



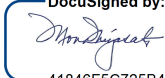
Memorandum

COUNTY EXECUTIVE OFFICE

DATE: November 4, 2021

TO: Board of Supervisors
Clerk of the Board

FROM: Mona Miyasato, County Executive Officer
Brittany Heaton, Principal Analyst - Cannabis

DocuSigned by:

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SUBJECT: Chapter 50 Ordinance Amendment – November 9, 2021
Agenda item #A7, FINAL

CC:

On November 2, 2021, staff revised the proposed Chapter 50 ordinance amendment to add a June 30, 2022 deadline in County Code section 50-5(a)(3)(ii) and to delete the proposed harvest notification in County Code section 50-25(a)(11) as directed by the Board and as presented on the projector at the hearing. The Board approved the first reading of the Chapter 50 ordinance, as updated. Attached is the updated ordinance amendment, both in clean and strike through format, for the November 9th meeting, for the Second reading of the proposed amendment.

Attachments:

1. Chapter 50 Ordinance Amendment- red lined
2. Chapter 50 Ordinance Amendment- non-redline

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 50, LICENSING OF CANNABIS OPERATIONS, OF THE SANTA BARBARA COUNTY CODE

The Board of Supervisors of the County of Santa Barbara ordains as follows:

SECTION 1. Chapter 50 of the Santa Barbara County Code, titled “Licensing of Cannabis Operations,” Section 50-2, Definitions, Subsections (q) “Land use entitlement”, and (ff) “State licensing authorities” are hereby amended and Subsections (b) “Business”, (l) “Financial interest”, and (m) “Financial interest holder” are hereby added and all subsections shall be re-lettered as is appropriate and shall read as follows:

Sec. 50-2. Definitions.

The following words and phrases, whenever used in this chapter, shall have the meanings defined in this section unless the context clearly requires otherwise:

...

(b) “Business” means any cannabis operation required to be licensed under this Chapter.

...

(l) “Financial interest” means an investment into a commercial cannabis business, a loan provided to a commercial cannabis business, or any other equity interest in a commercial cannabis business.

(m) “Financial Interest Holder” means any individual(s) or business entity(ies) that have a financial interest in a commercial cannabis business but are not owners as defined in this section.

...

(q) "Land use entitlement", also referred to as "planning permit" or "permit", means any development or use authorized under the Land Use and Development Code or Coastal Zoning Ordinance ~~by the county planning and development department.~~ A land use entitlement is separate and distinct from a cannabis business license.

...

(ee) "State licensing authorities" means the California Department of Cannabis Control, the California Department of Food and Agriculture or CalCannabis, the California Department of Public Health or the Manufactured Cannabis Safety Branch, the California Department of Consumer Affairs or the Bureau of

Cannabis Control, or other state department(s), bureau(s) and/or office(s) that issue cannabis licenses.

SECTION 2. Chapter 50 of the Santa Barbara County Code, titled “Licensing of Cannabis Operations,” Section 50-3, Cannabis business licenses required, subsection (d) is hereby amended and shall read as follows:

Sec. 50-3. Cannabis business licenses required.

...

- (d) Commercial cannabis operations shall submit a Santa Barbara County business license application within ~~fifteen~~ thirty calendar days of approval of a land use entitlement, except as provided in Section 50-7, regardless of whether it is appealed.

SECTION 3. Chapter 50 of the Santa Barbara County Code, titled “Licensing of Cannabis Operations,” Sections 50-5, Cannabis business license exemption, and 50-6, Other licenses and permits, are hereby amended and shall read as follows:

Sec. 50-5. Cannabis business license exemptions.

- (a) The following cannabis activities are exempt from the cannabis business license requirements of this chapter:
- (1) Possession, processing, storage, transportation, or donation of not more than twenty-eight and one-half grams of cannabis or not more than eight grams of concentrated cannabis by persons twenty-one years of age or older.
 - (2) Cultivation in a legally established, secure dwelling or an enclosed, legally established, secure building that is accessory to a dwelling of up to six cannabis plants by persons twenty-one years of age or older as allowed pursuant to Health and Safety Code Section 11362.1(a), as may be amended, and as allowed by the County Land Use and Development Code Section 35.42.075, Montecito Land Use and Development Code Section 35.422.055, and Coastal Zoning Ordinance Section 35-144U, as may be amended.
 - (3) Legal nonconforming medical marijuana cultivation sites established by County Code Section 35-1003, until they are terminated pursuant to County Code Section 35-1003.C, as may be amended, or otherwise expire or end ~~—~~, or as set forth below.
 - (i) Once a land use entitlement is approved for a cannabis operation that claimed legal nonconforming status pursuant to County Code Section

35-1003, that operation may only continue operating without a county cannabis business license if:

- a. The cannabis operation timely applies for a county cannabis business license in accordance with subsection 50-3(d); and
- b. There is acreage available for the cannabis operation under the limitations in subsection 50-7(a)(2) and subsection 50-7(a)(3), and based on the cannabis operation's place on the eligible business license applicants list(s) within the acreage cap; and
- c. The cannabis operation files all cannabis tax reports and pays required taxes on cannabis operations; and
- d. The cannabis operation makes appropriate progress through the county's business licensing process, as determined by the CEO's office. (For purposes of this subsection appropriate process shall include, but not be limited to, timely and complete compliance with any staff requests, timely submittals, timely scheduling of site visits, etc.); and
- e. The cannabis operation complies with all requirements of the land use entitlement, the County Code, and state law.

(ii) If the land use entitlement application for a cannabis operation that claimed legal nonconforming status pursuant to County Code Section 35-1003 is still in process once the acreage within the applicable cap in Section 50-7 is committed by persons/applications on the eligible business license applicants list, the operation must cease all cannabis cultivation operations no later than June 30, 2022. The applicant may continue to pursue a land use entitlement and business license; however, the legal nonconforming use is terminated and must cease operation by the date provided in this subsection.

(iii) If the land use entitlement application for a cannabis operation that claimed legal nonconforming status pursuant to County Code Section 35-1003 is denied or withdrawn, all cannabis cultivation operations shall terminate as has been set forth in County Code Section 35-1003(C)(3) since February 6, 2018.

- (b) Possession of other types of state or county permits or licenses, shall not exempt the applicant from obtaining a cannabis business license under this chapter.

Sec. 50-6. Other licenses and permits.

- (a) An applicant must receive all necessary land use entitlements/~~permits~~, which are final, un-appealable, approved and issued, as required by chapter 35, zoning, of

the Santa Barbara County Code before the County will issue a cannabis business license under this chapter. ~~However, to apply for a cannabis business license, an applicant may shall submit possess an approved land use entitlement/permit application that has been accepted by the planning and development department in accordance with section 50-8.~~

- (b) The terms and conditions of any other state or county permits or licenses, shall not modify the requirements of a license granted under this chapter, except that the cannabis business license must be consistent with the land use entitlement issued by the county pursuant to chapter 35, zoning, of the Santa Barbara County Code, including, but not limited to, the County Land Use and Development Code, ~~the Montecito Land Use and Development Code~~ and Article II, the Coastal Zoning Ordinance.

SECTION 4. Chapter 50 of the Santa Barbara County Code, titled “Licensing of Cannabis Operations,” Section 50-7, Limits on Cannabis Business Licenses, subsection (a), is hereby amended and shall read as follows:

Sec. 50-7. Limits on cannabis business licenses.

