

Exhibit 2

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Chapter 7.90 COMMERCIAL CANNABIS PERMITS¹

7.90.010 Findings and purpose.

- A. Pursuant to Article XI, Section 7 of the California Constitution, the County of Monterey may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its citizens.
- B. The federal Controlled Substances Act (21 U.S.C. § 801, et seq.) prohibits, except for certain research purposes, the possession, distribution, and manufacture of cannabis, and there is no medical necessity exception to prosecution and conviction under the Controlled Substances Act.
- C. The federal government issued guidelines for states and local governments that have enacted laws authorizing cannabis related conduct, requiring them to implement strong and effective regulatory and enforcement systems that will address the threat that cannabis activity could pose to public safety, public health, and other law enforcement interests.
- D. On November 5, 1996, California voters approved Proposition 215, the Compassionate Use Act of 1996 (Health and Safety Code § 11362.5, "CUA"), an initiative that exempted certain patients and their primary caregivers from criminal liability under state law for the possession and cultivation of cannabis for medical purposes. One of the stated purposes of the CUA is to ensure that seriously ill Californians have the right to obtain and use cannabis for medical purposes where that medical use has been recommended by a physician.
- E. On January 1, 2004, Senate Bill 420, the Medical Marijuana Program Act (Health and Safety Code §§ 11362.7-11362.83, "MMP"), became law to clarify the scope of the CUA and to facilitate the prompt identification of qualified patients and their primary caregivers.
- F. On October 9, 2015, the State enacted the Medical Marijuana Regulation and Safety Act (former Business and Professions Code § 19300, et seq., "MMRSA"). MMRSA created a state licensing program for commercial medical cannabis activities.
- G. On July 12, 2016, the Monterey County Board of Supervisors adopted inland zoning regulations establishing criteria for issuing local land use permits pursuant to the MMRSA (Ordinance Number 5270, amending sections of Title 21 and adding Chapter 21.67 to the Monterey County Code), and on July 19, 2016 the Monterey County Board of Supervisors adopted regulations establishing criteria for issuing local business permits pursuant to the MMRSA (Ordinance Numbers 5272 and 5273, codified at Monterey County Code Chapters 7.90 and 7.95). These ordinances were to become operative only if the Board of Supervisors submitted a County tax on commercial medical cannabis activities to the voters, the voters approved the tax, and the tax was certified by the County pursuant to Section 15372 of the California Elections Code. On November 8, 2016, the voters approved the tax (Measure Y, codified at Monterey County Code Chapter 7.100). On December 13, 2016, the tax was certified pursuant to Section 15372 of the Elections Code and Ordinance Numbers 5270, 5272, and 5273 became operative. Chapter 21.67 provided a one-year amortization period for commercial medical cannabis activities that were legally established prior to August 12, 2016 to obtain all required County permits, licenses, and entitlements, or to terminate their operations. This one-year amortization period ended on August 12, 2017.
- H. On November 8, 2016, by statewide initiative, the voters enacted the Adult Use of Marijuana Act ("AUMA"). AUMA created a state licensing program for commercial adult-use cannabis activities.

¹Editor's note(s)—Ord. No. 5293, § 1, adopted Dec. 5, 2017, amended Ch. 7.90 in its entirety to read as herein set out. The former Ch. 7.90, §§ 7.90.010—7.90.180, pertained to commercial medical cannabis permits, and derived from Ord. No. 5272, § 1, adopted July 19, 2016.

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- I. On June 27, 2017, the State enacted the Medicinal and Adult-Use of Cannabis Regulatory and Safety Act (Business and Professions Code § 26000, et seq., "MAUCRSA"), which combined MMRSA and AUMA into a single state licensing scheme for both medicinal and adult-use cannabis. MAUCRSA allows counties and cities to maintain local regulatory authority over commercial cannabis activities. The state will not issue a state license without first receiving authorization from the applicable local jurisdiction.
 - J. On December 5, 2017, the Board of Supervisors adopted Ordinance Number 5292 to amend Title 21 of the Monterey County Code to regulate both adult-use and medical commercial cannabis activities in the inland area of unincorporated Monterey County. The Board also adopted a Resolution of Intent to adopt an ordinance amending the Monterey County Coastal Implementation Plan, Parts 1 and Part 2 (Title 20, coastal zoning ordinance) to make corresponding changes in the coastal area, and to amend the text of the North County Land Use Plan.
 - K. On January 30, 2018, the Board of Supervisors adopted Resolution Number 18-026 to approve a Joint Exercise of Powers Agreement establishing the California Cannabis Authority ("CCA"), and appoint Treasurer-Tax Collector Mary Zeeb as the primary representative of the County to serve as a member on the Board of Directors of the CCA.
 - L. On February 7, 2018, the California Coastal Commission certified Monterey County LCP Amendment number LCP-3-MCO-18-0004-1 (ordinance and North County Land Use Plan amendment) as submitted by the County.
 - M. On March 20, 2018, the Board of Supervisors adopted the ordinance and North County Land Use Plan amendment, as certified by the Coastal Commission (Ordinance No. 5299, amending sections of Title 20 and adding Chapter 20.67 to the Monterey County Code).
 - N. On November 6, 2018, the Board of Supervisors adopted Ordinance Number 5306 to amend Title 21 of the Monterey County Code to change commercial cannabis activities from a conditional use allowed subject to a Use Permit, to a principle use allowed subject to an Administrative Permit. The Board of Supervisors also adopted Resolution of Intent Number 18-413 to amend the Monterey County Coastal Implementation Plan, Part 1 (Title 20, coastal zoning ordinance) to change commercial cannabis activities from a conditional use allowed subject to a Coastal Development Permit, to a principle use allowed subject to a Coastal Administrative Permit. The County has submitted Resolution of Intent Number 18-413 to the Coastal Commission for certification. If certified by the Coastal Commission, the ordinance will then need to be adopted by the Board of Supervisors.
 - O. On June 18, 2019, the Board of Supervisors adopted Ordinance Numbers 5311 and 5312 to add Chapters 20.69 and 21.69 to the Monterey County Code to establish a five-year pilot program for outdoor commercial cultivation and related activities in certain coastal and inland unincorporated areas. Ordinance Number 5312 adding Chapter 20.69 to establish a pilot program in the coastal area will not be operative until certified by the Coastal Commission.
 - P. It is the intent of the County of Monterey to have a strong and effective regulatory and enforcement system with regard to cannabis that addresses threats to public safety, health and other law enforcement interests through robust controls and procedures that are effective in practice, and that comply with state law and federal guidelines.
 - Q. This ordinance provides regulations for the local permitting of commercial cannabis operations under specified conditions in the unincorporated areas of the County. This ordinance, together with Chapters 7.02, 20.67, 21.67, 20.69, and 21.69 of the Monterey County Code requiring necessary licenses and land use entitlements for all commercial cannabis operations, are intended to establish criteria for issuing local permits pursuant to the MAUCRSA and to establish an effective regulatory and enforcement system consistent with the guidance issued by the United States Department of Justice.

7.90.020 Applicability.

This Chapter applies in the unincorporated area of the County of Monterey.

7.90.030 Definitions.

The following words and phrases shall have the meanings set forth below when used in this Chapter. The definitions in Chapter 20.67 for the coastal zone and Chapter 21.67 for the inland zone shall otherwise apply.

- A. "A-designation" means a designation placed on a County permit issued pursuant to this Chapter for cannabis or cannabis products that are intended for adults who are twenty-one (21) years of age and over and who do not possess a physician's recommendation.
- B. "Applicant" means an owner applying for issuance, renewal, or modification of a permit issued pursuant to this Chapter.
- C. "Application" means that form provided by the Appropriate Authority in accordance with this Chapter for the purpose of seeking a commercial cannabis business permit.
- D. "Appropriate Authority" means the Monterey County Cannabis Program Manager or his or her designee.
- ~~E. "California Cannabis Authority" is a joint powers authority, of which Monterey County is a member, established among California counties to create a comprehensive data platform that tracks cannabis data through a chain of production to consumption; to track payments among commercial partners and to various state, local agencies, and other commercial cannabis participants; and to provide data analytics designed to support local cannabis regulatory and tax compliance efforts.~~
- F. "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the California Health and Safety Code.
"Cannabis consumption" means smoking, eating, drinking, chewing, applying topically or otherwise ingesting cannabis and/or cannabis products.
- G. "Cannabis product" has the same meaning as in Section 11018.1 of the California Health and Safety Code.
- H. "Canopy" means all areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site.
- I. "Commercial cannabis activity" means the cultivation, possession, manufacture, processing, storing, laboratory testing, packaging, labeling, transporting, distribution, delivery, consumption, or sale of cannabis or a cannabis product.
- J. "Commercial cannabis business permit" means a permit issued by the County to an applicant to perform commercial cannabis activities under this Chapter.
- K. "Commercial cannabis operation" means an entity that engages in commercial cannabis activities.
- L. "County" means the County of Monterey.
- M. "Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform operated or controlled by the retailer.
- N. "Financial interest" has the same definition as in Section 15004 of Title 4 of the California Code of Regulations, as it may be amended.

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- O. "Hearing Officer" means a person appointed by the County to conduct an administrative hearing under this Chapter. The appointed Hearing Officer shall be an impartial decision-maker selected by a process that eliminates risk of bias, such as:
1. An administrative law judge provided by the State of California Office of Administrative Hearings to function as the County Hearing Officer pursuant to Chapter 14 of Part 3 of Division 2 of Title 3 of the California Government Code;
 2. A person selected randomly from a panel of attorneys willing to serve as a Hearing Officer; or
 3. An independent contractor assigned by an organization or entity which provides hearing officers.
- P. "Identification card" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- Q. "M-designation" means a designation placed on a County permit issued pursuant to this Chapter for cannabis or cannabis products that are intended for to be sold for use pursuant to the Compassionate Use Act of 1996 (Section 11362.5 of the California Health and Safety Code) by patients who possess a physician's recommendation.
- R. "Manager" means any individual who participates in the day-to-day direction, control, and management of the commercial cannabis operation.
- S. "Medicinal cannabis" or "medicinal cannabis product" means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Section 11362.5 of the California Health and Safety Code) by a medicinal cannabis patient in California who possesses a physician's recommendation.
- T. "Owner" means any of the following:
1. A person with an aggregate ownership interest of twenty percent (20%) or more in the commercial cannabis operation applying for a permit, unless the interest is solely a security, lien, or encumbrance.
 2. The chief executive officer of a nonprofit or other entity.
 3. A member of the board of directors of a nonprofit.
 4. An individual who will be participating in the direction, control, or management of the person applying for a permit, which includes any of the following:
 - a. A partner of a commercial cannabis operation that is organized as a partnership;
 - b. A managing member of a commercial cannabis operation that is organized as a limited liability company; and
 - c. An officer or director of a commercial cannabis operation that is organized as a corporation.
- U. "Permittee" means a person issued a County permit under this Chapter.
- V. "Person" means an individual, firm, sole proprietorship, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.
- W. "Premises" has the same definition as in Section 15000(ccc) of Title 4 of the California Code of Regulations, as it may be amended.
- X. "Primary caregiver" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- Y. "Property owner" means the individual or entity who is the record owner of the subject property where commercial cannabis activities are located or are proposed to be located.

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- Z. "Qualified patient" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
 - AA. "State" means the state of California.
 - BB. "State license" means a state license issued pursuant to California Business & Professions Code Section 26000, et seq.

