

ORDINANCE NO. _____

Draft as of 5.19.2022/mvd

AN ORDINANCE ADDING ARTICLE 73 TO CHAPTER 21 OF THE LAKE ZONING
ORDINANCE TO ADDRESS COMMERCIAL CANNABIS PERMITTING ACTIVITIES
AND ENFORCEMENT

WHEREAS, the County of Lake has previously adopted regulations related to commercial cannabis permitting and enforcement and has modified those regulations over time to clarify various procedures and expand certain cannabis activities; and

WHEREAS, it is the desire of the County to ensure that as commercial cannabis activities expand and grow in Lake County, the land use provisions regulating such activities are both comprehensive and readily understood; and

WHEREAS, the County desires to amend the Lake County Zoning Ordinance to address all cannabis permitting activities and enforcement in a newly-established article of the Zoning Ordinance designated for that sole purpose.

NOW THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LAKE
ORDAINS AS FOLLOWS:

Section One: Article 73 is hereby added to Chapter 21 of the Lake County Code to read as follows:

“Sec. 73.1. Title.

This ordinance may be referred to as the “Lake County Commercial Cannabis Activities Permitting Ordinance”.

Sec. 73.2. Scope and Purpose.

The purpose and scope of this Ordinance is to provide for the permitting and enforcement procedures for all regulation of commercial cannabis activities in a clear, cogent, and comprehensive manner.

Sec. 73.3. Definitions.

- a. *Act* means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified in Business and Professions Code section 26000, et seq.
- b. *Annual Inspections* means
- c. *Applicant* means an owner that is applying for a County-issued permit.
- d. *Batch* means a specific quantity of homogeneous cannabis or cannabis product that is one of the following types:

- 1) *Harvest Batch* means a specifically identified quantity of dried flower or trim, leaves, and other cannabis plant matter that is harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals.
- 2) *Manufactured cannabis batch or production batch* means either:
 - A) An amount of cannabis concentrate or extract produced in one production cycle using the same extraction methods and standard operating procedures; or
 - B) An amount of a type of cannabis product produced in one production cycle using the same formulation and standard operating procedures.
- 3) *Cannabis Concentrate* means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. For purposes of this division, "cannabis concentrate" includes, but is not limited to, the separated resinous trichomes of cannabis, tinctures, capsules, suppositories, extracts, vape cartridges, inhaled products (e.g., dab, shatter, and wax), and tablets as defined in subsection (nnn).
- 5) *Cannabis Goods* means cannabis and cannabis products in final form. For the purposes of section 15311, "cannabis goods" includes all cannabis and cannabis products in any form.
- e. *Cannabinoid* means a class of diverse chemical compounds derived from a cannabis plant.
- f. *Biorational pesticides* are plant-derived materials such as pyrethrin, azadiractin, and extracts of plants such as *Chenopodium ambrosioides* and *Swinglea glutinosa*. Plant-derived oils such as neem oil, canola oil, and sesame oil are also included in this group.
- g. *Cannabis* has the same meaning as defined in California Business and Professions Code Section 26001, as may be amended from time to time. For the purpose of this chapter, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.
- h. *Cannabis Waste* means any material intended for disposal that contains cannabis but is not otherwise considered a hazardous waste. Cannabis waste consisting solely of plant material shall be an organic waste as defined in Public Resource Code section 42649.8(d).
- i. *Canopy* means the designated area(s) at a permittee's premise that will contain mature plants at any point in time.
- j. *Canopy Area* means the designated area(s) at County-permitted and State-licensed premises, calculated in square feet, that will contain mature plants at any point in time as follows:
 - 1) For indoor and mixed-light cultivation and nurseries, canopy shall be calculated in square feet and measured using the room boundaries, walls, or ceiling-to-floor partitions of each enclosed area that will contain mature plants at any point in time, including all of the space(s) within the boundaries.
- k. For outdoor cultivation and nurseries, canopy shall be calculated in square feet and measured using physical boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries. Canopy may be noncontiguous, but each unique area included in the total canopy calculation shall be separated by a physical boundary such as a fence or other semi-permanent structure that clearly demonstrates the canopy edge. *Cannabis Microbusiness* means a commercial cannabis activity allowed to engage in the cultivation of cannabis on an area less than 10,000 square feet, and to act as a licensed distributor, Level 1 manufacturer (Type 6

license), and/or retailer, if duly licensed by the Department of Cannabis Control, as defined by California Business and Professions Code Section 26070(a)(3)(A), or any successor statute thereto. A microbusiness shall engage in at least three of these four commercial cannabis activities: retail, distribution, manufacturing, or cultivation.

- l. *Cannabis Products* has the same meaning as in Section 11018.1 of the Health and Safety Code and as that section may be amended, and means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
- m. *CAS Number* means the unique numerical identifier assigned to every chemical substance by Chemical Abstracts Service, a division of the American Chemical Society.
- n. *CEQA (California Environmental Quality Act)* serves to disclose to the public the significant environmental effects of a proposed discretionary project, through the preparation of an initial study, negative declaration, mitigated negative declaration, or environmental impact report; Prevent or minimize damage to the environment through development of project alternatives, mitigation measures, and mitigation monitoring; Prevent or minimize damage to the environment through development of project alternatives, mitigation measures, and mitigation monitoring.
- o. *Commercial Cannabis Activity* means any activity involving the propagating, cultivating, harvesting, processing, drying, curing, storing, trimming, manufacturing, packaging, labeling, transporting, delivering, possessing, distributing, or laboratory testing of cannabis or cannabis products for the sale, distribution, gifting, and/or donating to any other person, or acting as a cannabis event organizer for temporary cannabis events.
- p. *Cultivation* means any activity involving the planting, growing, harvesting, or processing (including drying, curing, grading, trimming, storing, packaging, or labeling) of non-manufactured cannabis. Cultivation includes outdoor, indoor, mixed-light, natural light, or nursery cultivation.
- q. *Cultivation Site* means a location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.
- r. *Cumulative Impacts* means the impact on the environment that results from the incremental impact of the action when added to the other past, present, and reasonably foreseeable future actions regardless of what agency (federal or non-federal) or person undertakes such other actions.
- s. *Day Care Center* or *child care center* means any state licensed child care facility of any capacity, other than a family day care or family child care home, as defined in Section 101152(c)(7) of the California Code of Regulations, in which less than twenty-four-hour-per-day non-medical care and supervision are provided to children in a group setting.
- t. *Delivery* means the commercial transfer of cannabis or cannabis products to a customer. “Delivery” also includes the use by a Retailer of any technology platform owned and controlled by the Retailer.
- u. *Delivery Employee* means an individual employed by a County-permitted retailer or permitted microbusiness authorized to engage in retail sales who delivers cannabis goods

from the permitted retailer or permitted microbusiness premises to a customer at a physical address.

- v. *Designated Responsible Party* means the individual identified by the commercial cannabis business who has legal authority to bind the commercial cannabis business and who is the primary contact for the County-permitted application and permitted-related issues.
- w. *Distribution* means the procurement, sale, and transport of cannabis and cannabis products between entities licensed and permitted pursuant to this Chapter.
- x. *Distributor* means a person holding a valid permit for distribution issued by the County of Lake and a valid license for distribution issued by the State of California as required by law to engage in the activity of purchasing cannabis from a State-licensed and County-permitted cultivator, or cannabis products from a State-licensed and County-permitted manufacturer for sale to a State-licensed and County-permitted Retailer.
- y. *Dried Flower* means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- z. *Drought Management Plan* County Ordinance No. 3106 was approved on May 6, 2021 and stipulates that all projects that require a CEQA analysis of water use must include these additional items:
 - 1) Hydrology report prepared by a California licensed civil engineer, hydro-geologist, hydrologist, or geologist experienced in water resources. The Report shall include:
 - i) Approximate amount of water available for the project's identified water source;
 - ii) Approximate recharge rate for the project's identified water source;
 - iii) Cumulative impact of water use to surrounding areas due to project. The cumulative impact shall include information on water availability; water use; and recharge rates for existing or foreseeable commercial cannabis cultivation in the vicinity of the project area, and to the maximum extent feasible including other water users, including agricultural use for crops such as vineyards, walnut and pear. Cumulative impacts of water use due to commercial cannabis cultivation shall be based one of the ten applicable major watersheds in the County of Lake:
 - 1. Big Valley Watershed
 - 2. Shoreline Watershed
 - 3. Thurston Lake Watershed
 - 4. Lower Lake Watershed
 - 5. Upper Putah Watershed
 - 6. Middle Putah Watershed
 - 7. Cache Creek Watershed
 - 8. Eel River Watershed
 - 9. Middle Creek Watershed

10. Scotts Creek Watershed

- iv) Hydrology Reports submitted by the applicant shall be peer-reviewed by a qualified hydrogeologist.
- 2) Drought Management Plan. Provide a plan depicting how the applicants plan to reduce water use during a declared drought emergency, to ensure both success and decreased impacts to the surrounding areas.

The Drought Management Plan should be incorporated with the following:

- i) The Drought Management Plan must include detailed measures to be taken for the five stages of drought monitoring:
 - D0 – *Abnormally Dry*;
 - D1 – *Moderate Drought*;
 - D2 – *Severe Drought*;
 - D3 – *Extreme Drought*;
 - D4 – *Exceptional Drought*;
- ii) For D0 – *Abnormally Dry* and D1 – *Moderate Drought* conditions, the County requires additional measures as described in sections 73.3, y., 2., viii. through xiv.
- iii) For D2 – *Severe Drought* conditions, the County requires commercial cannabis cultivation be reduced by 1-10 percent of normal operations
- iv) For D3 – *Extreme Drought* conditions, the County requires commercial cannabis cultivation be reduced by 10-25 percent of normal operations
- v) For D4 – *Exceptional Drought* conditions, the County requires commercial cannabis cultivation be reduced by 25-50 percent of normal operations
- vi) Conservation Plan with water conservation strategies to be used by cannabis growers for cannabis cultivation that identifies opportunities to reduce water use.
- vii) Installation of a water meter on the outlet of water tanks. Water meters support the detection of leaks in the water system and help compile water use records required for permits.
- viii) Regular inspections for and repair of leaks.
- ix) Drip irrigation technologies should be applied where appropriate that reduces the rate of irrigation. For example, columnar irrigation, also known as deep root watering, is a specialized form of drip irrigation that uses a specific volume of water applied infrequently but deeply to the root zone rather than the soil surface, saving water, time and labor costs.
- x) Installation of a weather or sensor-based, self-adjusting irrigation controller that has been certified by the Irrigation Association (www.irrigation.org) and has multi-cycle timers, a moisture sensor shutoff, and a controller that can detect problems.
- xi) Recapture and reuse water wherever possible. Reusing water for irrigation is another excellent tool for reducing water consumption.

- xii) Avoid emergency water loss. Design water systems with backups and inspect regularly for leaks and maintenance issues.
 - xiii) Use wells carefully. Wells in riparian areas or upslope of surface watercourses are often hydrologically connected to surface water and should be avoided or treated like a surface water diversion.
 - xiv) For tanks 5,000 gallons or more, install on a reinforced concrete pad in order to provide adequate support. A building permit will be required for tanks over 5,000 gallons.
- aa. *Early Activation Permits for Commercial Cannabis Activities are prohibited in the County of Lake Zoning Code.*
- bb. *Edible Cannabis Product* means a cannabis product intended to be used orally, in whole or in part, for human consumption. For purposes of this chapter, edible cannabis product includes products that dissolve or disintegrate in the mouth, but does not include any product otherwise defined as cannabis concentrate.
- cc. *Environmental Impact Report (EIR)* is a study of all the factors which a land development project would have on the environment in the area, including population, traffic, schools, fire protection, endangered species, archeological artifacts, community beauty, etc.
- dd. *Extraction* means a process by which cannabinoids are separated from cannabis plant material through chemical or physical means.
- ee. *Farmland Protection Zone* means approved and adopted Ordinance 3103
- ff. *Final Form* refers to cannabis and cannabis products that are packaged and labeled as they will be sold at retail to a consumer.
- gg. *Flowering* means that a cannabis plant as formed a mass of pistils measuring greater than one-half inch wide at its widest point.
- hh. *Greenhouse* means a permanent structure protected by an exterior envelope or assembly that provides protection of all structural members from the detrimental effects of the exterior environment. Such structure must include the means to control temperature and/or humidity for the cultivation and/or protection of cannabis plants. Structures that are temporary and/or non-secure in nature, including but not limited to movable greenhouses, tents, and hoop houses are not considered greenhouses for purposes of commercial cannabis cultivation.
- ii. *Hoop-house* means an unheated, semi-portable, outdoor enclosure used for the purpose of growing and/or for protecting seedlings and plants from cold weather but not containing any mechanical or electrical systems or storage of any items. Typically a hoop-house is of semi-circular design made of, but not limited to, piping or other material covered with translucent material.
- 1) *Hydrology Report* means a report prepared by a California licensed civil engineer, hydrogeologist, hydrologist, or geologist experienced in water resources. The Report shall include:
- i) Approximate amount of water available for the project's identified water source;
 - ii) Approximate recharge rate for the project's identified water source;