- (a) **Limits on Cannabis Cultivation, Nursery and Microbusiness Licenses.** To avoid visual impacts and nuisances associated with significant concentrations of cannabis cultivation:
- (1) No outdoor cultivation, nurseries or microbusinesses with outdoor cultivation will be licensed in the coastal zone. In addition, no outdoor cultivation, nurseries or microbusinesses with outdoor cultivation will be licensed within two miles of the Urban Rural Boundary or city boundary in the coastal zone.
 - (2) No more than one hundred eighty-six acres of cannabis cultivation, nurseries and microbusinesses with cultivation shall be licensed at any one time within the boundaries of Area A and Area B of the Carpinteria Agricultural Overlay District as defined in County Ordinance 4529.
 - i. Eligibility List. Applications for cannabis cultivation, nursery and microbusinesses business licenses will be processed and licenses will be issued up to the acre limit established in subsection (2) above, as follows:
 - A. Any person interested in obtaining a cannabis business license described in this section must first obtain an approved ~~for a land use entitlement except as noted below~~. Cannabis operators who have obtained ~~approval for an approved~~ an approved land use entitlement, ~~and~~

~~business license or have obtained a land use entitlement and submitted a business license application for their cannabis activity within the overlay area that has been accepted by the County Executive Office, and paid any required application fees will be eligible automatically to be added to top of the eligibility list in accordance with subsection B below.~~

- 1) Any person who ~~submitted~~ a cannabis business license application that has been accepted by the County Executive Office with any required fees before receiving an approved land use entitlement is ~~responsible~~ required to notify the CEO, in writing within five (5) days of approval of the land use entitlement that, when the land use entitlement has been acted on approved. ~~The applicant is also required to notify the CEO of anyis includes approval, denial or appeal. Failure to provide appropriate notice, will prevent the business from being added to the eligibility list unless a new business license application is submitted in accordance with this chapter.~~
- B. Prior to the acre limit being committed, ~~P~~persons with an approved land use entitlement and complete business license application that has been accepted by the county executive office and paid any required fees will be placed on an "Eligible Business License Applicants List: Carpinteria Ag Overlay" in order based on: i) receipt by the CEO of all the requirements listed herein, or ii) of notification from the business to the CEO that the land use entitlement has been approved in accordance with subsection (2)(i)(A)(1) above and receipt of the complete and accepted business license application with all required fees., or if the cannabis business license application is submitted before land use entitlement approval based upon notification to the CEO that the land use entitlement has been approved. Business licenses will only be issued for the specific acreage listed on the business license application (as long as this acreage is consistent with or less than the acreage in the approved land use entitlement) or a lesser acreage amount as requested by the applicant, permitted by the planning and development department or necessary to comply with the maximum allowed acreage in the overlay area as established in this section.
- C. In the overlay area, business licenses will only be issued to persons on the Eligible Business License Applicants List:

Carpinteria Ag Overlay after obtaining a final issued land use entitlement and completing all the requirements of this chapter.

D. Persons listed on the Eligible Business License Applicants List: Carpinteria Ag Overlay are nontransferable except as provided in Section 50-23.

ii. A licensed cultivator will be allowed to continue to operate as long as the licensed cultivator timely files for renewal of the cannabis business license and complies with this chapter.

iii. Wait List. Once, and whenever, the one hundred eighty-six acre limit is committed, -as determined by the acreage requested by eligible business license applicants in accordance with subsection B above, persons with an approved land use entitlement will be placed on an "Eligible Business License Applicants List: Carpinteria Ag Overlay" Wait List (Wait List) as follows:;

A. To be placed on the Wait List, a person must have an approved land use entitlement and must submit notification to the CEO of the desire within five (5) days of approval of the land use entitlement.

B. Once the acre limit is committed by the issuance of business licenses to all applicants on the "Eligible Business License Applicants List: Carpinteria Ag Overlay" no additional licenses will be issued unless and until an issued license is revoked or not renewed, or otherwise becomes available. At the CEO's discretion, whenever additional acreage becomes available, for cannabis cultivation, nursery and microbusinesses licenses the next person on the ~~Eligible Business License Applicants List: Carpinteria Ag Overlay~~ Wait List will be notified in writing by the county and given the opportunity to complete the ~~permitting and~~ licensure process.

1) After county notification, the person on the Wait List has thirty days to submit a business license application and any required fees to the CEO.

2) ~~Failure of the applicant to respond and notify the county of its intent to complete the permit and licensing process and provide proof that processing is in progress act~~ within ninety-thirty days, as required in subsection 1) above, -will result in forfeiture of the applicant's place on the Wait List and the CEO may contacting the next eligible person on the Wait List.

C. iv.—Persons on the ~~Eligible Business License Applicants List: Carpinteria Ag Overlay Wait List~~ shall annually renew their interest in remaining on the Wait List by submitting a written request to the county executive office on the anniversary of being placed on the Wait List or on another date established by the CEO. Failure to provide timely notification will result in removal of the person from the Wait List.

(3) No more than one thousand five hundred seventy-five acres of cannabis cultivation, nurseries and microbusinesses with cultivation shall be licensed at any one time within the unincorporated area outside of the Carpinteria Agricultural Overlay (as defined ~~in~~ at ~~Section 50-2, subsection (i)~~) of the County of Santa Barbara. This one thousand five hundred seventy-five acres shall be in addition to the one hundred eighty-six acres of cultivation, nurseries and microbusiness with cultivation allowed in the Carpinteria Agricultural Overlay District under subsection ~~(a)(2)~~ above.

i. Eligibility List. Applications for cannabis cultivation, nursery and microbusinesses business licenses will be processed and licenses will be issued up to the acreage limit established in subsection (3) above using the same process outlined in subsections ~~(a)(2)(i).i.A—D~~ above, however the list shall be entitled "Eligible Business Applicants List: Unincorporated".

ii. A licensed cultivator will be allowed to continue to operate as long as the licensed cultivator timely files for renewal of the cannabis business license and complies with this chapter.

iii. Wait List. Once, and whenever, the one thousand five hundred seventy-five acre limit is committed, as determined by the acreage requested by eligible business license applicants, persons with an approved land use entitlement will be placed on an "Eligible Business License Applicants List: Unincorporated" Wait List". ~~The Wait List will be established and maintained using the same process outlined in subsection (a)(2)(iii) above, including that p will be invited by the county executive office to submit a business license application with required application fees as acreage becomes available. Once the acre limit is reached by the issuance of business license to all applicants on the "Eligible Business License Applicants List: Unincorporated" no additional licenses will be issued unless and until an issued license is revoked or not renewed, or otherwise becomes available. Whenever additional acreage becomes available for cannabis cultivation, nursery and microbusinesses, licenses the next person on the Eligible Business~~

~~License Applicants List: Unincorporated will be notified in writing by the county and given the opportunity to complete the permitting and licensure process. After county notification, the applicant must respond and notify the county of its intent to complete the permitting and licensing process and provide proof that processing is in progress within ninety thirty days, or the applicant will have forfeited their place on the list and the county will contact the next eligible person on the wait list.~~

~~iii. Persons on the Eligible Business License Applicants List: Unincorporated shall renew their interest in remaining on the Wait List annually by submitting a written request to the county executive office on the anniversary of being placed on the Wait List or on another date established by the CEO.~~

~~...~~

SECTION 5. Chapter 50 of the Santa Barbara County Code, titled “Licensing of Cannabis Operations,” Sections 50-8, Application contents for an annual cannabis business license; 50-9, Review of process of application for cannabis business license; 50-11, Application review by the sheriff’s department and ongoing requirements- Criminal history check and security plan; and 50-25, Cannabis business license operating requirements, are hereby amended and shall read as follows:

Sec. 50-8. Application content for an annual cannabis business license.

- (a) Each application for a cannabis business license shall be filed with the county executive officer on the form and in the manner prescribed by the county.
 - (1) Any information submitted to the CEO must be consistent with any information submitted to the planning and development department, or any other county or state department or agency. If any information is different, the difference must be highlighted and the reason for the difference along with how and when the other departments/agencies were notified of the difference must be included.
- (b) The application shall contain, without limitation, the following documentation:
 - (1) Background and Contact Information:
 - i. All applicants' and agent's names, mailing addresses, phone numbers, and email addresses.

- ii. Name, address and telephone number for all business owners, managers, supervisors, employees, and persons having a twenty ten percent or more financial interest in the commercial cannabis activity that is the subject of the application or, if the applicant is an entity, having a ten percent or more financial interest in the entity.
- iii. A 24-hour contact phone number.
- iv. Written proof or copy of government-issued identification (i.e., California driver's license, California identification card, or certified birth certificate) that all applicants, business owners, supervisors, and employees are eighteen years of age or older for state medical licenses, and twenty-one years of age or older for State non-medical licenses.
- v. The names, addresses and license numbers of any and all other commercial cannabis operations currently being operated by the applicant, or that had previously been operated by the applicant and a statement of whether the authorization for any such operation has been revoked or suspended and, if so, the reason therefore.

