PC G/8/2023 Item#2

Documents for June 8th Planning Commission Cannabis Workshop - Item 23-1032

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To: Planning Department <planning@edcgov.us>;Andy Nevis <Andy.Nevis@edcgov.us>;Lexi Boeger <Lexi.Boeger@edcgov.us>;Kris X. Payne <KPayne@edcgov.us>;Jon X. Vegna <JVegna@edcgov.us>;Daniel Harkin <Daniel.Harkin@edcgov.us>

@ 6 attachments (3 MB)

Int Background Check Agreement - Cybele[52].pdf; Cannabis Background Application final draft.docx.pdf; Priority list and sumary sheet for proposed changes (2).xlsx; County ordinance comparison - Summary.pdf; County ordinance comparison (1).xlsx; El Dorado County Ordinance - Suggested changes (3).docx;

Apologies in advance for some of the formatting. Some of the documents are just too big and I also do not want to lose comments in the redlines versions.

Lee

Lee Tannenbaum CEO Cybele Holdings, Inc. President El Dorado County Growers Alliance 650.515.2484

COMMERCIAL CANNABIS USE PERMIT

ELECTION AND AGREEMENT TO UTILIZE INTERIM BACKGROUND CHECK PROCESS

This Agreement is between Lee and Cynthia Tannenbaum individually and as an Owner in Cybele Holdings, Inc. (referred to collectively as "Applicant") regarding Commercial Cannabis Use Permit Application CCUP20-0001 and the El Dorado County Sheriff's Office and the Planning and Building Department of the County of El Dorado (referred to collectively as "County").

RECITALS

WHEREAS, Chapter 130.41 of the El Dorado County Code provides for the permitting of commercial cannabis operations in the County; and

WHEREAS, County Code Section 130.41.100(4)(G) provides, "No Commercial Cannabis Use Permit may be issued until a background check of all owners and the Designated Local Contact is completed with review and recommendation by the Sheriff's Office, including but not limited to criminal history, fingerprinting, and any pending charges. The applicant shall be responsible for the cost of the background check. The County may deny an application based on the results of a background check if the County determines that information in the background check makes it more likely than not that any amount of funding for the operation will be or was derived from illegal activity or because the criminal history or other information discovered in the background check of an owner or spouse of an owner weighs against the owner's trustworthiness or ability to run a legal business in compliance with all regulations, including but not limited to the risk of involvement or influence by organized crime, prior convictions involving controlled substances or violent crimes, the likelihood that sales and income will not be truthfully reported, or the risk that cannabis will be illegally provided or sold to individuals under the age of 21"; and

WHEREAS, County Code Section 130.41.100(2) defines "owner" for purposes of the commercial cannabis program and this Agreement, Section 130.41.100(4)(F)(1) provides that an application for a Commercial Cannabis Use Permit shall include "[t]he name, contact address, and phone number of the applicant and all owners, as defined above, and spouses or registered domestic partners of owners, all documents providing for the establishing and ownership and control of the applicant, including but not limited to operational agreements, bylaws, stock agreements, and any other documents demonstrating the ownership interest of each owner and any other funding sources for the applicant," and Section 130.41.100(4)(F)(2) provides that an application for a Commercial Cannabis Use Permit shall include "[c]onsent to a background

check of all owners, spouses of owners, and the Designated Local Contact, including providing the information necessary for performing the background check and fingerprinting"; and

WHEREAS, the Sheriff's Office has applied for the necessary approvals from the California Department of Justice and Federal Bureau of Investigation to utilize the Live Scan database to perform background checks pursuant to Sections 130.41.100(4)(G) and 130.41.100(4)(F), but the approval process is taking longer than anticipated; and

WHEREAS, absent the necessary approvals, the Sheriff's Office cannot utilize the Live Scan database to perform background checks in accordance with Sections 130.41.100(4)(G) and 130.41.100(4)(F); and

WHEREAS, the County has developed an interim background check process to facilitate background checks until the Sheriff's Office receives approval to utilize the Live Scan database for commercial cannabis permitting; and

WHEREAS, because the interim background check process cannot utilize the Live Scan database or fingerprinting, it requires reliance on unverified self-disclosures and publicly accessible records; and

WHEREAS, the failure of an applicant to fully and accurately self-disclose all information could result in the Sheriff's Office making a recommendation different from the recommendation that would have been made with Live Scan access; and

WHEREAS, Applicant understands the risks of erroneous recommendations based on utilizing the interim background check process; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Applicant elects to utilize this interim background check process and the County and Applicant mutually agree as follows:

The recitals stated above are incorporated herein by reference.

A. INTERIM BACKGROUND CHECK PROCESS

1. Applicant's Election. To facilitate compliance with Sections 130.41.100(4)(G) and 130.41.100(4)(F), Applicant elects to utilize the interim background check process described in this Agreement. Applicant understands the use of the interim background check process is not required and that Live Scan background checks will be utilized once the County obtains Live Scan access for commercial cannabis permitting purposes. Applicant understands that if the

Applicant does not elect to use the interim background check process, the Planning and Building Department will continue to process Applicant's project, including environmental review, but that a hearing before the Planning Commission will not be set until the County obtains approval to use the Live Scan database and the Sheriff's Office is able to complete a background check utilizing the Live Scan database. If Applicant does not utilize the interim background check process and elects to wait for Live Scan approvals, Applicant's project will retain its current priority processing position based on application submittal and, if Applicant's project seeks a Commercial Cannabis Use Permit for a use that has a cap on the total number of permits, the Planning and Building Department will hold an available permit for the Applicant until background checks are able to be completed with the Live Scan database. Applicant thus understands that use of the interim background check process is not required to ensure an available permit, if the permit sought has a cap on the total number of permits for that use. Applicant further understands and agrees that the election to utilize the interim background check process does not prioritize the Applicant's project different from its current prioritization based on application date, but could allow the application to be set for a Planning Commission hearing before the Sheriff's Office receives approval to use the Live Scan database.

- Interim Background Check Process. The interim background check process 2. provided for in this Agreement will not utilize Live Scan or identity verification through fingerprinting. Instead, Applicant will be required to self-disclose all criminal history and requested information on a self-disclosure application submitted to third-party consultant, HdL Companies ("HdL"). The self-disclosure application will request information relevant to the Sheriff Office's determination under Section 130.41.100(4)(G), and should include the equivalent to "state summary criminal history" information as defined in Penal Code § 11105 and financial information. HdL will then seek to confirm that information with the use of publicly available databases. HdL will provide the results of its investigation and self-disclosure application directly to the County and identify any information it determined was omitted from the self-disclosure application or reported inaccurately. The Sheriff's Office will then review this information, interview the Applicant if necessary, and make a conditional recommendation to the Planning Commission based on this information. The Applicant will pay HdL's fees to utilize these background investigation services (estimated at approximately \$400 to \$600) directly to HdL. The time expended by the Sheriff's Office on this process will be charged to the Applicant on a time and materials basis. The Applicant understands and agrees that documents utilized in the background check process may be public records available to the public upon request unless exempted from disclosure by state or federal law. Exemptions include law enforcement security files and financial data required for licensing purposes (Government Code §§ 6254(f)&(n) and enacted sections 7923.600 et seq. & 7925.005.)
- 3. Changes to Interim Background Check Process. At the time of entering this Agreement, the Parties understand that the County is still in the process of implementing the

procedures for the interim background check process and this Agreement describes the process as currently anticipated by the County. The Applicant understands and agrees that the County retains the right to adjust the interim background check process as the County determines necessary, in its sole discretion, to facilitate implementation of the interim background check process.

- 4. Conditional Recommendation. The Applicant understands that because this interim process cannot be verified through fingerprinting and the Live Scan database, a recommendation of approval from the Sheriff's Office will be conditional. If the application is approved by the Planning Commission or Board of Supervisors on any appeal, conditions will be imposed in the Commercial Cannabis Use Permit and/or Commercial Cannabis Annual Operating Permit (collectively, "Commercial Cannabis Permits") that, at a minimum, include the provision that once the Sheriff's Office receives approval to utilize the Live Scan database, fingerprinting will be required of all owners, spouses or registered domestic partners of owners, and the Designated Local Contact through Live Scan within one week of the request by the Sheriff's Office, unless the Sheriff's Office agrees to additional time. If the Sheriff's Office makes a conditional recommendation of denial, the Applicant may elect to have the application placed on hold until the Live Scan database is available and the Sheriff's Office can perform a background check with Live Scan and make a recommendation based on that process. The Applicant understands that, once the Sheriff's Office has Live Scan access, the Sheriff's Office will perform a background check with the Live Scan database to verify the accuracy of all information self-reported on the self-disclosure application. The Applicant understands and agrees that if the Sheriff's Office determines that any information was materially mispresented on the self-disclosure application, this determination will be conveyed for further County action as detailed in Section 6.
- 5. Determination of Material Misrepresentation. Once Live Scan access is available, the County will perform a Live Scan background check to obtain the results the County is unable to obtain at this time. Based on review of the Live Scan results, the County shall have the sole discretion to determine whether the failure to self-report or accurately answer any question on the self-disclosure application for this interim background check process is a material misrepresentation warranting further action as detailed in Section 6. A finding of a material misrepresentation will be limited to any new or more detailed information the County obtains through Live Scan access that was omitted from or inaccurately disclosed in the selfdisclosure application, including but not limited to criminal history and identity. The Applicant understands that the County may find a material misrepresentation based on the omission or erroneous self-reporting of any information even if the Sheriff's Office may not have recommended denial if the information had been accurately reported. The omission, erroneous self-reporting, or incomplete reporting of any information on the self-disclosure application may be deemed, in the sole discretion of the County, as sufficient grounds to recommend denial and ultimately deny a Commercial Cannabis Use Permit because the misrepresentation weighs

against the Applicant's trustworthiness or ability to run a legal business in compliance with all regulations.

- 6. Procedure upon Material Misrepresentation. If the Sheriff's Office determines that a material misrepresentation has been made, the Sheriff's Office will notify the Applicant in writing of the determination. The Applicant will have three (3) calendar days from the date of the notification to provide any additional information in writing to the Sheriff's Office relevant to the material misrepresentation determination. The Sheriff's Office will consider the additional information and then issue a final written determination regarding the potential material misrepresentation to the Applicant and the County Building and Planning Director. The Building and Planning Director, or designee, shall have discretion to take any and all remedial actions, including the right to revoke the Commercial Cannabis Permits pursuant to EDC 130.54.090 or any other enforcement action authorized under the County Code. As required by EDC 130.40.100(1), commercial cannabis activities shall not take place upon revocation of the permit.
- 7. Self-Disclosures Only. The self-disclosure application must be submitted based on self-disclosures alone and the Applicant cannot provide HdL or the County with any records obtained from the California Department of Justice or Federal Bureau of Investigation. The Parties understand that, under Penal Code section 11121, the Applicant has the "opportunity to obtain a copy of the record compiled from such files" of the California Department of Justice "and to refute any erroneous or inaccurate information contained therein." Similarly, under 28 C.F.R. Part 16, Subpart C and U.S. Department of Justice Order 556-73, an individual may obtain an Identification Record from the Federal Bureau of Investigation to "review it or to obtain a change, correction, or updating of that record." Despite the opportunity for an individual to request these records for their own review, an individual cannot, under any circumstances, provide a copy of these records to the County or HdL for purposes of commercial cannabis permitting, and the Applicant agrees not to do so in furtherance of this Agreement. The purpose of this section of the Agreement is to ensure that any such records are not provided to the County. Consistent with Penal Code section 11125, the County is not requiring or requesting the Applicant to obtain a self-review copy of his or her criminal history.

B. WAIVER OF CLAIMS AND COVENANT NOT TO SUE

Applicant, individually and on behalf of Cybele Holdings, Inc., agrees to waive, release, and forever discharge and covenant not to sue the County, its officers, employees, agents, or volunteers for any and all legal challenges and claims whether known or unknown, in any court or administrative agency or body based on any and all legal and equitable theories, including but not limited to any claim for damages, writ of mandate, declaratory relief, or injunctive relief, based on any theory whatsoever including but not limited to any alleged rights under County Code, state law, or federal law, related to or arising out Applicant's election to utilize the interim background check process, including but not limited to any challenge or claim

related to or arising out of (1) any decision of the Sheriff's Office determining that a material misrepresentation was made by the Applicant or any Owner or Designated Local Contact; (2) any conditional recommendation made based on information provided by HdL; (3) any action or inaction taken by the County or HdL in furtherance of the interim background check process; (4) the release of criminal history information, including but not limited to information provided in the self-disclosure application, information provided by HdL, or information obtained by the Sheriff's Office to facilitate the background check; (5) damages incurred or loss of investment based on any costs incurred, expenditures or improvements made, or liabilities incurred in reliance on the issuance of the Commercial Cannabis Use Permits if those permits are ultimately revoked based on a material misrepresentation; (6) an alleged vested right in Commercial Cannabis Use Permits automatically revoked pursuant to this Agreement; (7) and any changes in the interim background check process the County implements under Section (A)(3) of this Agreement.

C. GENERAL PROVISIONS

- The Parties agree to cooperate in good faith to carry out the provisions and intent of this Agreement.
- 2. This Agreement is entered into by the Parties freely and voluntarily without fraud, duress, or undue influence and without reliance on any representation by any person, Party, or entity, after full recommendation and approval by respective attorneys for represented Parties, each of whom has fully discussed the same with the particular Party which is his or her client.
- 3. Nothing herein shall be construed to limit the County's general police power to implement, based upon appropriate and adequate findings, specific measures necessary to alleviate legitimate and bona fide harmful and noxious uses, or protect against real, actual, and dangerous threats to the health and safety of County residents, in which event any rule, regulation or policy imposed on the development of the Property shall be done to the minimum extent necessary to correct such bona fide harmful and noxious uses or protect against any such real, actual and dangerous threats to the health and safety of County residents.
- 4. If suit is brought to enforce or interpret any part of this Agreement, or the rights or obligations of any Party, including, but not limited to, an action to recover damages for the breach or default of this Agreement or to secure specific performance of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees, expenses, and costs.
- 5. The County officer or employee with responsibility for administering this Agreement is Chris Perry Assistant Director, Planning and Building Department, or successor.

6. All notices to be given by the Parties shall be in writing and served by depositing the same in the United States Post Office, postage prepaid and return receipt requested.

Notices to County shall be addressed as follows:

COUNTY OF EL DORADO
Planning and Building Department
ATTN: Chris Perry, Assistant Director
2850 Fairlane Court
Placerville, CA 95667

Or to such other location as the County directs. With a copy to:

COUNTY OF EL DORADO County Counsel's Office ATTN: Jefferson Billingsley, Deputy County Counsel 330 Fair Lane Placerville, CA 95667

Notices to the Applicant shall be addressed as follows:

Cybele Holdings, Inc. Lee and Cynthia Tannenbaum 4241 Vega Loop Shingle Springs, CA 95862

Or to such other location as Applicant directs.

- 7. This Agreement shall be interpreted as if drafted by all Parties. No provision of this Agreement shall be interpreted or construed against any Party because such Party or its counsel was the sole or principal drafter of the Agreement or any provision thereof.
- 8. If any provision, part, sentence, or word of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions, parts, sentences, or words will continue in full force and effect without being impaired or invalidated in any way.
- 9. This Agreement and any exhibits thereto are the entire agreement between the Parties and it supersedes all prior written or oral agreements or understandings between the Parties. This Agreement may only be modified by mutual consent of the Parties in writing fully executed by duly authorized officers of the Parties.

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- 10. Each Party hereto acknowledges that each of them has the right and opportunity to secure the advice and assistance of legal counsel with respect to this Agreement and further acknowledges that they understand the terms and conditions of this Agreement.
- 11. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action to enforce this Agreement shall be brought in the Superior Court in and for the County of El Dorado.
- 12. Each Party shall bear its own respective costs and expenses and pay its own respective attorneys' fees incurred in the events related to and undertaken to prepare and execute this Agreement.
- 13. This Agreement may be signed in counterparts and shall be effective on the date fully executed by all Parties and shall remain in effect until terminated by mutual consent of the Parties in writing fully executed by duly authorized officers of the Parties.