7.90.040 Commercial cannabis permit required.

- A. Any person who intends to engage in a commercial cannabis activity shall obtain a commercial cannabis business permit for the fixed location in which the commercial cannabis activity is to occur.
- B. It is unlawful for any person to conduct, engage in or allow to be conducted or engaged in a commercial cannabis activity in the unincorporated portion of Monterey County, unless the County has issued such person a permit under this Chapter and the permit is in effect. Notwithstanding the above, the permits issued under this Chapter do not provide any protection or immunity for any person from state or federal laws, or from prosecution pursuant to any applicable state or federal laws.
- C. The fact that an applicant possesses other types of state or County permits or licenses, shall not exempt the applicant from obtaining a commercial cannabis business permit under this Chapter, nor shall the terms and conditions of any other such permit or license modify the requirements of a permit granted under this Chapter, except that the commercial cannabis business permit must be consistent with the land use entitlement issued by the County pursuant to Title 20 or Title 21 of the Monterey County Code.
- D. The applicant must receive all necessary land use entitlements as required by Titles 20 and 21 of the Monterey County Code before the County will issue a commercial cannabis business permit under this Chapter.
- E. All the following cannabis activities are exempt from the commercial cannabis business permit requirements of this Chapter:
 - 1. Possession, storage, manufacturing using a non-volatile solvent, or transportation of medicinal cannabis, or cultivation of up to one hundred (100) square feet total canopy area of medicinal cannabis by a qualified patient, as that term is defined in Section 11362.7 of the California Health and Safety Code, provided the qualified patient, possesses, stores, manufactures, transports, or cultivates cannabis exclusively for his or her personal medical use, and does not provide, donate, sell, or distribute cannabis to any other person. Qualified patients shall, upon request, provide appropriate documentation to law enforcement demonstrating that they have a valid doctor's recommendation to use cannabis for medicinal purposes.
 - 2. Possession, storage, manufacturing using a non-volatile solvent, transportation of medicinal cannabis, or cultivation of up to one hundred (100) square feet of canopy area of medicinal cannabis by a primary caregiver on behalf of a qualified patient, within the meaning of Section 11362.7 of the California Health and Safety Code, provided the primary caregiver does not receive remuneration for these activities except for compensation in full compliance with Section 11362.765(c) of the California Health and Safety Code. Primary caregivers shall, upon request, provide appropriate documentation to law enforcement demonstrating that they are a primary caregiver for a qualified patient.
 - 3. Possession, processing, storage, transportation, or donation of not more than twenty-eight and one-half (28.5) grams of cannabis or not more than eight grams of concentrated cannabis to persons twenty-one (21) years of age or older by persons twenty-one (21) years of age or older.
 - 4. The cultivation of up to six cannabis plants by persons twenty-one (21) years of age or older as allowed pursuant to Section 11362.1(a) of the California Health and Safety Code.

7.90.050 Commercial cannabis permit application process.

- A. Each application for the establishment of a commercial cannabis business permit shall be filed on the form and in the manner prescribed by the Appropriate Authority. The Appropriate Authority shall be responsible for administering the application process as set forth in this Chapter.
- B. If an applicant holds a valid State ~~provisional or~~ annual license pursuant to California Business & Professions Code Section 26050.2, the applicant must submit an application for a commercial cannabis business permit within thirty (30) days of the final approval of the applicable land use entitlement pursuant to Titles 20 and 21 of the Monterey County Code.
- C. In all cases, the application shall contain, without limitation, the following documentation:
 - 1. All applicants' names, primary telephone numbers, mailing addresses, e-mail addresses, and a twenty-four (24) hour or nighttime contact telephone number.
 - 2. The physical address(es) and assessor's parcel number(s) (APN or APNs) of the property upon which the proposed commercial cannabis operation will be located, and the global positioning system (GPS) coordinates of any area that is proposed to contain commercial cannabis activities.
 - 3. 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.
 - 4. A premises diagram pursuant to Section 15006 of Title 4 of the California Code of Regulations, as it may be amended, showing, without limitation, a site plan, building layout, a description of where each commercial cannabis activity will occur, all entry ways and exits to the site, loading zones and all areas in which cannabis and cannabis products will be stored, grown, or dispensed. The diagram must include a description of the proposed total canopy area of any cultivation and/or nursery operation, including the maximum square footage to be cultivated for the annual term of the permit.
 - 5. If the applicant is a business entity, information regarding the entity, including, without limitation, the legal business name, registered name(s) under which the business will operate, address of record for the entity, contact telephone number(s), its legal status, and proof of registration with, or a certificate of good standing from, the California Secretary of State, as applicable.
 - 6. The full name, date of birth, present address and telephone number for all owners, managers, employees, and persons having a twenty percent (20%) or more financial interest in the commercial cannabis activity that is the subject of the application.
 - 7. All owners and persons having a twenty percent (20%) or more financial interest must submit fingerprints and other necessary information for a criminal background check conducted by any entity authorized by the California Department of Justice to perform Live Scan fingerprinting services.
 - 8. A statement of whether the applicant is applying for a commercial cannabis business permit with a M-designation, an A-designation, or both.
 - 9. The employer shall verify that all owners, managers, and employees possess valid government-issued identification and are twenty-one (21) years of age or older. Acceptable forms of identification are an unexpired document issued by a federal, state, county, or municipal government that contains the name, date of birth, physical description, and picture of the individual.
 - 10. The names and addresses of any 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 had been revoked or suspended and, if so, the reason therefore.
 - 11. A full description of the proposed activities and products of the commercial cannabis operation, including proposed hours of operation and the number of employees.

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12. A description of the type of State license(s) that will be required for the proposed operations pursuant to California Business and Professions Code Section 26000, et seq. If a State provisional license(s) is held pursuant to California Business and Professions Code Section 26050.2, a photocopy of all applicable State provisional licenses.
 13. A detail of the procedures to be utilized at the premises including a description of how chemicals, pesticides and fertilizers will be stored, handled, used, and disposed of; and if applicable, manufacturing methods, odor control methods and devices, how odor control devices will be maintained, the transportation process, inventory procedures, and quality control procedures.
 14. A waste disposal plan.
 15. If applicable, provide the applicant's seller's permit number issued pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code or indicate that the applicant is currently applying for a seller's permit.
 16. If applicable, the federal tax identification number. If the applicant is a sole proprietorship, the applicant shall submit the social security number or individual taxpayer identification number of the sole proprietor.
 17. A statement by the applicant that it is able to comply with all laws regulating businesses in the state of California and that it shall maintain compliance during the term of the permit.
 18. Authorization for the County, its agents and employees to seek verification of the information contained in the application. Owners must complete and update an agent authorization form, as needed.
 19. Certification, under penalty of perjury, that all the information contained in the application is true and correct. If applicable, an agent authorization form must be completed and updated by the applicant.
 20. Any other information required by the Appropriate Authority.
- D. If an applicant wishes to withdraw an application, a written request to withdraw shall be submitted to the Appropriate Authority.
1. Application fees for a withdrawn application will not be refunded.
 2. An applicant may reapply at any time following the withdrawal of an application but will be required to submit a new application and pay the required application fee.
 3. If applicable, an applicant shall file a cessation of business form with the Appropriate Authority within five (5) business days of cessation of existing business operations.

7.90.060 Review of application for commercial cannabis permit.

- A. The Appropriate Authority shall review the application for a commercial cannabis business permit and associated documents and shall require, if he or she deems necessary, additional information to complete the application. The Appropriate Authority may deem the application incomplete if it does not contain all required information and documents. Applicants must submit all required information and documents to the Appropriate Authority within thirty (30) days receipt of an incomplete notice.
- B. An application shall not be deemed complete unless all required application fees have been paid.
- C. Each commercial cannabis business permit shall be granted for a one-year period and shall expire one year after the date of its issuance.
- D. Upon review of a complete application for a commercial cannabis business permit, the Appropriate Authority shall grant the application if:
 1. The proposed commercial cannabis activities will comply with all the requirements of the state and the Monterey County Code;

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2. The applicant has received all necessary land use entitlements as required by Titles 20 and 21 of the Monterey County Code;
 3. The proposed commercial cannabis activities will comply with all provisions of this Chapter;
 4. If applicable, the applicant has obtained a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code; and
 5. All responsible County departments have reviewed and approved issuance of the permit.
- E. The Appropriate Authority shall deny any application that meets any of the following criteria:
1. The applicant has knowingly made a false statement of material fact or has knowingly omitted a material fact from the application;
 2. Any owner, manager, employee, or persons having a twenty percent (20%) or more financial interest in the commercial cannabis activity has been convicted of a felony or a drug related misdemeanor reclassified by Section 1170.18 of the California Penal Code (Proposition 47) within the past ten (10) years. A conviction within the meaning of this Section means a plea or verdict of guilty or a conviction following a plea of nolo contendere;
 3. Any person who is listed on the application is a licensed physician making patient recommendations for medical cannabis pursuant to Section 11362.7 of the California Health and Safety Code;
 4. If applicable, the applicant failed to obtain or maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code;
 5. Any person who is listed on the application is less than twenty-one (21) years of age;
 6. The proposed or provisionally permitted commercial cannabis operation does not comply with the provisions of the Monterey County Code or state law; or
 7. The applicant has not received all necessary land use entitlements as required by Titles 20 and 21 of the Monterey County Code.
- F. If the Appropriate Authority intends to deny the application, the Appropriate Authority shall specify in writing the reasons for the denial of the application and notify the applicant that the decision shall become final unless the applicant seeks an appeal pursuant to Section 7.90.120 of this Chapter within ten (10) calendar days of the date of service of the Appropriate Authority's decision. Service of the decision shall be provided in accordance with the requirements set forth in Section 7.90.130 of this Chapter.

7.90.070 Commercial cannabis permit modification process, renewal process, and grounds for denial.

- A. Each commercial cannabis business permit shall expire one year after the date of its issuance, regardless of whether it is modified during its annual term and may be renewed annually on the date of its issuance.
- B. A permittee shall seek modification of a commercial cannabis business permit before making changes to aspects of the commercial cannabis operation that alter any of the information submitted pursuant to Section 7.90.050 of this Chapter, including the addition of a cannabis consumption venue to any existing retail location. A Department of Cannabis Control Science Amendment must be submitted and approved if amending the State Cultivation Plan.
- C. Any commercial cannabis business permit may be modified by the Appropriate Authority upon the submission of a modification application by the permittee, and upon determination by the Appropriate Authority that the applicant meets the standards for a grant of application pursuant to Section 7.90.060 and none of the criteria listed in Section 7.90.070(F) apply. At the time of consideration of a modification application, the Appropriate Authority shall consider current compliance with this Chapter.

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1. A permit may be modified two times during its annual term by the Appropriate Authority to modify the canopy limit allowed by the permit pursuant to Section 7.90.050(C)(5) of this Chapter.
 2. A permit may be modified three times during its annual term by the Appropriate Authority to modify any other terms delineated in Section 7.90.050 of this Chapter.
- D. Any commercial cannabis business permit may be renewed by the Appropriate Authority upon the submission of a renewal application by the permittee, and upon determination by the Appropriate Authority that the applicant meets the standards for grant of application pursuant to Section 7.90.060 and none of the criteria listed in Section 7.90.070(F) apply. At the time of consideration of a renewal application, the Appropriate Authority shall consider compliance with this Chapter in the prior term.
- E. Any application for modification or renewal shall be filed at least forty-five (45) calendar days before expiration of the permit. If any of the documentation and information supplied by the applicant pursuant to Section 7.90.050 has changed since the grant of the permit, applicant shall submit updated information and documentation with the application for modification or renewal and shall provide such other information as the Appropriate Authority may require.
- F. Any application for modification or renewal shall be denied if:
1. The application is filed fewer than forty-five (45) calendar days before the permit's expiration;
 2. The permittee fails to conform to the criteria set forth in this Chapter;
 3. The permittee is delinquent in payment of any County taxes;
 4. The permittee's State license(s) is suspended or revoked at the time of the application; or
 5. The permit is suspended or revoked at the time of the application.
- G. If a modification or renewal or modification application is denied, an applicant may file a new application pursuant to this Chapter.
- H. An application for modification or renewal shall not be deemed complete until all application fees have been paid.
- I. If the Appropriate Authority intends to deny the modification or renewal, the Appropriate Authority shall specify in writing the reasons for the denial of the modification or renewal and notify the permittee that the decision shall become final unless the permittee seeks an appeal pursuant to Section 7.90.120 of this Chapter within ten (10) calendar days of the date of service of the Appropriate Authority's decision. Service of the decision shall be provided in accordance with the requirements set forth in Section 7.90.130 of this Chapter.