(2) Information on the Operation:

- i. A full description of the proposed activities and products of the commercial cannabis operation.
- ii. Proposed hours of operation.
- iii. Number of employees.
- iv. Location and Premises Diagram.
 - A. The physical address and assessor's parcel number(s) (APN) of the tax assessor's parcels that constitute the lot upon which the proposed commercial cannabis operation will be located.
 - B. Premises Diagram. A diagram of the premises, drawn to scale, that has been reviewed and approved by planning and development as part of the land use entitlement process.
- v. Authority to Operate. Proof of ownership of premises, or if the premises on which the commercial cannabis operation is to occur is rented or leased, written permission from the property owner containing the property owner(s)' notarized signature that authorizes the tenant or lessee to engage in commercial cannabis activities at the site.
- vi. State information.
 - A. A copy of the applicant's State cannabis licenses or applications.

- B. The state cannabis license type, pursuant to Business and Professions Code Section 26050, as may be amended, for proposed commercial cannabis operation, including whether the activity is medical or non-medical.
 - C. A description of the number and type of state license(s) that will be required for the proposed operations pursuant to California Business and Professions Code Sections 26000, et seq., as may be amended, including a description of the proposed total canopy area of any cultivation or nursery operation.
 - D. A state seller's permit number issued pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code, as may be amended, or indicate that the applicant is currently applying for a seller's permit, if applicable.
 - E. An API key to the State's track-and-trace system (METRC) associated with all state licenses in Santa Barbara County.
- vii. Land Use Entitlement/~~Permit~~. A copy of the approved and/or issued land use entitlement ~~or land use entitlement application accepted by planning and development for the proposed commercial cannabis operation. If the applicant does not have a final, un-appealable, approved and issued land use entitlement at the time of applying for a cannabis business license, the applicant may select concurrent processing. The applicant shall notify the CEO if their land use entitlement application is approved, denied or appealed and whether the applicant would like concurrent processing of the business license application during the appeal.~~ Unless Section 50-7 applies, ~~a~~All cannabis operators shall submit a business license application to the CEO's office within ~~fifteen-thirty~~ calendar days of receiving an approval for a land use entitlement, regardless of whether it is appealed. The applicant is responsible for all license processing fees, including if the applicant fails to notify to the CEO as required by this section or provides late notification. If the following is not included in the land use entitlement it shall also be submitted as part of the application:
- A. Cultivation Plan. A cultivation plan including total canopy size and production setting.
- (3) Business Entity Requirements:
- i. If the applicant is a business entity or any form of entity, information regarding the entity, including, without limitation:
 - A. The name and address of the entity;

- B. The entity's legal status; and
 - C. Proof of registration with, or a certificate of good standing from, the California secretary of state.
- (4) Quality Control Plan. A quality control plan including procedures sufficient to demonstrate how the applicant will comply with state standards for non-contamination.
 - (5) Energy Conservation Plan. An energy conservation plan in compliance with section 50-10 below.
 - (6) Site Security Plan and Criminal Background Check.
 - i. Site security plan in compliance with section 50-11 below.
 - ii. All business owners, supervisors, employees, and any other persons having at least a twenty percent financial interest, unless the interest is solely a security, lien, or encumbrance, must go through a live scan background check that discloses no felonies in accordance with California Business and Professions Code Section 26057, as may be amended.
 - (7) Inventory Control Plan. Demonstrate the capacity for tracking the location of all cannabis or cannabis products and the ability to reconcile on-hand inventory with the records in the track and trace database.
 - (8) Applicant Acknowledgement:
 - i. A statement by the applicant that the applicant has the ability to comply with all laws regulating businesses in the state as well as all requirements of this chapter and the County Code and that it shall and will maintain compliance during the term of the license.
 - ii. Agreeing to indemnify, defend and hold harmless the county, its officers, official, agents and employees from any claim, action, or proceeding against the county, its officers, official, agents or employees arising from the operation or to attack, set aside, void or annul, in whole or in part, an approval of the application by the county or issuance of a license. In addition, applicant will complete a defense and indemnification agreement on a form provided by the county.
 - iii. Authorization for the county, its agents and employees, to access all premises, during standard operating hours, upon which cannabis operations are occurring or intend to occur, including, but not limited to, site visits or inspections prior to issuance or renewal of a license, and compliance checks or inspections post issuance of a license.

- iv. If the applicant holds a state provisional cannabis cultivation license(s) and is growing cannabis then a statement by the applicant that the applicant will demonstrate the operation of their odor control system(s) after obtaining a final issued land use entitlement and during the business license application review process as required in County Code subsection 50-25(a)(3). Failure to adequately demonstrate that the odor control system(s) is operating in compliance with County Code subsection 50-25(a)(3) is grounds for denial of a business license in accordance with section 50-17.
 - v. Certification, under penalty of perjury, that all the information contained in the application is true and correct.
- (9) Other Information: Any other information required by the county executive officer or county executive office.
- (c) An Applicant shall submit to the county executive officer an application for a cannabis business license with all required documents, plus as many copies of the application and supporting documentation as required, and the application fee using the method and location for submission as determined by the county executive office.
- (d) An applicant may withdraw or suspend their application by submitting a written request for either action. Requests must be delivered or mailed to the county executive office. ~~Initial applications that are W~~withdrawn~~applications~~ may be eligible for a pro-rated refund of fees upon request. If an application is withdrawn and the applicant later wishes to proceed, the applicant must submit a new application. Suspended applications will not be eligible for a refund. Reactivation of a suspended application will require a written request for reactivation that must be delivered or mailed to the county executive office.

Sec. 50-9. Review of process of application for cannabis business license.

- (a) Once an applicant submits an application to the county executive office, the county executive office will ~~review and~~ determine if the application is subject to a cap in Section 50-7 and if there is space acreage available in the cap to accommodate the application associated acre limit pursuant to Ssection 50-7. ~~If there is space available and the -applicant has an approved land use entitlement, then the county executive office will request~~ require payment of the application fee before commencing review of the application ~~for the information - includes all the information required in section 50-8 above and that the application fee has been paid.~~ Any application submitted that is not eligible for issuance based on uncommitted space- in the caps in Section 50-7 will be held for processing until such time that space becomes available and the application is next on the Wait List as established in Section 50-7.

- (b) If the county executive office determines that the application does not include all information required in section 50-8, it will promptly notify the applicant of the deficient application elements and establish a timeframe for the applicant to provide the county executive office with the missing documents or information.
 - (1) No further action will be taken by the county executive office until the application complies with this chapter, including verification of compliance for state licensing authorities.
 - (2) If the applicant fails to provide the requested information in the established timeframe the application will be deemed abandoned. No fees will be refunded for abandoned applications.
- (c) After the county executive office confirms that the application includes all the information required in section 50-8, the county executive office will promptly forward the application to appropriate departments, including, but not limited to, planning and development, sheriff, fire, agricultural commissioner, treasurer-tax collector, and public health for review and site visit. The departments shall recommend to the county executive office whether or not the county executive office should approve the issuance of the cannabis business license in accordance with this chapter.

Sec. 50-11. Application review by the sheriff's department and ongoing requirements—Criminal history check and security plan.

- (a) The sheriff's department functions as lead reviewer for all applications and compliance or renewal site visits of cannabis business licenses for distributor and retail operations; including microbusiness. The sheriff's department will also participate in reviewing site security plans and criminal history backgrounds for all cannabis business license applications and renewals.
- (b) Criminal history checks.
 - (1) All applicants, owners, persons having at least a twenty percent financial interest, managers, and supervisors of a cannabis operation must submit to a live scan check, which will be performed by the sheriff's cannabis team. This live scan check, consists of a criminal history search for disqualifying convictions identified in subsection (6) below. These checks must be completed on principal owners and applicants prior to the issuance of a business license or prior to any subsequent renewal.
 - (2) All applicants are required to establish criminal history check procedures for all permanent employees not listed in subsection (1) above. Criminal history checks will be the equivalent to, and may include the use of, live scan. If using live

scan, forms must be obtained from the sheriff's cannabis team. These live scan returns must be sent directly from the department of justice, to the sheriff's department, for retention and review. Completed non-live scan employee criminal history checks must be retained by the applicant and are subject to inspection by the sheriff's department. Upon review, the sheriff's department may conduct further investigation, as outlined in subsection (4) below. Upon satisfactory review of the employee's criminal history, the sheriff's cannabis team will obtain a photograph and issue an identification (ID) card to each qualifying employee.