- jj. *Initial Study* is a preliminary analysis which is prepared to determine the relative environmental impacts associated with a proposed project.
- kk. *Immature Plant* means a cannabis plant that has a first true leaf measuring greater than one-half inch long from base to tip (if started from seed) or a mass of roots measuring greater than one-half inch wide at its widest point (if vegetatively propagated), but that is not flowering. For retail purposes, immature plant means a cannabis plant this is nonflowering and shorter and narrower than 18 inches.
- ll. *Indoor Cultivation* means the cultivation of cannabis within a permanent structure (fully enclosed building) using exclusively artificial light, or within any type of structure using artificial light at a rate above twenty-five (25) watts per square foot.
- mm. *Infusion* means a process by which cannabis, cannabinoids, or cannabis concentrates are directly incorporated into a product formulation to produce a cannabis product.
- nn. *Infused pre-roll* means a pre-roll into which cannabis concentrate (other than kief) or other ingredients have been incorporated.
- oo. *Kief* means the resinous trichomes of cannabis that have been separated from the cannabis plant.
- pp. *Labeling* means any label or other written, printed, or graphic matter upon cannabis or a cannabis product, upon its container or wrapper, or that accompanies any cannabis or cannabis product.
- qq. *Legal Parcel* means any parcel of real property that may be separately sold in compliance with the Subdivision Map Act of the California Government Code.
- rr. *License* means a state license issued for cannabis or cannabis products.
- ss. *Licensee* means any person holding a County of Lake permit and a State issued license under the Department of Cannabis Control Medicinal and Adult Use Commercial Cannabis Regulations California Code of Regulation Title 4, Division 19. Department of Cannabis Control.
- tt. *Licensing Authority* means the state agency responsible for the issuance, renewal, or reinstatement of a license for a commercial cannabis activity, or the state agency authorized to take disciplinary action against the license. Licensing Authority is differentiated from the County as the local permitting authority.
- uu. *Light Deprivation* means the use of any technique to eliminate natural light in order to induce flowering.
- vv. *Live Plants* or *Live Cannabis Plants* mean living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.
- ww. *Manufacture* means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product. The term manufacture includes the following processes:
- 1) *Extraction*;
 - 2) *Infusion*;
 - 3) *Packaging or repackaging of cannabis products*;

- 4) Labeling or relabeling the packages of cannabis products;
 - 5) Post-processing refinement of cannabis extract (“post-processing”); and
 - 6) Remediation of failed harvest batches or cannabis product batches, other than relabeling to correct cannabinoid content.
- xx. *Manufactured cannabis* or *cannabis product* means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.
- yy. *Manufacturer* means a commercial cannabis activity permittee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or containers.
- zz. *Manufacturing Facility* means a location that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid commercial cannabis activity permit for manufacturing from the county of Lake and, a valid state license as required for manufacturing of cannabis products.
- 1) *Manufacturing Facility Volatile* means a facility which manufactures cannabis products using volatile solvents, which involves the use of solvents which produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.
 - 2) *Manufacturing Facility Non-Volatile* means a facility which manufactures cannabis products using nonvolatile solvents, or no solvents.
 - 3) *Mature Plant* means a cannabis plant that is flowering.
 - 4) *Medicinal Cannabis Patient* includes both a qualified patient as defined in Health and Safety Code section 11362.7 and a person in possession of a valid identification card issued under Health and Safety Code section 11362.71.
 - 5) *Mitigated Negative Declaration* means
- ~~aaa. Mixed-light Cultivation~~ means the cultivation of mature cannabis in a greenhouse, hoop-house, glasshouse, conservatory, hothouse, or other similar structure using a combination of: ~~using light deprivation and/or artificial lighting below a rate of twenty-five watts per square foot.~~
- ~~bbb. 1. Natural-Light and light deprivation, and either of the models listed below: Cultivation~~ means the cultivation of cannabis without the use of light deprivation and/or artificial lighting in the canopy area.
- eee. A. *Mixed-light Tier 1*, without the use of artificial light or the use of artificial light at a rate above zero, but no more than six watts per square foot;

~~ddd.~~ *B. Mixed-light Tier 2*, the use of artificial light at a rate above six and below or equal to twenty-five watts per square foot; or

~~eee.~~ *2. Natural light and either of the models listed below:*

~~fff.~~ *A. Mixed-light Tier 1*, the use of artificial light at a rate above, zero but no more than six watts per square foot;

~~ggg.~~ *B. Mixed-light Tier 2*, the use of artificial light at a rate above six and below or equal to twenty-five watts per square foot.

~~hhh.~~ *Negative Declaration* is a written statement, usually prepared by the lead agency, describing the reasons that a proposed project will not have a significant effect on the environment, and does not require the preparation of an EIR as described in Public Resource Code section 21064.

~~iii.~~ *Nonmanufactured* cannabis goods means final form items that contain only cannabis.

~~jjj.~~ *Nonvolatile Solvent* means any solvent used in the extraction process that is not a volatile solvent. Nonvolatile solvent includes carbon dioxide, ethanol, and nonhydrocarbon-based or other solvents such as water, vegetable glycerin, vegetable oil, animal fat, and glycerin.

~~kkk.~~ *Nursery* means the production of only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

III. aa. *Odor Absorbing Ventilation and Exhaust System* means a system sufficient odor absorbing ventilation and exhaust system so that the distinctive odor generated inside the cannabis facility is not detected outside the cannabis facility, anywhere on the adjacent property, from any public right-of-way, on or about any exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or in any other area available for common use by tenants or the visiting public, or within any other unit located within the same building as the cannabis facility.

mmm. *Operation* means any act for which a permit is required under the provisions of this chapter, or any commercial transfer of cannabis or cannabis products.

nnn. *Outdoor Cultivation* activities shall be conducted within a fully-enclosed, permitted building constructed of solid materials, accessible only through one or more locking doors. Outdoor cultivation means the cultivation of mature cannabis without the use of artificial lighting or light deprivation in the canopy area at any point in time.

ooo. *Owner* means any of the following:

- 1) A person with an aggregate ownership interest of twenty percent or more in the person applying for a permit or a permittee, unless the interest is solely a security, lien, or encumbrance.
- 2) An individual who will be participating in the direction, control, or management of the person applying for a license.

ppp. *Package or packaging* means any container or wrapper that may be used for enclosing or containing any cannabis or cannabis product. Package does not include a shipping

container or outer wrapping used solely for the transport of cannabis or cannabis products in bulk quantity to a County-permitted premises.

qqq. *Peer Review* means

rrr. *Permittee* means the owner(s) of the commercial cannabis activity and who are issued a commercial cannabis activity permit under this chapter.

sss. *Person* includes any individual, firm, partnership, joint venture, association, corporation, Limited Liability Company, estate, trust, activity trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular. *Premises* means the designated building or buildings and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted.

ttt. *Purchaser* means the customer who is engaged in a transaction with a permittee for purposes of obtaining cannabis or cannabis products.

uuu. *Processing* means all activities associated with the drying, curing, grading, trimming, rolling, storing, packaging, and labeling of cannabis or nonmanufactured cannabis products.

vvv. *Property owner* means the person or persons who hold the present interest and beneficial use of the subject property.

www. *Retail* means a building, room, or other area that is open to the public, upon the licensed retailer or licensed microbusiness premises authorized to engage in retail sales in which cannabis goods are sold or displayed.

xxx. *Retailer* means a commercial cannabis business where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid commercial cannabis activity permit from the county of Stanislaus authorizing the operation of a retailer, and a valid state license as required by state law to operate a retailer.

1) *Retailer Storefront*. Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location open to the public, from which commercial cannabis activities are conducted.

2) *Retailer Non-Storefront*. Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location closed to the public, from which commercial cannabis activities are conducted.

yyy. *Sale, sell, and to sell* includes barter, exchange, trade, keep for sale, offer for sale, or expose for sale, in any of their variant forms and any transaction whereby, for any consideration, title to cannabis or cannabis products are transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a permittee to the permittee from whom the cannabis or cannabis product was purchased.

zzz. *Scenic Combining District* means to protect and enhance views of scenic areas from the County's scenic highways and roadways for the benefit of local residential and resort development, the motoring public, and the recreation based economy of the County as described in section 21-34 in the County's Zoning Code.

aaaa. *School*. For purposes of this chapter, school means any public or private school providing instruction in kindergarten or grades 1-12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

bbbb. *State* means the State of California.

cccc. *State Clearing House* established in 1973, the State Clearinghouse (SCH), is a division of the Governor's Office of Planning and Research (OPR), coordinates the State-level review of Environmental Documents prepared pursuant to the California Environmental Quality Act (CEQA). The SCH is at the center of State agency involvement in the CEQA environmental review process.

dddd. *State License* means a permit or license issued by the state of California, or one of its departments or divisions, to lawfully engage in commercial cannabis activity.

eeee. *Sublet* means to lease or rent all or part of a leased or rented property.

ffff. *Testing Laboratory* means a facility, laboratory, entity, or site in the state that offers or performs test of cannabis or cannabis products and that is both of the following:

- 1) Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state.
- 2) Licensed by the California Department of Cannabis Control (DCC).

gggg. *THC or delta-9 THC* means the compound tetrahydrocannabinol, CAS number 1972-08-3.

hhhh. *Transport* means the transfer of cannabis products from the permitted activity location of one permittee to the permitted activity location of another permittee, for the purposes of conducting commercial cannabis activity authorized by the Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) and it was signed into law by California Governor Jerry Brown in 2017 which may be amended or repealed by any subsequent state of California legislation.

iiii. *Use Permit* means a conditional minor use permit and/or major use permit. Conditional use permits are uses permitted on a defined basis within a district so long as the governing body's conditions are met. The Board of Supervisors, Planning Commission and/or Zoning Administrator may impose such conditions as they deem necessary to secure the purposes of Chapters 50 (Minor Use Permit) and 51 (Major Use Permit) and may require tangible guarantees or evidence that such conditions are being, or will be, complied with.

jjjj. *Volatile solvent* means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. Examples of volatile solvents include, but not limited to, butane, hexane, and propane.

kkkk. *Watts per square foot* means the sum of the maximum wattage of all lights identified in the designated canopy area(s) in the premises diagram divided by the sum of the dimensions in square feet or the same designated canopy area(s).

llll. *Youth center or Youth-oriented facility* means a public or non-profit operated facility established for the purposes of providing social, instructional, and/or recreational opportunities for children ages eleven to eighteen years old.

Sec. 73.4. County Permits Required for Commercial Cannabis Activity.

- a. No person shall engage in any commercial cannabis activity in the unincorporated areas of Lake County without first having obtained all required County permits and all State-required licensure.
- b. Any Commercial Cannabis Activity that is not expressly provided for in both an approved conditional use permit and a valid Cannabis license issued by the State is prohibited in all zones and is hereby declared a public nuisance that may be abated by the County and is subject to all available legal remedies, including all enforcement methods described in Article VII of Chapter 13 of the Lake County Code and civil injunctions.
- c. Exemptions. This Article does not apply to the activities listed below which shall be accessory to a legally existing private residence and comply with all other applicable State and local laws, requirements, and regulations.

Personal Cannabis Cultivation of six or fewer Live Cannabis Plants within a single private residence or inside a detached accessory structure located upon the grounds of a private residence. For purposes of this section, private residence means a single-family dwelling, an apartment unit, a mobile home or other similar dwelling. Personal Cannabis Cultivation is addressed in Article 27 of Chapter 21 of the County of Lake County Zoning Code.

- 1) **SEC. 21-49 ZONING PERMIT** Cannabis Cultivation by a Qualified Patient or Primary Caregiver in accordance with Article 27 of Chapter 21 of the County of Lake Zoning Code. A commercial cannabis use permit shall be treated as a conditional major or minor use permit, as applicable, according to the standards and procedures set forth in Articles 50 and 51, and subject to the public hearing procedures described in Article 57 of Chapter 21 of the County of Lake Zoning Code.
- 2) Issuance of a Commercial Cannabis Use Permit under Chapter 21 is a discretionary act requiring compliance with the California Environmental Quality Act (CEQA) and the applicant shall comply with all required environmental review pursuant to Environmental Impact Report Resolution Number 21-1304 as approved by the Board of Supervisors on December 21, 2021. Applicants shall be responsible for all costs associated with CEQA compliance, including but not limited to environmental analysis and studies, preparation of the appropriate CEQA documents, and all County staff time spent in reviewing, analyzing, inspecting, evaluating and finalizing the appropriate environmental document.

Sec. 73.5. All Commercial Cannabis Activity Use Permits – General Requirements

In order to obtain a County use permit for commercial cannabis activities, and in addition to the particular conditions enumerated in each Commercial Cannabis Use Permit, the following requirements shall be met.

- a. Application Requirements. At the time of filing the application for a use permit for a Commercial Cannabis Activity on an application form provided by the Community

Development Department, the applicant shall also provide the applicable fee for processing said application.

- b. State License Required. The Applicant and Owner must obtain and maintain during the life of the Commercial Cannabis Activity the applicable California license issued pursuant to California Business and Professions Code Sections 19300.7 or 26050(a) as may be amended from time to time.

