

**BEFORE THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BENITO**

**AN ORDINANCE OF THE BOARD OF SUPERVISORS** )  
**OF THE COUNTY OF SAN BENITO, AMENDING** ) **Ordinance No.:** 974  
**CHAPTER 7.02 OF THE SAN BENITO COUNTY CODE** )  
**RELATING TO CANNABIS BUSINESSES** )

**THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BENITO ORDAINS AS FOLLOWS:**

**SECTION 1:** Chapter 7.02, Cannabis Businesses, shall be amended in its entirety to read as follows:

**Chapter 7.02: Cannabis Businesses.**

- 7.02.010 - Authority, Purpose, and Intent.
- 7.02.020 - Definitions.
- 7.02.030 - Prohibitions; Restriction on Alcohol & Tobacco.
- 7.02.040 - Cannabis Business Regulatory Program.
- 7.02.050 - Cannabis Business Permit.
- 7.02.051 - Application Review Procedure; Reservation of Rights.
- 7.02.052 - Applicant Evaluation Process.
- 7.02.053 - Cannabis Business Permit Issuance.
- 7.02.054 - Renewal of Cannabis Business Permit.
- 7.02.055 - Amended Application; Change in location.
- 7.02.056 - Transfer of Cannabis Business Permit.
- 7.02.060 - Cannabis Employee Work Permit.
- 7.02.061 - Application for Cannabis Employee Work Permit.
- 7.02.062 - Evaluation of Cannabis Employee Work Permit Application.
- 7.02.063 - Issuance of Cannabis Employee Work Permit.
- 7.02.064 - Renewal of Cannabis Employee Work Permit.
- 7.02.065 - Amended Cannabis Employee Work Permit.
- 7.02.070 - Denial, Non-Renewal, Suspension, or Revocation of Permit.
- 7.02.080 - Appeal Process.
- 7.02.090 - Fees and Charges; Debt Owed to County.
- 7.02.100 - General Requirements Applicable to All Cannabis Businesses.
- 7.02.110 - General Operating Requirements.
- 7.02.120 - Retail Prohibited.
- 7.02.130 - Operating Requirements for Out-of-County Delivery Services.
- 7.02.140 - Operating Requirements for Cultivators.
- 7.02.150 - Operating Requirements for Distributors.
- 7.02.160 - Operating Requirements for Testing laboratories. Laboratories.
- 7.02.170 - Operating Requirements for Manufacturers.
- 7.02.180 - Operating Requirements for Microbusinesses.
- 7.02.190 - [RESERVED]
- 7.02.200 - Inspection and Enforcement.
- 7.02.210 - Compliance with State and Local Laws.
- 7.02.220 - Permittee Responsible for Violations.
- 7.02.230 - Limitations on County's Liability.

**Section 7.02.010. Authority, Purpose, and Intent.**

- A. Pursuant to Article XI, Section 7 of the California Constitution, the County of San Benito is authorized to adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its citizens, including, but not limited to, those which establish standards, requirements and regulations for the licensing and permitting of commercial cannabis activity, security, and worker protections pursuant the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter “MAUCRSA”), and any subsequent state legislation and/or regulations regarding same. Any standards, requirements, and regulations established by the State of California, or any of its departments or divisions, regarding commercial cannabis activity shall be the minimum standards applicable within the unincorporated area of the County of San Benito.
- B. It is the purpose and intent of this Chapter to implement the provisions of the MAUCRSA by providing a licensing scheme as a means of regulating commercial cannabis activities, including, but not limited to, cultivation, delivery, dispensing, distribution, manufacture, processing, propagation, retail sale, storage, transportation, and laboratory testing, in the unincorporated area of San Benito County in a manner that is consistent with State law and which balances the need to accommodate qualified patients with access to medicinal cannabis, the interests of persons 21 years of age and older choosing to access adult-use cannabis as authorized by the Control, Tax & Regulate the Adult Use Cannabis Act (“AUMA” or “Proposition 64” passed by California voters in 2016), and promotes the public health, safety, and general welfare.
- C. It is the further purpose and intent of this Chapter to require all cannabis business owners and operators to obtain and renew, annually, a permit to engage to certain commercial cannabis activities within the unincorporated area of the County of San Benito.
- D. Further, it is the purpose and intent of this Chapter to impose reasonable land use regulations to protect the County’s residents, neighborhoods, businesses, and the environment from disproportionately negative impacts caused by commercial cannabis activity, and to enforce rules and regulations consistent with state law.
- E. Nothing in this Chapter is intended, or shall be construed, to conflict with Federal or State law and/or to authorize the possession, use, or provision of cannabis, including any commercial cannabis activity, for purposes that violate State law and/or in violation of this Chapter. It is the stated intent of this Chapter to regulate commercial cannabis activity in the County of San Benito in compliance with all provisions of the AUMA and MAUCRSA, and any subsequent state legislation, and for this Chapter to be interpreted to be compatible with Federal and State enactments and in furtherance of the public purposes that those enactments encompass.
- F. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the County, and are in addition to any permits, licenses and approval required under state, County, or other law.

**Section 7.02.020. 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.

- A. “Adult-use cannabis” or “adult-use cannabis product” means cannabis or a cannabis product, respectively, intended for adults 21 years of age and over and who do not possess physician’s recommendations.
- B. “Applicant” means an owner applying for a Cannabis Business 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:
    - i. An amount of cannabis concentrate or extract that is produced in one production cycle using the same extraction methods and standard operating procedures.
    - ii. 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 Bureau of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Marijuana Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation.
- E. “Cannabis” means all parts of the *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the Health and Safety Code.
- F. “Cannabis accessories” means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis goods into the human body.
- G. “Cannabis business” means any business or operation which engages in any medicinal or adult-use commercial cannabis activity. “Cannabis business” also means the location at which a person engages in commercial cannabis activities.

- H. “Cannabis Business Permit” means a regulatory permit issued by the County of San Benito pursuant to this Chapter to a State-licensed cannabis business to engage in those commercial cannabis activities authorized by the permit and is required before any cannabis business may conduct any commercial cannabis activity in the County. The Cannabis Business Permit, and any annual renewal, is made expressly contingent upon the cannabis business’ ongoing compliance with all requirements of this Chapter and any regulations adopted by the County governing the specified type of commercial cannabis activity.
- I. “Cannabis business site” means a fixed-location, under the control of a State-Licensed cannabis business where the cannabis business is locally authorized to engage in commercial cannabis activity.
- J. “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 division. 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.
- K. “Cannabis Coordinator” means the County Administrative Officer, or his/her designee, responsible for (1) the issuance, renewal, or reinstatement of Cannabis Business Permits, and (2) authorized to initiate and/or take disciplinary and/or enforcement action against a permittee.
- L. “Cannabis Employee Work Permit” means a work permit issued by the County of San Benito pursuant to this Chapter to an employee-applicant within a cannabis business which authorizes the employee-applicant to be employed by a cannabis business and is required prior to commencing work.
- M. “Cannabis goods” means both cannabis and/or cannabis products.
- N. “Cannabis products” 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. “Cannabis products” shall also mean medicinal concentrates and medicinal cannabis products.
- O. “Canopy” means the designated area(s) at a State-licensed cannabis business site that will contain live cannabis plants at any point in time, as follows
1. Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain live cannabis plants at any point in time, including all of the space(s) within the boundaries;
  2. Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary which includes, but is not limited to, interior walls, shelves, greenhouse walls, hoop house walls, garden benches, hedgerows, fencing, garden beds, or garden plots; and
  3. If live cannabis plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
- P. “Caregiver” or “primary caregiver” has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.