- (3) All applicants are required to establish criminal history check procedures for all third-party laborers, seasonal or temporary workers on cannabis operations, who move from premise to premise during the cultivation season, or who work for four months or less. These checks may be performed by the applicant, or contracted labor groups, and will be available for review and inspection by the sheriff's department when requested. To be an eligible worker, the worker's criminal history must be free of any felony convictions or crimes outlined in subsection (6) below. Eligible workers shall be issued a temporary ID card by a manager, supervisor or security equivalent. These workers are only required to be background checked once and their temporary ID card will be valid at any licensed commercial cannabis operation in the county. For third party laborers, seasonal or temporary workers, the cannabis operator is required to maintain a separate master list of all workers and be able to demonstrate, upon request, that said workers have been background checked and issued a temporary ID card. Persons in this category shall not work in any sensitive areas, handle money or remain on the licensed cannabis premise unsupervised.

(4) Licensees are required to notify Sheriff of any changes to persons listed in subsections (1)- (2) above and timely perform any criminal history checks of new persons prior to start of employment.

- (5) The sheriff's department may conduct further investigation of the applicant, owners or employees as deemed appropriate and shall consider compliance with Business and Professions Code Section 26057, as may be amended. During the criminal history check process, the sheriff's department may also obtain a copy of criminal records in the United States, if any, and may obtain a copy of criminal records in any other country, if obtaining such foreign criminal records is feasible. Upon the satisfactory review of the criminal history, the sheriff's department will issue each qualified person an identification (ID) card. This identification shall be worn when on the licensed premise and used to visually verify authorization of employment at that site.

~~(65)~~ If the sheriff disapproves the application, the sheriff shall notify the County Executive Office in writing giving the reason(s) for the disapproval.

~~(76)~~ No applicant, owner, person having at least a twenty percent financial interest, manager, supervisor or employee engaged in the operation of the commercial cannabis operation may have been convicted of a felony or other crime as set forth in Business and Professions Code Section 26057, as may be amended.

(c) Site Security Plan.

- (1) All applicants shall prepare and submit a site security plan (plan), that has been reviewed and approved during the land use entitlement process, to the county executive office.
- (2) The county executive office will forward the plan to the sheriff's department for review and approval.
- (3) The plan shall include at a minimum perimeter security system, lighting, twenty-four-hour video monitoring with forty-five-day archiving of video that cover all areas of the licensed operation, employee training program on company policies and cannabis laws, color coded identification cards based on access, system for obtaining and managing sheriff's department cannabis access identification cards, policies for employees that do not wear identification cards while on the premises, prevention of product diversion, theft, and loss, as may be required by the sheriff's department to protect the public safety, and proof that the plan complies with chapter 35 and has received all required approvals from the planning and development department.
- (4) If upon review an applicant's site security plan and/or its implementation is inadequate, sheriff may provide an opportunity to improve the plan to meet necessary standards. [Any proposed changes to site security measures require notification and approval of the Sheriff's Office prior to implementation.](#)
- (5) If the sheriff disapproves the plan or its implementation, the sheriff shall notify the county executive office and the planning and development department in writing giving the reason(s) for the disapproval.
- (6) All security plans must be implemented and approved before a cannabis business license will be issued.

Sec. 50-25. Cannabis business license operating requirements.

- (a) Throughout the term of the cannabis business license, each and every licensee shall comply with this chapter, the County Code, and state law, including, but not limited to, all of the following:
- (1) Premises Restrictions.
 - i. No cannabis shall be smoked, ingested or otherwise consumed on the premises.
 - ii. No cannabis or cannabis products, or graphics depicting cannabis or cannabis products, shall be visible from the exterior of the premises.
 - iii. No licensee may hold a license for the premise from the state department of alcoholic beverage control to sell alcoholic beverages, nor may the cannabis operation include a business that sells alcoholic beverages.
 - iv. No alcohol may be stored, sold, dispensed or consumed on the premises.
 - v. A licensee shall not sell, store or allow consumption of any tobacco or nicotine products on or at any premises licensed under this chapter.
 - vi. No person or employee shall be under the influence of a controlled substance.
 - (2) Display License and ID Cards.
 - i. Each licensee shall conspicuously display its license on the premises. Each commercial cannabis operation that engages in delivery or distribution shall carry a copy of the license in all vehicles that deliver or transport cannabis or cannabis products.
 - ii. Employee identification cards shall be worn at all times while on the premises and cards shall be color coded to identify levels of access to portions of the operations.
 - iii. The Sheriff's Department shall be notified of any changes to employment and any new employees shall be subject to criminal history checks in accordance with Section 50-11.
 - (3) Odor. Continuous operation of all required odor prevention devices and techniques for cannabis cultivation, in compliance with chapter 35, zoning, of the County Code.
 - (4) Records. Each licensee shall keep accurate records of the licensee's commercial cannabis activities in a manner readily accessible for examination by the county for six months onsite and a total of seven years pursuant to Business and Professions Code Sections 26160 through 26162.5, as may be amended.

(5) Security Requirements.

- i. Each licensee shall be responsible and liable for safety and security in and around the commercial cannabis operation, and shall provide adequate security on the premises including the cleanup of graffiti, trash around the premises within forty-eight hours.
- ii. Each licensee shall maintain such surveillance video recordings for a period of at least forty-five days and shall make such video recordings available to the county upon demand.
- iii. Following harvest, all cannabis and cannabis products shall be stored in a secured and locked safe room, safe or vault, and in a manner to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes, testing samples or immediate sale.
- iv. Each licensee shall notify the sheriff within twelve to twenty-four hours after discovering any of the following: diversion, theft, loss, or any criminal activity involving the commercial cannabis operation; significant discrepancies identified during inventory; or any other breach of security.

(6) Twenty-Four-Hour Contact. Each licensee shall provide the county executive office with the name, telephone number and e-mail address of the licensee's designated community relations contact who the public may contact twenty-four hours a day regarding problems or concerns associated with the commercial cannabis operation. The licensee shall update the county if any changes occur to the community relations contact. The licensee shall make a good faith effort to resolve problems without the need for intervention by the county.

(7) Taxes. A licensee shall pay all applicable state and county taxes pursuant to chapter 50A and fees.

(8) Insurance. A licensee shall have and maintain for the duration of the license a general liability insurance policy naming the county as an additional insured with minimum coverage requirements of one million dollars per occurrence and two million dollars per aggregate.

(9) Valid Permits and State Licenses.

- i. The property owner(s) who own(s) the premises where the commercial cannabis operation is located must at all times have all necessary land use entitlements/permits as required by chapter 35, zoning, of the Santa Barbara County Code and the land use entitlements must be operative.
- ii. A licensee must legally hold all required state licenses under the Medicinal and Adult-Use of Cannabis Regulatory and Safety Act (Business and

Professions Code §§ 26000, et seq.), as may be amended, and under all other applicable state laws.

(10) API key. A licensee, including operators with state provisional licenses only, shall provide the county executive office with the Application Programming Interface (API) key to the state’s track and trace system within ten days of receiving a state license; or of the county’s request to obtain the API key.

- (b) In the interest of public safety, county officials may enter the licensee's premises during standard operating hours for the purpose of observing compliance of the commercial cannabis operation with this chapter.
- (c) County officials, including the county executive office or treasurer-tax collector, may inspect the commercial cannabis operation's records, books, accounts, financial data, and any and all data relevant to its licensed activities for the purpose of conducting an audit or examination.
- (d) It is a misdemeanor for any person having any responsibility over a commercial cannabis operation to impede, obstruct, or interfere with an inspection, or the review of the copying of records and monitoring (including recordings) including, but not limited to, the concealment, destruction, and falsification of any recordings or records.

SECTION 6. Except as amended by this Ordinance the Santa Barbara County Code shall remain unchanged and shall continue in full force and effect.