- c. Suspension, Revocation, or Termination of a State License.

Suspension of a license issued by the State of California, or by any State licensing authority, shall immediately suspend the ability of a Commercial Cannabis Activity to operate within the County until the State, or its respective State licensing authority, reinstates or reissues the State license. Revocation or termination of a license by the State of California, or by any State licensing authority, shall also be grounds to revoke or terminate any conditional use permit granted to a Commercial Cannabis Activity pursuant to this Article.

- d. Suspension, Revocation, or Termination of a County Permit.

Suspension, revocation, or termination of any County-issued permit shall be grounds to revoke or terminate any conditional use permit granted to a Commercial Cannabis Activity pursuant to this Article and to the enforcement provisions of Article 60 of Chapter 13 of the County of Lake Zoning ~~County~~ Code.

- e. Health, Safety, and Welfare. Commercial Cannabis Activities shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public. Commercial Cannabis Activities shall not create a public nuisance or adversely affect the health or safety of the nearby residents, businesses or employees working at the Commercial Cannabis Activity by creating dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, unsafe conditions or other impacts, or be hazardous due to the use or storage of materials, processes, products, and runoff of water, pesticides or wastes.

- f. Nuisance Odor. With the exception of outdoor commercial cannabis cultivation activities, all Commercial Cannabis Activities shall be sited and operated in a manner that prevents Cannabis nuisance odors from being detected offsite and shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the Commercial Cannabis Activity that is distinctive to its operation is not detected outside of the operation's facility, anywhere on adjacent lots or public rights-of-way.

- g. Water and Wastewater.

Water. All Commercial Cannabis Activities shall obtain a 'Will Serve' letter from the applicable water purveyor, indicating agreement to supply water for the Commercial Cannabis Activity. The letter shall include the activity proposed and any improvements required for service. For Commercial Cannabis Activities where water service is not available, conditions from the Environmental Health Division of Health Services for a permitted onsite, in-ground well shall be required for the conditional use permit. A hydrology Report and Drought Management Plan that meet the requirements of Chapter 21 of the Lake County Code and satisfactory to the Community Development Department shall be required for every Project for which water service is not available. Irrigation and domestic water supplies shall not include water transported by vehicle from off-site sources. All additional applicable requirements provided in Section 9 (i) herein below must be met.

Water Rights. Water rights for Commercial Cannabis Activities must be verified through the submission of a 'Will Serve' letter from the applicable water purveyor. Commercial Cannabis Activities that utilize surface water must provide verification of enrollment in the Small Irrigation Use Registration from the applicable water purveyor. Diversion of surface water during the dry season is strictly prohibited.

Water Quality. Water quality for Commercial Cannabis Activities must be verified through the submission of a 'Will Serve' letter from the applicable water purveyor. The requirement of the 'Will Serve' letter is to ensure that discharges to waters do not adversely affect the quality and beneficial uses of such waters. Sources of threats of waste discharge include, but are not limited to, irrigation, runoff, over fertilization, pond failure, road construction, grading activities, domestic and cultivation related waste.

Wastewater. All Commercial Cannabis Activities shall obtain a 'Will Serve' letter from the applicable sanitary sewer purveyor, indicating agreement to supply sewer for the Commercial Cannabis Activity. The letter shall include the activity proposed and any improvements required for service. For Commercial Cannabis Activities where sewer service is not available, conditions from the Department of Environmental Health will be required for the conditional use permit. Where sanitary sewer is not available, the applicant shall obtain clearance from the appropriate regional water quality control board.

Advertisement and Signage. No Commercial Cannabis Activity shall advertise by having a person or device holding a sign or an air dancer sign advertising the activity to passersby, whether such person, device or air dancer is on the lot of the Commercial Cannabis Activity or elsewhere including, but not limited to, the public right-of-way.

- h. Advertisement and Signage. No Commercial Cannabis Activity shall advertise by having a person or device holding a sign or an air dancer sign advertising the activity to passersby, whether such person, device or air dancer is on the lot of the Commercial Cannabis Activity or elsewhere including, but not limited to, the public right-of-way.

No Commercial Cannabis Activity shall publish or distribute advertising or marketing that is attractive to children or in a manner intended to encourage persons under 21 years of age to consume Cannabis or Cannabis Products.

No Commercial Cannabis Activity shall advertise or market Cannabis or Cannabis Products on an advertising sign within 1,000 feet of a Child Day Care Center, a K-12 school, a public park or a Youth Center.

Signage shall not be directly illuminated, internally or externally.

- i. Records. Each owner and permittee of a Commercial Cannabis Activity shall maintain clear and adequate records and documentation demonstrating that all Cannabis or Cannabis Products have been obtained from and are provided to other permitted and licensed Cannabis operations for a minimum of five (5) years. The County shall have the right to examine, monitor, and audit such records and documentation, which shall be made available to the County upon written request. Each owner and permittee of a Commercial Cannabis Activity shall maintain a current register of the names and contact information, including name, address, and telephone number, of anyone owning or holding an ownership interest in the Commercial Cannabis Activity, and of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the Commercial Cannabis Activity.

- j. Fire Safety Requirements. All Commercial Cannabis Activity shall comply with all fire safety requirements required by State laws and regulations, County ordinances, and other applicable regulations, including but not limited to the requirements of California Public Resources Code sections 4290 and 4291 and SRA Fire Safe Regulations.
- k. Inspections. A Commercial Cannabis Activity shall be subject to inspections by appropriate local and State agencies.
- l. Material Alterations to Premises. No physical change, alteration, or modification shall be made to the Premises without first obtaining all necessary and appropriate written approvals from the County, including but not limited to a modified or amended use permit and/or any required additional County permits. The requirements of this Section are in addition to compliance with any and all applicable state or local laws or regulations related to approval of building modifications, zoning, and land use requirements. In the event that the proposed modification requires a new or modified conditional use permit, such permit must be obtained before the issuance of a building permit.
- m. Multiple Commercial Cannabis Activities. Except as hereinafter provided, multiple commercial cannabis activities may be allowed on the same lot if the proposed activities are allowed in the zoning district and meet the requirements of this Article and State law. Exception: No premises where commercial cannabis cultivation occurs shall also be permitted for retail sales.
- n. Cannabis Event is a temporary cannabis event license authorizing a licensed Permitted cannabis event organizer to hold a temporary cannabis event where the onsite sale and consumption of cannabis goods is authorized at the location indicated on the license during the dates indicated on the license. To obtain a temporary cannabis event license, the event organizer must apply for both a license from the Department of Community Development and a cannabis event organizer license from the Department of Cannabis Control.
- o. Notice to Interested Parties. Prior to the hearing before the Planning Commission or Zoning Administrator, notice of the application shall be provided pursuant to Article 57 of the Zoning Ordinance. If a commercial cannabis activity is proposed 2,500 mile radius of an incorporated city or county, notice and an opportunity to comment on the application for the Commercial Cannabis Use Permit shall be provided to the applicable city or county before the permit is considered by the Planning Commission or Zoning Administrator.
 - i) Notice to Tribal Nations shall be prepared and mailed or delivered at least ten (10) days prior to the hearing.
- p. No Commercial Cannabis Use Permit shall be granted unless the applicant demonstrates compliance with all applicable provisions of the Lake County Code and State laws and regulations. No such Use Permit may be granted subject to a condition that allows compliance to be achieved subsequent to the issuance the Use Permit.
- q. Monitoring Program. Permittees of a Commercial Cannabis Activity shall participate in the County's monitoring program to verify permit requirements such as, but not limited to, security measures, water use, and compliance with permit conditions.
- r. Commercial Cannabis Activities shall not allow the sale, dispensing, or consumption of alcoholic beverages or tobacco on the site of the Commercial Cannabis Activity.

- s. Cannabis shall not be consumed or used on the site of any Commercial Cannabis Activity.
- t. Security Plan. Commercial Cannabis Activity shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing Cannabis or Cannabis Products, to deter and prevent the theft of Cannabis or Cannabis Products at the Commercial Cannabis Activity and to ensure emergency access in accordance with applicable Fire Code standards. Security measures shall include, but not be limited to, the following:
 - 1) A plan to prevent individuals from loitering on the lot if they are not engaging in activity expressly related to the Commercial Cannabis Activity.
 - 2) 24 hour emergency contact information for the owner or an on-site employee which shall be provided to the County.
 - 3) A professionally installed, maintained, and monitored alarm system.
 - 4) Except for Live Cannabis Plants being cultivated at a cultivation facility and limited amounts of Cannabis for display purposes, all Cannabis and Cannabis Products shall be stored in a secured and locked structure and in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss.
 - 5) 24-hour security surveillance cameras to monitor all entrances and exits to a Commercial Cannabis Activity, all interior spaces within the Commercial Cannabis Activity that are open and accessible to the public, and all interior spaces where Cannabis, cash or currency is being stored for any period of time on a regular basis. The permittee for a Commercial Cannabis Activity shall be responsible for ensuring that the security surveillance camera's footage is accessible. Video recordings shall be maintained for a minimum of 90 days, and shall be made available to the County upon request. Sensors shall be installed to detect entry and exit from all secure areas.
 - 6) Security personnel must be licensed by the State of California Bureau of Security.
 - 7) A Commercial Cannabis Activity shall cooperate with the County and, upon reasonable notice to the Commercial Cannabis Activity, allow the County to inspect or audit the effectiveness of the security plan for the Commercial Cannabis Activity.
 - 8) The permittee for a Commercial Cannabis Activity shall notify the Lake County Sheriff's Office immediately after discovering any significant discrepancies identified during inventory, the diversion, theft, loss, or any criminal activity involving the Commercial Cannabis Activity, or any breach of security.
 - 9) Firearms shall not be permitted at a Commercial Cannabis Activity by an owner.
- u. Background Checks. Any person who is an employee or who otherwise works or volunteers with a Commercial Cannabis Activity must be legally authorized to do under applicable State law. Prior to commencing any work within a Commercial Cannabis Activity, any individual who will work within a permitted Commercial Cannabis Activity site or have access to cannabis or cannabis-products must submit to a background check conducted by the Lake County Sheriff's Office. The background check must include fingerprinting for criminal history conducted by the Sheriff's Office or any other entity determined to be satisfactory by the Sheriff's Office. The Sheriff's Office may charge a fee to recover its reasonable costs of undertaking such background check.

- v. Transportation Vehicles. Cannabis may only be transported within the unincorporated areas of the County inside a commercial vehicle or trailer with sufficient security features and GPS tracking. Cannabis or cannabis signage or symbols may not be visible or identifiable from outside of the commercial vehicle or trailer. Transportation by means of aircraft, watercraft, drones, rail, human powered vehicles, and unmanned vehicles is prohibited.
- w. Notification to Sheriff's Office. As a condition of any Commercial Cannabis Use Permit for an activity authorized under this Section, the County shall require the permittee to notify the Sheriff's Office before transporting cannabis within the unincorporated areas of the County.
- x. Conservation Measures. All commercial cannabis operations shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, discharges, and similar matters.
 - 1) Water Conservation Measures. Commercial cannabis operations shall include adequate measure that minimize the use of water for cannabis activities at the subject site.
 - 2) Energy Conservation Measures. Commercial cannabis activities shall include adequate measures to address the projected energy demand for the cannabis activities at the subject site.
 - 3) Generators Prohibited. With the exception of temporary use during a State or locally-declared emergency, generators are prohibited for all Commercial Cannabis Activities.

Sec. 73.6. License Application Requirements.

An application must be completed by an owner and include the following:

- 1) The legal first and last name of the applicant and the legal business name of the commercial cannabis business.
- 2) Every business trade name, fictitious business name, and doing business as ("DBA") under which the commercial cannabis business will operate.
- 3) The commercial cannabis license for which the applicant is applying, and whether the applicant is requesting that the license be designated as medicinal, adult-use, or both, if applicable.
- 4) Payment of an application fee pursuant to County's Master Fee Schedule.
- 5) The physical address of the premises. If the Department is unable to confirm that the address provided is valid, then the applicant shall provide a document that confirms the physical address of the premises. Such a document may include a utility bill, printed information from the county assessor, deed, or title.
- 6) The mailing address for the commercial cannabis business, if different from the premises address.
- 7) The telephone number for the commercial cannabis business.
- 8) The number under which the commercial cannabis business files federal taxes, such as a federal employer identification number, federal taxpayer identification number, individual taxpayer identification number, Social Security number, or national identification number.

9) Contact information for the owner of the commercial cannabis business who will serve as the designated primary contact person or designated responsible party for the business, including the name, title, phone number, and email address of the individual. Affidavit of the person who will serve must be completed and signed by the owner with identification of the designated person.

10) The full legal name, mailing address, primary contact phone number, email address, and preferred method of written communication (e.g., standard mail or email) of each individual or entity serving as agent for service of process for the commercial cannabis business, if any.

11) A description of the business organizational structure of the commercial cannabis business, such as partnership, joint venture, limited liability company, sole proprietorship, trust, or corporation.