- Q. “Child resistant” means designed or constructed to be significantly difficult for children under five (5) years of age to open, and not difficult for average adults to use properly.
- R. “County of San Benito” or “County” means the County of San Benito, as a political subdivision of the State of California or entity, and/or as related to the land or jurisdiction to which this Chapter applies, means the unincorporated area of the County of San Benito.
- S. “Commercial cannabis activity” or “cannabis business activity” includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, dispensing, or sale of cannabis and/or cannabis products as provided for in this Chapter.
- T. “Cultivation” means any activity involving the propagation, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- U. “Cultivation site” means a fixed-location, under the control of a cultivator or microbusiness where cannabis is cultivated.
- V. “Cultivator” means a State-licensed cannabis business that is locally authorized to engage in the cultivation of cannabis.
- W. “Customer” means a natural person 21 years of age or older or a natural person 18 years of age or older who possesses a physician’s recommendation, or a primary caregiver who is engaged in a transaction with a retailer or microbusiness for purposes of obtaining cannabis goods, i.e., purchase.
- X. “Delivery” or “deliver” means the commercial transfer of cannabis goods from a State-licensed retailer or State-licensed microbusiness to a customer or purchaser at a physical address. “Delivery” also includes the use by a retailer of any technology platform, whether or not owned and controlled by the retailer.
- Y. “Delivery employee” means an individual employed by a retailer or microbusiness, including an Out-of-County Delivery Service, who delivers cannabis goods from the authorized cannabis business site of the retailer or microbusiness to a customer or purchaser at a physical address.
- Z. “Delivery vehicle” means any motor vehicle operated by a delivery employee.
- AA. “Distribution” means the procurement, sale, and transport of cannabis goods between State-licensed cannabis businesses that are locally authorized to engage in commercial cannabis activity.
- BB. “Distribution employee” means an individual employed by a distributor or microbusiness who transports cannabis goods from one cannabis business site to another cannabis business site.
- CC. “Distribution vehicle” means any motor vehicle operated by a distribution employee.
- DD. “Distributor” means a State-licensed cannabis business that is locally authorized to engage in the distribution of cannabis goods.
- EE. “Dried flower” means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- FF. “Edible cannabis product” means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the

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.

- GG. "Employee" means an individual employed by a State-licensed cannabis business that is locally authorized to engage in commercial cannabis activity.
- HH. "Employee-applicant" means any person applying for a Cannabis Employee Work Permit pursuant to this Chapter.
- II. "Enforcing officer" means the San Benito County Administrative Officer, Health Officer, Resources Management Agency Director, Sheriff, or Agricultural Commissioner, or their authorized deputy(ies) or designee(s), or any person employed by the County of San Benito and appointed to the position of Cannabis Coordinator, or any person employed by the County of San Benito and appointed to the position of Code Enforcement Officer, as established by San Benito County Resolution No. 90-27 and Ordinances 567 and 625, each of whom is independently authorized to enforce this Chapter.
- JJ. "Engage in commercial cannabis activity" means the commencing, conducting, operating, managing or carrying on of a cannabis business and the exercise of corporate or franchise powers, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the unincorporated area of the County or coming into the unincorporated area of the County from an outside location to engage in cannabis business activities. A person shall be deemed engaged in cannabis business activities within the County if:
1. Such person or person's employee maintains a fixed place of business within unincorporated area of the County for the benefit or partial benefit of such person;
  2. Such person or person's employee owns or leases real property within the unincorporated area of County for business purposes;
  3. Such person or person's employee regularly maintains a stock of tangible personal property in the unincorporated area of County for sale in the ordinary course of business;
  4. Such person or person's employee regularly conducts solicitation of business within the unincorporated area of County;
  5. Such person or person's employee performs work or renders services in the unincorporated area of County; and
  6. Such person or person's employee utilizes the streets within the unincorporated area of County in connection with the operation of motor vehicles for business purposes.

The foregoing specified cannabis business activities shall not be a limitation on the meaning of "engaged in commercial cannabis activity."

- KK. "Flowering" means that a cannabis plant has formed a mass of pistils measuring greater than one half inch wide at its widest point.
- LL. "Greenhouse" means a completely enclosed structure whose structural members are made of pre-formed, rigid materials. The walls, roof, and ends are typically covered using a transparent material, often glass, and which allows solar radiation to penetrate

- the surface and affect the growing environment of plants.
- MM. “Hoop house” means a structure with structural members which are made of flexible and somewhat rigid construction materials, typically PVC pipe or similar material. The ends may be covered or left open and the material covering the structural members is readily removable and is typically removed and re-affixed frequently.
- NN. “Immature plant” means a cannabis plant that is nonflowering and is shorter and/or narrower than 18 inches.
- OO. “Indoor cultivation” means cultivation that is conducted within a fully enclosed, permitted building or structure, accessible only through one or more locking doors, which is secure against unauthorized entry, and which uses artificial light.
- PP. “Labeling” means any label or other written, printed, or graphic matter upon a cannabis good, upon its container or wrapper, or that accompanies any cannabis good.
- QQ. “Labor peace agreement” means an agreement between a State-Licensee and any bona fide labor organization that, at a minimum, protects the state’s proprietary interests by prohibiting labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with the applicant’s business. This agreement means that the applicant has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent the applicant’s employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the applicant’s employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under state law, and terms and conditions of employment. This type of agreement shall not mandate a particular method of election or certification of the bona fide labor organization.
- RR. “Legal parcel” means a parcel of real property for which one (1) legal title exists that may be separately sold in compliance with the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7 of the Government Code).
- SS. “Limited-access area” means an area in which cannabis goods, cash, business records, surveillance equipment, and the ability to control or monitor the surveillance equipment is/are stored or held and is only accessible to permittee’s authorized personnel.
- TT. “Live cannabis plants” means living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.
- UU. “Local jurisdiction of origin” means a city, county or city and county within California.
- VV. “Locally authorized” means a city, county or city and county within California that has issued a permit, license, or the like to any State-licensed cannabis business to engage in commercial cannabis activity with that jurisdiction.
- WW. “Lot” means a batch or a specifically identified portion of a batch.
- XX. “Manufacture” means to produce, prepare, propagate, or compound, or otherwise blend, extract, or infuse cannabis and/or a cannabis product either directly or indirectly, or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis.
- YY. “Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw cannabis has been transformed into a concentrate, extract, or other manufactured

product intended for either internal consumption, through inhalation or oral ingestion, or for topical application.

- ZZ. “Manufacturer” means a State-licensed cannabis business that is locally authorized to conduct the production, preparation, propagation, or compounding of cannabis goods 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 goods, or labels or relabels its container.
- AAA. “Manufacturing employee” means an individual employed by a manufacturer or microbusiness who is engaged in the performance or supervision of operations at a manufacturing site.
- BBB. “Manufacturing site” means a fixed-location, under the control of a manufacturer or microbusiness where cannabis goods are manufactured.
- CCC. “Mature plant” means a cannabis plant capable of producing the cannabis flower or is flowering, and is at least 18 inches tall and/or wide.
- DDD. “MAUCRSA” means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, California Business and Professions Code Section 26000 et seq.
- EEE. “Medicinal cannabis” or “medicinal cannabis product” means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a valid physician’s recommendation.
- FFF. “Microbusiness” means a State-Licensed cannabis business that is locally authorized to engage in the cultivation of cannabis on an area less than 10,000 square feet, and may additionally act as any three of the following: a State-Licensed, locally authorized distributor, cultivator, Level 1 manufacturer, or retailer under state law, provided such licensee can demonstrate compliance with all requirements imposed by state law on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the licensee engages in such activities. Microbusiness licenses that authorize cultivation of cannabis shall include the license conditions described in subdivision (b) of Section 26060.1 of the Business and Professions Code.
- GGG. “Mixed-light cultivation” means cultivation of cannabis using light deprivation, and both natural and/or artificial lighting during the growing cycle, and is conducted within a permitted greenhouse or similar structure, accessible only through one or more locking doors, which is secure against unauthorized entry. Mixed-light cultivation does not include cultivation within a hoop house or other similar unsecure structure.
- HHH. “Non-volatile solvent” means any solvent used in the extraction process that is not a volatile solvent as defined in Health and Safety Code Section 11362.3(b)(3). “Non-volatile solvent” includes carbon dioxide (CO<sub>2</sub>) used for extraction and ethanol, when used for extraction or post-extraction processing.
- III. “Nursery” means a cultivator that produces only clones, immature plants, seeds, and other agricultural products used specifically, for the propagation and cultivation of cannabis.
- JJJ. “Operation” means any activity for which a State-License and a Cannabis Business Permit is required under the provisions of this Chapter, including any commercial

transfer, including, but not limited to, delivery or distribution of cannabis goods.