SECTION 7. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

SECTION 8. This Ordinance shall take effect and become operative 30 days from the date of its adoption by the Board of Supervisors. Before the expiration of 15 days after its passage a summary of it shall be published once together with the names of the members of the Board of Supervisors voting for and against the same in the *Santa Barbara News-Press*, a newspaper of general circulation published in the County of Santa Barbara.

SECTION 9. Cannabis activities already are highly regulated by both the state and federal governments, and their regulation of cannabis activities is subject to rapid changes. Even if the Board of Supervisors adopts this Ordinance, the Board of Supervisors retains all of

its statutory authority concerning cannabis activities. For example, even if the Ordinance becomes operative, the Board of Supervisors still may take action(s) later to change the zoning and/or licensing of cannabis activities to being prohibited. Changing the zoning and/or licensing of cannabis activities to being prohibited, could occur -- for example, but is not limited to -- if: 1) the County Treasurer is not able to deposit cannabis-related funds in a suitable financial institution; and/or 2) the Board of Supervisors submits a proposed County tax on commercial cannabis activity to the voters and the voters do not approve the tax. In part because cannabis activities are highly regulated by both the state and federal governments and their regulation of cannabis activities is subject to rapid changes, the Board of Supervisors later may need to change the zoning and/or licensing of cannabis activities to being prohibited and may need to do so without cannabis activities receiving: 1) an amortization period; and/or 2) legal nonconforming use status.

PASSED, APPROVED, AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this _____ day of _____, 2021, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

BOB NELSON, CHAIR
BOARD OF SUPERVISORS
COUNTY OF SANTA BARBARA

ATTEST:
MONA MIYASATO, COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD

By _____
Deputy Clerk

APPROVED AS TO FORM:
RACHEL VAN MULLEM
COUNTY COUNSEL

By _____
Deputy County Counsel

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 50, LICENSING OF CANNABIS OPERATIONS, OF THE SANTA BARBARA COUNTY CODE

The Board of Supervisors of the County of Santa Barbara ordains as follows:

SECTION 1. Chapter 50 of the Santa Barbara County Code, titled “Licensing of Cannabis Operations,” Section 50-2, Definitions, Subsections (q) “Land use entitlement”, and (ff) “State licensing authorities” are hereby amended and Subsections (b) “Business”, (l) “Financial interest”, and (m) “Financial interest holder” are hereby added and all subsections shall be re-lettered as is appropriate and shall read as follows:

Sec. 50-2. Definitions.

The following words and phrases, whenever used in this chapter, shall have the meanings defined in this section unless the context clearly requires otherwise:

...

(b) “Business” means any cannabis operation required to be licensed under this Chapter.

...

(l) “Financial interest” means an investment into a commercial cannabis business, a loan provided to a commercial cannabis business, or any other equity interest in a commercial cannabis business.

(m) “Financial Interest Holder” means any individual(s) or business entity(ies) that have a financial interest in a commercial cannabis business but are not owners as defined in this section.

...

(q) "Land use entitlement", also referred to as "planning permit" or "permit", means any development or use authorized under the Land Use and Development Code or Coastal Zoning. A land use entitlement is separate and distinct from a cannabis business license.

...

(ee) "State licensing authorities" means the California Department of Cannabis Control, the California Department of Food and Agriculture or CalCannabis, the California Department of Public Health or the Manufactured Cannabis Safety Branch, the California Department of Consumer Affairs or the Bureau of

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Cannabis Control, or other state department(s), bureau(s) and/or office(s) that issue cannabis licenses.

SECTION 2. Chapter 50 of the Santa Barbara County Code, titled “Licensing of Cannabis Operations,” Section 50-3, Cannabis business licenses required, subsection (d) is hereby amended and shall read as follows:

Sec. 50-3. Cannabis business licenses required.

...

- (d) Commercial cannabis operations shall submit a Santa Barbara County business license application within thirty calendar days of approval of a land use entitlement, except as provided in Section 50-7, regardless of whether it is appealed.

SECTION 3. Chapter 50 of the Santa Barbara County Code, titled “Licensing of Cannabis Operations,” Sections 50-5, Cannabis business license exemption, and 50-6, Other licenses and permits, are hereby amended and shall read as follows:

Sec. 50-5. Cannabis business license exemptions.

- (a) The following cannabis activities are exempt from the cannabis business license requirements of this chapter:
 - (1) Possession, processing, storage, transportation, or donation of not more than twenty-eight and one-half grams of cannabis or not more than eight grams of concentrated cannabis by persons twenty-one years of age or older.
 - (2) Cultivation in a legally established, secure dwelling or an enclosed, legally established, secure building that is accessory to a dwelling of up to six cannabis plants by persons twenty-one years of age or older as allowed pursuant to Health and Safety Code Section 11362.1(a), as may be amended, and as allowed by the County Land Use and Development Code Section 35.42.075, Montecito Land Use and Development Code Section 35.422.055, and Coastal Zoning Ordinance Section 35-144U, as may be amended.
 - (3) Legal nonconforming medical marijuana cultivation sites established by County Code Section 35-1003, until they are terminated pursuant to County Code Section 35-1003.C, as may be amended, or otherwise expire or end, or as set forth below.
 - (i) Once a land use entitlement is approved for a cannabis operation that claimed legal nonconforming status pursuant to County Code Section

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35-1003, that operation may only continue operating without a county cannabis business license if:

- a. The cannabis operation timely applies for a county cannabis business license in accordance with subsection 50-3(d); and
- b. There is acreage available for the cannabis operation under the limitations in subsection 50-7(a)(2) and subsection 50-7(a)(3), and based on the cannabis operation's place on the eligible business license applicants list(s) within the acreage cap; and
- c. The cannabis operation files all cannabis tax reports and pays required taxes on cannabis operations; and
- d. The cannabis operation makes appropriate progress through the county's business licensing process, as determined by the CEO's office. (For purposes of this subsection appropriate process shall include, but not be limited to, timely and complete compliance with any staff requests, timely submittals, timely scheduling of site visits, etc.); and
- e. The cannabis operation complies with all requirements of the land use entitlement, the County Code, and state law.

(ii) If the land use entitlement application for a cannabis operation that claimed legal nonconforming status pursuant to County Code Section 35-1003 is still in process once the acreage within the applicable cap in Section 50-7 is committed by persons/applications on the eligible business license applicants list, the operation must cease all cannabis cultivation operations no later June 30, 2022. The applicant may continue to pursue a land use entitlement and business license; however, the legal nonconforming use is terminated and must cease operation by the date provided in this subsection.

(iii) If the land use entitlement application for a cannabis operation that claimed legal nonconforming status pursuant to County Code Section 35-1003 is denied or withdrawn, all cannabis cultivation operations shall terminate as has been set forth in County Code Section 35-1003(C)(3) since February 6, 2018.

(b) Possession of other types of state or county permits or licenses, shall not exempt the applicant from obtaining a cannabis business license under this chapter.

Sec. 50-6. Other licenses and permits.

(a) An applicant must receive all necessary land use entitlements, which are final, un-appealable, approved and issued, as required by chapter 35, zoning, of the

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Santa Barbara County Code before the County will issue a cannabis business license under this chapter. To apply for a cannabis business license, an applicant shall possess an approved land use entitlement.

- (b) The terms and conditions of any other state or county permits or licenses, shall not modify the requirements of a license granted under this chapter, except that the cannabis business license must be consistent with the land use entitlement issued by the county pursuant to chapter 35, zoning, of the Santa Barbara County Code, including, but not limited to, the County Land Use and Development Code and Article II, the Coastal Zoning Ordinance.

SECTION 4. Chapter 50 of the Santa Barbara County Code, titled “Licensing of Cannabis Operations,” Section 50-7, Limits on Cannabis Business Licenses, subsection (a), is hereby amended and shall read as follows:

Sec. 50-7. Limits on cannabis business licenses.

- (a) **Limits on Cannabis Cultivation, Nursery and Microbusiness Licenses.** To avoid visual impacts and nuisances associated with significant concentrations of cannabis cultivation:

- (1) No outdoor cultivation, nurseries or microbusinesses with outdoor cultivation will be licensed in the coastal zone. In addition, no outdoor cultivation, nurseries or microbusinesses with outdoor cultivation will be licensed within two miles of the Urban Rural Boundary or city boundary in the coastal zone.