IN WITNESS WHEREOF, the parties do affix their signatures as follows:

| DATED: | Lee Tannenbaum Applicant |
|--------|---------------------------------------|
| DATED: | Cynthia Tannenbaum Applicant |
| DATED: | Director, Building and Planning |
| DATED: | Sheriff - Coroner - Public Administra |

APPROVED AS TO FORM:

| DATED: | COUNTY OF EL DORADO |
|--------|-----------------------|
| | By: W |
| | Jefferson Billingsley |
| | Deputy County Counsel |



200 Industrial Drive Placerville, California 95667

Commercial Cannabis Use Permit and Background Application

APPLICANT BACKGROUND AND DOCUMENTATION REQUIREMENTS

If a Commercial Cannabis Use Permit application has been completed through the County's Planning and Building Department in accordance with the El Dorado County Commercial Cannabis Program, then the applicant may proceed with the Background Check requirements for the Commercial Cannabis Use Permit.

To obtain a Commercial Cannabis Use Permit, all information specific to all applicants, owners and persons having financial interest, designated local contact, and spouse(s)/domestic partner(s) of those individuals, as well as detailed information relating to commercial cannabis operations as provided in this application and in El Dorado County Code Sections 130.41.100, 130.41.200, and 130.41.300, must be provided.

All questions on this application and any requests for supplemental or additional information must be answered completely and truthfully. Any incomplete information will result in a delayed review or recommendation of denial from the Sheriff's Office and could lead to a denial of the Commercial Cannabis Use Permit.

Completed application and required documentation **shall be submitted in person** at the El Dorado County Sheriff's Office Records Division window located at 200 Industrial Drive, Placerville, CA 95667.

A Live Scan fee in the amount of \$66.00 per applicant is required to complete the application and must be submitted to El Dorado County Sheriff's Records at the time of the Live Scan appointment. Payments can be made in the form of cash or check only. **No credit/debit cards will be accepted.** Please note, all other fees will be charged based on El Dorado County's fee structure as approved by the El Dorado County Board of Supervisors.

Completion of this application does not grant any rights.

This Background Application will not be processed if the applicant has any outstanding fees for the Commercial Cannabis Use Permit owed to any other County Department. The El Dorado County Sheriff's Office will contact the El Dorado County Commercial Cannabis Program to confirm all fees have been paid by the applicant(s).

According to the Federal Controlled Substance Act, cannabis is a Schedule I Drug and obtaining a Commercial Cannabis Use Permit from the County of El Dorado may not protect a person from federal prosecution pursuant to any federal laws that may prohibit cannabis activities. (See El Dorado County Code Section 130.41.100(12).)

Additionally, information provided in this application may be subject to disclosure as required by any federal or state laws, including the California Public Records Act.



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Commercial Cannabis Use Permit and Background Application

The El Dorado County Sheriff's Office functions as the lead reviewer for all site security plans and background checks for applicants involved in the commercial cannabis permitting process for the County of El Dorado. This includes the Sheriff's Office participating in all renewals and compliance checks for Commercial Cannabis Use Permits and Commercial Cannabis Annual Operating Permits for cultivation, nursery, distribution, retail sale or delivery, testing laboratory, and manufacturing, as well as assisting other County departments as needed.

In order to streamline the site security plans and criminal history background component of the permitting and renewal process, the Sheriff's Office is providing the following guidelines, which are based on El Dorado County Code Sections 130.41.100, 130.41.200, 130.41.300, 130.51.020, and 130.51.060¹, California Code of Regulations, Title 16, Division 42,² and the California Business and Professions Code Section 26057,³ et seq. This overview is not all-inclusive and is intended to provide only basic information on areas the El Dorado County Sheriff's Office will review during the commercial cannabis permitting and inspection process. The applicant should read and understand the entirety of the controlling ordinances, regulations, and laws and should not rely on any summary or overview provided herein. To the extent there is a conflict between a relevant ordinance, regulation, or law and the overview provided herein, the actual text and any amendments thereto of the relevant ordinance, regulation, or law shall control.

<u>Please be advised that the following items may be required by the El Dorado County Sheriff's Office as a part of the Commercial Cannabis Program Permit requirements.</u>

Be prepared to provide a copy of your California Driver's License or Identification Card, Social Security Card, Security Plan, and Cultivation and Operations Plan. Additionally, all weighing and measuring devices and equipment must be registered and certified with the El Dorado County Department of Agriculture.

Criminal History Checks

No Commercial Cannabis Use Permit may be issued until a background check of all applicants, owners and persons having financial interest, designated local contact, and spouse(s)/domestic partner(s) of those individuals is completed with review and recommendation by the Sheriff's Office, including but not limited to criminal history, fingerprinting, and any pending charges.

Pursuant to County Code Section 130.41.100(2), "owner" means any person that constitutes an "owner" under the regulations promulgated by the Bureau of Cannabis Control and "(1) a person with any ownership interest, however small, in the person applying for a permit, unless the interest is solely a

https://library.municode.com/ca/el_dorado_county/codes/code_of_ordinances

² Bureau of Cannabis Control - Text of Regulations (Order of Adoption)

³ California Code, Business and Professions Code - BPC § 26057



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security, lien, or encumbrance; (2) the chief executive officer of a nonprofit or other entity; (3) a member of the board of directors of a nonprofit entity; (4) a person who will be participating in the direction, control, or management of the person applying for a permit, including but not limited to a general partner of a partnership, a non-member manager or managing member of a limited liability company, and an officer or director of a corporation; or (5) a person who will share in any amount of the profits of the person applying for a permit or has a financial interest, as defined by the regulations promulgated by the Bureau of Cannabis Control, in the person applying for the permit."

The El Dorado County Sheriff's Office may recommend denial of any application based on the results of a background check conducted by the California Department of Justice and Federal Bureau of Investigation via Live Scan.

All applicants, owners and persons having financial interest, designated local contact, and spouse(s)/domestic partner(s) of those individuals of the proposed cannabis operation must submit to a criminal history check prior to the initial issuance of a Commercial Cannabis Use Permit.

Under County Code Section 130.41.100(4)(G), the Sheriff's Office may recommend denial of an application if the background investigator determines, based on the criminal history or other information discovered in a background check that weighs against trustworthiness, including but not limited to the risk of involvement or influence by organized crime and prior convictions involving controlled substances or violent crimes, that:

- (1) It is more likely than not that the individual will not run a legal business in compliance with all regulations.
- (2) It is more likely than not that any amount of funding for the commercial cannabis operation will be or was derived from illegal activity.
- (3) It is more likely than not that sales and income from the commercial cannabis operation will not be truthfully reported; or
- (4) It is more likely than not that cannabis will be illegally provided or sold to individuals under the age of 21.

Additionally, under state law, disqualifiers are typically felony convictions, or other crimes set forth in Section 26057 of the California Business and Professions Code. These convictions may include, but are not limited to the following:

- Violent felony, serious felony, fraud, deceit, embezzlement, drug trafficking, crimes involving sexual assault and crimes against public decency and good morals.⁴
- Health and Safety Code 11350 et al. (controlled substances, with exception of marijuana related offenses)

⁴ California Penal Code Sections 667.5 and 1192.7; listed serious felony and serious crimes.



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Commercial Cannabis Use Permit and Background Application

- Penal Code 187 (Homicide)
- Penal Code 207 (Kidnapping)
- Penal Code 236-237 (Human Trafficking)
- Penal Code 211 (Robbery)
- Penal Code 240-248 (Assault and Battery)
- Penal Code261-289 (Sexual Assault Crimes)
- Penal Code 451 (Arson)
- Penal Code 458-464 (Burglary)
- Penal Code 470-483.5 (Forgery)
- Penal Code 484-502.9 (Larceny)
- Penal Code 503-515 (Embezzlement)
- Revenue and Taxation Code 7152-7157 (Tax Evasion)
- Other reasons not specifically listed including but not limited to prior cannabis licensing convictions, crimes against natural resources, and prior sanctioning.⁵

Once the results of the Live Scan background check are returned to the El Dorado County Sheriff's Office, the Sheriff's Office will review the background under the County and state standards and make a recommendation on the application based on all the information obtained in the background check.

Please provide the following, if applicable:

- History of convictions
- Evidence of dismissal under section 1203.4, 1203.4a, and 1203.41 of the Penal Code or another state's similar law.
- Certificate of rehabilitation under section 4852.01 of the Penal Code and dated letters of reference.
- A statement of rehabilitation for each conviction, including any documentation to support rehabilitation.

Please list all names in the table provided on the following page (attach additional pages if necessary).

⁵ California Business and Professions (B&P) Code 26057; Additional disqualifiers for non-listed convictions.



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<u>List all applicants, owners and persons having financial interest, the designated local contact, and spouse(s)/domestic partner(s) of those individuals, in the cannabis operation within the table below.</u>

| NAME (LAST, FIRST MI) | LIVE SCAN COMPLETED (YES/NO)? | SHERIFF'S INTERNAL USE ONLY |
|-----------------------|-------------------------------|--------------------------------|
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Commercial Cannabis Use Permit and Background Application

Monitoring Program

Under County Code Section 130.41.100(8), all Commercial Cannabis Annual Operating Permits shall require the applicant(s) participation in a county-run monitoring program. The monitoring program shall be funded by the applicant(s) and will be used to conduct on-site visits and inspections of all commercial cannabis activities and verify compliance, including but not limited to all requirements of County Code and any site-specific permit conditions and state regulations, including the state track-and-trace requirements. Additionally, the El Dorado County Sheriff's Office will conduct bi-annual inspections, on/or about the sixth month permit anniversary, or at any time with or without notice. The El Dorado County Board of Supervisors shall, by resolution or ordinance, adopt such fees necessary to implement this monitoring program. Failure to comply with these conditions may result in revocation of the Commercial Cannabis Use Permit, lack of renewal of a Commercial Cannabis Annual Operating Permit, or other administrative, civil, or criminal enforcement action, including the potential destruction of cannabis plants/products and/or asset forfeiture.

Security Plan⁶

All applicants for a Commercial Cannabis Use Permit must present a completed security plan for review and will be required to comply with the security plan as a condition of approval. The following, at a minimum, must be included in a security plan and must be functioning prior to the commencement of operations. With the exception of an existing commercial cannabis operation that must demonstrate compliance with the security plan prior to the Planning Commission hearing, security plan review and inspections will be done in two phases: (1) pre-approval/pre-hearing review of the security plan and all documentation with a potential on-site inspection of the existing conditions to determine any unique security concerns; and (2) post-approval/post-hearing inspection prior to commencement of operations to confirm that all equipment, structures, etc. identified in the security plan were completed and are in operation in accordance with the security plan.

The minimum-security measures include:

- Perimeter Security System (i.e., physical fencing, locks, alarms, or other methods of limited access). Please note all fencing must strictly comply with the El Dorado County's Codes and Ordinances.
- Adequate perimeter lighting must be inside and around the exterior of the premises and maintained in working order. All lighting must strictly comply with County's Codes and Ordinances,⁷ including:
 - a. Plans that identify all lighting on the lot demonstrating that all lighting will comply with the security standards outlined herein.

⁶ El Dorado County Code Section 130.41.100 https://library.municode.com/ca/el_dorado_county/codes/code_of_ordinances

⁷ El Dorado County Code Section 130.41.300 https://library.municode.com/ca/el_dorado_county/codes/code_of_ordinances



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- Lighting necessary for security shall consist solely of motion-sensor lights and avoid adverse impacts on properties surrounding the lot on which the cannabis is located. (Section 130.41.200(5)(J).)
- c. Any outdoor lighting used for the illumination of parking areas, loading areas, and/or for security shall be fully shielded and directed downward and comply with Article 3, Chapter 130.34 (Outdoor Lighting).
- d. 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. (Section 130.41.200(5)(J).)
- e. Lighting is prohibited in greenhouse or hoop house structures.
- Alarm system maintained by a licensed company with central monitoring capabilities.⁸
- Video Security System, 24-hour video monitoring with a minimum of 90-day archiving.⁹
 - a. Must be a minimum of 1920 X 1080 pixels (1080P) with 360-degree coverage.
 - b. The surveillance system storage device or cameras must be transmission control protocol (TCP) capable of being accessed from the internet.
 - c. Each camera shall be permanently mounted and in a fixed location.
 - d. Each camera shall be located in an area to show activity within 20 feet of all points of entry and exit of the licensed facility.
 - e. Shall allow for the clear identification of persons, in or around, all limited access areas, security rooms, surveillance storage areas, and anywhere cannabis is present (grown, processed, weighed, stored and/or sold).
 - f. Entrances and exits to the premises shall be recorded from both indoor and outdoor vantage points.
 - g. Must record 24-hours per day, 7 days per week and at a minimum of 15 frames per second.
 - h. Recordings are subject to review and inspection by licensing authorities.
 - i. Date and time to be clear and accurate on recorded images.
 - j. Must contain a failure notification system.
 - k. Video footage must be given to El Dorado County Sheriff's Office upon demand, including realtime access so long as the Commercial Cannabis Use Permit includes this requirement pursuant to section 130.41.100(4)(F)(13).
 - The video system for the security cameras must be located in a locked, tamper-proof compartment.

⁸ CCR Title 16, div 42, § 5047; Alarm System must meet the requirements under Business and Professions Code § 7590.1(n)

⁹ CCR Title 16, div 42, § 5044; Video Surveillance Systems (state requirements); El Dorado County Code Section 130.41.100(F)(13).



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Commercial Cannabis Use Permit and Background Application

- Limited Access Areas: Identify security, locking, and escort protocols for non-employee access. 10
- Provide an employee training plan that will include:¹¹
 - a. Burglary prevention.
 - b. Employee loss prevention.
 - c. Armed robbery prevention, security breaches and response.
 - d. Protocols for storage of large amounts of currency and/or cannabis.
 - e. Cannabis laws and employee responsibilities.
 - Identification and management of color-coded identification cards and appropriate access areas.
 - g. Application and Live Scan process and procedures
 - h. Policies for handling employees that do not wear identification cards on premises.
 - i. Inspection procedures for compliance checks and permit and license renewals.
 - j. Escort policy for non-employees or contractor visits.
 - k. Identification of limited access areas.
- Security Personnel Required for store front retail and microbusinesses engaging in store front retail¹²
 - a. Personnel must be at least 21 years of age.
 - b. Must conform to Business and Professions Code Chapters 11.4 and 11.5 of Division 3, and CCR Title 16, Division 42, Section 5045.

¹⁰ CCR Title 16, div 42, § 5042; Limited Access Area and all requirements for access, security, and documentation.

¹¹ El Dorado County Code Sections 130.41.100, 130.41.200, 130.41.300 and 130.51.020, 130.51.060 https://library.municode.com/ca/el_dorado_county/codes/code_of_ordinances.

¹² CCR Title 16, div 42, section 5045; Security Personnel must meet state licensing requirements.



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Commercial Cannabis Use Permit and Background Application

PROPERTY SITE AND SECURITY COMPLIANCE AUTHORIZATION

- 1. I hereby certify that I have read this completed application and that, to the best of my knowledge, the information in this application and all attached appendices and exhibits are complete and correct. I understand that the failure to provide any requested information or any misstatements submitted in support of the application shall be grounds for either refusing to accept this application, for recommending denial of the Commercial Cannabis Use Permit, suspending or revoking a permit issued on the basis of such misrepresentations, or seeking of such further relief as may seem proper to the County.
- 2. I hereby grant permission for El Dorado County officers, officials, employees, and agents, including but not limited to the El Dorado County Sheriff's Office officers, officials, employees, and agents, to enter upon the site to inspect the premises for which this application is made in order to obtain information necessary for the preparation of required reports and render a recommendation and/or decision.
- 3. By signing this Commercial Cannabis Use Permit and Background Application, I certify that, if I am issued a Commercial Cannabis Use Permit, I will adhere to and comply with the minimum security features identified in this Commercial Cannabis Use Permit and Background Application required by the County of El Dorado and the El Dorado County Sheriff's Office and the security plan I have submitted. I understand that any changes to the security plan will require re-inspection at my expense by the Sheriff's Office and I agree to notify the Sheriff's Office of any intended changes prior to the implementing the change.

| (Owner/Authorized Agent Signature) | (Date) | |
|------------------------------------|--------|--|



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Commercial Cannabis Use Permit and Background Application

PREMISES DIAGRAM

A premises diagram is a diagram of the proposed licensed premises. This is the "zoomed in" diagram of the proposed premises. Premises diagram requirements differ based on the use permit type and must identify the boundaries and dimensions (in feet) of the required areas specified below based on use permit type:

For Cultivation Permits, premises diagrams must include the following:

- Canopy areas, include aggregate square footage if canopy areas are noncontiguous.
- Areas containing only immature plants (as applicable).
- · Pesticide and agricultural chemical storage area.
- Processing area (as applicable).
- Packaging area (as applicable).
- Secure cannabis waste storage area (as applicable).
- Harvest storage area.