- KKK. "Outdoor cultivation" means any commercial cannabis cultivation without the use of light deprivation and/or artificial lighting in the canopy area, and that is not conducted within a fully enclosed, permitted building, accessible only through one or more locking doors, which is secure against unauthorized entry. Outdoor cultivation includes, without limitation, cultivation of cannabis within a "hoop house" or similar structure.
- LLL. "Out-of-County Delivery Service" means a State-licensed retailer or microbusiness that (1) is locally authorized to engage in the retail sale and delivery of cannabis goods, and whose place of business, main office, or center of operations is located outside the unincorporated area of San Benito County, and (2) delivers cannabis goods to a customer within the County.
- MMM. "Out-of-County Distributors" means a State-licensed distributor or microbusiness that (1) is locally authorized to engage in the distribution of cannabis goods, and whose place of business, main office, or center of operations is located outside the unincorporated area of San Benito County, and (2) transports cannabis goods to or from an authorized cannabis business site.
- NNN. "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 Cannabis Business Permit or a permittee, unless the interest is solely a security, lien, or encumbrance.
  2. The Chief Executive Officer, or other manager, 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 business applying for a Cannabis Business Permit, or who has a financial interest in the business other than a fixed lease of real property.
- OOO. "Package" means any container or receptacle used for holding cannabis goods.
- PPP. "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. For purposes of this Chapter, qualified patient shall also refer to qualified patients who have obtained an identification card from the State Department of Health Services via a local county health department, as that term is defined by California Health and Safety Code Section 11362.7 et seq.
- QQQ. "Permittee" or "permitted cannabis business" means any person holding a valid Cannabis Business Permit issued by the County pursuant to this Chapter.
- RRR. "Permitting authority" means the County of San Benito department that is responsible for the issuance, renewal, or reinstatement of the Cannabis Business Permit, and authorized to take disciplinary action against the permittee.
- SSS. "Person" includes any individual, firm, partnership, joint venture, association, corporation, Limited Liability Company, estate, trust, business, business trust, receiver, syndicate, collective, cooperative, or any other group or entity, or combination acting as a unit, and the plural as well as the singular.
- TTT. "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.

- UUU. "Premises" means the designated structure(s) and land of a legal parcel specified in the application that is owned, leased, used, possessed, or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.
- VVV. "Process" or "processing" means commercial cannabis activity associated with curing, drying, grading, labeling, packaging, or trimming of raw or non-manufactured cannabis goods.
- WWW. "Processing site" means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of raw or non-manufactured cannabis goods.
- XXX. "Propagate" or "propagation" means to cultivate immature plants from cannabis plant cuttings or seeds.
- YYY. "Property owner" means the person who is the record owner of the subject real property where the cannabis business is located and the operations thereof occur or are proposed to occur.
- ZZZ. "Purchaser" means the customer who is engaged in a transaction with a permittee for purposes of obtaining cannabis goods.
- AAAA. "Raw cannabis" shall include cannabis flowers, cannabis leaves, or other categories of harvested cannabis, categories for unprocessed or frozen cannabis or immature plants, or cannabis that is shipped directly to manufacturers.
- BBBB. "Retail" means both storefront and non-storefront retail as follows:
1. "Non-Storefront retail" means the retail sale and delivery of commercial cannabis goods to customers from vehicular-delivery only.
  2. "Storefront retail" means the retail sale and delivery of commercial cannabis goods to customers from either (a) a physical location where the cannabis business is authorized to conduct commercial cannabis activity, or (b) vehicular-delivery.
- CCCC. "Retailer" means a State-licensed cannabis business that is locally authorized to engage in the retail sale and delivery of cannabis goods.
- DDDD. "Sell," "sale," and "to sell" include any transaction whereby, for any consideration, title to cannabis goods are transferred from one person to another, and includes the delivery of cannabis goods 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 goods by a licensee to the licensee from whom the cannabis goods was purchased.
- EEEE. "Sensitive use" means any of the following:
1. "Church" means a structure or leased portion of a structure, which is used primarily for religious worship and related religious activities.
  2. Licensed child care facility;
  3. Licensed child care home;
  4. Licensed "child day care facility" means a facility that provides nonmedical care to children under eighteen (18) years of age in need of personal services,

supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual on less than a 24-hour basis. Child day care facility includes:

- i. "Day care center" means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school-age child care centers.
  - ii. "Employer-sponsored child care center" means any child day care facility at the employer's site of business operated directly or through a provider contract by any person or entity having one or more employees, and available exclusively for the care of children of that employer, and of the officers, managers, and employees of that employer.
  - iii. "Family day care home" means a home that regularly provides care, protection, and supervision for 14 or fewer children, in the provider's own home, for periods of less than 24 hours per day, while the parents or guardians are away, and is either a large family day care home or a small family day care home.
5. "School" means an institution of learning for minors, whether public, private, or charter, offering a regular course of instruction required by the California Education Code, or any licensed child or day care facility. This definition includes a nursery school, pre-school, transitional kindergarten, kindergarten, elementary school, middle or junior high school, senior high school, or any special institution of education, but it does not include a vocational or professional institution of higher education, including a community or junior college, college or university.
  6. "School bus stop" means any location designated in accordance with California Code of Regulations, Title 13, section 1238, to receive school buses, as defined in California Vehicle Code section 233, or school pupil activity buses, as defined in Vehicle Code section 546.
  7. "School evacuation site" means any location designated by formal action of the governing body, superintendent, or principal of any school as a location to which juveniles are to be evacuated to, or are to assemble at, in the event of an emergency or other incident at the school.
  8. "Youth center" means any public or private facility that is primarily used to host recreation or social activities for minors, including, but not limited to:
    - i. Private youth membership organizations or clubs, social service teenage club facilities, video arcades where ten (10) or more video games or game machines or devices are operated and where minors are legally permitted to conduct business, or similar amusement park facilities.
    - ii. A park, playground or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or on city, county or state parks.

- iii. This definition shall not include any private martial arts, yoga, ballet, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist's office or doctor's office primarily serving children, or a location which is primarily utilized as an administrative office or facility for youth programs or organizations.
  - 9. "Youth-oriented facility" means elementary school, middle school, high school, public park, any establishment that advertises in a manner that identifies the establishment as catering to or providing services primarily intended for minors, or the individuals who regularly patronize, congregate or assemble at the establishment are predominately minors.
- FFFF. "State-License" means a license issued by the State of California, or one of its departments or divisions, including the Bureau of Cannabis Regulation, under the MAUCRSA and any subsequent State of California legislation regarding the same, authorizing the holder to engage in commercial cannabis activity
- GGGG. "State-Licensee" or "State-licensed" means a person to whom a State-License has been issued, authorizing that person to engage in commercial cannabis activity.
- HHHH. "Testing laboratory" means a State-licensed laboratory, facility, or entity that offers or performs tests of cannabis goods and that is:
  - 1. Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state; and
  - 2. Authorized by the County to engage in laboratory testing of cannabis goods via a valid Cannabis Business Permit.
- IIII. "Topical" or "topical cannabis" means a product intended for external application and/or absorption through the skin. A "topical cannabis" product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.
- JJJJ. "Transport" means the physical movement of cannabis goods from one authorized cannabis business site to another authorized cannabis business site, 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. Transport does not include delivery.
- KKKK. "Unique identifier" means an alphanumeric code or designation used for reference to a specific cannabis plant on a State-Licensed premises and any cannabis goods derived or manufactured from that plant.
- LLLL. "Volatile solvent" means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. Examples of volatile solvents include, but are not limited to, butane, hexane, and propane.