- (2) No more than one hundred eighty-six acres of cannabis cultivation, nurseries and microbusinesses with cultivation shall be licensed at any one time within the boundaries of Area A and Area B of the Carpinteria Agricultural Overlay District as defined in County Ordinance 4529.

- i. **Eligibility List.** Applications for cannabis cultivation, nursery and microbusinesses business licenses will be processed and licenses will be issued up to the acre limit established in subsection (2) above, as follows:

- A. Any person interested in obtaining a cannabis business license described in this section must first obtain an approved land use entitlement. Cannabis operators who have obtained an approved land use entitlement, submitted a business license application for their cannabis activity within the overlay area that has been accepted by the County Executive Office, and paid any required application fees are eligible to be added to the eligibility list in accordance with subsection B below.

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- 1) Any person who submitted a cannabis business license application that has been accepted by the County Executive Office with any required fees before receiving an approved land use entitlement is required to notify the CEO, in writing within five (5) days of approval of the land use entitlement. The applicant is also required to notify the CEO of any denial or appeal. Failure to provide notice, will prevent the business from being added to the eligibility list unless a new business license application is submitted in accordance with this chapter.
- B. Prior to the acre limit being committed, persons with an approved land use entitlement and complete business license application that has been accepted by the county executive office and paid any required fees will be placed on an "Eligible Business License Applicants List: Carpinteria Ag Overlay" in order based on: i) receipt by the CEO of all the requirements listed herein, or ii) of notification from the business that the land use entitlement has been approved in accordance with subsection (2)(i)(A)(1) above. Business licenses will only be issued for the specific acreage listed on the business license application (as long as this acreage is consistent with or less than the acreage in the approved land use entitlement) or a lesser acreage amount as requested by the applicant, permitted by the planning and development department or necessary to comply with the maximum allowed acreage in the overlay area as established in this section.
- C. In the overlay area, business licenses will only be issued to persons on the Eligible Business License Applicants List: Carpinteria Ag Overlay after obtaining a final issued land use entitlement and completing all the requirements of this chapter.
- D. Persons listed on the Eligible Business License Applicants List: Carpinteria Ag Overlay are nontransferable except as provided in Section 50-23.
- ii. A licensed cultivator will be allowed to continue to operate as long as the licensed cultivator timely files for renewal of the cannabis business license and complies with this chapter.
- iii. Wait List. Once, and whenever, the one hundred eighty-six acre limit is committed, as determined by the acreage requested by eligible business license applicants in accordance with subsection B above, persons with an approved land use entitlement will be placed on an

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"Eligible Business License Applicants List: Carpinteria Ag Overlay Wait List" (Wait List) as follows:

- A. To be placed on the Wait List, a person must have an approved land use entitlement and must submit notification to the CEO of the desire within five (5) days of approval of the land use entitlement.
 - B. Once the acre limit is committed by the issuance of business licenses to all applicants on the Eligible Business License Applicants List: Carpinteria Ag Overlay no additional licenses will be issued unless and until an issued license is revoked or not renewed, or otherwise becomes available. At the CEO's discretion, when additional acreage becomes available for cannabis cultivation, nursery and microbusinesses licenses the next person on the Wait List will be notified in writing by the county and given the opportunity to complete the licensure process.
 - 1) After county notification, the person on the Wait List has thirty days to submit a business license application and any required fees to the CEO.
 - 2) Failure to act within thirty days, as required in subsection 1) above, will result in forfeiture of the applicant's place on the Wait List and the CEO may contact the next eligible person on the Wait List.
 - C. Persons on the Wait List shall annually renew their interest in remaining on the Wait List by submitting a written request to the county executive office on the anniversary of being placed on the Wait List or on another date established by the CEO. Failure to provide timely notification will result in removal of the person from the Wait List.
- (3) No more than one thousand five hundred seventy-five acres of cannabis cultivation, nurseries and microbusinesses with cultivation shall be licensed at any one time within the unincorporated area outside of the Carpinteria Agricultural Overlay (as defined in Section 50-2) of the County of Santa Barbara. This one thousand five hundred seventy-five acres shall be in addition to the one hundred eighty-six acres of cultivation, nurseries and microbusiness with cultivation allowed in the Carpinteria Agricultural Overlay District under subsection (a)(2) above.
- i. Eligibility List. Applications for cannabis cultivation, nursery and microbusinesses business licenses will be processed and licenses will be issued up to the acreage limit established in subsection (3) above using the same process outlined in subsection (a)(2)(i) above, however

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the list shall be entitled "Eligible Business Applicants List: Unincorporated".

- ii. A licensed cultivator will be allowed to continue to operate as long as the licensed cultivator timely files for renewal of the cannabis business license and complies with this chapter.
- iii. Wait List. Once, and whenever, the one thousand five hundred seventy-five acre limit is committed, as determined by the acreage requested by eligible business license applicants, persons with an approved land use entitlement will be placed on an "Eligible Business License Applicants List: Unincorporated Wait List". The Wait List will be established and maintained using the same process outlined in subsection (a)(2)(iii) above.

...

SECTION 5. Chapter 50 of the Santa Barbara County Code, titled “Licensing of Cannabis Operations,” Sections 50-8, Application contents for an annual cannabis business license; 50-9, Review of process of application for cannabis business license; 50-11, Application review by the sheriff’s department and ongoing requirements- Criminal history check and security plan; 50-22, Cannabis Business Licenses Limits – Nontransferable; 50-23, Change in ownership; and 50-25, Cannabis business license operating requirements, are hereby amended and shall read as follows:

Sec. 50-8. Application content for an annual cannabis business license.

- (a) Each application for a cannabis business license shall be filed with the county executive officer on the form and in the manner prescribed by the county.
 - (1) Any information submitted to the CEO must be consistent with any information submitted to the planning and development department, or any other county or state department or agency. If any information is different, the difference must be highlighted and the reason for the difference along with how and when the other departments/agencies were notified of the difference must be included.
- (b) The application shall contain, without limitation, the following documentation:
 - (1) Background and Contact Information:
 - i. All applicants' and agent's names, mailing addresses, phone numbers, and email addresses.
 - ii. Name, address and telephone number for all business owners, managers, supervisors, employees, and persons having a twenty percent or more

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financial interest in the commercial cannabis activity that is the subject of the application or, if the applicant is an entity, having a ten percent or more financial interest in the entity.

- iii. A 24-hour contact phone number.
 - iv. Written proof or copy of government-issued identification (i.e., California driver's license, California identification card, or certified birth certificate) that all applicants, business owners, supervisors, and employees are eighteen years of age or older for state medical licenses, and twenty-one years of age or older for State non-medical licenses.
 - v. The names, addresses and license numbers of any and all other commercial cannabis operations currently being operated by the applicant, or that had previously been operated by the applicant and a statement of whether the authorization for any such operation has been revoked or suspended and, if so, the reason therefore.
- (2) Information on the Operation:
- i. A full description of the proposed activities and products of the commercial cannabis operation.
 - ii. Proposed hours of operation.
 - iii. Number of employees.
 - iv. Location and Premises Diagram.
 - A. The physical address and assessor's parcel number(s) (APN) of the tax assessor's parcels that constitute the lot upon which the proposed commercial cannabis operation will be located.
 - B. Premises Diagram. A diagram of the premises, drawn to scale, that has been reviewed and approved by planning and development as part of the land use entitlement process.
 - v. Authority to Operate. Proof of ownership of premises, or if the premises on which the commercial cannabis operation is to occur is rented or leased, written permission from the property owner containing the property owner(s)' notarized signature that authorizes the tenant or lessee to engage in commercial cannabis activities at the site.
 - vi. State information.
 - A. A copy of the applicant's State cannabis licenses or applications.
 - B. The state cannabis license type, pursuant to Business and Professions Code Section 26050, as may be amended, for proposed commercial

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cannabis operation, including whether the activity is medical or non-medical.

