

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: Planning and Community Development

BOARD AGENDA: 6.2
AGENDA DATE: November 5, 2019

SUBJECT:

Conduct a Public Hearing to Consider the Planning Commission's Recommendation for Denial of Ordinance Amendment Application No. PLN2018-0037, Commercial Cannabis Ordinances, a Request to Amend Chapter 6.78 – Commercial Cannabis Activities and Chapter 21.20 - General Agriculture District (A-2) of the Stanislaus County Code

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2019-0682

On motion of Supervisor Olsen Seconded by Supervisor Chiesa
and approved by the following vote,
Ayes: Supervisors: Olsen, Chiesa, Berryhill, and Chairman Withrow
Noes: Supervisors: DeMartini
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None
1) _____ Approved as recommended
2) _____ Denied
3) X Approved as amended
4) _____ Other:

MOTION: Approved Staff Recommendations Nos. 1-8; and, amended 6.78.120 subsection E (7) of the proposed ordinance to read as follows: "Permittees shall agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the Permittee is prohibited from advertising any Commercial Cannabis Activity located in the unincorporated area of Stanislaus County utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the unincorporated area. This paragraph is not intended to place limitations on the ability of a Commercial Cannabis Activity to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways"

INTRODUCED, WAIVED THE READING, AND ADOPTED ORDINANCE C.S. 1258

ATTEST: 
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No. ORD-56-Q-1

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM

DEPT: Planning and Community Development

BOARD AGENDA:6.2

AGENDA DATE: November 5, 2019

CONSENT ☐

CEO CONCURRENCE:

4/5 Vote Required: No

SUBJECT:

Conduct a Public Hearing to Consider the Planning Commission's Recommendation for Denial of Ordinance Amendment Application No. PLN2018-0037, Commercial Cannabis Ordinances, a Request to Amend Chapter 6.78 – Commercial Cannabis Activities and Chapter 21.20 - General Agriculture District (A-2) of the Stanislaus County Code

STAFF RECOMMENDATION:

After conducting a public hearing at its regular meeting on October 3, 2019, the Planning Commission recommended the Board of Supervisors deny this project. Planning staff recommends the Board of Supervisors:

1. Conduct a public hearing to consider the Planning Commission's recommendation for denial of Ordinance Amendment Application No. PLN2018-0037, Commercial Cannabis Ordinances, a request to amend Chapter 6.78 – Commercial Cannabis Activities and Chapter 21.20 - General Agriculture District (A-2) of the Stanislaus County Code.

If the Board of Supervisors decides to approve the project, the Board of Supervisors should also take the following actions:

2. Find the project is Exempt from the California Environmental Quality Act (CEQA) pursuant to Section 26055(h) of the California Code of Regulations and order the filing of a Notice of Exemption with the Stanislaus County Clerk-Recorder pursuant to CEQA Guidelines Section 15062.
3. Find that there is no substantial evidence the project will have a significant effect on the environment and that the General Exemption reflects Stanislaus County's independent judgment and analysis.
4. Find the project is consistent with the overall goals and policies of the Stanislaus County General Plan.
5. Find that the project is in conformity with and will promote public convenience, general welfare, and good land use practice.

6. Find that the project will not be detrimental to health, safety, and general welfare of the County.
7. Approve Ordinance Amendment Application No. PLN2018-0037 – Commercial Cannabis Ordinances and adopt the amended ordinance.
8. Introduce, waive the reading, and adopt the ordinance amending Chapters 6.78 and 21.20 of the Stanislaus County Code relating to Commercial Cannabis Activities.

DISCUSSION:

Stanislaus County is proposing amendments to Chapter 6.78 – Commercial Cannabis Activities and Chapter 21.20 - General Agriculture District (A-2) of the Stanislaus County Code. The proposed ordinance amendments include the following:

- Minor amendments to the operating procedures of retail and cultivation activities;
- An amendment to the definition of cultivation;
- An amendment to the definition of youth center;
- Minor amendments to the general operating standards applicable to security plans and advertising; and
- Minor technical amendments for the purposes of clarity and consistency with state regulations.

The County's current Commercial Cannabis Activities Ordinance (Chapter 6.78 of the County Code) was adopted by the Board of Supervisors on December 5, 2017. However, the State has continued to amend their commercial cannabis regulations, most recently in January of 2019. Many of the ordinance amendments proposed in this project are intended to provide consistency between the County's Ordinance and current state regulations.

Several changes are proposed to the General Operational Standards of the ordinance, which applies to all commercial cannabis activity types. Section 6.78.120, subsection B(1), is proposed to be amended to clarify that greenhouses are allowed in all zoning districts where mixed-light cultivation activities are conditionally permitted. Section 6.78.120, subsection C(4)(g), is proposed to be amended to clarify that security personnel is required as defined within the County-approved security plan. Lastly, Section 6.78.120, subsections E(6) and E(7), which include restrictions on advertising, have been deleted to be consistent with state regulations.

The regulations for cultivation activities (Section 6.78.080) are proposed to be amended to clarify that distribution (limited to product grown on-site), nursery, and cultivation activities in the A-2 (General Agriculture) zoning district may occur within an accessory storage building provided cultivation or nursery canopy does not exceed 10,000 square feet. Additionally, an amendment to this section is proposed to clarify that fencing is only required around the greenhouses used for cultivation and not around buildings with solid walls that already obscure visibility, regardless of zoning. For consistency with

these proposed changes, an amendment to Section 21.20.030 of the A-2 (General Agriculture) zoning ordinance is proposed to clarify that in addition to natural and mixed-light, indoor light cultivation and nursery activities are also permitted activities in the A-2 (General Agriculture) zoning district when a use permit is obtained.

The limits on hours of operation for retail and delivery activities (Section 6.78.070) is proposed to be amended from a maximum closing time of 7 p.m. to 10 p.m. This proposed change is intended to be consistent with state law which allows retail operations between the hours of 6 a.m. and 10 p.m. and with the City of Modesto which allows retail facilities to operate up to 10 p.m.

The definition of “youth center” (Section 6.78.030) is proposed to be amended to clarify that the definition of “youth center” does not include “youth instructional facilities.” Subsection NNN has been added to define “youth instructional facilities” as “any commercially operated facility that provides supervised instruction to children below 18 years old, examples include, but are not limited to, instruction in art, music, dance, gymnastics, cheer, sports, martial arts, or tutoring.” The intent of this proposed amendment is to clarify any confusion with the State’s definition of a youth center, which is vague. The primary function of a “youth instructional facility” is to provide instruction with a fixed enrollment and schedule, supervised by instructors, on a for profit basis. Many of these facilities are located within industrial and light industrial areas, which staff has heard at numerous public hearings are the preferred locations for commercial cannabis activities. Much of the light industrial areas in the unincorporated County are zoned Planned Development and Planned Industrial. These areas were developed for low traffic generating industrial and commercial uses and were never intended for high traffic generating commercial or recreational uses. However, over time many youth instructional facilities have been approved in these areas with limits on class sizes and hours of operation under the condition that they remain low traffic generating. By providing the distinction between “youth centers” and “youth instructional facilities” commercial cannabis activities will be more easily sited in the industrial and light industrial areas of the County which both decision makers and the public have indicated are preferred locations for commercial cannabis uses.

If the Board of Supervisors does not support the proposed changes to the definitions of “youth center” and “youth instructional facility” there are other options for approving a reduced setback from a youth center on a case by case basis. The State allows for permitting of facilities with alternative setback distances from schools, day care centers, or youth centers if it is approved by the local jurisdiction. Section 6.78.120 (A)(6)(c) of the County’s Commercial Cannabis Ordinance currently allows for a waiver or reduced setback to the 200-foot setback from residences and libraries and the 50-foot setback from property lines in the A-2 (General Agricultural) zoning district provided the decision-making body finds that the site of commercial cannabis activity is physically separated from the use, prohibiting direct path of travel, or if they determine that such a waiver or reduction will not result in material detriment to the welfare or the property of persons located in the vicinity. This waiver allowance and associated findings could be incorporated into section 6.78.120 (A)(7) to allow the option for a setback waiver from the 600-foot setback from youth centers. The required setback waiver findings would need to be made on a case-by-case basis by the decision-making authority and would

require a further amendment to the proposed ordinance amendment. The other option to granting a waiver or reduction to the setback from youth centers is to incorporate the allowance for a reduced setback into the development agreement for a specific project on a case-by-case basis, without the need for an ordinance amendment, during the land use entitlement phase of permitting.

A detailed summary of the proposed ordinance amendments and analysis of general plan and ordinance consistency can be found in Attachment 1 – *October 3, 2019 Planning Commission Staff Report*. The proposed Zoning Ordinance amendments will apply to all commercial cannabis activities in the unincorporated County areas. All commercial cannabis projects will continue to be subject to obtaining a discretionary land use permit and development agreement prior to obtaining a Stanislaus County Commercial Cannabis Activity Permit.

The Planning Commission must consider and make recommendations to the Board of Supervisors on all proposed amendments to the County's Zoning Ordinance, which is contained in Title 21 of the Stanislaus County Code. However, in accordance with Section 6.78.300 – *Review by Planning Commission*, the Planning Commission is limited to considering changes to Chapter 6.78 of the Stanislaus County Code which are related to land use compatibility. Accordingly, the amendments to the County's Commercial Cannabis Ordinance has been split into two items. This item includes land use related amendments only and have been considered by the Planning Commission at a public hearing. The other item includes updated procedures for the suspension revocation, or non-renewal of Commercial Cannabis Activity Permits and for enforcement, declarations of public nuisance, and abatement procedures of commercial cannabis activities, which will be brought before you in a separate item by County Counsel.

The Planning Commission considered the land use related amendments at a public hearing on October 3, 2019. Following staff's presentation Commissioner Buehner asked for clarification on "youth facility" vs. "youth instructional facility," whether youth are present at both, and the purpose of this proposed change. Staff clarified that while youth would be present at both types of facilities, a "youth instructional facility" is a business whose primary purpose is to instruct youth in targeted activities such as cheer, gymnastics, or martial arts, for a fee, in a weekly scheduled and supervised instructional environment. Staff further clarified that examples of a "youth center" would include the Maddox Youth Center or the Empire Pool. Staff explained that the purpose of the proposed amendment is to clarify the State's definition by determining that the 600-foot setback applies to for "youth centers" but does not apply to "youth instructional facilities." Commissioner Munoz asked for clarification on schools vs. youth instructional facilities. Staff clarified that private and public K-12 schools are already covered by the setback required for a "school" and pre-schools are covered under the definition of "day care center." Commissioner Blom stated that the planned industrial areas in the County were not zoned to allow for commercial youth instructional facilities when they were first developed and that these uses established themselves over the years slowly. Staff verified that this is the case and explained that this amendment would assist in the siting of commercial cannabis activities in industrial and light industrial areas which according to the input staff has received from the Planning

Commission and the public is one of the most appropriate locations for commercial cannabis activities. Commissioner Mott mentioned that many of these facilities have tournaments or parties over the weekend which function in a less structured manner and asked staff if these proposed changes would impact any of the projects which were already approved. Staff clarified that the youth facility changes would not impact any commercial cannabis projects that have been approved, but that there are several applicants whose projects have been on hold pending the amendment to the County's commercial cannabis ordinance.

Commissioner Buehner then asked staff if the Planning Commission could recommend approval of only portions of the ordinance amendment to which staff clarified that the Planning Commission could recommend approval of the ordinance amendment with the removal of specific proposed changes.

Commissioner Mott inquired why the ordinance amendment only proposes a change of the closing hours for retail businesses and not the opening hours. Staff clarified that the opening hours currently permitted by the ordinance were not an issue for the County's retail applicants and that the requested change would allow the County to be consistent with the State and the City of Modesto.

Commissioner Zipser asked for clarification on the proposed changes to the security plans. Staff clarified that the change would require that on-site security for each commercial cannabis activity must be provided as indicated in the Sheriff's approved security plans. Currently the County's regulations state that security is required "on-site twenty-four hours a day or alternative security as authorized by the county-approved security plan".

Commissioner Willerup asked staff for clarification on the proposed changes to advertising. Staff clarified that the current County prohibition to billboards applies to signs located within the entire State of California and not just within the County's unincorporated area, which some applicants have indicated has negatively affected them. For example, cannabis operations approved in the cities of Ceres and Modesto are not restricted from advertising on billboards along state highways within or outside of Stanislaus County. The proposed change would be consistent with state regulations, which does not prohibit billboards, but does limit their location within 1,000 feet of a day care center, playground, school, or youth center. Staff added that the majority of the billboards located in the County are located within the sphere of influence or city limits of another jurisdiction and are not under the authority of the County to approve. Additionally, staff clarified that the proposed amendment to the signage regulations is limited to County permittees' and their ability to advertise on existing billboards throughout the County and the State.

Commissioner Blom asked if any input was received from business owners in the light industrial areas of the County from the draft ordinance amendment circulation. Staff replied that the only response they received from a community member was from the Graton School District who asked for clarification on the processing for projects under the California Environmental Quality Act (CEQA). Staff responded to this inquiry explaining that although the ordinance amendment was being processed as CEQA

exempt, that each individual location would be subject to CEQA review on a project by project basis. While notice of the proposed ordinance amendment has been sent to interested persons on record with the County Planning Department and advertised in The Modesto Bee, notices to specific property owners, such as those owning property within a light industrial zoned area, have not been provided.

During the public hearing one community member, Kristin Johns, spoke in opposition to the project. Ms. Johns stated that she was the person (from the Gratton School District) that staff mentioned had contacted them about the ordinance amendment. Ms. Johns stated that her priority is to raise children in a safe environment which would include a place without legalized commercial cannabis, which she believes to be a harmful drug that leads to additional drug use, mental disorders, reduced IQ, and other harmful effects. Ms. Johns continued to say that the ordinance should require a minimum of a one-mile setback from sensitive uses, much more limited hours, no advertising, and stringent security requirements, and that no project should be exempt from CEQA. She stated that the Planning Commission should not be making it easier to site commercial cannabis operations, as that goes against the health and general welfare of the County.

Zach Drivon, with Drivon Consulting who represents three commercial cannabis applicants in Stanislaus County, spoke in favor of the project. Mr. Drivon stated that he supports the ordinance amendment because state level regulations have been evolving since January of 2018 and these amendments would bring the County's program into alignment with the state's current regulations. Mr. Drivon stated support for creating the distinction between youth facilities and youth instructional facilities. He stated that youth instructional facilities are geared toward training for competitive sports operations, which have more intensive supervision and limited hours of operation often with parental attendance. Additionally, Mr. Drivon stated that commercial cannabis activities have improved security for these light industrial areas with the installation of cameras and security guards. Finally, Mr. Drivon stated that the alternative to legally compliant commercial cannabis activities is illegal cannabis activities which do not follow any rules and encouraged the Planning Commission to approve the ordinance.

Following the closing of the public hearing several Commissioners stated that they did not support the changes to the definition of youth center, one also objected to the change in the hours of operation, and two Commissioners objected to the changes to advertising allowances. Commissioner Blom stated that the distinction in the youth facility definitions makes sense based on the industrial nature of the areas where the instructional facilities operate and that the proposed changes to the ordinance strengthen the program. Commissioner Maring stated that there is a lot to say for parental responsibility and limiting where children go and that coming from the perspective of the west side of the County which is saturated with illegal operations that these operators are trying to do it the right way and they shouldn't be punished for it. Commissioner Zipser stated that although he did not support the change to the definition of youth center, he does feel that there has been a lot of headway in getting rid of illegal operations which speaks for the value of the County's commercial cannabis ordinance. Ultimately, the Planning Commission, on a 5-3 vote, recommended the Board of Supervisors deny the request.

POLICY ISSUE:

The Board of Supervisors is the decision-making body for all changes to the Stanislaus County Code. The Planning Commission must consider and make recommendations to the Board of Supervisors on all proposed amendments to the County's Zoning Ordinance, which is contained in Title 21 of the Stanislaus County Code. The Planning Commission must consider and make recommendations to the Board of Supervisors on all land use related changes to the County's Commercial Cannabis Activities Ordinance which is contained within Chapter 6.78 of the Stanislaus County Code.

All Stanislaus County commercial cannabis regulations shall meet the minimum standards identified within Sections 5 and 7 of Article XI of the California Constitution, the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter "MAUCRSA"), any subsequent state legislation and/or regulations regarding the same.

FISCAL IMPACT:

Costs associated with processing this request, including setting the public hearing, publishing of required notices, and conducting the hearing, will be covered by commercial cannabis application fees.

BOARD OF SUPERVISORS' PRIORITY:

Approval of this action supports the Board of Supervisor's priority of *Developing a Healthy Economy* and *Delivering Efficient Public Services & Community Infrastructure* by providing regulations consistent with the overall goals and policies of the Stanislaus County General Plan.

STAFFING IMPACT:

Planning and Community Development Department staff is responsible for preparing all reports, and attending meetings associated with the proposed request.

CONTACT PERSON:

Angela Freitas, Planning and Community Development Director
Telephone: (209) 525-6330

ATTACHMENT(S):

1. October 3, 2019 Planning Commission Memo
2. October 3, 2019 Planning Commission Meeting Minutes Excerpt
3. Proposed Ordinance

**DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT**1010 10TH Street, Suite 3400, Modesto, CA 95354

Planning Phone: (209) 525-6330 Fax: (209) 525-5911

Building Phone: (209) 525-6557 Fax: (209) 525-7759

DATE October 3, 2019

MEMO TO: Stanislaus County Planning Commission

FROM: Department of Planning and Community Development

SUBJECT: ORDINANCE AMENDMENT APPLICATION NO. PLN2018-0037 – COMMERCIAL CANNABIS ORDINANCES

RECOMMENDATION

Based on the discussion below and on the whole of the record, Staff is requesting that the Planning Commission provide a recommendation of approval to the Board of Supervisors for Ordinance Amendment Application No. PLN2018-0037 – Commercial Cannabis Ordinances, as presented in this staff memo. If the Planning Commission decides to provide a recommendation of approval, Attachment A provides an overview of all of the findings required for project approval.

BACKGROUND

On June 27, 2017, the Governor approved Senate Bill 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which created one regulatory system for commercial cannabis activity. This legislation allowed each jurisdiction to either permit or prohibit commercial cannabis activity within their jurisdictions.

On December 5, 2017, the Stanislaus County Board of Supervisors approved an ordinance amendment to the Stanislaus County Code which allows for up to 61 cannabis activities permits, prohibits outdoor cannabis cultivation, and limits retail to no more than seven establishments in the unincorporated area (to view the December 5, 2017 Board of Supervisor item visit the [Board of Supervisors Agenda, Minutes, Audio & Video](#) web page at www.stancounty.com/bos). The County adopted two separate ordinance amendments addressing commercial cannabis activities: Title 21, the Stanislaus County Zoning Ordinance, which specifies the zoning districts where each commercial cannabis activity may be permitted, subject to the discretionary review process; and Chapter 6.78 of the County Code, which lays out the general regulations for commercial cannabis activities in the County, including operating standards such as required setbacks from specific uses, odor control, and security measures.

In January 2018, the County received 61 complete applications requesting a total of 84 commercial cannabis permits. The County contracted with a third-party reviewer, HDL Consulting, to review and score each application to determine a ranking and to ensure compatibility with state regulations. A background screening was also conducted by the Sheriff's Department for all business and property owners. After this review, 33 applications, including 44 permits, moved forward into the land use entitlement and development agreement phase of the permitting process, which requires a Planning Commission hearing and Board of

Supervisors approval. The process involves environmental review, public notification, and public hearings.

The development agreement is a contract between Stanislaus County and the property owner(s)/project applicant(s), which details the standards and conditions for the development of the property and activity. The development agreements include a Community Benefit Fee, which is in addition to application and permit fees, which can be used for enforcement and essential services currently supplied by the County.

Following approval of the land use entitlement and Development Agreement, a Commercial Cannabis Activity (CCA) permit must be obtained, which is a regulatory permit similar to a business license. Following issuance of the CCA permit a state license may be obtained.

County CCA permits are renewed on an annual basis to ensure compliance with all operational requirements. If a permitted business is determined to be out of compliance, the commercial cannabis permit may be amended or revoked.

As of September 24, 2019, the Board of Supervisors has approved 14 locations for commercial cannabis activities, for a total of 19 permits.

PROJECT DESCRIPTION

Stanislaus County is proposing amendments to Chapter 6.78 – Commercial Cannabis Activities and Chapter 21.20 - General Agriculture District (A-2) of the Stanislaus County Code. The proposed ordinance amendments include the following:

- Minor technical amendments for the purposes of clarity and consistency with state regulations;
- Minor amendments to the operating procedures of retail and cultivation activities;
- An amendment to the definition of cultivation;
- An amendment to the definition of youth center;
- Updated procedures for the suspension, revocation, or non-renewal of Commercial Cannabis Activity Permits; and
- Updated procedures for the enforcement, declarations of public nuisance, and abatement procedures of commercial cannabis activities.

The Planning Commission must consider and make recommendations to the Board of Supervisors on all proposed amendments to the County's Zoning Ordinance, which is contained in Title 21 of the Stanislaus County Code. However, in accordance with Section 6.78.300 – *Review by Planning Commission*, the Planning Commission is limited to considering changes to Chapter 6.78 of the Stanislaus County Code which are related to land use compatibility. While the following proposed amendments were included in the public hearing notice for this project, they are not considered to be land use related and do not require consideration by the Planning Commission and will be considered independently by the Board of Supervisors:

- Updated procedures for the: suspension, revocation, or non-renewal of Commercial Cannabis Activity Permits; and
- Updated procedures for the: enforcement, declarations of public nuisance, and abatement procedures of commercial cannabis activities.

The following proposed changes to Chapters 6.78 and 21.20 are land use related changes and do require consideration by the Planning Commission:

- Minor amendments to the operating procedures of retail and cultivation activities;
- An amendment to the definition of cultivation;
- An amendment to the definition of youth center;
- Minor amendments to the general operating standards applicable to security plans and advertising; and
- Minor technical amendments for the purposes of clarity and consistency with state regulations.

The proposed amendments to Chapter 6.78 – Commercial Cannabis Activities of the Stanislaus County Code is attached as Attachment B and a summary of the proposed amendments to Chapter 21.20 - General Agriculture District (A-2) of the Stanislaus County Code is attached as Attachment C. Specific amendments consisting of additions are reflected in bold text and deletions in strikeout text.

All commercial cannabis projects will continue to be subject to obtaining a discretionary land use permit and development agreement prior to obtaining a Stanislaus County Commercial Cannabis Activity Permit.

The following is an overview of the proposed land use related changes:

Proposed Amendments to Section 6.78.030 – Definitions

Subsection O, is proposed to be amended to clarify that the definition of *Cannabis* includes processing, which includes the: drying, curing, grading, trimming, storing, packaging, or labeling of non-manufactured cannabis. Further, the reference to State Cultivation License Types were deleted to avoid confusion between local and state cultivation license types.

Subsection MMM, is proposed to be amended to clarify that the definition of *Youth Center* does not include *Youth Instructional Facilities*. Subsection NNN has been added to define *Youth Instructional Facilities* as “any commercially operated facility that provides supervised instruction to children below 18 years old, examples include, but are not limited to, instruction in art, music, dance, gymnastics, cheer, sports, martial arts, or tutoring.”

Proposed Amendments to Section 6.78.070 – Commercial Cannabis Retailers and Deliveries

Subsection C, is proposed to be amended to change the limits on the hours of operation for retail and delivery activities from 7 p.m. to 10 p.m., or as otherwise stated in project approvals, to be consistent with state law which allows retail operations between the hours of 6 a.m. and 10 p.m., and to allow operating hours to be determined on a project specific basis, provided it is within the state’s allowance for operating hours, through the discretionary land use entitlement process.

Language is proposed to be added to Subsection E(5), which deals with the operating requirements for delivery activities, to clarify that the maximum limit a delivery employee is permitted to leave the licensed premises with is \$500 in cash.

Subsection F(2) is proposed to be amended to clarify that all entrances into the retail location shall be locked at all times unless there is a security guard physically present and primarily stationed in the reception/lobby area to monitor customer ingress and egress into the retail area.

Proposed Amendments to Section 6.78.080 – Commercial Cannabis Cultivation

Subsection D is proposed to be amended to clarify that the fencing requirement for cultivation activities is specific to cultivation within a greenhouse, regardless of zoning.

Subsection G is proposed to be amended to clarify that in addition to natural and mixed-light cultivation, indoor cultivation, nursery, and distribution, limited to product grown on-site, are permitted activities in the A-2 zoning district. In addition to a greenhouse, activities may occur within an accessory storage building provided said building meets the criteria set forth in Section 6.78.120(B) and provided that cultivation or nursery canopy within said building does not exceed 10,000 square feet.

Proposed Amendment to Section 21.20.030 – A-2 (General Agriculture)

This amendment is proposed for the purpose of consistency with the proposed changes to Subsection G of Section 6.78.080. Subsection H of Section 21.20.030 of the zoning ordinance is proposed to be amended to clarify that natural light, mixed-light, and indoor light cultivation and nursery activities are permitted in the A-2 (General Agriculture) zoning district when a use permit is obtained.

Proposed Amendments to Section 6.78.120 – General Operational Standards

Reference to the A-2 (General Agriculture) zoning district is proposed to be deleted from Section 6.78.120 – General Operational Standards, Subsection B(1), regarding site control to clarify that greenhouse standards are not limited to the A-2 zoning district.

Section 6.78.120(C)(4)(g), regarding Security Measures, is proposed to be amended to clarify that security personnel is required as defined within the County-approved security plan.