**Section 7.02.030. Prohibitions; Restriction on Alcohol & Tobacco.**

- A. **Commercial Cannabis Activities Prohibited Unless Specifically Authorized.** Except as specifically authorized in this Chapter, commercial cannabis activities are expressly prohibited in the County.

- B. **Prohibited Commercial Cannabis Activities.** It is a violation of this Chapter, and shall constitute a public nuisance, for any person or entity to engage in any of the following commercial cannabis activities, which are expressly prohibited:
  - 1. Outdoor cultivation;
  - 2. Retail, except for deliveries made by delivery employees of State-licensed Out-of-County Delivery Services holding a valid Cannabis Business Permit in accordance with Section 7.02.140; and
  - 3. Special events, held for the purpose of marketing cannabis goods, as described in Business and Professions Code Section 26150(e).
- C. **Compliance with Laws.** It is unlawful and shall constitute a public nuisance for anyone to engage in any commercial cannabis activity within the County without complying with all applicable state and local laws and regulations pertaining to the cannabis business and the commercial cannabis activities, including the duty to obtain all of the following:
  - 1. A valid Cannabis Business Permit; and
  - 2. A valid State-License; and
  - 3. A valid State of California Seller's Permit.
- D. **Persons Prohibited From Holding Permit(s) Under this Chapter.** The persons set forth in Section 7.02.070, subdivision (A) shall be prohibited from holding a Cannabis Business Permit or a Cannabis Employee Work Permit in the County of San Benito.
- E. **Restriction on Alcohol & Tobacco.**
  - 1. No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the cannabis business.
  - 2. No person shall cause or permit the sale or tobacco products on or about the premises of the cannabis business.
  - 3. No person shall consume any cannabis good, tobacco, or alcohol at any cannabis business site.

**Section 7.02.040. Cannabis Business Regulatory Program.**

- A. There is hereby created the Cannabis Business Regulatory Program which shall be administered by the County Administrative Officer.
- B. There shall be two classifications of permits issued under the Cannabis Business Regulatory Program, as follows:
  - 1. Cannabis Business Permits; and
  - 2. Cannabis Employee Works Permits.
- C. The County Administrative Officer or his/her designee(s) shall be authorized to build and manage the Cannabis Business Regulatory Program, including, but not limited to, preparing the necessary forms, promulgating any necessary rules, regulations, and standards governing application requirements and processes, soliciting applications, conducting evaluations of the cannabis business applicants, as well as, the cannabis employee-applicants, and otherwise implementing the Cannabis Business Permit and Cannabis Employee Work Permit processes and requirements.

**D. Promulgation of Rules, Regulations, and Standards.**

1. Rules, regulations, and/or standards governing the issuance, denial, renewal, suspension, and/or revocation of Cannabis Business Permits and Cannabis Employee Work Permits may be promulgated by the County Board of Supervisors and shall become effective in accordance with applicable laws.
2. In addition, the County Administrative Officer or his/her designee is authorized to establish any additional rules, regulations and/or standards governing the same, including, but not limited to, the ongoing operation and County's oversight of cannabis businesses, and/or concerning any other subject determined to be necessary to carry out the purposes of this Chapter and shall become effective upon publication on the County's website.
3. Cannabis businesses shall be required to comply with all state and local laws and rules, regulations, and standards, including, but not limited to, those promulgated by the County Administrative Officer or his/her designee.
4. Testing laboratories, Distribution facilities, and Out-of-County Distributors and shall be subject to state law and shall be subject to additional County regulations as determined from time to time as more regulations are developed under Section 7.02.010 of this Chapter and any subsequent State of California legislation regarding the same.

**Section 7.02.050. Cannabis Business Permit.**

- A. **Permit Required.** No person may operate any cannabis business or engage in any commercial cannabis activity within the County unless the person has, at a minimum, complied with all applicable state and local laws and regulations pertaining to the cannabis business and the commercial cannabis activities, including, but not limited to, the duty to obtain all of the following:
1. A valid Cannabis Business Permit;
  2. A valid State License; and
  3. A valid State of California Seller's Permit.
- B. No Cannabis Business Permit will be issued to any person set forth in Section 7.02.030, subdivision (D).
- C. **Permit Type.** The following Cannabis Business Permits are created under this Chapter:

<b>San Benito County Cannabis Business Permit Types</b>	<b>State License Type (includes both A-Licenses and M-Licenses)*</b>
Cultivation**	1A, 1B, 1C,2A, 2B,3A, 3B, 4, 5A, 5B, & Processor
Manufacturing	6, 7, N, P, & S
Testing	8
Retailer (Out-of-County Delivery Services)	10, 12
Distributor	11
Microbusiness (Non-Retail)	12

\*Pursuant to California Business and Profession Code Section 26050, as may be amended.

\*\*Number of permits may be limited as set forth in this Chapter.

- D. **Number of Permits Limited.** The maximum number of each cannabis business type and the corresponding number of Cannabis Business Permits issued by the County may be limited or restricted, and shall be established by resolution and/or ordinance by the County Board of Supervisors. The maximum number of Cannabis Business Permits shall be subject to the Board's annual review; The County Board of Supervisors may, in their discretion, modify the number of Cannabis Business Permits authorized for issuance. This Section is only intended to create a maximum number of each cannabis business type operating in the County. Nothing in this Chapter obligates the County Board of Supervisors to issue any or all of the available Cannabis Business Permits if it is determined that (a) applicants do not meet the application requirements, or (b) issuance of any or all Cannabis Business Permits will detrimentally impact the public health, safety, or welfare or any other public policy concern.
- E. Upon adoption of this Section, the total number of available cultivation-type Cannabis Business Permits shall be limited to fifty (50), and shall be selected in accordance with Sections 7.02.051-7.02.052.
- F. **Expiration.** Each Cannabis Business Permit issued pursuant to this Chapter shall only be valid for a term of twelve (12) months and shall expire twelve (12) months after the date of its issuance, unless suspended or revoked by the County pursuant to Section 7.02.070. A Cannabis Business Permit may be renewed as provided in Section 7.02.054.

**Section 7.02.051. Application Review Procedure; Reservation of Rights.**

- A. The County Board of Supervisors shall adopt a resolution and/or ordinance setting forth procedures which govern the application process, and the manner in which the decision will ultimately be made regarding the issuance of any Cannabis Business Permit(s), which shall include or require the County Board of Supervisors to provide detailed objective selection criteria to be evaluated on a point system or equivalent quantitative evaluation scale tied to each set of selection criteria ("Selection Criteria").
- B. At the time of filing, each applicant shall pay an application fee established by resolution and/or ordinance of the County Board of Supervisors, to cover all costs incurred by the County in the application process.
- C. **Application Period.** The County Administrative Officer or his/her designee may designate application periods to receive Cannabis Business Permit applications, including, but not limited to:
  1. **Initial Application Period.** If an initial application period is designated, the County Administrative Officer or his/her designee will post notice of the Initial Application Period dates on the County's website no less than fourteen (14) days prior to the start of the Initial Application Period.
  2. **Subsequent Application Periods.** After the Initial Application Period, and from time to time thereafter, the County Administrative Officer or his/her designee may issue additional notices of Application Periods for certain Cannabis Business Permit types. The terms for each and any Subsequent Application Period will be set forth in the corresponding Application Period notice which will be posted on the County's website no less than fourteen (14) days prior to the start of the Subsequent Application Period.