- C. A description of the number and type of state license(s) that will be required for the proposed operations pursuant to California Business and Professions Code Sections 26000, et seq., as may be amended, including a description of the proposed total canopy area of any cultivation or nursery operation.
 - D. A state seller's permit number issued pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code, as may be amended, or indicate that the applicant is currently applying for a seller's permit, if applicable.
 - E. An API key to the State's track-and-trace system (METRC) associated with all state licenses in Santa Barbara County.
- vii. Land Use Entitlement. A copy of the approved and/or issued land use entitlement Unless Section 50-7 applies, all cannabis operators shall submit a business license application to the CEO's office within thirty calendar days of receiving an approval for a land use entitlement, regardless of whether it is appealed. The applicant is responsible for all license processing fees, including if the applicant fails to notify to the CEO as required by this section or provides late notification. If the following is not included in the land use entitlement it shall also be submitted as part of the application:
- A. Cultivation Plan. A cultivation plan including total canopy size and production setting.
- (3) Business Entity Requirements:
- i. If the applicant is a business entity or any form of entity, information regarding the entity, including, without limitation:
 - A. The name and address of the entity;
 - B. The entity's legal status; and
 - C. Proof of registration with, or a certificate of good standing from, the California secretary of state.
- (4) Quality Control Plan. A quality control plan including procedures sufficient to demonstrate how the applicant will comply with state standards for non-contamination.
- (5) Energy Conservation Plan. An energy conservation plan in compliance with section 50-10 below.
- (6) Site Security Plan and Criminal Background Check.

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- i. Site security plan in compliance with section 50-11 below.
 - ii. All business owners, supervisors, employees, and any other persons having at least a twenty percent financial interest, unless the interest is solely a security, lien, or encumbrance, must go through a live scan background check that discloses no felonies in accordance with California Business and Professions Code Section 26057, as may be amended.
- (7) Inventory Control Plan. Demonstrate the capacity for tracking the location of all cannabis or cannabis products and the ability to reconcile on-hand inventory with the records in the track and trace database.
- (8) Applicant Acknowledgement:
 - i. A statement by the applicant that the applicant has the ability to comply with all laws regulating businesses in the state as well as all requirements of this chapter and the County Code and that it shall and will maintain compliance during the term of the license.
 - ii. Agreeing to indemnify, defend and hold harmless the county, its officers, official, agents and employees from any claim, action, or proceeding against the county, its officers, official, agents or employees arising from the operation or to attack, set aside, void or annul, in whole or in part, an approval of the application by the county or issuance of a license. In addition, applicant will complete a defense and indemnification agreement on a form provided by the county.
 - iii. Authorization for the county, its agents and employees, to access all premises, during standard operating hours, upon which cannabis operations are occurring or intend to occur, including, but not limited to, site visits or inspections prior to issuance or renewal of a license, and compliance checks or inspections post issuance of a license.
 - iv. If the applicant holds a state provisional cannabis cultivation license(s) and is growing cannabis then a statement by the applicant that the applicant will demonstrate the operation of their odor control system(s) after obtaining a final issued land use entitlement and during the business license application review process as required in County Code subsection 50-25(a)(3). Failure to adequately demonstrate that the odor control system(s) is operating in compliance with County Code subsection 50-25(a)(3) is grounds for denial of a business license in accordance with section 50-17.
 - v. Certification, under penalty of perjury, that all the information contained in the application is true and correct.
- (9) Other Information: Any other information required by the county executive officer or county executive office.

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- (c) An Applicant shall submit to the county executive officer an application for a cannabis business license with all required documents, plus as many copies of the application and supporting documentation as required, and the application fee using the method and location for submission as determined by the county executive office.
- (d) An applicant may withdraw or suspend their application by submitting a written request for either action. Requests must be delivered or mailed to the county executive office. Initial applications that are withdrawn may be eligible for a pro-rated refund of fees upon request. If an application is withdrawn and the applicant later wishes to proceed, the applicant must submit a new application. Suspended applications will not be eligible for a refund. Reactivation of a suspended application will require a written request for reactivation that must be delivered or mailed to the county executive office.

Sec. 50-9. Review of process of application for cannabis business license.

- (a) Once an applicant submits an application to the county executive office, the county executive office will determine if the application is subject to a cap in Section 50-7 and if there is space available in the cap to accommodate the application pursuant to Section 50-7. If there is space available and the applicant has an approved land use entitlement, then the county executive office will require payment of the application fee before commencing review of the application. Any application submitted that is not eligible for issuance based on uncommitted space in the caps in Section 50-7 will be held for processing until such time that space becomes available and the application is next on the Wait List as established in Section 50-7.
- (b) If the county executive office determines that the application does not include all information required in section 50-8, it will promptly notify the applicant of the deficient application elements and establish a timeframe for the applicant to provide the county executive office with the missing documents or information.
 - (1) No further action will be taken by the county executive office until the application complies with this chapter, including verification of compliance for state licensing authorities.
 - (2) If the applicant fails to provide the requested information in the established timeframe the application will be deemed abandoned. No fees will be refunded for abandoned applications.
- (c) After the county executive office confirms that the application includes all the information required in section 50-8, the county executive office will promptly forward the application to appropriate departments, including, but not limited to, planning and development, sheriff, fire, agricultural commissioner, treasurer-tax collector, and public health for review and site visit. The departments shall

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recommend to the county executive office whether or not the county executive office should approve the issuance of the cannabis business license in accordance with this chapter.

Sec. 50-11. Application review by the sheriff's department and ongoing requirements—Criminal history check and security plan.

- (a) The sheriff's department functions as lead reviewer for all applications and compliance or renewal site visits of cannabis business licenses for distributor and retail operations; including microbusiness. The sheriff's department will also participate in reviewing site security plans and criminal history backgrounds for all cannabis business license applications and renewals.
- (b) Criminal history checks.
 - (1) All applicants, owners, persons having at least a twenty percent financial interest, managers, and supervisors of a cannabis operation must submit to a live scan check, which will be performed by the sheriff's cannabis team. This live scan check, consists of a criminal history search for disqualifying convictions identified in subsection (6) below. These checks must be completed on principal owners and applicants prior to the issuance of a business license or prior to any subsequent renewal.
 - (2) All applicants are required to establish criminal history check procedures for all permanent employees not listed in subsection (1) above. Criminal history checks will be the equivalent to, and may include the use of, live scan. If using live scan, forms must be obtained from the sheriff's cannabis team. These live scan returns must be sent directly from the department of justice, to the sheriff's department, for retention and review. Completed non-live scan employee criminal history checks must be retained by the applicant and are subject to inspection by the sheriff's department. Upon review, the sheriff's department may conduct further investigation, as outlined in subsection (4) below. Upon satisfactory review of the employee's criminal history, the sheriff's cannabis team will obtain a photograph and issue an identification (ID) card to each qualifying employee.
 - (3) All applicants are required to establish criminal history check procedures for all third-party laborers, seasonal or temporary workers on cannabis operations, who move from premise to premise during the cultivation season, or who work for four months or less. These checks may be performed by the applicant, or contracted labor groups, and will be available for review and inspection by the sheriff's department when requested. To be an eligible worker, the worker's criminal history must be free of any felony convictions or crimes outlined in subsection (6) below. Eligible workers shall be issued a temporary ID card by a

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manager, supervisor or security equivalent. These workers are only required to be background checked once and their temporary ID card will be valid at any licensed commercial cannabis operation in the county. For third party laborers, seasonal or temporary workers, the cannabis operator is required to maintain a separate master list of all workers and be able to demonstrate, upon request, that said workers have been background checked and issued a temporary ID card. Persons in this category shall not work in any sensitive areas, handle money or remain on the licensed cannabis premise unsupervised.