Cultivation Premises Example (from CalCannabis)





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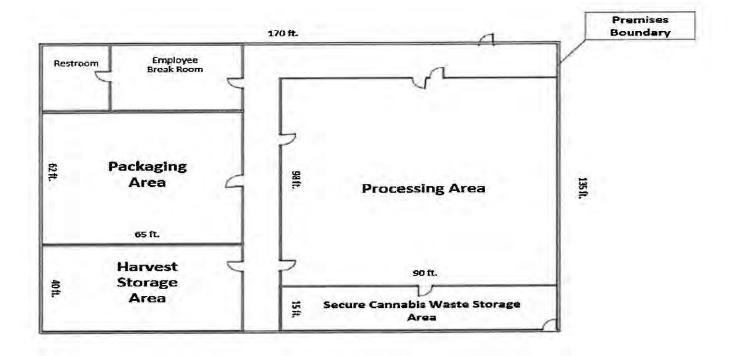
Commercial Cannabis Use Permit and Background Application

For Nursery Use Permits:

- Areas containing only immature plants.
- Pesticide and agricultural storage area.
- Research and development.
- Seed production area (as applicable).
- Composting area (as applicable).
- Secure cannabis waste storage area (as applicable).

In addition to the items listed above, a premises diagram must be to scale, all measurements must be in feet, and there may not be any highlighting. Please see the sample premises diagrams below.

Cultivation Processing/Packaging/Harvest/Waste Storage Premises Example (from CalCannabis)





Commercial Cannabis Use Permit and Background Application

APPLICATION QUESTIONNAIRE

| 1. Select the Commercial Canna | bis Use Permit(s) for which you are applying (check all that apply): |
|---|---|
| ☐ Medicinal Use Commercial Ca | annabis Adult-Use Recreational Commercial Cannabis |
| ☐ Cultivation | |
| ☐ Outdoor ☐ Indoor | ☐ Mixed-Light |
| ☐ Nursery | |
| ☐ Outdoor ☐ Indoor | ☐ Mixed-Light |
| ☐ Manufacturer ☐ Volatile (Level 1) ☐ N | on-Volatile (Level 2) |
| ☐ Testing Laboratory | |
| ☐ Distribution ☐ All Distribution ☐ Trai | refront / Delivery Only nsportation Only ation about your cannabis business: |
| LEGAL BUSINESS NAME: | |
| BUSINESS TYPE (i.e., INC., LLC, Partnership): | |
| BUSINESS ADDRESS: | |
| BUSINESS PROPERTY ADDRESS | 5: |
| BUSINESS PHONE: | |
| BUSINESS E-MAIL: | |
| 24-HOUR CONTACT AND PHO | NE: |
| 3. Please Identify the 24-hour d | esignated local contact (County Code Section 130.41.100(9)): |
| NAME (LAST, FIRST MI): | |
| 24-HOUR PHONE NUMBER: | |
| MAILING ADDRESS: | |
| E-MAIL: | |



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Commercial Cannabis Operating Permit and Background Application

4. Age Verification:

Complete the table below listing names of all applicants, owners and persons with financial interest, designated local contact, and spouse(s)/domestic partner(s) of the above (add additional pages as necessary). Also, provide written proof or copy of government-issued identification (i.e. California Driver's License, California Identification Card, Certified Birth Certificate, and Social Security Card) that ALL applicants, owners and persons with financial interest, designated local contact, and spouse(s)/domestic partner(s) are 18 years of age or older for Medicinal Use Commercial Cannabis permits and 21 years of age or older for Adult-Use Recreational Commercial Cannabis Permits.

| NAME (LAST, FIRST MI) | CURRENT HOME ADDRESS, CITY, ZIP CODE (NO P.O. BOXES ALLOWED) | TIMESTER | DOCUMENTS PROVIDED | RELATIONSHIP TO BUSINESS |
|-----------------------|--|----------|--------------------|-----------------------------|
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| | Is a four-wheel drive | | | to and a | round | the pr | operty | ? □Yes | . □No |
|--------|--|--------------------|------------|----------|--------|--------|-----------|--------|---|
| | What is the parcel z | | | _ | | 3309-0 | | | |
| C. | Are there guard dog | gs on the property | y? □Yes | ■No | | | | | |
| | | | | | | | | | |
| the sp | oace below please d | escribe how to ge | et to your | propert | y from | Place | rville, (| CA. | |
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| W T | MONDAY TUESDAY 'EDNESDAY THURSDAY FRIDAY | | | | | | | | |



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Commercial Cannabis Use Permit and Background Application

DECLARATIONS AND ACKNOWLEDGEMENTS

By signing this application, the Applicant hereby declares and acknowledges:

I agree to defend, indemnify, and hold harmless the County of El Dorado and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by affected property owners or other third parties due to the issuance of a commercial cannabis permit or the commercial cannabis activities and for any claims brought by any person for problems, injuries, damages, or liabilities of any kind that may arise out of the issuance of a commercial cannabis permit or the commercial cannabis activities.

I authorize the County of El Dorado and its agents, officers, elected officials, and employees to access all premises upon which cannabis operations are occurring or intended to occur, including, but not limited to initial site visits prior to issuance or renewal of a permit and compliance checks. I consent to onsite inspection by County agents, officers, elected officials, and employees during my regular business hours and outside of my regular business hours if the County has reason to believe that violations are occurring outside of regular business hours.

I hereby declare and attest under penalty of perjury that, to the best of my knowledge, the information contained within and attached to this application is complete, true, and accurate. I understand any misstatements of material fact, omissions, incomplete answers, or inaccurate responses of fact is cause for rejection of this application, recommendation of denial of the Commercial Cannabis Use Permit, revocation of the Commercial Cannabis Use Permit, and/or non-renewal of the Commercial Cannabis Annual Operating Permit.

| APPLICANT'S SIGNATURE | DATE | PERSON REVIEWING APPLICATION | DATE |
|-----------------------|------|------------------------------|------|
| | | | |

El Dorado County Sheriff's Office Investigations Division



Commercial Cannabis Background Investigation

Initial and Review Questionnaire

To be completed by all applicants, owners(s) and person(s) with financial interest, designated local contact, and spouses/domestic partners.

200 Industrial Drive Placerville, CA 95667 530-621-4723

"A modern approach to traditional law enforcement values; Total enforcement on crime and criminals; Total care for victims, witnesses and the community; Total professionalism, through training and by example"

Background Investigation Questionnaire

(To be completed by all applicants, owners and persons with financial interest, designated local contact, and spouses/domestic partners)

All applicants, owners and persons with financial interest, designated local contact, and the spouses or domestic partners of the above must complete this questionnaire to help determine eligibility for a commercial cannabis use permit with El Dorado County.

Please read and answer all of the following questions. <u>ALL QUESTIONS MUST BE</u>

<u>ANSWERED TRUTHFULLY AND COMPLETELY.</u> If any responses fail to fully answer any question or misstate any material facts, it will result in a delayed review or recommendation of denial from the Sheriff's Office and could lead to a denial of the Commercial Cannabis Use Permit.

The commission of one or more of the offenses listed on this questionnaire may not automatically result in a recommendation of denial. The responses to these questions will be evaluated and considered in relationship to the entire background and considered under the relevant El Dorado County and state standards for commercial cannabis background checks. Remember, all responses are subject to verification.

If "Yes" is answered on any question, your explanation must be provided for each affirmative response on a separate Background Investigation Questionnaire Explanation sheet, fully explaining the circumstance. The application may be typed or hand-written.



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Commercial Cannabis Use Permit and Background Application

BACKGROUND INVESTIGATION RELEASE

I am an applicant/owner of a proposed or existing commercial cannabis operation in El Dorado County or a person with financial interest, a designated local contact, or spouse/domestic partner required to have a background check completed through the Sheriff's Office for an application for a Commercial Cannabis Use Permit. I desire and request the El Dorado County Sheriff, and/or his/her employees, agents, and lawful representatives to take my photograph and fingerprints or use the information in this application for the purpose of conducting a background check to verify that I meet the qualifications required to obtain a Commercial Cannabis Use Permit or to be employed with such business as required by the El Dorado County Code and/or State Law.

I agree to truthfully provide any information requested or deemed necessary to provide to the State of California Department of Justice and the Federal Bureau of Investigation or any other law enforcement agency or third-party consultant authorized by the El Dorado County, including but not limited to the El Dorado County Sheriff.

I understand this will serve to disclose all of the information requested regarding my criminal and financial background. If I was unsure whether information should be disclosed, I disclosed that information to provide all potentially relevant information.

I agree to hold El Dorado County, its officers, employees, agents, or lawfully delegated representatives, harmless from any action(s), or damages whatsoever or at all, which may result from the taking of such fingerprints or forwarding them to the appropriate law enforcement agency for a records check and/or obtaining access to any other documentation which pertains to meeting the qualifications for a Commercial Cannabis Use Permit or Commercial Cannabis Annual Operating Permit. I further agree to hold the County of El Dorado, its officials, officers, employees, agents, and lawfully delegated representatives, harmless from any action(s) or damages whatsoever or at all which may result from the disclosure of said records.

I hereby declare and attest under penalty of perjury that, to the best of my knowledge, the information contained within and attached to this application is complete, true, and accurate. I understand a misrepresentation of fact is cause for rejection of this application, recommendation of denial of the Commercial Cannabis Use Permit, revocation of the Commercial Cannabis Use Permit, and/or non-renewal of the Commercial Cannabis Annual Operating Permit.

| APPLICANT'S SIGNATURE | DATE | PERSON REVIEWING APPLICATION | DATE |
|-----------------------|------|------------------------------|------|
| | | | |
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Commercial Cannabis Use Permit and Background Application

COMMERCIAL CANNABIS BUSINESS APPLICANT INFORMATION

The Authorized Agent/Applicant must have the legal authority to bind the entity. Provide information about the person who is completing this application. This information should be for a singular person, **NOT** the business name. The Authorized Agent will be considered the primary contact for the application unless another contact is identified.

| | Name as Shown On | ⇨ | LAST NAME ON APPLICATION | FIRST NAME | ON APPLICATION | MIDDLEN | AME ON APP | LICATION |
|-----|--|-----------|---------------------------------------|-----------------------------------|----------------------|-------------------------------|---------------|---------------|
| | | | APPLICANT INFO | ORMATION | | | | |
| Г | SOCIAL SECURITY NUMBER | | LAST NAME ON SOCIAL SECURITY CARD | FIRST NAME ON | SOCIAL SECURITY CARD | MIDDLE NAM | E ON SOCIAL S | SECURITY CARD |
| | CALIFORNIA DRIVERS LICENSE NUMBER | | LAST NAME ON CA DRIVER'S LICENSE | FIRST NAME ON CA DRIVER'S LICENSE | | MIDDLE NAME ON CA DRIVER'S LI | | /ER'S LICENSE |
| _ | SEX □Male □Female | AGE | DATE OF BIRTH | RACE | HEIGHT | WEIGHT | HAIR | EYES |
| LIS | T YOUR CURRENT HOME ADDRESS, | CITY, ZIP | CODE (NO P.O. BOXES ALLOWED) | PHO | NE NUMBER | | EMAIL | |
| LIS | LIST ANY OTHER NAMES YOU HAVE EVER USED (Maiden, Married, Nicknames, ETC.) | | | BIRTH C | OUNTY/STATE | LAN | GUAGES SPO | KEN |
| CL | RRENT MAILING ADDRESS, CITY, ZIP | CODE | | 1 | | 1. | | |
| BL | ISINESS PROPERTY ADDRESS, CITY, Z | IP | | PROP | PERTY ZONE | PA | ARCEL NUMB | ER |
| PL | EASE PROVIDE THE FOLLOWING INI | ORMAT | ION REGARDING YOUR SPOUSE/DOMEST | IC PARTNER | | | | |
| 3 | SPOUSE/DOMESTIC PARTNER LAST I | MAME | FIRST NAME | MIDDLE | DATE OF BIRTH | Pi | HONE NUMBI | ER . |
| | CURRENT MAILIN | NG ADDR | IESS, CITY, ZIP CODE | CA DRIVER'S LICENSE | | SOCIAL SECURITY NUMBER | | JMBER |
| | | | ADDRESS H | ISTORY | | | | |
| LIS | T ALL PREVIOUS HOME ADDRESSES | FOR TH | E PAST FIVE YEARS. USE ADDITIONAL PAG | ES IF NECESSARY. | | | | one. |
| 1 | DATES RESIDED | ADDRESS | , CITY, STATE, ZIP | | REASON FOR LEAV | ING | | |
| 2 | DATES RESIDED ADDRESS, CITY, STATE, ZIP | | | REASON FOR LEAV | ING | | | |
| 3 | DATES RESIDED | ADDRESS | , CITY, STATE, ZIP | CITY, STATE, ZIP REASON FOR LEA' | | | AVING | |
| 4 | DATES RESIDED | ADDRESS | , CITY, STATE, ZIP | CITY, STATE, ZIP REASON FOR LEAV | | | VING | |
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| | | | RY, UNDER THE LAWS OF THE STATE OF | | | DORADO, TH | IAT THE FOR | EGOING IS |
| TF | APPLICANT SIGNATURE | OF MY K | NOWLEDGE. TITLE (Applicant/I | Property Owner) | | | DATE | |



Commercial Cannabis Use Permit and Background Application

CRIMINAL HISTORY

| 11.2 | ARRESTING AGENCY/ LOCATION/ COURT NAME | CHARGE/ REASON FOR ARREST | |
|---------------------|--|--|---|
| DISPOSITION (WHAT W | AS THE OUTCOME OF THE CASE: Were you sentenced? Did | you have to pay a fine? Probation? Parole? Etc.) | - |
| ARREST DATE | ARRESTING AGENCY/ LOCATION/ COURT NAME | CHARGE/ REASON FOR ARREST | |
| DISPOSITION (WHAT W | AS THE OUTCOME OF THE CASE: Were you sentenced? Did | you have to pay a fine? Probation? Parole? Etc.) | - |
| ARREST DATE | ARRESTING AGENCY/ LOCATION/ COURT NAME | CHARGE/ REASON FOR ARREST | |
| DISPOSITION (WHAT W | AS THE OUTCOME OF THE CASE: Were you sentenced? Did | you have to pay a fine? Probation? Parole? Etc.) | - |
| | | | |
| | COMMERCIAL CANNABIS E | EMPLOYMENT HISTORY | |
| T ALL REGULATED COM | COMMERCIAL CANNABIS E MERCIAL CANNABIS EMPLOYMENT ONLY. PLEASE USE AD | | |



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Commercial Cannabis Use Permit and Background Application

Provide information in the table below for all "owners" of the commercial cannabis activity or entity that is subject of the application, which includes "(1) a person with any ownership interest, however small, in the person applying for a permit, unless the interest is solely a security, lien, or encumbrance; (2) the chief executive officer of a nonprofit or other entity; (3) a member of the board of directors of a nonprofit entity; (4) a person who will be participating in the direction, control, or management of the person applying for a permit, including but not limited to a general partner of a partnership, a non-member manager or managing member of a limited liability company, and an officer or director of a corporation; or (5) a person who will share in any amount of the profits of the person applying for a permit or has a financial interest, as defined by the regulations promulgated by the Bureau of Cannabis Control, in the person applying for the permit."