12) Upon request, business formation documents that are not available online through the California Secretary of State, which may include, but are not limited to operating agreements, bylaws, and other documents that establish ownership or control over the commercial cannabis business. If the commercial cannabis business is held in trust, the applicant shall provide a copy of the certificate of trust establishing trustee authority.

13) A commercial cannabis business that is a foreign corporation or foreign limited liability company shall include in its application a certificate of qualification, certificate of registration, or certificate of status issued by the California Secretary of State.

14) A complete list of every financial interest holder of the commercial cannabis business. Each individual named on the list shall submit the following information:

A) The full name of the owner.

B) The owner's title within the commercial cannabis business.

C) The owner's date of birth and place of birth.

D) The owner's mailing address.

E) The owner's telephone number. This may include a number for the owner's home, business, or mobile telephone.

F) The owner's email address.

G) The owner's current employer.

H) The percentage of the ownership interest held in the commercial cannabis business by the owner.

I) The number of the owner's 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, height, gender, and photo of the person, such as a driver license.

J) A copy of the owner's completed application for fingerprinting by _____.

K) Attestation to the following statement: Under penalty of perjury, I hereby declare that the information contained within and submitted with this application is complete, true, and accurate. I understand that a misrepresentation of fact is cause for rejection of this application, denial of the license, or revocation of a license issued.

15) The applicant shall provide a valid seller's permit number issued by the California Department of Tax and Fee Administration, if applicable. If the commercial cannabis business has not yet received a seller's permit, the commercial cannabis business shall attest that the commercial cannabis business is currently applying for a seller's permit.

16) A diagram of the premises as required by section 15006 of this division.

Sec. 73.7 Cannabis Event Organizer License/Permit Application.

Cannabis Event Organizer permits and Temporary Special Event permits involve on-site cannabis sales and consumption with dual licensing at the state and local level. A Cannabis Event Organizer must also apply for and obtain a Cannabis Event Organizer license from the Department of Cannabis Control and apply for and obtain approval for a Cannabis Event Organizer conditional minor use permit from the Community Development Department.

A cannabis event organizer discretionary minor use permit is not authorized or licensed to cultivate, distribute, manufacture, or retail cannabis or cannabis products without first obtaining the appropriate licenses or authorizations to engage in such commercial cannabis activities pursuant to sections 26013, 26012, 26200 and 15601 of the Business and Professions Code.

Temporary Cannabis Event

Cannabis Event Organizer permits and Temporary Special Event permits involve on-site cannabis sales and consumption. To obtain a temporary cannabis event license, the event organizer shall also obtain a Cannabis Event Organizer license from the Department of Cannabis Control (DCC) and a conditional minor use permit from the Community Development Department.

Temporary Cannabis Event Requirements.

(a) A temporary cannabis event permit from the Community Development Department authorizes a permitted Cannabis Event Organizer to hold a temporary cannabis event at an approved location where on-site sales and the consumption of cannabis goods are authorized.

(b) Any violations of the conditional minor use permit held by the permittee for a temporary cannabis event shall result in revocation of the permit as described in the County of Lake Municipal Codes of Ordinances.

(c) A temporary cannabis event conditional minor use permit shall be reviewed and considered for approval by the Community Development Department Zoning Administrator. The Zoning Administrator may conditionally approve the same applicant for up to two temporary cannabis events to conduct on-site sales of cannabis and the consumption of cannabis goods for a maximum of two days per event within a calendar year. Any applicant requesting approval for more than two events within a calendar year will be subject to review and approval by Planning Commission.

- (d) An application for a temporary cannabis event conditional minor use permit shall be submitted to the Community Development Department for review and consideration no less than 90 calendar days prior to the temporary cannabis event.
- (e) A temporary cannabis event shall only be held at an approved location by the Zoning Administrator within the following Zoning Districts: C2, C3, M1, M2, PDC.
- (f) A temporary cannabis event conditional minor use permit shall not be issued for a premises that is licensed for the sale of alcohol or tobacco.
- (g) Each applicant and employee participating in a temporary cannabis event shall submit a livescan background check performed by Lake County Sheriff's Office with each event application. If the applicant(s) and/or employee(s) participating in the temporary cannabis event changes after the application is submitted or after a conditional minor use permit is issued, then the applicant shall submit an updated application with proof of livescan for all applicant(s) and employee(s) at least thirty calendar days prior to the event. Applicant(s) or employee(s) not verified on the minor use permit application as submitted to the Community Development Department for review and consideration shall participate in the temporary cannabis event, if approved.
- (h) The permitted Cannabis Event Organizer shall hire or contract for security personnel to provide security services at the permitted temporary cannabis event. All security personnel hired or contracted for by the permittee shall be at least 21 years of age, licensed by the Bureau of Security and Investigative Services, and comply with chapters 11.4 and 11.5 of division 3 of the Business and Professions Code. Security personnel shall be present on the permitted premises at all times cannabis goods are available for sale and/or cannabis goods consumption is allowed on the permitted premises.
- (i) A permitted Cannabis Event Organizer shall maintain a clearly legible sign not less than 8 inches by 11 inches with italicized font size lettering no less than 115 inches in height, reading "No Persons Under 21 Allowed" at or near each public entrance to any area where the sale or consumption of cannabis goods is allowed.
- (j) The permitted Cannabis Event Organizer shall contract or arrange for the collection and disposal of waste generated during the temporary cannabis event.
- (k) The permitted Cannabis Event Organizer shall provide adequate Americans with Disability Act (ADA) accommodations for restroom facilities and parking areas.
- (l) The Community Development Department may require the permitted Cannabis Event Organizer and all participants to cease operations without delay, if the Zoning Administrator or Sheriff's Department, determine that it is necessary to protect the immediate public health and safety of the people. Upon notification from the Community Development Department that the event is to cease operations, the permitted Cannabis Event Organizer shall immediately stop the event and all participants shall be removed from the premises within the time frame provided by the Community Development Department or Sheriff's Department.

(m) Upon notification from the Community Development Department, the event organizer shall immediately expel from the event any person selling cannabis goods without an active Use Permit or Minor Use Permit from the Department of Cannabis Control (DCC) or the Community Development Department who authorized the participant to sell cannabis goods. The permitted Cannabis Event Organizer or their representative shall contact the Sheriff's Department and remain with the person being expelled from the premises at all times until he or she vacates the premises. If the person does not vacate the premises, the Community Development Department may inform the permitted Cannabis Event Organizer that the event must cease operations. Upon notification from the Community Development Department that the event is to cease operations, the permitted Cannabis Event Organizer shall immediately stop the event and all participants shall be removed from the premises within the time frame provided by the Community Development Department or the Sheriff's Office.

Temporary Cannabis Event Sales.

(a) Only persons age 21 or older may purchase and consume cannabis goods at a temporary cannabis event. Prior to selling cannabis goods to a customer, the permittee making the sale shall confirm, using valid government-issued identification, the age and identity of the customer.

(b) All sales of cannabis goods at a temporary cannabis event must occur in an approved retail area.

(c) Each sale at a temporary cannabis event shall be performed by an approved-retailer, a permitted non-storefront retailer, or permitted microbusiness that is authorized to engage in retail sales. The cannabis event organizer may also sell cannabis goods at the temporary cannabis event if the organizer separately holds authorization for the retail sale of cannabis goods.

(1) Licensed retailers or licensed microbusinesses shall only conduct sales activities within their specifically assigned area, identified in the site plan of the physical layout of the temporary cannabis event.

(2) Mobile sales activities via wagon, cart, or similar means are prohibited at the temporary cannabis event site.

(d) Permitted retailers or permitted microbusinesses must prominently display a copy of their use permit Conditions of Approval and state license within plain sight of the public.

(e) All sales at a temporary cannabis event shall occur on the dates stated on the permit and shall occur at the location stated on the permit. All on-site sales of cannabis goods must comply with the hours of operation listed on the minor use permit application and approved by the Zoning Administrator or Planning Commission.

(f) Sale of alcohol or tobacco shall not be allowed on the permitted temporary cannabis event premises.

(g) The cannabis goods sold on-site at a temporary cannabis event shall be transported by a licensed distributor or licensed microbusiness in compliance with Article 27. All shipments of cannabis goods and non-cannabis goods intended for sale at a temporary cannabis event must be

checked by the temporary cannabis event organizer staff to prevent prohibited items, such as alcohol and tobacco, from entering premises. Prior to the transportation of goods, the applicant shall notify the Sheriff's Department regarding the date and time of transporting.

(h) Except small amounts of cannabis goods used for display, all cannabis goods for sale at a temporary cannabis event shall be stored in a secure, locked container that is not accessible to the public. Cannabis goods being stored by an authorized seller at a temporary cannabis event shall not be left unattended.

(i) All cannabis goods made available for sale at a cannabis event shall comply with all requirements for the retail sale of cannabis goods within Article 27 of the County of Lake Zoning Ordinance.

(j) All cannabis goods made available for sale at a temporary cannabis event shall comply with Department of Cannabis Control track and trace requirements-

(k) All cannabis goods used for display at a temporary cannabis event shall comply with the Department of Cannabis Control requirements.

(l) The daily sales limit per customer shall not exceed limits set by the Department of Cannabis Control.

(m) The permitted cannabis event organizer shall be responsible for ensuring that all rules and requirements for the on-site sale of cannabis goods are followed.

(n) Any compensation paid from a licensed retailer to a licensed cannabis event organizer for participation in a temporary cannabis event shall not be determined based on, or be contingent on, the sale of cannabis goods pursuant to section 26013, 26070, 26200 and 15603 of the Business and Professions Code.

Temporary Cannabis Event Consumption.

(a) Access to the area where cannabis consumption is allowed shall be restricted to persons 21 years of age or older.

(b) The event organizer permittee shall ensure that cannabis consumption is not visible from any public place or non-age-restricted area.

(c) Consumption of alcohol or tobacco shall not be allowed on the premises.

(d) All requirements for on-site cannabis consumption imposed shall be followed and smoking of cannabis goods shall be prohibited in any areas where smoking is prohibited by law.

(e) The permitted Cannabis Event Organizer, who holds the temporary cannabis event license, shall be responsible for ensuring that all rules and requirements for the on-site consumption of cannabis goods are followed.

(f) A permitted Cannabis Event Organizer and all other permittees participating in a temporary cannabis event are required to follow all applicable requirements pertaining to record keeping and waste management pursuant to sections 26013, 26200 of the Business and Professions Code

and section 15604 of the Department of Cannabis Control Medicinal and Adult Use Commercial Cannabis Regulations Page 113.

Informational or Educational Cannabis Events.

(a) Informational or educational cannabis events where no sales of cannabis goods or consumption of cannabis goods is occurring are not required to be permitted by the Community Development Department.

(b) A person may display visual aids but may not display cannabis or cannabis products for informational or educational purposes consistent with Health and Safety Code sections 11362.1 and 11362.77. Authority: Section 26013, Business and Professions Code. Reference: Section 26013, Business and Professions Code; and Sections 11362.1 and 11362.77, Health and Safety Code.

Sec. 73.8 Compliance with the California Environmental Quality Act (CEQA)

a) A commercial cannabis business applying for a license to cultivate cannabis shall provide the following information:

(This section needs to model the CEQA guidelines for consideration. Mainly the project being subjected to an EIR. Add support from Resolution by Bruno)

Sec 73.9 Incomplete and Abandoned Applications.

a) Incomplete applications will not be processed. Applications will only be considered complete if all of the information required under section cannabis application is included. The Department shall issue a written notice to the applicant, by mail or through Department's digital email system, informing them that the application is incomplete and identifying the information missing from the application.

b) If the applicant fails to submit all required information within 90 days from the date of the initial written notice, the application shall be deemed abandoned.

c) If the applicant fails to submit payment of the permit fee within 30 calendar days from the date of the request for payment of the license fee, the application shall be deemed abandoned.

d) The Department will not refund application fees for an incomplete or abandoned application.

e) An applicant may reapply at any time following an abandoned application and will be required to submit a new application and application fee.

Authority: Section 26013 and 26130, Business and Professions Code.

Reference: Sections 26012, 26050 and 26051.5, Business and Professions Code.

Sec. 73-10 Withdrawal of Application.

- a) An applicant may withdraw an application at any time prior to the Community Development Department (Department) issuance of a permit. Fees will be returned minus staff time.
- b) Requests to withdraw an application must be submitted to the Department by mail in writing, dated, and signed by the applicant, or in writing by electronic mail to (cannabis@lakecountycal.gov) – check our email address.

Sec. 73-11 Payment of Fees.

(refer applicants to the Master Fee Schedule)

Sec. 73-12 Denial of a Permit.

A. Early Activation Permits are prohibited.

B. The Community Development Department may deny an application for a new license or a renewal of a license for any reason specified in Business and Professions Code section 26057.

- 1) Upon denial of an application for a permit or renewal of a permit, the Department shall notify the applicant in writing of the reasons for denial, and the right to a hearing to contest the denial with the Planning Commission.
- 2) The applicant may request a hearing to contest the denial by submitting a written request to the Department.
- 3) The written request for a hearing must be postmarked within 30 calendar days of service of the notification of denial.
- 4) If the written request for a hearing is not received within the required timeframe, the applicant's right to a hearing is waived.
- 5) Upon timely receipt of the written request for hearing, the Department shall set a date for hearing to be conducted in accordance with Article 57 of the County's Zoning Ordinance.