Section 6.78.120(E)(6) and (7), which include restrictions on advertising, have been deleted to be consistent with state regulations.

PROJECT LOCATION

The proposed Zoning Ordinance amendments will apply to all commercial cannabis activities in the unincorporated County areas.

GENERAL PLAN CONSISTENCY

All ordinance amendments relating to land use must be consistent with the goals, policies, and implementation measures of the County's General Plan. The purpose of the County's Commercial Cannabis Activities Ordinance aligns with the General Plan's Land Use Element's Goal 3 which emphasizes fostering stable economic growth through appropriate land use policies. Goal 3, Policy 18 emphasizes promoting the diversification and growth of the local economy and Policy 19 to accommodate the siting of industries with unique requirements.

The Commercial Cannabis Activities Ordinance is also consistent with Goal 5 of the Land Use Element, to complement the general plans of cities within the County, as each applicable commercial cannabis application will require obtaining discretionary land use entitlements which requires written approval from a city when located within a city's Sphere of Influence.

The Land Use, Conservation and Open Space, and Agricultural Elements all include goals which require that all development proposals that require discretionary action be carefully reviewed to ensure that approval will not adversely affect an existing agricultural area.

The Stanislaus County Agricultural Element includes guidelines for the implementation of agricultural buffers applicable to new and expanding non-agricultural uses within or adjacent to the A-2 zoning district. The purpose of these guidelines is to protect the long-term health of agriculture by minimizing conflicts such as spray drift and trespassing resulting from the interaction of agricultural and non-agricultural uses. Non-people intensive uses require a 150-foot buffer between the proposed use and surrounding agriculture. Alternatives may be approved provided the Planning Commission finds that the alternative provides equal or greater protection than the existing buffer standards.

The proposed amendments to the Zoning and Commercial Cannabis Activities Ordinances will continue to support the General Plan's goals, policies, and implementation measures and retain the requirement for further review as part of the subsequent discretionary actions needed to authorize the operation of a commercial cannabis activity. Each discretionary land use permit request will be evaluated on an individual basis for consistency with the County's General Plan.

ORDINANCE CONSISTENCY (ZONING, DEVELOPMENT AGREEMENT, AND COMMERCIAL CANNABIS ACTIVITIES ORDINANCES)

The Zoning Ordinance requires that the establishment, maintenance, and operation of each proposed commercial cannabis activity applied for is consistent with the General Plan and will not, under the circumstances of the particular case, be detrimental to the health, safety, and general welfare of persons residing or working in the neighborhood of the use and that it will not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the County.

For commercial cannabis activities proposed on land under a Williamson Act Contract the Williamson Act Principals of Compatibility must also be made which includes findings that the activity: will not significantly compromise the long-term productive agricultural capability of the subject contracted parcel or parcels or on other contracted lands in the A-2 zoning district; will not significantly displace or impair current or reasonably foreseeable agricultural operations on the subject contracted parcel or parcels may be deemed compatible if they relate directly to the production of commercial agricultural product on the subject contracted parcel or parcels or neighboring lands, including activities such as harvesting, processing, or shipping; and will not result in the significant removal of adjacent contracted land from agricultural or open-space use.

The Commercial Cannabis Activities Ordinance requires the Planning Commission base their determination on whether or not proposed land use related amendments to Chapter 6.78 are in conformity with and will promote public convenience, general welfare, and good land use practice, and will not be detrimental to health, safety, and general welfare of the County.

The Commercial Cannabis Activities Ordinance also includes setback requirements which may be reduced provided that the decision-making body finds that the waiver or reduction of setback

requirements will not result in the material detriment to the welfare or the property of persons located in the vicinity as a result of the project development.

Approval of each development agreement requires that the decision-making body finds that the proposed development agreement: is consistent with the General Plan and any applicable specific plan; is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is or will be located; is in conformity with and will promote public convenience, general welfare, and good land use practice; will not be detrimental to health, safety, and general welfare; will not adversely affect the orderly development of property or the preservation of property values; and will promote and encourage the orderly development of the proposed project by providing a greater degree of requisite certainty.

If the proposed ordinance amendments are approved, the following criteria for reviewing discretionary permits will be amended:

- Clarify that processing activities of non-manufactured cannabis are included as a part of permitted cultivation activities;
- Clarify that the 600-foot setback from a youth center does not apply to youth instructional facilities;
- Allow retail operations to propose hours of operation between 6 a.m. and 10 p.m.;
- Limit the amount of cash permitted to be in a vehicle utilized for deliveries to \$500;
- Clarify limited access requirements for retail spaces may also include security screening;
- Clarify that fencing is only required around the greenhouses used for cultivation and not around buildings with solid walls that already obscure visibility;
- Allow indoor cultivation in accessory storage buildings, with a limit of up to 10,000 square feet of canopy, in the A-2 (General Agriculture) zoning district;
- Allow greenhouses in all zoning districts where mixed-light cultivation activities are conditionally permitted;
- Allow on-site security requirements to be determined by the County on a case by case basis; and
- Remove advertising restrictions to be consistent with state law.

All commercial cannabis projects will continue to be subject to obtaining a discretionary land use permit and development agreement prior to obtaining a Stanislaus County Commercial Cannabis Activity Permit. Each discretionary land use permit request will be evaluated on an individual basis for consistency with the County's Commercial Cannabis Activities, Zoning, and Development Agreement Ordinances.

ENVIRONMENTAL REVIEW

Senate Bill 94 the Medical Cannabis Regulation and Safety Act (MCRSA) exempted from the California Environmental Quality Act, until July 1, 2019, the adoption of a specified ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, license, or other authorizations to engage in commercial cannabis activity. With the proposed ordinance amendments, all commercial cannabis activities will remain subject to obtaining discretionary land use approval, and accordingly this project has been determined to be generally exempt from the California Environmental Quality Act (CEQA) pursuant to Section 26055(h) of the California Code of Regulations.

A Notice of Public Hearing was circulated to interested parties and responsible agencies for review and comment (see Attachment E - *Distribution List for Notice of Public Hearing*). A Notice of Exemption has been prepared for approval as the project will not have a significant effect on the environment (see Attachment D – *Notice of Exemption*). There are no conditions of approval for this project.

Contact Person: Kristin Doud, Senior Planner, (209) 525-6330

Attachments:

Attachment A -	Findings and Actions Required for Project Approval
Attachment B -	Draft Amendments to Chapter 6.78 – Commercial Cannabis Activities of the Stanislaus County Code
Attachment C -	Summary of Draft Amendments to Chapter 21.20 General Agriculture District (A-2) of the Stanislaus County Code
Attachment D -	Notice of Exemption
Attachment E -	Distribution List for Notice of Public Hearing

Findings and Actions Required for Project Approval

1. Conduct a public hearing to consider the Planning Commission's recommendation for approval of Ordinance Amendment Application No. PLN2018-0037 – Commercial Cannabis Ordinances, an update to Chapters 6.78 and 21.20 of the Stanislaus County Code, covering the entire Stanislaus County unincorporated area.
2. Find the project is generally Exempt for the California Environmental Quality Act (CEQA) pursuant to Section 26055(h) of the California Code of Regulations and order the filing of a Notice of Exemption with the Stanislaus County Clerk-Recorder pursuant to CEQA Guidelines Section 15062.
3. Find that there is no substantial evidence the project will have a significant effect on the environment and that the General Exemption reflects Stanislaus County's independent judgment and analysis.
4. Find the project is consistent with the overall goals and policies of the Stanislaus County General Plan.
5. Find that the project is in conformity with and will promote public convenience, general welfare, and good land use practice.
6. Find that the project will not be detrimental to health, safety, and general welfare of the County.
7. Approve Ordinance Amendment Application No. PLN2018-0037 – Commercial Cannabis Ordinances and adopt the revised ordinances.
8. Introduce, waive the reading, and adopt the ordinances amending Chapters 6.78 and 21.20 of the Stanislaus County Code relating to Commercial Cannabis Activities.

CHAPTER 6.78
COMMERCIAL CANNABIS ACTIVITIES

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Chapter 6.78 COMMERCIAL CANNABIS ACTIVITIES

6.78.010 Purpose.

It is the purpose and intent of this Chapter to regulate the cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transportation, distribution, delivery, or sale of medicinal and adult-use cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of Stanislaus County and to enforce its rules and regulations consistent with state law. It is the further purpose and intent of this Chapter to require all commercial cannabis activities to obtain and renew annually a Stanislaus County issued permit to operate within ~~Stanislaus~~the County. Nothing in this Chapter is intended to authorize the possession, use, or sale of cannabis for purposes that violate state or federal law. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct activity in the County.

6.78.020 Authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter "MAUCRSA"), any subsequent state legislation and/or regulations regarding the same, the County of Stanislaus is constitutionally empowered and statutorily authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activities. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in Stanislaus County to all Commercial Cannabis Activity.

6.78.030 Definitions.

When used in this Chapter, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder, and is deemed to include any successor or amended version of the referenced statute or regulatory provision. The definitions included in this Section do not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health ~~&and~~ and Safety Code.

- A. "A-license" means a license issued under this Chapter for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess a physician's recommendations.
- B. "Applicant" means the person or persons applying for a Commercial Cannabis Activity Permit pursuant to this Chapter.

- C. “Batch” means a specific quantity of homogeneous cannabis or cannabis product that is one of the following types:
- (1) “Harvest batch” means a specifically identified quantity of dried flower or trim, leaves, and other cannabis plant matter that is uniform in strain, harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals, and harvested at the same time.
 - (2) “Manufactured cannabis batch” means either of the following:
 - (a) An amount of cannabis concentrates or extract that is produced in one production cycle using the same extraction methods and standard operating procedures.
 - (b) An amount of a type of manufactured cannabis produced in one production cycle using the same formulation and standard operating procedures.
- D. “Bureau” means the **California** Bureau of Cannabis Control ~~within the California Department of Consumer Affairs.~~
- E. “Cannabinoid” or “phytocannabinoid” means a chemical compound that is unique to and derived from cannabis.
- F. “Cannabis” has the same meaning as defined in California Business and Professions Code section 26001, as may be amended from time to time. For the purpose of this Chapter, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the Health and Safety Code.
- G. “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 Health and Safety Code, or drug, as defined by Section 109925 of the Health and Safety Code.
- H. “Cannabis products” has the same meaning as in Section 11018.1 of the Health and Safety Code and as that section may be amended, and means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
- I. “Canopy” means all of the following:
- (1) The designated area(s) at a licensed premises that will contain mature plants at any point in time;
 - (2) Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries;

- (3) Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least 10 feet of open space; and
- (4) If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
- J. "Caregiver" or "Primary Caregiver" has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.
- K. "County" or "County of Stanislaus County" means the County of Stanislaus.
- L. "Commercial Cannabis Activity" means the **any one of the following:** commercial cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medicinal or non-medicinal cannabis or a medicinal or non-medicinal cannabis product. For the purposes of this Section, "Commercial Cannabis Activity" does not include the personal use activities as defined in Section 11362.1 and Section 11362.2 of the California Health **&and** Safety Code.
- M. "Commercial cannabis cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, other than solely for personal use, for sale or distribution.
- N. "Commercial Cannabis Activity Permit" (sometimes referred to herein as "CCA Ppermit") means a regulatory permit issued by the County pursuant to this Chapter to a Commercial Cannabis Activity, and is required before any Commercial Cannabis Activity may be conducted in the County. ~~Each CCA Permit pertains to one Commercial Cannabis Activity.~~
- ~~O.~~ "Cultivation" means any activity involving the planting, growing, harvesting, **or processing (including** drying, curing, grading, ~~or~~ **trimming, storing, packaging, or labeling)** of **nonmanufactured** cannabis. Cultivation includes indoor, mixed-light, natural light, or nursery cultivation. Cultivation outside of a structure is prohibited within Stanislaus County. ~~Within the definition of cultivation, the following specific State License Types apply:~~
 - ~~(1) Specialty Cottage:~~
 - ~~(a) "Specialty Cottage Natural Light" means a natural light cultivation site with up to 25 mature plants.~~
 - ~~(b) "Specialty Cottage Indoor" means an indoor cultivation site with 500 square feet or less of total canopy.~~
 - ~~(c) "Specialty Cottage Mixed Light" means a mixed-light cultivation site with 2,500 square feet or less of total canopy.~~
 - ~~(2) Specialty:~~

~~(a) — “Specialty Natural Light” means a natural light cultivation site with less than or equal to 5,000 square feet of total canopy, or up to 50 mature plants on non-contiguous plots.~~

~~(b) — “Specialty Indoor” means an indoor cultivation site between 501 and 5,000 square feet of total canopy.~~

~~(c) — “Specialty Mixed-Light” means a mixed-light cultivation site between 2,501 and 5,000 square feet of total canopy.~~

~~(3) — Small:~~

~~(a) — “Small Natural Light” means a natural light cultivation site between 5,001 and 10,000 square feet of total canopy.~~

~~(b) — “Small Indoor” means an indoor cultivation site between 5,001 and 10,000 square feet of total canopy.~~

~~(c) — “Small Mixed-Light” means a mixed-light cultivation site between 5,001 and 10,000 square feet of total canopy.~~

~~(4) — Medium:~~

~~(a) — “Medium Natural Light” means a natural light cultivation site between 10,001 and one acre of total canopy.~~

~~(b) — “Medium Indoor” means an indoor cultivation site between 10,001 and 22,000 square feet of total canopy.~~

~~(c) — “Medium Mixed-Light” means a mixed-light cultivation site between 10,001 and 22,000 square feet of total canopy.~~

P. “Cultivation site” means a location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.

Q. “Customer” means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician’s recommendation.

R. “Day Care Center” or “Child Care Center” means any state licensed child care facility of any capacity, other than a Family Day Care or Family Child Care home, as defined in Section 101152(c)(7) of the California Code of Regulations, in which less than 24-hour per day non-medical care and supervision are provided to children in a group setting.

~~S. “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.~~

T. “Distribution” means the procurement, sale, and transport of cannabis and cannabis products between entities licensed pursuant to this Chapter.

U. “Distributor” means a person holding a valid Commercial Cannabis Activity ~~P~~ permit for distribution issued by the County of Stanislaus, and, a valid state license for

distribution, required by state law to engage in the activity of purchasing cannabis from a licensed cultivator, or cannabis products from a license manufacturer, for sale to a licensed Retailer.

- V. "Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- W. "Edible cannabis product" means manufactured cannabis 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 Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.
- X. "Family Day Care" or "Family Child Care" means regularly provided care, protection and supervision of children, in the caregiver's own home, for periods of less than 24 hours per day, while the parents or authorized representatives are away, as defined in Section 102352(f)(1) of the California Code of Regulations.
- Y. "Greenhouse" means a permanent structure protected by an exterior envelope or assembly that provides protection of all structural members from the detrimental effects of the exterior environment. These assemblies may include, but are not limited to, translucent roof and wall panels. The structure shall be provided with means to control temperature and/or humidity for the cultivation or protection of plants. Structures of a temporary or non-secure nature, including but not limited to movable greenhouses, tents, and hoop houses, are not considered a greenhouse for purposes of commercial cannabis cultivation.
- Z. "Hearing officer" means a person appointed by the Chair of the Board of Supervisors to conduct an administrative hearing under this Chapter.
- AA. "Indoor cultivation" means the cannabis of cannabis within a fully enclosed building using artificial light, at a rate greater than 25 watts per square foot.
- BB. "Labeling" means any label or other written, printed, or graphic matter upon a cannabis product, upon its container.
- CC. "License" means a state license, including both an A-license and an M-license, as well as a testing laboratory license, issued under this Chapter for cannabis or cannabis products.
- DD. "Licensing Authority" means the state agency responsible for the issuance, renewal, or reinstatement of a license for a Commercial Cannabis Activities, or the state agency authorized to take disciplinary action against the license. Licensing Authority is differentiated from the County as the local permitting authority.
- EE. "Live plants" means living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.
- FF. "Local jurisdiction" means a city, county, or city and county.

- GG. "Lot" means a batch or a specifically identified portion of a batch.
- HH. "M-license" means a license issued under this Chapter for Commercial Cannabis Activity involving medicinal cannabis.
- II. "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.
- JJ. "Manufactured cannabis" or "cannabis product" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.
- KK. "Manufacturer" means a Commercial Cannabis Activity Permittee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or containers.
- LL. "Manufacturing Facility" means a location that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products, 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 person issued a valid Commercial Cannabis Activity ~~P~~permit for manufacturing from the County of Stanislaus and, a valid state license as required for manufacturing of cannabis products.
- (1) Manufacturing Facility Volatile – Facility which manufactures cannabis products using volatile solvents, which involves the use of solvents which produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.
- (2) Manufacturing Facility Non-Volatile – Facility which manufactures cannabis products using nonvolatile solvents, or no solvents.
- MM. "Medicinal cannabis" or "Medicinal cannabis product" means a product containing cannabis, including, but not limited to, flowers, concentrates and extractions, intended to be sold for use by a medicinal cannabis patient in California who possesses a physician's recommendation, pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this Chapter, "medicinal cannabis" does not include "industrial hemp" as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.
- NN. "Mixed-light cultivation" means the cultivation of cannabis in a greenhouse using light deprivation and/or artificial lighting below a rate of 25 watts per square foot.
- OO. "Natural Light Cultivation" means the cultivation of cannabis without the use of light deprivation and/or artificial lighting in the canopy area.

- PP. “Nursery” means the production of only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.
- QQ. “Operation” means any act for which a permit is required under the provisions of this Chapter, or any commercial transfer of cannabis or cannabis products.
- RR. “Owner” means any of the following:
- (1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a permit or a Permittee, 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 license.
- SS. “Package” means any container or receptacle used for holding cannabis or cannabis products.
- TT. “Park” means an area created, established, designated, or maintained by a city, a county, a special district, the State, the Federal government, or a private association for public play, recreation, or enjoyment or for the protection of natural resources and features at the site.
- UU. “Patient” or “qualified patient” shall have the same definition as California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health & Safety Code Section 11362.5.
- VV. “Permittee” means the Owner(s) of the Commercial Cannabis Activity and who are issued a Commercial Cannabis Activity permit under this Chapter, regardless of whether the permit held is an A-license or an M-license, and includes the holder of a testing laboratory license.
- WW. “Person” includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, activity trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
- XX. “Person with an identification card” as used herein shall be defined as it is in California Health and Safety Code Section 11362.7.
- YY. “Physician’s recommendation” means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
- ZZ. “Premises” means the designated building or buildings and land specified in the application that is owned, leased, or otherwise held under the control of the

applicant or Permittee where the Commercial Cannabis Activity will be or is conducted.

- AAA. "Purchaser" means the customer who is engaged in a transaction with a Permittee for purposes of obtaining cannabis or cannabis products.
- BBB. "Primary caregiver" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- CCC. "Property Owner" means the person or persons who hold the present interest and beneficial use of the subject property.
- DDD. "Qualified Patient" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- EEE. "Retailer" means a commercial cannabis business 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 (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid Commercial Cannabis Activity permit from the County of Stanislaus authorizing the operation of a Retailer, and a valid state license as required by state law to operate a Retailer.
- (1) Retailer Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *open* to the public, from which commercial cannabis activities are conducted.
 - (2) Retailer Non-Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *closed* to the public, from which commercial cannabis activities are conducted.
- FFF. "Sale," "sell," and "to sell" includes barter, exchange, trade, keep for sale, offer for sale, or expose for sale, in any of their variant forms and any transaction whereby, for any consideration, title to cannabis or cannabis products are transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a Permittee to the Permittee from whom the cannabis or cannabis product was purchased.
- GGG. "School" For purposes of this Chapter, school means any public or private school providing instruction in kindergarten or grades 1-12, inclusive, but does not include any private school in which education is primarily conducted in private homes.
- HHH. "State" means the State of California.
- III. "State license" means a permit or license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same to engage in Commercial Cannabis Activity.

- JJJ. "Testing laboratory" means a facility, laboratory, entity, or site in the state that offers or performs test 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 Activity in the Sstate.
 - (2) Licensed by the California Bbureau of Cannabis Affairs.
- KKK. "Transport" means the transfer of cannabis products from the permitted activity location of one Permittee to the permitted activity location of another Permittee, for the purposes of conducting Commercial Cannabis Activity authorized by MAUCRSA which may be amended or repealed by any subsequent State of California legislation regarding the same.
- LLL. "Unique identifier" means an alphanumeric code or designation used for reference to a specific plant on a licensed premises and any cannabis or cannabis product derived or manufactured from that plant.
- MMM. "Youth center" means a public or non-profit operated facility established for the purposes of providing social and recreational opportunities for children ages 11 to 18 years old ~~or as defined in Section 11353.1 of the Health and Safety Code if more restrictive.~~ The term "youth center" does not include "youth instructional facilities."
- NNN. "Youth instructional facilities" means any commercially operated facility that provides supervised instruction to children below 18 years old, examples include, but are not limited to, instruction in art, music, dance, gymnastics, cheer, sports, martial arts, or tutoring.

6.78.040 Commercial Cannabis Activities Prohibited Unless Specifically Authorized by this Chapter.

Except as specifically authorized in this Chapter, the commercial cultivation, manufacture, processing, storing, laboratory testing, labeling, sale, delivery, distribution or transportation (other than as provided under Business & Professions Code Section 26090(e)), of cannabis or cannabis product is expressly prohibited in the County of Stanislaus. For the purposes of this Section, "Commercial Cannabis Activity" does not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health & Safety Code related to personal use and cultivation.

6.78.050 Compliance with Laws.

- A. It is the responsibility of the owners and operators of the Commercial Cannabis Activity to ensure that it is always operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions that violate federal, state law or local law with respect to the operation of a Commercial

Cannabis Activity. It shall be the responsibility of the owners and the operators of the Commercial Cannabis Activity to ensure that all Commercial Cannabis Activity is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the Commercial Cannabis Activity ~~P~~permit.

- B. Minors. Except as otherwise specified herein, persons under the age of 21 years shall not be allowed on the premises of a Commercial Cannabis Activity and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this Chapter for any person to employ any person at a Commercial Cannabis Activity who is not at least 21 years of age.
- C. Restriction on Alcohol & Tobacco Sales.
 - (1) No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the Commercial Cannabis Activity.
 - (2) No person shall cause or permit the sale of tobacco products on or about the premises of the Commercial Cannabis Activity.

6.78.060 Permits Required.

- A. Prior to operation of any Commercial Cannabis Activity the following shall be obtained:
 - (1) Commercial Cannabis Activity Permit ("CCA Permit"). A CCA Permit to operate any Commercial Cannabis Activity in the unincorporated areas of the County shall be obtained from the treasurer-tax collector, in accordance with the provisions of this Chapter.
 - (a) No more than 61 ~~commercial cannabis activities~~ **CCA** permits may be issued within the unincorporated areas of the County. Each Commercial Cannabis Activity shall require a separate CCA Permit. For purposes of this Chapter, A-license type activities and M-license type activities are not separate and distinct activities. Registration for permits shall be opened at the discretion of the CEO in accordance with board policy.
 - (b) Prior to issuance of a CCA ~~P~~permit, applicants shall demonstrate that they meet the standards which are established in the application requirements or further amendments to the application process as established by ~~CEO~~ **the County Chief Executive Officer** under section 6.78.210. Each application for a CCA Permit shall be referred to the various County departments to ensure all other regulatory standards have been met.

- (c) Each Commercial Cannabis Activity permit issued pursuant to this Chapter shall expire ~~on June 30th~~ one of the year following after the date of its issuance. Commercial ~~Ceannabis~~ Activity ~~P~~ermits may be renewed as provided in Section 6.78.200.
- (2) Development Agreement. Prior to operating in the county and as a condition of issuance of the CCA Permit, the Permittee of each Commercial Cannabis Activity shall enter into a development agreement, as specified in Title 22 of the Stanislaus County Code, with the ~~C~~ounty setting forth the terms and conditions under which the Commercial Cannabis Activity will operate that are in addition to the requirements of this Chapter, and such other terms and conditions that will protect and promote the public health, safety and welfare.
- (3) Land Use Permit. Prior to operating, Permittee shall obtain all necessary entitlements as required by Title 21 of the Stanislaus County Code. Any permit required in accordance with Title 21 may be conditioned to apply greater restrictions than those required by this Chapter.
- (4) State License. Pursuant to California Business and Professions Code section 26053(a), upon implementation of state regulations, a valid license from the State shall be required to operate any Commercial Cannabis Activity or to engage in any Commercial Cannabis Activity.
 - (a) Copies of any and all documentation provided to any State agency for the purposes of obtaining a State license for any Commercial Cannabis Activity within Stanislaus County shall also be provided to the County within five calendar days of being submitted to the ~~S~~tate.
- B. General. It is unlawful for a person to engage in any Commercial Cannabis Activity within the unincorporated areas of Stanislaus County including cultivation, manufacturing, processing, laboratory testing, storing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the Commercial Cannabis Activity is in compliance with all applicable state and local laws and regulations pertaining to ~~C~~ommercial ~~Ceannabis~~ Activities, including the duty to obtain any required state licenses.
- C. The Permittee shall post or cause to be posted their local CCA Permit and any ~~S~~tate Commercial Cannabis Permit, required to operate. Such posting shall be at a location visible to the patrons and near the point of sale at the operating site, and in all vehicles that deliver or transport cannabis product.
- D. No CCA Permit shall be issued unless and until all land use entitlements and development agreements have been approved by the County and all necessary State licenses, permits and approvals have been obtained. Commercial ~~Ceannabis~~ Activities which have obtained their CCA Permit shall have six months from the effective date of issuance of the permit to obtain the required licenses from the State. If all State licenses and approvals required to operate the

Commercial Cannabis Activity are not obtained within the six month period the CCA Permit shall not be renewed.

