



# Monterey County

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## Board Report

Legistar File Number: 19-0764

September 30, 2019

**Introduced:** 9/23/2019

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** General Agenda Item

Consider a draft ordinance amending Chapter 7.90 of the Monterey County Code to: create a mechanism for the commercial cannabis permit to be amended during its annual term; to make the regulations consistent to state law and the Monterey County Code; to change the appropriate authority who issues the permit; and other miscellaneous modifications.

### RECOMMENDATION:

It is recommended that the Board of Supervisors Cannabis Committee:

1. Consider a draft ordinance amending Chapter 7.90 of the Monterey County Code to create a mechanism for the commercial cannabis permit to be amended during its annual term, to make the regulations consistent to state law and the Monterey County Code, to change the appropriate authority who issues the permit, and other miscellaneous modifications; and
2. Provide direction to staff.

### SUMMARY/DISCUSSION:

Based on direction from the Board of Supervisors and the Cannabis Committee, staff has prepared a draft ordinance amending Chapter 7.90 of the Monterey County Code. Chapter 7.90 sets the regulations concerning the commercial cannabis permit, which is an annual permit issued to businesses who conduct commercial cannabis activities. The commercial cannabis permit is obtained after the property owner obtains a land use entitlement from the Resource Management Agency (RMA). Numerous changes have taken place since Chapter 7.90 was last amended in December 2017 that require additional amendments to be made. These changes include:

- It has become apparent that there is a need for business operators to amend their commercial cannabis permit during its annual term.
- The commercial cannabis permit issuance and renewal processes transferred from RMA to the Cannabis Program in April 2019.
- The California Cannabis Authority, a joint powers authority of which Monterey County is a member, is now operational and collecting data.
- The California Department of Food & Agricultural, the Bureau of Cannabis Control, and the Department of Public Health all adopted final permanent regulations in January 2019.
- Numerous changes have been made to the Monterey County Code, including the adoption of the outdoor cultivation pilot program.

Given all these changes, staff has made the proposed amendments to Chapter 7.90. A redlined and

clean version of the ordinance are attached to this report. The proposed amendments include the following:

- Allow the commercial cannabis permit to be amended once during its annual term. If certain criteria are met, the commercial cannabis permit may be modified one time by the Appropriate Authority.
- Amend the Appropriate Authority who issues and renews the permit from the RMA Director to the Cannabis Program Manager since the Cannabis Program has taken over the permit operational activities.
- Require that the Appropriate Authority ensure that all responsible County departments and local agencies have reviewed and approved the issuance of the permit.
- Add necessary language given that outdoor cultivation is now allowed in certain areas of the County.
- Remove the distinction between A-type permits for adult use cannabis activities, and M-type permits for medicinal activities consistent with state law. One permit will now be issued for both activities, but with a designation so staff is aware if they are operating with adult use cannabis, medicinal cannabis, or both.
- Require that applicants submit their permit application within 30 days of approval of the applicable land use entitlement.
- Require applicants to provide GSP coordinates of all areas that will contain cannabis activities.
- Require a diagram with the application that includes the proposed total canopy area and the maximum amount of square footage to be cultivated for the annual term.
- Add a requirement that all permittees must submit certain information to the California Cannabis Authority.
- Require all property owners, business owners, and employees to be 21 years of age or older, and wear an identifying badge provided by the permittee while on a commercial cannabis premises.
- Other miscellaneous and technical changes.

Staff is seeking input and direction from the Cannabis Committee on the draft ordinance. Based on that direction, staff will make necessary changes and bring the draft ordinance to the Board of Supervisors. The ordinance will need two readings before the Board of Supervisors, and if adopted, will be operative 31 days after adoption.

#### OTHER AGENCY INVOLVEMENT:

The draft ordinance has been shared with all departments involved in the Cannabis Program. Many of these departments provided suggested revisions that have been incorporated in the draft ordinance.

#### FINANCING:

Monterey County's Cannabis Program is funded in County Administrative Office - Department 1050, Intergovernmental and Legislative Affairs Division - Unit 8054, Cannabis. The proposed amendments to Chapter 7.90 will not incur additional expenses to the Program.

#### BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Monterey County Cannabis Program addresses each of the Strategic Initiative Policy Areas that promote the growth of a responsible and legal Monterey County cannabis industry.

Mark a check to the related Board of Supervisors Strategic Initiatives

- X Economic Development
- X Administration
- X Health & Human Services
- X Infrastructure
- X Public Safety

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Attachments:

- 1: Draft ordinance amending (redlined version)
- 2: Draft ordinance (clean version)
- 3: Current version of Chapter 7.90 (Ord No. 5293)