- A. (d) If a license application is denied due to an owner's conviction history, the Department shall notify the applicant of the process for the owner to request a copy of their complete conviction history and question the accuracy or completeness of the record pursuant to Penal Code sections 11122 through 11127.

Sec. 73-13 Renewal of a Permit.

To timely renew a permit, a completed permitted renewal form and permit fee pursuant to the County's Master Fee Schedule shall be received by the Community Development Department

no earlier than 60 calendar days before the expiration of the license and no later than 5:00 p.m. Pacific Time on the last business day before the expiration of the permit if the renewal form is submitted to the Department at its office(s), or no later than 11:59 p.m. on the last business day before the expiration of the license if the renewal form is submitted to the Department through its electronic permitting system. Failure to receive a notice for permit renewal does not relieve a permittee of the obligation to renew all permits as required.

Sec. 73.14 Modifications.

(a) A permittee shall not, without the prior written approval of the Community Development Department (Department), make a physical change, alteration, or modification of the permitted premises that materially or substantially alters the permitted premises or the use of the licensed premises from the premises diagram originally filed with the permit application. A permittee whose permitted premises is to be materially or substantially changed, modified, or altered is responsible for filing a request for premises modification with the Department.

(b) Material or substantial changes, alterations, or modifications requiring approval include, but are not limited to:

(1) The removal, creation, or relocation of a common entryway, doorway, passage, or a means of public entry or exit, when such common entryway, doorway, or passage alters or changes limited-access areas within the licensed premises;

(2) The removal, creation, or relocation of a wall or barrier; and

(3) Changing the activities conducted in or the use of an area identified in the last premises diagram provided to the Department.

(c) Permittees who are engaging in the cultivation of cannabis must obtain approval under this section for the following modifications:

(1) Modification to any area described in the permittee's cultivation plan including, but not limited to, the removal, creation, or relocation of canopy, processing, packaging, composting, harvest storage, and chemical storage areas;

(2) Change in water or power source(s); and

(3) Modifications or upgrades to electrical systems at a permitted premises shall be performed by a licensed electrician. A copy of the electrician's license shall be submitted with any premises modification requests for electrical systems.

4) Need to include zoning code section 60.33 of county.

Sec. 73.15 Excessive Concentration.

(Needs further review and analysis).

Sec. 73.16 Insurance Requirements.

Proof of a ~~surety~~ bond of at least \$25,000 payable to the County of Lake Community Development Department for each County-permitted premises. All bonds required under this section shall be issued by a corporate surety licensed to transact surety business in the State of California. An aggregated bond may be used when multiple licenses are held by the same commercial cannabis business.

Sec. 73-17 Enforcement. Notice to Comply.

a. Notice of Violation.

- b. Citations, Orders of Abatement, Administrative Fines.**
- c. Posting Notice Revocation.**
- d. Security Plan.**

A licensed manufacturer shall develop and implement a written security plan. At a minimum, the security plan shall include a description of the security measures to prevent access to the manufacturing premises by unauthorized persons and protect the physical safety of employees.

Sec. 73-18 Video Surveillance Systems.

a) Each permitted premises shall have a digital video surveillance system with a minimum camera resolution of 1280×720 pixels on the licensed premises. This requirement does not apply to a permitted premises authorized exclusively for cultivation activities or the cultivation area of a licensed microbusiness premises.

b) The video surveillance system shall at all times be able to effectively and clearly record images of the area under surveillance.

c) Each camera shall be permanently mounted and in a fixed location. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the permitted premises, and allows for the clear and certain identification of activities in areas.

d) Areas that shall be recorded on the video surveillance system include the following:

1) Areas where cannabis or cannabis products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the licensed premises.

Sec. 73.19 Limitation on the Number of Permits for Commercial Cannabis Cultivation Operations.

The number of pending commercial cannabis cultivation permits in the County continues to be substantial and there continues to exist a considerable number of unpermitted and unlicensed cannabis cultivation sites. In order for the County to engage in responsible land use planning and ensure compliance with County permitting requirements, the number of future such permits issued in the unincorporated area of the County must be reduced. This reduction shall not affect the process of pending commercial cannabis cultivation permits. Except for those cultivation activities that qualify for and obtain a minor use permits pursuant to Section 73.7 herein below, no more than seven (7) new permits for cannabis cultivation shall be issued in a given calendar year, beginning in January of 2023 and extending to January of 2028. A minimum of three (3) are reserved for outdoor or mixed-light cultivation operations which are less than 20,000 square feet in total canopy area. On or before January fifteenth (15th) of each year during the above-described period, interested applicants who desire a commercial cannabis cultivation permit may participate in a random drawing which will be held on the last Tuesday in January of each such year. Those applicants selected shall be eligible to proceed with the permit application process. Prior to the issuance of such permit, applicants must demonstrate that they meet the standards

established in the application requirements. Each application shall be referred to various County agencies and departments to ensure that all other regulatory standards have been met.

Sec. 73.20. Minor Use Permits for Eligible Commercial Cannabis Cultivation Operations.

For purposes of this Article, a minor use permit may qualify for review by the County's Zoning Administrator when requested modifications to a previously approved Major Use Permit are made by the permitted applicant. When the conditions in this Section are met and the necessary findings of Article 50 of the Lake County Zoning Ordinance can be made, certain cannabis activities may proceed via a Minor Use Permit. A Minor Use Permit, which provide all necessary land use regulations and environmental reviews, allow for an expedited hearing process through the Zoning Administrator as described in Article 50 of the Lake County Zoning Ordinance.

a. Eligibility Requirements.

- 1) The Project size is no greater than 5 acres.
- 2) The Project has provided a cumulative impact report for water usage and obtained a Will Serve letter for water service.
- 3) The Project will not involve grading.
- 4) The Project site location has historically been used for agricultural activities.
- 5) The Initial Study for the Project supports and the analysis of the Community Development Department has determined that either a negative declaration or a mitigated negative declaration is appropriate and adequate for the Project.

Sec. 73.21. Outdoor and Mixed-Light Commercial Cannabis Cultivation Permits.

- a. Permitted Zones. Outdoor or mixed-light commercial cannabis cultivation may only be permitted in the A, APZ, TPZ, RL, RR, SR, and PDC zoned districts subject to a Commercial Cannabis Use Permit.
- b. Slope Restrictions. All Commercial Cannabis Cultivation is prohibited on natural slopes 25% or greater.
- c. Minimum Site Area. Outdoor or mixed-light cultivation of commercial cannabis is limited to sites that meet the minimum premises area of ten acres. The County may require a premises greater than ten acres to maintain consistency with other laws, surrounding residential uses, and neighborhood compatibility.
- d. Canopy Coverage. Outdoor or mixed-light commercial cannabis cultivation is subject to the following limits on maximum canopy based on zone district. The County may place additional and/or further restrictions on canopy size to maintain consistency with other laws, agricultural uses, and neighborhood compatibility. A cannabis cultivation operation shall not exceed the canopy size threshold established by State law.
 - 1) Lots zoned A, APZ, TPZ, RL, RR, SR, and PDC with a minimum premises of 10 acres: Up to 1.5 percent of the size of the premises with a maximum of one outdoor or mixed-light cultivation operation per premises, but not to exceed 1.5 acres of total canopy coverage for that premises.

- 2) Lots zoned A, APZ, TPZ, RL, RR, and SR with a premises great than 10 acres and less than 20 acres in area: Up to 1.5 percent of the size of the premises per outdoor or mixed-light cultivation operation with a maximum of two outdoor or mixed-light cultivation operations, but not to exceed 2.0 acres of total canopy coverage for that premises.
 - 3) Lots zoned A, APZ, TPZ, and RL with premises greater than 20 acres but less than 25 acres in area: Up to two percent of the size of the premises per outdoor or mixed-light cultivation operation with a maximum of four outdoor or mixed-light cultivation operations, but not to exceed 2.5 acres of total canopy coverage for that premises.
 - 4) Lots zoned A, APZ, TPZ, with a premises greater than 25 acres: Up to five percent of the size of the premises per outdoor or mixed-light cultivation operation with a maximum of six outdoor or mixed-light cultivation operations, but not to exceed 5 acres of total canopy coverage for that premises.
- e. Retail sale. Retail sale of cannabis shall not occur on any premises where cultivation occurs.
 - f. Cultivation Standards. In addition to any State requirements by any governing State agency and any site specific requirements in a permit, outdoor or mixed-light cultivation of commercial cannabis shall comply with the following requirements. Any violation of State regulations, site specific requirements in a Commercial Cannabis Use Permit or these requirements is subject to enforcement, abatement, and revocation of a County permit under Chapter 13 of the Lake County Code.
 - g. Prohibited Locations. Outdoor or mixed-light commercial cannabis cultivation shall not be located within 1,000 feet from any school, school bus stop, place of worship, park, playground, child care center, youth-oriented facility, pre-school, public library, licensed drug or alcohol recovery facility, or licensed sober living facility. Distance shall be measured from the nearest point of the property line of the premises that contains the commercial cultivation to the nearest point of the property line of the enumerated use using a direct straight-line measurement. A new adjacent use does not affect the continuation of an existing use that was permitted and legally established under the standards of this Chapter. Outdoor and Mixed Light Cannabis Cultivation are not allowed in an established agricultural preserve or on a lot under a land conservation contract pursuant to the Williamson Act.
 - h. Setbacks. Outdoor or mixed-light cultivation of commercial cannabis shall be setback a minimum of 1,000 feet from the property line of the site or public right-of-way and shall be located at least 500 feet from the upland extent of the riparian vegetation of any watercourse.
 - i. Odor. The cultivating, drying, curing, processing, and storing of cannabis shall not adversely affect the health, safety, or enjoyment of property of persons residing near the property on which cannabis is cultivated or processed due to odor that is disturbing to people of normal sensitivity. Any cannabis odor shall not be equal or greater than a seven dilution threshold ("DT") when measured by the County with a field olfactometer at the property line on which the cannabis is cultivated or processed for a minimum of two olfactometer observations not less than 15 minutes apart within a one hour period ("seven DT one hour"). If the odor from cannabis cultivating, drying, curing, processing, or storing violates this subsection, the permittee must reduce the odor below the seven DT one hour at property line threshold within the time required by the County. Notwithstanding the prior issuance of a permit, the County may require installation of one or more odor control options, which may include but

are not limited to the use of a greenhouse or hoop house that include activated carbon filtration or equivalent odor abatement control equipment on the air exhaust, a vapor-phase odor control system, increasing the required setback, growing fewer plants, or growing only low odor cannabis strains. Installation of certain odor control options may require a permit and further CEQA review. Any such notice requiring the use of one or more odor control options will provide a deadline for completion and the dilution threshold will be retested upon expiration of that deadline. The continued odor in excess of seven DT one hour upon retesting will constitute a violation of this Section subject to enforcement, abatement, and revocation as described in Chapter 13 of the Lake County Code.

- j. Water Source. Commercial cannabis cultivation may only be permitted if the requirements of Section 73.5(g) hereinabove are met and sufficient evidence submitted to the County demonstrates: (1) there is adequate water supply in the watershed and water rights to serve the cultivation site; and (2) all required State permits from the State Water Resources Control Board and any other State agency with jurisdiction. Cultivation of cannabis shall not utilize water that has been or is illegally diverted from any spring, wetland, stream, creek, river, lake, unpermitted well, or body of water. The premises where the cultivation of cannabis takes place shall either be connected to a public water supply or have a County inspected and approved private water source as described in Section 73.5 (g) hereinabove. The activities associated with the cultivation of cannabis shall not create erosion or result in contaminated runoff into any spring, wetland, stream, creek, river, lake, or body of water. Water Conservation Measures. Cannabis cultivation operations shall include adequate measures that minimize the use of water for cultivation at the site. Water conservation measures, including but not limited to above-ground drip irrigation, soil moisture monitoring, water capture systems, grey water systems, or other equally effective water conservation measures, shall be incorporated into the cultivation operations in order to minimize the use of water where feasible.
- k. Screening. In no case shall cannabis plants be visible from offsite. All cultivation activities shall be fully enclosed or screened. Fence design and construction material must be approved by the County.
- l. Security and Wildlife Exclusionary Fencing. Areas where cannabis is cultivated, the premises on which cannabis is cultivated, or a portion thereof that includes the cultivation area shall be secured by a minimum six-foot high solid wood or chain link wildlife exclusionary fence, such as cyclone or field game fencing, with locked gates built in compliance with building and zoning codes. All gates shall be lockable and remain locked.
- m. Energy Source. The outdoor cultivation of cannabis shall not rely on a personal gasoline, diesel, propane, or similar fuels, powered generator as a primary source of power and shall only allow properly permitted (when applicable) generators for temporary use in the event of a power outage or emergency that is beyond the permittee's control as described in Sec.73.5 herein. Lighting. All lights used for mixed-light cultivation shall be fully contained within structures or otherwise shielded to fully contain any light or glare involved in the cultivation process. Artificial lighting for mixed-light cultivation is limited to a rate of six watts per square foot or less. For outdoor and mixed-light commercial cannabis cultivation, security lighting shall be motion activated.
- n. Noise.