- E. Fees and Charges. All Commercial Cannabis Activity authorized to operate under this Chapter shall pay all sales, use, activity and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each Commercial Cannabis Activity shall produce its books and records to the County for the purpose of verifying compliance with this Section, including, but not limited to, a verification of the amount of taxes required to be paid during any period.

6.78.070 Commercial Cannabis Retailers and Deliveries.

- A. Number of Permits Limited. No more than seven Retailers shall be issued a CCA Permit by Stanislaus County to operate as a commercial cannabis Retailer at one time in all unincorporated County zoning districts combined.
- B. Physical location required. Both Storefront Retailers and Non-Storefront Retailers are required to maintain a physical location within the unincorporated county area from which the commercial cannabis activities that are permitted under this Chapter are conducted.
- C. Limits on hours of operation. A licensed Retailer shall only sell cannabis goods during the hours of eight a.m. Pacific Time to ~~seven~~**10:00** p.m. Pacific Time, **or as otherwise stated in project approvals,** and shall not otherwise be open to the public outside of those hours.
- D. Retailers shall ensure that all cannabis and cannabis products held for sale by the Retailer are cultivated, manufactured, transported, distributed, and tested by California licensed and permitted facilities that are in full conformance with **all** state and local regulations.
 - (1) Retailers shall not distribute any cannabis or cannabis product unless such products are labeled and in a tamper-evident package in compliance with Chapter 12, "Packaging and Labeling," of Division 10 of the California Business and Professions Code and any additional rules promulgated by a Licensing Authority.
 - (2) Possession or delivery of any form of illegal drugs without proper legal authorization under state law shall be grounds for revocation of permits.
 - (3) Permittees shall not provide free samples of any type, including cannabis goods, to any person and shall not allow any person to provide free samples on the Permittee's premises.
- E. Delivery. Delivery shall be conducted in accordance with California Business and Professions Code Section 26090 or as may be amended from time to time and all state regulations pertaining to delivery of cannabis products. Retailers and Micro-

businesses shall only deliver to customers within a jurisdiction that does not expressly prohibit delivery within their jurisdictional boundary by ordinance.

- (1) All Deliveries shall be conducted by an employee of the Permittee who is at least 21 years of age.
- (2) All Deliveries shall be made in person to a physical address and product must be delivered physically to the requesting customer at the address indicated on the delivery request. Delivery may not be made by drop-off or to any person other than the requesting customer.
- (3) Cannabis and Cannabis Products to be delivered shall be pre-package for sale and placed in an opaque package prior to delivery. Only the product to be delivered shall be maintained in the vehicle.
- (4) Cannabis and Cannabis Products to be delivered shall be maintained out of the public view and shall be held within a separately locked and secured area contained within the delivery vehicle at all times until arrival at the delivery address. All delivery vehicle doors shall be locked and all vehicle windows secured when unoccupied. Permittee shall continuously electronically monitor the location of each delivery vehicle and shall at any and all times be able to identify the current location of each delivery vehicle within 50 feet of its actual location. Permittee's security plan shall include provisions relating to vehicle security and the protection of employees and product during delivery.
- (5) Permittee's delivery employees shall carry no cash, nor shall there be any cash held within the delivery vehicle, **except for the driver's personal funds, funds collected from a customer purchasing cannabis goods via delivery, or any small bills sent out with the delivery driver as change to facilitate transactions with customers. Notwithstanding the aforementioned, in no case shall any delivery driver be permitted to leave the licensed premises with over \$500 in cash.**

F. Security. In addition to the operational standards required by Section 6.78.120 of this Chapter, the following security measures are required to be implemented for all **C**eommercial **C**eannabis Retailers in unincorporated Stanislaus County:

- (1) For M-type Retailers, verify the age and all necessary documentation of each customer to ensure the customer is not under the age of 18 years and that the potential customer has a valid doctor's recommendation. For A-type Retailers, verify the age of customers to ensure persons under the age of 21 are not permitted.
- (2) Entrances into the retail location shall be locked at all times with entry strictly controlled. A "buzz-in" electronic/mechanical entry system shall be utilized to limit access to and entry to the Retailer to separate it from the reception/lobby area **unless there is a security guard physically present**

and primarily stationed in the reception/lobby to monitor customer ingress and egress into the Retail Area.

- (3) Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, prevent sampling or use of product in parking areas, and to serve as a visual deterrent to unlawful activities.
- (4) Retailers may only display in the retail sales area of the Retailer that quantity of cannabis and cannabis products reasonably anticipated to meet the daily demand for sale on-site sales and only during operating hours. All other inventory shall be maintained in a secured area.
- (5) All restroom facilities shall remain locked and under the control of management.

6.78.080 Commercial Cannabis Cultivation.

- A. All Permittees conducting cultivation activities under this Chapter shall comply with the State of California and Stanislaus County Agricultural Commissioner's requirements for unique identifiers and Track and Trace programs.
- B. Documentation of all Pesticides used by the Permittee shall be presented to the Stanislaus County Agricultural Commissioner, and all pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.
- C. Commercial cannabis cultivation operations shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.
 - (1) Water conservation measures. Commercial cannabis cultivation operations shall include adequate measures that minimize use of water for cannabis cultivation at the site. Water conservation measures, water capture systems, or grey water systems shall be incorporated into commercial cannabis cultivation operations in order to minimize use of water where feasible.
 - (2) Energy conservation measures. Commercial cannabis cultivation operations shall include adequate measures to address the projected energy demand for cannabis cultivation at the site.
- D. Visibility. In no case, shall cannabis plants be visible from offsite, including transfer. No visual markers indicating that cannabis is cultivated on the site shall be visible from offsite. All **greenhouse** cultivation activities shall be fully enclosed by an opaque fence, made of uniform material, at least seven feet in height. The fence must be adequately secured by a locked gate to prevent unauthorized entry. The fence design and construction material shall be approved by the County.
- E. Enclosure. All commercial cannabis cultivation operations shall occur within a greenhouse or fully enclosed building. If conducted within a greenhouse,

supplemental lighting shall not exceed 25 watts per square foot to be used up to one hour before sunrise or after sunset, unless the greenhouse or facility is equipped with light-blocking measures to ensure that no light escapes.

- F. Outdoor Cultivation. No outdoor Commercial Cannabis Cultivation is allowed within the unincorporated areas of the County of Stanislaus.
- G. Commercial Cannabis Cultivation activities in the A-2 zoning district shall be limited to ~~natural light or mixed light cultivation~~, **nursery, or distribution (limited to permitted commercial cannabis product grown on-site)** within the following type of structure:
 - (1) Greenhouse.
 - (2) Accessory storage buildings **may be utilized provided the following criteria is met:** ~~issued a certificate of occupancy prior to October 1, 2017, may be determined by the Planning Commission to meet the definition of a greenhouse subject to a change of occupancy.~~
 - (a) **The building must meet the requirements of Section 6.78.120(B).**
 - (b) **No more than 10,000 square feet of cultivation or nursery canopy shall be allowed.**
- H. The cumulative total canopy size of cannabis cultivated at the cultivation site shall not exceed the canopy size authorized under the County's CCA Permit or State permit, whichever is least.
- I. Commercial cannabis cultivation activities shall not be considered agriculture for the purpose of the County's Right-to-Farm policy or Sphere of Influence Policy.

6.78.090 Commercial Cannabis Products Manufacturing.

- A. The Commercial Cannabis Product Manufacturing facility shall include adequate quality control measures to ensure cannabis products manufactured at the site meets industry standards, as well as applicable state and local regulations.
- B. Hazardous materials. The Commercial Cannabis Products Manufacturing facility shall meet the Stanislaus County Department of Environmental Resources' requirements, including but not limited to requirements for the storage and handling of hazardous materials.
 - (1) The Director of the Stanislaus County Environmental Resources Department or his/her designee is the appropriate authority to determine if Commercial Cannabis Products Manufacturing operations require local oversight.
- C. Consumable products. Permittees that manufacture products in the form of food or other product meant to be consumed shall obtain and maintain the appropriate approvals for the provision of food or other product meant to be consumed from

the State Department of Public Health, unless otherwise governed by state law and licensed by the State.

- (1) Any employees of a Commercial Cannabis Products 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.
- D. Safety. Operator/owner shall ensure the Commercial Cannabis Products 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. In addition to the operational standards required by Section 6.78.120 of this Chapter, the following safety measures are required to be implemented for all Commercial Cannabis Products Manufacturing activities in unincorporated Stanislaus County:
- (1) Any compressed gases used in the manufacturing process shall not be stored on any property within the County of Stanislaus in containers that exceeds the amount which is approved by the local fire authority and authorized by the regulatory permit. Each site or parcel subject to a Commercial Cannabis Activity permit shall be limited to a total number of tanks as authorized by the applicable Fire District on the property at any time.
 - (2) Commercial Cannabis Product Manufacturing facilities may use the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to minimal potential human-related toxicity approved by the local fire authority. These solvents must be of at least ninety-nine percent purity and any extraction process must use them in a professional grade closed loop extraction system designed to recover the solvents and work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.
 - (3) If an extraction process uses a professional grade closed loop CO₂ gas extraction system, every vessel must be certified by the manufacturer of the vessel for its safe use. The CO₂ must be of at least ninety-nine percent purity.
 - (4) Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.
 - (5) Certification from an engineer licensed by the State of California must be provided to the local fire authority for a professional grade closed loop system used by any Commercial Cannabis Manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:
 - (a) The American Society of Mechanical Engineers (ASME);

- (b) American National Standards Institute (ANSI);
 - (c) Underwriters Laboratories (UL); or
 - (d) The American Society for Testing and Materials (ASTM).
- (6) The certification document must contain the signature and stamp of the professional engineer and serial number of the extraction unit being certified.
 - (7) Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the fire district having jurisdiction and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.
 - (8) Commercial Cannabis Products Manufacturing Facilities may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create kief, hashish, bubble hash, infused dairy butter, or oils or fats derived from natural sources, and other extracts.
 - (9) Commercial Cannabis Products Manufacturing Facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.
 - (10) Commercial Cannabis Products Manufacturing Facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.
 - (11) Any person using solvents or gases in a closed looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.
 - (12) Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

6.78.100 Commercial Cannabis Testing Facilities.

- A. Commercial cannabis testing facilities shall be independent from all other persons and entities involved in the cannabis industry and are prohibited from licensure for any other activity, except testing. Commercial cannabis testing facilities shall not employ an individual who is also employed by any other commercial cannabis licensee, unless it is another licensed commercial cannabis testing facility.
- B. Quality control. Commercial 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.

- (1) Commercial cannabis testing facilities shall obtain samples for testing according to a statistically valid sampling method.
- (2) Commercial 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 valid methodology that is demonstrably equal or superior to the most recent cannabis inflorescence monograph.
- (3) 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.
- (4) Commercial cannabis testing facilities shall destroy the remains of any samples of cannabis or cannabis product tested upon completion of the analysis.
- (5) 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 California Department of Public Health.
 - (a) 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 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 specification for odor and appearance.
- (6) Plans for the testing facility demonstrate proper protocols and procedures for statically 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.
- (7) Testing Laboratories shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each Testing Laboratory shall be subject to additional regulations as determined from time to time as more regulations are developed under Section 6.78.210 of this Chapter and any subsequent State of California legislation regarding the same.
- (8) Testing Laboratories shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibration activities, including sampling using verified methods.
- (9) All cannabis testing laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the California Bureau of Cannabis Control.

6.78.110 Commercial Cannabis Distribution.

- A. Cannabis and commercial cannabis products shall only be transported between Commercial Cannabis Activities that have valid local and state commercial cannabis permits and/or licenses.
- B. In addition to the operational standards required by Section 6.78.120 of this Chapter, the following record keeping measures are required to be implemented for all commercial cannabis distribution activities in unincorporated Stanislaus County:
 - (1) Prior to transporting commercial cannabis or commercial cannabis products, the distributor shall complete the shipping manifest required by state law or regulations. The shipping manifest shall include the County's track and trace unique identifier information from the cultivation source.
 - (2) A 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.

- (3) 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.
- C. Quality control.
 - (1) Distributors shall ensure that appropriate samples of cannabis or cannabis products are tested by a licensed testing facility prior to distribution and shall maintain a copy of the test results in its files.
 - (2) Prior to distribution, the distributor shall inspect cannabis or cannabis products for quality assurance.
 - (3) Commercial cannabis and commercial cannabis products shall be packaged and labeled in accordance with the requirements of state law.
- D. Air quality. Distributors shall to the extent practicable use zero emissions vehicles in their transportation fleet.

6.78.120 General Operational Standards

- A. General Applicability. The following operational standards apply to all Commercial Cannabis Activities permitted in the County.
 - (1) Commercial cannabis activities shall be located only in the zoning district where specified in Title 21 of the Stanislaus County Code as a conditionally permitted use.
 - (a) In addition to the land use entitlement permit application and the CCA Permit application, a supplemental application in a form approved the Planning Director may be required.
 - (2) In accordance with the County's General Plan Sphere of Influence (SOI) Policy, commercial cannabis activities located within a Local Agency Formation Commission (LAFCO) adopted SOI of a city shall have written approval from the city prior to county approval of any discretionary land use entitlement. For purposes of this Chapter, the following shall apply:
 - (a) Commercial cannabis cultivation and nurseries shall not be considered an agricultural or church use exempt from the County's SOI policy.
 - (b) The exception in the SOI Policy for the Beard Tract and Upper McHenry areas located within the City of Modesto's SOI shall not apply.
 - (3) Recognizing the unique concern for the potential impacts of commercial cannabis activities to cities with an adopted ordinance banning commercial cannabis activities, written approval from any city in Stanislaus County with an adopted ordinance banning commercial

cannabis activities shall be required prior to approval of any discretionary land use entitlement of a commercial cannabis activity located within a one-half mile radius outside of the SOI of the city, with the following exceptions:

- (a) Any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan. Within these Community Plan Areas, land use entitlement applications for a commercial cannabis activity shall be subject to §subsection 6.78.120(A)(5)
 - (b) Any areas where there is overlap between the one-half mile radius outside of the SOI and a LAFCO adopted SOI of a different city. In this case, the LAFCO adopted SOI shall govern as reflected in the preceding sub-paragraph (2).
- (4) Recognizing the potential impacts associated with allowing for a concentration of retail activities (both storefronts and non-storefronts) to be located within the unincorporated area, within the City of Modesto's LAFCO adopted SOI and within a one-half mile radius outside of the City of Modesto's SOI the following location limitations shall apply to Retail Commercial Cannabis Activity Permits:
- (a) No more than a combined total of five Retail permits shall be permitted to operate.
 - (b) No more than three Retail activities shall be permitted to operate within any one-mile radius at any one time.
 - (c) The limit on retail activities shall only apply within the SOI of the City of Modesto and within a one-half mile radius outside of the City of Modesto's SOI, and shall not apply within the SOI of any other city or any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan.
 - (d) The County shall consult with the City of Modesto on the location of retail activities. City of Modesto development standards, including those specific to cannabis uses, including, setbacks, buffers, and separators shall be applied to retail activities located within the city's SOI and within a one-half mile radius outside of the City of Modesto's SOI.
- (5) Within a Municipal Advisory Council's (MAC) boundary, land use entitlement applications shall be referred to the MAC and the decision making body shall give consideration to any comments received from the MAC.
- (a) The requirements for locations within a LAFCO adopted SOI shall govern in any areas where there is overlap between a MAC boundary and a LAFCO adopted SOI of a city.

(6) Prior to approval of any land use entitlement allowing for a Commercial Cannabis Activity the following setback requirements shall be met, unless a waiver or reduction is granted:

(a) Any building utilized for the operation of a commercial cannabis activity shall be located a minimum of 200 feet from any: legal dwelling located on a parcel under different ownership; or a library. Setbacks required by this section shall be subject to the following:

- i. Setbacks from dwellings shall be measured from the nearest point of the area of a building used for the commercial cannabis activity to the nearest point of the dwellings utilized for interior living space.
- ii. Setbacks from a library shall be measured from the nearest point of the area of the building used for the commercial cannabis activity to the boundary of the parcel improved with the library.

(b) ~~In addition to the setbacks required in sub-paragraph (A)(6)(a) above, w~~When located in the A-2 (General Agriculture) zoning districts, any building utilized for commercial cannabis cultivation shall be setback a minimum of 50 feet from the boundary of any adjoining parcel under different ownership.

(c) The decision making body of the discretionary land use entitlement for a commercial cannabis activity may waive or reduce the setback requirements of this subsection ~~(A)(6)~~ if any of the following apply:

- i. The site of the commercial cannabis activity is physically separated from the off-site dwelling by either: a building or other structure blocking line of sight; or a physical barrier such as, but not limited to, a wall or canal prohibiting direct path of travel between parcels exists to mitigate potential environmental or security impacts resulting from the commercial cannabis activity.
- ii. The decision making body determines that such a waiver or reduction will not result in material detriment to the welfare or the property of persons located in the vicinity, based on findings of fact.

(7) Commercial Cannabis Activities shall not be located within a 600 foot radius of any day care center, youth center (including parks), or school, as defined in this Chapter, existing at the time of initial permitting, and as required by State law.

B. Site control. All Commercial Cannabis Activity shall meet the following site control standards:

- (1) Secure Building. All Commercial Cannabis Activities shall occur entirely inside of a building that shall be secure, locked, and fully enclosed, with a ceiling, roof or top. With the exception of a greenhouse utilized for cultivation ~~in the A-2 (General Agriculture) zoning district~~ the following criteria shall also be met:
 - (a) The building, including all walls, doors, and the roof, shall be of solid construction, and shall include material strong enough to prevent entry except through an open door.
 - (b) All buildings utilized in conjunction with Commercial Cannabis Activities shall include walls with a minimum thickness of six inches. All walls shall be of solid construction and shall be faced on each side of the framing members.
 - (c) Existing structures. Any existing structure to be utilized for commercial cannabis activities shall meet the standard above and shall obtain building permits for any improvements required to meet said building standard. Improvements shall include materials which are no less compliant with the provisions of the most current adopted California Building Code than the existing building or structure was prior to the alteration.

C. Security Measures. Permittee shall provide a security plan to the Sheriff's Department for review and approval. The security plan shall be reviewed annually or as often as deemed necessary by the Sheriff's Department. The security plan shall include security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the Commercial Cannabis Activity and shall include, but shall not be limited to, all of the following:

- (1) Preventing individuals from remaining on the Premises if they are not engaging in an activity directly related to the permitted operations of the Commercial Cannabis Activity.
- (2) Establishing limited access areas accessible only to authorized Commercial Cannabis Activity personnel.
- (3) Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants that are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.
- (4) Security system requirements.

- (a) The building shall include a professionally installed and maintained alarm system, monitored by an alarm company or private security company. The alarm system shall monitor all perimeter entry points and windows.
- (b) Installation of 24-hour infrared security surveillance cameras of at least HD-quality with minimum camera resolution of 1280 x 1024 pixels to monitor activity occurring within 20 feet of all entrances and exits to and from the premises, all interior spaces within the Commercial Cannabis Activity which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis, all interior spaces where diversion of cannabis could reasonably occur, and parking lot areas in a manner sufficient to clearly observe facial features and to obtain a clear view of license plates as vehicles enter. All cameras must be fixed and placement shall allow for the clear and certain identification of any person and activities in controlled areas of the licensed premises. All entrances and exits shall be recorded from both indoor and outdoor, or ingress and egress vantage points. All areas covered by the camera shall have adequate lighting to effectively record images.
 - i. The surveillance camera system data storage device must be secured on the licensed premises in a lockbox, cabinet, closet, or secured in another manner to protect from employee tampering or criminal theft. All cameras must record continuously twenty-four hours per day and at a minimum of ten frames per second. Any and all video or audio recordings made for security or other purposes shall be marked with the date and time made and shall be kept, in an unaltered state, for a period of forty-five (45) days and must be made available to the County or Sheriff Department for duplication upon demand. All recorded images must clearly and accurately display the time and date. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards.
 - ii. Fish-eye cameras may be used only where approved by the Sheriff's Department.
- (c) Alarm System sensors shall be installed to detect entry and exit from all secure areas.
- (d) Alarm system panic buttons shall be installed in all permitted Premises as directed by the Sheriff's Department.
- (e) Any bars installed on the windows or the doors of the Commercial Cannabis Activity shall be installed only on the interior of the building.

- (f) Perimeter lighting systems (motion sensor) for after-hours security are required as directed by the Sheriff's Department.
 - (g) Security personnel shall be on-site ~~24 hours a day or alternative security as authorized~~ **required** by the county-approved security plan. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the Sheriff's Department, with such approval not to be unreasonably withheld.
 - (h) Each Commercial Cannabis Activity shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
- (6) Loitering. The Permittee of a Commercial Cannabis Activity shall erect signs prohibiting loitering which are not less than one square foot in area bearing the words "LOITERING PROHIBITED" in letters not less than two inches high and includes the phrase "VIOLATION OF THIS NOTICE CONSTITUTES A MISDEMEANOR—SECTION 6.78.120(d)(6)", posted conspicuously on the property and at the entrance to the parking lot or area surrounding the Commercial Cannabis Activity.
- (a) It is a misdemeanor for any person to loiter, as defined herein of this Section, upon any private parking lot or private property surrounding a commercial establishment when a notice has been posted or has been caused to be posted by the owner of such property, as set forth herein.
 - (b) For the purposes of this Section, the term "loitering" is defined as follows: Entering, remaining, prowling or wandering about, whether in a motor vehicle or on foot, upon property of another without visible or lawful business with the owner or occupant thereof.
- (7) The Commercial Cannabis Activity shall prepare and present to the County a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.
- (8) Permittees shall notify the Stanislaus County Sheriff's Office and the Licensing Authority within 24 hours after discovering any of the following:
- (a) Significant discrepancies identified during inventory;
 - (b) Diversion, theft, loss, or any criminal activity involving the permittee or any agent or employee of the permittee;
 - (c) The loss or unauthorized alteration of records related to the permitted activities, or employees or agents; or
 - (d) Any other breach of security.

- (9) The County may at any time review the effectiveness of the Permittee's security plan or of any other requirement of this Chapter and direct the Permittee to make reasonable changes to the security plan deemed necessary by the County to ensure the public's safety and security.
- D. Odor Control. Odor control devices and techniques shall be incorporated into all commercial cannabis activities to ensure that odors from cannabis are not detectable off-site. Commercial cannabis activities shall provide a sufficient odor absorbing ventilation and exhaust system so that cannabis odors are not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as a Commercial Cannabis Activity. As such, the Permittees shall install and maintain an exhaust air filtration system or other similar equipment with odor control that prevents internal odors from being emitted externally.
- (1) In no case shall untreated air be vented outside of any building used to conduct a commercial cannabis activity.
 - (2) The devices and techniques to be used to control odor shall be reviewed and approved by a certified professional approved by the County and an audit of the devices and techniques to be used shall be conducted within 30-days of the commercial cannabis activity being conducted upon issuance of a CCA Permit.
- E. Signage and Notices.
- (1) Display of CCA Permit and County Business License. The original copy of each Commercial Cannabis Activity permit issued by the County pursuant to this Chapter and the County issued business license shall be posted inside the Commercial Cannabis Activity in a location readily-visible to the public.
 - (2) In addition to the requirements otherwise set forth in this Section, business identification signage for a Commercial Cannabis Activity shall conform to the requirements of the Stanislaus County Code.
 - (3) No signs placed on the premises of a Commercial Cannabis Activity shall obstruct any entrance or exit to the building or any window.
 - (4) Each entrance to a Commercial Cannabis Activity Premises shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis in the parking areas, on the premises or in the areas adjacent to the Premises is prohibited.
 - (5) No Commercial Cannabis Activity shall advertise by having a person or device holding a sign and advertising the activity to passersby, whether such person is on the Premises of the Commercial Cannabis Activity or elsewhere including, but not limited to, the public right-of-way.

- ~~(6) No banners, flags, billboards or other prohibited signs may be used at any time.~~
- ~~(7) Permittees shall agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the Permittee is prohibited from advertising any Commercial Cannabis Activity located in Stanislaus County utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the state. This paragraph is not intended to place limitations on the ability of a Commercial Cannabis Activity to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.~~
- (8) The entrance to the Commercial Cannabis Activity shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the Commercial Cannabis Activity, unless otherwise permitted by law.

F. Commercial cannabis collectives or cooperatives.

- (1) Until Health & Safety Code Section 11362.775 is repealed, the County intends that person's eligible to operate collectives or cooperatives under that subdivision shall be eligible to apply for a County CCA permit to conduct commercial cannabis activities, but only to the degree those activities are authorized under state law for collectives and cooperatives. When the Health & Safety Code Section 11362.775 is repealed, or as soon as collectives and cooperatives are no longer permitted to engage in Commercial Cannabis Activity without a state license under state law, any CCA permit issued to a Commercial Cannabis Activity that has not obtained a state license for the commercial cannabis activities shall expire and shall be null and void. Such businesses shall no longer be authorized to engage in any commercial cannabis activities in the County until they obtain both a County issued Commercial Cannabis Activity permit and a state license for that Commercial Cannabis Activity.
- (2) If a commercial cannabis activity Permittee is operating as a collective or cooperative under Health and Safety Code Section 11362.775, subdivision (a), Permittee shall obtain from the members of the Permittee authorized to possess cannabis an agreement that members shall not distribute cannabis or cannabis products to non-members or in violation of the "Memorandum for all United States Attorneys," issued by the United States Department of Justice, from James M. Cole, Deputy Attorney General and any other applicable state and federal laws, regulations, or guidelines. Permittee shall terminate the membership of any member violating any of the provisions of the agreement.