7.90.080 Fees.

The filing of an application for a commercial cannabis business permit, for renewal of a commercial cannabis business permit, for modification of a commercial cannabis business permit, and appeals shall be accompanied by payment of such fees as the Board of Supervisors may establish to recover the cost of administration of this Chapter. Applicants and permittees must pay all relevant fees in full within twenty-four (24) hours of submitting their application, renewal, modification request, or appeal. Applicants and permittees are responsible for the costs of inspections, investigations, and any other fee-associated activity established pursuant to this Chapter. Fees, fines, and costs specified by this Chapter shall be as established by the Board of Supervisors and as set forth in the Monterey County Fee Resolution, pursuant to Chapter 1.40 of the Monterey County Code, as amended from time to time.

7.90.090 Commercial cannabis permit nontransferable.

- A. A commercial cannabis business permit does not create any interest of value, is not transferable or assignable, and does not run with the land.
- B. Whenever any sole proprietorship, corporation, limited liability company, partnership or other type of business entity permitted under this Chapter sells or transfers all of its corporate stock, partnership interest or other business interest in a commercial cannabis operation, a new commercial cannabis business permit shall be obtained pursuant to Section 7.90.050 of this Chapter.
- C. Whenever any sole proprietorship, corporation, limited liability company, partnership or other type of business entity permitted under this Chapter changes its business entity type, a new commercial cannabis business permit shall be obtained pursuant to Section 7.90.050 of this Chapter.

7.90.100 Commercial cannabis operating requirements.

- A. Throughout the term of the commercial cannabis business permit, each permittee shall not violate this Chapter and shall comply with all of the following as appropriate for the cannabis business type:
 - 1. For cannabis cultivation permittees, the canopy area of cannabis located at any premises shall not exceed the maximum canopy limits set by state law and the limits set forth in the commercial cannabis business permit. The maximum canopy square footage specified in the commercial cannabis business permit is the basis of the County's commercial cannabis business tax pursuant to Chapter 7.100 of the Monterey County Code.
 - 2. A permittee shall not change or alter the premises in a manner which materially or substantially alters the premises, the usage of the premises, or the mode or character of the business operation conducted from the premises, from the site plan contained in the diagram on file with the application, unless and until written approval by the Appropriate Authority has been obtained. For purposes of this section, material or substantial physical changes of the premises, or in the usage of the premises, shall include, but not be limited to, a substantial increase or decrease in the total area of the licensed premises previously diagrammed, the addition of a cannabis consumption venue use to an existing retail use, or any other physical modification resulting in substantial change in the mode or character of business operation.
 - 3. No cannabis shall be smoked, ingested, or otherwise consumed on the premises, except as authorized through a cannabis consumption venue authorization.
 - 4. No person under the age of twenty-one (21) shall be employed or otherwise engaged in the operation of a commercial cannabis activity.
 - 5. No person under the age of twenty-one (21) shall be allowed on the premises, unless the permittee is a retail facility and sells medicinal cannabis, in which case persons who are at least eighteen (18) years of age and hold a valid physician's recommendation for medicinal cannabis shall be allowed on the premises. No person under the age of twenty-one (21) shall be allowed within a cannabis consumption area.
 - 6. There shall not be a physician located in or around any commercial cannabis operation at any time for the purpose of evaluating patients for the issuance of a medical marijuana recommendation or card.
 - 7. Each permittee shall conspicuously display its state and County permits and licenses required to operate at entrance of the premises. Each commercial cannabis operation that engages in delivery or transportation shall carry a copy of the permits and licenses in all vehicles that deliver or transport cannabis or cannabis products.
 - 8. Devices or techniques that minimize offsite detection of cannabis odors to every extent feasible shall be utilized and maintained in good working order during the life of the operation.

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9. No permittee may hold a license from the State Department of Alcoholic Beverage Control to sell alcoholic beverages, nor may the commercial cannabis operation include a business that sells alcoholic beverages. No alcohol may be stored, sold, dispensed, or consumed on the premises.
 10. A permittee shall not sell any tobacco or nicotine products on or at any premises permitted under this Chapter. No tobacco or nicotine products may be stored, dispensed, or consumed in the area licensed and permitted for commercial cannabis activities. Tobacco or nicotine products may be stored on the premises in areas not licensed and permitted for commercial cannabis activities and consumed in a specifically designated smoking area(s).
 11. 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, samples, or immediate sale.
 12. Each permittee shall keep accurate records of its commercial cannabis activities pursuant to the requirements of Sections 26160 and 26162 of the California Business and Professions Code, as they may be amended.
 13. Each permittee shall comply with the applicable security requirements of Sections 15042 through 15047 of Title 4 of the California Code of Regulations, as they may be amended.
 14. Each permittee shall notify the County immediately 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.
 15. Each permittee shall provide the Appropriate Authority with a twenty-four (24) hour or nighttime contact telephone number for County use, and provide a name, telephone number, and e-mail address of a community relations contact to whom the public can provide notice of problems associated with the commercial cannabis operation. The permittee shall make a good faith effort to resolve problems without the need for intervention by the County.
 16. Any new owners, managers, employees, or persons having a twenty percent (20%) or more financial interest must submit their information to the Appropriate Authority pursuant to Section 7.90.050 and 7.90.070 of this Chapter within five (5) calendar days.
 17. All owners, managers, employees, or other persons otherwise engaged in the operation of the commercial cannabis operation shall display a laminated or plastic-coated identification badge issued by the permittee at all times while engaging in commercial cannabis activity. The identification badge shall, at a minimum, include the permittee's "doing business as" name and state license number(s), the individual's full name, an employee number exclusively assigned to that individual for identification purposes, and a color photograph of the individual that clearly shows the full front of the individual's face and that is at least one inch in width and one and one-half inches in height.
 18. No owners, managers, employees, or persons having a twenty percent (20%) or more financial interest in the commercial cannabis operation may have been convicted of a felony or a drug related misdemeanor reclassified by Section 1170.18 of the California Penal Code (Proposition 47) within the past ten (10) years. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.
 19. A permittee shall keep a current roster on the premises that contains the names and dates of birth of all employees.
 20. A permittee shall not be delinquent in the payment of all applicable County taxes and fees.
 21. The property owner(s) who own(s) the premises where the commercial cannabis operation is located must, at all times, have all necessary and operative land use entitlements as required by Titles 20 and 21 of the Monterey County Code.

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22. When applicable, the permittee must legally hold all required State Licenses under the Medicinal and Adult-Use of Cannabis Regulatory and Safety Act (Business & Professions Code § 26000, et seq.), as it may be amended, and under an other applicable state laws.
 23. A permittee shall comply with all applicable federal, state, and local laws, including without limitation, County building, zoning, and health codes.
 24. A permittee shall transmit all required information to the California Cannabis Authority or Metric directly, as prescribed by the County Treasurer-Tax Collector. The data shall be transmitted by using a secure-access Application Program Interface from a California Cannabis Authority approved licensee-facing software integrator, or through manual submission to the California Cannabis Authority.
 25. A permittee must file a cessation of business form with the Appropriate Authority as soon as the permittee is aware the business will close, or at the latest by the day business operations cease.
 26. Each permittee must package and label cannabis products pursuant to the requirements of Sections 26120 and 26122 of the California Business and Professions Code, as they may be amended.
 27. Each permittee must follow all pesticide use requirements of local, state and federal law.
 28. Each permittee must maintain all weighing devices in compliance with local, state or federal law and comply with Chapter 7.60 of the Monterey County Code regarding device registration with the County.
 29. Each permittee must follow all local, state and federal requirements for waste disposal.
 30. Each permittee shall not use any hazardous, flammable or explosive substances to process or manufacture cannabis products on site unless all necessary permits have been obtained from the Environmental Health Bureau of the Monterey County Health Department, and all other appropriate agencies.
 31. Each permittee shall protect all food products from contamination at all times, and all food handlers must be clean, in good health and free from communicable diseases. All food products, food storage facilities, food-related utensils, equipment, and materials shall be approved, used, managed and handled in accordance with Sections 113700 through 114437 of the California Health and Safety Code, and California Retail Food Code, as they may be amended.
 32. Each permittee shall ensure that all cannabis products sold or distributed at a commercial cannabis operation must be from an approved source in accordance with Title 4 of the California Code of Regulations, as it may be amended. Cannabis products sold or distributed at a commercial cannabis operation must also be acceptable to the County Health Officer based on a determination of conformity with applicable laws, or, in the absence of applicable laws, with current public health principles and practices, and generally recognized industry standards that protect public health.

33. Requests by a licensee to include a cannabis consumption venue on an existing retail site or adjoining parcel shall be approved by the Appropriate Authority if they meet all requirements of Monterey County Code Chapter 21.67 and of this chapter, including the following regulations:

- i. Cannabis consumption venues that include smoking or vaping shall include a designated cannabis smoking area ventilation system plan that has been designed by a licensed mechanical engineer and approved by the building department. The Appropriate Authority shall review the designated cannabis smoking area room ventilation plan in coordination with the building department and may require additional modification or justification prior to approval of a cannabis consumption venue permit. Cannabis consumption venues that do not include smoking do not require a designated cannabis smoking area ventilation system plan.
- ii. The permittee shall demonstrate to the Appropriate Authority that the following standards have been met prior to approval:
 - a. The designated cannabis smoking area shall be located in a non-work area where

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- [licensee's employees are not required to enter as a condition of their employment.](#)
- [b. The designated cannabis smoking area shall have signage to designate smoking areas. The licensee shall specify the locations where such signage shall be installed.](#)
- [c. The designated cannabis smoking area shall have a heating, ventilation and air-conditioning \(HVAC\) system design such that none of the air in the designated smoking area will be recirculated into other parts of the licensee's building.](#)
- [d. The designated cannabis smoking area shall be completely separated from the remainder of the licensee's premises by solid partitions or glazing without openings other than doors. All doors to the designated cannabis smoking area must be installed with a gasket to provide a seal where the door meets the stop.](#)
- [e. The designated cannabis smoking area ventilation system shall exhaust 100% of the air directly to the outside through a filtration system that, at a minimum, eliminates all detectable odor, smoke and by-product of combustion so as to prevent any and all public nuisances.](#)
- [f. The designated cannabis smoking area shall remain under negative pressure and shall have a 10% differential, in relation to the other spaces inside of the licensee's building.](#)
- [g. The designated cannabis smoking area shall be equipped with a ventilation system that provides 60 cubic feet per minute \(cfm\) of supply air per smoker.](#)
- [h. The designated cannabis smoking area shall not be directly accessible from the primary outside entrance to the licensee's building, and shall not be visible from the fronting street or store front.](#)
- [i. The designated cannabis smoking area's ventilation system and all mechanical equipment shall be designed to assure compliance with all noise requirements.](#)
- [j. The designated cannabis smoking area's ventilation system shall be designed to comply with California Mechanical Code section 505.0 - "Product-Conveying Systems" requirements.](#)
- [k. Any cannabis consumption venue shall also meet the applicable requirements of Monterey County Code Chapter 21.67.](#)

- B. At any time between eight a.m. and eight p.m., [or during normal business hours as approved for a cannabis consumption venue](#), and without notice, County officials may enter the premises for the purpose of observing compliance of the commercial cannabis operation with this Section, including access to and inspection of the commercial cannabis operation's records, books, accounts, financial data, and any and all data relevant to its permitted activities for the purpose of conducting an audit or examination.
- C. It is unlawful for any person having any responsibility over a commercial cannabis operation to refuse to allow, 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.

7.90.110 Suspension or revocation of commercial cannabis business permit.

Any of the following shall be grounds for suspension or revocation of a commercial cannabis business permit, based on substantial evidence and following notice and public hearing pursuant to Section 7.90.120 of this Chapter.