- (4) Licensees are required to notify Sheriff of any changes to persons listed in subsections (1)- (2) above and timely perform any criminal history checks of new persons prior to start of employment.
 - (5) The sheriff's department may conduct further investigation of the applicant, owners or employees as deemed appropriate and shall consider compliance with Business and Professions Code Section 26057, as may be amended. During the criminal history check process, the sheriff's department may also obtain a copy of criminal records in the United States, if any, and may obtain a copy of criminal records in any other country, if obtaining such foreign criminal records is feasible. Upon the satisfactory review of the criminal history, the sheriff's department will issue each qualified person an identification (ID) card. This identification shall be worn when on the licensed premise and used to visually verify authorization of employment at that site.
 - (6) If the sheriff disapproves the application, the sheriff shall notify the County Executive Office in writing giving the reason(s) for the disapproval.
 - (7) No applicant, owner, person having at least a twenty percent financial interest, manager, supervisor or employee engaged in the operation of the commercial cannabis operation may have been convicted of a felony or other crime as set forth in Business and Professions Code Section 26057, as may be amended.
- (c) Site Security Plan.
- (1) All applicants shall prepare and submit a site security plan (plan), that has been reviewed and approved during the land use entitlement process, to the county executive office.
 - (2) The county executive office will forward the plan to the sheriff's department for review and approval.
 - (3) The plan shall include at a minimum perimeter security system, lighting, twenty-four-hour video monitoring with forty-five-day archiving of video that cover all areas of the licensed operation, employee training program on company policies and cannabis laws, color coded identification cards based on access, system for obtaining and managing sheriff's department cannabis access identification cards, policies for employees that do not wear identification cards

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while on the premises, prevention of product diversion, theft, and loss, as may be required by the sheriff's department to protect the public safety, and proof that the plan complies with chapter 35 and has received all required approvals from the planning and development department.

- (4) If upon review an applicant's site security plan and/or its implementation is inadequate, sheriff may provide an opportunity to improve the plan to meet necessary standards. Any proposed changes to site security measures require notification and approval of the Sheriff's Office prior to implementation.
- (5) If the sheriff disapproves the plan or its implementation, the sheriff shall notify the county executive office and the planning and development department in writing giving the reason(s) for the disapproval.
- (6) All security plans must be implemented and approved before a cannabis business license will be issued.

Sec. 50-25. Cannabis business license operating requirements.

(a) Throughout the term of the cannabis business license, each and every licensee shall comply with this chapter, the County Code, and state law, including, but not limited to, all of the following:

(1) Premises Restrictions.

- i. No cannabis shall be smoked, ingested or otherwise consumed on the premises.
- ii. No cannabis or cannabis products, or graphics depicting cannabis or cannabis products, shall be visible from the exterior of the premises.
- iii. No licensee may hold a license for the premise from the state department of alcoholic beverage control to sell alcoholic beverages, nor may the cannabis operation include a business that sells alcoholic beverages.
- iv. No alcohol may be stored, sold, dispensed or consumed on the premises.
- v. A licensee shall not sell, store or allow consumption of any tobacco or nicotine products on or at any premises licensed under this chapter.
- vi. No person or employee shall be under the influence of a controlled substance.

(2) Display License and ID Cards.

- i. Each licensee shall conspicuously display its license on the premises. Each commercial cannabis operation that engages in delivery or distribution shall

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- carry a copy of the license in all vehicles that deliver or transport cannabis or cannabis products.
- ii. Employee identification cards shall be worn at all times while on the premises and cards shall be color coded to identify levels of access to portions of the operations.
 - iii. The Sheriff's Department shall be notified of any changes to employment and any new employees shall be subject to criminal history checks in accordance with Section 50-11.
- (3) Odor. Continuous operation of all required odor prevention devices and techniques for cannabis cultivation, in compliance with chapter 35, zoning, of the County Code.
- (4) Records. Each licensee shall keep accurate records of the licensee's commercial cannabis activities in a manner readily accessible for examination by the county for six months onsite and a total of seven years pursuant to Business and Professions Code Sections 26160 through 26162.5, as may be amended.
- (5) Security Requirements.
- i. Each licensee shall be responsible and liable for safety and security in and around the commercial cannabis operation, and shall provide adequate security on the premises including the cleanup of graffiti, trash around the premises within forty-eight hours.
 - ii. Each licensee shall maintain such surveillance video recordings for a period of at least forty-five days and shall make such video recordings available to the county upon demand.
 - iii. Following harvest, all cannabis and cannabis products shall be stored in a secured and locked safe room, safe or vault, and in a manner to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes, testing samples or immediate sale.
 - iv. Each licensee shall notify the sheriff within twelve to twenty-four hours after discovering any of the following: diversion, theft, loss, or any criminal activity involving the commercial cannabis operation; significant discrepancies identified during inventory; or any other breach of security.
- (6) Twenty-Four-Hour Contact. Each licensee shall provide the county executive office with the name, telephone number and e-mail address of the licensee's designated community relations contact who the public may contact twenty-four hours a day regarding problems or concerns associated with the commercial cannabis operation. The licensee shall update the county if any changes occur to the community relations contact. The licensee shall make a good faith effort to resolve problems without the need for intervention by the county.

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- (7) Taxes. A licensee shall pay all applicable state and county taxes pursuant to chapter 50A and fees.
- (8) Insurance. A licensee shall have and maintain for the duration of the license a general liability insurance policy naming the county as an additional insured with minimum coverage requirements of one million dollars per occurrence and two million dollars per aggregate.
- (9) Valid Permits and State Licenses.
 - i. The property owner(s) who own(s) the premises where the commercial cannabis operation is located must at all times have all necessary land use entitlements/permits as required by chapter 35, zoning, of the Santa Barbara County Code and the land use entitlements must be operative.
 - ii. A licensee must legally hold all required state licenses under the Medicinal and Adult-Use of Cannabis Regulatory and Safety Act (Business and Professions Code §§ 26000, et seq.), as may be amended, and under all other applicable state laws.
- (10) API key. A licensee, including operators with state provisional licenses only, shall provide the county executive office with the Application Programming Interface (API) key to the state's track and trace system within ten days of receiving a state license or of the county's request to obtain the API key.
- (b) In the interest of public safety, county officials may enter the licensee's premises during standard operating hours for the purpose of observing compliance of the commercial cannabis operation with this chapter.
- (c) County officials, including the county executive office or treasurer-tax collector, may inspect the commercial cannabis operation's records, books, accounts, financial data, and any and all data relevant to its licensed activities for the purpose of conducting an audit or examination.
- (d) It is a misdemeanor for any person having any responsibility over a commercial cannabis operation to impede, obstruct, or interfere with an inspection, or the review of the copying of records and monitoring (including recordings) including, but not limited to, the concealment, destruction, and falsification of any recordings or records.

SECTION 6. Except as amended by this Ordinance the Santa Barbara County Code shall remain unchanged and shall continue in full force and effect.

SECTION 7. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have

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passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

SECTION 8. This Ordinance shall take effect and become operative 30 days from the date of its adoption by the Board of Supervisors. Before the expiration of 15 days after its passage a summary of it shall be published once together with the names of the members of the Board of Supervisors voting for and against the same in the *Santa Barbara News-Press*, a newspaper of general circulation published in the County of Santa Barbara.

SECTION 9. Cannabis activities already are highly regulated by both the state and federal governments, and their regulation of cannabis activities is subject to rapid changes. Even if the Board of Supervisors adopts this Ordinance, the Board of Supervisors retains all of its statutory authority concerning cannabis activities. For example, even if the Ordinance becomes operative, the Board of Supervisors still may take action(s) later to change the zoning and/or licensing of cannabis activities to being prohibited. Changing the zoning and/or licensing of cannabis activities to being prohibited, could occur -- for example, but is not limited to -- if: 1) the County Treasurer is not able to deposit cannabis-related funds in a suitable financial institution; and/or 2) the Board of Supervisors submits a proposed County tax on commercial cannabis activity to the voters and the voters do not approve the tax. In part because cannabis activities are highly regulated by both the state and federal governments and their regulation of cannabis activities is subject to rapid changes, the Board of Supervisors later may need to change the zoning and/or licensing of cannabis activities to being prohibited and may need to do so without cannabis activities receiving: 1) an amortization period; and/or 2) legal nonconforming use status.

PASSED, APPROVED, AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this _____ day of _____, 2021, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

BOB NELSON, CHAIR
BOARD OF SUPERVISORS
COUNTY OF SANTA BARBARA

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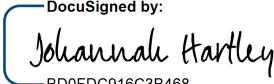
ATTEST:

MONA MIYASATO, COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD

By _____
Deputy Clerk

APPROVED AS TO FORM:

RACHEL VAN MULLEM
COUNTY COUNSEL

By  _____
Deputy County Counsel