El Dorado County Sheriff's Office must be notified in writing of any changes or additions to the individuals identified on this form. Under County Code Section 130.41.100(5)(E), "A Commercial Cannabis Annual Operating Permit is not transferrable and automatically expires upon any change of ownership to the applicant that results in a new owner or owners or new funding source. Before or upon the transfer of the business or addition of a new owner, an application for a new Commercial Cannabis Annual Operating Permit must be submitted."

| NAME (LAST, FIRST MI) | BUSINESS RELATIONSHIP AND % OWNERSHIP | MAILING ADDRESS | PHONE NUMBER |
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Commercial Cannabis Use Permit and Background Application

FINANCIAL INFORMATION FORM

| FINANCIAL HISTORY - A | Attach addition | onal copies if needed | 7 | | | _ | | |
|-----------------------------|-----------------|-----------------------|---|--------------------|-------------------|------------------------|--------------------|--|
| Section A - List all inves | | | | ois business | | | | |
| 1. Name of Investor | Address | | | | Phone Number | | | |
| Term(s) of Investment | | | | Date o | | vestment Amount | | |
| 2. Name of Investor Address | | | | | | Phone Number | | |
| Term(s) of Investment | | | *************************************** | ····· | Date of Invest | lment | Amount | |
| 3. Name of Investor Address | | | | | | Phone N | (≱ umber | |
| Term(s) of Investment | | | Date of Inves | | | ment | Amount | |
| 1. Name of Investor | | Address | | Pho | | | \$ none Number | |
| Term(s) of Investment | | | | | Date of Invest | ment | Amount \$ | |
| SECTION B - List all loar | s made to ti | ne applicant's comme | ercial cannabis busi | ness | | | - 1 | |
| . Name of Lender | | Address | | | Phone N | | umber | |
| Term(s) of Loan | | | Security Provided For Loan | | Date of Loan | Date of Loan | | |
| . Name of Lender Address | | | | | | Phone Number | | |
| Term(s) of Loan | | | Security Provided For Loan | | Date of Loan | Date of Loan | | |
| 3. Name of Lender Address | | | | | | Phone No | umber | |
| Term(s) of Loan | | | Security Provided For Loan Da | | Date of Loan | ate of Loan | | |
| SECTION C - List all fund | s belonging | to the applicant | - 1 | | | | <u></u> | |
| inancial Institution Name | Address | | | Account Type | Account N | Account Number | | |
| inancial Institution Name | Address | Address | | Account Type | Account Number | | Amount \$ | |
| inancial Institution Name | Address | | | Account Type | Account N | Account Number | | |
| inancial Institution Name | Address | | | Account Type | Account Number | | \$ Amount \$ | |
| ECTION D - List all gifts | of any kind | given to the applican | t for use in conducti | ng commercial cann | abis activity | | 1 | |
| ame of Provider | Address | | | Phone Number | | | Gift | |
| lame of Provider | Address | | | Phone Number | Value/Description | | Gift | |
| lame of Provider | Address | | | Phone Number | Value/Des | Value/Description of G | | |



Commercial Cannabis Use Permit and Background Application

INFRACTION OFFENSES

| 1. | If you have committed any of the fol you have not, please write "No". | lowing infract | ions within the past seven years, ple | ase answer "Yes". |
|----|--|--|--|-------------------|
| | a. Violation of city ordinance | es? | | |
| | b. Violation of any county of | A STATE OF THE PARTY OF THE PAR | · | |
| | .4 | MISDEMEAN | OR OFFENSES | |
| 2. | If you have committed any of the fol answer "Yes." If you have not, please questions below, please provide fur Explanation Sheet. | e answer "No. | " If you answered "Yes" to any of th | e following |
| a. | Petty theft | b. | Vandalism | |
| C. | N.S.F. Checks | d. | Drunk in Public | |
| e. | Joy Riding | f, | Illegal Gambling | |
| g. | Hit and Run | h. | Brandish a Weapon | |
| i, | Possess Alcohol as a Minor | j. | Possess/use Altered ID or License |) [|
| k. | Prostitution | t | Defraud an Innkeeper | |
| m. | Soliciting a Prostitute | n. | Indecent Exposure | - |
| 0. | Voyeurism | p. | Possess Stolen Property | - |
| q. | Impersonate Police Officer, Sheriff | r, | Carry Concealed or Illegal Weapon | - |
| 5. | Make Annoying /Prank Phone Calls | t. | Assault or Battery (includes fighting) | - |
| ů. | Drunk Driving | v, | Hunt or Fish without a License | - |
| w. | Other | | | |
| | | | | |



Commercial Cannabis Use Permit and Background Application

FELONY OFFENSES

| 3. | please write "No" on the line. | If you answered "Yes" | nses, please write "Yes" on the line to any of the following questions estigation Questionnaire Explanati | below, please |
|----|--|-----------------------|---|---------------|
| a. | Murder | b. | Unlawful Sexual Intercourse | - |
| c. | Rape | d. | Spousal Battery | 1 |
| e. | Robbery | f. | Burglary | 0 |
| g. | Arson | h. | Grand Theft | 1 |
| ī, | Forgery | J. | Kidnapping | 0 |
| k. | Embezzlement | l. | Any Sexual Activity with a Child | - |
| m. | Child Abuse | n. | Forcible Sexual Activity | 3 |
| o. | Auto Theft | p. | Domestic Violence | - |
| q. | Hit and Run with Injury | r. | Aggravated Felonious Assault | - |
| s. | Credit Card Theft | t. | Tax Evasion | |
| u. | Other | | | |
| 4. | Have you ever been subject to cultivating, or exporting cannot | | eding, which prevented you from | possessing, |



Commercial Cannabis Use Permit and Background Application

GENERAL QUESTIONS

| 5. | Do you own any illegal firearms? |
|-----|--|
| | If so, please provide the number and type on a Background Investigation |
| | Questionnaire Explanation Sheet. |
| 6. | Have you ever discharged any firearm other that at an approved range, during the course of approved |
| | training, while hunting, or during military operation? |
| 7. | Have you ever been detained, questioned, investigated, or arrested for suspicion of having committed a |
| | criminal act, whether or not you were convicted? |
| 8. | Have you ever been questioned as a witness in any criminal investigation? |
| 9. | Have you ever been contacted by the police for any reason not previously discussed? |
| 10 | . Have you ever been adjudged as a "Mentally Disordered Sex Offender"? |
| 11. | . Have you ever carried, either on your person or in your vehicle, any type of weapon for protection? |
| | |
| 12. | Are you currently delinquent on any child support or alimony? |
| 13. | . Have you ever failed to make or been late in paying any child support obligations you were legally required to make? |
| 14. | . Have you ever been a member of, or supported financially or otherwise, any organization or group, which |
| | advocates, advises, or supports, the use of force or other unlawful means to deny other persons their rights under the Constitution of the United States or the Constitution of the State of California? |
| | rights under the Constitution of the Officed States of the Constitution of the State of Camorina. |
| | |
| | GENERAL QUESTIONS CONTINUED |
| 15 | Did you in any way cheat, lie, or commit fraud during the application or evaluation process or during any portion of the background process? |
| | |



Commercial Cannabis Use Permit and Background Application

EMPLOYMENT HISTORY

| | 16. Have you ever resigned from employment in lieu of termination or as the result of any allegations of misconduct, whether founded or not? |
|----------|--|
| | 17. Have you ever taken anything from your employer without authorization? |
| | DRIVING RECORD |
| | 18. Has your automobile insurance ever been cancelled for any reason? |
| | 19. Have you ever been refused a driver's license? |
| | 20. Has your driver's license ever been suspended or revoked for any reason? |
| | 21. Have you ever had a driver's license issued by another state or country? |
| | 22. Has your automobile insurance ever been placed in an assigned risk category? |
| | GENERAL TOPICS |
| PI Ba | ease answer these questions as part of this questionnaire. If you answer "Yes" to any question, please use the ockground Investigation Questionnaire Explanation Sheet for your explanations. |
| | 23. Do you go by any other name other than the ones you have used on this background questionnaire (including any maiden names)? |
| | 24. Have you ever slapped, punched, kicked, or otherwise injured any spouse, roommate, or romantic partner? |
| | |



El Dorado County Sheriff's Office 200 Industrial Drive Placerville, California 95667

Commercial Cannabis Use Permit and Background Application

FOR APPLICANTS WITH MILITARY SERVICE

| 25. Did you ever serve in any branch of the military, whether active or reserve? | |
|--|----|
| 26. List every base, fort, camp, station, ship, post, and location where you were assigned on a Background Investigation Questionnaire Explanations Sheet. Include all common and military addresses (i.e., Military District of Washington, Fort Myers, VA, or U.S.S. Enterprise, Long Beach, CA). Include dates of assignment. | Ď. |
| 27. Did you ever receive any non-judicial punishment (Article 15, Captain's Mast) including any punishment which was expunged or removed from your record? | |
| If you answered "Yes", list the date(s), offense(s), unit of assignment, post, base or station where assigned, and punishment imposed on a Background Investigation Questionnaire Explanation Sheet. | l |
| 28. Were you ever subjected to Article 32 proceedings? | |
| If you answered "Yes", list the date(s), offense(s), investigation officer, and location for each such proceeding on a Background Investigation Questionnaire Explanation Sheet. | |
| 29. Were you ever tried by court-martial? | |
| If you answered "Yes", list each such proceeding to include where the court – martial was held, the type of court-martial, date, charge, and specifications of each court-martial and the findings on a Background Investigation Questionnaire Explanation Sheet. | |
| 30. Were you ever detained, arrested, jailed, or held by police or security forces in another country for anything other than minor traffic offenses? | |
| If you answered "Yes" on a separate Background Investigation Questionnaire Explanation Sheet provide the date(s), location(s), police or security force(s) involved, and the disposition of each such contact. | |
| 31. Were you ever denied a security clearance or have a clearance revoked, suspended, or downgraded? | |
| If you answered "Yes", please provide details on a Background Investigation Questionnaire Explanation Sheet. | |



El Dorado County Sheriff's Office

200 Industrial Drive Placerville, California 95667

Commercial Cannabis Use Permit and Background Application

DRUG USE HISTORY

| 32. Have you ever used, | experimented with, consumed, possessed, manufactured, except as provided for by |
|-------------------------|---|
| written prescription | issued by a licensed physician any of the following drugs? |

If you answered "Yes" to question 32, please complete the following. If "No", please go on to question 33.

| | Type or Name of Substance | One Time | More Than One Time |
|----|-------------------------------|----------|-----------------------|
| Α. | Cocaine | | |
| В. | Barbiturates | | |
| C. | Amphetamines (Uppers) | | l |
| D. | Heroin | | |
| E. | LSD, STP | | |
| F. | Psilocybin, Peyote, Mushrooms | | |
| G. | Opium, Morphine, Base | | |
| Н. | Steroids (Injected or Oral) | | |
| ſ. | Toluene (glue) | | |
| J. | Designer Drugs, Synthetics | | |
| K. | Other | 1 2 2 | |

<u>Note:</u> Any drug, which has been prescribed by a <u>licensed physician</u> pursuant to Federal Laws, need not be disclosed in this questionnaire. Recreational or experimental drug use <u>is not protected</u> under the Americans with Disabilities Act or state law.



El Dorado County Sheriff's Office 200 Industrial Drive Placerville, California 95667

Commercial Cannabis Use Permit and Background Application

| <u>S</u> 1 | UPPLEMENTAL QUESTIONS | |
|---|---|---|
| Are you a member or been associate please explain in the box below. | d with any criminal street gang? | If you answered "Yes", |
| ** | | |
| | | |
| | | |
| | | |
| 34. Is there anything else you feel the ba | ckground investigator should know a | about you or your experiences? |
| ii you allowelled 103) pic | case explain in the box bolom | |
| | | |
| | | |
| | | |
| | | |
| | CERTIFICATION | |
| hereby declare and attest under penalty of within and attached to this application is con naterial fact, omissions, incomplete answer ecommendation of denial of the Commerci ermit, and/or non-renewal of the Commerci | mplete, true, and accurate. I underst s, or inaccurate responses is cause fo al Cannabis Use Permit, revocation o | and any misstatements of or rejection of this application, of the Commercial Cannabis Use |
| | | |
| ignature of Applicant | Date | |
| rinted Name of Applicant | | |



El Dorado County Sheriff's Office 200 Industrial Drive Placerville, California 95667

Commercial Cannabis Use Permit and Background Application

| Applicant's Name: | Applicant's Name: | |
|-------------------|-------------------|--|



Signature of Applicant

El Dorado County Sheriff's Office

200 Industrial Drive Placerville, California 95667

Commercial Cannabis Use Permit and Background Application

BACKGROUND INVESTIGATION QUESTIONNAIRE EXPLANATION SHEET Applicant's Name: _ I hereby declare and attest under penalty of perjury that, to the best of my knowledge, the information contained within and attached to this application is complete, true, and accurate. I understand any misstatements of material fact, omissions, incomplete answers, or inaccurate responses is cause for rejection of this application, recommendation of denial of the Commercial Cannabis Use Permit, revocation of the Commercial Cannabis Use Permit, and/or non-renewal of the Commercial Cannabis Annual Operating Permit.

Date



Signature of Applicant

El Dorado County Sheriff's Office 200 Industrial Drive Placerville, California 95667

Commercial Cannabis Use Permit and Background Application

| Applicant's Name: | |
|---|--|
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| I hereby declare and attest under penalty of perjury that, to the best of my ke within and attached to this application is complete, true, and accurate. I und material fact, omissions, incomplete answers, or inaccurate responses is cau recommendation of denial of the Commercial Cannabis Use Permit, revocati | lerstand any misstatements of see for rejection of this application, |

Date

| Priority order | Code section | Number | Section | Subject | Suggested change |
|----------------|--------------|--------|-------------|-------------------------|--|
| 1 | | | | | Remove all language from Interim Background check and make it a simple agreement that allows the EDSO to only get information that would be provided by DOJ. No financial information, no credit history checks. Also remove all language giving sheriff rights over existing county code. |
| 2 | 130.41.100 | | Definitions | Owner | Revise to mimic state definitions. |
| 3 | 3 130.41.100 | 4 | F.2 | Background checks | There are many ways for the EDSO to check background of applicants. Changes reflect how to expedite this process |
| 4 | 130,41,100 | 4 | G | Background checks | Changed to reflect changes and CA state pass/fail requirements |
| 5 | 5 130.41.100 | | Definitions | Mixed light cultivation | Change 6 watts per sq/ft to less than or equal to 25 watts per sq/ftneeded to allow propagation and nurseries. The existing code does not fill the gap and the state does. |
| | 3 130.41.200 | 5 | ď | Lighting | Changed to conform with definitions change above |
| 7 | 7 130.41.100 | | Definitions | Mixed light cultivation | Change mixed-light to remove light deprivation per state code which states mixed-light has artificial lighting, light deprivation is no longer included. AB95 |

| | B 130.41.300 | 5 A | Limitation on use | Added language to allow outdoor cannabis zoned properties with proper building criteria met, to do manufacturing or indoor growing. This is a safety prevention issue being addressed. This is all the same language modification in sections 5A, 8A and 9A (Limitation on use) |
|----|--------------|-------|---------------------------|---|
| | 9 130.41.100 | 5 D | Taxation | Removal of sq/ft tax and replace with normal sales tax like all other products. |
| 10 | 130.41.100 | 7 | Revocation | Since new to the county there needs to be some guidance to not be so strict unless gross negligence violations occur |
| 11 | 1 130.41.100 | 4 1.4 | Indemnification | Remove. What other County CUP recipients must indemnify this county? |
| 12 | 130.41.100 | 5 E | Succession | Follow state guidelines |
| 13 | 130.41.200 | 4 | Outdoor locations to grow | Added Indoor as some operations may want to do both indoor and outdoor grow operations. Other changes will reflect lighting, etc to conform to existing code. |
| 14 | 130.41.100 | 9 A | Local Contact | Modify to reflect resonability. Being available 24/7 with a 2 hour response does not allow for vacation, activities, etc. Cannot hire an answering service as an error could cause for lack of license. |
| 15 | 130.41.100 | 4 1.5 | Onsite inspections | Need to use common sense here and need to make an appointment with reasonable notice |