- A. Failure to comply with one or more of the terms and conditions of the commercial cannabis business permit;

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- B. The commercial cannabis business permit was granted on the basis of false material information, written or oral, given willfully or negligently by the applicant;
 - C. Any act or omission by a permittee in contravention of the provisions of this Chapter;
 - D. Any act or omission by a permittee in contravention of state law, or the Monterey County Code;
 - E. Any act or omission by a permittee that results in the suspension or revocation of the applicable use permit issued under Titles 20 or 21 of the Monterey County Code for the commercial cannabis activities;
 - F. Any act or omission by a permittee that results in the denial, revocation or suspension of that permittee's state license;
 - G. Failure to pay all applicable taxes and fees required by the County;
 - H. Conduct of the commercial cannabis operations in a manner that constitutes a nuisance, where the permittee has failed to comply with reasonable conditions to abate the nuisance.

7.90.120 Procedure for suspension or revocation.

- A. If the Appropriate Authority determines that grounds for suspension or revocation of the commercial cannabis business permit exist pursuant to Section 7.90.110 of this Chapter, the Appropriate Authority shall issue a written notice of intention to suspend or revoke the permit, as the case may be. The notice of intention shall be served on the permittee, as reported on the permit, and on the property owner, as reported on the latest equalized assessment roll. The notice of intention shall be served in accordance with the requirements set forth in Section 7.90.130 of this Chapter. The notice of intention shall describe the property, the intention to revoke or suspend the permit, the grounds for suspension or revocation, the action necessary to abate the violation, the time limit for compliance, and the right to a hearing. The notice of intention shall notify the permittee and the owner of the opportunity to request a hearing before a Hearing Officer to present evidence as to why the permit should not be suspended or revoked, and shall notify them of the ten-day deadline to submit a written request for a hearing.
- B. The permittee and owner shall have ten (10) calendar days from the service of the notice of intention to submit a written request for a hearing before the Hearing Officer. Failure to submit the written request for a hearing shall be deemed a waiver of the right to challenge the suspension or revocation of the commercial cannabis business permit and a failure to exhaust administrative remedies. If the hearing is not timely requested, the Appropriate Authority may suspend or revoke the permit in accordance with the notice of intention.
- C. Upon receipt of a timely written request for a hearing, the Appropriate Authority shall set a date for a hearing to be held within sixty (60) days of receipt of the request, unless an immediate threat to the public health, safety and welfare necessitates an earlier hearing date. Notice of the hearing, including the time, date, and location of the hearing, shall be served in accordance with the requirements set forth in Section 7.90.130 of this Chapter.
- D. Hearing by the Hearing Officer.
 - 1. The Hearing Officer is authorized to conduct hearings, issue subpoenas, receive evidence, administer oaths, rule on questions of law and the admissibility of evidence, prepare a record of the proceedings, and render decisions on the suspension or revocation of the commercial cannabis business permit.
 - 2. In any proceeding before a Hearing Officer, oral testimony offered as evidence shall be taken only on oath or affirmation, and the Hearing Officer, his/her clerk, or other designee shall have the power to administer oaths and affirmations and to certify to official acts.
 - 3. All parties to the hearing shall have the opportunity to testify, introduce exhibits, call and examine witnesses, and cross examine opposing witnesses on any matter relevant to the issues.

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4. The Hearing Officer may postpone the hearing date upon good cause shown, continue the hearing during the course of the hearing, and make such other procedural orders and rulings as he or she deems appropriate during the course of the hearing.
 5. Within thirty (30) calendar days after the close of the hearing, the Hearing Officer shall issue a written decision, including a statement of the basis for the decision. The Hearing Officer's written decision shall constitute the final administrative decision of the County.
- E. In the event a civil action is initiated to obtain enforcement of the decision of the Hearing Officer, and judgment is entered to enforce the decision, the person against whom the order of enforcement has been entered shall be liable to pay the County's total costs of enforcement, including reasonable attorney fees.
 - F. If neither permittee nor owner, nor their authorized representatives, appear at the noticed hearing, such failure to appear shall constitute an abandonment of the hearing request and a failure to exhaust administrative remedies.

7.90.130 Service requirements.

Wherever this Chapter requires the County to serve notice to an applicant, permittee, or property owner such notice shall be given by the Appropriate Authority, in writing, and shall be delivered either by personal delivery or by certified U.S. mail, postage prepaid, return receipt requested. In addition, any such notice may be posted at the physical address of the premises on the date of the mailing of notice.

7.90.140 Enforcement, penalties, and administration of this Chapter.

- A. The remedies provided by this Chapter are cumulative and in addition to any other remedies available at law or in equity.
- B. It shall be unlawful for any person to violate any provision, or to fail to comply with any of the requirements, of this Chapter. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of this Chapter shall be guilty of a misdemeanor. No proof of knowledge, intent, or other mental state is required to establish a violation.
- C. Any condition caused or allowed to exist in violation of any of the provisions of this Chapter shall be deemed a public nuisance and shall, at the discretion of County, create a cause of action for penalty pursuant to Chapters 1.20 and 1.22 of the Monterey County Code, and any other action authorized by law.
- D. Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Monterey County Code or otherwise authorized by law. Additionally, as a public nuisance, any violation of this Chapter shall be subject to injunctive relief, disgorgement of any payment to the County of any and all monies unlawfully obtained, costs of abatement, costs of restoration, costs of investigation, attorney fees, restitution, and any other relief or remedy available at law or in equity. The County, including the Office of the District Attorney and the Office of the County Counsel, may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial cannabis operator or persons related thereto, or associated with, the commercial cannabis activity.
- E. For purposes of administration and enforcement of this Chapter generally, the Appropriate Authority may from time to time promulgate such administrative rules and procedures consistent with the purpose and intent of this Chapter as he or she deems necessary to implement or clarify such provisions or aid in enforcement.

7.90.150 Operative date.

This Chapter became operative on December 13, 2016, upon adoption by County voters of a County commercial cannabis business tax (codified at Chapter 7.100 of the Monterey County Code) and certification of the results of the vote on the tax pursuant to Section 15372 of the California Elections Code.

7.90.160 Severability.

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

Chapter 21.67 COMMERCIAL CANNABIS ACTIVITIES¹

21.67.010 Definitions.

For the purpose of this Chapter, unless the context otherwise requires, certain terms used in this Chapter shall be as defined below. The definitions in Chapter 21.06 shall otherwise apply.

- A. "Bureau" means the Bureau of Cannabis Control within the California Department of Consumer Affairs.
- B. "Cannabis concentrate" means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this Chapter. A cannabis concentrate is not considered food, as defined by Section 109935 of the California Health and Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.

["Cannabis consumption" means smoking, eating, drinking, chewing, applying topically or otherwise ingesting cannabis and/or cannabis products.](#)

["Cannabis consumption venue" means a licensed premises where cannabis and cannabis products may be purchased \(for on-site consumption\) and consumed by persons 21 years of age and over within the confines of the facility.](#)

- C. "Cannabis product" has the same meaning as in Section 11018.1 of the California Health and Safety Code.
- D. "Canopy" means all areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site.
- E. "Certificate of accreditation" means a certificate issued by an accrediting body to a licensed testing laboratory, entity, or site to be registered in the state.
- F. "Child care center" means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, transitional kindergartens, and school age child care centers.
- G. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. Within the definition of cultivation, the following specific permit types, corresponding to state cultivator license types set forth in California Business and Professions Code Section 26061 apply:
 - 1. Type 1A or "specialty indoor" means indoor cultivation using exclusively artificial lighting of between five hundred one (501) and five thousand (5,000) square feet of total canopy size on one premises;
 - 2. Type 1B or "specialty mixed-light" means cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, of between two thousand five hundred one (2,501) and five thousand (5,000) square feet of total canopy size on one premises;

¹Editor's note(s)—Ord. No. 5292, § 16, adopted Dec. 5, 2017, amended Ch. 21.67 in its entirety to read as herein set out. The former Ch. 21.67, §§ 21.67.010—21.67.140, pertained to commercial medical cannabis activities, and derived from Ord. No. 5270, § 16, adopted July 12, 2016.

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3. Type 1C, or "specialty cottage," for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, of two thousand five hundred (2,500) square feet or less of total canopy size for mixed-light cultivation, or five hundred (500) square feet or less of total canopy size for indoor cultivation, on one premises;
 4. Type 2A or "small indoor" means indoor cultivation exclusively using artificial lighting and having a total canopy size between five thousand one (5,001) and ten thousand (10,000) square feet on one premises;
 5. Type 2B or "small mixed-light" means cultivation using a combination of natural and supplemental artificial lighting and having a total canopy size between five thousand one (5,001) and ten thousand (10,000) square feet on one premises;
 6. Type 3A or "indoor" means indoor cultivation using exclusively artificial lighting and having a total canopy area between ten thousand one (10,001) and twenty-two thousand (22,000) square feet on one premises;
 7. Type 3B or "mixed-light" means cultivation using a combination of natural and supplemental artificial lighting and having a total canopy area of between ten thousand one (10,001) and twenty-two thousand (22,000) square feet on one premises; and
 8. Type 4 or "nursery" means cultivation of cannabis solely as a nursery.
- H. "Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer.

“Designated cannabis smoking area” means a designated area where ingestion of inhalable cannabis products, purchased from the licensee, may occur on the premises of the licensee.

“Designated cannabis smoking area ventilation system” means a ventilation system capable of removing all detectable odors, smoke and by-products of combustion.

- I. "Dispensary" means a facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products as part of a retail sale.
- J. "Distribution" means the procurement, sale, and transport of cannabis and cannabis products between entities licensed pursuant to this Chapter.
- K. "Edible cannabis product" means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the California Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the California Health and Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.
- L. "Greenhouse" means a fully enclosed permanent structure that is clad in transparent material with climate control, such as heating and ventilation capabilities and supplemental artificial lighting, and that uses a combination of natural and supplemental artificial lighting for cultivation.
- M. "Hearing Officer" means a person appointed by the County to conduct an administrative hearing under this Chapter. The appointed Hearing Officer shall be an impartial decision-maker selected by a process that eliminates risk of bias, such as:
 1. An administrative law judge provided by the State of California Office of Administrative Hearings to function as the County Hearing Officer pursuant to Chapter 14 of Part 3 of Division 2 of Title 3 of the California Government Code;
 2. A person selected randomly from a panel of attorneys willing to serve as a Hearing Officer; or

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3. An independent contractor assigned by an organization or entity which provides hearing officers.
- N. "Identification card" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- O. "Large shopping center" means a shopping center or contiguous shopping centers where all of the following are met:
1. The shopping center(s) are designed, planned, and managed to serve regional shopping needs;
 2. The shopping center(s) consist of at least twelve (12) retail stores and service establishments connected by parking areas and common walkways; and
 3. The shopping center(s) are located on at least two acres of land inclusive of parking areas.
- P. "Licensee" means any person holding a state license under California Business and Professions Code Section 26000 et seq.
- Q. "Licensing authority" means the state agency responsible for the issuance, renewal, or reinstatement of a state license for commercial cannabis activities, or the state agency authorized to take disciplinary action against the licensee.
- R. "Manufactured cannabis" or "cannabis product" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product.
- S. "Manufacturing site" means a location that produces, prepares, propagates, or compounds cannabis or cannabis products either directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a licensee for these activities.
- T. "Medicinal cannabis" or "medicinal cannabis product" means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation.
- U. "Nursery" means a permittee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.
- V. "One ownership" and "owner" have the same definition as set forth in Chapter 21.06 of this Title.
- W. "Permittee" means a person issued a use permit under this Chapter.
- X. "Person" means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.
- Y. "Playground" means any park or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, football, soccer, or basketball, or any similar facility located on public or private school grounds, or on city, County, or state parks.
- Z. "Primary caregiver" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- AA. "Public park" means an area created, established, designated, or maintained by a special district, a County, the State, or the Federal government for public play, recreation, or enjoyment or for the protection of natural resources and features at the site.
- BB. "Qualified patient" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.