G Records and Recordkeeping.

- (1) Each Permittee of a Commercial Cannabis Activity shall maintain accurate books and records in an electronic format, detailing all of the revenues and

expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a Commercial Cannabis Activity permit issued pursuant to this Chapter), or at any time upon reasonable request of the County, each Permittee shall file a sworn statement detailing the number of sales under each permit during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross receipts for each month, and all applicable taxes paid or due to be paid. On an annual basis, each Permittee shall submit to the County a financial audit of the business's operations conducted by an independent certified public accountant. Each Permittee shall be subject to a regulatory compliance review and financial audit as determined by the County.

- (2) The Permittee shall maintain clear and adequate records and documentation demonstrating that all cannabis or cannabis products have been obtained from and are provided to other locally and state 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 during normal business hours to the County no later than five days after the date of the request.
- (3) Each Permittee shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the Commercial Cannabis Activity, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the Permittee. The register required by this paragraph shall be provided to the County within five business days of request.
- (4) Each Commercial Cannabis Activity shall maintain records of all persons, patients, collectives and primary caregivers served by the Commercial Cannabis Activity, for a period of no less than four years prior to the date of obtaining a state license. Once a state license is obtained, the Commercial Cannabis Activity must maintain such records only to the extent permitted or required by the MAUCRSA.
- (5) All Commercial Cannabis Activities shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until purchase as set forth in MAUCRSA.
- (6) Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA) regulations, each Commercial Cannabis Activity shall allow Stanislaus County officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and

all relevant data or documents will be produced no later than 24 hours after receipt of the County's request, unless otherwise stipulated by the County. The County may require the materials to be submitted in an electronic format that is compatible with the County's software and hardware.

- (7) Reporting and Tracking of Product and of Gross Sales. Each Commercial Cannabis Activity shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the Commercial Cannabis Activity including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the County. The Commercial Cannabis Activity shall ensure that such information is compatible with the County's record-keeping systems and the County's Track and Trace System as established by the County's Agricultural Commissioner. In addition, the Permittee's system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the Agricultural Commissioner's Office prior to being used by the permittee.
 - (8) The applicant, owner, and operator 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.
- H. Restriction on Customer Consumption. Cannabis shall not be consumed by any retail customer on the premises of any Commercial Cannabis Activity or parking areas.
- I. No outdoor storage of cannabis or cannabis products is permitted at any time.
- J. The applicant for the Commercial Cannabis Activity and the 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.
- K. The Property Owner and Permittee shall be responsible for ensuring that all commercial cannabis activities at the site operate and are maintained in good standing with permits and licenses required by the Stanislaus County Code and State law. Failure to take appropriate action to evict or otherwise remove operators who do not maintain permits or licenses in good standing with the County or State shall be grounds for the suspension or revocation of a land use or regulatory permit pursuant to this Chapter, Section 21.104 of the Stanislaus County Code, and subject to any Board approved development agreement.
- L. Commercial Cannabis Activities and related activities shall be maintained in accordance with the operating plans approved by the County.
- M. All Permittees shall ensure that cannabis is obtained from local and state permitted and licensed sources and shall implement best practices to ensure that all

cannabis products are properly stored, labeled, transported, and inspected prior to distribution.

- N. All Commercial Cannabis Activities shall operate in compliance with the County's Noise Ordinance. Commercial Cannabis Cultivation operations shall not be exempt under Section 10.46.080 of the County's Noise Control ordinance.
- O. Track and Trace. All Permittees shall comply with the State of California and Stanislaus County Agricultural Commissioner's requirements for unique identifiers and Track and Trace programs and shall pay all associated fees. Permittees shall obtain and use the unique identifiers from the State and County identified source, maintain them in a readable form and comply with all data entry requirements and pay all required fees. Non-compliance with the any track and trace requirements shall be grounds for revocation, suspension or nonrenewal of the Permittee's CCA permit.

6.78.130 Commercial Cannabis Employee Background Check Required.

- A. Any person who is an employee or who otherwise works or volunteers within a Commercial Cannabis Activity must be legally authorized to do so under applicable state law.
- B. Any person who is an employee or who otherwise works or volunteers within a Commercial Cannabis Activity shall maintain the following information on each of its employees, for a period of no less than five years:
 - (1) Name, address, and phone number of the applicant/employee;
 - (2) Age and verification of applicant/employee. Permittee shall examine the employee's birth certificate, driver's license, government issued identification card, passport or other appropriate documents to verify that the applicant/employee is at least twenty-one years of age;
 - (3) Name, address of the Commercial Cannabis Activity where the applicant/employee will be employed, and the name of the primary manager of that business.
 - (4) A list of any crimes enumerated in California Business and Professions Code Section 26507(b)(4) for which the applicant/employee has been convicted.
 - (5) Name, address, and contact person for any previous employers from which the applicant/employee was fired, resigned, or asked to leave and the reasons for such dismissal or firing.
 - (6) The application for employment shall be accompanied by fingerprints and a recent photograph.
 - (7) A signed statement under penalty of perjury that the information provided is true and correct.

- (8) If applicable, verification that the applicant/employee is a qualified patient or primary caregiver.
- C. The Permittee shall annually certify to the County that it has conducted a background check on all employees to determine whether the applicant was convicted of a crime or left a previous employer for reasons that show the applicant:
 - (1) Is dishonest; or
 - (2) Has committed a felony or misdemeanor involving fraud, deceit, embezzlement; or
 - (3) Was convicted of a violent felony as defined in Penal Code section 667.5, a crime of moral turpitude that involves either dishonesty (including fraud), or baseness, vileness or depravity in the private and social duties which a man owes to his fellow men, or to society in general, contrary to the accepted and customary rule of right and duty between man and man; or
 - (4) The illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, except for cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

6.78.140 Change in Location; Updated Information.

A change in the location of the Commercial Cannabis Activity specified in the permit is prohibited and voids the CCA permit.

6.78.150 Renewal Applications.

- A. An application for renewal of a Commercial Cannabis Activity permit shall be filed at least 60 calendar days prior to the expiration date of the current permit.
- B. The Permittee's application for renewal shall be on the form provided by the Chief Executive Office.
- C. The Permittee shall pay a fee in an amount to be set by the County Board of Supervisors to cover the costs of processing the renewal permit application, together with any costs incurred by the County to administer the program created under this Chapter.

6.78.160 Commercial Cannabis Activity Permit Transfers Prohibited.

- A. The cannabis activity permit is not transferrable and Permittee shall not transfer ownership or control of the permit to another person or entity. Only the original

permittee is authorized to operate the Commercial Cannabis Activity under the permit.

- B. Changes in ownership of a Permittee's business structure or a substantial change in the ownership of a permittee business entity (changes that result in a change of more than 51 percent of the original ownership) void the permit. A proposed new Owner shall submit to a background investigation performed by the County prior to taking ownership of a permitted CCA.
- C. Within 15 calendar days of any change in a Permittee's business structure or a substantial change in the ownership of a permittee business entity or any change in status of compliance with the provisions of this Chapter, the applicant shall inform the County CEO of the change.
- D. A permittee may change the form of business entity with the written consent of the County, under the following circumstances:
 - (1) The membership of the new business entity is substantially similar to original permit holder business entity (at least 51 percent of the membership is identical), or
 - (2) If the original permittee is an unincorporated association, mutual or public benefit corporation, agricultural or consumer cooperative corporation and subsequently transitions to or forms a new business entity as allowed under the MAUCRSA and to comply with Section 6.78.060, provided that the Board of Directors (or in the case of an unincorporated association, the individual(s) listed on the County permit application) of the original permittee entity are the same as the new business entity.

Permittee shall notify the County in writing of the change within ten business days of the change. Failure to comply with this provision is grounds for permit revocation.
- E. Any attempt to transfer a Commercial Cannabis Activity permit either directly or indirectly in violation of this Section is hereby prohibited, and such a purported transfer shall automatically revoke the permit.

6.78.170 Grounds for Suspension or Revocation or Nonrenewal.

- A. Commercial Cannabis Activity Permits may be revoked by the County's Chief Executive Officer for any violation of any law and/or any rule, regulation, condition of approval, and/or standard, including those adopted pursuant to this Chapter.
- B. Any of the following shall be grounds for suspension or revocation of the Commercial Cannabis Activity Permit, based on substantial evidence:
 - (1) Failure to comply with one or more of the conditions of the Commercial Cannabis Activity Permit or any land use conditions of approval, or any permit conditions placed on State permits or licenses;

- (2) The Commercial Cannabis Activity ~~P~~ermit was granted on the basis of false material information, written or oral, given willfully or negligently by the applicant;
 - (3) Any act or omission by a Property Owner or Permittee that results in the violation of the provisions of this Chapter;
 - (4) Any act or omission by a Property Owner or Permittee that results in the denial, revocation or suspension of the owner's or Permittee's State License;
 - (5) Any act or omission that results in the revocation of a Property Owner or Permittee's commercial cannabis land use permit or development agreement under Title 21 and Title 22 of the Stanislaus County Code;
 - (6) Any act or omission by a Property Owner or Permittee that violates State law or the Stanislaus County Code;
 - (7) A Property Owner's or Permittee's failure to take appropriate action to evict or otherwise remove Commercial Cannabis Activities who do not maintain the necessary permits or licenses in good standing with the County or State;
 - (8) The Property Owner or Permittee allows the Commercial Cannabis Activities to operate in a manner that constitutes a nuisance, where the Property Owner or Permittee has failed to abate the nuisance after notice; or
 - (9) Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a Commercial Cannabis Activity to operate within the County, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the Commercial Cannabis Activity permit, such revocation or termination shall also revoke or terminate the ability of a Commercial Cannabis Activity to operate within Stanislaus County.
- C. An application for renewal of a Commercial Cannabis Activity permit shall be rejected if any of the following exists:
- (1) The application is filed less than 60 days before its expiration.
 - (2) The Commercial Cannabis Activity permit is suspended or revoked at the time of the application.
 - (3) The Commercial Cannabis Activity has not been in regular and continuous operation in the four months prior to the renewal application.
 - (4) The Commercial Cannabis Activity has failed to conform to the requirements of this Chapter, or of any regulations adopted pursuant to this Chapter.

- (5) The Permittee fails or is unable to renew its State of California license.
- (6) If the County or State has determined, based on substantial evidence, that the Permittee or applicant is in violation of the requirements of this Chapter, of the County Code, or of the State rules and regulations, and the County or State has determined that the violation is grounds for termination or revocation of the Commercial Cannabis Activity Permit.

6.78.180 Procedure for Suspension or Revocation or Non-Renewal of the CCA Permit.

- A. If the County determines that grounds for suspension or revocation or nonrenewal of the Permit exist pursuant to this Chapter, the County shall issue a written Notice of Intention to revoke or suspend or non-renew the CCA Permit, as the case may be. The Notice of Intention shall be served on the Property Owner, as reported on the latest equalized assessment roll, and shall also be served on Permittee at the address reported on the Commercial Cannabis Activity Permits issued pursuant to this Chapter. 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 CCA Permit, the grounds for revocation or suspension, the action necessary to abate the violation, the time limit for compliance, and the right to request a hearing. The Notice of Intention shall notify the Property Owner and Permittee of the opportunity to request a hearing before a Hearing Officer to present evidence as to why the CCA 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 Property Owner and Permittees shall have ten business days from the service of the Notice of Intention to submit a written request for a hearing before the Hearing Officer to CEO. 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 CCA Permit and a failure to exhaust administrative remedies. If the hearing is not timely requested, the County may suspend or revoke the CCA Permit in accordance with the Notice of Intention.
- C. Upon receipt of a timely written request for a hearing, the County shall set a date for a hearing to be held within 60 days of receipt of the request. 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 Chairman of the Board of Supervisors shall appoint a Hearing Officer who shall be 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 or renewal of the Commercial Cannabis Activity Permit.

- (2) In any proceeding before the 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 taken during the hearing.
 - (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 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. If neither the Property Owner, nor 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.
- F. In the event an action is initiated to obtain enforcement of the decision of the Hearing Officer, and judgment is entered to enforce the decision, the Property Owner and Permittee shall be jointly and severally liable to pay the County's total costs of enforcement, including reasonable attorney fees.

6.78.190 Enforcement.

It shall be unlawful for any person to violate any provision, or 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. The remedies provided by this Chapter are cumulative and in addition to any other remedies available at law or in equity.

6.78.200 Limitations on County's Liability.

- A. To the fullest extent permitted by law, Stanislaus County shall not assume any liability whatsoever with respect to having issued a Commercial Cannabis Activity permit pursuant to this Chapter or otherwise approving the operation of any Commercial Cannabis Activity. As a condition to the approval of any Commercial Cannabis Activity ~~P~~permit, the applicant shall be required to meet all of the following conditions prior to issuance of the Commercial Cannabis Activity Permit:

- (1) Permittee must execute an agreement, in a form approved by County Counsel, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold Stanislaus County, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the County's issuance of the commercial cannabis activity permit, the County's decision to approve the operation of the Commercial Cannabis Activity or activity, to process used by the County in making its decision, or the alleged violation of any federal, state or local laws by the Commercial Cannabis Activity or any of its officers, employees or agents.
- (2) Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by Risk Management.
- (3) Reimburse Stanislaus County for all costs and expenses, including but not limited to legal fees and costs and court costs, which Stanislaus County may be required to pay as a result of any legal challenge related to the County's approval of the applicant's Commercial Cannabis Activity permit, or related to the County's approval of a Commercial Cannabis Activity. The County of Stanislaus may, at its sole discretion, participate at its own expense in the defense of any such, but such participation shall not relieve any of the obligations imposed hereunder.

6.78.210 Promulgation of Regulations.

- A. In addition to any regulations adopted by the County Board of Supervisors, the Chief Executive Officer, or designee, ("CEO") is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of Commercial Cannabis Activity ~~P~~permits, the ongoing operation of Commercial Cannabis Activity and the County's oversight, if the CEO determines the rule, regulation or standard to be necessary to carry out the purposes of this Chapter.
- B. Regulations issued by the CEO shall be published on the County's website.
- C. Regulations promulgated by the CEO shall become effective upon date of publication. Commercial Cannabis Activity~~y~~ies shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the CEO.

6.78.220 Community Relations.

- A. The Permittee of a Commercial Cannabis Activity shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the Commercial Cannabis Activity can be

provided. Each Commercial Cannabis Activity shall also provide the above information to all businesses and residences located within 100 feet of the Commercial Cannabis Activity and make the information available online to the general public.

- B. The Permittee of a Commercial Cannabis Activity shall designate a CCA Owner who shall attend meetings with the County, and other interested parties, as requested by the County, to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter.
- C. Permittees of Commercial cannabis activities to which a permit is issued pursuant to this Chapter shall develop or contribute to a County approved public outreach and educational program for youth organizations and educational institutions that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

6.78.230 Fees Deemed Debt to Stanislaus County.

The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to Stanislaus County that is recoverable via an authorized administrative process as set forth in the County Code, or in any court of competent jurisdiction.

6.78.240 Permit Holder Responsible for Violations.

AThe Permittee shall be presumed to be responsible for all violations of the laws of the State of California or of the regulations and/or the ordinances of Stanislaus County, whether committed by the Permittee or any employee or agent of the Permittee, which violations occur in or about the premises of the Commercial Cannabis Activity whether or not said violations occur within the permit holder's presence, unless the Permittee has taken steps to prevent the offending conduct.

6.78.250 Inspection.

- A. As a condition of issuance of the CCA Permit, Property Owner and Permittee authorize and consent to representatives of the County entering the location of the Commercial Cannabis Activity at any time, without notice, to inspect the location of any Commercial Cannabis Activity as well as any recordings and records required to be maintained pursuant to this Chapter or under applicable provisions of State law.
- B. Any person having responsibility over the operation of a Commercial Cannabis Activity, shall not impede, obstruct, interfere with, or otherwise not to allow, the County to conduct and record an inspection, review or copy records, recordings or other documents required to be maintained by a Commercial Cannabis Activity under this Chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other

documents required to be maintained by a Commercial Cannabis Activity under this Chapter or under state or local law.

- C. As a condition of issuance of the CCA permit, Property Owner and Permittee authorize and consent to representatives of the County entering the location of a Commercial Cannabis Activity at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by Stanislaus County shall be logged, recorded, and maintained in accordance with established procedures by these regulations.

6.78.260 Violations Declared a Public Nuisance.

Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.

6.78.270 Each Violation a Separate Offense.

Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by Stanislaus County Code. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, any permit issued pursuant to this Chapter being deemed null and void, disgorgement and payment to the County by Permittee of any monies unlawfully obtained, payment by the Permittee of the County's costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. Stanislaus County 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 to, or associated with, the Commercial Cannabis Activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the County may take immediate action to temporarily suspend a Commercial Cannabis Activity per permit issued by the County.

6.78.280 Criminal Penalties.

Each and every violation of the provisions of this Chapter may in the discretion of the District Attorney be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000) or imprisonment in the county jail for a period of not more than 12 months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense.

6.78.290 Remedies Cumulative and not Exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The County, including the County's District Attorney, is authorized to pursue any proceedings or remedies provided by law.

6.78.300 Review by Planning Commission.

- A. Any amendments to this Chapter with the potential to impact the placement or land use compatibility of a commercial cannabis activity to the surrounding persons or property shall be considered at a public hearing before the planning commission. After the hearing by the planning commission, the planning commission shall make its recommendation in writing to the board of supervisors. The recommendation shall include the planning commission's determination on whether or not the amendments:
- (1) Are in conformity with and will promote public convenience, general welfare and good land use practice; and
 - (2) Will be detrimental to health, safety and general welfare.

Summary of Proposed Amendment to Chapter 21.20 - General Agriculture District (A-2)

**Note: Specific amendments consisting of deletions are reflected in strikeout text*

Amend Section 21.20.030 of Chapter 21.20 – GENERAL AGRICULTURE DISTRICT (A-2) to read as follows:

21.20.030 USES REQUIRING USE PERMIT

- H. Commercial cannabis cultivation or nursery activities (~~natural light or mixed light~~) and distribution activities (limited to permitted commercial cannabis product grown on-site) subject to Section 21.08.020(D) of this title, may be allowed when conducted within a greenhouse or accessory agricultural storage building as permitted by Title 6 of the County Code.

STANISLAUS COUNTY
DEPARTMENT OF PLANNING AND
COMMUNITY DEVELOPMENT
1010 10th Street, Suite 3400
Modesto, California 95354

NOTICE OF EXEMPTION

Project Title: ORDINANCE AMENDMENT PLN2018-0037 – COMMERCIAL CANNABIS ORDINANCES

Applicant Information: Stanislaus County, 1010 10th Street, Modesto, CA 95354

Project Location: Stanislaus County (APN: County wide)

Description of Project: Request to amend Chapter 6.78 – Commercial Cannabis Activities and Chapter 21.20 - General Agriculture District (A-2) of the Stanislaus County Code. The proposed ordinance amendments apply to commercial cannabis activities in unincorporated Stanislaus County and include the following: minor technical amendments for the purposes of clarity and consistency with state regulations; minor amendments to the operating procedures of retail and cultivation activities; an amendment to the definitions of cultivation and youth center; updates to the procedural processes for the suspension, revocation, or non-renewal of Commercial Cannabis Activity Permits; updates to the procedural processes for the enforcement, declarations of public nuisance, and abatement procedures of commercial cannabis activities.

Name of Agency Approving Project: Stanislaus County Planning Commission

Lead Agency Contact Person: Kristin Doud, Senior Planner

Telephone: (209) 525-6330

Exempt Status: (check one)

- ☐ Ministerial (Section 21080(b)(1); 15268);
- ☐ Declared Emergency (Section 21080(b)(3); 15269(a));
- ☐ Emergency Project (Section 21080(b)(4); 15269(b)(c));
- ☐ Categorical Exemption. State type and section number: _____
- ☒ Statutory Exemptions. State code number: 26055(h)
- ☐ General Exemption.

Reasons why project is exempt: Senate Bill 94 the Medical Cannabis Regulation and Safety Act (MCRSA) exempted from the California Environmental Quality Act, until July 1, 2019, the adoption of a specified ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, license, or other authorizations to engage in commercial cannabis activity. All commercial cannabis activities will be subject to obtaining discretionary land use approval, and accordingly this project has been determined to be generally exempt from the California Environmental Quality Act (CEQA) pursuant to Section 26055(h) of the California Code of Regulations.

September 27, 2019
Dated

Signature on file
Kristin Doud, Senior Planner

ORDINANCE AMENDMENT APPLICATION NO. PLN 2018-0037 - COMMERCIAL CANNABIS ORDINANCES

Attachment A

Distribution List

X	CA DEPT OF CONSERVATION Land Resources / Mine Reclamation		STAN CO ALUC
X	CA DEPT OF FISH & WILDLIFE	X	STAN CO ANIMAL SERVICES
X	CA DEPT OF FORESTRY (CAL FIRE)	X	STAN CO BUILDING PERMITS DIVISION
X	CA DEPT OF TRANSPORTATION DIST 10		STAN CO CEO
	CA OPR STATE CLEARINGHOUSE		STAN CO CSA
X	CA RWQCB CENTRAL VALLEY REGION	X	STAN CO DER
X	CA STATE LANDS COMMISSION	X	STAN CO ERC
X	CEMETERY DISTRICT	X	STAN CO FARM BUREAU
	CENTRAL VALLEY FLOOD PROTECTION	X	STAN CO HAZARDOUS MATERIALS
X	CITY OF: All		STAN CO PARKS & RECREATION
X	COMMUNITY SERVICES/SANITARY DIST	X	STAN CO PUBLIC WORKS
X	COOPERATIVE EXTENSION		STAN CO RISK MANAGEMENT
X	COUNTY OF: SAN JOAQUIN, MERCED, CALAVERAS, TUOLUMNE, SANTA CLARA	X	STAN CO SHERIFF
X	FIRE PROTECTION DISTRICTS	X	STAN CO SUPERVISORS
X	HOSPITAL DISTRICTS ALL	X	STAN COUNTY COUNSEL
X	IRRIGATION DISTRICTS ALL		StanCOG
X	MOSQUITO DIST: EASTSIDE, TURLOCK	X	STANISLAUS FIRE PREVENTION BUREAU
X	MOUNTIAN VALLEY EMERGENCY MEDICAL SERVICES	X	STANISLAUS LAFCO
X	MUNICIPAL ADVISORY COUNCILS :ALL		SURROUNDING LAND OWNERS
X	PACIFIC GAS & ELECTRIC		TELEPHONE COMPANY: AT&T
X	POSTMASTER: ALL		TRIBAL CONTACTS (CA Government Code §65352.3)
X	RAILROAD: ALL	X	US ARMY CORPS OF ENGINEERS
X	SAN JOAQUIN VALLEY APCD	X	US FISH & WILDLIFE
X	SCHOOL DISTRICT: ALL		US MILITARY (SB 1462) (7 agencies)
	SCHOOL DIST 2:	X	USDA NRCS
	STAN ALLIANCE	X	WATER DIST: ALL
X	STAN CO AG COMMISSIONER	x	Interested Persons of Record
	TUOLUMNE RIVER TRUST		

NON-CONSENT ITEMS

- A. ORDINANCE AMENDMENT NO. PLN2018-0037 – COMMERCIAL CANNABIS ORDINANCES** – Request to amend Chapter 6.78 – Commercial Cannabis Activities and Chapter 21.20 - General Agriculture District (A-2) of the Stanislaus County Code. The proposed ordinance amendments apply to commercial cannabis activities in unincorporated Stanislaus County and include the following: minor technical amendments for the purposes of clarity and consistency with state regulations; minor amendments to the operating procedures of retail and cultivation activities; an amendment to the definitions of cultivation and youth center; updates to the procedural processes for the suspension, revocation, or non-renewal of Commercial Cannabis Activity Permits; updates to the procedural processes for the enforcement, declarations of public nuisance, and abatement procedures of commercial cannabis activities. All commercial cannabis projects will continue to be subject to obtaining a discretionary land use permit and development agreement prior to obtaining a Stanislaus County Commercial Cannabis Activity Permit. This project is exempt from the California Environmental Quality Act. APN: County-wide
Staff Report: Kristin Doud, Senior Planner, Recommends **APPROVAL**.
Public hearing opened.
OPPOSITION: Kristin Johns.
FAVOR: Zach Drivon, Drivon Consulting, attorney for Lyfted Farms, Medallion Wellness, and Truleaf Inc.
Public hearing closed.
Buehner/Zipser (5/3) **RECOMMENDED DENIAL TO THE BOARD OF SUPERVISORS.**
Roll Call Vote:
Ayes – Commissioners: Buehner, Hicks, Mott, Willerup, and Zipser.
Noes – Commissioners: Blom, Maring, and Munoz.
Abstaining – None.
Absent – Commissioner Etchebarne.

EXCERPT

PLANNING COMMISSION

MINUTES

Signature on file.