(I missed this section. I will add from County Code)

- o. Pesticide Usage. Preference shall be given to applicants that maintain organic certification standards or the substantial equivalent, provided that maintaining organic certification standards or the substantial equivalent is a condition of the Commercial Cannabis Use Permit. Until the California Department of Food and Agriculture adopts an organic certification standards, the County Agricultural Commissioner shall determine whether a particular operation satisfies substantially equivalent organic criteria. All pesticides and fertilizers shall be properly labeled and stored and disposed of to avoid contamination through erosion, leakage, or inadvertent damages from rodents, pests, and wildlife and to prevent harm to persons, the environment, and wildlife.

The only pesticides that can be legally applied to cannabis under California law are pesticides with active ingredients that are exempt from residue tolerance requirements and other either exempt from registration requirements or registered for a use broad enough to encompass cannabis. Most of these exempt pesticides are biorational like citronella or food-grade essential oils like cinnamon, garlic, and rosemary oils. Pest control materials that are relatively non-toxic to people with few environmental side effects are sometimes called “biorational” pesticides. At this time, the use of pesticides labelled as “organic” are not appropriate for use in commercial cannabis cultivation.

- p. Buffer Areas. The property owner shall use his/her best efforts to consult with the adjacent agricultural land owner(s) to address cannabis safety and agricultural production concerns with regard to landscape, lighting, vegetative screening design, siting and pesticide use. In order to prevent the involuntary impacts from cannabis cultivation and agricultural activities, such as the use of pesticides, appropriate buffers shall be described in the Property Management Plan for commercial cannabis cultivation. The cannabis buffer may include natural waterways including rivers, creeks, lakes, ponds, and flood plains. A cannabis setback from agricultural crops should also be considered. On mixed-use sites where cannabis and an agricultural crop are proposed, such as a vineyard, an appropriate setback shall be established and described in the Property Management Plan to avoid impacts of crop production and cultivation. In case where mixed-use cannabis and agricultural crops are located, the preferred pesticide for an agricultural crop shall be biorational per Sec. XXX.
 - 1) Note: Urban area adjacent to production agriculture, the buffer width ranges from 100 to 200 feet. For all other residential development and uses adjacent to production agriculture, the buffer width ranges from 200 to 300 feet. For sensitive non-agricultural uses such as educational, medical, and child care facilities and senior housing adjacent to production agriculture, the buffer width ranges from 300 to 400 feet. For all non-agricultural uses adjacent to rangeland or pasture land type agriculture, the buffer width ranges from 100 to 150 feet.]
- q. Native Habitat Loss associated with Commercial Cannabis Cultivation. Development of a cultivation site can often include clearing of existing vegetation which can have numerous impacts on the local ecosystem. Vegetation removal may result in the loss of special status plant species and the loss of habitat that supports pollinators and birds, particularly habitats necessary during the breeding season. Clearing may also cause fragmentation and loss of sensitive habitats and create edge effects that permeate far beyond the cultivation site. Recent research suggests that cannabis cultivation sites are more likely to be clumped in space, further increasing the effects of fragmentation from vegetation clearing. The activities

associated with clearing may also disturb associated soil seed banks that sustain local plant populations. Removal of vegetation has also been shown to make communities vulnerable to colonization by invasive plant species and to spread the pathogen responsible for Sudden Oak Death syndrome. Additionally, the abundance of dried vegetation remaining after removals may increase risk for fires.

- 1) The Biological Site Plan that is prepared for a proposed commercial cannabis project to mitigate impacts should include the following Best Management Practices:
 - i) Minimal site disturbance and retention of existing native vegetation, especially native species. Effort to reduce and where needed eradicate non-native, invasive species that may result from commercial cannabis cultivation should be incorporated into the Plan.
 - ii) Retention of the natural landscape by avoided grading and regrading.
 - iii) Utilization of natural drainage patterns.
 - iv) Impervious surfaces kept to a minimum.
 - v) Stormwater to be managed on-site with no greater runoff post development than existed prior to development
 - vi) Infiltration should be the primary method of stormwater management, where feasible
 - vii) Protect and enhance existing riparian and aquatic ecosystem buffers to offset adverse development impacts
 - viii) Minimize direct discharge of runoff to wetlands

r. **Oak Tree Removal for Commercial Cannabis Cultivation Purposes.**

- 1) Where oak tree removal requires a permit under this ordinance, the following standards shall be adhered to:
- 2) The preparation and implementation of an Oak Tree Management Plan for the lot on which the oak tree removal will take place and any lot used for off-site replacement shall be required. The Management Plan shall be prepared or endorsed by the Oak Tree Specialist. The plan shall indicate clearly and with full dimensions the following
- 3) Lot address.
- 4) Lot dimensions and boundaries.
- 5) Names of streets (rights-of-way) abutting the lot.
- 6) Where needed, the Plan should also include spatially derived images (aerial photos, GIS data, etc.) of the existing oak tree canopy so that the County can determine contiguous acreages of oak woodlands.
- 7) The location, species, and trunk diameter at breast height of those protected oak trees to be removed from the lot.
- 8) The location, species and size or age of naturally occurring oak trees to be used as replacement oak trees.
- 9) If replacement trees are to be planted on a lot other than that where the protected oak trees are to be removed, a separate plan is required, containing items 1 through 6 above, as applicable. Documentation of credit oak tree plantings, and evidence of survivorship, if applicable.
- 10) Source of water supply and the means for irrigating replacement oak trees and the methods to be used for planting and maintaining the replacement oak trees.
- 11) A brief statement of the reasons for the removal of the deciduous oak tree(s).
- 12) A statement of the method(s) to be used for removing the protected oak trees.
- 13) Any other information that Planning and Development may require.

- s. Evaluation the potential impacts of a project on native trees, including oak woodlands, should be considered at three scales: (i) landscape, (ii) site and (iii) individual trees or groves. A project may have significant impacts at one scale but not at another. Or, in some cases, it may have significant impacts at all scales.
- 1) The removal of protected oak trees for commercial cannabis purposes from a lot, within the limits set forth in the table below, shall be exempt from the permit requirements of Sec. XXX, provided that the landowner complies with all applicable provisions of the County Grading Ordinance prior to the oak tree removal.

Lot Acreage	Maximum allowable number of protected oak trees removed for commercial cannabis cultivation purposes from requirements of Sec. XXXX
<50	2
50 – <100	3
100 – <200	4
200 – <300	5
300 – <400	6
400 – <500	7
500 – <600	8
600 – <700	9
700 – <800	10
800 – 899	11
Greater than 899	12

1. Significance criteria for cumulative impacts to biological resources associated with oak tree removal should be considered that includes cumulative contribution of other approved and proposed projects that lead to fragmentation of oak woodlands in the project vicinity. Cumulative impacts to biological resources associated with oak tree removal should emphasize: (i) the net loss of sensitive habitats and species, (ii) the impacts of increased fragmentation of woodlands, and (iii) loss of habitat connectivity. Moreover, the potential for the proposed project to increase soil loss, run-off, nutrients and other pollutants into the aquatic ecosystems should be described to the County in the Biological Report for environmental review.
- t. **Standards for Oak Tree Replacement.** Where oak tree removal requires a permit under this ordinance, the following standards shall be adhered to:
1. The preparation and implementation of an Oak Tree Management Plan for the lot on which the oak tree removal will take place and any lot used for off-site replacement shall be required. The Management Plan shall be prepared or endorsed by the professional Arborist. The plan shall:
- a. Demonstrate how the mix of oak woodlands and forests on the lot will be preserved, created, enhanced, restored, and maintained, so that:

- (1) The removal of protected oak trees does not divide the remaining savanna, woodland, and forest habitats into small, isolated fragments.
- (2) Protection, maintenance, restoration, and enhancement of large blocks of savanna, woodland, and forests are given priority over maintenance, restoration, and enhancement of smaller, more isolated habitat patches.
- (3) Valley and blue oak trees that link on- or off-site oak tree savannas, woodlands, forests, or other existing, proximate habitats are retained to the maximum extent feasible.
- (4) On-site replacement is given priority over off-site replacement except where no suitable on-site locations exist, or reasonable use of the lot would be precluded as determined by Planning and Development along with the Oak Tree Specialist. In such cases the replacement oak trees may be planted in an off- site location acceptable to the applicant, the landowner and the Oak Tree Specialist. For off-site replacement planting locations priority shall be given to nearby sites and to sites adjoining existing deciduous oak woodlands or providing links between deciduous oak woodlands.
- (5) There is avoidance of removal of actively used granary trees, raptor roosting or nesting trees, and trees in riparian and other wildlife corridors.
- b. Comply with the following requirement, when applicable.
 - (1) When required by the Oak Tree Specialist on a case-by-case basis, a buffer area protecting the critical root zone shall be maintained around identified valley and blue oak trees retained on the lot.
- c. Identify valley and blue oak tree replanting, restoration, conservation and enhancement sites on a plan or aerial photograph to facilitate mitigation monitoring and tracking; and identify the species, location, and size of all oak trees that are planted or protected as mitigation or to fulfill a condition on the permit.
- d. Provide the deciduous oak tree replanting schedule and nurturing regime.

2. Protected oak trees that are removed shall be compensated at a 15:1 ratio by replacement planting, or protection of naturally occurring oak trees between six (6) inches and six (6) feet tall on the lot.
3. Naturally occurring valley and blue oak seedlings/saplings, growing on the lot and between six (6) inches and six (6) feet in height that are protected and nurtured for five (5) years, may be counted as replacement (mitigation) trees under the Program.
4. Any combination of acorns, planted seedlings/saplings, or naturally occurring valley and blue oaks between six (6) inches and six (6) feet tall, if established according to the requirements herein, may be used to achieve the required number of replacement trees.
5. Replacement deciduous oak trees that are planted must come from nursery stock grown from locally-sourced acorns, or use acorns gathered locally, preferably from the same watershed in which they are planted. If planting is done using acorns, the ratio of acorns to protected oak trees removed shall be a minimum of forty-five (45) acorns for every protected valley oak tree removed. Up to three (3) acorns may be planted in the same hole.
6. Replacement deciduous oak trees shall be established in a location suitable for their growth and survival as determined by the Oak Tree Specialist, no closer than twenty (20) feet from each other or from existing oak trees and no farther than 165-180 feet from each other or existing oak trees unless otherwise approved by the Oak Tree Specialist.

7. Valley oaks shall replace valley oaks removed and blue oaks shall replace blue oaks removed.
8. The replacement deciduous oak trees shall be nurtured for five (5) years, the last two without supplemental watering, using techniques consistent with the most current version of the University of California publication "How to Grow California Oaks." At the end of the five years, ten trees for every protected tree removed must be alive, in good health as determined by the Oak Tree Specialist, and capable of surviving without nurturing and protection.
9. Each replacement deciduous oak tree must be protected against damaging ground disturbance, soil compaction, or over-irrigation within the dripline. It must be fenced to protect it from grazing or browsing by animals both below and above ground until it has reached a minimum of eight (8) feet in height.
10. Where conditions warrant and where agreed to by the landowner and Oak Tree Specialist, tree planting designs and nurturing practices (e.g. protective structures, watering schedules) may be adjusted to improve the probability that replacement trees will be established successfully.
11. Valley oak tree removal encompassing an area of five (5) acres or greater shall require valley oak replanting of an area of comparable size in accordance with the requirements of this section, in an area of existing or historic valley oak habitat. This area shall be protected in the long-term where feasible.
12. For the purposes of this ordinance, all replacement trees are considered protected oak trees regardless of size.

u. **Findings Required for Approval of Oak Tree Removal.** Oak tree removal shall be approved or conditionally approved only if all of the following findings are made:

1. That the proposed oak tree removal project conforms to the applicable provisions of this ordinance.
2. That for the subject parcel(s) there are no known outstanding zoning violations and any applicable zoning violation processing fees have been paid.
3. That significant environmental impacts are mitigated to the maximum extent feasible.
4. That the project will not be detrimental to the health, safety, convenience, and general welfare of the surrounding area.
5. That the proposed oak tree removal project conforms to the applicable policies of the General Plan.

v. Disposal of Waste Material. Cannabis waste material shall be disposed of in accordance with existing State and local laws and regulations at the time of disposal. Burning of cannabis waste material is prohibited.

w. Public Sewer or Sewage Disposal System. The premises where the cultivation of cannabis takes place shall either be connected to a public sewer system, have a County inspected and approved sewage disposal system, or have restroom facilities deemed appropriate by the Director of the Environmental Health, or his or her authorized designee(s).

Sec. 73.22. Indoor Cultivation of Commercial Cannabis.

a. Permitted Zones. Indoor cultivation of commercial cannabis may be permitted in the following zoning districts subject to a Commercial Cannabis Use Permit: C2, C3, M1, and M2.