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- CC. "Retailer" and "retail facility" shall have the same meaning as "dispensary."
 - DD. "State" means the state of California.
 - EE. "State license," "license," or "registration" means a state license issued pursuant to California Business and Professions Code Section 26000 et seq.
 - FF. "Testing laboratory" means a facility, entity, or site in the state that offers or performs tests of cannabis or cannabis products and that is both of the following:
 - 1. Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activities in the state; and
 - 2. Licensed by the Bureau.
 - GG. "Transport" or "transportation" mean the transfer of cannabis or cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized pursuant to the California Business and Professions Code Section 26000 et seq.
 - HH. "Volatile manufacturing" means a manufacturing site that manufactures cannabis products using volatile solvents.
 - II. "Volatile solvent" shall have the same meaning as in Paragraph (3) of Subsection (b) of Section 11362.3 of the Health and Safety Code, unless otherwise provided by law or regulation.
 - JJ. "Youth center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.

21.67.020 Purpose.

The purpose of this Chapter is to protect the public health, safety, and welfare, enact strong and effective regulatory and enforcement controls in compliance with state law and federal enforcement guidelines, protect neighborhood character, and minimize potential for negative impacts on people, communities, and the environment in the unincorporated areas of Monterey County by establishing minimum land use requirements for commercial cannabis activities. Commercial cannabis activity, as defined pursuant to Section 21.06.192 of Title 21, includes the cultivation, possession, manufacture, processing, storing, laboratory testing, packaging, labeling, transporting, distribution, or sale of cannabis or a cannabis product. Although cultivation of cannabis is not "development" within the meaning of the 2010 General Plan, this Chapter recognizes that commercial cannabis activities require land use controls due to the unique federal and state legal constraints on commercial cannabis activity, and the potential environmental and social impacts associated with commercial cannabis activity.

21.67.030 Permits required.

Except as provided in Section 21.67.090 of this Chapter, commercial cannabis activities shall not be allowed in the unincorporated areas of Monterey County without first securing all permits, licenses, or other entitlements required by County regulation and state law and regulation.

- A. An administrative permit shall be required for all commercial cannabis activities. The application for an administrative permit, and for amendments thereto and extensions thereof, shall be processed in accordance with Chapter 21.70 of the Monterey County Code. The Chief of Planning is the Appropriate Authority to consider an administrative permit for commercial cannabis activities and to consider extensions of and amendments to such permits unless the matter is referred to public hearing under Section 21.70.060 of this Chapter. Appeals from the decision of the Chief of Planning shall be governed by Chapter 21.80 of the Monterey County Code. Notwithstanding the foregoing, the procedures for

suspension and revocation of an administrative permit granted under this Chapter shall be as set forth in Sections 21.67.110 and 21.67.120 of this Chapter.

- B. In addition to an administrative permit, a commercial cannabis permit pursuant to Chapter 7.90 of the Monterey County Code shall be required for all commercial cannabis activities.
- C. Upon implementation of state regulations pursuant to California Business and Professions Code Section 26012, a valid license from the state shall be required to operate any commercial cannabis activity.
- D. The owner shall post or cause to be posted on site the administrative permit and all required County and state permits and licenses required to operate. Such posting shall be in a central location, visible to the patrons, at the operating site, and in all vehicles that deliver or transport cannabis or cannabis products.
- E. The owner and all permittees shall maintain clear and adequate records and documentation demonstrating that all cannabis or cannabis products have been obtained from and are provided to other permitted and licensed cannabis operations. The County shall have the right to examine, monitor, and audit such records and documentation, which shall be made available to the County upon request.
- F. The owner and all permittees shall conduct commercial cannabis activities in compliance with all required County permits, state licenses, County regulation, and state law and regulation. The owner shall be responsible for the payment of all required inspection fees, permit fees, and taxes.
- G. Commercial medical cannabis activities that were legally established prior to the effective date of Ordinance No. 5270 enacting this Chapter (August 12, 2016) had one year from the effective date of the ordinance to obtain all required County permits, licenses, and entitlements, or to terminate their operations.
- H. [Any proposal for outdoor cannabis consumption shall obtain a use permit, as described below in Section 21.67.040.B.11.e.i.](#)

21.67.040 Regulations for cannabis retailers.

- A. Applicability. The provisions of this Section are applicable in Light Commercial (LC), Heavy Commercial (HC), and Mixed Use (MU) zoning districts. Cannabis retailers shall not be allowed in any other zoning district.
- B. Regulations. Cannabis retailers shall meet the following minimum requirements:
 - 1. Retail facilities shall be located only in zoning districts that specifically provide for this use. [Retail facilities may include a cannabis consumption venue subject to meeting the regulations identified in this chapter and in Monterey County Code Chapter 7.90.](#)
 - 2. Retail facilities shall not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority. The distance specified in this Section shall be measured from property line to property line, except for playgrounds, which will be measured from the boundary of the playground facility.
 - 3. Retail facilities shall not be located within one thousand five hundred (1,500) feet of another approved retail facility, except when a retail facility demonstrates to the satisfaction of the Appropriate Authority that special circumstances exist.
 - a. Special circumstances require a proposed retail facility to provide proof based on substantial evidence of the following:

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- i. The proposed retail facility is located within a Community Area, Rural Center, or Large Shopping Center; and
 - ii. The proposed retail facility would result in no more than three (3) retail facilities in the designated Community Area, or result in no more than two (2) retail facilities in the Rural Center or Large Shopping Center.
 - b. A use permit pursuant to Chapter 21.74 of this Title shall be required for a proposed retail facility that does not comply with the one thousand five hundred (1,500) foot setback from another approved retail facility, and when the Appropriate Authority determines that special circumstances are inapplicable to a proposed retail facility as described in this Subsection. The Planning Commission is the Appropriate Authority to consider said permit. Appeals from the decision of the Planning Commission shall be governed by Chapter 21.80 of the Monterey County Code. In reviewing the use permit, the Appropriate Authority shall consider the location of the proposed retailer, density of retailers in the vicinity, specific characteristics of the site, and any other relevant factors. The use permit shall be subject to all of the other requirements and findings for a cannabis retailer under section 21.67.
 - c. In circumstances where a retail facility is proposed within one thousand five hundred (1,500) feet of another proposed retail facility, the one thousand five hundred 1,500 foot setback is established upon the granting of an entitlement by the Appropriate Authority. In these circumstances, entitlements for commercial cannabis retailers shall be considered in the order the application for the entitlement is deemed complete.
 4. Retailers shall keep accurate records of all business operations and provide such records for inspection consistent with Section 26160 of the California Business and Professions Code.
 5. Retailers shall implement and maintain sufficient security measures to both deter and prevent unauthorized entrance into areas containing cannabis or cannabis products in compliance with Section 26070 of the California Business and Professions Code and any rules promulgated by the licensing authority. Security measures shall include, but are not limited to, the following:
 - a. Prevent individuals from loitering on the premises of the retailer if they are not engaging in activity expressly related to the operations of the retailer;
 - b. Establish limited access areas accessible only to authorized dispensary personnel;
 - c. Store all cannabis and cannabis products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis and cannabis products used for display purposes, samples or immediate sale;
 - d. Install security cameras on site; and
 - e. Provide for on-site security personnel meeting the requirements and standards contained within Chapter 7.30 of the Monterey County Code. Onsite security shall not carry firearms or other lethal weapons.
 6. If the retailer's operations are proposed to include delivery, all employees of a retailer delivering cannabis or cannabis products shall carry a copy of the documentation listed below when making deliveries. This information shall be provided upon request to law enforcement officers and to employees of state and local agencies enforcing this Chapter.
 - a. A copy of the retailer's current permits, licenses, and entitlements authorizing them to provide delivery services;
 - b. The employee's government-issued identification;
 - c. A copy of the delivery request; and
 - d. Chain of custody records for all goods being delivered.

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7. Retailers shall ensure that all cannabis and cannabis products at the dispensary are cultivated, manufactured, transported, distributed, and tested by licensed and permitted facilities that maintain operations in full conformance with state and local regulations.
 8. Retailers shall not distribute any cannabis or cannabis product unless the cannabis and cannabis products are labeled and in a tamper-evident package in compliance with Section 26120 of the California Business and Professions Code and any additional rules promulgated by the licensing authority.
 9. Retailers shall notify the Monterey County Sheriff's Office and the licensing authority within twenty-four (24) hours after discovering any of the following:
 - a. Significant discrepancies identified during inventory;
 - b. Diversion, theft, loss, or any criminal activity involving the dispensary or any agent or employee of the retailer;
 - c. The loss or unauthorized alteration of records related to cannabis, patients, or retailer's employees or agents; or
 - d. Any other breach of security.
 10. Possession or delivery of any other form of illegal drugs without proper legal authorization shall be grounds for revocation of permits.

11. Any permitted or proposed cannabis retail facility may add a cannabis consumption venue pursuant to meeting the following regulations:

- a. Any person operating a Cannabis Consumption Venue shall obtain a commercial cannabis permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing operations and must maintain such permit in good standing to continue operations.
- b. Any cannabis consumption venue that will limit consumption to non-smoking consumption only shall be considered for a commercial cannabis permit pursuant to section 7.90.040 and this section 21.67.040.B, and is not required to install a designated cannabis smoking area ventilation system.
- c. Cannabis consumption venues shall create patron consumption guidelines that may include the utilization of labels, menu notifications, signage, portion control, dosage monitoring, and staff education to prevent the overconsumption of cannabis by patrons.
 - i. Cannabis consumption venues shall not sell cannabis or cannabis products without first communicating the needs, usage, prior experience of and estimated tolerance with the end-use consumer in an effort to ensure responsible consumption.
 - ii. The business shall train their employees about the various products the consumption area sells, including potency of the products, absorption time, and effects of the products, cleaning and handling cannabis consumption devices and paraphernalia, detecting signs of overconsumption, safety practices, and security procedures.
 - iii. Each cannabis consumption venue shall develop a plan to mitigate the risk of impaired driving, to include signage and making information readily available to the consumer about transportation options.
- d. Patrons cannot bring cannabis, tobacco or alcohol or other substances into the consumption lounge—they can only consume whatever cannabis they purchase on site.
- e. Any cannabis consumption venue that will allow smoking shall be subject to meeting the following requirements:
 - i. A proposal to allow outdoor smoking shall require processing of a use permit pursuant to Chapter 21.74. The application shall include an adequate odor control plan so as to prevent

any detectable odor at the property line of the premises. The smoking, inhalation, consumption or ingestion of cannabis or cannabis goods shall not be visible from any public place or any area where minors may be present.

ii. A proposal to allow on-site indoor smoking shall be permitted where a valid commercial cannabis business permit pursuant to Monterey County Code Section 7.90.040 is approved for the site, or for an adjacent site within the same building if it meets all the setback requirements identified in Section 21.67.040.B. The applicant must submit a designated cannabis smoking area ventilation system plan, which must include the following information:

(a) An explanation of how the ventilation system will be capable of removing all detectable odors, smoke and by-products of combustion. The designated cannabis smoking area ventilation plan shall include a statement signed and dated by the person who prepared it, certifying that in their professional judgement the ventilation system proposed will be capable of achieving the protection from particulate matter (PM 2.5) equivalent to that associated with MERV 11 filtration (as defined by American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) standard 52.2) and that the designated cannabis smoking area will remain under negative pressure, at all times, while in use. The Cannabis Program Manager or County of Monterey Chief Building Official may specify additional or alternative protective equivalents as technology and research dictate. The ventilation plan shall include information to address the following:

(1) Air exchanges rates for the designated cannabis smoking area.

(2) Air exchange rates for common areas within the licensee's building.

(3) Filter type and odor control measures for the designated cannabis smoking area.

(4) Location of air intakes and exhaust outlets (exhaust outlets located the maximum distance possible from any residential or commercial building, and no less than 15 feet). Exhaust outlets shall comply with California Mechanical Code section 502.2.2 - "Other Product Conveying Outlets" termination requirements.