3. **Extensions.** The County Administrative Officer or his/her designee may extend the length of any Application Period on terms he/she specifies. The notice and terms for any such extension will be posted on the County's website.
4. **Late Applications.** Cannabis Business Permit application will only be accepted by the County during any Application Period or extension, if any. Late applications shall be rejected and /or denied, and shall be disqualified from consideration.

D. **Initial Application Review.** Upon receipt of a Cannabis Business Permit application and payment of the required fee, the County Administrative Officer or his/her designee will determine whether it meets the requirements of the Cannabis Business Regulatory Program, including referring the application to such appropriate County officers and departments, and any state, federal, or local agencies, as he/she deems necessary from the nature of the application for review, evaluation in accordance with Section 7.02.052, subdivision (A), investigation, and recommendations regarding completion of and compliance with all application requirements, including, but not limited to, review by the Resources Management Agency to determine whether the applicant's proposed cannabis business site preliminarily meets zoning and permitting standards (i.e. the proposed cannabis business is allowable in the zone, the location meets all setback requirements, etc.). Each application shall be ranked and scored under the Selection Criteria. Any application that is not rejected or denied upon completion of the initial application review and receives a score of at least 80% may be deemed an eligible application and shall be submitted to the County Administrative Officer or his/her designee to make a final determination in accordance with this Section.

E. **Final Determination.**

1. If the number of eligible applications by commercial cannabis activity type is the same as or less than the maximum number allowed under this Chapter, then all applications for that commercial cannabis activity type shall be submitted to the County Administrative Officer or his/her designee to schedule a public hearing in accordance with Section 7.02.052, subdivision (B). After the public hearing, the County Administrative Officer shall either deny or approve the final applicants and shall select the top candidates in each category of cannabis business for establishment of operating conditions. The operating conditions shall be limited to those that are necessary to carry out the purposes of this Chapter and to mitigate specific and foreseeable adverse impacts on properties in the vicinity. The County Administrative Officer's decision as to the selection of the prevailing candidates shall be final, pending an appeal to the Hearing Officer, if such an appeal is filed.
2. If, however, the number of eligible applications by commercial cannabis activity type exceeds the maximum number allowed under this Chapter, then a competitive evaluation process shall first be conducted in accordance with Section 7.02.052, subdivision (C). Those applicants receiving the highest scores shall then be submitted to the County Administrative Officer or his/her designee to deny or approve top candidates in each category of cannabis business for establishment of operating conditions. The operating conditions shall be limited to those that are necessary to carry out the purposes of this Chapter and to mitigate specific and foreseeable adverse impacts on properties in the vicinity.

- F. **Appeals.** Appeals from the decision of the County Administrative Officer or his/her designee shall be handled pursuant to Section 7.02.080.
- G. **The County's Reservation of Rights.** The County reserves the right to reject or deny any or all applications if it determines it would be in the best interest of the County, taking into account any health, safety and welfare impacts on the community. Applicants shall have no right to a Cannabis Business Permit until a permit is actually issued, and then only for as long as the permit is valid. Each applicant assumes the risk that, at any time prior to the issuance of a permit, the County Board of Supervisors may terminate or delay the Cannabis Business Regulatory Program created under this Chapter. Prior to permit issuance, the County may also modify, postpone, or cancel any request for applications, or the entire Cannabis Business Regulatory Program under this Chapter, at any time without liability, obligation, or commitment to any party, firm, or organization, to the extent permitted under California state law. Persons submitting applications assume the risk that the Cannabis Business Regulatory Program, or any part thereof, or any particular type of commercial cannabis activity permit potentially authorized under this Chapter, may be cancelled at any time prior to permit issuance. The County further reserves the right to request and obtain additional information from any applicant. In addition to any other justification provided, an application risks being rejected or denied for any of the following reasons:
  1. Failure to comply with the requirements in this Chapter;
  2. Proposal received after designated time and date;
  3. Proposal not containing the required elements, exhibits, nor organized in the required format; or
  4. Proposal considered not fully responsive to this request for permit application.

**Section 7.02.052. Applicant Evaluation Process.**

- A. **Departmental Evaluation.** The County Board of Supervisors shall adopt a procedure guideline and Selection Criteria by which the top applicants in each category of cannabis business type shall be evaluated in a final determination by the County Administrative Officer.
- B. **Public Hearing.** At least ten (10) days prior to the public hearing, notice of the public hearing shall be sent to all property owners located within three hundred (300) feet of the proposed business locations of each of the eligible applicants to be considered by the County Administrative Officer or his/her designee for final determination.
- C. **Competitive Evaluation Process.** In the event the number of eligible applications by commercial cannabis activity type exceeds the maximum number allowed under this Chapter, then a competitive evaluation process shall be conducted in accordance with this Section. The applicants shall be scored and ranked by a third party to be appointed by the Board of Supervisors with that person recommending issuance of a Cannabis Business Permit to the highest ranked, eligible applicants. The Board of Supervisors hereby authorizes the County Hearing Officer to serve as a third party to score and rank said applications. Appeals from the decision of the third party, including the County Hearing Officer, shall be handled pursuant to Section 7.02.080.

**Section 7.02.053. Cannabis Business Permit Issuance.**

- A. Official issuance of a Cannabis Business Permit is conditioned upon the following:

1. Applicant shall execute an agreement, in a form approved by the County Counsel, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the County of San Benito, 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 Cannabis Business Permit, the County's decision to approve the operation of the cannabis business or activity, the process used by the County in making its decision, or the alleged violation of any federal, state or local laws by the cannabis business or any of its officers, employees or agents.
  2. Applicant shall maintain insurance at coverage limits and with conditions thereon determined necessary and appropriate from time to time by the County Administrative Officer or his/her designee.
  3. Applicant shall execute an agreement, in a form approved by the County Counsel, agreeing to reimburse the County of San Benito for all costs and expenses, including but not limited to legal fees and costs and court costs, which the County of San Benito may be required to pay as a result of any legal challenge related to the County's approval of the applicant's Cannabis Business Permit, or related to the County's approval of a commercial cannabis activity. The County of San Benito may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.
  4. Following the County Administrative Officer's selection, the prevailing candidate(s) shall apply to the Resource Management Agency to obtain any and all land use approvals or entitlements for the cannabis business site required under Title 25, if any. Land use approvals shall include compliance with all applicable provisions of CEQA.
- B. The County Administrative Officer or his/her designee(s) shall formally issue the Cannabis Business Permit(s) once all the foregoing requirements have been met, including certification from the Resource Management Agency Director or his/her designee(s) affirming that all of the required land use approvals have been obtained.
- C. Each person issued a Cannabis Business Permit shall be required to pay the Cannabis Business Permit fee established by resolution and/or ordinance of the County Board of Supervisors, to cover the costs of administering the Cannabis Business Regulatory Program created in this Chapter.

**Section 7.02.054. Renewal of Cannabis Business Permit.**

- A. An application for renewal of a Cannabis Business Permit shall be filed at least sixty (60) calendar days prior to the expiration date of the current Cannabis Business Permit.
- B. The renewal application shall contain all the required application information as set forth in Section 7.02.051.
- C. The applicant shall pay a fee in an amount to be set by resolution and/or ordinance by the County Board of Supervisors to cover the costs of processing the renewal application, together with any costs incurred by the County to administer the Cannabis Business Regulatory Program created under this Chapter.