Angela Freitas
Planning Commission Secretary

October 25, 2019

Date

ORDINANCE NO. C.S. _____

AN ORDINANCE AMENDING CHAPTER 6.78 "COMMERCIAL CANNABIS ACTIVITIES" AND CHAPTER 21.20 "GENERAL AGRICULTURE DISTRICT (A-2)" MAKING AMENDMENTS TO LAND USE POLICIES REGARDING COMMERCIAL CANNABIS ACTIVITIES IN STANISLAUS COUNTY

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA, ORDAINS AS FOLLOWS:

Section 1. Section 6.78.010 of the Stanislaus County Code is amended to read as follows:

"6.78.010 Purpose.

"It is the purpose and intent of this Chapter to regulate the cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transportation, distribution, delivery, or sale of medicinal and adult-use cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of Stanislaus County and to enforce its rules and regulations consistent with state law. It is the further purpose and intent of this Chapter to require all commercial cannabis activities to obtain and renew annually a Stanislaus County issued permit to operate within the County. Nothing in this Chapter is intended to authorize the possession, use, or sale of cannabis for purposes that violate state or federal law. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct activity in the County."

Section 2. Section 6.78.020 of the Stanislaus County Code is amended to read as follows:

"6.78.020 Authority.

"Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter "MAUCRSA"), any subsequent state legislation and/or regulations regarding the same, the County of Stanislaus is constitutionally empowered and statutorily authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activities. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in Stanislaus County to all Commercial Cannabis Activity."

Section 3. Section 6.78.030 of the Stanislaus County Code is amended to read as follows:

"6.78.030 Definitions.

"When used in this Chapter, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder, and is deemed to include any successor or amended version of the referenced statute or regulatory provision. The definitions included in this Section do not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health and Safety Code.

"A. "A-license" means a license issued under this Chapter for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess a physician's recommendation.

"B. "Applicant" means the person or persons applying for a Commercial Cannabis Activity Permit pursuant to this Chapter.

"C. "Batch" means a specific quantity of homogeneous cannabis or cannabis product that is one of the following types:

"(1) "Harvest batch" means a specifically identified quantity of dried flower or trim, leaves, and other cannabis plant matter that is uniform in strain, harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals, and harvested at the same time.

"(2) "Manufactured cannabis batch" means either of the following:

"(a) An amount of cannabis concentrates or extract that is produced in one production cycle using the same extraction methods and standard operating procedures.

"(b) An amount of a type of manufactured cannabis produced in one production cycle using the same formulation and standard operating procedures.

"D. "Bureau" means the California Bureau of Cannabis Control.

"E. "Cannabinoid" or "phytocannabinoid" means a chemical compound that is unique to and derived from cannabis.

"F. "Cannabis" has the same meaning as defined in California Business and Professions Code section 26001, as may be amended from time to time. For the purpose of this Chapter, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.

"G. "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 Health and Safety Code, or drug, as defined by Section 109925 of the Health and Safety Code.

- "H. "Cannabis products" has the same meaning as in Section 11018.1 of the Health and Safety Code and as that section may be amended, and means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
- "I. "Canopy" means all of the following:
- "(1) The designated area(s) at a licensed premise that will contain mature plants at any point in time;
 - "(2) Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries;
 - "(3) Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least 10 feet of open space; and
 - "(4) If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
- "J. "Caregiver" or "Primary Caregiver" has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.
- "K. "County" or "County of Stanislaus County" means the County of Stanislaus.
- "L. "Commercial Cannabis Activity" means any one of the following: commercial cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medicinal or non-medicinal cannabis or a medicinal or non-medicinal cannabis product. For the purposes of this Section, "Commercial Cannabis Activity" does not include the personal use activities as defined in Section 11362.1 and Section 11362.2 of the California Health and Safety Code.
- "M. "Commercial cannabis cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of

cannabis, other than solely for personal use, for sale or distribution.

- "N. "Commercial Cannabis Activity Permit" (sometimes referred to herein as "CCA Permit") means a regulatory permit issued by the County pursuant to this Chapter to a Commercial Cannabis Activity, and is required before any Commercial Cannabis Activity may be conducted in the County.
- "O. "Cultivation" means any activity involving the planting, growing, harvesting, or processing (including drying, curing, grading, trimming, storing, packaging, or labeling) of nonmanufactured cannabis. Cultivation includes indoor, mixed-light, natural light, or nursery cultivation. Cultivation outside of a structure is prohibited within Stanislaus County.
- "P. "Cultivation site" means a location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.
- "Q. "Customer" means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician's recommendation.
- "R. "Day Care Center" or "Child Care Center" means any state licensed child care facility of any capacity, other than a Family Day Care or Family Child Care home, as defined in Section 101152(c)(7) of the California Code of Regulations, in which less than 24-hour per day non-medical care and supervision are provided to children in a group setting.
- "S. "Delivery" means the commercial transfer of cannabis or cannabis products to a customer.
- "T. "Distribution" means the procurement, sale, and transport of cannabis and cannabis products between entities licensed pursuant to this Chapter.
- "U. "Distributor" means a person holding a valid Commercial Cannabis Activity Permit for distribution issued by the County of Stanislaus, and, a valid state license for distribution, required by state law to engage in the activity of purchasing cannabis from a licensed cultivator, or cannabis products from a license manufacturer, for sale to a licensed Retailer.
- "V. "Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- "W. "Edible cannabis product" means manufactured cannabis 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 Food

and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

"X. "Family Day Care" or "Family Child Care" means regularly provided care, protection and supervision of children, in the caregiver's own home, for periods of less than 24 hours per day, while the parents or authorized representatives are away, as defined in Section 162352(f)(1) of the California Code of Regulations.

"Y. "Greenhouse" means a permanent structure protected by an exterior envelope or assembly that provides protection of all structural members from the detrimental effects of the exterior environment. These assemblies may include, but are not limited to, translucent roof and wall panels. The structure shall be provided with means to control temperature and/or humidity for the cultivation or protection of plants. Structures of a temporary or non-secure nature, including but not limited to movable greenhouses, tents, and hoop houses, are not considered a greenhouse for purposes of commercial cannabis cultivation.

"Z. "Hearing officer" means a person appointed by the Chair of the Board of Supervisors to conduct an administrative hearing under this Chapter.

"AA. "Indoor cultivation" means the cultivation of cannabis within a fully enclosed building using artificial light, at a rate greater than 25 watts per square foot.

"BB. "Labeling" means any label or other written, printed, or graphic matter upon a cannabis product, upon its container.

"CC. "License" means a state license, including both an A-license and an M-license, as well as a testing laboratory license, issued under this Chapter for cannabis or cannabis products.

"DD. "Licensing Authority" means the state agency responsible for the issuance, renewal, or reinstatement of a license for a Commercial Cannabis Activity, or the state agency authorized to take disciplinary action against the license. Licensing Authority is differentiated from the County as the local permitting authority.

"EE. "Live plants" means living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.

"FF. "Local jurisdiction" means a city, county, or city and county.

"GG. "Lot" means a batch or a specifically identified portion of a batch.

"HH. "M-license" means a license issued under this Chapter for Commercial Cannabis Activity involving medicinal cannabis.

- "II. "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.
- "JJ. "Manufactured cannabis" or "cannabis product" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.
- "KK. "Manufacturer" means a Commercial Cannabis Activity Permittee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or containers.
- "LL. "Manufacturing Facility" means a location that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products, 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 person issued a valid Commercial Cannabis Activity Permit for manufacturing from the County of Stanislaus and, a valid state license as required for manufacturing of cannabis products.
- "(1) Manufacturing Facility Volatile - Facility which manufactures cannabis products using volatile solvents, which involves the use of solvents which produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.
- "(2) Manufacturing Facility Non-Volatile - Facility which manufactures cannabis products using nonvolatile solvents, or no solvents.
- "MM. "Medicinal cannabis" or "Medicinal cannabis product" means a product containing cannabis, including, but not limited to, flowers, concentrates and extractions, intended to be sold for use by a medicinal cannabis patient in California who possesses a physician's recommendation, pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this Chapter, "medicinal cannabis" does not include "industrial hemp" as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.
- "NN. "Mixed-light cultivation" means the cultivation of cannabis in a greenhouse using light deprivation and/or artificial lighting below a

rate of 25 watts per square foot.

- "00. "Natural Light Cultivation" means the cultivation of cannabis without the use of light deprivation and/or artificial lighting in the canopy area.
- "PP. "Nursery" means the production of only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.
- "QQ. "Operation" means any act for which a permit is required under the provisions of this Chapter, or any commercial transfer of cannabis or cannabis products.
- "RR. "Owner" means any of the following:
- "(1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a permit or a Permittee, 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 license.
- "SS. "Package" means any container or receptacle used for holding cannabis or cannabis products.
- "TT. "Park" means an area created, established, designated, or maintained by a city, a county, a special district, the State, the Federal government, or a private association for public play, recreation, or enjoyment or for the protection of natural resources and features at the site.
- "UU. "Patient" or "qualified patient" shall have the same definition as California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health & Safety Code Section 11362.5.
- "W. "Permittee" means the Owner(s) of the Commercial Cannabis Activity and who are issued a Commercial Cannabis Activity permit under this Chapter, regardless of whether the permit held is an A-license or an M-license, and includes the holder of a testing laboratory license.
- "WW. "Person" includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, activity trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
- "XX. "Person with an identification card" as used herein shall be defined as it is in California Health and Safety Code Section 11362.7.

- "YY. "Physician's recommendation" means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
- "ZZ. "Premises" means the designated building or buildings and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or Permittee where the Commercial Cannabis Activity will be or is conducted.
- "AAA. "Purchaser" means the customer who is engaged in a transaction with a Permittee for purposes of obtaining cannabis or cannabis products.
- "BBB. "Primary Caregiver" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- "CCC. "Property Owner" means the person or persons who hold the present interest and beneficial use of the subject property.
- "ODD. "Qualified Patient" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- "EEE. "Retailer" means a commercial cannabis business 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 (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid Commercial Cannabis Activity permit from the County of Stanislaus authorizing the operation of a Retailer, and a valid state license as required by state law to operate a Retailer.
- "(1) Retailer Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *open* to the public, from which commercial cannabis activities are conducted.
- "(2) Retailer Non-Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *closed* to the public, from which commercial cannabis activities are conducted.
- "FFF. "Sale," "sell," and "to sell" includes barter, exchange, trade, keep for sale, offer for sale, or expose for sale, in any of their variant forms and any transaction whereby, for any consideration, title to cannabis or cannabis products are transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of

cannabis or cannabis products by a Permittee to the Permittee from whom the cannabis or cannabis product was purchased.

"GGG. "School" For purposes of this Chapter, school means any public or private school providing instruction in kindergarten or grades 1-12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

"HHH. "State" means the State of California.

"III. "State license" means a permit or license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same to engage in Commercial Cannabis Activity.

"JJJ. "Testing laboratory" means a facility, laboratory, entity, or site in the state that offers or performs test 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 Activity in the State.

"(2) Licensed by the California Bureau of Cannabis Affairs.

"KKK. "Transport" means the transfer of cannabis products from the permitted activity location of one Permittee to the permitted activity location of another Permittee, for the purposes of conducting Commercial Cannabis Activity authorized by MAUCRSA which may be amended or repealed by any subsequent State of California legislation regarding the same.

"LLL. "Unique identifier" means an alphanumeric code or designation used for reference to a specific plant on a licensed premises and any cannabis or cannabis product derived or manufactured from that plant.

"MMM. "Youth center" means a public or non-profit operated facility established for the purposes of providing social and recreational opportunities for children ages 11 to 18 years old. The term "youth center" does not include "youth instructional facilities."

"NNN. "Youth instructional facilities" means any commercially operated facility that provides supervised instruction to children below 18 years old, examples include, but are not limited to, instruction in art, music, dance, gymnastics, cheer, sports, martial arts, or tutoring.

Section 4. Section 6.78.050, subparagraph (A), of the Stanislaus County Code is amended to read as follows:

"A. It is the responsibility of the owners and operators of the Commercial

Cannabis Activity to ensure that it is always operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions that violate federal, state law or local law with respect to the operation of a Commercial Cannabis Activity. It shall be the responsibility of the owners and the operators of the Commercial Cannabis Activity to ensure that all Commercial Cannabis Activity is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the Commercial Cannabis Activity Permit.

Section 5. Section 6.78.060 of the Stanislaus County Code is amended to read as follows:

"6.78.060 Permits Required.

"A Prior to operation of any Commercial Cannabis Activity the following shall be obtained:

"(1) Commercial Cannabis Activity Permit ("CCA Permit"). A CCA Permit to operate any Commercial Cannabis Activity in the unincorporated areas of the County shall be obtained from the treasurer-tax collector, in accordance with the provisions of this Chapter.

"(a) No more than 61 CCA permits may be issued within the unincorporated areas of the County. Each Commercial Cannabis Activity shall require a separate CCA Permit. For purposes of this Chapter, A license type activities and M-license type activities are not separate and distinct activities. Registration for permits shall be opened at the discretion of the CEO in accordance with board policy.

"(b) Prior to issuance of a CCA Permit, applicants shall demonstrate that they meet the standards which are established in the application requirements or further amendments to the application process as established by the County Chief Executive Officer under section 6.78.210. Each application for a CCA Permit shall be referred to the various County departments to ensure all other regulatory standards have been met.

"(c) Each Commercial Cannabis Activity permit issued pursuant to this Chapter shall expire one year after the date of its issuance. Commercial Cannabis Activity Permits may be renewed as provided in Section 6.78.200.

- "(2) Development Agreement. Prior to operating in the county and as a condition of issuance of the CCA Permit, the Permittee of each Commercial Cannabis Activity shall enter into a development agreement, as specified in Title 22 of the Stanislaus County Code, with the County setting forth the terms and conditions under which the Commercial Cannabis Activity will operate that are in addition to the requirements of this Chapter, and such other terms and conditions that will protect and promote the public health, safety and welfare.
- "(3) Land Use Permit. Prior to operating, Permittee shall obtain all necessary entitlements as required by Title 21 of the Stanislaus County Code. Any permit required in accordance with Title 21 may be conditioned to apply greater restrictions than those required by this Chapter.
- "(4) State License. Pursuant to California Business and Professions Code section 26053(a), upon implementation of state regulations, a valid license from the State shall be required to operate any Commercial Cannabis Activity or to engage in any Commercial Cannabis Activity.
- "(a) Copies of any and all documentation provided to any State agency for the purposes of obtaining a State license for any Commercial Cannabis Activity within Stanislaus County shall also be provided to the County within five calendar days of being submitted to the State.
- "B. General. It is unlawful for a person to engage in any Commercial Cannabis Activity within the unincorporated areas of Stanislaus County including cultivation, manufacturing, processing, laboratory testing, storing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the Commercial Cannabis Activity is in compliance with all applicable state and local laws and regulations pertaining to Commercial Cannabis Activity, including the duty to obtain any required state licenses.
- "C. The Permittee shall post or cause to be posted their local CCA Permit and any State Commercial Cannabis Permit, required to operate. Such posting shall be at a location visible to the patrons and near the point of sale at the operating site, and in all vehicles that deliver or transport cannabis product.
- "D. No CCA Permit shall be issued unless and until all land use entitlements and development agreements have been approved by the County and all necessary State licenses, permits and approvals have been obtained. Commercial Cannabis Activities which have obtained their CCA Permit shall have six months from the effective date of issuance of the permit to obtain the required licenses from the State. If all State licenses and approvals required to operate the Commercial Cannabis Activity are not obtained within the six month period the CCA Permit shall not be renewed.

"E. Fees and Charges. All Commercial Cannabis Activity authorized to operate under this Chapter shall pay all sales, use, activity and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each Commercial Cannabis Activity shall produce its books and records to the County for the purpose of verifying compliance with this Section, including, but not limited to, a verification of the amount of taxes required to be paid during any period."

Section 6.78.070. Section 6.78.070 of the Stanislaus County Code is amended to read as follows:

"6.78.070 Commercial Cannabis Retailers and Deliveries.

"A. Number of Permits Limited. No more than seven Retailers shall be issued a CCA Permit by Stanislaus County to operate as a commercial cannabis Retailer at one time in all unincorporated County zoning districts combined.

"B. Physical location required. Both Storefront Retailers and Non-Storefront Retailers are required to maintain a physical location within the unincorporated county area from which the commercial cannabis activities that are permitted under this Chapter are conducted.

"C. Limits on hours of operation. A licensed Retailer shall only sell cannabis during the hours of eight a.m. Pacific Time to 10:00 p.m. Pacific Time, or as otherwise stated in project approvals, and shall not otherwise be open to the public outside of those hours.

"D. Retailers shall ensure that all cannabis and cannabis products held for sale by the Retailer are cultivated, manufactured, transported, distributed, and tested by California licensed and permitted facilities that are in full conformance with all state and local regulations.

"(1) Retailers shall not distribute any cannabis or cannabis product unless such products are labeled and in a tamper-evident package in compliance with Chapter 12, "Packaging and Labeling," of Division 10 of the California Business and Professions Code and any additional rules promulgated by a Licensing Authority.

"(2) Possession or delivery of any form of illegal drugs without proper legal authorization under state law shall be grounds for revocation of permits.

"(3) Permittees shall not provide free samples of any type, including cannabis goods, to any person and shall not allow any person to provide free samples on the Permittee's premises.

"E. Delivery. Delivery shall be conducted in accordance with California Business and Professions Code Section 26090 or as may be amended from

time to time and all state regulations pertaining to delivery of cannabis products. Retailers and Micro-businesses shall only deliver to customers within a jurisdiction that does not expressly prohibit delivery within their jurisdictional boundary by ordinance.

"(1) All Deliveries shall be conducted by an employee of the Permittee who is at least 21 years of age.

"(2) All Deliveries shall be made in person to a physical address and product must be delivered physically to the requesting customer at the address indicated on the delivery request. Delivery may not be made by drop-off or to any person other than the requesting customer.

"(3) Cannabis and Cannabis Products to be delivered shall be pre-package for sale and placed in an opaque package prior to delivery. Only the product to be delivered shall be maintained in the vehicle.

"(4) Cannabis and Cannabis Products to be delivered shall be maintained out of the public view and shall be held within a separately locked and secured area contained within the delivery vehicle at all times until arrival at the delivery address. All delivery vehicle doors shall be locked and all vehicle windows secured when unoccupied. Permittee shall continuously electronically monitor the location of each delivery vehicle and shall at any and all times be able to identify the current location of each delivery vehicle within 50 feet of its actual location. Permittee's security plan shall include provisions relating to vehicle security and the protection of employees and product during delivery.

"(5) Permittee's delivery employees shall carry no cash, nor shall there be any cash held within the delivery vehicle, except for the driver's personal funds, funds collected from a customer purchasing cannabis goods via delivery, or any small bills sent out with the delivery driver as change to facilitate transactions with customers. Notwithstanding the aforementioned, in no case shall any delivery driver be permitted to leave the licensed premises with over \$500 in cash.

"F. Security. In addition to the operational standards required by Section 6.78.120 of this Chapter, the following security measures are required to be implemented for all Commercial Cannabis Retailers in unincorporated Stanislaus County:

"(1) For M-type Retailers, verify the age and all necessary documentation of each customer to ensure the customer is not under the age of 18 years and that the potential customer has a valid doctor's recommendation. For A-type Retailers, verify the age of customers to ensure persons under the age of 21 are not permitted.

- "(2) Entrances into the retail location shall be locked at all times with entry strictly controlled. A "buzz-in" electronic/mechanical entry system shall be utilized to limit access to and entry to the Retailer to separate it from the reception/lobby area unless there is a security guard physically present and primarily stationed in the reception/lobby to monitor customer ingress and egress into the Retail Area.
- "(3) Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, prevent sampling or use of product in parking areas, and to serve as a visual deterrent to unlawful activities.
- "(4) Retailers may only display in the retail sales area of the Retailer that quantity of cannabis and cannabis products reasonably anticipated to meet the daily demand for sale on-site sales and only during operating hours. All other inventory shall be maintained in a secured area.
- "(5) All restroom facilities shall remain locked and under the control of management."

Section 7. Section 6.78.080, subparagraph (D) and (G), of the Stanislaus County Code are amended to read as follows:

- "D. Visibility. In no case, shall cannabis plants be visible from offsite, including transfer. No visual markers indicating that cannabis is cultivated on the site shall be visible from offsite. All greenhouse cultivation activities shall be fully enclosed by an opaque fence, made of uniform material, at least seven feet in height. The fence must be adequately secured by a locked gate to prevent unauthorized entry. The fence design and construction material shall be approved by the County.
- "G. Commercial Cannabis Cultivation activities in the A-2 zoning district shall be limited to cultivation, nursery, or distribution (limited to permitted commercial cannabis product grown on-site) within the following type of structure:
 - "(1) Greenhouse.
 - "(2) Accessory storage buildings may be utilized provided the following criteria is met:
 - "(a) The building must meet the requirements of Section 6.78.120(8).
 - "(b) No more than 10,000 square feet of cultivation or nursery canopy shall be allowed."

Section 8. Section 6.78.120, subsections (A)(3) and (A)(6), of the Stanislaus

County Code are amended to read as follows:

- "A. General Applicability. The following operational standards apply to all Commercial Cannabis Activities permitted in the County.
- "(3) Recognizing the unique concern for the potential impacts of commercial cannabis activities to cities with an adopted ordinance banning commercial cannabis activities, written approval from any city in Stanislaus County with an adopted ordinance banning commercial cannabis activities shall be required prior to approval of any discretionary land use entitlement of a commercial cannabis activity located within a one-half mile radius outside of the SOI of the city, with the following exceptions:
- "(a) Any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan. Within these Community Plan Areas, land use entitlement applications for a commercial cannabis activity shall be subject to subsection (A)(5)
- "(b) Any areas where there is overlap between the one-half mile radius outside of the SOI and a LAFCO adopted SOI of a different city. In this case, the LAFCO adopted SOI shall govern as reflected in the preceding sub-paragraph (2).
- "(6) Prior to approval of any land use entitlement allowing for a Commercial Cannabis Activity the following setback requirements shall be met, unless a waiver or reduction is granted:
- "(a) Any building utilized for the operation of a commercial cannabis activity shall be located a minimum of 200 feet from any: legal dwelling located on a parcel under different ownership; or a library. Setbacks required by this section shall be subject to the following:
- "i. Setbacks from dwellings shall be measured from the nearest point of the area of a building used for the commercial cannabis activity to the nearest point of the dwellings utilized for interior living space.
- "ii. Setbacks from a library shall be measured from the nearest point of the area of the building used for the commercial cannabis activity to the boundary of the parcel improved with the library.
- "(b) When located in the A-2 (General Agriculture) zoning districts, any building utilized for commercial cannabis cultivation shall be setback a minimum of 50 feet from the boundary of any adjoining parcel under different ownership.
- "(c) The decision making body of the discretionary land use

entitlement for a commercial cannabis activity may waive or reduce the setback requirements of this subsection if any of the following apply:

"i. The site of the commercial cannabis activity is physically separated from the off-site dwelling by either: a building or other structure blocking line of sight; or a physical barrier such as, but not limited to, a wall or canal prohibiting direct path of travel between parcels exists to mitigate potential environmental or security impacts resulting from the commercial cannabis activity.

"ii. The decision making body determines that such a waiver or reduction will not result in material detriment to the welfare or the property of persons located in the vicinity, based on findings of fact."

Section 9. Section 6.78.120, subparagraph (B), of the Stanislaus County Code is amended to read as follows:

"B. Site control. All Commercial Cannabis Activity shall meet the following site control standards:

"(1) Secure Building. All Commercial Cannabis Activities shall occur entirely inside of a building that shall be secure, locked, and fully enclosed, with a ceiling, roof or top. With the exception of a greenhouse utilized for cultivation the following criteria shall also be met:

"(a) The building, including all walls, doors, and the roof, shall be of solid construction, and shall include material strong enough to prevent entry except through an open door.

"(b) All buildings utilized in conjunction with Commercial Cannabis Activities shall include walls with a minimum thickness of six inches. All walls shall be of solid construction and shall be faced on each side of the framing members.

"(c) Existing structures. Any existing structure to be utilized for commercial cannabis activities shall meet the standard above and shall obtain building permits for any improvements required to meet said building standard. Improvements shall include materials which are no less compliant with the provisions of the most current adopted California Building Code than the existing building or structure was prior to the alteration."

Section 10. Section 6.78.120, subparagraph (C), of the Stanislaus County Code is amended to read as follows:

"C. Security Measures. Permittee shall provide a security plan to the Sheriff's Department for review and approval. The security plan shall be reviewed annually or as often as deemed necessary by the Sheriff's Department. The security plan shall include security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the Commercial Cannabis Activity and shall include, but shall not be limited to, all of the following:

- "(1) Preventing individuals from remaining on the Premises if they are not engaging in an activity directly related to the permitted operations of the Commercial Cannabis Activity.
- "(2) Establishing limited access areas accessible only to authorized Commercial Cannabis Activity personnel.
- "(3) Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants that are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.
- "(4) Security system requirements.
 - "(a) The building shall include a professionally installed and maintained alarm system, monitored by an alarm company or private security company. The alarm system shall monitor all perimeter entry points and windows.
 - "(b) Installation of 24-hour infrared security surveillance cameras of at least HD-quality with minimum camera resolution of 1280 x 1024 pixels to monitor activity occurring within 20 feet of all entrances and exits to and from the premises, all interior spaces within the Commercial Cannabis Activity which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis, all interior spaces where diversion of cannabis could reasonably occur, and parking lot areas in a manner sufficient to clearly observe facial features and to obtain a clear view of license plates as vehicles enter. All cameras must be fixed and placement shall allow for the clear and certain identification of any person and activities in controlled areas of the licensed premises. All entrances and exits shall be recorded from both indoor and outdoor, or ingress and egress vantage points. All areas covered by the

camera shall have adequate lighting to effectively record images.