(5) Whether negative pressure will be maintained only in the designated cannabis smoking area.

(6) Area or areas of the licensee's building that are not served by enhanced ventilation.

(7) Area or areas of the licensee's building where smoking will occur.

(8) If applicable, location of Z-ducts, trickle vents or similar unfiltered air system used for the licensee's building.

(9) Percentage of total square footage, for customer use, of the licensee's building that will be used for smoking of cannabis in the designated cannabis smoking area.

(10) Designated cannabis smoking area does not share space with employee work area.

(11) Maximum occupant load for the designated cannabis smoking area.

b) The designated cannabis smoking area ventilation plan shall include an Operations and Maintenance Plan for the ventilation system and methods for recordkeeping to ensure that the Operations and Maintenance Plan is followed. A current Operations and Maintenance manual must be kept on-site and provided to all managers, building engineers and building owners. The manual shall be reviewed annually by the licensee and updated by the licensee as appropriate. The manual shall include:

(1) A provision that inoperability of the designated cannabis smoking area's ventilation system shall result in immediate closure of the designated cannabis smoking area.

(2) The approved designated cannabis smoking area ventilation system installed shall be properly maintained and documented as stated in the Operations and

Maintenance manual following standard practices, and as specified by the design engineer.

— Documentation of the installation and/or maintenance of the designated cannabis smoking area ventilation system shall be preserved for a minimum of five years after such installation or maintenance.

f. Approval by the Appropriate Authority designated in Monterey County Code Chapter 7.90 must be granted prior to operation for a commercial cannabis retail facility where cannabis consumption is limited to ingestion, or prior to the issuance of a building permit where consumption may include smoking or vaping.

g. Live entertainment is allowed within a cannabis consumption venue subject to meeting applicable county code requirements for noise, discretionary permits where required by the code (e.g., within 200 feet of a residential district), and parking requirements.

h. A retailer may sell prepackaged, non-cannabis-infused, non-alcoholic food and beverages.

i. The Building Official's action on the designated cannabis smoking area ventilation system plan shall be one of the following:

i. Approve without further revision; or

ii. Require corrections, additions, and/or modifications which will allow the applicant to revise according to the Building Official's specific comments and resubmit; or

iii. Reject.

- C. Required Findings. An administrative permit for a cannabis retailer shall not be granted by the Appropriate Authority unless all of the following findings are made based on substantial evidence:
1. The retailer, as proposed, has demonstrated that it can and will comply with all of the requirements of the state and County to operate a cannabis retail facility.
 2. The retail facility will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority, and the retail facility will not be located within one thousand five hundred (1,500) feet of another retail facility, except as approved pursuant to the requirements of Section 21.67.040.B.3.
 3. The retailer, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
 4. The retailer includes adequate measures that minimize, to the extent feasible, nuisances to the immediate neighborhood and community including minimizing the detection of odor from off site, minimizing the effects of loitering, providing adequate security measures, and not exceeding the permit's limits on hours of operation.
 5. The retailer will provide adequate measures that address the federal enforcement priorities for cannabis activities including providing for restrictions on drugged driving, restricting access to minors, prohibiting use of firearms for security purposes at the premises, and ensuring that cannabis and cannabis products are supplied from permitted and licensed sources.
- D. In addition to any other required conditions and mitigation measures approved by the Appropriate Authority, all of the following conditions shall apply to all permits for a cannabis retailer:

1. The cannabis retailer shall allow access to its facilities and records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.
2. The applicant, owner, and all permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.
3. The applicant for the retail facility and property owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
4. Any person operating a cannabis retail facility shall obtain a valid and fully executed commercial cannabis permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing operations and must maintain such permit in good standing in order to continue operations.
5. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by the Monterey County Code and state law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the County or state shall be grounds for the suspension or revocation of an administrative or a use permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.
6. The retailer shall operate only in accordance with the operating plans reviewed and approved by the County. The County shall limit the hours of operation for a retail facility to begin no earlier than eight a.m. and to end no later than eight p.m. [For a retail facility that includes a cannabis consumption venue, the hours of operation shall be limited to begin no earlier than eight a.m. and to not allow any sale of product later than ten p.m., and shall close no later than midnight.](#)

21.67.050 Regulations for cannabis cultivation.

- A. Applicability. Except as provided in Section 21.67.090 of this Chapter, cannabis cultivation may only be permitted in the Light Industrial (LI), Heavy Industrial (HI), Agricultural Industrial (AI), or Farmland (F) zoning districts with an administrative permit in each case and as may be further restricted by this Section. Outdoor cannabis cultivation is prohibited in all zones within the unincorporated areas of Monterey County except as provided in Section 21.67.090 of this Chapter, and as provided in Chapter 21.69 of the Monterey County Code. The table below summarizes the zoning districts where cultivation may be considered with an administrative permit.

	Type 1A	Type 1B	Type 1C	Type 2A	Type 2B	Type 3A	Type 3B	Type 4
LI	AP	AP						
HI	AP	AP						
AI	AP	AP						
F	AP	AP						

AP= Administrative permit pursuant to Chapter 21.70.

- B. Regulations. Cannabis cultivation shall comply with all of the following regulations:
1. It is the intent of the County to provide for the adaptive reuse of greenhouse properties in Monterey County and to restrict the proliferation of greenhouses or other structures on productive agricultural lands. To this end, within the Farmland (F) zoning district, indoor and mixed-light cannabis cultivation and cannabis nurseries (Type 1A, 1B, 1C, 2A, 2B, 3A, 3B and 4 state license types) may be permitted with an administrative permit in each case provided that the cultivation occurs within a greenhouse or

agricultural support service facility that was permitted or legally established prior to January 1, 2016. On properties that contain one or more greenhouses legally established prior to January 1, 2016, the above described cultivation may be permitted within legally established greenhouses, or within new or expanded greenhouses constructed after January 1, 2016. Agricultural support service facilities used for drying, trimming, processing, and storage, may also be constructed to support permitted greenhouse cultivation. In all cases, cannabis uses shall require approval of an administrative permit, and all new or expanded construction shall comply with the applicable regulations of this Title and state law.

2. Within the Light Industrial (LI), Heavy Industrial (HI), and Agricultural Industrial (AI) zoning districts, indoor or mixed-light cannabis cultivation or cannabis nurseries (Type 1A, 1B, 1C, 2A, 2B, 3A, 3B, or 4 state license types) may be permitted subject to an administrative permit in each case.
3. In no case shall a building intended for residential use be used for the cultivation of cannabis.
4. Cannabis cultivation shall not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority. The distance specified in this Section shall be measured from property line to property line, except for playgrounds, which will be measured from the boundary of the playground facility.
5. Until a track and trace program for the identification of permitted cannabis plants at a cultivation site is created by the California Department of Food and Agriculture, cultivators shall implement a County approved unique identification protocol. Unique identifiers shall be attached at the base of each plant and shall be traceable through the supply chain back to the cultivation site. Once a state program has been established, all cultivation activities permitted under this Chapter shall comply with the state requirements for unique identifiers and the trace and track program.
6. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products shall be provided and maintained. If on-site security is utilized, such on-site security shall not use or possess firearms or other lethal weapons.
7. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.
8. Water conservation measures, water capture systems, or grey water systems shall be incorporated in cannabis cultivation operations in order to minimize use of water where feasible.
9. Electrical power for indoor cultivation using artificial lighting only shall be provided by one of the following methods:
 - a. Onsite renewable generation designed to offset anticipated energy demand to the maximum extent feasible and purchase of carbon offsets of any portion of power not provided from onsite renewable sources; or
 - b. Ongoing participation in a rate program offered by the electric utility provider that provides energy from one hundred percent (100%) renewable source. Examples of such programs include the Central Coast Community Energy 3CPrime program, and Pacific Gas and Electric Company's Solar Choice or Regional Renewable Choice programs.
10. Cannabis plants shall not be visible from off site. No visual markers indicating that cannabis is cultivated on the site shall be visible from off site.
11. The owner shall ensure that the total canopy size of cannabis cultivated at the site does not exceed the cumulative canopy size authorized by state law or regulation. The owner and its licensees and permittees, operating on a site permitted pursuant to this Chapter, and with a commercial cannabis permit required pursuant to Chapter 7.90 of the Monterey County Code, shall ensure that the total

canopy size of cannabis cultivation does not individually exceed the amounts authorized by County permits and state law.

12. Unless restricted under the terms or conditions of an administrative permit, permittees who hold an administrative permit for cannabis cultivation or nursery operations may transport their own cannabis grown on site to another permitted and licensed cannabis business at an off-site facility provided the cultivation or nursery permittee hold a Type 11 state license or other applicable state license that allows for the transportation of cannabis. A separate administrative permit under this Section shall not be required for permittees that transport their own cannabis grown on site to another permitted and licensed cannabis business at an off-site facility. Failure to adhere to County or state laws and regulations for cannabis transportation may be grounds for suspension or revocation of an administrative permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.
- C. Required Findings. An administrative permit for cannabis cultivation shall not be granted by the Appropriate Authority unless all of the following findings are made based on substantial evidence:
1. The cultivation, as proposed, will comply with all of the requirements of the state and County for the cultivation of cannabis.
 2. The cultivation will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority.
 3. The cultivation, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
 4. The cultivation includes adequate measures that minimize use of water for cannabis cultivation at the site.
 5. The cultivation includes adequate measures to address the projected energy demand for cannabis cultivation at the site.
 6. The cultivation includes adequate quality control measures to ensure cannabis cultivated at the site meets industry standards.
 7. The cultivation includes adequate measures that address the federal enforcement priorities for cannabis activities including restricting access to minors, prohibiting use of firearms for security purposes at the premises, and ensuring that cannabis and cannabis products are not supplied to unlicensed and unpermitted persons within the state and not distributed out of state.
- D. Required Conditions. In addition to any other conditions and mitigation measures required by the Appropriate Authority, all of the following conditions shall apply to all permits for cannabis cultivation:
1. The owner and permittees shall allow access to cultivation sites and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.
 2. The applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.
 3. The applicant for the cultivation and the owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
 4. Any person cultivating cannabis shall obtain a valid and fully executed commercial cannabis permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing operations and must maintain such permit in good standing in order to continue operations.

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5. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by the Monterey County Code and state law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the County or state shall be grounds for the suspension or revocation of an administrative permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.
 6. The cultivation activities shall be maintained in accordance with the operating plans as approved by the County.

21.67.060 Cannabis manufacturing.

- A. Applicability. Non-volatile cannabis manufacturing facilities (requiring a Type 6 state license) may be permitted in the Heavy Commercial (HC), Light Industrial (LI), Heavy Industrial (HI), Agricultural Industrial (AI), or in Farmland (F) zoning districts when combined with a cannabis cultivation permit, subject to an administrative permit in each case. Cannabis manufacturing facilities involving volatile processes or substances (requiring a Type 7 state license) shall only be permitted in the Heavy Industrial (HI) zoning district with an administrative permit in each case. Except as provided in Section 21.67.090 of this Chapter, cannabis manufacturing shall be subject to the requirements contained in this Section.
- B. Regulations. Cannabis manufacturing shall comply with all of the following regulations:
 1. Cannabis manufacturing facilities shall be located only in zoning districts that specifically provide for this use.
 2. Cannabis manufacturing facilities shall not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority. The distance specified in this Section shall be measured from property line to property line, except for playgrounds, which will be measured from the boundary of the playground facility.
 3. The Director of the Monterey County Environmental Health Bureau or his/her designee is the appropriate authority to determine if manufacturing operations are "volatile" as defined by the state.
 4. All cannabis manufacturing operations shall ensure that cannabis is obtained from permitted and licensed cultivation sources and shall implement best practices to ensure that all manufactured cannabis products are properly stored, labeled, transported, and inspected prior to distribution at a legally permitted and licensed dispensary.
 5. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products shall be provided and maintained. Security measures shall include, but are not limited to, the following:
 - a. Prevent individuals from loitering on the premises of the manufacturing facility if they are not engaging in activity expressly related to the operations of the manufacturing facility;
 - b. Store all cannabis and cannabis products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss;
 - c. Install security cameras on site; and
 - d. Provide for on-site security personnel meeting the requirements and standards contained within Chapter 7.30 of the Monterey County Code. On-site security shall not use or possess firearms or other lethal weapons.
 6. Any employees of a cannabis manufacturing facility operating potentially hazardous equipment shall be trained on the proper use of equipment and on the proper hazard response protocols in the event

of equipment failure. In addition, employees handling edible cannabis products or ingredients shall be trained on proper food safety practices.

