. If hazardous sites were encountered, the applicant shall provide documentation of protocols implemented to protect employee health and safety;
- (xiv) For indoor and mixed light license types, identification of all power sources for cultivation activities, including but not limited to, illumination, heating, cooling, and ventilation;
- (xv) Identification of all water sources used for cultivation activities and the estimated volume of water used on a monthly basis.

(xvi) An attestation that the local fire department has been notified of the cultivation site if the applicant entity is an indoor license type;
(xvii) If construction is proposed, Building Elevations shall be submitted.”

T. Section 27.13(at).2.i.d.(10)(i) shall be amended to read as follows:

“(i) This section shall include a map of any spring, top of bank of any creek or seasonal stream, edge of lake, delineated wetland or vernal pool on the lot of record of land or within 200 feet of the lot of record. This section shall include identification of water courses as defined by the State Water Resources Quality Control Board as Class I-IV, and their corresponding setbacks.

U. Section 27.13(at)(4)(i) shall be amended to read as follows:

“i. A compliance monitoring inspection of the cultivation site shall be conducted annually or every other year during the growing season, in compliance with Section 27.13(at)(4)(iii); or twice per calendar year if an Opt Out or Reduced Canopy has been granted for that year. Inspection Staff shall use the current State canopy calculation processes for measurement of canopy, so long as the process does not conflict with canopy and cultivation area for local taxation purposes.”

V. Section 27.13(at)(4)(iii) shall be amended to read as follows:

“iii. If there are no violations of the County permit or state license during the first five years, the inspection frequency may be reduced by the Director to not less than once every two years. The five-year annual review period restarts upon change of permit ownership.”

W. Section 27.13(at)(5)(i) shall be amended to read as follows:

“i. Performance Review

(a) All cannabis permittees shall submit a “Performance Review Report” on an annual basis by June 1st of each calendar year from their initial date of operation for review by the Community

Development Department, and shall be made available to the public after redaction of confidential and proprietary information.

(b) Pursuant to sub-section 5(i) above, the premises shall be inspected by the Department on an annual basis, twice a year, or every other year, as approved by the Director. A copy of the results from this inspection shall be given to the permittee and made available to the public.

(c) Compliance monitoring fees pursuant to the County's adopted master fee schedule shall be paid by permittee no later than June 1st of each calendar year, or January 15th of each calendar year if accompanying a Reduced Canopy or Opt Out request.

(d) Non-compliance by permittee in allowing the inspection by the Department, or refusal to pay the required fees, or noncompliance in submitting the annual "Performance Review Report" for review by the Community Development Department shall be deemed grounds for a revocation of the development permit or use permit and subject the holder of the permit(s) to the penalties outlined in this Code."

X. Section 27.13(at)(6) shall be amended to read as follows: "Reserved".

Y. Section 27.13(au)(4)(vi) shall be added to read as follows:

"vi. If the applicant is other than a natural person (including general partnerships of more than one individual natural person), the applicant must provide documentation regarding the nature of the entity and the names of the individual natural persons who manage, own or control the entity. Applicant, Permittee, and Property Owner must submit the same information required for a state license application and described in California Code of Regulations 4 CCR §15003. Applications must also include the same information for the property owner if the Applicant is not the property owner."

Z. Section 27.13(au)(5) shall be amended to read as follows: "Reserved".

1 **AA.** Section 27.13(au)(6) shall be amended to read as follows:

2 “6. Background Checks: All applicants, full-time employees, and property
3 owner(s) shall undergo a background check by the Lake County Sheriff
4 Department. An individual may fail the background check if the individual has
5 been convicted of an offense that is substantially related to qualifications,
6 functions, or duties of the business or profession for which the application is
7 made, except that if the sheriff determines that the applicant, full-time employee,
8 property owner, or permittee, is otherwise suitable to be issued a permit and
9 granting the permit would not compromise public safety, the sheriff shall conduct
10 a thorough review of the nature of the crime, conviction, circumstances, and
11 evidence of rehabilitation of the applicant, and shall evaluate the suitability of the
12 applicant, full time employee, permittee or property owner be issued a permit
13 based on the evidence found through the review. In determining which offenses
14 are substantially related to the qualifications, functions, or duties of the business
15 or profession for which the application is made, the sheriff shall include, but not
16 be limited to, the conditions described in Section 26057 of the California Business
17 and Professions Code.”

18 **BB.** Section 27.13(au)(7)(i) shall be amended to read as follows:

19 “i. Require that each applicant, full-time employee, and property owner
20 electronically submit to the Department of Justice fingerprint images
21 and related information required by the Department of Justice for the
22 purpose of obtaining information as to the existence and content of a
23 record of state or federal convictions and arrests, and information as to
24 the existence and content of a record of state or federal convictions
25 and arrests for which the Department of Justice establishes that the
26 person is free on bail or on his or her own recognizance, pending trial
27 or appeal.”

28 **CC.** Section 27.13(au)(8)(i) is amended to read as follows:

1 “i. If the applicant(s), and/or property owner(s) fail the background
2 check.”