- b. Restrictions. Commercial cannabis cultivation may only be permitted indoors in an area less than 10,000 square feet.
- c. Renewable Energy Source. Electrical power for indoor commercial cultivation operations, including but not limited to illumination, heating, cooling, and ventilation, shall be provided by on-grid power with X percent renewable source, on-site zero net energy renewable source, or with the purchase of carbon offsets of any portion of power not from renewable sources. The use of generators for indoor cultivation is prohibited, except for temporary use in State or County-declared emergencies only as described in Section 73.5 herein.
- d. Lighting. All lights used for indoor commercial cannabis cultivation shall be fully contained within structures or otherwise shielded to fully contain any light or glare involved in the cultivation process.
- e. Water Source. Indoor commercial cannabis cultivation may only be permitted if the requirements of Section 73.5 hereinabove are met and sufficient evidence submitted to the County demonstrates: (1) there is adequate water supply in the watershed and water rights to serve the site; and (2) all required State permits from the State Water Resources Control Board and any other State agency with jurisdiction. It is prohibited to utilize water that has been or is illegally diverted from any spring, wetland, stream, creek, river, lake, unpermitted well, or body of water. The premises where the commercial cannabis activity takes place shall either be connected to a public water supply or have a County inspected and approved private water source as described in Section 73.5 (g) hereinabove. The commercial cannabis activity shall not create erosion or result in contaminated runoff into any spring, wetland, stream, creek, river, lake, or body of water. Should any such diversion be found to have occurred, the commercial cannabis permit shall be subject to revocation pursuant to the enforcement provisions of Chapters 13 and 21 of the Lake County Code.
- f. Energy Source. Indoor cannabis cultivation operations may only be permitted if the requirements of Section 73.5 hereinabove are met and sufficient evidence submitted to the County demonstrates: (1) there is adequate energy to serve the site according to State Building and Electrical Code requirements and approved by the County Building Official; and (2) all required State permits from any State agency with jurisdiction are obtained.
- g. Conservation Measures. Cannabis cultivation operations shall include adequate conservation measures that minimize the use of water and energy for cultivation at the site. Water conservation measures and energy conservation measures shall be incorporated into the cultivation operations in order to minimize the use of water where feasible.
- h. Disposal of Waste Material. Cannabis waste material shall be disposed of in accordance with existing state and local laws and regulations at the time of disposal. Burning of cannabis waste material is prohibited.
- i. Public Sewer or Sewage Disposal System. The premises where commercial cannabis activities authorized under this Section take place must comply with the provisions of Section 73.5(h) hereinabove and shall either be connected to a public sewer system or have a County inspected and approved sewage disposal system.
- j. Review by Fire Code Official. Prior to approval of any Commercial Cannabis Use Permit for any commercial cannabis activity authorized in this Section, the application must be reviewed by the local fire code official and any recommendations of the local fire code

official shall be incorporated as a condition of the Commercial Cannabis Use Permit or a written response to the local fire code official shall explain why a recommendation is not being incorporated.

- k. **Setbacks.** Setbacks for indoor commercial cannabis cultivation shall be a minimum of 800 feet from the property line of the site or public right-of-way and shall be located at least 300 feet from the upland extent of the riparian vegetation of any watercourse.
- l. **Building Safety Requirements are as follows:**
 - 1) Public accommodations and commercial facilities shall comply with chapter 11B of the California Building Code. Section 1.9, 11B-101.1.
 - 2) A minimum 36" wide accessible route that can be reduced to a width 32" for a maximum length of 24" is required into and through greenhouses. Where over 200 feet long a passing space is required. 11B-206.2.8, 11B-402.
 - 3) At least one accessible route shall be provided within the site from accessible parking spaces and accessible passenger loading zones; public streets and sidewalks; and public transportation stops to the accessible building or facility entrance they serve. At least one accessible route shall connect accessible buildings, accessible facilities, accessible elements, and accessible spaces that are on the same site. 11B-206.2.
 - 4) Doors and gates shall have maneuvering clearance complying with 11B-404.
 - 5) When Parking is provided accessible parking complying with 11B-502 is required. 11B-208.
 - 6) Structures built within a Wildland-Urban Interface Fire Area as defined in Section 702A. shall comply with chapter 7A of the California Building Code.
 - 7) Structures must have access for fire apparatus complying with California Public Resources Code 4290 and vegetation management complying with California Public Resources Code 4291.
 - 8) Electrical for lighting and other equipment located in greenhouses must comply with the California Electrical Code and shall be rated for wet locations where low enough that water can be splashed on it or rated for damp locations when located elsewhere in the structure.
 - 9) Cannabis processing facilities are required to have toilet rooms as calculated by occupant load using table 422.1 of the California Plumbing code for group F1 occupancies. Where toilet facilities are provided accessible toilet rooms are required. 11B-213.2.

Sec. 73.23. Commercial Cannabis Nurseries.

- a. **Permitted Zones.** Commercial cannabis nurseries may only be permitted in the APZ, A, TPZ, RL, RR, and SR- zoned districts subject to an appropriate Commercial Cannabis Use Permit.
- b. A Commercial Cannabis Use Permit for a commercial cannabis nursery shall be subject to all of the restrictions and requirements of Section 73.8 hereinabove for any activities of the nursery that will be conducted outdoors or in mixed-light and all of the restrictions and requirements in Section 73.10 herein below for all activities of the nursery that will be conducted indoors.

- c. A Commercial Cannabis Use Permit for a commercial cannabis nursery shall state the maximum square footage allowed for designated nursery areas with only immature plants, designated nursery areas for seed propagation that may contain mature plants, and designated research and development areas that may contain mature plants if the permittee will be conducting research and development activities that require a plant to flower. The County may place restrictions on such square footage to maintain consistency with other laws, surrounding commercial uses, and neighborhood compatibility.
- d. Nursery activities shall not be permitted in a residential dwelling or accessory structure connected to a residential dwelling.
- e. Water Source. Commercial cannabis cultivation may only be permitted if the requirements of Section 73.5(g) hereinabove are met and sufficient evidence submitted to the County demonstrates: (1) there is adequate water supply in the watershed and water rights to serve the site; and (2) all required State permits from the State Water Resources Control Board and any other State agency with jurisdiction. It is prohibited to utilize water that has been or is illegally diverted from any spring, wetland, stream, creek, river, lake, unpermitted well, or body of water. The premises where the commercial cannabis activity takes place shall either be connected to a public water supply or have a County inspected and approved private water source as described in Section 73.5 (g) hereinabove. The commercial cannabis activity shall not create erosion or result in contaminated runoff into any spring, wetland, stream, creek, river, lake, or body of water.

Setbacks. Setbacks for a commercial cannabis nursery shall be a minimum of 800 feet from the property line of the site or public right-of-way and shall be located at least 300 feet from the upland extent of the riparian vegetation of any watercourse.

Building Safety Standards. Building Safety standards shall be met as described in section 73.29(1) of this Chapter.

Sec. 73.24 Commercial Cannabis Distribution Facilities.

- a. Permitted Zones. Distribution facilities for commercial cannabis may only be permitted in the C3, M1, and M2 zoning districts subject to a Commercial Cannabis Use Permit.
- b. Transportation Only. A County permit for distribution may be limited to transportation only so long as the California Cannabis Control Departments allows for a Distributor-Transport only license or the substantial equivalent. Permitted Zones for Transportation Only in the C2, C3, M1, and M2. If a Commercial Cannabis Use Permit is sought for transportation only to transport cannabis, cannabis seeds or plants, or other cannabis products grown or manufactured by the same applicant, then the transport only use is not subject to these zone restrictions provided that the applicant is only transporting cannabis, cannabis seeds or plants, or other cannabis products grown or manufactured on the parcel for w Cannabis and Cannabis Products shall only be transported between permitted and licensed Commercial Cannabis Activities.
- c. Records. In addition to the requirements of Section 73.5 herein. the following record keeping measures are required to be implemented for all Cannabis Distribution Facilities:
 - 1) Prior to transporting Cannabis or Cannabis Products, a shipping manifest shall be completed as required by state law and regulations.

- 2) A copy of the shipping manifest shall be maintained during transportation and shall be made available upon request to law enforcement or any agents of the State or County charged with enforcement.
- 3) Cannabis Distribution Facilities shall maintain appropriate records of transactions and shipping manifests that demonstrate an organized method of storing and transporting Cannabis and Cannabis Products to maintain a clear chain of custody.
- d. Cannabis Distribution Facilities shall ensure that appropriate samples of Cannabis or Cannabis Products are tested by a permitted and licensed testing facility prior to distribution and shall maintain a copy of the test results in its files.
- e. Cannabis Distribution Facilities shall not be open to the public.
- f. Cannabis Distribution Facilities shall not transport or store non-cannabis goods.
- g. The Cannabis Distribution Facility's operating plan must demonstrate proper protocols and procedures that address enforcement priorities for Cannabis related activities including restricting access to minors, and ensuring that Commercial Cannabis Activities and Cannabis Products are obtained from and supplied only to other permitted and licensed sources and not distributed out of State.
- h. Setbacks. Setbacks shall be a minimum of 800 feet from the property line of the site or public right-of-way and shall be located at least 300 feet from the upland extent of the riparian vegetation of any watercourse.
- i. Building Safety Standards. Building Safety standards shall be met as described in section 72.33(l) of this Chapter.

Sec. 73.25 Commercial Cannabis Retail Sale and Delivery Facilities.

- a. Permitted Zones for Storefront Retail. Retail sale storefront facilities open to the public for the sale of commercial cannabis may only be permitted in the C2 and C3 zoning districts subject to a Commercial Cannabis Use Permit.
- b. Permitted Zones for Non-storefront Retail (Delivery Only). Retail non-storefront delivery facilities of commercial cannabis may only be permitted in the RL, C2, and C3 zoning districts subject to a Commercial Cannabis Use Permit.
- c. Limitation on Number of Storefronts. With the exception of a non-storefront retail facility providing only delivery service, no more than five (5) cannabis retail storefront facilities that are open to the public shall be permitted at any one time in the unincorporated area of the County.
- d. Hours of operation for retail sale and delivery are limited to commencing at 8:00 a.m. and ending at 8:00 p.m. Any delivery must be initiated by a customer by 7:00 p.m. These restricted hours apply regardless of whether the sale originates within or outside of the County.
- e. A retail facility shall provide adequate security on the premises, including lighting and alarms, to insure the safety of persons and to protect the premises from theft. Security lighting shall be motion activated.

- f. Building Safety Standards. Building Safety standards shall be met as described in section 72.33(l) of this Chapter.

Sec. 73.26. Commercial Cannabis Testing Laboratories.

- a. Permitted Zones. Commercial cannabis testing laboratories may only be permitted in the C2, C3, MI, M2, and PDC zoning districts subject to a Commercial Cannabis Use Permit.
- b. The Director of the Environmental Health, or his or her authorized designee(s), may impose any additional restrictions or requirements for the laboratory testing of commercial cannabis to protect public health and safety and may inspect any portion of the commercial cannabis testing laboratory facility at any time during normal business hours to ensure compliance.
- c. All cannabis testing facilities shall comply with the setback standards for the zoning district in which they are located. However, in no case shall a setback be less than setbacks required by the State of California Department of Cannabis Control or other requirements of State or local law.
- d. Cannabis Testing Facilities are required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to State and local regulation.
- e. Cannabis Testing Facilities shall not be open to the public.
- f. Notwithstanding any other provisions of this Article, no other Commercial Cannabis Activity shall be allowed on a lot that has an approved conditional use permit for a Cannabis Testing Facility.
- g. The owners, permittees, operators, and employees of the Cannabis Testing Facility may not be associated with any other Commercial Cannabis Activity as an owner, permittee, operator, or employee.
- h. The Cannabis Testing Facility must be accredited by an appropriate accrediting agency as approved by the State and in compliance with California Health and Safety Code section 5238, which may be amended from time to time.
- i. The Cannabis Testing Facility must have an operating plan that demonstrates proper protocols and procedures for statistically valid sampling methods and accurate certification of cannabis and cannabis products for potency, purity, pesticide residual levels, mold and other contaminants according to adopted industry standards.
- j. The Cannabis Testing Facility must utilize adequate security measures to ensure that cannabis and cannabis products are obtained from and supplied only to other permitted licensed sources within the State and not distributed out of State.
- k. Building Safety Standards. Building Safety standards shall be met as described in section 72.33(l) of this Chapter.

Sec. 73.27. Commercial Cannabis Manufacturing Facilities.

- a. Permitted Zones. The following manufacturing license types, as defined in the most recent regulations promulgated by the California Department of Public Health's Manufactured Cannabis Safety Branch, may only be permitted in the following zoning districts:

1) Non-Volatile Cannabis Manufacturing Facility.

Non-volatile Cannabis Manufacturing Facilities for extractions using mechanical methods or using non-volatile solvents, requiring a Type 6 State license, are allowed in the following zoning districts with an approved conditional use permit in accordance with this Article: C3, M1, and M2. These facilities may also package and label cannabis products.

2) Type N Cannabis Manufacturing Facilities.