| 16 | 130.41.100 | 8 | Monitoring program | Needs to reflect actual costs or be removed. Currently there are CAOP and taxes assessed. Taxpayer neutral would still include monitoring in the previous two items. |
|----|--------------|-----|--------------------------------|---|
| 17 | 130.41.200 | 4 C | Canopy Coverage | Needs to be revisited and conformed to state law. |
| 18 | 130.41.200 | 5 C | Setbacks | In this county with the landscape (mountainous), it is nearly impossible to meet these setbacks. Suggest this be changed to 400' (Can tie it to Odor Analysis/Mitigation). The other setbacks re schools/businesses is currently set at 1500 feet which further disallows cannabis busnesses to be started. |
| 19 | 130.41.200 | 4 D | Retail sales | added language to allow EDC to mimic state law re retail sale (think winery) |
| 20 | 130,41,200 | 5 B | Cultivation standards location | Removed some criteria as it makes things too restrictive. |
| | 130.41.200 | 5 D | Odor | Added language to be a objective decision. |
| 22 | 130.41.200 | 5 M | Public Sewer or Sewage Dispo | sa Added Porta-pottie |
| 23 | 3 130.41.200 | 6 B | Commercial Nursery | Added language to allow for internal use only propagation that does not require a special licens |

| 24 | 130.41.300 | 4 | i - | EDSO Notification | Removed as a security risk unless EDSO will provide escort service to transportation/distribution |
|----|------------|----|------|---------------------------------|--|
| 25 | 130.41,100 | 9 | В | Notification of neighbors | Remove language that neighbors must be notified operation are about to begin. They already know and have been told many times by applicant and county. Do not want to bombard neighbors. |
| 26 | 130.41.100 | 12 | | Authorization, Defense, Immunit | Remove the word Federal as cannabis is federally illegal. |
| 27 | 130.41.100 | 6 | В | Delivery | Modify hours to reflect more business like times |
| 28 | 130.41.100 | 4 | F.11 | Size of field reduction | Removed. This does not happen to any other agricultural product |
| 29 | 130.41.100 | 4 | 1.3 | Size of field reduction | See above |
| 30 | 130.41.200 | 3 | | Limits on licenses issued | Should remove this as there are currently under 20 applicants. There is no need to limit as there is a very likely chance we will never reach the 150 mark previously set. And, break it up to small and large confuses the issue. If a limit must be set, then set it without size of operational restrictions. |
| 31 | 130.41.200 | 1 | В | Agricultural Crop definition | By definition cannabis is an agricultural crop. Further to this, the agricultural comission allows for the Williamson act to be enabled. Need to modify the language to reflect this. |

| | | | CEQA | center. Reasoning for this is current process is extremely costly and will by default many applicants. The goal of this is to allow farmers to enter the market easily and inexpensively. |
|---------------------|------------------------------|------------------|-----------------------|---|
| 33 13 | 30.41.100 | 2 Definitions | Cannabis | Remove Cannabis ruderalis as it is Hemp and not applicable also remove cannabis products defined both here and in the cannabis products section. |
| | | | | |
| | | | | |
| ther items that did | id not easily allow redlines | | | |
| Il counties excep | pt EDC use LiveScan or State | and have defin | itions and background | checks that coincide with DCC/DOJ |
| | | | | |
| lost counties allo | ow non-volatile manufactur | ing to be done o | on site. | |
| | | | | |

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| Many counties issue multi-year (up to 5) licenses | |
| | |
| | |
| Every county except EDC allows for a specialty cottage license <= 2500 sq/ft | |
| | |
| | |
| Fees should start when permit is actually usable | |
| | |
| | |
| Resubmittal of entire application package is unecessary and should not be a requiremen | ot of renewal |
| Resubilitial of entire application package is unecessary and should not be a requirement | it of renewal |
| | |
| | |
| Length of time to get permitted - Nevada County is 3-6 months | |
| | |
| | |
| Allow for operations while fulfilling conditions with a deadline for completion | |
| | |
| | |
| Remove November, 2019 variance language - This basically disallows anyone from move | ing to EDC to receive a CCUP that needs any kind of a waiver. |

| County | Cult Prohibited | Retail Prohibited # | cult license issue # retail | # Micro (Cult | # Other (Mfg, | To | tal # Issued/Active Setback from | | Setback from | Sensitive site | Premise o | r Property Ag or No * | Year of legality Allow on-site |
|-------------------------------|-----------------|---------------------|-----------------------------|---------------|---------------|-----|----------------------------------|--------|-----------------|----------------|-----------|-----------------------|--------------------------------|
| Alameda County | No | No | 91 | 161 | 62 | 159 | 473 | 50 | 300 | | Premise | Yes | 2017 |
| Calaveras County | No | No | 174 | 4 | | 10 | 188 | 75 | | | Premise | No | 2019 |
| Contra Costa County | No | No | 23 | 19 | 5 | 15 | 62 | 0 | | | Premise | No | 2019 |
| Del Norte County | No | No | 2 | 6 | | 2 | 10 | 0 | | | Premise | Yes | 2018 |
| El Dorado County | No | No | 0 | 10 | 2 | 1 | 13 | 800 | | | Parcel | No | 2018 |
| Humboldt County | No | No | 1475 | 27 | 25 | 188 | 1715 | 0 | | | Premise | No | 2018 Yes |
| Imperial County | No | No | 2 | 16 | | 5 | 23 | 25 | | | Premise | No | 2018 |
| Inyo County | No | No | 42 | 3 | | | 45 | 300 | | | Premise | Yes | 2017 |
| Lake County | No | No | 308 | 6 | 2 | 17 | 333 | 75 | 300 | | Premise | No | 2016 |
| Marin County | No | No | 0 | 8 | 1 | 8 | 17 No Outdoor al | llowe | | | 7 140,022 | | 2016 |
| Mendocino County | No | No | 701 | 24 | 9 | 74 | 808 | 100 | 200 | 1000 | Premise | Yes | 2016 |
| Mono County | No | No | 2 | 5 | | | 7 | 300 | 300 | | Premise | No | 2016 |
| Monterey County | No | No | 430 | 25 | | 83 | 538 | 50 | 250 | | Premise | No | 2016 |
| Nevada County | No | Yes | 180 | 0 | | 35 | 215 100-200 max | | | | Premise | No | 2019 |
| Riverside County | No | No | 190 | 133 | 58 | 169 | 550 | 100 | | | Premise | No | 2016 |
| San Benito County | No | No | 3 | 1 | | 8 | 12 | 100 | 300 | | Premise | No | 2016 |
| San Diego County | No | No | 12 | 66 | 9 | 57 | 144 Ordinances be | eing r | e-written, so n | | | | 2018 |
| City and County of San France | risec No | No | 13 | 80 | 9 | 36 | 138 No Outdoor a | | | | Premise | NA | 2016 Yes |
| San Luis Obispo County | No | No | 65 | 20 | 5 | 27 | 117 | 0 | | 1000 | Premise | No | 2018 |
| San Mateo County | No | Yes | 11 | 18 | | 4 | 33 | 100 | 300 | 1000 | Premise | Yes | 2017 |
| Santa Barbara County | No | No | 1852 | 30 | 5 | 44 | 1931 | 0 | | | Premise | No | 2018 |
| Santa Cruz County | No | No | 178 | 23 | 6 | 62 | 269 | 0 | | 1000 | Premise | No | 2016 Yes |
| Sonoma County | No | No | 122 | 34 | 10 | 92 | 258 | 100 | 300 | | Premise | Yes | 2016 |
| Stanislaus County | No | No | 27 | 27 | 2 | 18 | 74 | 50 | 200 | | Premise | No | 2018 |
| Trinity County | No | No | 355 | | 2 | 15 | 372 | 0 | 500 | 1000 | Premise | Yes | 2016 |
| Tulare County | No | No | 10 | 15 | 1 | 6 | 32 No Outdoor a | llowe | | | Premise | No | 2018 |
| Ventura County | No | Yes | 123 | 28 | 2 | 10 | 163 | 0 | | 1200 | Premise | No | 2016 |
| Yolo County | No | No | 68 | 7 | 1 | 18 | 94 | 0 | 600 | | Premise | Yes | 2016 |

Summary from study

EDC setbacks are significantly larger than any other county

All counties except EDC use LiveScan or State and have definitions and background checks that coincide with DCC/DOI

Background checks are objectively defined

Lighting is consistent across all counties except EDC (i.e. 25 watts sq/ft)

Several allow for on-site consumption

EDC has the lowest number of licenses issued when compared to other counties who legalized

Most counties allow non-volatile manufacturing to be done on site.

Only EDC defines parcel and premise as the same thing

Several counties consider cannabis an AG crop and AG manages the process

Many counties issue multi-year (up to 5) licenses

Every county except EDC allows for a specialty cottage license <= 2500 sq/ft

Fees should start when permit is actually usable

Resubmittal of entire application package is unecessary and should not be a requirement of renewal

Length of time to get permitted - Nevada County is 3-6 months

Allow for operations while fulfilling conditions with a deadline for completion

Remove November, 2019 variance language - This basically disallows anyone from moving to EDC to receive a CCUP that needs any kind of a waiver.

^{*}All data is from California Department of Cannabis Control website, or each individual county ordinance

| Lighting sq/ft | Owner Def | Backgrou | and Cultivation Tax Sq/ft or | Average |
|----------------|-----------|----------|------------------------------|--|
| | SOC | Yes | | 6-12 months |
| | SOC | Yes | \$1.4 | |
| 25 | SOC | Yes | 2.509 | |
| 25 | SOC | Yes | \$1.0 | 0 |
| 6 | Other | No | \$2.0 | 0 3-4 years |
| 25 | SOC | Yes | Suspended -2025 | 6-12 months |
| 25 | SOC | Yes | \$3.00 - Indoor | and the second second |
| 25 | SOC | Yes | %5 - on agenda to be low | ared |
| 25 | SOC | Yes | \$1.0 | Ò |
| | SOC | Yes | | |
| 25 | SOC | Yes | 2.509 | 6 |
| 25 | SOC | Yes | \$0.56 | 0 |
| 25 | SOC | Yes | \$1.0 | 0 |
| 25 | SOC | Yes | 2,509 | 6 3-6 months |
| 25 | SOC | Yes | | |
| 25 | SOC | Yes | \$3.0 | |
| | | | | 6 No available data at this time. Ordinance under review by Planning |
| | SOC | Yes | 1.009 | |
| | SOC | Yes | 4.009 | 6 12-18 months |
| | SOC | Yes | | |
| | SOC | Yes | 4.009 | |
| | 5OC | Yes | | 6 4-6 months |
| | SOC | Yes | \$0.7 | 5 |
| | SOC | Yes | | |
| 25 | SOC | Vac | | |

CHAPTER 130.41. - COMMERCIAL CANNABIS

Sec. 130.41.100 - Commercial Cannabis Activities Permitting and Enforcement.

- 1. Applicability.
 - a. The purpose of this Section is to provide for the permitting and enforcement procedures to regulate commercial cannabis activities that are independently authorized in a separate chapter. Nothing in this Section is intended to authorize any commercial cannabis activity.
 - b. While the ordinance from which this Section is derived was originally enacted by voters, the Board of Supervisors retains discretion to amend the ordinance in any way, including but not limited to all procedures provided herein, permit requirements, and penalties, without further voter approval.
- Definitions. The terms and phrases in this Section, any County Code authorizing a
 commercial cannabis activity, and <u>Chapter 3.22</u> (Taxation of Commercial Cannabis
 Activities) shall have the meaning ascribed below, unless the context in which they are
 used clearly suggests otherwise. For any term not defined, the definition shall be that given
 by the State in the most current cannabis statutes or regulations.

Cannabis means all parts of the plant Cannabis sativa Linnaeus, Cannabis indical or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, the sterilized seed of the plant which is incapable of germination, or "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. (Business and Professions Code Section 26001.)

Cannabis business means any person engaged in any commercial cannabis activity.

Cannabis products 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. (Health and Safety Code Section 11018.1; Revenue and Taxation Code Section 34010.)

Commented [1]: Cannabis Ruderalis is Hemp and not applicable to this discussion

Commented [2]: This is defined in Cannabis products below

Canopy means the designated area(s) at a 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. If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
- 2) 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 the space 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, hedgerow, garden plot, or other stable, semi_permanent structure that clearly demarcates the canopy edge.

Child care center means any licensed child care center, daycare center, childcare home, or preschool.

Place of worship means a structure or leased portion of a structure that is used primarily for religious worship and related religious activities.

Commercial cannabis activity includes 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, or donating to any other person regardless of whether the activity involves medicinal or adult recreational cannabis or cannabis products, is operated for profit, or is in compliance with State laws and regulations. "Commercial cannabis activity" does not include any activity expressly allowed under Business and Professions Code Section 26033, Health and Safety Code Section 11362.1, and County Code Title 130, Article 9, Section 130.14.260 (Outdoor Medical Cannabis Cultivation for Personal Use) or the transportation of cannabis or cannabis products through the County without delivery within the County on public roads by a transporter licensed under State law.

Commercial Cannabis Activities Tax means the tax due under this article for engaging in the commercial cannabis activities in the unincorporated area of the County.

Commercial cannabis operation includes all of the commercial cannabis activities performed at a premises by one person as a single operation regardless of the number of individual permits or State licenses required and regardless of whether the activity involves medicinal or adult recreational cannabis or cannabis products.

Cultivation or cultivating means the propagation, planting, growing, harvesting, drying, curing, grading, or trimming of one or more cannabis plants or any part thereof.

Delivery means the commercial transfer of cannabis or cannabis products to a customer and includes the use by a retailer of any technology platform. (California Business and Professions Code Section 26001.)

Distribution means the procurement, sale, and transport of cannabis and cannabis products between licensed cannabis businesses, but not the direct sale or transport to the general public.

Distributor means a person engaged in the distribution of cannabis and/or cannabis products between cannabis businesses.

Dried flower means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

Flowering means that a cannabis plant has formed a mass of pistils measuring greater than one half inch wide at its widest point.

Gross receipts shall have the same meaning as set forth in California Revenue and Taxation Code Section 6012.

Immature plant or immature 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 which is not flowering.

Indoor cultivation means the cultivation of cannabis within a permanent structure using exclusively artificial light or within any type of structure using artificial light at a rate above 25 watts per square foot.

Infusion means a process by which cannabis, cannabinoids, or cannabis concentrations are directly incorporated into a product formulation to produce a cannabis product.

Legal parcel means any parcel of real property that may be separately sold in compliance with the Subdivision Map Act (Division 2 (commencing with Government Code Section 66410) of Title 7 of the Government Code).

Manufacture means all aspects of the extraction and/or infusion processes, including processing, preparing, holding, storing, packaging, or labeling of cannabis, cannabis products, or other components and ingredients that is performed pursuant to a license issued by the California Department of Public Health's Manufactured Cannabis Safety Branch.

Mature plant means a cannabis plant that is flowering.

Medical or medicinal cannabis means cannabis grown for personal medicinal use by a qualified patient as defined in Health and Safety Code Section 11362.7 or a person with a valid cannabis identification card issued under Health and Safety Code Section 11362.71.

Mixed-light cultivation means the cultivation of mature cannabis in a greenhouse, hoophouse, glass house, conservatory, hothouse, or other similar structure using a combination of natural light or light-deprivation and artificial lighting at a rate of less than or equal to 25 (twenty five) six-watts per square foot or less.

Nursery means all activities associated with producing clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

Organic certification standards means the organic certification adopted by the California Department of Food and Agriculture for cannabis pursuant to Business and Professions Code Section 26062.

Outdoor cultivation means cultivation activities that are not conducted within a fully enclosed, permitted building, constructed of solid materials, accessible only through one or more locking doors.

Owner means any person that constitute an "owner" under the regulations promulgated by the Bureau of Cannabis Control and (1) a person with any ownership interest, however small, in the person applying for a permit, unless the interest is solely a security, lien, or encumbrance; (2) the chief executive officer of a nonprofit or other entity; (3) a member of the board of directors of a nonprofit entity; (4) a person who will be participating in the direction, control, or management of the person applying for a permit, including but not limited to a general partner of a partnership, a non-member manager or managing member of a limited liability company, and an officer or director of a corporation; or (5) a person who will share in any amount of the profits of the person applying for a permit or has a financial interest, as defined by the regulations promulgated by the Bureau of Cannabis Control, in the person applying for the permit.