- D. A renewal application shall be denied for any of the reasons set forth in Section 7.02.070.
- E. The County Administrative Officer or his/her designee(s) is authorized to make all decisions concerning the issuance of a renewal permit. In making their decision, the County Administrative Officer or his/her designee(s) is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the County Administrative Officer or his/her designee(s) shall be handled pursuant to Section 7.02.080.
- F. If a renewal application is rejected or denied, a person may file a new application pursuant to this Chapter no sooner than one (1) year from the date of the rejection or denial.
- G. Processing of renewal applications shall be given priority over first-time applicants for a cannabis business, should the county have more than one application period.

**Section 7.02.055. Amended Application; Change in location.**

- A. Any time the cannabis business site specified in the Cannabis Business Permit is changed, the permittee shall submit an amended application with information regarding the new location to the County Administrative Officer or his/her designee(s).
- B. Within fifteen (15) calendar days of any other change in the information provided in the application form or any change in status of compliance with the provisions of this Chapter, including any change in the cannabis business ownership or management members, the applicant shall file an amended application with the County Administrative Officer or his/her designee(s) for review along with an amended application fee, as set forth in Sections 7.02.055 and 7.02.090.

**Section 7.02.056. Transfer of Cannabis Business Permit.**

- A. Issuance of a Cannabis Business Permit does not create an entitlement, interest of value, does not run with the land, is not transferable, and automatically terminates upon transfer of ownership.
- B. A permittee shall not transfer ownership or control of any Cannabis Business Permit to another person. Any attempt to do so shall cause the Cannabis Business Permit(s) to be automatically revoked.
- C. Whenever a permittee changes its business structure ownership or substantially changes in the ownership of the cannabis business (changes that result in a change of more than 51% of the original ownership), must be approved by the County Administrative Officer or his/her designee through the transfer process contained in this subsection (a). Failure to comply with this provision is grounds for permit revocation.
- D. A permittee may change the form of business entity without applying to the County Administrative Officer or his/her designee for a transfer of permit, provided that either:
  1. The membership of the new business entity is substantially similar to original permit holder business entity (at least 51% 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 in compliance with Section 7.02.055 B., 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.

3. Although a transfer is not required in these two circumstances, the permit holder is required to notify the County Administrative Officer in writing of the change within ten (10) days of the change. Failure to comply with this provision is grounds for permit revocation.
- E. No Cannabis Business Permit may be transferred when the County Administrative Officer or his/her designee has notified the permittee that the permit has been or may be suspended or revoked.
- F. Any attempt to transfer a Cannabis Business Permit either directly or indirectly in violation of this section is hereby declared void, and such a purported transfer shall be deemed a ground for revocation of the permit.

**Section 7.02.060. Cannabis Employee Work Permit.**

- A. **Permit Required.** Any person who is an employee-applicant, employee or who otherwise works within any cannabis business must obtain a Cannabis Employee Work Permit from the County prior to performing any work at a cannabis business.
- B. **Expiration.** Each Cannabis Employee Work Permit issued pursuant to this Chapter shall only be valid for a term of twelve (12) months and shall expire twelve (12) months after the date of its issuance, unless suspended or revoked by the County pursuant to Section 7.02.070. A Cannabis Employee Work Permit may be renewed as provided in Section 7.02.064.
- C. No Cannabis Employee Work Permit will be issued to those employee-applicants set forth in Section 7.02.030, subdivision (D).
- D. The County may immediately suspend or revoke the Cannabis Employee Work Permit should the permit holder be convicted of a crime listed in Section 7.02.062, subdivision (A), or if facts become known to the County Administrative Officer or his/her designee(s) that the permit holder has engaged in activities tending to show that he/she is dishonest.
- E. The employee-applicant may appeal the denial, suspension, or revocation of a Cannabis Employee Work Permit by filing a notice of appeal with the Clerk of the Board within ten (10) business days of the date the employee-applicant received the notice of denial, notice of suspension, or notice of revocation. Any appeal under this Section shall be conducted as set forth in Section 7.02.080.

**Section 7.02.061. Application for Cannabis Employee Work Permit.**

- A. The County Administrative Officer or his/her designee is authorized to adopt the procedures to govern the application process, and the manner in which the decision will be made regarding issuance of any Cannabis Employee Work Permit.
- B. The County Administrative Officer or his/her designee is authorized to develop, make available, and process Cannabis Employee Work Permit applications which shall include, but not be limited to, the following required information:

1. Name, address, and phone number of the employee-applicant;
  2. **Legal Authorization to Work.** Proof the employee-applicant is legally authorized to work within a cannabis business under applicable state law;
  3. **Verification of Age and Identification.** A copy of a birth certificate, driver's license, government issued identification card, passport or other proof that the employee-applicant is at least twenty-one (21) years of age;
  4. **Background Check.** Submit to a background check in accordance with Section 7.02.120, subdivision (P).
  5. Name, address of the cannabis business where the employee-applicant will be employed, and the name of the primary manager of that cannabis business;
  6. A list of any crimes enumerated in California Business and Professions Code Section 26057, subdivision (b)(4) for which the employee-applicant has been convicted;
  7. Name, address, and contact person for any previous employers from which the employee-applicant was fired, resigned, or asked to leave and the reasons for such dismissal or firing;
- C. The application shall be accompanied by fingerprints and a recent photograph of the employee-applicant in a form and manner as required by the County Administrative Officer or his/her designee(s).
- D. A statement signed by the employee-applicant under penalty of perjury that the information provided is true and correct.
- E. A fee paid in an amount set by resolution and/or ordinance adopted by the County Board of Supervisors in an amount necessary to cover the costs of administering the Cannabis Business Regulatory Program. The fee is non-refundable and shall not be returned in the event the Cannabis Employee Work Permit is denied, suspended, or revoked.

**Section 7.02.062. Evaluation of Cannabis Employee Work Permit Application.**

- A. The County Administrative Officer or his/her designee(s) shall review Cannabis Employee Work Permit applications for completeness, and shall conduct a background check to determine whether the employee-applicant was convicted of a crime or left a previous employer for reasons that show the employee-applicant:
1. Has been convicted of a crime involving dishonesty, fraud or deceit, including but not limited to fraud, forgery, theft, or embezzlement as those offenses are defined in California Penal Code Sections 186.11, 470, 484, and 504a, respectively; or
  2. Has committed a felony or misdemeanor involving fraud, deceit, embezzlement; or
  3. Was convicted of a violent felony, a crime of moral turpitude; or
  4. Engaged in 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.
- B. Discovery of these facts showing that the employee-applicant has been convicted of a crime involving dishonesty as a critical element of the offense, or has otherwise been convicted of those types of crimes are grounds for denial of the Cannabis Employee

Work Permit. Where the employee-applicant's sentence (including any term of probation, incarceration, or supervised release) for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is completed, such underlying conviction shall not be the sole ground for denial of a Cannabis Employee Work Permit. Furthermore, an employee-applicant shall not be denied a Cannabis Employee Work Permit if the denial is based solely on any of the following: (i) a conviction for any crime listed in Section 7.02.062, subdivision (A) above for which the employee-applicant has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the California Penal Code or (ii) a conviction that was subsequently dismissed pursuant to Sections 1203.4, 1203.4a, or 1203.41 of the California Penal Code or any other provision of state law allowing for dismissal of a conviction.