3 **DD.** Section 27.13(au)(9) shall be amended to read as follows:

4 “9. The applicant, property owner, or permittee has been convicted of an offense
5 that is substantially related to the qualifications, functions, or duties of the
6 business or profession for which the application is made, except that if the Lake
7 County Sheriff finds that the applicant, property owner, or permittee is otherwise
8 suitable to be issued a permit, and granting the permit would not compromise
9 public safety, the Lake County Sheriff shall conduct a thorough review of the
10 nature of the crime, conviction, circumstances, and evidence of rehabilitation of
11 the applicant or property owner, and shall evaluate the suitability of the applicant,
12 property owner, or permittee to be issued a permit based on the evidence found
13 through the review.”

14 **EE.** Section 27.13(au)(28)(vii) shall be amended to read as follows:

15 “vii. A complete list of every owner of the applicant entity. Each individual owner
16 shall submit the same information required for a state license application and
17 described in California Code of Regulations 4 CCR §15003. Applications must
18 also include the same information for the property owner, if the applicant is not
19 the property owner;”

20 **FF.**Section 27.13(au)(29) shall be amended to read as follows:

21 “Reserved.”

22 **GG.** Section 27.13(au)(32) shall be amended to read as follows:

23 32. Compliance monitoring: A compliance monitoring inspection of the
24 cannabis manufacturing facility shall be conducted at least annually. The
25 permittee shall pay a compliance monitoring fee established by resolution
26 of the Board of Supervisors no later than June 1st of each calendar year. If
27 there are no violations of the County permit or state license during the first
28 five years, the inspection frequency may be reduced by the Director to not

1 less than once every two years. The five-year annual review period
2 restarts upon change of permit ownership.”

3 **HH.** Section 27.13(au)(33) is amended to read as follows:

4 “33. Annual Reports: Performance Review

- 5 i. All cannabis permittees shall submit a “Performance Review Report” on an
6 annual basis no later than June 1st of each calendar year, for review
7 by the Community Development Department, and shall be made
8 available to the public after redaction of confidential and proprietary
9 information.
- 10 ii. Pursuant to subsection 6(i) above, the premises shall be inspected by the
11 Department on an annual basis, or every other year if approved by the
12 Director. A copy of the results of this inspection shall be given to the
13 permittee and be made available to the public.
- 14 iii. Compliance monitoring fees pursuant to the County’s adopted master fee
15 schedule shall be paid by permittee and accompany the “Performance
16 Review Report” for costs associated with the review of the report by
17 County staff.
- 18 iv. Noncompliance by permittee in allowing the inspection by the Department,
19 or refusal to pay the required fees, or noncompliance in submitting the
20 annual “Performance Review Report” for review by the Community
21 Development Department shall be deemed grounds for a revocation of
22 the development permit or use permit and subject to the holder of the
23 permit(s) to the penalties outlined in this Code.”

24 **II.** Section 27.13(au)(34) shall be removed in its entirety.

25
26 **SECTION FIVE:** All ordinances or parts of ordinances or resolutions or parts of
27 resolutions in conflict herewith are hereby repealed to the extent of such conflict and no
28 further.

SECTION SIX: This ordinance originally adopted in 2018, was determined to be exempt from CEQA pursuant to Business and Professions Code section 26055(h), for the adoption of an ordinance, rule or regulation by a local jurisdiction that requires discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity where the discretionary review in any such law, ordinance, rule, or regulation includes any applicable environmental review pursuant to Division 13 (commencing with section 21000) of the Public Resources Code; and under Section 15061(b)(3) of the CEQA Guidelines, as an activity that is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The amendments modify the ordinance to increase restrictions; they do not propose, approve, or fund any specific physical construction or ground-disturbing activities. The revisions also align the local municipal code with existing state law and policy without changing the intensity of use. This analysis also notes that any subsequent approvals facilitated by the ordinance will remain subject to full, project level CEQA review. The general exemption applies in this instance because it can be seen with certainty that there is no possibility that the proposed amendments could have a significant effect on the environment, and thus are not subject to CEQA. The Board of Supervisors independently finds and determines that this action is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) in that it can be seen with certainty that there is no possibility that the activity in question will have a significant impact on the environment.

SECTION SEVEN: This ordinance shall take effect on the ____ day of _____, and within 15 days after adoption of the ordinance, the Clerk to the Board of Supervisors shall publish a summary of the ordinance with the names of those Supervisors voting for and against the ordinance and the Clerk shall post in the office of the Clerk to the Board of Supervisors a certified copy of the full text of the adopted ordinance along with the names of those Supervisors voting for and against the ordinance.

1 The Foregoing ordinance was introduced before the Board of Supervisors on the
2 ____ day of _____ and passed by the following vote on the ____ day of
3 _____.
4

5 AYES:

6 NOES:

7 ABSENT OR NOT VOTING:
8
9
10 _____

11 Chair, Board of Supervisors
12

13 ATTEST: Susan Parker

14 Clerk of the Board of Supervisors
15
16
17 _____

APPROVED AS TO FORM:

Lloyd Guintivano
County Counsel
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19 _____

Nicole Johnson
Sr. Deputy County Counsel
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