Person means any individual, firm, partnership, joint venture, association, corporation, limited liability company, cooperative, collective, organization, entity, estate, trust, business trust,

Commented [3]: Change needed to allow propagation and nurseries. The existing code does not fill the gap and the state does.

Commented [4]: Remove this language and make our regulations follow the state regs.

receiver, syndicate, or any other group or combination acting as a unit, whether as principal, agent, employee, or otherwise, and the plural as well as the singular.

Premises means a single, legal parcel of property. Where contiguous legal parcels are under common ownership or control, such contiguous legal parcels may be counted as a single "premises."

Process or processing means all cannabis business activities associated with drying, curing, grading, trimming, storing, packaging, and labeling of raw cannabis, or any part thereof, for transport.

Processor means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and non manufactured cannabis products.

Propagate or propagation means to cultivate immature plants from cannabis plant cuttings or seeds.

Retail sale, sell, and to sell means any transaction whereby, for any consideration, title to cannabis or cannabis products is 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 cannabis permittee to the cannabis permittee from whom the cannabis or cannabis product was purchased.

School means an institution of learning for minors, whether public or private, offering a regular course of instruction required by the California Education Code. This definition includes a nursery school, kindergarten, elementary school, middle or junior high school, senior high school, or any special institution of education, but does not include a home school or vocational or professional institution of higher education, including a community or junior college, college, or university.

School bus stop means any location designated in accordance with California Code of Regulations, Title 13, Section 1238, to receive school buses, as defined in Vehicle Code Section 233, or school pupil activity buses, as defined in Vehicle Code Section 546. Testing laboratory or laboratory means a laboratory, facility, or entity in California that offers or performs tests of cannabis or cannabis products and that is accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state.

Transport or transportation means the transfer of cannabis from the licensed cannabis business site of one State commercial cannabis licensee to the State licensed cannabis business site of another State commercial cannabis licensee for the purposes of conducting

cannabis business activities as authorized pursuant to California Business and Professions Code Section 26000 et seq.

Treasurer-Tax Collector means the Treasurer-Tax Collector of the County of El Dorado, his or her deputies, unless another County officer or employee is assigned by resolution of the Board of Supervisors, to perform all or a portion of the duties as listed herein, in which case, the Treasurer-Tax Collector shall interpreted as the person defined in the resolution.

Watts per square foot means the sum of the maximum wattage of all lights identified in the designated canopy area(s) in the cultivation plan divided by the square feet of designated canopy area(s) identified in the cultivation plan.

Youth-oriented facility means any facility that caters to or provides services primarily intended for minors.

- 3. Permits Required. No person shall engage in any commercial cannabis activity in the unincorporated areas of the County without a valid Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit.
- 4. Commercial Cannabis Use Permit.
 - a) A Commercial Cannabis Use Permit shall be subject to <u>Article 5</u> of <u>Title 130</u> of the County Code (Application Forms, Submittal Process, and Fees), unless provided otherwise herein. It shall be treated as a Conditional Use Permit under <u>Section 130.52.021</u> (Conditional Use Permits), subject to the public hearing procedures and recommendation from the Planning and Building Director and decision by the Planning Commission.
 - b) Notice to Interested Parties, Cities, and Counties. Prior to the hearing before the Planning Commission, notice of the application shall be provided pursuant to Section 130.04.015. If a commercial cannabis activity is proposed within a one-half mile radius of an incorporated city or county, notice of 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.
 - c) No Commercial Cannabis Use Permit may be granted unless the applicant demonstrates compliance with all standards in the County Code and State law and regulations for the particular commercial cannabis activity. Any setback for a commercial cannabis activity may be reduced in a Commercial Cannabis Use Permit so long as the applicant demonstrates that the actual setback will substantially achieve the purpose of the required setback and that the parcel was owned or leased by the applicant before voter approval of the ordinance from which this Section is derived on November 6, 2018.
 - Issuance of a Commercial Cannabis Use Permit under this Chapter is a discretionary act requiring compliance with the California Environmental

Commented [LT5]: Remove this language. Unneeded as the original intent was to prevent new folks coming in and flooding the cultivation licenses.

Quality Act ("CEQA") and the applicant shall comply with <u>Article 5, Section 130.51.030</u> (Environmental Review). The applicant shall be responsible for all costs associated with CEQA compliance, including but not limited to environmental analysis and studies, preparation of the appropriate CEQA document, and all County staff time, including attorney time, spent reviewing and pursuing final adoption of the appropriate environmental document.

- e) Pursuant to <u>Article 5, Section 130.51.020</u> (Application Forms, Submittal Process, and Fees), application fees adopted by resolution of the Board of Supervisors shall be paid upon application submittal. Additional fees may be required subject to the provisions of the adopted fee schedule, such as for "time and material" fee categories.
- f) An application for a Commercial Cannabis Use Permit shall be submitted in accordance with <u>Article 5, Section 130.51.020</u> (Application Forms, Submittal Process, and Fees) and, in addition to any information requested by the Planning and Building Department, shall include:
 - The name, contact address, and phone number of the applicant and all owners, as defined above, and spouses or registered domestic partners of owners, all documents providing for the establishing and ownership and control of the applicant, including but not limited to operational agreements, bylaws, stock agreements, and any other documents demonstrating the ownership interest of each owner and any other funding sources for the applicant.
 - ii) Consent to a background check of all owners, spouses of owners, and the Designated Local Contact, including providing the information necessary for performing the background check and fingerprinting. The Sheriff's office shall use resources currently available to them which could include but are not limited to CA DOJ background checks. In order to expedite the process, the Sheriff's office has no more than 45 days after receipt of background check application to make their recommendation to the county planning department. The Sheriff's Office has the discretion to waive a fingerprinting if the individual owns five percent or less of the business.
 - iii)ii) If the applicant is not the record title owner of the parcel, written consent of the owner of the parcel with original signature and notary acknowledgement. The written consent must be notarized within 30 days of the date that the application is submitted with the County.
 - iv)iii) Name and contact information for the Designated Local Contact.
 v)iv) Site plan showing the entire parcel, including any easements, streams, springs, ponds, and other surface water features and the location and area for cultivation on the parcel with dimensions of the area for cultivation and setbacks from property lines, if applicable.
 The site plan shall also include all areas of ground disturbance or surface water disturbance associated with cultivation activities, if

Commented [6]: Suggestion for thought. Nevada county and others have done a county wide EIR. It does take time and there is a cost. However, this cost could be quickly recovered and turn into a profit center. Reasoning for this is current process is extremely costly and will by default many applicants. The goal of this is to allow farmers to enter the market easily and inexpensively. Also, this would allow for fee's to reflect actual costs as fee's currently are based on an hourly rate that is significantly more that the county employee's salary

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Commented [7]: If the spouse or designated local contact meets newly defined owner criteria, then this is not needed

Commented [8]: Lots to discuss here, but short version is the sherif's office has been trying for 4+ years to get special background check process and been rejected 3 times. Lot's more.

Commented [9]: Remove as the EDSO will not waive this. Also moot if we follow state guidelines

- applicable, and identify any areas where cannabis will be stored, handled, or displayed.
- Detailed explanation of how the applicant will prevent theft and access to cannabis and cannabis products by individuals under the age of 21 unless the individual has a valid medical cannabis card and is lawfully purchasing medicinal cannabis from a licensed retailer.
- vii)vi) Proof that the operations will comply with all of the County regulations and standards in the County Code for the particular commercial cannabis activity and any other applicable County regulations and standards, including but not limited to <u>Title 130</u>, Chapter 130.36 (Signs).
- viii)vii) Proof that the operations will comply with all State standards and regulations by all State agencies with jurisdiction over the particular commercial cannabis activity, including submission of a copy of all documents and exhibits that are required for a State license.
- An operating plan demonstrating proper protocols and procedures that address enforcement priorities for cannabis activities, including 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.
- x)(x) If applicable, description of how the applicant will meet and maintain organic certification standards or the substantial equivalent or, if pesticides and fertilizers are used, a list of all pesticides and fertilizers that may be used.
- xi) [f applicable, written acknowledgement that the County reserves the right to reduce the size of the area allowed for cultivation under any permit issued in the event that environmental conditions, such as a sustained drought or non-compliant odor, merit a reduction in the cultivation size.
- xii)x) Complete copy of the State license application, including all exhibits, diagrams, and attachments, along with a certification under penalty of perjury that the copy provided is accurate and that the County will be notified in writing immediately if any information provided to the State differs from what was provided to the County.
- The security plan for the operation that includes adequate lighting, security video cameras with a minimum camera resolution of 1080 pixels and 360 degree coverage, alarm systems, and secure area for cannabis storage. The security plan shall include a requirement that there be at least 90 calendar days of surveillance video (that captures both inside and outside images) stored on an ongoing basis and made available to the County upon request. The County may require real-time access of the surveillance video for the Sheriff's Office. The video system for the security cameras must be located in a locked, tamper-proof compartment. The security plan shall remain confidential.

Commented [10]: Removed. Not applicable for any other agricultural product in the county.

Detailed diagrams of the premises, including any buildings, structures, fences, gates, parking, lighting, and signage.

Certification of the accuracy of the information submitted and agreement to comply with all conditions of the permit.

- g) No Commercial Cannabis Use Permit may be issued until a background check of all owners and the Designated Local Contact is completed with review and recommendation by the Sheriff's Office, including but not limited to criminal history, fingerprinting, and any pending charges. The applicant shall be responsible for the cost of the background check. The County may deny an application based on the results of a background check if the County determines that information in the background check makes it more likely than not that any amount of funding for the operation will be or was derived from illegal activity or because the criminal history or other information discovered in the background check of an owner or spouse of an owner weighs against the owner's trustworthiness or ability to run a legal business in compliance with all regulations, including but not limited to the risk of involvement or influence by organized crime, prior convictions involving controlled substances or violent crimes, the likelihood that sales and income will not be truthfully reported, or the risk that cannabis will be illegally provided or sold to individuals under the age of 21.
- Concentration of commercial cannabis activities and proximity to an existing or proposed commercial cannabis activity shall be considered in determining whether to grant a Commercial Cannabis Use Permit.
- i) At a minimum, a Commercial Cannabis Use Permit shall include:
 - The name of all owners.
 - The single commercial cannabis activity authorized in the permit, including any site specific restrictions or conditions of approval under <u>Section 130,51.060</u> (Conditions of Approval).
 - iii) If applicable, statement that the County reserves the right to reduce the size of the area allowed for cultivation under any permit issued in the event that environmental conditions, such as a sustained drought or non-compliant odor, merit a reduction in the cultivation size.
 - iv) Condition of approval that the permittee and all owners shall defend, indemnify, and hold hamiless the County of El Dorade and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by affected property owners or other third parties due to the issuance of a permit or the commercial cannabis activities and for any claims brought by any person for problems, injuries, damages, or liabilities of any kind that may arise out of the issuance of a permit or the commercial cannabis activities.

Ajiii) Consent for onsite inspection by County officials during the permittee's regular business hours and outside of the permittee's regular business hours if the County has reason to believe that Commented [11]: Change to match CA state pass/fail requirement.

Commented [12]: Removed per above. Not done for any other agricultural crop in EDC

violations are occurring outside of regular business hours. With reasonable notice and an appointment,

- vi)iv) Indication of whether the Commercial Cannabis Use Permit is for approval of a commercial activity involving cannabis for medicinal, adult-use recreational, or both. A single Commercial Cannabis Use Permit may allow for a commercial activity involving both medicinal and adult-use recreational cannabis provided that the operation is consistent with State law and regulations.
- Name and contact information for the Designated Local Contact.

 Condition of approval requiring timely payment of the Commercial
 Cannabis Activities Tax and all other applicable County taxes and
 assessments, including providing information related to such taxes
 and assessments to the County Treasurer-Tax Collector and
 Assessor upon request.
- j) Authorization may not be provided to the appropriate State licensing agency for an annual State license unless the County has issued a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit.

5. Commercial Cannabis Annual Operating Permit.

- A. In addition to a discretionary Commercial Cannabis Use Permit, a person may only conduct a commercial cannabis activity if the person obtains a Commercial Cannabis Annual Operating Permit. When a Commercial Cannabis Use Permit is first issued, the Building and Planning Department shall also issue a Commercial Cannabis Annual Operating Permit, subject to annual renewals. A Commercial Cannabis Annual Operating Permit is valid for one year from the date of issuance and may be renewed after staff-level review with public notice as provided for in Chapter 130.50 (Application Filing and Processing) of this Title.
- B. In addition to any other information or documentation requested by the County Planning and Building Department, an application for renewal of a Commercial Cannabis Annual Operating Permit shall include all of the information required for a Commercial Cannabis Use Permit, noting any changes from the information submitted with the original application, and the complaint report required under Section 9(B) (Designated Local Contact) below in this Section. The applicant must demonstrate continued compliance with all County and State regulations and site specific conditions in the Commercial Cannabis Use Permit or Commercial Cannabis Annual Operating Permit. If the applicant is not the record title owner of the parcel, an updated written consent of the owner of the parcel with original signature and notary acknowledgement must be provided and be notarized within 30 days of the date that the renewal application is submitted with the County.
- C. A Commercial Cannabis Annual Operating Permit shall not be issued if the applicant owes any delinquent Commercial Cannabis Activities Tax or any other fines, violations, assessments, fees, costs, or amounts related to the commercial cannabis activity. Prior to issuance, Building and Planning Department shall notify the Sheriff's Office and Code Enforcement of the application and request information on any resolved or pending complaints or violations.

- D. If taxes under <u>Chapter 3.22</u> (Taxation of Commercial Cannabis Activities) for cultivation of cannabis are assessed based on square footage, taxes shall be calculated based on the maximum square footage stated in the Commercial Cannabis Annual Operating Permit. If a permittee does not intend to cultivate the entire square footage permitted in a Commercial Cannabis Use Permit in any given year, the permittee must request a reduction in square footage in the application for a Commercial Cannabis Annual Operating Permit. Failure to request a reduction in the application will result in taxes being assessed on the square footage stated in the Commercial Cannabis Use Permit. <u>Remove sq/ft tax</u>. <u>Tax should be charged on gross sales for retail/wholesale (Nursery) and net sales (after expenses) for cultivation (like any other business).</u>
- E. A Commercial Cannabis Annual Operating Permit is not transferrable and automatically expires upon any change of ownership to the applicant that results in a new owner or owners or new funding source. Before or upon the transfer of the business or addition of a new owner, an application for a new Commercial Cannabis Annual Operating Permit must be submitted. While the Commercial Cannabis Use Permit may be transferred, upon issuance of the new Commercial Cannabis Annual Operating Permit, conditions to the Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit may be added or removed. The Director of Planning and Building may require a decision by the Planning Commission to impose any new conditions or remove any existing conditions of a Commercial Cannabis Use Permit or Commercial Cannabis Annual Operating Permit under this subsection consistent with Article 5, Section 130.54.070 (Revisions to an Approved Permit or Authorization). Revise to allow transfer of business to follow state guidelines. There must be a plan of succession.

6. Out-of-County Delivery and Distribution of Commercial Cannabis.

- A. This Section applies to any person located outside of the unincorporated areas of the County who delivers or distributes commercial cannabis to a physical location in an unincorporated area of the County as part of a legal commercial cannabis activity. No person operating a commercial cannabis retail or distribution facility located outside of the unincorporated area of the County may deliver or distribute commercial cannabis within the unincorporated area of the County without a valid business license under Chapter 5.08 (License Requirements and Procedure).
- B. Cannabis delivery hours in the County are limited to commencing at <u>68</u>:00 a.m. and ending at 8:00 p.m. Any delivery must be initiated by a customer by <u>10</u>7:00 p.m. These restricted hours apply regardless of whether the sale originates within or outside of the County.
- C. The Commercial Cannabis Activities Tax shall be paid for the sale of all commercial cannabis delivered or distributed within El Dorado County regardless of where the retail or distribution facility is located.