"i. The surveillance camera system data storage device must be secured on the licensed premises in a lockbox, cabinet, closet, or secured in another manner to protect from employee tampering or criminal theft. All cameras must record continuously twenty-four hours per day and at a minimum of ten frames per second. Any and all video or audio recordings made for security or other purposes shall be marked with the date and time made and shall be kept, in an unaltered state, for a period of forty-five (45) days and must be made available to the County or Sheriff Department for duplication upon demand. All recorded images must clearly and accurately display the time and date. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards.

"ii. Fish-eye cameras may be used only where approved by the Sheriff's Department.

"(c) Alarm System sensors shall be installed to detect entry and exit from all secure areas.

"(d) Alarm system panic buttons shall be installed in all permitted Premises as directed by the Sheriff's Department.

"(e) Any bars installed on the windows or the doors of the Commercial Cannabis Activity shall be installed only on the interior of the building.

"(f) Perimeter lighting systems (motion sensor) for after-hours security are required as directed by the Sheriff's Department.

"(g) Security personnel shall be on-site as required by the county-approved security plan. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the Sheriff's Department, with such approval not to be unreasonably withheld.

"(h) Each Commercial Cannabis Activity shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

"(5) Loitering. The Permittee of a Commercial Cannabis Activity shall erect signs prohibiting loitering which are not less than one square foot in area bearing the words "LOITERING PROHIBITED" in letters

not less than two inches high and includes the phrase "VIOLATION OF THIS NOTICE CONSTITUTES A MISDEMEANOR-SECTION 6.78.120(d)(6)", posted conspicuously on the property and at the entrance to the parking lot or area surrounding the Commercial Cannabis Activity.

"(a) It is a misdemeanor for any person to loiter, as defined herein of this Section, upon any private parking lot or private property surrounding a commercial establishment when a notice has been posted or has been caused to be posted by the owner of such property, as set forth herein.

"(b) For the purposes of this Section, the term "loitering" is defined as follows: Entering, remaining, prowling or wandering about, whether in a motor vehicle or on foot, upon property of another without visible or lawful business with the owner or occupant thereof.

"(6) The Commercial Cannabis Activity shall prepare and present to the County a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.

"(7) Permittees shall notify the Stanislaus County Sheriff's Office and the Licensing Authority within 24 hours after discovering any of the following:

"(a) Significant discrepancies identified during inventory;

"(b) Diversion, theft, loss, or any criminal activity involving the permittee or any agent or employee of the permittee;

"(c) The loss or unauthorized alteration of records related to the permitted activities, or employees or agents; or

"(d) Any other breach of security.

"(8) The County may at any time review the effectiveness of the Permittee's security plan or of any other requirement of this Chapter and direct the Permittee to make reasonable changes to the security plan deemed necessary by the County to ensure the public's safety and security."

Section 11. Section 6.78.120, subparagraph (E), of the Stanislaus County Code is amended to read as follows:

"E. Signage and Notices.

"(1) Display of CCA Permit and County Business License. The original copy of each Commercial Cannabis Activity permit issued by the County pursuant to this Chapter and the County issued business

license shall be posted inside the Commercial Cannabis Activity in a location readily-visible to the public.

- "(2) In addition to the requirements otherwise set forth in this Section, business identification signage for a Commercial Cannabis Activity shall conform to the requirements of the Stanislaus County Code.
- "(3) No signs placed on the premises of a Commercial Cannabis Activity shall obstruct any entrance or exit to the building or any window.
- "(4) Each entrance to a Commercial Cannabis Activity Premises shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis in the parking areas, on the premises or in the areas adjacent to the Premises is prohibited.
- "(5) No Commercial Cannabis Activity shall advertise by having a person or device holding a sign and advertising the activity to passersby, whether such person is on the Premises of the Commercial Cannabis Activity or elsewhere including, but not limited to, the public right-of-way.
- "(6) The entrance to the Commercial Cannabis Activity shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the Commercial Cannabis Activity, unless otherwise permitted by law."

Section 12. Section 21.20.030, subparagraph (H), of the Stanislaus County Code is amended to read as follows:

"H. Commercial cannabis cultivation or nursery activities and distribution activities (limited to permitted commercial cannabis product grown on-site) subject to Section 21.08.020(0) of this title, may be allowed when conducted within a greenhouse or accessory agricultural storage building as permitted by Title 6 of the County Code."

Section 13. This ordinance shall take effect thirty (30) days from and after the date of its passage and before the expiration of fifteen (15) days after its passage it shall be published once, with the names of the members voting for and against the same, in the Modesto Bee, a newspaper published in the County of Stanislaus, State of California.

Upon motion of Supervisor _____, seconded by Supervisor _____, the foregoing resolution was passed and adopted at a regular meeting of the Board of Supervisors of the County of Stanislaus, State of California, the ____ day of _____, 2019, by the following called vote:

AYES: Supervisors:

NOES: Supervisors:

ABSENT: Supervisors:

Terrance Withrow, Chair of the Board of
Supervisors of the County of Stanislaus,
State of California

ATTEST:
Elizabeth King
Clerk of the Board of Supervisors of the
County of Stanislaus, State of California

By_ Deputy

APPROVED AS TO FORM:
Thomas Boze
County Counsel

By  _____
Thomas E. Boze

ORDINANCE NO. C.S. _____

AN ORDINANCE AMENDING CHAPTER 6.78 “COMMERCIAL CANNABIS ACTIVITIES” AND CHAPTER 21.20 “GENERAL AGRICULTURE DISTRICT (A-2)” MAKING AMENDMENTS TO LAND USE POLICIES REGARDING COMMERCIAL CANNABIS ACTIVITIES IN STANISLAUS COUNTY

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA, ORDAINS AS FOLLOWS:

Section 1. Section 6.78.010 of the Stanislaus County Code is amended to read as follows:

“6.78.010 Purpose.

“It is the purpose and intent of this Chapter to regulate the cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transportation, distribution, delivery, or sale of medicinal and adult-use cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of Stanislaus County and to enforce its rules and regulations consistent with state law. It is the further purpose and intent of this Chapter to require all commercial cannabis activities to obtain and renew annually a Stanislaus County issued permit to operate within the County. Nothing in this Chapter is intended to authorize the possession, use, or sale of cannabis for purposes that violate state or federal law. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct activity in the County.”

Section 2. Section 6.78.020 of the Stanislaus County Code is amended to read as follows:

“6.78.020 Authority.

“Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter “MAUCRSA”), any subsequent state legislation and/or regulations regarding the same, the County of Stanislaus is constitutionally empowered and statutorily authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activities. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in Stanislaus County to all Commercial Cannabis Activity.”

Section 3. Section 6.78.030 of the Stanislaus County Code is amended to read as follows:

“6.78.030 Definitions.

“When used in this Chapter, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder, and is deemed to include any successor or amended version of the referenced statute or regulatory provision. The definitions included in this Section do not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health and Safety Code.

- “A. “A-license” means a license issued under this Chapter for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess a physician’s recommendation.
- “B. “Applicant” means the person or persons applying for a Commercial Cannabis Activity Permit pursuant to this Chapter.
- “C. “Batch” means a specific quantity of homogeneous cannabis or cannabis product that is one of the following types:
 - “(1) “Harvest batch” means a specifically identified quantity of dried flower or trim, leaves, and other cannabis plant matter that is uniform in strain, harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals, and harvested at the same time.
 - “(2) “Manufactured cannabis batch” means either of the following:
 - “(a) An amount of cannabis concentrates or extract that is produced in one production cycle using the same extraction methods and standard operating procedures.
 - “(b) An amount of a type of manufactured cannabis produced in one production cycle using the same formulation and standard operating procedures.
- “D. “Bureau” means the California Bureau of Cannabis Control.
- “E. “Cannabinoid” or “phytocannabinoid” means a chemical compound that is unique to and derived from cannabis.
- “F. “Cannabis” has the same meaning as defined in California Business and Professions Code section 26001, as may be amended from time to time. For the purpose of this Chapter, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the Health and Safety Code.
- “G. “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 Health and Safety Code, or drug, as defined by Section 109925 of the Health and Safety Code.

- "H. "Cannabis products" has the same meaning as in Section 11018.1 of the Health and Safety Code and as that section may be amended, and means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
- "I. "Canopy" means all of the following:
 - "(1) The designated area(s) at a licensed premises that will contain mature plants at any point in time;
 - "(2) Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries;
 - "(3) Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least 10 feet of open space; and
 - "(4) If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
- "J. "Caregiver" or "Primary Caregiver" has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.
- "K. "County" or "County of Stanislaus County" means the County of Stanislaus.
- "L. "Commercial Cannabis Activity" means the any one of the following: commercial cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medicinal or non-medicinal cannabis or a medicinal or non-medicinal cannabis product. For the purposes of this Section, "Commercial Cannabis Activity" does not include the personal use activities as defined in Section 11362.1 and Section 11362.2 of the California Health and Safety Code.
- "M. "Commercial cannabis cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of

cannabis, other than solely for personal use, for sale or distribution.

- “N. “Commercial Cannabis Activity Permit” (sometimes referred to herein as “CCA Permit”) means a regulatory permit issued by the County pursuant to this Chapter to a Commercial Cannabis Activity, and is required before any Commercial Cannabis Activity may be conducted in the County.
- “O. “Cultivation” means any activity involving the planting, growing, harvesting, or processing (including drying, curing, grading, trimming, storing, packaging, or labeling) of nonmanufactured cannabis. Cultivation includes indoor, mixed-light, natural light, or nursery cultivation. Cultivation outside of a structure is prohibited within Stanislaus County.
- “P. “Cultivation site” means a location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.
- “Q. “Customer” means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician’s recommendation.
- “R. “Day Care Center” or “Child Care Center” means any state licensed child care facility of any capacity, other than a Family Day Care or Family Child Care home, as defined in Section 101152(c)(7) of the California Code of Regulations, in which less than 24-hour per day non-medical care and supervision are provided to children in a group setting.
- “S. “Delivery” means the commercial transfer of cannabis or cannabis products to a customer.
- “T. “Distribution” means the procurement, sale, and transport of cannabis and cannabis products between entities licensed pursuant to this Chapter.
- “U. “Distributor” means a person holding a valid Commercial Cannabis Activity Permit for distribution issued by the County of Stanislaus, and, a valid state license for distribution, required by state law to engage in the activity of purchasing cannabis from a licensed cultivator, or cannabis products from a license manufacturer, for sale to a licensed Retailer.
- “V. “Dried flower” means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- “W. “Edible cannabis product” means manufactured cannabis 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 Food

and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

- “X. “Family Day Care” or “Family Child Care” means regularly provided care, protection and supervision of children, in the caregiver's own home, for periods of less than 24 hours per day, while the parents or authorized representatives are away, as defined in Section 102352(f)(1) of the California Code of Regulations.
- “Y. “Greenhouse” means a permanent structure protected by an exterior envelope or assembly that provides protection of all structural members from the detrimental effects of the exterior environment. These assemblies may include, but are not limited to, translucent roof and wall panels. The structure shall be provided with means to control temperature and/or humidity for the cultivation or protection of plants. Structures of a temporary or non-secure nature, including but not limited to movable greenhouses, tents, and hoop houses, are not considered a greenhouse for purposes of commercial cannabis cultivation.
- “Z. “Hearing officer” means a person appointed by the Chair of the Board of Supervisors to conduct an administrative hearing under this Chapter.
- “AA. “Indoor cultivation” means the cannabis of cannabis within a fully enclosed building using artificial light, at a rate greater than 25 watts per square foot.
- “BB. “Labeling” means any label or other written, printed, or graphic matter upon a cannabis product, upon its container.
- “CC. “License” means a state license, including both an A-license and an M-license, as well as a testing laboratory license, issued under this Chapter for cannabis or cannabis products.
- “DD. “Licensing Authority” means the state agency responsible for the issuance, renewal, or reinstatement of a license for a Commercial Cannabis Activity, or the state agency authorized to take disciplinary action against the license. Licensing Authority is differentiated from the County as the local permitting authority.
- “EE. “Live plants” means living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.
- “FF. “Local jurisdiction” means a city, county, or city and county.
- “GG. “Lot” means a batch or a specifically identified portion of a batch.
- “HH. “M-license” means a license issued under this Chapter for Commercial Cannabis Activity involving medicinal cannabis.

- “II. “Manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.
- “JJ. “Manufactured cannabis” or “cannabis product” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.
- “KK. “Manufacturer” means a Commercial Cannabis Activity Permittee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or containers.
- “LL. “Manufacturing Facility” means a location that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products, 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 person issued a valid Commercial Cannabis Activity Permit for manufacturing from the County of Stanislaus and, a valid state license as required for manufacturing of cannabis products.
- “(1) Manufacturing Facility Volatile – Facility which manufactures cannabis products using volatile solvents, which involves the use of solvents which produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.
- “(2) Manufacturing Facility Non-Volatile – Facility which manufactures cannabis products using nonvolatile solvents, or no solvents.
- “MM. “Medicinal cannabis” or “Medicinal cannabis product” means a product containing cannabis, including, but not limited to, flowers, concentrates and extractions, intended to be sold for use by a medicinal cannabis patient in California who possesses a physician’s recommendation, pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this Chapter, “medicinal cannabis” does not include “industrial hemp” as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.
- “NN. “Mixed-light cultivation” means the cultivation of cannabis in a greenhouse using light deprivation and/or artificial lighting below a

rate of 25 watts per square foot.

- “OO. “Natural Light Cultivation” means the cultivation of cannabis without the use of light deprivation and/or artificial lighting in the canopy area.
- “PP. “Nursery” means the production of only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.
- “QQ. “Operation” means any act for which a permit is required under the provisions of this Chapter, or any commercial transfer of cannabis or cannabis products.
- “RR. “Owner” means any of the following:
- “(1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a permit or a Permittee, 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 license.
- “SS. “Package” means any container or receptacle used for holding cannabis or cannabis products.
- “TT. “Park” means an area created, established, designated, or maintained by a city, a county, a special district, the State, the Federal government, or a private association for public play, recreation, or enjoyment or for the protection of natural resources and features at the site.
- “UU. “Patient” or “qualified patient” shall have the same definition as California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health & Safety Code Section 11362.5.
- “VV. “Permittee” means the Owner(s) of the Commercial Cannabis Activity and who are issued a Commercial Cannabis Activity permit under this Chapter, regardless of whether the permit held is an A-license or an M-license, and includes the holder of a testing laboratory license.
- “WW. “Person” includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, activity trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
- “XX. “Person with an identification card” as used herein shall be defined as it is in California Health and Safety Code Section 11362.7.

- “YY. “Physician’s recommendation” means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
- “ZZ. “Premises” means the designated building or buildings and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or Permittee where the Commercial Cannabis Activity will be or is conducted.
- “AAA. “Purchaser” means the customer who is engaged in a transaction with a Permittee for purposes of obtaining cannabis or cannabis products.
- “BBB. “Primary caregiver” has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- “CCC. “Property Owner” means the person or persons who hold the present interest and beneficial use of the subject property.
- “DDD. “Qualified Patient” has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- “EEE. “Retailer” means a commercial cannabis business 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 (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid Commercial Cannabis Activity permit from the County of Stanislaus authorizing the operation of a Retailer, and a valid state license as required by state law to operate a Retailer.
- “(1) Retailer Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *open* to the public, from which commercial cannabis activities are conducted.
- “(2) Retailer Non-Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *closed* to the public, from which commercial cannabis activities are conducted.
- “FFF. “Sale,” “sell,” and “to sell” includes barter, exchange, trade, keep for sale, offer for sale, or expose for sale, in any of their variant forms and any transaction whereby, for any consideration, title to cannabis or cannabis products are transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of

cannabis or cannabis products by a Permittee to the Permittee from whom the cannabis or cannabis product was purchased.

“GGG. “School” For purposes of this Chapter, school means any public or private school providing instruction in kindergarten or grades 1-12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

“HHH. “State” means the State of California.

“III. “State license” means a permit or license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same to engage in Commercial Cannabis Activity.

“JJJ. “Testing laboratory” means a facility, laboratory, entity, or site in the state that offers or performs test 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 Activity in the State.

“(2) Licensed by the California Bureau of Cannabis Affairs.

“KKK. “Transport” means the transfer of cannabis products from the permitted activity location of one Permittee to the permitted activity location of another Permittee, for the purposes of conducting Commercial Cannabis Activity authorized by MAUCRSA which may be amended or repealed by any subsequent State of California legislation regarding the same.

“LLL. “Unique identifier” means an alphanumeric code or designation used for reference to a specific plant on a licensed premises and any cannabis or cannabis product derived or manufactured from that plant.

“MMM. “Youth center” means a public or non-profit operated facility established for the purposes of providing social and recreational opportunities for children ages 11 to 18 years old. The term “youth center” does not include “youth instructional facilities.”

“NNN. “Youth instructional facilities” means any commercially operated facility that provides supervised instruction to children below 18 years old, examples include, but are not limited to, instruction in art, music, dance, gymnastics, cheer, sports, martial arts, or tutoring.”

Section 4. Section 6.78.050, subparagraph (A), of the Stanislaus County Code is amended to read as follows:

“A. It is the responsibility of the owners and operators of the Commercial

Cannabis Activity to ensure that it is always operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions that violate federal, state law or local law with respect to the operation of a Commercial Cannabis Activity. It shall be the responsibility of the owners and the operators of the Commercial Cannabis Activity to ensure that all Commercial Cannabis Activity is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the Commercial Cannabis Activity Permit.”

Section 5. Section 6.78.060 of the Stanislaus County Code is amended to read as follows:

“6.78.060 Permits Required.

“A. Prior to operation of any Commercial Cannabis Activity the following shall be obtained:

“(1) Commercial Cannabis Activity Permit (“CCA Permit”). A CCA Permit to operate any Commercial Cannabis Activity in the unincorporated areas of the County shall be obtained from the treasurer-tax collector, in accordance with the provisions of this Chapter.

“(a) No more than 61 CCA permits may be issued within the unincorporated areas of the County. Each Commercial Cannabis Activity shall require a separate CCA Permit. For purposes of this Chapter, A-license type activities and M-license type activities are not separate and distinct activities. Registration for permits shall be opened at the discretion of the CEO in accordance with board policy.

“(b) Prior to issuance of a CCA Permit, applicants shall demonstrate that they meet the standards which are established in the application requirements or further amendments to the application process as established by the County Chief Executive Officer under section 6.78.210. Each application for a CCA Permit shall be referred to the various County departments to ensure all other regulatory standards have been met.

“(c) Each Commercial Cannabis Activity permit issued pursuant to this Chapter shall expire one year after the date of its issuance. Commercial Cannabis Activity Permits may be renewed as provided in Section 6.78.200.

- “(2) Development Agreement. Prior to operating in the county and as a condition of issuance of the CCA Permit, the Permittee of each Commercial Cannabis Activity shall enter into a development agreement, as specified in Title 22 of the Stanislaus County Code, with the County setting forth the terms and conditions under which the Commercial Cannabis Activity will operate that are in addition to the requirements of this Chapter, and such other terms and conditions that will protect and promote the public health, safety and welfare.
- “(3) Land Use Permit. Prior to operating, Permittee shall obtain all necessary entitlements as required by Title 21 of the Stanislaus County Code. Any permit required in accordance with Title 21 may be conditioned to apply greater restrictions than those required by this Chapter.
- “(4) State License. Pursuant to California Business and Professions Code section 26053(a), upon implementation of state regulations, a valid license from the State shall be required to operate any Commercial Cannabis Activity or to engage in any Commercial Cannabis Activity.

 - “(a) Copies of any and all documentation provided to any State agency for the purposes of obtaining a State license for any Commercial Cannabis Activity within Stanislaus County shall also be provided to the County within five calendar days of being submitted to the State.
- “B. General. It is unlawful for a person to engage in any Commercial Cannabis Activity within the unincorporated areas of Stanislaus County including cultivation, manufacturing, processing, laboratory testing, storing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the Commercial Cannabis Activity is in compliance with all applicable state and local laws and regulations pertaining to Commercial Cannabis Activity, including the duty to obtain any required state licenses.
- “C. The Permittee shall post or cause to be posted their local CCA Permit and any State Commercial Cannabis Permit, required to operate. Such posting shall be at a location visible to the patrons and near the point of sale at the operating site, and in all vehicles that deliver or transport cannabis product.
- “D. No CCA Permit shall be issued unless and until all land use entitlements and development agreements have been approved by the County and all necessary State licenses, permits and approvals have been obtained. Commercial Cannabis Activities which have obtained their CCA Permit shall have six months from the effective date of issuance of the permit to obtain the required licenses from the State. If all State licenses and approvals required to operate the Commercial Cannabis Activity are not obtained within the six month period the CCA Permit shall not be renewed.

- “E. Fees and Charges. All Commercial Cannabis Activity authorized to operate under this Chapter shall pay all sales, use, activity and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each Commercial Cannabis Activity shall produce its books and records to the County for the purpose of verifying compliance with this Section, including, but not limited to, a verification of the amount of taxes required to be paid during any period.”

Section 6. Section 6.78.070 of the Stanislaus County Code is amended to read as follows:

“6.78.070 Commercial Cannabis Retailers and Deliveries.

- “A. Number of Permits Limited. No more than seven Retailers shall be issued a CCA Permit by Stanislaus County to operate as a commercial cannabis Retailer at one time in all unincorporated County zoning districts combined.
- “B. Physical location required. Both Storefront Retailers and Non-Storefront Retailers are required to maintain a physical location within the unincorporated county area from which the commercial cannabis activities that are permitted under this Chapter are conducted.
- “C. Limits on hours of operation. A licensed Retailer shall only sell cannabis during the hours of eight a.m. Pacific Time to 10:00 p.m. Pacific Time, or as otherwise stated in project approvals, and shall not otherwise be open to the public outside of those hours.
- “D. Retailers shall ensure that all cannabis and cannabis products held for sale by the Retailer are cultivated, manufactured, transported, distributed, and tested by California licensed and permitted facilities that are in full conformance with all state and local regulations.
- “(1) Retailers shall not distribute any cannabis or cannabis product unless such products are labeled and in a tamper-evident package in compliance with Chapter 12, “Packaging and Labeling,” of Division 10 of the California Business and Professions Code and any additional rules promulgated by a Licensing Authority.
- “(2) Possession or delivery of any form of illegal drugs without proper legal authorization under state law shall be grounds for revocation of permits.
- “(3) Permittees shall not provide free samples of any type, including cannabis goods, to any person and shall not allow any person to provide free samples on the Permittee’s premises.
- “E. Delivery. Delivery shall be conducted in accordance with California Business and Professions Code Section 26090 or as may be amended from

time to time and all state regulations pertaining to delivery of cannabis products. Retailers and Micro-businesses shall only deliver to customers within a jurisdiction that does not expressly prohibit delivery within their jurisdictional boundary by ordinance.

- “(1) All Deliveries shall be conducted by an employee of the Permittee who is at least 21 years of age.
- “(2) All Deliveries shall be made in person to a physical address and product must be delivered physically to the requesting customer at the address indicated on the delivery request. Delivery may not be made by drop-off or to any person other than the requesting customer.
- “(3) Cannabis and Cannabis Products to be delivered shall be pre-package for sale and placed in an opaque package prior to delivery. Only the product to be delivered shall be maintained in the vehicle.
- “(4) Cannabis and Cannabis Products to be delivered shall be maintained out of the public view and shall be held within a separately locked and secured area contained within the delivery vehicle at all times until arrival at the delivery address. All delivery vehicle doors shall be locked and all vehicle windows secured when unoccupied. Permittee shall continuously electronically monitor the location of each delivery vehicle and shall at any and all times be able to identify the current location of each delivery vehicle within 50 feet of its actual location. Permittee’s security plan shall include provisions relating to vehicle security and the protection of employees and product during delivery.
- “(5) Permittee’s delivery employees shall carry no cash, nor shall there be any cash held within the delivery vehicle, except for the driver’s personal funds, funds collected from a customer purchasing cannabis goods via delivery, or any small bills sent out with the delivery driver as change to facilitate transactions with customers. Notwithstanding the aforementioned, in no case shall any delivery driver be permitted to leave the licensed premises with over \$500 in cash.

“F. Security. In addition to the operational standards required by Section 6.78.120 of this Chapter, the following security measures are required to be implemented for all Commercial Cannabis Retailers in unincorporated Stanislaus County:

- “(1) For M-type Retailers, verify the age and all necessary documentation of each customer to ensure the customer is not under the age of 18 years and that the potential customer has a valid doctor's recommendation. For A-type Retailers, verify the age of customers to ensure persons under the age of 21 are not permitted.

- “(2) Entrances into the retail location shall be locked at all times with entry strictly controlled. A "buzz-in" electronic/mechanical entry system shall be utilized to limit access to and entry to the Retailer to separate it from the reception/lobby area unless there is a security guard physically present and primarily stationed in the reception/lobby to monitor customer ingress and egress into the Retail Area.
- “(3) Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, prevent sampling or use of product in parking areas, and to serve as a visual deterrent to unlawful activities.
- “(4) Retailers may only display in the retail sales area of the Retailer that quantity of cannabis and cannabis products reasonably anticipated to meet the daily demand for sale on-site sales and only during operating hours. All other inventory shall be maintained in a secured area.
- “(5) All restroom facilities shall remain locked and under the control of management.”