**Section 7.02.063. Issuance of Cannabis Employee Work Permit.**

- A. The County Administrative Officer or his/her designee(s) shall issue the Cannabis Employee Work Permit or a written denial to the employee-applicant within thirty (30) calendar days of the date the application was deemed complete. In the event the Cannabis Employee Work Permit cannot be issued within this time period, then the County Administrative Officer or his/her designee(s) may issue a temporary Cannabis Employee Work Permit to an employee-applicant upon completing a preliminary background check and if the cannabis business can demonstrate to the County Administrative Officer or his/her designee(s) that the employee-applicant is necessary for the operation of the cannabis business. The temporary Cannabis Employee Work Permit may be immediately revoked by the County Administrative Officer or his/her designee(s) upon determination that the employee-applicant has failed the background check or upon the issuance of the permanent Cannabis Employee Work Permit.
- B. Upon approval of a Cannabis Employee Work Permit application, the County Administrative Officer or his/her designee(s) shall issue a Cannabis Employee Work Permit to the employee-applicant in the form of a personal identification card that shall be worn in a prominent and visible location while working within a cannabis business. The identification card shall be maintained in good and readable condition at all times.

**Section 7.02.064. Renewal of Cannabis Employee Work Permit.**

The renewal of a Cannabis Employee Work Permit shall be in accordance with Section 7.02.054, except that the renewal application shall contain all the information required for initial applications as set forth in Section 7.02.061.

**Section 7.02.065. Amended Cannabis Employee Work Permit.**

In the event a person changes employment from one cannabis business in the County to another, the Cannabis Employee Work Permit holder shall notify the County Administrative Officer or his/her designee(s) in writing of the change, including the name, address, contact person and telephone number for the new employer, within ten (10) calendar days, or the Cannabis Employee Work Permit shall, in accordance with Section 7.02.060, be suspended or revoked, and such person shall not be permitted to work at any cannabis business in the County.

**Section 7.02.070. Denial, Non-Renewal, Suspension, or Revocation of Permit.**

- A. **Grounds for Denial or Non-Renewal.** The County Administrative Officer or his/her designee may deny an application for issuance or renewal of a Cannabis Business Permit

or a Cannabis Employee Work Permit to any of the following persons, including but not limited to any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular:

1. Any person who, as of January 1, 2019, engages in commercial cannabis activity in the County of San Benito in violation of local and/or state law;
  2. Any person whom any city, county, city and county, or the State of California has, for any reason, denied, suspended, or revoked any State-license or local jurisdiction permit authorizing (a) commercial cannabis activity, or (b) employment by a cannabis business;
  3. Any person issued a notice of non-compliance for engaging in unlawful commercial cannabis activity in violation of the San Benito County Code, and/or other laws, codes, or requirements in which they failed to timely discontinue the unlawful activity;
  4. Any person who, after reasonable notice and time to cure, failed to timely pay all federal, state, or local taxes and/or fees owed as applicable; and/or
  5. Any person who enters into an agreement to lease, sublease, or otherwise agrees, regardless of whether it is verbally or in writing, to any terms of use of the premises from a property owner, commercial broker or any third party, that is (a) based on a term other than a monthly rate, or (b) is in violation of Section 7.02.060 unless that property is leased at fair market value and such lease, sublease or agreement does not have any terms or conditions for the cannabis business to pay the property owner, commercial broker, or any third party a percentage of gross receipts, royalties, equity, or other unreasonable compensation as determined by the County.
- B. Furthermore, the County Administrative Officer or his/her designee may deny an application for issuance or renewal of a Cannabis Business Permit for any of the following reasons, as applicable:
1. The application was not timely filed.
  2. Any Cannabis Business Permit issued to the applicant was suspended or revoked at the time the renewal application was submitted.
  3. The permittee has not been in regular and continuous operation in the four (4) months prior to submission of the renewal application.
  4. The applicant 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 License.
  6. The applicant was notified that they were conducting commercial cannabis activity in non-compliance with Title 25, or other County of San Benito County Codes, codes and requirements in which they failed to discontinued operating in a timely manner;
  7. Evidence that the applicant was in non-compliance of properly paying federal, state or local taxes and/or fees when notified by the appropriate agencies;
  8. As of January 1, 2019, applicant was conducting commercial cannabis activity in the County of San Benito in violation of local and state law.
  9. No person shall be issued a commercial cannabis permit to operate who enters into an agreement to lease, sublease or any other agreement, regardless of whether it is

verbally or in writing to any terms of use of the premises from a property owner, commercial broker or any third party, that If an application is denied, a new application may not be filed for one (1) year from the date of the denial or non-renewal.

C. **Suspension or Revocation of Cannabis Business Permit.** A Cannabis Business Permit may be suspended or revoked for any of the following reasons:

1. **Effect of State License Suspension or Revocation.** 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 cannabis business 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 license of a cannabis business, such revocation or termination shall also revoke or terminate the ability of a cannabis business to operate within the County of San Benito.
2. **Revocation of Permits.** Cannabis business permits may be revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to Sections 7.02.064 or 7.02.056, or pursuant to any policy, procedure or regulation in this Chapter.—If the local permit is revoked, the county will notify the owner/operator in writing prior to revocation.
3. **Other Grounds for Suspension or Revocation of Cannabis Business Permit.** Cannabis business permits may be suspended or revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to Sections 7.02.070 or 7.02.110, or pursuant to any policy, procedure or regulation in this Chapter.

**Section 7.02.080. Appeal Process.**

Unless specifically provided elsewhere to the contrary, whenever an appeal is provided for in this Chapter from a decision of the County Administrative Officer or his/her designee(s), the appeal shall be conducted as prescribed in this Chapter.

- A. **Written Request for Appeal.** Within ten (10) calendar days after the date of a decision of the County Administrative Officer or his/her designee(s) to revoke, suspend, not renew, or deny a permit, or to add conditions to a permit, an aggrieved party may appeal such action by filing a written appeal with the Clerk of the Board of Supervisors setting forth the reasons why the decision was not proper. At the time of filing the appellant shall pay the designated appeal fee, established by resolution and/or ordinance of the County Board of Supervisors which may be amended from time to time.
- B. **Appeal Hearing.** Upon receipt of the written appeal, the Clerk of the Board of Supervisors shall set the matter for a hearing before the County Hearing Officer. The County Hearing Officer shall hear the matter de novo and shall conduct the hearing pursuant to the procedures set forth by the County. The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than ninety (90) calendar days from the date of such filing. The County shall notify the appellant of the time and location at least ten (10) calendar days prior to the date of the hearing. At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing. The decision of the County Hearing Officer shall be final and conclusive.

**Section 7.02.090. Fees and Charges; Debt Owed to County.**

- A. No permittee may commence or continue any commercial cannabis activity in the County, without timely paying in full all fees and charges required for the operation of a commercial cannabis activity. Fees and charges associated with the operation of a commercial cannabis activity shall be established by resolution and/or ordinance of the County Board of Supervisors which may be amended from time to time.
- B. All cannabis businesses shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each cannabis business shall cooperate with County with respect to any reasonable request to audit the cannabis business' books and records 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.
- C. **Application Fee.** All work performed in reviewing applications, consulting with the applicant, conducting site inspections, reviewing changes in information contained in the initial application, and making determinations on the application shall be billed to the applicant on an at-cost basis. An application for a Cannabis Business Permit must be accompanied by a deposit as set forth in the **Unified Fee Schedule**. If the deposit is exhausted before work on the application is completed, the County Administrative Officer or his/her designee shall obtain a further deposit before continuing to review the application. In the case of subsequent changes in the information contained in the initial application, an amended application fee shall apply. At the conclusion of the County Administrative Officer's work, the County Administrative Officer will either refund the remaining balance or bill the applicant for any overage. No Cannabis Business Permit shall be granted until all application fees have been paid in full.
- D. **Permit Fee.** A Cannabis Business Permit shall not be granted to an applicant under this Chapter until the applicant has paid a non-refundable Cannabis Business Permit fee as set forth in the **Unified Fee Schedule**. The purpose of this fee is to pay for the costs of administering and enforcing the Cannabis Business Regulatory Program regulations related to permitting and enforcement that are not covered by application fees.
- E. **Fees Deemed Debt to the County of San Benito.** The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to the County of San Benito that is recoverable via an authorized administrative process as set forth in the County Code, or in any court of competent jurisdiction.