7. Revocation After Three Violations. In addition to revocation of a Commercial Cannabis Use Permit or Commercial Cannabis Annual Operating Permit under <u>Article 5, Section 130.54.090</u> (Revocation or County Mandated Modification of a Permit), upon receipt of any combination of

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three administrative citations, verified violations, or hearing officer determinations of violation of any of the permit requirements or standards issued to one or more of the owners or operators at any property or combination of properties of one or more of the same owners or operators within a two-year period, the Commercial Cannabis Annual Operating Permit shall be nullified, voided, or revoked, subject to prior notice and appeal under <u>Section 130.54.090</u> (Revocation or County Mandated Modification of a Permit) and the Commercial Cannabis Use Permit may be revoked, subject to prior notice and appeal under <u>Section 130.54.090</u>. Upon revocation, an application for a Commercial Cannabis Annual Operating Permit to reestablish a cannabis operation by one or more of the same owners or operators or at the subject property shall not be accepted for a minimum period of two years. If only the Commercial Cannabis Annual Operating Permit is revoked under this Section, reissuance shall be subject to the procedures to issue a Commercial Cannabis Use Permit, including hearing before and decision of the Planning Commission and any new or amended conditions may be added to the Commercial Cannabis Use Permit. <u>Needs to be reworded such that since this is a new business to the county that unless gross willful violations occur, there needs to be a period of time to allow for all to get into compliance.</u>

8. Monitoring Program. All Commercial Cannabis Annual Operating Permits shall require the applicant's participation in a County-run monitoring program. The monitoring program shall be funded by applicants and will be used to conduct site visits and inspections of all commercial cannabis activities and verify compliance, including but not limited to all requirements of County Code and any site specific permit conditions and State regulations, including the State track-and-trace requirements. The Board of Supervisors shall by resolution or ordinance adopt such fees necessary to implement this monitoring program. The annual monitoring program fees shall be collected yearly at the time of renewal of the Commercial Cannabis Annual Operating Permit. These costs should reflect actual costs. Between CAOP, Taxes, etc the operation is already taxpayer neutral. There does not need to be additional monitoring charges assessed.

9. Designated Local Contact.

- A. No Commercial Cannabis Use Permit or Commercial Cannabis Annual Operating Permit may be issued unless a current name and contact information for a Designated Local Contact is included. The Designated Local Contact must be available by telephone on a 24-hour basis, seven days per week and be able to respond to the County within two hours and corrective action, if required, must be completed within the time requested by the County.
- B. No less than one week before commercial cannabis operations commence, the permittee must notify the property owners and residents of property located within 1,000 feet of the perimeter of the parcel(s) upon which the commercial cannabis operations will occur and provide the name and contact information for the Designated Local Contact. Complaints made to the Designated Local Contact by any member of the public must be responded to within 24 hours of the initial complaint and corrective action, if required under any State or local law or regulation, must commence within a reasonable time based on the nature of the corrective action required. Complaints by any member of the public shall be logged in writing and the complaint log, including any corrective action taken, shall be provided to the Building and Planning Department annually with the application to renew the Commercial Cannabis Annual Operating Permit.

Commented [13]: This is not reasonable. Being available 24/7 with a 2 hour response does not allow for vacation, activities, etc. Cannot hire an answering service as an error could cause for lack of license.

Commented [14]: All neighbors know who the local contact is, etc. No need to bombard them with too much information.

- C. The permittee must immediately notify the County and owners and residents covered property owners and residents of property located within 1,000 feet of the perimeter of the parcel(s) upon which the commercial cannabis operations occur of any change to the Designated Local Contact or change to the telephone number for the Designated Local Contact.
- D. The failure to comply with any requirement of this Section constitutes a violation subject to enforcement under this Chapter.

10. Criminal Enforcement.

- A. Any person who engages or attempts to engage in any commercial cannabis activity without the required County permits, owns the property upon which a commercial cannabis activity is conducted without the required County permits, or otherwise violates or attempts to violate any of the provisions of the County's commercial cannabis activities ordinances can be charged with a misdemeanor or infraction at the discretion of the District Attorney.
- B. If charged as a misdemeanor, the violation shall be punishable by a fine not to exceed \$1,000.00 or by imprisonment in the County jail for a term not exceeding six months or by both such fine and imprisonment. If charged as an infraction, the violation shall be punishable by a fine not exceeding \$100.00 for the first violation, \$250.00 for the second violation within one year, and \$500.00 for each additional violation within one year. Each and every day, or portion of a day, that a violation exists may be charged as a separate offense.

11. Administrative Enforcement and Abatement.

- A. In addition to criminal enforcement and potential revocation of a Commercial Cannabis Use Permit or Commercial Cannabis Annual Operating Permit, a violation of this Section, violation of any County or State rule, regulation, or law governing the particular commercial cannabis activity, or violation of a condition in a Commercial Cannabis Use Permit or Commercial Cannabis Annual Operating Permit shall be deemed a public nuisance and shall be subject to enforcement as provided herein and the provisions of <u>Chapter 9.02</u> (Code Enforcement). Pursuant to <u>Section 9.02.020(B)</u>, the higher fines of this Section shall control in any administrative enforcement action.
- B. A notice to correct or notice to abate issued under <u>Chapter 9.02</u> shall provide 72 hours for the responsible person to correct or abate the violation and shall identify the administrative fines of this Section if the violation is not corrected or abated within 72 hours.
- C. Fines for Persons Operating with a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit:
 - a. For any violation by a person who has been issued a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit and who does not correct the violation within the 72-hour notice to correct, an administrative fine of \$1,000.00 per day, per violation will accrue for each and every day, or portion of a day, that a violation exists.
 - b. Once a notice to abate is issued and the time to abate provided in the notice has expired or a decision of a Hearing Officer requires abatement and the time to abate provided in the decision has expired, the fine shall increase to \$2,500.00 per day, per violation for each and every day, or portion of a day, that a violation exists.

- c. For a second violation within the 12-month period commencing from the date of a prior administrative citation by the same person or on the same premises if the property owner remains the same, the administrative fine shall be \$5,000 per day, per violation for each and every day, or portion of a day, that a violation exists.
- d. For a third violation within the 12-month period commencing from the date of the first administrative citation by the same person or on the same premises if the property owner remains the same, the administrative fine shall be \$10,000.00 per day, per violation for each and every day, or portion of a day, that a violation exists.
- D. Fines for Persons Operating a Commercial Cannabis Activity Without a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit:
 - a. For any violation by a person who has not been issued a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit and who does not correct the violation within the 72-hour notice to correct, an administrative fine of \$5,000.00 per day, per violation will accrue for each and every day, or portion of a day, that a violation exists.
 - b. Once a notice to abate is issued and the time to abate provided in the notice has expired or a decision of a Hearing Officer requires abatement and the time to abate provided in the decision has expired, the fine shall increase to \$10,000.00 per day, per violation for each and every day, or portion of a day, that a violation exists.
 - c. For a second violation within the 12-month period commencing from the date of a prior administrative citation by the same person or on the same premises if the property owner remains the same, the administrative fine shall be \$25,000.00 per day, per violation for each and every day, or portion of a day, that a violation exists.
 - d. For a third violation within the 12-month period commencing from the date of the first administrative citation by the same person or on the same premises if the property owner remains the same, the administrative fine shall be \$50,000.00 per day, per violation for each and every day, or portion of a day, that a violation exists.
 - e. If the violation is for operating without a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit, the fine shall be tolled from the date the application is submitted until the permit is granted or denied by the County provided that all fines accrued prior to the date the permit is submitted are paid with the permit. If the violation is for failure to comply with the regulations of the County Code for the particular commercial cannabis activity, the fines shall not be tolled during the period that an application for a commercial cannabis activity permit is under review.
- E. Each plant cultivated outside of the square footage provided for in the Commercial Cannabis Annual Operating Permit shall be deemed a separate violation. The determination of the plants outside of the permitted square footage shall be made with reference to the cultivation site plan submitted with an application. Each retail sale or attempted retail sale of cannabis shall be deemed a separate violation.
- F. Notwithstanding <u>Section 9.02 390</u>, a request for an administrative hearing under <u>Chapter 9.02</u> must be made within three days of service of the notice to correct, administrative citation, or notice to abate and the hearing shall be held within five days of the request for a hearing.
- G. The decision of the Hearing Officer under <u>Section 9.02.440</u> shall be issued within five days of completion of the hearing.

- H. A notice to abate or decision of a Hearing Officer requiring abatement shall provide that, if any plants cultivated under this Section are removed as part of the abatement action because they are in excess of the allowable square footage, the responsible person may decide which plants will remain so long as the remaining plants are in compliance with the Commercial Cannabis Annual Operating Permit. The notice to abate shall require the responsible person to identify the plants to remain within the 72-hours provided in the notice to abate or the time provided for in the decision by the Hearing Officer. If the responsible person does not identify the plants to remain in writing within the time provided, the enforcement official shall determine, in his or her sole discretion, which plants will remain.
- Unless a notice is personally served, any notice provided under this Section shall be mailed under <u>Section 9.02.120</u> and posted conspicuously on or in front of the business or cultivation site, or other place reasonably anticipated to provide notice to the responsible person.
- J. The remedies provided herein are cumulative to all other administrative, civil, and criminal remedies now or hereafter available to abate or otherwise regulate or prevent public nuisances or criminal activity.
- K. All County officers with authority to enforce this Code shall also have the authority to enforce this Section.
- 12. No Authorization, Defense, or Immunity. The issuance of a permit under this Chapter shall not confer on any person the right to maintain a public or private nuisance or to authorize or facilitate any violation of State or Federal law. Except for enforcement actions arising out of this Chapter, no provision of this Chapter shall be deemed a defense or immunity to any action brought against any person by the District Attorney, the State of California, the United States, or any other person. Nothing in this Section shall be construed to authorize or facilitate a commercial cannabis activity that is otherwise illegal under State or Federal law.
- 13. No Duty to Enforce. Nothing in this Section shall be construed as imposing on the Sheriff, the District Attorney, or the County any duty to abate any unlawful commercial cannabis activity, to prosecute a violation of County Code, or to take any other action with regard to any unlawful commercial cannabis activity. Furthermore, the Sheriff, District Attorney, County, and any of their officers or employees shall not be held liable for failure to abate any unlawful commercial cannabis activity, to prosecute a violation of this Section, or to take any other action with regard to any unlawful commercial cannabis activity.
- 14. Ordinance Declarative of Existing Law. <u>Article 2, Chapter 130.20</u> of the El Dorado County Zoning Ordinance provides that only uses specifically enumerated are permitted and, unless an exemption applies, any unenumerated use is not allowed within the County. Nothing in this Chapter shall be construed to legalize any existing commercial cannabis activity currently operating in the County, whether it is operating with or without a business license.
- 15. Severability. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Chapter or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Chapter or any part thereof. The Board of Supervisors hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence,

Commented [15]: Removed as cannabis is federally illegal.

clause, or phrase of this Chapter irrespective of whether one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases is held invalid or ineffective.

16. Implementation. The Planning and Building Department shall have applications available to the public no later than September 30, 2019. The Board of Supervisors may grant an extension of the time to have permits available or any other aspect of implementation based on a finding of unforeseen circumstances, changes in State or Federal law, lack of sufficient funding, or other reason necessitating an extension. Pursuant to California Government Code Section 25125, the amendments to the ordinance from which this Section is derived shall become effective 30 days from the date of final passage.

(Ord. No. <u>5109</u>, § 1, 9-10-2019; Ord. No. <u>5123</u>, § 1, 6-9-2020)

Sec. 130.41.200 - Outdoor and Mixed-Light Cultivation of Commercial Cannabis.

- 1. Applicability.
 - a. The purpose of this Section is to permit certain specified commercial cannabis activities and uses in the unincorporated areas of the County, subject to the regulation and control of the Board of Supervisors. While the ordinance from which this Section was derived was originally enacted by voters, the Board of Supervisors retains discretion to regulate such uses, including without limitation the density, intensity, number, proximity, location, and environmental standards of such uses without further voter approval.
 - b. Cannabis is not an agricultural crop or product with respect to the "right to farm" ordinance in <u>Article 4</u>, <u>Section 130.40.290</u> (Right to Farm), the establishments of Agricultural Preserves under <u>Section 130.40.290</u>, or any other provision in this Code that defines or allows cultivation of crops or agricultural products and nothing in Chapter 130.41 shall be construed to the contrary.
 - This Section applies regardless of whether commercial cannabis is cultivated for medicinal or recreational adult use.
- Definitions. The terms and phrases in this Section shall have the meaning ascribed to them in <u>Section 130.41.100(2)</u>, unless the context in which they are used clearly suggests otherwise.
- 3. Limit on the Number of Commercial Cannabis Operations. The maximum number of commercial cannabis cultivation operations in the unincorporated portions of the County shall be limited to 150. A minimum of 75 of the total 150 cannabis cultivation operations are reserved for outdoor or mixed-light cultivation operations that are less than 10,000 square feet in total canopy area, with 40 of the 75 reserved for operations limited to cultivation canopy of 3,000 square feet or less and cannabis that is grown exclusively with natural light and meets organic certification standards or the substantial equivalent. This Section sets the maximum possible permits only and nothing in this Section shall be construed to require the County to issue a minimum or the maximum number of permits.
- 4.3. Indoor, Outdoor and Mixed-Light Commercial Cannabis Cultivation.
 - a. Permitted Zones. Outdoor or mixed-light commercial cannabis cultivation may only be permitted in the Rural Lands (RL), Planned Agricultural (PA), Limited Agricultural (LA), and Agricultural Grazing (AG) zoned districts subject to a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit under Section 130.41.100. This Section allows outdoor or mixed-light commercial cannabis cultivation as a new use authorized by this Section only.
 - b. 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.
 - c. 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 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.

Commented [16]: Cannabis is an agricultural crop and the finding of the Ag Commission on the Williamson Act re: existing contracts. However, the Ag Commission finding gives them approval power over applications with Williamson Act contracts. The Planning Commission should be the only entity with approval power.

Commented [17]: There are less that 20 applicants currently. There does not need to be a limit as to how many licenses.

- i. Lots zoned RL with a minimum premises of ten 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 10,000 square feet of total canopy coverage for that premises, including any designated nursery area with mature plants and excluding any designated nursery area with only immature plants.
- iii. Lots zoned AG, LA, and PA with a premises between ten and 14.9 acres in area: Up to 1.5 percent of the size of the premises per outdoor or mixedlight cultivation operation with a maximum of two outdoor or mixed-light cultivation operations, but not to exceed 0.45 acres of total canopy coverage for that premises, excluding any nursery area.
- iii. Lots zoned AG, LA, and PA with a premises between 15 and 25 acres in area: Up to two percent of the size of the premises per outdoor or mixedlight cultivation operation with a maximum of four outdoor or mixed-light cultivation operations, but not to exceed 1.5 acres of total canopy coverage for that premises, excluding any nursery area.
- iv. Lots zoned AG, LA, and PA 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 two acres of total canopy coverage for that premises, excluding any nursery area.
- Retail sale. Retail sale of cannabis shall not occur on any premises where cultivation occurs unless authorized pursuant to state law and regulations.

5.4. Cultivation Standards.

- a. 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 Commercial Cannabis Annual Operating Permit, or these requirements is subject to enforcement, abatement, and revocation of a County permit under Section 130.41.100 (Commercial Cannabis Activities Permitting and Enforcement) and Section 130.54.090 (Revocation or County Mandated Modification of a Permit).
- b. Location. Outdoor or mixed-light commercial cannabis cultivation shall not be located within 1,500 feet from any school, school bus step, 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.
- c. ¡Setbacks. Outdoor or mixed-light cultivation of commercial cannabis shall be setback a minimum of 800 feet from the property line of the site or public right-ofway and shall be located at least 300 feet from the upland extent of the riparian vegetation of any watercourse.

Commented [18]: This needs to be re-addressed. 2 and 3 can and should be removed. On 4, state law does not limit grow size operations and neither should the county.

Commented [19]: State laws are changing so we should mimic what the state allows.

Commented [20]: Too restrictive and kids are not going to go into a cannabis field over 1/4" mile away

Commented [21]: In this county with the landscape (mountainous), it is nearly impossible to meet these setbacks. Suggest this be changed to 200' (Can tie it to Odor Analysis/Mitigation). The other setbacks re schools/businesses is currently set at 1500 feet which further disallows cannabis business to be started.