Section 7. Section 6.78.080, subparagraph (D) and (G), of the Stanislaus County Code are amended to read as follows:

- “D. Visibility. In no case, shall cannabis plants be visible from offsite, including transfer. No visual markers indicating that cannabis is cultivated on the site shall be visible from offsite. All greenhouse cultivation activities shall be fully enclosed by an opaque fence, made of uniform material, at least seven feet in height. The fence must be adequately secured by a locked gate to prevent unauthorized entry. The fence design and construction material shall be approved by the County.
- “G. Commercial Cannabis Cultivation activities in the A-2 zoning district shall be limited to cultivation, nursery, or distribution (limited to permitted commercial cannabis product grown on-site) within the following type of structure:
 - “(1) Greenhouse.
 - “(2) Accessory storage buildings may be utilized provided the following criteria is met:
 - “(a) The building must meet the requirements of Section 6.78.120(B).
 - “(b) No more than 10,000 square feet of cultivation or nursery canopy shall be allowed.”

Section 8. Section 6.78.120, subsections (A)(3) and (A)(6), of the Stanislaus

County Code are amended to read as follows:

- “A. General Applicability. The following operational standards apply to all Commercial Cannabis Activities permitted in the County.
- “(3) Recognizing the unique concern for the potential impacts of commercial cannabis activities to cities with an adopted ordinance banning commercial cannabis activities, written approval from any city in Stanislaus County with an adopted ordinance banning commercial cannabis activities shall be required prior to approval of any discretionary land use entitlement of a commercial cannabis activity located within a one-half mile radius outside of the SOI of the city, with the following exceptions:
- “(a) Any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan. Within these Community Plan Areas, land use entitlement applications for a commercial cannabis activity shall be subject to subsection (A)(5)
- “(b) Any areas where there is overlap between the one-half mile radius outside of the SOI and a LAFCO adopted SOI of a different city. In this case, the LAFCO adopted SOI shall govern as reflected in the preceding sub-paragraph (2).
- “(6) Prior to approval of any land use entitlement allowing for a Commercial Cannabis Activity the following setback requirements shall be met, unless a waiver or reduction is granted:
- “(a) Any building utilized for the operation of a commercial cannabis activity shall be located a minimum of 200 feet from any: legal dwelling located on a parcel under different ownership; or a library. Setbacks required by this section shall be subject to the following:
- “i. Setbacks from dwellings shall be measured from the nearest point of the area of a building used for the commercial cannabis activity to the nearest point of the dwellings utilized for interior living space.
- “ii. Setbacks from a library shall be measured from the nearest point of the area of the building used for the commercial cannabis activity to the boundary of the parcel improved with the library.
- “(b) When located in the A-2 (General Agriculture) zoning districts, any building utilized for commercial cannabis cultivation shall be setback a minimum of 50 feet from the boundary of any adjoining parcel under different ownership.
- “(c) The decision making body of the discretionary land use

entitlement for a commercial cannabis activity may waive or reduce the setback requirements of this subsection if any of the following apply:

- “i. The site of the commercial cannabis activity is physically separated from the off-site dwelling by either: a building or other structure blocking line of sight; or a physical barrier such as, but not limited to, a wall or canal prohibiting direct path of travel between parcels exists to mitigate potential environmental or security impacts resulting from the commercial cannabis activity.
- “ii. The decision making body determines that such a waiver or reduction will not result in material detriment to the welfare or the property of persons located in the vicinity, based on findings of fact.”

Section 9. Section 6.78.120, subparagraph (B), of the Stanislaus County Code is amended to read as follows:

- “B. Site control. All Commercial Cannabis Activity shall meet the following site control standards:
 - “(1) Secure Building. All Commercial Cannabis Activities shall occur entirely inside of a building that shall be secure, locked, and fully enclosed, with a ceiling, roof or top. With the exception of a greenhouse utilized for cultivation the following criteria shall also be met:
 - “(a) The building, including all walls, doors, and the roof, shall be of solid construction, and shall include material strong enough to prevent entry except through an open door.
 - “(b) All buildings utilized in conjunction with Commercial Cannabis Activities shall include walls with a minimum thickness of six inches. All walls shall be of solid construction and shall be faced on each side of the framing members.
 - “(c) Existing structures. Any existing structure to be utilized for commercial cannabis activities shall meet the standard above and shall obtain building permits for any improvements required to meet said building standard. Improvements shall include materials which are no less compliant with the provisions of the most current adopted California Building Code than the existing building or structure was prior to the alteration.”

Section 10. Section 6.78.120, subparagraph (C), of the Stanislaus County Code is amended to read as follows:

- “C. Security Measures. Permittee shall provide a security plan to the Sheriff’s Department for review and approval. The security plan shall be reviewed annually or as often as deemed necessary by the Sheriff’s Department. The security plan shall include security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the Commercial Cannabis Activity and shall include, but shall not be limited to, all of the following:
- “(1) Preventing individuals from remaining on the Premises if they are not engaging in an activity directly related to the permitted operations of the Commercial Cannabis Activity.
 - “(2) Establishing limited access areas accessible only to authorized Commercial Cannabis Activity personnel.
 - “(3) Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants that are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.
 - “(4) Security system requirements.
 - “(a) The building shall include a professionally installed and maintained alarm system, monitored by an alarm company or private security company. The alarm system shall monitor all perimeter entry points and windows.
 - “(b) Installation of 24-hour infrared security surveillance cameras of at least HD-quality with minimum camera resolution of 1280 x 1024 pixels to monitor activity occurring within 20 feet of all entrances and exits to and from the premises, all interior spaces within the Commercial Cannabis Activity which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis, all interior spaces where diversion of cannabis could reasonably occur, and parking lot areas in a manner sufficient to clearly observe facial features and to obtain a clear view of license plates as vehicles enter. All cameras must be fixed and placement shall allow for the clear and certain identification of any person and activities in controlled areas of the licensed premises. All entrances and exits shall be recorded from both indoor and outdoor, or ingress and egress vantage points. All areas covered by the

camera shall have adequate lighting to effectively record images.

- “i. The surveillance camera system data storage device must be secured on the licensed premises in a lockbox, cabinet, closet, or secured in another manner to protect from employee tampering or criminal theft. All cameras must record continuously twenty-four hours per day and at a minimum of ten frames per second. Any and all video or audio recordings made for security or other purposes shall be marked with the date and time made and shall be kept, in an unaltered state, for a period of forty-five (45) days and must be made available to the County or Sheriff Department for duplication upon demand. All recorded images must clearly and accurately display the time and date. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards.
 - “ii. Fish-eye cameras may be used only where approved by the Sheriff’s Department.
 - “(c) Alarm System sensors shall be installed to detect entry and exit from all secure areas.
 - “(d) Alarm system panic buttons shall be installed in all permitted Premises as directed by the Sheriff’s Department.
 - “(e) Any bars installed on the windows or the doors of the Commercial Cannabis Activity shall be installed only on the interior of the building.
 - “(f) Perimeter lighting systems (motion sensor) for after-hours security are required as directed by the Sheriff’s Department.
 - “(g) Security personnel shall be on-site as required by the county-approved security plan. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the Sheriff’s Department, with such approval not to be unreasonably withheld.
 - “(h) Each Commercial Cannabis Activity shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
- “(5) Loitering. The Permittee of a Commercial Cannabis Activity shall erect signs prohibiting loitering which are not less than one square foot in area bearing the words "LOITERING PROHIBITED" in letters

not less than two inches high and includes the phrase "VIOLATION OF THIS NOTICE CONSTITUTES A MISDEMEANOR—SECTION 6.78.120(d)(6)", posted conspicuously on the property and at the entrance to the parking lot or area surrounding the Commercial Cannabis Activity.

- "(a) It is a misdemeanor for any person to loiter, as defined herein of this Section, upon any private parking lot or private property surrounding a commercial establishment when a notice has been posted or has been caused to be posted by the owner of such property, as set forth herein.
- "(b) For the purposes of this Section, the term "loitering" is defined as follows: Entering, remaining, prowling or wandering about, whether in a motor vehicle or on foot, upon property of another without visible or lawful business with the owner or occupant thereof.
- "(6) The Commercial Cannabis Activity shall prepare and present to the County a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.
- "(7) Permittees shall notify the Stanislaus County Sheriff's Office and the Licensing Authority within 24 hours after discovering any of the following:
 - "(a) Significant discrepancies identified during inventory;
 - "(b) Diversion, theft, loss, or any criminal activity involving the permittee or any agent or employee of the permittee;
 - "(c) The loss or unauthorized alteration of records related to the permitted activities, or employees or agents; or
 - "(d) Any other breach of security.
- "(8) The County may at any time review the effectiveness of the Permittee's security plan or of any other requirement of this Chapter and direct the Permittee to make reasonable changes to the security plan deemed necessary by the County to ensure the public's safety and security."

Section 11. Section 6.78.120, subparagraph (E), of the Stanislaus County Code is amended to read as follows:

"E. Signage and Notices.

- "(1) Display of CCA Permit and County Business License. The original copy of each Commercial Cannabis Activity permit issued by the County pursuant to this Chapter and the County issued business

license shall be posted inside the Commercial Cannabis Activity in a location readily-visible to the public.

- “(2) In addition to the requirements otherwise set forth in this Section, business identification signage for a Commercial Cannabis Activity shall conform to the requirements of the Stanislaus County Code.
- “(3) No signs placed on the premises of a Commercial Cannabis Activity shall obstruct any entrance or exit to the building or any window.
- “(4) Each entrance to a Commercial Cannabis Activity Premises shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis in the parking areas, on the premises or in the areas adjacent to the Premises is prohibited.
- “(5) No Commercial Cannabis Activity shall advertise by having a person or device holding a sign and advertising the activity to passersby, whether such person is on the Premises of the Commercial Cannabis Activity or elsewhere including, but not limited to, the public right-of-way.
- “(6) Reserved
- “(7) Permittees shall agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the Permittee is prohibited from advertising any Commercial Cannabis Activity located in Stanislaus County utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the unincorporated area of Stanislaus County. This paragraph is not intended to place limitations on the ability of a Commercial Cannabis Activity to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.
- “(8) The entrance to the Commercial Cannabis Activity shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the Commercial Cannabis Activity, unless otherwise permitted by law.”

Section 12. Section 21.20.030, subparagraph (H), of the Stanislaus County Code is amended to read as follows:

- “H. Commercial cannabis cultivation or nursery activities and distribution activities (limited to permitted commercial cannabis product grown on-site) subject to Section 21.08.020(D) of this title, may be allowed when conducted within a greenhouse or accessory agricultural storage building as permitted by Title 6 of the County Code.”

Section 13. This ordinance shall take effect thirty (30) days from and after the date of its passage and before the expiration of fifteen (15) days after its passage it shall be published once, with the names of the members voting for and against the same, in the Modesto Bee, a newspaper published in the County of Stanislaus, State of California.

Upon motion of Supervisor _____, seconded by Supervisor _____, the foregoing resolution was passed and adopted at a regular meeting of the Board of Supervisors of the County of Stanislaus, State of California, the _____ day of _____, 2019, by the following called vote:

AYES: Supervisors:

NOES: Supervisors:

ABSENT: Supervisors:

Terrance Withrow, Chair of the Board of
Supervisors of the County of Stanislaus,
State of California

ATTEST:
Elizabeth King
Clerk of the Board of Supervisors of the
County of Stanislaus, State of California

By _____
Deputy

APPROVED AS TO FORM:
Thomas Boze
County Counsel

By _____
Thomas E. Boze

ORDINANCE NO. C.S. 1258

AN ORDINANCE AMENDING CHAPTER 6.78 "COMMERCIAL CANNABIS ACTIVITIES" AND CHAPTER 21.20 "GENERAL AGRICULTURE DISTRICT (A-2)" MAKING AMENDMENTS TO LAND USE POLICIES REGARDING COMMERCIAL CANNABIS ACTIVITIES IN STANISLAUS COUNTY

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA, ORDAINS AS FOLLOWS:

Section 1. Section 6.78.010 of the Stanislaus County Code is amended to read as follows:

"6.78.010 Purpose.

"It is the purpose and intent of this Chapter to regulate the cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transportation, distribution, delivery, or sale of medicinal and adult-use cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of Stanislaus County and to enforce its rules and regulations consistent with state law. It is the further purpose and intent of this Chapter to require all commercial cannabis activities to obtain and renew annually a Stanislaus County issued permit to operate within the County. Nothing in this Chapter is intended to authorize the possession, use, or sale of cannabis for purposes that violate state or federal law. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct activity in the County."

Section 2. Section 6.78.020 of the Stanislaus County Code is amended to read as follows:

"6.78.020 Authority.

"Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter "MAUCRSA"), any subsequent state legislation and/or regulations regarding the same, the County of Stanislaus is constitutionally empowered and statutorily authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activities. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in Stanislaus County to all Commercial Cannabis Activity."

Section 3. Section 6.78.030 of the Stanislaus County Code is amended to read as follows:

"6.78.030 Definitions.

"When used in this Chapter, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder, and is deemed to include any successor or amended version of the referenced statute or regulatory provision. The definitions included in this Section do not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health and Safety Code.

- "A. "A-license" means a license issued under this Chapter for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess a physician's recommendation.
- "B. "Applicant" means the person or persons applying for a Commercial Cannabis Activity Permit pursuant to this Chapter.
- "C. "Batch" means a specific quantity of homogeneous cannabis or cannabis product that is one of the following types:
 - "(1) "Harvest batch" means a specifically identified quantity of dried flower or trim, leaves, and other cannabis plant matter that is uniform in strain, harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals, and harvested at the same time.
 - "(2) "Manufactured cannabis batch" means either of the following:
 - "(a) An amount of cannabis concentrates or extract that is produced in one production cycle using the same extraction methods and standard operating procedures.
 - "(b) An amount of a type of manufactured cannabis produced in one production cycle using the same formulation and standard operating procedures.
- "D. "Bureau" means the California Bureau of Cannabis Control.
- "E. "Cannabinoid" or "phytocannabinoid" means a chemical compound that is unique to and derived from cannabis.
- "F. "Cannabis" has the same meaning as defined in California Business and Professions Code section 26001, as may be amended from time to time. For the purpose of this Chapter, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.
- "G. "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 Health and Safety Code, or drug, as defined by Section 109925 of the Health and Safety Code.

- "H. "Cannabis products" has the same meaning as in Section 11018.1 of the Health and Safety Code and as that section may be amended, and means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
- "I. "Canopy" means all of the following:
 - "(1) The designated area(s) at a licensed premises that will contain mature plants at any point in time;
 - "(2) Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries;
 - "(3) Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least 10 feet of open space; and
 - "(4) If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
- "J. "Caregiver" or "Primary Caregiver" has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.
- "K. "County" or "County of Stanislaus County" means the County of Stanislaus.
- "L. "Commercial Cannabis Activity" means the any one of the following: commercial cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medicinal or non-medicinal cannabis or a medicinal or non-medicinal cannabis product. For the purposes of this Section, "Commercial Cannabis Activity" does not include the personal use activities as defined in Section 11362.1 and Section 11362.2 of the California Health and Safety Code.
- "M. "Commercial cannabis cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of

cannabis, other than solely for personal use, for sale or distribution.

- “N. “Commercial Cannabis Activity Permit” (sometimes referred to herein as “CCA Permit”) means a regulatory permit issued by the County pursuant to this Chapter to a Commercial Cannabis Activity, and is required before any Commercial Cannabis Activity may be conducted in the County.
- “O. “Cultivation” means any activity involving the planting, growing, harvesting, or processing (including drying, curing, grading, trimming, storing, packaging, or labeling) of nonmanufactured cannabis. Cultivation includes indoor, mixed-light, natural light, or nursery cultivation. Cultivation outside of a structure is prohibited within Stanislaus County.
- “P. “Cultivation site” means a location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.
- “Q. “Customer” means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician’s recommendation.
- “R. “Day Care Center” or “Child Care Center” means any state licensed child care facility of any capacity, other than a Family Day Care or Family Child Care home, as defined in Section 101152(c)(7) of the California Code of Regulations, in which less than 24-hour per day non-medical care and supervision are provided to children in a group setting.
- “S. “Delivery” means the commercial transfer of cannabis or cannabis products to a customer.
- “T. “Distribution” means the procurement, sale, and transport of cannabis and cannabis products between entities licensed pursuant to this Chapter.
- “U. “Distributor” means a person holding a valid Commercial Cannabis Activity Permit for distribution issued by the County of Stanislaus, and, a valid state license for distribution, required by state law to engage in the activity of purchasing cannabis from a licensed cultivator, or cannabis products from a license manufacturer, for sale to a licensed Retailer.
- “V. “Dried flower” means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- “W. “Edible cannabis product” means manufactured cannabis 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 Food

and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

- “X. “Family Day Care” or “Family Child Care” means regularly provided care, protection and supervision of children, in the caregiver's own home, for periods of less than 24 hours per day, while the parents or authorized representatives are away, as defined in Section 102352(f)(1) of the California Code of Regulations.
- “Y. “Greenhouse” means a permanent structure protected by an exterior envelope or assembly that provides protection of all structural members from the detrimental effects of the exterior environment. These assemblies may include, but are not limited to, translucent roof and wall panels. The structure shall be provided with means to control temperature and/or humidity for the cultivation or protection of plants. Structures of a temporary or non-secure nature, including but not limited to movable greenhouses, tents, and hoop houses, are not considered a greenhouse for purposes of commercial cannabis cultivation.
- “Z. “Hearing officer” means a person appointed by the Chair of the Board of Supervisors to conduct an administrative hearing under this Chapter.
- “AA. “Indoor cultivation” means the cannabis of cannabis within a fully enclosed building using artificial light, at a rate greater than 25 watts per square foot.
- “BB. “Labeling” means any label or other written, printed, or graphic matter upon a cannabis product, upon its container.
- “CC. “License” means a state license, including both an A-license and an M-license, as well as a testing laboratory license, issued under this Chapter for cannabis or cannabis products.
- “DD. “Licensing Authority” means the state agency responsible for the issuance, renewal, or reinstatement of a license for a Commercial Cannabis Activity, or the state agency authorized to take disciplinary action against the license. Licensing Authority is differentiated from the County as the local permitting authority.
- “EE. “Live plants” means living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.
- “FF. “Local jurisdiction” means a city, county, or city and county.
- “GG. “Lot” means a batch or a specifically identified portion of a batch.
- “HH. “M-license” means a license issued under this Chapter for Commercial Cannabis Activity involving medicinal cannabis.

- “II. “Manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.
- “JJ. “Manufactured cannabis” or “cannabis product” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.
- “KK. “Manufacturer” means a Commercial Cannabis Activity Permittee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or containers.
- “LL. “Manufacturing Facility” means a location that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products, 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 person issued a valid Commercial Cannabis Activity Permit for manufacturing from the County of Stanislaus and, a valid state license as required for manufacturing of cannabis products.
- “(1) Manufacturing Facility Volatile – Facility which manufactures cannabis products using volatile solvents, which involves the use of solvents which produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.
- “(2) Manufacturing Facility Non-Volatile – Facility which manufactures cannabis products using nonvolatile solvents, or no solvents.
- “MM. “Medicinal cannabis” or “Medicinal cannabis product” means a product containing cannabis, including, but not limited to, flowers, concentrates and extractions, intended to be sold for use by a medicinal cannabis patient in California who possesses a physician’s recommendation, pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this Chapter, “medicinal cannabis” does not include “industrial hemp” as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.
- “NN. “Mixed-light cultivation” means the cultivation of cannabis in a greenhouse using light deprivation and/or artificial lighting below a

rate of 25 watts per square foot.

- “OO. “Natural Light Cultivation” means the cultivation of cannabis without the use of light deprivation and/or artificial lighting in the canopy area.
- “PP. “Nursery” means the production of only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.
- “QQ. “Operation” means any act for which a permit is required under the provisions of this Chapter, or any commercial transfer of cannabis or cannabis products.
- “RR. “Owner” means any of the following:
 - “(1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a permit or a Permittee, 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 license.
- “SS. “Package” means any container or receptacle used for holding cannabis or cannabis products.
- “TT. “Park” means an area created, established, designated, or maintained by a city, a county, a special district, the State, the Federal government, or a private association for public play, recreation, or enjoyment or for the protection of natural resources and features at the site.
- “UU. “Patient” or “qualified patient” shall have the same definition as California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health & Safety Code Section 11362.5.
- “VV. “Permittee” means the Owner(s) of the Commercial Cannabis Activity and who are issued a Commercial Cannabis Activity permit under this Chapter, regardless of whether the permit held is an A-license or an M-license, and includes the holder of a testing laboratory license.
- “WW. “Person” includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, activity trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
- “XX. “Person with an identification card” as used herein shall be defined as it is in California Health and Safety Code Section 11362.7.

- “YY. “Physician’s recommendation” means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
- “ZZ. “Premises” means the designated building or buildings and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or Permittee where the Commercial Cannabis Activity will be or is conducted.
- “AAA. “Purchaser” means the customer who is engaged in a transaction with a Permittee for purposes of obtaining cannabis or cannabis products.
- “BBB. “Primary caregiver” has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- “CCC. “Property Owner” means the person or persons who hold the present interest and beneficial use of the subject property.
- “DDD. “Qualified Patient” has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- “EEE. “Retailer” means a commercial cannabis business 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 (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid Commercial Cannabis Activity permit from the County of Stanislaus authorizing the operation of a Retailer, and a valid state license as required by state law to operate a Retailer.
- “(1) Retailer Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *open* to the public, from which commercial cannabis activities are conducted.
- “(2) Retailer Non-Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *closed* to the public, from which commercial cannabis activities are conducted.
- “FFF. “Sale,” “sell,” and “to sell” includes barter, exchange, trade, keep for sale, offer for sale, or expose for sale, in any of their variant forms and any transaction whereby, for any consideration, title to cannabis or cannabis products are transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of

cannabis or cannabis products by a Permittee to the Permittee from whom the cannabis or cannabis product was purchased.

“GGG. “School” For purposes of this Chapter, school means any public or private school providing instruction in kindergarten or grades 1-12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

“HHH. “State” means the State of California.

“III. “State license” means a permit or license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same to engage in Commercial Cannabis Activity.

“JJJ. “Testing laboratory” means a facility, laboratory, entity, or site in the state that offers or performs test 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 Activity in the State.

“(2) Licensed by the California Bureau of Cannabis Affairs.

“KKK. “Transport” means the transfer of cannabis products from the permitted activity location of one Permittee to the permitted activity location of another Permittee, for the purposes of conducting Commercial Cannabis Activity authorized by MAUCRSA which may be amended or repealed by any subsequent State of California legislation regarding the same.

“LLL. “Unique identifier” means an alphanumeric code or designation used for reference to a specific plant on a licensed premises and any cannabis or cannabis product derived or manufactured from that plant.

“MMM. “Youth center” means a public or non-profit operated facility established for the purposes of providing social and recreational opportunities for children ages 11 to 18 years old. The term “youth center” does not include “youth instructional facilities.”

“NNN. “Youth instructional facilities” means any commercially operated facility that provides supervised instruction to children below 18 years old, examples include, but are not limited to, instruction in art, music, dance, gymnastics, cheer, sports, martial arts, or tutoring.”

Section 4. Section 6.78.050, subparagraph (A), of the Stanislaus County Code is amended to read as follows:

“A. It is the responsibility of the owners and operators of the Commercial

Cannabis Activity to ensure that it is always operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions that violate federal, state law or local law with respect to the operation of a Commercial Cannabis Activity. It shall be the responsibility of the owners and the operators of the Commercial Cannabis Activity to ensure that all Commercial Cannabis Activity is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the Commercial Cannabis Activity Permit."

Section 5. Section 6.78.060 of the Stanislaus County Code is amended to read as follows:

"6.78.060 Permits Required.

"A. Prior to operation of any Commercial Cannabis Activity the following shall be obtained:

"(1) Commercial Cannabis Activity Permit ("CCA Permit"). A CCA Permit to operate any Commercial Cannabis Activity in the unincorporated areas of the County shall be obtained from the treasurer-tax collector, in accordance with the provisions of this Chapter.

"(a) No more than 61 CCA permits may be issued within the unincorporated areas of the County. Each Commercial Cannabis Activity shall require a separate CCA Permit. For purposes of this Chapter, A-license type activities and M-license type activities are not separate and distinct activities. Registration for permits shall be opened at the discretion of the CEO in accordance with board policy.

"(b) Prior to issuance of a CCA Permit, applicants shall demonstrate that they meet the standards which are established in the application requirements or further amendments to the application process as established by the County Chief Executive Officer under section 6.78.210. Each application for a CCA Permit shall be referred to the various County departments to ensure all other regulatory standards have been met.

"(c) Each Commercial Cannabis Activity permit issued pursuant to this Chapter shall expire one year after the date of its issuance. Commercial Cannabis Activity Permits may be renewed as provided in Section 6.78.200.