Cannabis Manufacturing Facilities that produce edible or topical products using infusion processes, or other types of cannabis products other than extracts or concentrates, requiring a Type N State license, are allowed in the following zoning districts with an approved conditional use permit in accordance with this Article: C2, C3, M1, and M2. These facilities may also package and label cannabis products.

3) Type P Cannabis Manufacturing Facilities.

Cannabis Manufacturing Facilities that only package or repack cannabis products or label or relabel the cannabis product container or wrapper, requiring a Type P State license, are allowed in the following zoning districts with an approved conditional use permit in accordance with this Article: C2, C3, M1, and M2.

4) Volatile Cannabis Manufacturing Facility.

Cannabis Manufacturing Facilities involving volatile processes or substances, requiring

- a. Type 7 volatile manufacturing State license, are allowed in the following zones with an approved conditional use permit in accordance with this Article: M2. A Volatile Cannabis Manufacturing Facility may also conduct extractions using nonvolatile solvents or mechanical methods, conduct infusion operations and conduct packaging and labeling of cannabis products.

5) Shared-Use Cannabis Manufacturing Facility.

A Shared-Use Cannabis Manufacturing Facility is allowed in the following zoning districts with an approved conditional use permit in accordance with this Article: C2, C3, M1, and M2. A Shared-Use Cannabis Manufacturing Facility may include the following facilities: a non-volatile manufacturing facility, an infusion only manufacturing facility or a volatile manufacturing facility. The conditional use permit for a Shared-Use Cannabis Manufacturing Facility shall identify the types of facilities operating at the Shared-Use Cannabis Manufacturing Facility.

- b. Cannabis Manufacturing Facilities Standards.

In addition to the approval requirements in Section 73.5 of this Article and the development standards for the applicable zoning district(s), Cannabis Manufacturing Facilities shall comply with the standards provided below. If there is an inconsistency between the development standards of the zoning district and these standards, the more.

- 1) Minimum Lot Size. The minimum lot size for a Cannabis Manufacturing Facility shall be 10,000 square feet.
- 2) Setbacks. Except for a Volatile Cannabis Manufacturing Facility, Cannabis Manufacturing Facilities shall comply with the setback standards for the zone classification they are located in, except when adjacent to a residential zone where the minimum setback from the residentially zoned lot lines shall be 25 feet. A Volatile Cannabis Manufacturing Facility shall be setback from a residential zone a minimum of 40 feet which may include landscaping as required.

In no case shall a setback be less than setbacks required by the State of California Bureau of Cannabis Control or the California Building Code.

c. Operations.

- 1) Any compressed gases used in the manufacturing process shall not be stored on any lot within in containers that exceeds the amount which is approved by the Lake County fire protection district in whose jurisdiction the Cannabis Manufacturing Facility is located and authorized by the conditional use permit.
- 2) Closed loop systems for compressed gas extraction systems must be commercially manufactured, bear a permanently affixed and visible serial number and certified by an engineer licensed by the State of California that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices.
- 3) Cannabis Manufacturing Facilities shall have a training program for persons using solvents or gases in a closed looped system to create cannabis extracts on how to use the system, to access applicable material safety data sheets and to handle and store the solvents and gases safely.

d. Building Safety Standards. Building Safety standards shall be met as described in section 72.33(1) of this Chapter.

e. Additional Findings. In addition to the requirements for approval in Section 73.5 herein and those findings necessary for the approval of a use permit as outlined in Articles 50 and/or 51 of Chapter 21 of the Lake County Code, no conditional use permit shall be approved or conditionally approved unless the following additional findings are made:

- 1) The Cannabis Manufacturing Facility complies with all the requirements of the State and County for the manufacturing of Cannabis.
- 2) The Cannabis Manufacturing Facility does not pose a significant threat to the public or to neighboring uses from explosion or from release of harmful gases, liquids, or substances.
- 3) The Cannabis Manufacturing Facility includes adequate quality control measures to ensure Cannabis manufactured at the facility meets industry standards and includes a documented employee safety training program, a Materials Data Safety Sheet, and meets all requirements in Health and Safety Code Section 11362.775, as it may be amended from time to time.

- 4) The Cannabis Manufacturing Facility includes adequate measures that address enforcement priorities for Cannabis activities including restricting access to minors, and ensuring that Cannabis and Cannabis Products are obtained from and supplied only to other permitted licensed sources within the State and not distributed out of State.
- f. Additional Requirements/Restrictions. The Director of the Environmental Health, or his or her authorized designee(s), may impose any additional restrictions or requirements for the manufacturing of commercial cannabis to protect public health and safety and may inspect any portion of the commercial cannabis manufacturing facility at any time during normal business hours to ensure compliance.

Sec. 73.28. Cannabis Microbusiness Facilities.

- a. Permitted Zones. Cannabis Microbusiness Facilities are allowed in the following zoning districts with an approved conditional use permit: C1, C2, M1, M2
- b. Requirements. In addition to the approval requirements in Section 73.5 of this Article and the development standards applicable to particular zoning district, Cannabis Microbusiness Facilities shall comply with the following additional standards:
 - 1) Setbacks. All Cannabis Microbusiness Facilities shall comply with the setback standards of the zoning district in which they are located except when adjacent to a residential zone where the minimum setback from the residentially zoned lot lines shall be 25 feet. In the event that a Cannabis Microbusiness Facility includes retail sales of Cannabis, then the minimum setback from residentially zoned lot lines shall be 40 feet. In no case shall a setback be less than setbacks required by the State of California Bureau of Cannabis Control or the California Building Code.
 - 2) Activities. Cannabis Microbusiness Facilities shall not transport or store non-cannabis goods, but may distribute, manufacture (without volatile solvents) and dispense Cannabis under a single Cannabis Microbusiness Facilities license issued by the State.
- c. Indoor Cultivation. Cannabis Microbusiness Facilities may cultivate Cannabis indoors in an area less than 10,000 square feet.
- d. Cannabis Microbusiness Facilities shall include at least three of the following Commercial Cannabis Activities, which shall be set forth in the conditional use permit:
 - 1) Indoor Cultivation up to 10,000 square feet
 - 2) Manufacturing (with non-volatile solvents)
 - 3) Distribution
 - 4) Retail sales
- e. Operations. Cannabis Microbusiness Facilities shall comply with the operational requirements set forth in this Article that apply to the specified uses authorized by the approved conditional use permits, and the water and energy conservation standards as applicable to Cannabis Microbusiness Facilities that includes cultivation.
- f. Operating Plan. The Cannabis Microbusiness Facility must prepare and utilize an operating plan satisfactory to the Community Development Department which demonstrates proper protocols and procedures that address enforcement priorities for Cannabis activities including

restricting access to minors, and ensuring that Cannabis and Cannabis Products are obtained from and supplied only to other permitted and licensed sources within the State and not distributed out of State.

- g. Building Safety Standards. Building Safety standards shall be met as described in section 72.33(l) of this Chapter.

Sec. 73.29. Commercial Cannabis Activity Permit Transfers. Prohibited.

- a. The cannabis activity permit is not transferrable and permittee shall not transfer ownership or control of the permit to another person or entity. Only the original permittee is authorized to operate the commercial cannabis activity under the permit.
- b. Changes in ownership of a permittee's business structure or a substantial change in the ownership of a permittee business entity (changes that result in a change of more than fifty-one percent of the original ownership) void the permit. A proposed new owner shall submit to a background investigation performed by the county prior to taking ownership of a permitted Commercial Cannabis Activity.
- c. Within fifteen calendar days of any change in a permittee's business structure or a substantial change in the ownership of a permittee business entity or any change in status of compliance with the provisions of this chapter, the applicant shall inform the Community Development Department in writing of the change.
- d. A permittee may change the form of business entity with the written consent of the county, under the following circumstances:
 - 1) The membership of the new business entity is substantially similar to original permit holder business entity (at least fifty-one percent of the membership is identical).
 - 2) The permittee shall notify the county in writing of the change within ten business days of the change. Failure to comply with this provision is grounds for permit revocation.
- e. Any attempt to transfer a commercial cannabis activity permit either directly or indirectly in violation of this section is hereby prohibited, and such a purported transfer shall automatically revoke the permit.

Sec. 73.30. Suspension, Revocation, Nonrenewal.

- a. As provided in Article 60 of Chapter 21 of the Lake County Code, a use permit may be revoked for any violation of any law and/or any rule, regulation, or condition of use permit approval. Said violations include but are not limited to the following:
 - 1) Any act or omission by a property owner or permittee that results in the violation of the provisions of this Article;
 - 2) Any act or omission by a property owner or permittee that results in the denial, revocation or suspension of the owner's or permittee's state license;
 - 3) Any act or omission that results in the revocation of a property owner or permittee's commercial cannabis land use permit or development agreement under Lake County Code;

- 4) Any act or omission by a property owner or permittee that violates state law or the Lake County Code;
 - 5) A property owner's or permittee's failure to take appropriate action to evict or otherwise remove any commercial cannabis activity person or owner who do not maintain the necessary permits or licenses in good standing with the county or state;
 - 6) The property owner or permittee allows any commercial cannabis activity to operate in a manner that constitutes a nuisance, where the property owner or permittee has failed to abate the nuisance after notice; or
 - 7) Suspension of a license or permit issued by the state of California, or by any of its departments or divisions, shall immediately suspend the ability of a commercial cannabis activity to operate within the county, until the state of California, or its respective department or division, reinstates or reissues the state license. Should the state of California, or any of its departments or divisions, revoke or terminate the commercial cannabis activity permit, such revocation or termination shall also revoke or terminate the ability of a commercial cannabis activity to operate within Lake County.
- b. Renewal. An application for renewal of a commercial cannabis activity permit shall be rejected or denied if any of the following exists:
- 1) The application is filed less than sixty days before its expiration.
 - 2) The commercial cannabis activity permit is suspended or revoked at the time of the application.
 - 3) The commercial cannabis activity has not been in regular and continuous operation in the four months prior to the renewal application.
 - 4) The commercial cannabis activity has failed to conform to the requirements of this chapter, or of any regulations adopted pursuant to this chapter.
 - 5) The permittee fails or is unable to renew its state of California license.
 - 6) If the county or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this Article of the county code, or of the state rules and regulations, and the county or state has determined that the violation is grounds for termination or revocation of the commercial cannabis activity permit.

Sec. 73.31. Enforcement. Failure to comply with the requirements of this Article shall constitute a public nuisance. It shall be unlawful for any person to violate any provision or fail to comply with any requirements of this Article or any other applicable requirements of the Lake County Code. In addition to the enforcement and remedy provisions of Article 60 of Chapter 21 and of Article VII of Chapter 13 of the Lake County Code, such violation(s) is subject to any and all other remedies available at law or equity.

Sec. 73.32. Limitations on County's Liability.

To the fullest extent permitted by law, Lake County shall not assume any liability with respect to having issued a Commercial Cannabis Activity permit pursuant to this Article or otherwise approving the operation of any Commercial Cannabis Activity. As a condition of approval of any Commercial Cannabis Activity permit, an applicant shall be required to meet the following conditions:

- 1) Permittee must execute an agreement in a form approved by the County Counsel, agreeing, at the permittee's sole cost and expense, to indemnify, defend, and hold Lake County, its officers, officials, employees, agencies, and representatives harmless from any and all claims, losses, damages, injuries, liabilities, or losses which arise out of, or which are in any way related to, the County's issuance of a Commercial Cannabis Activity permit, the County's decision to approve the operation of said Activity, the process used by the County in making such decision, or the alleged violation of any federal, state, or local laws by the Commercial Cannabis Activity or any of its officers, employees, or agents.
- 2) Maintain insurance at coverage limits and with conditions thereon determined necessary and appropriate from time to time by Risk Management.
- 3) Reimburse Lake County for all costs and expenses, including but not limited to legal fees and costs and court costs which Lake County may be required to pay as a result of any legal challenge related to the County's approval of the subject Commercial Cannabis Activity permit or in any way related to that approval. The County of Lake may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder."

Section Two: CEQA Review. This Board finds that the monetary amounts imposed by this ordinance are fines/penalties and are therefore exempt from the provisions of the California Environmental Quality Act ("CEQA").

Section Three: This Board finds that the fines and penalties authorized by this Ordinance are not taxes and are exempt from the provisions of Article XIII C of the California Constitution pursuant to Section 1 of Article XIII C, subdivision (e)(5).

Section Four: All ordinances or parts of ordinances in conflict herewith are hereby rescinded.

Section Five: This ordinance shall take effect on the ____ day of ____, 2021 and before the expiration of fifteen days after its passage, it shall be published at least once in a newspaper of general circulation printed and published in the County of Lake.

The Foregoing Ordinance was introduced before the Board of Supervisors on the ____ day of ____, 2022, and passed by the following vote on the ____ day of ____, 2022.

AYES:

NOES:

ABSENT OR NOT VOTING:

COUNTY OF LAKE

Chair Board of Supervisors

ATTEST: SUSAN PARKER
interim Clerk to the Board of Supervisors

APPROVED AS TO FORM:
ANITA L. GRANT

By: _____

Deputy

By: _____

DRAFT