7. Unless restricted under the terms or conditions of an administrative permit, permittees who hold an administrative permit for cannabis manufacturing may transport their own cannabis products manufactured on site to another permitted and licensed cannabis business at an off-site facility provided the manufacturing permittee holds a Type 11 state license or other applicable state license that allows for the transportation of cannabis products. A separate administrative permit under this Section shall not be required for permittees that transport their own cannabis products manufactured on site to another permitted and licensed cannabis business at an off-site facility. Failure to adhere to County or state laws and regulations for manufactured cannabis transportation may be grounds for suspension or revocation of an administrative permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.

C. An administrative permit for cannabis manufacturing shall not be granted by the Appropriate Authority unless all of the following findings are made based on substantial evidence:

1. The manufacturing facility, as proposed, will comply with all of the requirements of the state and County for the cannabis manufacturing.
2. The manufacturing facility will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority.
3. The manufacturing, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
4. The manufacturing includes adequate quality control measures to ensure cannabis manufactured at the site meets industry standards.
5. The manufacturing facility does not pose a significant threat to the public or to neighboring uses from explosion or from the release of harmful gases, liquids, or substances.
6. The manufacturing operations plan includes adequate measures that address the federal enforcement priorities for cannabis activities including providing restrictions on access to minors, prohibiting use of firearms for security purposes at the premises, and ensuring that cannabis and cannabis products are obtained from and supplied only to other permitted licensed sources within the state.

D. Required Conditions. In addition to any other conditions and mitigation measures required by the Appropriate Authority, all of the following conditions shall apply to all permits for cannabis manufacturing:

1. The owner and permittees shall allow access to the facility and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.
2. The applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.
3. The applicant for the manufacturing facility and the owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
4. Any person operating a cannabis manufacturing facility shall obtain a valid and fully executed commercial cannabis permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing operations and must maintain such permit in good standing in order to continue operations.

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5. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by the Monterey County Code and state law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the County or state shall be grounds for the suspension or revocation of an administrative permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.
 6. The manufacturing facilities and activities shall be maintained in accordance with the operating plans approved by the County.

21.67.070 Cannabis testing facilities.

- A. Applicability. Cannabis testing facilities (requiring a Type 8 state license) may be permitted in the Heavy Commercial (HC), Light Industrial (LI), Heavy Industrial (HI), and Agricultural Industrial (AI) zoning districts subject to an administrative permit in each case. Testing facilities shall be subject to the requirements of this Section.
- B. Regulations. Cannabis testing facilities shall comply with all of the following regulations:
 1. Cannabis testing facilities shall be located only in zoning districts that specifically provide for this use.
 2. Cannabis testing facilities shall not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority. The distance specified in this Section shall be measured from property line to property line, except for playgrounds, which will be measured from the boundary of the playground facility.
 3. Cannabis testing facilities shall be independent from all other persons and entities involved in the cannabis industry.
 4. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products shall be provided and maintained. Security measures shall include, but are not limited to, the following:
 - a. Prevent individuals from loitering on the premises of the testing facility if they are not engaging in activity expressly related to the operations of the testing facility;
 - b. Store all cannabis and cannabis products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss;
 - c. Install security cameras on site; and
 - d. Provide for on-site security personnel meeting the requirements and standards contained within Chapter 7.30 of the Monterey County Code. On-site security shall not use or possess firearms or other lethal weapons.
 5. Cannabis testing facilities shall adopt standard operating procedures using methods consistent with general requirements for the competence of testing and calibration activities, including sampling, using standard methods established by the International Organization for Standardization, specifically ISO/IEC 17020 and ISO/IEC 17025 to test cannabis and cannabis products that are approved by an accrediting body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement.
 6. Cannabis testing facilities shall obtain samples for testing according to a statistically valid sampling method.
 7. Cannabis testing facilities shall analyze samples according to either the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia or a scientifically

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- valid methodology that is demonstrably equal or superior to the most recent cannabis inflorescence monograph.
8. If a test result falls outside the specifications authorized by law or regulation, the cannabis testing facility shall follow a standard operating procedure to confirm or refute the original result.
 9. Cannabis testing facilities shall destroy the remains of any samples of cannabis or cannabis product tested upon completion of the analysis.
 10. A licensed testing laboratory shall issue a certificate of analysis for each lot, with supporting data, to report both of the following:
 - a. Whether the chemical profile of the lot conforms to the specifications of the lot for compounds, including, but not limited to, all of the following:
 - i. Tetrahydrocannabinol (THC).
 - ii. Tetrahydrocannabinolic Acid (THCA).
 - iii. Cannabidiol (CBD).
 - iv. Cannabidiolic Acid (CBDA).
 - v. The terpenes described in the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia.
 - vi. Cannabigerol (CBG).
 - vii. Cannabinol (CBN).
 - viii. Any other compounds required by the Department of Public Health.
 - b. That the presence of contaminants does not exceed the levels that are the lesser of either the most current version of the American Herbal Pharmacopoeia monograph or those set by the California Department of Public Health. For purposes of this Paragraph, contaminants include, but are not limited to, all of the following:
 - i. Residual solvent or processing chemicals.
 - ii. Foreign material, including, but not limited to, hair, insects, or similar or related adulterant.
 - iii. Microbiological impurity, including total aerobic microbial count, total yeast mold count, *P. aeruginosa*, *aspergillus spp.*, *s. aureus*, aflatoxin B1, B2, G1, or G2, or ochratoxin A.
 - iv. Whether the batch is within specifications for odor and appearance.
- C. Required Findings. An administrative permit for a cannabis testing facility shall not be granted by the Appropriate Authority unless all of the following findings are made based on substantial evidence:
1. The testing facility, as proposed, will comply with all of the requirements of the state and County for the testing of cannabis or cannabis products.
 2. The testing facility will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority.
 3. The cannabis testing, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
 4. The owners, permittees, operators, and employees of the testing facility will not be associated with any other form of commercial cannabis activity.
 5. The testing facility is accredited by an appropriate accrediting agency.

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6. Plans for the testing facility demonstrate proper protocols and procedures for statistically valid sampling methods and accurate certification of cannabis and cannabis products for potency, purity, pesticide residual levels, mold, and other contaminants according to adopted industry standards.
- D. Required Conditions. In addition to any other conditions and mitigation measures required by the Appropriate Authority, all of the following conditions shall apply to all permits for a cannabis testing facility:
1. The owner and permittees of the testing facility shall allow access to the facility and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.
 2. The applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.
 3. The applicant for the testing facility and the owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
 4. Any person operating a cannabis testing facility shall obtain a valid and fully executed commercial cannabis permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing operations and must maintain such permit in good standing in order to continue operations.
 5. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by the Monterey County Code and state law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the County or state shall be grounds for the suspension or revocation of an administrative permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.
 6. The testing facilities and related activities shall be maintained in accordance with the operating plans approved by the County.

21.67.080 Cannabis distribution.

- A. Applicability. Except as provided in Section 21.67.090, cannabis distribution facilities (requiring a Type 11 state license) may be permitted in the Heavy Commercial (HC), Light Industrial (LI), Heavy Industrial (HI), and Agricultural Industrial (AI) zoning districts subject to an administrative permit in each case. Cannabis distribution facilities shall be subject to all of the requirements contained in this Section.
- B. Regulations. Cannabis distribution facilities shall comply with all of the following requirements.
1. Cannabis distribution facilities shall be located only in zoning districts that specifically provide for this use.
 2. Cannabis distribution facilities shall not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority. The distance specified in this Section shall be measured from property line to property line, except for playgrounds, which will be measured from the boundary of the playground facility.
 3. Cannabis and cannabis products shall only be transported between permitted and licensed commercial cannabis operations.
 4. Prior to transporting cannabis or cannabis products, the distributor shall complete an electronic shipping manifest. The shipping manifest shall include the unique identifier information from the cultivation source.

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5. A physical copy of the shipping manifest shall be maintained during transportation and shall be made available upon request to law enforcement or any agents of the state or County charged with enforcement of this Chapter.
 6. Distribution facilities shall maintain appropriate records of transactions and shipping manifests. An organized and clean method of storing and transporting cannabis and cannabis products shall be provided to maintain a clear chain of custody.
 7. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products shall be provided and maintained. Security measures at distribution facilities shall include, but are not limited to, the following:
 - a. Prevent individuals from loitering on the premises of the distribution facility if they are not engaging in activity expressly related to the operations of the distribution facility;
 - b. Store all cannabis and cannabis products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss;
 - c. Install security cameras on site; and
 - d. Provide for on-site security personnel meeting the requirements and standards contained within Chapter 7.30 of the Monterey County Code. On-site security shall not use or possess firearms or other lethal weapons.
 8. Distributors shall ensure that appropriate samples of cannabis or cannabis products are tested by a licensed testing facility prior to distribution.
 9. Prior to distribution, the distributor shall inspect cannabis or cannabis products for quality assurance.
 10. Cannabis and cannabis products shall be packaged and labeled in accordance with the requirements of state law.
 11. Alternative fuel vehicles shall be provided as part of a cannabis transportation fleet.
 12. The driver of a vehicle transporting cannabis and cannabis products shall be directly employed by persons holding all required permits, licenses, and entitlements for a cannabis distributor.
- C. Required Findings. An administrative permit for a cannabis distribution facility shall not be granted by the Appropriate Authority unless all of the following findings are made based on substantial evidence:
1. The distribution facility, as proposed, will comply with all of the requirements of the state and County for the cannabis distribution.
 2. The distribution facility will not be located within a six hundred (600) foot radius of a school providing instruction in kindergarten or any grades 1 through 12, a child care center, a youth center, a playground, or a drug recovery facility that is in existence at the time of approval of permits by the Appropriate Authority.
 3. The cannabis distribution facility as approved and conditioned, will not result in significant unavoidable impacts on the environment.
 4. Plans for the distribution facility demonstrate proper protocols and procedures that address the federal enforcement priorities for cannabis activities including providing restrictions on access to minors, prohibiting use or possession of firearms for security purposes at the premises, and ensuring that cannabis and cannabis products are obtained from and supplied only to other permitted licensed sources within the state.
- D. Required Conditions. In addition to any other conditions and mitigation measures required by the Appropriate Authority, all of the following conditions shall apply to all permits for a cannabis distribution facility:

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1. The owner and permittees of a distribution facility shall allow access to the facility and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.
 2. The applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.
 3. The applicant for a distribution facility and the owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial cannabis activity.
 4. Any person operating a cannabis distribution facility shall obtain a valid and fully executed commercial cannabis permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing operations and must such permit in good standing in order to continue operations.
 5. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with permits and licenses required by the Monterey County Code and state law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the County or state shall be grounds for the suspension or revocation of an administrative permit pursuant to Sections 21.67.110 and 21.67.120 of this Chapter.
 6. The distribution facilities and activities shall be maintained in accordance with the operating plans approved by the County.