- d. 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. Users of field olfactometer equipment shall be certified by independent third parties entities that certify regulators as having average olfactory senses. 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 includes 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. 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 of a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit under Section 130.41.100 and Article 5, Section 130.54.090 (Revocation or County Mandated Modification of a Permit).
- e. Water Source. Commercial cannabis cultivation may only be permitted if 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. 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.
- f. 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 underground 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.
- g. Screening. Cannabis shall be screened from public view so that no part of a plant can be seen from an adjacent street or adjacent parcel. Screening shall be accomplished by enclosure within a greenhouse or hoop house or by use of fencing

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- or vegetation. All greenhouses, hoop houses, and fences shall comply with all building and zoning codes and any other applicable law or regulation. Greenhouses and hoop houses are the preferred means of screening.
- h. 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 at all times except to provide immediate entry and exit. A chain link fence is not sufficient for screening. Fencing may not be covered with plastic or cloth except that neutral-colored shade cloth may be used on the inside of the fence.
- i. Renewable Energy. Electrical power for outdoor or mixed-light cultivation operations, including but not limited to illumination, heating, cooling, water supply, and ventilation, shall be provided by on-grid power with a 100 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. Generators may be used as a secondary back-up power source pursuant to a valid permit from the El Dorado County Air Quality Management District. Impacts from generator use will also be considered in the environmental analysis and site specific restrictions and conditions may be imposed to mitigate those impacts, including conditions to minimize noise.
- j. 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 twenty fivesix watts per square foot or less. For outdoor and mixed-light commercial cannabis cultivation, security lighting shall be motion activated and all outdoor lighting shall comply with Article 3, Chapter 130.34 (Outdoor Lighting).
- k. 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 and Commercial Cannabis Annual Operating Permit. Until the California Department of Food and Agriculture adopts a organic certification standards, the County Agricultural Commissioner shall determine whether a particular operation satisfies substantially equivalent organic criteria. Documentation of all pesticides used shall be presented each year as part of the Commercial Cannabis Annual Operating Permit. 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.
- 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.
- m. 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, porta-pottie or have

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- restroom facilities deemed appropriate by the Director of the Environmental Management Department, or his or her authorized designee(s).
- n. Recommendation of the Agricultural Commission. An application for a Commercial Cannabis Use Permit for outdoor or mixed-light cultivation must be reviewed by the Agricultural Commission and the recommendation of the Agricultural Commission, including any suggested conditions or restrictions, shall be forwarded to and considered by the Planning Commission.

6.5. Commercial Cannabis Nurseries.

- a. A Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit for a commercial cannabis nursery shall be subject to all of the restrictions and requirements in this <u>Section 130.41.200</u> for any activities of the nursery that will be conducted outdoors or in mixed-light and all of the restrictions and requirements in <u>Section 130.41.300</u>(4) and (5) for all activities of the nursery that will be conducted indoors.
- b. A Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating 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. Notwithstanding this section, Indoor and outdoor cultivators may propagate immature plants from seeds or clones for use only within their cultivation operations without nursery permit. The County may place restrictions on such square footage to maintain consistency with other laws, surrounding commercial uses, and neighborhood compatibility.
- Nursery activities may not be permitted in a residential dwelling or accessory structure connected to a residential dwelling.

7-6. Commercial Cannabis Processors.

- a. A Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit for a commercial cannabis processor shall be subject to all of the restrictions and requirements in this <u>Section 130.41.200</u> for any activities of the processor that will be conducted outdoors or in mixed-light and all of the restrictions and requirements in <u>Section 130.41.300(4)</u> and (5)(A) for all activities of the processor that will be conducted indoors.
- b. The County may place restrictions on square footage for commercial cannabis processing activities to maintain consistency with other laws, surrounding commercial uses, and neighborhood compatibility. Commercial cannabis processing activities may not be permitted in a residential dwelling or accessory structure connected to a residential dwelling.
- 8-7. Ordinance Declarative of Existing Law. <u>Article 2, Chapter 130.20</u> of the El Dorado County Zoning Ordinance provides that only uses specifically enumerated are permitted and, unless an exemption applies, any unenumerated use is not allowed within the County. Nothing in this Chapter shall be construed to legalize any existing commercial cannabis activity currently operating in the County, whether it is operating with or without a business license.

Commented [24]: Language added to allow for on premises propagation without a special nursery license.

- 9-8. Severability. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Chapter or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Chapter or any part thereof. The Board of Supervisors hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Chapter irrespective of whether one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases is held invalid or ineffective.
- amendments to the ordinance from which this Section is derived shall become effective 30 days from the date of final passage. If the general tax passed by the voters of El Dorado County in the November 2018 election, now codified at Chapter 3.22, is challenged or invalidated for any reason, no new Commercial Cannabis Use Permits or Commercial Cannabis Annual Operating Permits may be issued for commercial cannabis activities authorized under this Section unless and until the challenge concludes and the tax is upheld as valid or a new tax of greater or equal amount is enacted. If any general tax for commercial cannabis activities is repealed or invalidated for any reason, this Section shall automatically expire and be repealed unless and until a new tax of greater or equal amount is enacted.
- (Ord. No. <u>5110</u>, § 2, 9-10-2019)
- Sec. 130.41.300 Retail Sale, Distribution, Indoor Cultivation, Laboratory
 Testing, and Manufacturing of Commercial Cannabis.
- 1. Applicability.
 - a. The purpose of this Section is to permit certain specified commercial cannabis activities and uses in the unincorporated areas of the County, subject to the regulation and control of the Board of Supervisors. While the ordinance from which this Section is derived was originally enacted by voters, the Board of Supervisors retains discretion to regulate such uses, including without limitation the density, intensity, number, proximity, location, and environmental standards of such uses without further voter approval.
 - b. Cannabis is not an agricultural crop or product with respect to the "right to farm" ordinance in <u>Article 4</u>, <u>Section 130.40.290</u> (Right to Farm), the establishments of agricultural preserves under <u>Section 130.40.290</u>, or any other provision in this Code that defines or allows cultivation of crops or agricultural products and nothing in this Chapter shall be construed to the contrary.
 - e. This Section applies regardless of whether commercial cannabis is cultivated for medicinal or recreational adult use.
- Definitions. The terms and phrases in this Section shall have the meaning ascribed to them in <u>Section 130.41.100(2)</u>, unless the context in which they are used clearly suggests otherwise.

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- 3. Limit on the Number of Commercial Cannabis Cultivation Operations. The maximum number of commercial cannabis cultivation operations in the unincorporated portions of the County shall be limited to 150. This Section sets the maximum possible permits only and nothing in this Section shall be construed to require the County to issue a minimum or the maximum number of permits.
- 4. General Requirements.
 - a. In addition to any State requirements, the requirements in this Section are applicable to all commercial cannabis activities authorized under this <u>Section 130.41.300</u>. Any violation of State regulations, site specific requirements in a Commercial Cannabis Use Permit or Commercial Cannabis Annual Operating Permit, or the requirements in this <u>Section 130.41.300</u> is subject to enforcement, abatement, and revocation of a County permit under <u>Section 130.41.100</u> and <u>Article 5. Section 130.54.090</u> (Revocation or County Mandated Modification of a Permit).
 - b. Odor. Commercial cannabis activities, including but not limited to cultivating, drying, curing, processing, manufacturing, testing, and storing of cannabis, shall not adversely affect the health, safety, or enjoyment of property of persons residing near the property on which the commercial cannabis activity occurs 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 commercial cannabis activity occurs 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 a commercial cannabis activity 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 activated carbon filtration or equivalent odor abatement control equipment on 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. 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 of the Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit under Section 130.41.100 and Article 5, Section 130.54.090 (Revocation or County Mandated Modification of a Permit).
 - c. Location. A commercial cannabis activity authorized under this Section shall not be located within 1,500 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. With the exception of the Meyers Community Center (MAP-1) zoning district, a commercial cannabis activity authorized under this Section shall not be established on any parcel containing a dwelling unit used as a residence or within 500 feet of a residential zoning district. Distance shall be measured from the nearest point of the property line of the premises that contains the commercial cannabis activity to the

Commented [25]: Same comments as above in Outdoor. Must be a objective, certified test nearest point of the property line of the enumerated use using a direct straight-line measurement. For the Meyers Community Center (MAP-1) zoning district, proximity to a residence shall be evaluated to determine compatibility of the proposed use. 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.

- d. Screening. Commercial cannabis activities authorized under this Section shall be screened from public view so that no part of a plant can be seen from an adjacent street or adjacent parcel. Coverings on any windows may not be made of tarps, canvas, tinfoil, or other fabrics affixed directly to the wall or window.
- Lighting. Security lighting for any building utilized for commercial cannabis activities authorized under this Section shall be motion activated and all outdoor lighting shall comply with <u>Article 3</u>, <u>Chapter 130.34</u> (Outdoor Lighting).
- f. 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.
- g. Public Sewer or Sewage Disposal System. The premises where commercial cannabis activities authorized under this Section take place shall either be connected to a public sewer system or have a County inspected and approved sewage disposal system.
- h. 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.
 - Notification to Sheriff's Office. As a condition of any Commercial Cannabis Use Permit for an activity authorized under this Section, the County may require the permittee to notify the Sheriff's Office before transporting cannabis within the unincorporated areas of the County.
- Fig. 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.j. Retail Sale. Retail sale of cannabis shall not occur on any premises permitted under this Section except for section 7(A).
- 5. Indoor Cultivation of Commercial Cannabis.
 - a. Limitation on Use. Indoor cultivation of commercial cannabis may be permitted in the General Commercial (GC), Industrial High (IH), Industrial Low (IL), Research and Development (R&D), RL. PA. LA and AG if building criteria of sile is met by below building standards and Meyers Industrial (MAP-2) zone districts subject to a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit under Section 130.41.100.
 - The County may place restrictions on canopy size to maintain consistency with other laws, surrounding commercial uses, and neighborhood compatibility.

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Commented [28]: This is a safety prevention issue. Transporting cannabis from one location to another for processing, only to return the product to the orientation is a potential for crime. To allow these processes to be completed on the grow site will lesson the potential for criminal activity.

- 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 100 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 emergencies only.
- d. 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 cultivation of commercial cannabis may only be permitted if 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. 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. Cultivation of cannabis shall not utilize water that has been or is illegally diverted from any spring, wetland, stream, creek, river, lake, underground well, or body of water.
- f. Water Conservation Measures. Cannabis cultivation operations shall include adequate measures that minimize the use of water for cultivation at the site. Water conservation measures, 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.
- 6. Commercial Cannabis Distribution Facilities.
 - a. Limitation on Use. Distribution facilities for commercial cannabis may only be permitted in the General Commercial (CG), Industrial High (IH), Industrial Low (IL), Research and Development (R&D), Meyers Community Center (MAP-1), RL, PA, LA and AG if building criteria of site is met by below building standards and Meyers industrial (MAP-2) zone districts subject to a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit under Section 130.41.100.
 - b. A County permit for distribution may be limited to transportation only so long as the Bureau of Cannabis Control allows for a Distributor-Transport only license or the substantial equivalent. 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 the zone restrictions in Subsection 6(A) provided that the applicant is only transporting cannabis, cannabis seeds or plants, or other cannabis products grown or manufactured on the parcel for which the other commercial cannabis activity is authorized.
 - If a distributor is located outside of the unincorporated areas of the County, the distributor must comply with <u>Section 130.41.100(6)</u>.
- 7. Commercial Cannabis Retail Sale and Delivery Facilities.
 - a. Limitation on Use for Storefront Retail. Retail sale storefront facilities open to the public for the sale of commercial cannabis may only be permitted in the Community Commercial (CC), Regional Commercial (CR), General Commercial (CG), Industrial Low (IL), and Meyers Community Center (MAP-1), zone districts subject to a

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- Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit under Section 130.41.100.
- b. Limitation on Use for Non-storefront Retail (Delivery Only), Retail non-storefront delivery facilities of commercial cannabis may only be permitted in the General Commercial (CG), Industrial High (IH), Industrial Low (IL), Research and Development (R&D), and Meyers Industrial (MAP-2) zone districts subject to a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit under Section 130,41,100.
- If a retail delivery service is located outside of the unincorporated areas of the County, the retailer must comply with <u>Section 130.41.100</u>(6).
- d. With the exception of a non-storefront retail facility providing only delivery service, no more than seven cannabis retail storefront facilities that are open to the public shall be permitted at any one time. One additional cannabis retail storefront facility may be permitted in the Meyers Community Center (MAP-1) zoning district for a total of eight potential cannabis retail storefront facilities in the County. Concentration of commercial cannabis facilities and proximity to an existing or proposed cannabis retail facility shall be considered in determining whether to grant a permit. Provided that the application for a Commercial Cannabis Use Permit is received within 45 days of the availability of applications for retail sale, the County shall first review and take action on the application of any retail facility that was issued a valid temporary license from the Bureau of Cannabis Control by July 17, 2018 and continuation within a zone inconsistent with those authorized under this Section may be permitted for those retail facilities as part of the Commercial Cannabis Use Permit as a legal non-conforming use under Article 6, Chapter 130.61 (Nonconforming Uses, Structures, and Lots).
- f. 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 and all outdoor lighting shall comply with Chapter 130.34.
- 8. Commercial Cannabis Testing Laboratories.
 - a. Limitation on Use. Commercial cannabis testing laboratories may only be permitted in the General Commercial (CG), Industrial High (IH), Industrial Low (IL), Research and Development (R&D), RL, PA, LA and AG if building criteria of site is met by below building standards and Meyers Industrial (MAP-2) zone districts subject to a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit under Section 130.41.100.
 - b. The Director of the Environmental Management Department, 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.
- 9. Commercial Cannabis Manufacturing Facilities.

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- a. Limitation on Use. 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 zone districts:
 - Type 7 license may be permitted in the Industrial High (IH), Industrial Low (IL), and Meyers Industrial (MAP-2) zone districts subject to a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit under Section 130.41.100.
 - Type 6 license may be permitted in the General Commercial (CG), Industrial High (IH), Industrial Low (IL), Research and Development (R&D), RL, PA, LA and AG if building criteria of site is met by below building standards and Meyers Industrial (MAP-2) zone districts subject to a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit under Section 130.41.100.
 - iii. Type N and Type P licenses may be permitted in the Community Commercial (CC), Regional Commercial (CR), General Commercial (CG), Industrial High (IH), Industrial Low (IL), Research and Development (R&D), Planned Agricultural (PA), Limited Agricultural (LA), Agricultural Grazing (AG), Meyers Community Center (MAP-1), and Meyers Industrial (MAP-2) zone districts subject to a Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit under Section 130.41.100. Permits in Planned Agricultural (PA), Limited Agricultural (LA), and Agricultural Grazing (AG) zone districts shall be limited to sites that meet the minimum premises area of ten acres, and the County may require a premises greater than ten acres to maintain consistency with other laws, surrounding residential uses, and neighborhood compatibility.
 - iv. A registered shared-use facility (Type S license) may be issued in a particular zone district only if the manufacturing activity or activities to be performed in the shared-use facility (Type 7, Type 6, Type N, or Type P license) is or are authorized in that particular zone district.
 - v. The Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit must specify the manufacturing activities authorized and those activities must be consistent with the specific license types issued by the California Department of Public Health's Manufactured Cannabis Safety Branch at the time of issuance of the Commercial Cannabis Use Permit or Commercial Cannabis Annual Operating Permit.
 - No manufacturing of commercial cannabis may be permitted in a residential dwelling or accessory structure connected to a residential dwelling.
- b. Shared-Use Facility (Type S License). A single person shall be identified as the primary permittee for a shared-use facility. For any violation at a shared-use facility, the primary permittee and the permittee authorized to use the shared-use facility during the time of the violation may be held jointly and severally liable for the violation regardless of any agreement between the permittees. The occupancy schedule and designated area for a Type S license shall be included in the application for the Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit and may not be changed without prior written notification

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- and prior written approval from the Building and Planning Department and any such change shall be memorialized in the Commercial Cannabis Annual Operating Permit.
- c. The Director of the Environmental Management Department, 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.
- (Ord. No. <u>5111</u>, § 2, 9-10-2019; Ord. No. <u>5124</u>, § 2, 5-12-2020)