- “(2) Development Agreement. Prior to operating in the county and as a condition of issuance of the CCA Permit, the Permittee of each Commercial Cannabis Activity shall enter into a development agreement, as specified in Title 22 of the Stanislaus County Code, with the County setting forth the terms and conditions under which the Commercial Cannabis Activity will operate that are in addition to the requirements of this Chapter, and such other terms and conditions that will protect and promote the public health, safety and welfare.
 - “(3) Land Use Permit. Prior to operating, Permittee shall obtain all necessary entitlements as required by Title 21 of the Stanislaus County Code. Any permit required in accordance with Title 21 may be conditioned to apply greater restrictions than those required by this Chapter.
 - “(4) State License. Pursuant to California Business and Professions Code section 26053(a), upon implementation of state regulations, a valid license from the State shall be required to operate any Commercial Cannabis Activity or to engage in any Commercial Cannabis Activity.
 - “(a) Copies of any and all documentation provided to any State agency for the purposes of obtaining a State license for any Commercial Cannabis Activity within Stanislaus County shall also be provided to the County within five calendar days of being submitted to the State.
- “B. General. It is unlawful for a person to engage in any Commercial Cannabis Activity within the unincorporated areas of Stanislaus County including cultivation, manufacturing, processing, laboratory testing, storing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the Commercial Cannabis Activity is in compliance with all applicable state and local laws and regulations pertaining to Commercial Cannabis Activity, including the duty to obtain any required state licenses.
- “C. The Permittee shall post or cause to be posted their local CCA Permit and any State Commercial Cannabis Permit, required to operate. Such posting shall be at a location visible to the patrons and near the point of sale at the operating site, and in all vehicles that deliver or transport cannabis product.
- “D. No CCA Permit shall be issued unless and until all land use entitlements and development agreements have been approved by the County and all necessary State licenses, permits and approvals have been obtained. Commercial Cannabis Activities which have obtained their CCA Permit shall have six months from the effective date of issuance of the permit to obtain the required licenses from the State. If all State licenses and approvals required to operate the Commercial Cannabis Activity are not obtained within the six month period the CCA Permit shall not be renewed.

- “E. Fees and Charges. All Commercial Cannabis Activity authorized to operate under this Chapter shall pay all sales, use, activity and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each Commercial Cannabis Activity shall produce its books and records to the County for the purpose of verifying compliance with this Section, including, but not limited to, a verification of the amount of taxes required to be paid during any period.”

Section 6. Section 6.78.070 of the Stanislaus County Code is amended to read as follows:

“6.78.070 Commercial Cannabis Retailers and Deliveries.

- “A. Number of Permits Limited. No more than seven Retailers shall be issued a CCA Permit by Stanislaus County to operate as a commercial cannabis Retailer at one time in all unincorporated County zoning districts combined.
- “B. Physical location required. Both Storefront Retailers and Non-Storefront Retailers are required to maintain a physical location within the unincorporated county area from which the commercial cannabis activities that are permitted under this Chapter are conducted.
- “C. Limits on hours of operation. A licensed Retailer shall only sell cannabis during the hours of eight a.m. Pacific Time to 10:00 p.m. Pacific Time, or as otherwise stated in project approvals, and shall not otherwise be open to the public outside of those hours.
- “D. Retailers shall ensure that all cannabis and cannabis products held for sale by the Retailer are cultivated, manufactured, transported, distributed, and tested by California licensed and permitted facilities that are in full conformance with all state and local regulations.
- “(1) Retailers shall not distribute any cannabis or cannabis product unless such products are labeled and in a tamper-evident package in compliance with Chapter 12, “Packaging and Labeling,” of Division 10 of the California Business and Professions Code and any additional rules promulgated by a Licensing Authority.
- “(2) Possession or delivery of any form of illegal drugs without proper legal authorization under state law shall be grounds for revocation of permits.
- “(3) Permittees shall not provide free samples of any type, including cannabis goods, to any person and shall not allow any person to provide free samples on the Permittee’s premises.
- “E. Delivery. Delivery shall be conducted in accordance with California Business and Professions Code Section 26090 or as may be amended from

time to time and all state regulations pertaining to delivery of cannabis products. Retailers and Micro-businesses shall only deliver to customers within a jurisdiction that does not expressly prohibit delivery within their jurisdictional boundary by ordinance.

- “(1) All Deliveries shall be conducted by an employee of the Permittee who is at least 21 years of age.
- “(2) All Deliveries shall be made in person to a physical address and product must be delivered physically to the requesting customer at the address indicated on the delivery request. Delivery may not be made by drop-off or to any person other than the requesting customer.
- “(3) Cannabis and Cannabis Products to be delivered shall be pre-package for sale and placed in an opaque package prior to delivery. Only the product to be delivered shall be maintained in the vehicle.
- “(4) Cannabis and Cannabis Products to be delivered shall be maintained out of the public view and shall be held within a separately locked and secured area contained within the delivery vehicle at all times until arrival at the delivery address. All delivery vehicle doors shall be locked and all vehicle windows secured when unoccupied. Permittee shall continuously electronically monitor the location of each delivery vehicle and shall at any and all times be able to identify the current location of each delivery vehicle within 50 feet of its actual location. Permittee’s security plan shall include provisions relating to vehicle security and the protection of employees and product during delivery.
- “(5) Permittee’s delivery employees shall carry no cash, nor shall there be any cash held within the delivery vehicle, except for the driver’s personal funds, funds collected from a customer purchasing cannabis goods via delivery, or any small bills sent out with the delivery driver as change to facilitate transactions with customers. Notwithstanding the aforementioned, in no case shall any delivery driver be permitted to leave the licensed premises with over \$500 in cash.

“F. Security. In addition to the operational standards required by Section 6.78.120 of this Chapter, the following security measures are required to be implemented for all Commercial Cannabis Retailers in unincorporated Stanislaus County:

- “(1) For M-type Retailers, verify the age and all necessary documentation of each customer to ensure the customer is not under the age of 18 years and that the potential customer has a valid doctor’s recommendation. For A-type Retailers, verify the age of customers to ensure persons under the age of 21 are not permitted.

- “(2) Entrances into the retail location shall be locked at all times with entry strictly controlled. A "buzz-in" electronic/mechanical entry system shall be utilized to limit access to and entry to the Retailer to separate it from the reception/lobby area unless there is a security guard physically present and primarily stationed in the reception/lobby to monitor customer ingress and egress into the Retail Area.
- “(3) Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, prevent sampling or use of product in parking areas, and to serve as a visual deterrent to unlawful activities.
- “(4) Retailers may only display in the retail sales area of the Retailer that quantity of cannabis and cannabis products reasonably anticipated to meet the daily demand for sale on-site sales and only during operating hours. All other inventory shall be maintained in a secured area.
- “(5) All restroom facilities shall remain locked and under the control of management.”

Section 7. Section 6.78.080, subparagraph (D) and (G), of the Stanislaus County Code are amended to read as follows:

- “D. Visibility. In no case, shall cannabis plants be visible from offsite, including transfer. No visual markers indicating that cannabis is cultivated on the site shall be visible from offsite. All greenhouse cultivation activities shall be fully enclosed by an opaque fence, made of uniform material, at least seven feet in height. The fence must be adequately secured by a locked gate to prevent unauthorized entry. The fence design and construction material shall be approved by the County.
- “G. Commercial Cannabis Cultivation activities in the A-2 zoning district shall be limited to cultivation, nursery, or distribution (limited to permitted commercial cannabis product grown on-site) within the following type of structure:
 - “(1) Greenhouse.
 - “(2) Accessory storage buildings may be utilized provided the following criteria is met:
 - “(a) The building must meet the requirements of Section 6.78.120(B).
 - “(b) No more than 10,000 square feet of cultivation or nursery canopy shall be allowed.”

Section 8. Section 6.78.120, subsections (A)(3) and (A)(6), of the Stanislaus

County Code are amended to read as follows:

- “A. General Applicability. The following operational standards apply to all Commercial Cannabis Activities permitted in the County.
 - “(3) Recognizing the unique concern for the potential impacts of commercial cannabis activities to cities with an adopted ordinance banning commercial cannabis activities, written approval from any city in Stanislaus County with an adopted ordinance banning commercial cannabis activities shall be required prior to approval of any discretionary land use entitlement of a commercial cannabis activity located within a one-half mile radius outside of the SOI of the city, with the following exceptions:
 - “(a) Any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan. Within these Community Plan Areas, land use entitlement applications for a commercial cannabis activity shall be subject to subsection (A)(5)
 - “(b) Any areas where there is overlap between the one-half mile radius outside of the SOI and a LAFCO adopted SOI of a different city. In this case, the LAFCO adopted SOI shall govern as reflected in the preceding sub-paragraph (2).
 - “(6) Prior to approval of any land use entitlement allowing for a Commercial Cannabis Activity the following setback requirements shall be met, unless a waiver or reduction is granted:
 - “(a) Any building utilized for the operation of a commercial cannabis activity shall be located a minimum of 200 feet from any: legal dwelling located on a parcel under different ownership; or a library. Setbacks required by this section shall be subject to the following:
 - “i. Setbacks from dwellings shall be measured from the nearest point of the area of a building used for the commercial cannabis activity to the nearest point of the dwellings utilized for interior living space.
 - “ii. Setbacks from a library shall be measured from the nearest point of the area of the building used for the commercial cannabis activity to the boundary of the parcel improved with the library.
 - “(b) When located in the A-2 (General Agriculture) zoning districts, any building utilized for commercial cannabis cultivation shall be setback a minimum of 50 feet from the boundary of any adjoining parcel under different ownership.
 - “(c) The decision making body of the discretionary land use

entitlement for a commercial cannabis activity may waive or reduce the setback requirements of this subsection if any of the following apply:

- “i. The site of the commercial cannabis activity is physically separated from the off-site dwelling by either: a building or other structure blocking line of sight; or a physical barrier such as, but not limited to, a wall or canal prohibiting direct path of travel between parcels exists to mitigate potential environmental or security impacts resulting from the commercial cannabis activity.
- “ii. The decision making body determines that such a waiver or reduction will not result in material detriment to the welfare or the property of persons located in the vicinity, based on findings of fact.”

Section 9. Section 6.78.120, subparagraph (B), of the Stanislaus County Code is amended to read as follows:

- “B. Site control. All Commercial Cannabis Activity shall meet the following site control standards:
 - “(1) Secure Building. All Commercial Cannabis Activities shall occur entirely inside of a building that shall be secure, locked, and fully enclosed, with a ceiling, roof or top. With the exception of a greenhouse utilized for cultivation the following criteria shall also be met:
 - “(a) The building, including all walls, doors, and the roof, shall be of solid construction, and shall include material strong enough to prevent entry except through an open door.
 - “(b) All buildings utilized in conjunction with Commercial Cannabis Activities shall include walls with a minimum thickness of six inches. All walls shall be of solid construction and shall be faced on each side of the framing members.
 - “(c) Existing structures. Any existing structure to be utilized for commercial cannabis activities shall meet the standard above and shall obtain building permits for any improvements required to meet said building standard. Improvements shall include materials which are no less compliant with the provisions of the most current adopted California Building Code than the existing building or structure was prior to the alteration.”

Section 10. Section 6.78.120, subparagraph (C), of the Stanislaus County Code is amended to read as follows:

- “C. Security Measures. Permittee shall provide a security plan to the Sheriff’s Department for review and approval. The security plan shall be reviewed annually or as often as deemed necessary by the Sheriff’s Department. The security plan shall include security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the Commercial Cannabis Activity and shall include, but shall not be limited to, all of the following:
- “(1) Preventing individuals from remaining on the Premises if they are not engaging in an activity directly related to the permitted operations of the Commercial Cannabis Activity.
 - “(2) Establishing limited access areas accessible only to authorized Commercial Cannabis Activity personnel.
 - “(3) Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants that are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.
 - “(4) Security system requirements.
 - “(a) The building shall include a professionally installed and maintained alarm system, monitored by an alarm company or private security company. The alarm system shall monitor all perimeter entry points and windows.
 - “(b) Installation of 24-hour infrared security surveillance cameras of at least HD-quality with minimum camera resolution of 1280 x 1024 pixels to monitor activity occurring within 20 feet of all entrances and exits to and from the premises, all interior spaces within the Commercial Cannabis Activity which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis, all interior spaces where diversion of cannabis could reasonably occur, and parking lot areas in a manner sufficient to clearly observe facial features and to obtain a clear view of license plates as vehicles enter. All cameras must be fixed and placement shall allow for the clear and certain identification of any person and activities in controlled areas of the licensed premises. All entrances and exits shall be recorded from both indoor and outdoor, or ingress and egress vantage points. All areas covered by the

camera shall have adequate lighting to effectively record images.

- “i. The surveillance camera system data storage device must be secured on the licensed premises in a lockbox, cabinet, closet, or secured in another manner to protect from employee tampering or criminal theft. All cameras must record continuously twenty-four hours per day and at a minimum of ten frames per second. Any and all video or audio recordings made for security or other purposes shall be marked with the date and time made and shall be kept, in an unaltered state, for a period of forty-five (45) days and must be made available to the County or Sheriff Department for duplication upon demand. All recorded images must clearly and accurately display the time and date. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards.
 - “ii. Fish-eye cameras may be used only where approved by the Sheriff’s Department.
 - “(c) Alarm System sensors shall be installed to detect entry and exit from all secure areas.
 - “(d) Alarm system panic buttons shall be installed in all permitted Premises as directed by the Sheriff’s Department.
 - “(e) Any bars installed on the windows or the doors of the Commercial Cannabis Activity shall be installed only on the interior of the building.
 - “(f) Perimeter lighting systems (motion sensor) for after-hours security are required as directed by the Sheriff’s Department.
 - “(g) Security personnel shall be on-site as required by the county-approved security plan. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the Sheriff’s Department, with such approval not to be unreasonably withheld.
 - “(h) Each Commercial Cannabis Activity shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
- “(5) Loitering. The Permittee of a Commercial Cannabis Activity shall erect signs prohibiting loitering which are not less than one square foot in area bearing the words "LOITERING PROHIBITED" in letters

not less than two inches high and includes the phrase "VIOLATION OF THIS NOTICE CONSTITUTES A MISDEMEANOR—SECTION 6.78.120(d)(6)", posted conspicuously on the property and at the entrance to the parking lot or area surrounding the Commercial Cannabis Activity.

- "(a) It is a misdemeanor for any person to loiter, as defined herein of this Section, upon any private parking lot or private property surrounding a commercial establishment when a notice has been posted or has been caused to be posted by the owner of such property, as set forth herein.
- "(b) For the purposes of this Section, the term "loitering" is defined as follows: Entering, remaining, prowling or wandering about, whether in a motor vehicle or on foot, upon property of another without visible or lawful business with the owner or occupant thereof.
- "(6) The Commercial Cannabis Activity shall prepare and present to the County a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.
- "(7) Permittees shall notify the Stanislaus County Sheriff's Office and the Licensing Authority within 24 hours after discovering any of the following:
 - "(a) Significant discrepancies identified during inventory;
 - "(b) Diversion, theft, loss, or any criminal activity involving the permittee or any agent or employee of the permittee;
 - "(c) The loss or unauthorized alteration of records related to the permitted activities, or employees or agents; or
 - "(d) Any other breach of security.
- "(8) The County may at any time review the effectiveness of the Permittee's security plan or of any other requirement of this Chapter and direct the Permittee to make reasonable changes to the security plan deemed necessary by the County to ensure the public's safety and security."

Section 11. Section 6.78.120, subparagraph (E), of the Stanislaus County Code is amended to read as follows:

"E. Signage and Notices.

- "(1) Display of CCA Permit and County Business License. The original copy of each Commercial Cannabis Activity permit issued by the County pursuant to this Chapter and the County issued business

license shall be posted inside the Commercial Cannabis Activity in a location readily-visible to the public.

- “(2) In addition to the requirements otherwise set forth in this Section, business identification signage for a Commercial Cannabis Activity shall conform to the requirements of the Stanislaus County Code.
- “(3) No signs placed on the premises of a Commercial Cannabis Activity shall obstruct any entrance or exit to the building or any window.
- “(4) Each entrance to a Commercial Cannabis Activity Premises shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis in the parking areas, on the premises or in the areas adjacent to the Premises is prohibited.
- “(5) No Commercial Cannabis Activity shall advertise by having a person or device holding a sign and advertising the activity to passersby, whether such person is on the Premises of the Commercial Cannabis Activity or elsewhere including, but not limited to, the public right-of-way.
- “(6) Reserved
- “(7) Permittees shall agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the Permittee is prohibited from advertising any Commercial Cannabis Activity located in Stanislaus County utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the unincorporated area of Stanislaus County. This paragraph is not intended to place limitations on the ability of a Commercial Cannabis Activity to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.
- “(8) The entrance to the Commercial Cannabis Activity shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the Commercial Cannabis Activity, unless otherwise permitted by law.”

Section 12. Section 21.20.030, subparagraph (H), of the Stanislaus County Code is amended to read as follows:

- “H. Commercial cannabis cultivation or nursery activities and distribution activities (limited to permitted commercial cannabis product grown on-site) subject to Section 21.08.020(D) of this title, may be allowed when conducted within a greenhouse or accessory agricultural storage building as permitted by Title 6 of the County Code.”

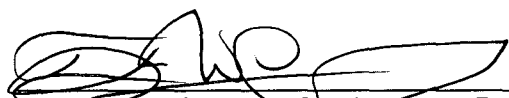
Section 13. This ordinance shall take effect thirty (30) days from and after the date of its passage and before the expiration of fifteen (15) days after its passage it shall be published once, with the names of the members voting for and against the same, in the Modesto Bee, a newspaper published in the County of Stanislaus, State of California.

Upon motion of Supervisor Olsen, seconded by Supervisor Chiesa, the foregoing resolution was passed and adopted at a regular meeting of the Board of Supervisors of the County of Stanislaus, State of California, the 5th day of November, 2019, by the following called vote:

AYES: Supervisors: Olsen, Chiesa, Berryhill, and Chairman Withrow

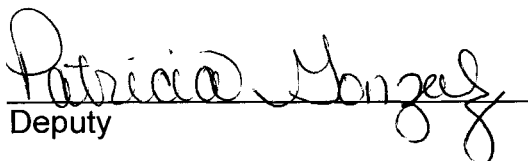
NOES: Supervisors: DeMartini

ABSENT: Supervisors: None




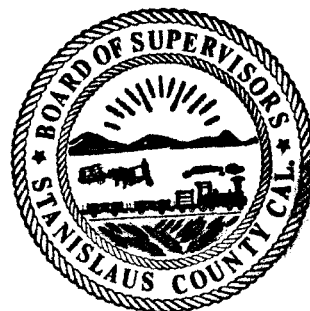
Terrance Withrow, Chair of the Board of Supervisors of the County of Stanislaus, State of California

ATTEST:
Elizabeth King
Clerk of the Board of Supervisors of the County of Stanislaus, State of California

By 
Deputy

APPROVED AS TO FORM:
Thomas Boze
County Counsel

By 
Thomas E. Boze



ORD-56-Q-1

**DECLARATION OF PUBLICATION
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS
STATE OF CALIFORNIA**

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of THE MODESTO BEE, printed in the City of MODESTO, County of STANISLAUS, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of STANISLAUS, State of California, Under the date of February 25, 1951, Action No. 46453; that the notice of which the annexed is a printed copy, has been published in each issue there of on the following dates, to wit:

Nov 14, 2019

STANISLAUS COUNTY

C.S. 1258

Upon motion of Supervisor Olsen, seconded by Supervisor Chiesa, Stanislaus County Ordinance C.S. 1258 was passed and adopted at a regular meeting of the Board of Supervisors of the County of Stanislaus, State of California, this 5th day of November 2019, by the following called vote: AYES: SUPERVISORS: Olsen, Chiesa, Berryhill, and Chairman Withrow. NOES: DeMartini. ABSENT: None. ABSTAINING: None.

Ordinance C.S. 1258 amends Chapter 6.78 - Commercial Cannabis Activities and Chapter 21.20 - General Agriculture District (A-2) of the Stanislaus County Code. The proposed land use related ordinance amendments apply to commercial cannabis activities in unincorporated Stanislaus County and include the following: minor technical amendments for the purposes of clarity and consistency with state regulations; minor amendments to the operating procedures of retail and cultivation activities; and an amendment to the definitions of cultivation and youth center. All commercial cannabis projects will continue to be subject to obtaining a discretionary land use permit and development agreement prior to obtaining a Stanislaus County Commercial Cannabis Activity Permit.

ADDITIONAL NOTICE IS GIVEN that this Ordinance will take effect thirty (30) days from and after the date of its passage.

NOTICE IS FURTHER GIVEN that a full copy of the proposed ordinance is available for review in the Clerk of the Board Office, 1010 10th Street, Suite 6700, Modesto, CA. For further information, contact Kristin Doud in the Department of Planning and Community Development at 209-525-6330, or 1010 10th Street, Suite 3400, 3rd Floor, Modesto, CA.

BY ORDER OF THE BOARD OF SUPERVISORS. DATED: November 5, 2019. ATTEST: Elizabeth A. King, Clerk of the Board of Supervisors of the County of Stanislaus, State of California. BY: Pam Villarreal, Deputy Clerk of the Board.

Pub Dates Nov 14, 2019

I certify (or declare) under penalty of perjury
That the foregoing is true and correct and that
This declaration was executed at

MODESTO, California on

November 14th, 2019

(By Electronic Facsimile Signature)



OA PLN2018-0037

COMMERCIAL CANNABIS ORDINANCES

**Board of Supervisors
November 5, 2019**



Background

- Voters Approved Prop 64 to Legalize Recreational Marijuana
- Board of Supervisors Adopted a Conservative Allowance Strategy of 61 Licenses/Permits, not more than 7 Retail
- Permitted Activities provide Revenue to address illegal Cannabis Activities
- Details available at www.stancounty.com/cannabis
 - Commercial Cannabis Activities Ordinance – Chapter 6.78
 - Zoning Ordinance Amendment
 - Commercial Cannabis Business Fees
 - Approved Enforcement Strategy and Application Process

Application Process

- County received 61 complete applications
- Requesting a total of 84 commercial cannabis permits
 - Reviewed and scored by 3rd party consultant
 - Must score 80% or greater to proceed in process, with exception of Retail (separate process)
 - Background check of all business and property owners
 - DOJ and FBI
- 33 applications, including 44 permits, moved forward into the land use entitlement and development agreement phase of the permitting process
 - Environmental review
 - Public notification
 - Planning Commission and Board of Supervisors Public Hearings

Overview

Applications approved by the Board of Supervisors to date:

- 16 locations
 - 6 indoor cultivation/nursery and distribution
 - 6 mixed-light cultivation/nursery and distribution
 - 4 retail
- 21 permits total approved

Overview

Second Application Process:

- Opened July 31 – August 28, 2019
- Existing Applicants that scored 70% or above and passed criminal background check
- Testing activities – open to any person
- Received a total of 9 permit requests, that included 1 testing facility

Overview

Proposed Land Use Related Ordinance Amendments:

- Requires Planning Commission consideration
- Chapter 6.78 – Commercial Cannabis Activities
 - Proposed amendments include:
 - Minor technical amendments for the purposes of formatting and consistency with state regulations
 - General operating standards
 - Operating procedures for retail and cultivation activities
 - Definitions of cultivation and youth center
- Chapter 21.20 - General Agriculture District (A-2)

Overview

- All commercial cannabis projects will continue to be subject to obtaining a discretionary land use permit and development agreement prior to obtaining a Stanislaus County Commercial Cannabis Activity Permit.
 - California Environmental Quality Act (CEQA)
 - Landowner Noticing
 - Public Hearings

Land Use Related Amendments

General Changes:

- Minor grammatical and formatting changes
- Minor clarifications for purpose of consistency with current State regulations

Land Use Related Amendments

All Commercial Cannabis Activities:

- General Operational Standards
 - Greenhouses
 - On-site Security
 - Advertising

Land Use Related Amendments

Cultivation:

- Indoor Cultivation in A-2
 - Ag Storage Building
 - Limited to 10,000 sf canopy
 - Concurrent change to A-2 Ordinance
- Fencing

Land Use Related Amendments

Retail Operating Standards:

- Hours of Operation
- Delivery
 - Cash on hand
- Limited Access and Security Presence

Land Use Related Amendments

Definitions:

■ Youth Instructional Facility

NNN. “Youth instructional facilities” means any commercially operated facility that provides supervised instruction to children below 18 years old, examples include, but are not limited to, instruction in art, music, dance, gymnastics, cheer, sports, martial arts, or tutoring.

■ Youth Facility

The term “youth center” does not include “youth instructional facilities.”

Land Use Related Amendments

Alternatives to Amending “Youth Center”

Definition:

- Case by case basis
 - Apply Waiver Findings to 600 foot youth center setback
 - Would require additional amendment to the Commercial Cannabis Activities Ordinance
 - Incorporate reduced setback into Development Agreement

General Plan and Ordinance Consistency

- General Plan
- Zoning (Title 21)
- Development Agreement (Title 22)
- Commercial Cannabis Activities (Chapter 6.78)
- Ordinance Amendment Findings

Planning Commission

- October 3, 2019 Planning Commission Meeting
 - One person spoke in opposition
 - Previously called Planning staff
 - One person spoke in favor
 - Planning Commission recommendation
 - Denial (5-3)

Recommendation

- Planning Commission recommendation
 - Denial
 - Findings
 - Project Approval
 - Environmental Determination
 - General Plan Consistency
 - Commercial Cannabis Activities Ordinance Amendment Findings
 - Introduce and Waive the Reading and Adopt the Ordinance

Questions



Overview

Applications approved by the Board of Supervisors to date:

- 6 indoor cultivation/nursery and distribution permits
 - Planned Industrial and Industrial Zoning Districts
 - North Modesto, Beard Tract, Keyes areas

Overview

Applications approved by the Board of Supervisors to date:

- 6 indoor mixed-light cultivation/nursery and distribution (limited to on-site production) permits
 - A-2 (General Agriculture) Zoning Districts
 - Patterson, Hickman, Vernalis, Westley areas

Overview

Applications approved by the Board of Supervisors to date:

- 4 retail permits
 - Commercial and Planned Development Zoning Districts
 - Denair, Empire, North Modesto, Crows Landing areas