

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 50-7, 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 **planting, growing, and harvesting**; 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.

- 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 “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~~**planting, growing, and harvesting**, nurseries and microbusinesses **with cultivation**, ~~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. **If the county removes cannabis drying, curing, and trimming from the acre limit, upon the effective date of that change, each operation on the Eligible Business License Applicants List: Carpinteria Ag Overlay with acreage committed for cannabis drying, curing, or trimming will be given a right of first refusal to seek to amend, revise, or apply for a new land use entitlement and license to expand their operation by the amount of acreage of cannabis drying, curing, and trimming previously committed by their operation; if an operation declines or their land use entitlement is denied, at the CEO’s discretion, the next person on the Wait List will be notified 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 **planting, growing, and harvesting; ~~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 **planting, growing, and harvesting**, 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 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.
 - iv. If a cannabis operation that claimed legal nonconforming status pursuant to County Code Section 35-1003 has an approved land use entitlement and has been placed on the Eligible Business License Applicants List: Unincorporated, but does not have an approved and issued business license by June 30, 2022, the operation must suspend all commercial cannabis activity no later than June 30, 2022. The applicant may continue to pursue a business license and the operation shall retain its place on the Eligible Business License Applicants List: Unincorporated, but must suspend all commercial cannabis activity by the date provided in this subsection unless and until a business license is**

approved and issued. If the operation still does not have a business license approved and issued by December 31, 2022, it shall cease all commercial cannabis activity and lose its place on the Eligible Business License Applicants List: Unincorporated, and staff shall provide written notification to the state pursuant to section 50-31(b) of this chapter.

SECTION 2. Chapter 50 of the Santa Barbara County Code, titled “Licensing of Cannabis Operations,” Sections 50-22, Cannabis business licenses limits — Nontransferable, and 50-23, Change in ownership, are hereby amended and shall read as follows:

Sec. 50-22. - Cannabis business licenses limits—Nontransferable.

- (a) A cannabis business license is issued to and covers only the licensee(s) identified on the cannabis business license and only the premises identified on the cannabis business license.
- (b) A cannabis business license is not transferable and automatically terminates upon transfer or change of ownership **unless the transfer or change of ownership complies with** ~~pursuant to~~ section 50-23. A cannabis business license does not run with the land.

Sec. 50-23. - Change in ownership.

- (a) Any new business owners, managers, supervisors, employees, or other persons intending to be engaged in the business or operation of the commercial cannabis operation must submit their fingerprints and/or other necessary information for a criminal background check pursuant to section 50-11, to the sheriff prior to the proposed change. Once the sheriff has approved the new person’s criminal history and before the new person engages in any activity related to the cannabis business license, the licensee shall submit this approval along with the new person’s contact information to the county executive office.
- (b) Whenever any **person that is licensed under this chapter or has submitted an application for a license under this chapter** ~~individual, corporation, limited liability company, partnership or other type of business entity~~ **proposes to sell or transfer any part greater than twenty percent of its corporate stock, partnership interest or other business interest in a commercial cannabis operation, it shall submit to the county a notice of intent to change ownership at least thirty (30) calendar days prior to the change and a new cannabis business license application at least** ~~within fifteen (15) calendar days~~ **prior to the change. The license shall not be effective unless and until the application is approved by the county.**

~~licensed under this chapter sells or transfers any part greater than twenty percent of its corporate stock, partnership interest or other business interest in a commercial cannabis operation, a new cannabis business license shall be obtained pursuant to section 50-8 of this chapter within fifteen (15) calendar days.~~

~~(1) Notice. Notice of intent to change ownership should be submitted to the county at least five thirty calendar days prior to the change, but in any case, a licensed cannabis operation shall provide notice of any changes to the ownership of the business in writing to the CEO's office within five calendar days of the change, including the details of the change.~~

~~(c) (2) Continuing Operations. An **applicant or** licensed cannabis operation that timely notifies the county of any **proposed** change in ownership, and submits a new cannabis business license application within fifteen calendar days of the **notice provided pursuant to 50-23(b) change, shall not lose retain its place on the applicable Eligible License Applicants List or Wait List established by Section 50-7 for purposes of the new business license application. For operations already licensed by the county, they and** may continue to operate for the term of the previously issued county business license while the county evaluates the new application as long as:~~

~~i. There is sufficient space to allow the operation, if the cannabis operation is subject to the limitations in section 50-7; and~~

~~(1)ii. The operation continues to comply with all county codes, its land use entitlement, and state law, including, but not limited to, filing tax reports and paying all required taxes; and~~

~~(2)iii. The operation, as a county business license applicant, makes appropriate progress through the 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.)~~

~~(3) **If the previously issued county business license expires prior to the approval and issuance of the new business license, the operation must cease until a business license is approved and issued unless otherwise notified by the County Executive Office.**~~

If the cannabis operation fails to comply with subsections (1) and (2) above, then the cannabis operation shall cease all cannabis activities until a new business license is issued.

SECTION 3. Except as amended by this Ordinance the Santa Barbara County Code shall remain unchanged and shall continue in full force and effect.

SECTION 4. 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 5. 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 6. 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 _____, 2022, by the following vote:

Ordinance Amending Chapter 50 – Licensing of Commercial Cannabis Operations

Adopted: May 1, 2018

Amended: April 9, 2019, August 27, 2019, December 17, 2019, February 2, 2021, November 2, 2021, **and March 1, 2022**

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AYES:

NOES:

ABSTAIN:

ABSENT:

JOAN HARTMANN, 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