21.67.090 Exemptions from permit requirements.

All of the following cannabis activities are exempt from the administrative permit requirements of this Chapter in all zoning districts:

- A. Possession, storage, manufacturing, or transportation of medicinal cannabis, or cultivation of up to one hundred (100) square feet total canopy area of medicinal cannabis by a qualified patient, as that term is defined in Section 11362.7 of the California Health and Safety Code, provided the qualified patient, possesses, stores, manufactures, transports, or cultivates cannabis exclusively for his or her personal medical use, and does not provide, donate, sell, or distribute cannabis to any other person. Qualified patients shall, upon request, provide appropriate documentation to law enforcement demonstrating that they have a valid doctor's recommendation to use cannabis for medicinal purposes.
- B. Possession, storage, manufacturing, transportation of medicinal cannabis, or cultivation of up to one hundred (100) square feet of canopy area of medicinal cannabis by a primary caregiver on behalf of a qualified patient, within the meaning of Section 11362.7 of the California Health and Safety Code, provided the primary caregiver does not receive remuneration for these activities except for compensation in full compliance with Section 11362.765(c) of the California Health and Safety Code. Primary caregivers shall, upon request, provide appropriate documentation to law enforcement demonstrating that they are a primary caregiver for a qualified patient.
- C. Possession, processing, storage, transportation, or donation of not more than 28.5 grams of cannabis or not more than eight (8) grams of concentrated cannabis to persons twenty-one (21) years of age or older by persons twenty-one (21) years of age or older.
- D. The cultivation of up to six (6) cannabis plants by persons twenty-one (21) years of age or older as allowed pursuant to Section 11362.1(a) of the California Health and Safety Code.
- E. The addition of an indoor cannabis consumption venue to an existing permitted retail facility that meets all the regulations of Monterey County Code Section 21.67.040 and Chapter 7.90.

21.67.100 Application requirements.

All applications for a permit for a commercial cannabis activity under this Chapter shall be filed with the Resource Management Agency on the form and in the manner prescribed by the Director of the Resource Management Agency or the Chief of Planning, or his or her designee. In all cases the application shall contain, without limitation, the following documentation:

- A. Notarized, written authorization from all persons and entities having a right, title or interest in the property that is the subject of the application consenting to the application and the operation of the proposed commercial cannabis activity on the subject property.
- B. The name and address of all persons and entities responsible for the operation of the commercial cannabis activity, including managers, corporate officers, any individual with an ownership interest, any member of a board of directors, any general or limited partner, and/or any member of a decision-making body for the commercial cannabis activity.
- C. Site plans, floor plans, conceptual improvement plans, and a general description of the nature, size, and type of commercial cannabis activity(ies) being requested.
- D. An operations plan including at a minimum, the following information:
 - 1. Onsite security measures both physical and operational and, if applicable, security measures for the delivery of cannabis associated with the commercial cannabis business;
 - 2. Standard operating procedures manual detailing how operations will comply with State and local regulations; how safety and quality of products will be ensured; record keeping procedures for financing, testing, and adverse effect recording; and product recall procedures;
 - 3. Proposed hours of operation;
 - 4. Waste disposal information;
 - 5. A water management plan including the proposed water supply and proposed conservation measures;
 - 6. Medical recommendation verification when applicable and youth access restriction procedures;
 - 7. Product supply chain including information on where cultivation occurs, where the product is processed or manufactured, any required testing of cannabis or cannabis products, transportation, and packaging and labeling criteria;
 - 8. Record keeping policy;
 - 9. Track and trace measures;
 - 10. Sustainability measures including water efficiency measures, energy efficiency measures, high efficiency mechanical systems, and alternative fuel transportation methods;
 - 11. Odor prevention devices;
 - 12. Size, height, colors, and design of any proposed signage at the site;
 - 13. Parking plan; and
 - 14. Such other information as the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may require.
- E. Additional Application Requirements: Based on the type of commercial cannabis activities proposed, the following additional information may be required by the Director of the Resource Management Agency or the Chief of Planning, or his or her designee:

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1. Cannabis Retailer: In reviewing an application for an administrative or use permit to dispense cannabis or cannabis products, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may request operational plans detailing how operations will comply with federal enforcement priorities.
 2. Cannabis Cultivation: In reviewing an application for an administrative permit to cultivate cannabis, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may request the following additional information:
 - a. Water conservation measures;
 - b. Projected energy demand and proposed renewable energy generation facilities;
 - c. Unique identifier, inventory, and quality control procedures; and
 - d. A floor plan identifying the location, dimensions, and boundaries of all proposed canopy areas taking into account space needed for ongoing care of plants and a description of the proposed method of physically delineating those boundaries at the site.
 3. Cannabis Manufacturing: In reviewing an application for an administrative permit to operate a cannabis manufacturing facility, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may request the following additional information:
 - a. Information on products used in the manufacturing process including the cannabis supply chain, liquids, solvents, agents, and processes. Cannabis shall be obtained from a licensed cultivator or licensed distributor operating in compliance with all local and state laws;
 - b. Storage protocol and hazard response plan;
 - c. Quality control measures; and
 - d. Any other information requested by the Director of the Resource Management Agency or the Chief of Planning, or his or her designee.
 4. Cannabis testing facilities: In reviewing an application for an administrative permit to operate a cannabis testing facility, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may request the following additional information:
 - a. An operations plan detailing how cannabis will be received, secured, tested, and destroyed upon completion;
 - b. Certificate of accreditation from an approved accrediting body;
 - c. Proposed procedures for record keeping including chain of custody control and certificate issuance; and
 - d. Any other information requested by the Director of the Resource Management Agency or the Chief of Planning, or his or her designee.
 5. Cannabis transportation and distribution facility: In reviewing an application for an administrative permit to operate a cannabis transportation and/or distribution facility, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may request any following additional information:
 - a. An operations plan detailing how, and from where, cannabis and cannabis products will be received, how any storage, distribution, and transportation operations will be secured to prevent theft and trespass, and to whom the product will be distributed;
 - b. Quality control inspections and requirements plan;
 - c. Truck parking and loading areas;
 - d. Storage and handling plans; and

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- e. Any other information requested by the Director of the Resource Management Agency or the Chief of Planning, or his or her designee.
 - F. All required application materials shall be prepared by the applicant and submitted at the time of application.

21.67.110 Grounds for suspension or revocation.

Any of the following shall be grounds for suspension or revocation of a use permit, or administrative permit granted for a commercial cannabis activity based on substantial evidence and following notice and public hearing pursuant to Section 21.67.120:

- A. Failure to comply with one or more of the conditions of the use permit or administrative permit;
- B. The use permit or administrative permit was granted on the basis of false material information, written or oral, given willfully or negligently by the applicant;
- C. Any act or omission by an owner or permittee in contravention of the provisions of this Chapter;
- D. Any act or omission by an owner or permittee that results in the denial, revocation or suspension of the owner's or permittee's State License;
- E. Any act or omission that results in the revocation of that owner's or permittee's commercial cannabis permit under Chapter 7.90 of the Monterey County Code;
- F. Any act or omission by an owner or permittee in contravention of State law or the Monterey County Code;
- G. An owner's or permittee's failure to take appropriate action to evict or otherwise remove persons conducting commercial cannabis activities who do not maintain the necessary permits or licenses in good standing with the County or State;
- H. Possession or delivery of any other form of illegal drugs without proper legal authorization; or
- I. Conduct of the commercial cannabis activities in a manner that constitutes a nuisance, where the owner or permittee has failed to comply with reasonable conditions to abate the nuisance.

21.67.120 Procedure for suspension or revocation.

- A. If the Director of the Resource Management Agency or the Chief of Planning, or his or her designee determines that grounds for suspension or revocation of the use permit or administrative permit exist pursuant to section 21.67.110, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee shall issue a written Notice of Intention to revoke or suspend the use permit or administrative permit, as the case may be. The Notice of Intention shall be served on the owner, as reported on the latest equalized assessment roll, and shall also be served on permittees on the property, as reported on the commercial cannabis permits issued pursuant to Chapter 7.90. The Notice of Intention shall be served by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested. The Notice of Intention shall describe the property, the intention to revoke or suspend the use permit or administrative permit, the grounds for revocation or suspension, the action necessary to abate the violation, the time limit for compliance, and the right to a hearing. The Notice of Intention shall notify the owner and permittees of the opportunity to request a hearing before a Hearing Officer to present evidence as to why the use permit or administrative permit should not be suspended or revoked and shall notify them of the 10-day deadline to submit a written request for a hearing.
- B. The owner and permittees shall have ten (10) calendar days from the service of the Notice of Intention to submit a written request for a hearing before the Hearing Officer. Failure to submit the written request for a hearing shall be deemed a waiver of the right to challenge the suspension or revocation of the use permit or administrative permit and a failure to exhaust administrative remedies. If the hearing is not timely

requested, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee may suspend or revoke the use permit or administrative permit in accordance with the Notice of Intention.

- C. Upon receipt of a timely written request for a hearing, the Director of the Resource Management Agency or the Chief of Planning, or his or her designee shall set a date for a hearing to be held within sixty (60) days of receipt of the request, unless an immediate threat to the public health, safety and welfare necessitates an earlier hearing date. Notice of the hearing, including the time, date, and location of the hearing, shall be served on the owner and permittees, such service to be accomplished by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested.
- D. Hearing by the Hearing Officer:
 - 1. The Hearing Officer is authorized to conduct hearings, issue subpoenas, receive evidence, administer oaths, rule on questions of law and the admissibility of evidence, prepare a record of the proceedings, and render decisions on the suspension or revocation of the use permit or administrative permit.
 - 2. In any proceeding before a Hearing Officer, oral testimony offered as evidence shall be taken only on oath or affirmation, and the Hearing Officer, his/her clerk, or other designee shall have the power to administer oaths and affirmations and to certify to official acts.
 - 3. All parties to the hearing shall have the opportunity to testify, introduce exhibits, call and examine witnesses, and cross examine opposing witnesses on any matter relevant to the issues.
 - 4. The Hearing Officer may postpone the hearing date upon good cause shown, continue the hearing during the course of the hearing, and make such other procedural orders and rulings as he or she deems appropriate during the course of the hearing.
 - 5. Within thirty (30) calendar days after the close of the hearing, the Hearing Officer shall issue a written decision, including a statement of the basis for the decision. The Hearing Officer's written decision shall constitute the final administrative decision of the County.
- E. In the event a civil action is initiated to obtain enforcement of the decision of the Hearing Officer, and judgment is entered to enforce the decision, the person against whom the order of enforcement has been entered shall be liable to pay the County's total costs of enforcement, including reasonable attorney fees.
- F. If neither owner nor any permittee nor their authorized representatives appear at the noticed hearing, such failure to appear shall constitute an abandonment of the hearing request and a failure to exhaust administrative remedies.

21.67.130 Enforcement.

The remedies provided by this Chapter are cumulative and in addition to any other remedies available at law or in equity.

- A. It shall be unlawful for any person to violate any provision, or to fail to comply with any of the requirements, of this Chapter. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of this Chapter shall be guilty of a misdemeanor. No proof of knowledge, intent, or other mental state is required to establish a violation.
- B. Any condition caused or allowed to exist in violation of any of the provisions of this Chapter shall be deemed a public nuisance and shall, at the discretion of County, create a cause of action for penalty pursuant to Chapters 1.20 and 1.22 of this Code, and any other action authorized by law.
- C. Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Monterey County Code or otherwise authorized by law. Additionally, as a public nuisance, any violation of this Chapter shall be subject to injunctive relief, disgorgement of any payment to the County of any and all monies unlawfully obtained, costs of abatement, costs of restoration, costs of investigation, attorney fees, restitution, and any other relief or remedy available at law or in equity. The County, including the Office of the District Attorney and the Office of the County

Counsel, may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial cannabis activity or persons related thereto, or associated with, the commercial cannabis activity.

21.67.140 Operative date of Chapter 21.67.

This Chapter became operative on December 13, 2016, upon adoption by County voters of a County tax on commercial cannabis activity (codified at Chapter 7.100 of the Monterey County Code) and certification of the results of the vote on the tax pursuant to Section 15372 of the California Elections Code.