**Section 7.02.100. General Requirements Applicable to All Cannabis Businesses.**

- A. Prior to issuance of a Cannabis Business Permit, a cannabis business must meet all of the following requirements:
- B. **Right to Occupy and to Use Property.** As a condition precedent to the County's issuance of a Cannabis Business Permit pursuant to this Chapter, any person intending to open and to operate a cannabis business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from the property owner, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this Chapter and consents to the operation of the cannabis business on the owner's property

- C. **Location and Design of Cannabis Businesses.** Cannabis businesses permitted to engage in cultivation, distribution, manufacturing, microbusiness (Non-Retail) and testing laboratories, for cannabis goods are subject to the zoning and locational requirements set forth in Chapter 19.43 of the San Benito County Code.
- D. Prior to commencing operations, notwithstanding the issuance of a Cannabis Business Permit, a permittee must meet all of the following requirements:
1. **Obtain a State License and as set forth in Section 7.02.050.**
  2. **Certification from the Resource Management Agency Director.** Obtain a certification from the Resource Management Director or his/her designee(s) certifying that the cannabis business is located on a site that meets all of the requirements of Section 7.02.100, subdivision (C) and Title 19, and Title 25 of the County Code.
  3. Compliance with Chapter 19.43.
  4. The permittee shall cooperate with the County whenever the County Administrative Officer or his/her designee(s) makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter.
  5. A permittee shall notify the County Administrative Officer or his/her designee(s) within twenty-four (24) hours after discovering any of the following:
    - i. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the County Administrative Officer or his/her designee(s).
    - ii. Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business.
    - iii. The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the cannabis business.
    - iv. Any other breach of security.
  6. Compliance with the foregoing requirements shall be verified by the County Administrative Officer or his/her designee prior to permittee commencing operations. The County Administrative Officer or his/her designee may supplement the security requirements set forth in Chapter 19.43 once operations begin, subject to the County Administrative Officer's review, if requested by the owner.
  7. The County Administrative Officer or his/her designee may supplement the operational requirements set forth in Chapter 19.43 or regulations promulgated by the County Board of Supervisors as are necessary to protect the public health, safety and welfare. Such operating requirements include, but are not limited, to:
    - i. **Compliance with Laws.** Compliance with all state and local laws and regulations, including, but not limited to, the requirements of this Chapter and of the Cannabis Business Permit.
    - ii. **Age.** No person under the age of twenty-one (21) years old shall operate a cannabis business, or be issued a permit for any commercial cannabis activity of any kind.

**Section 7.02.110. General Operating Requirements.**

Permittees shall at all times comply with the following:

- A. All applicable requirements set forth in Chapter 19.43 of the San Benito County Code;
- B. **Cannabis Businesses Utilizing Distribution Services.** Any permittee under this Chapter requiring the services of a State-Licensed distributor shall, consistent with public safety, be required to, prior to any transportation of any cannabis goods, submit to the County Sheriff the following information for each distributor the permittee intends to utilize to transport cannabis good to or from the cannabis business site:
  - 1. The name, State-License and local authorization information of the distributor;
  - 2. A list of names of the distribution employees who will operate distribution vehicles within the County;
  - 3. The make, model, license plate number and VIN number of all distribution vehicles used within the County.
- C. **Loitering.** The owner and/or operator of a cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises. The cannabis business shall notify the San Benito Sheriff's Office if anyone continues to loiter around the building or premises after reasonable action has been taken to remove the individual(s) and the action has failed to do so in a timely manner.
- D. **Reporting and Tracking of Product and of Gross Sales.** Each permittee shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the cannabis business 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 permittee shall ensure that such information is compatible with the County's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the County Administrative Officer or his/her designee(s) prior to being used by the permittee;
- E. All cannabis goods sold, distributed or manufactured shall be cultivated, manufactured, and transported by State-Licensees that maintain operations in full conformance with the State and local regulations;
- F. **Emergency Contact.** Each permittee shall provide the County Administrative Officer or his/her designee(s) with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day;
- G. **Community Relations Contact.** Each permittee shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the cannabis business can be provided. Each permittee shall also provide the above information to all businesses and residences located within one-hundred (100) feet of the cannabis business;
- H. **Community Relations Meetings.** During the first year of operation pursuant to this Chapter, the owner, manager, and community relations representative from each permitted cannabis business shall attend meetings with the County Administrative Officer or his/her designee(s), and other interested parties as deemed appropriate by the County Administrative Officer or his/her designee(s), to discuss costs, benefits, and

other community issues arising as a result of implementation of this Chapter. After the first year of operation, the owner, manager, and community relations representative from each such cannabis business shall meet with the County Administrative Officer or his/her designee(s) when and as requested by the County Administrative Officer or his/her designee(s);

- I. **Community Relations Outreach and Education Program.** Permittees shall develop 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;
- J. **Minors.** With the exception of persons aged 18-20 who are in possession of a doctor's recommendation, and intend to purchase medicinal cannabis solely medicinal reasons, persons under the age of twenty-one (21) years shall not be allowed on the premises of a cannabis business and shall not be allowed to serve as a driver for any delivery service. It shall be unlawful and a violation of this Chapter for any cannabis business to employ any person who is not at least twenty-one (21) years of age. The entrance to the cannabis business 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 cannabis business;
- K. **Display of Cannabis Business Permit and State License.** The original copy of any State-License, Cannabis Business Permit issued pursuant to Chapter 7.02, and any County-issued business license shall be posted inside the cannabis business in a location readily-visible to the public.
- L. **Background Check.** Pursuant to California Penal Code Sections 11105, subdivision (b)(11) and 13300, subdivision (b)(11), which authorizes County authorities to access state and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee, contract employee or who otherwise works in a cannabis business must submit fingerprints and other information deemed necessary by the San Benito Sheriff or his/her designee(s) for a background check by the County of San Benito Sheriff's Office. Pursuant to California Penal Sections 11105, subdivision (b)(11) and 13300, subdivision (b)(11), which requires that there be a requirement or exclusion from employment, licensing or certification based on specific criminal conduct on the part of the subject of the record. No person shall be issued a permit to operate a cannabis business or a related work permit unless they have first cleared the background check, as determined by the Sheriff or his/her designee, as required by this section. **A fee for the cost of the background investigation, which shall be the actual cost to the County of San Benito to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a Cannabis Business Permit is submitted.**
- M. **Loitering.** The owner and/or operator of a cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises. The cannabis business shall notify the San Benito Sheriff's Office if anyone

continues to loiter around the building or premises after reasonable action has been taken to remove the individual(s) and the action has failed to do so in a timely manner.

- N. **Permits and Other Approvals.** Prior to the establishment and/or operation of any cannabis business, the applicant must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant government departments which may be applicable to the zoning district in which such cannabis business intends to establish and to operate.
- O. **Training Standards.** Each cannabis business shall establish minimum training standards for employees. The County Administrative Officer or his/her designee shall have the discretion to require other training for the cannabis business operations should the County identify deficiencies or non-compliance issues with County or state requirements.
- P. **Records and Recordkeeping.** Each owner and/or operator of a cannabis business 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 Cannabis Business Permit issued pursuant to this Chapter), or at any time upon reasonable request of the County, each cannabis business shall file a sworn statement detailing the number of sales by the cannabis business 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 sales for each month, and all applicable taxes and fees paid or due to be paid. On an annual basis, each owner and operator 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 Administrative Officer or his/her designee(s).
- Q. Each owner and/or operator of a cannabis business 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 cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this paragraph shall be provided to the County Administrative Officer or his/her designee(s) upon a reasonable request.
- R. Prior to state licensing, each cannabis business shall maintain a record of all persons, patients, collectives and primary caregivers served by the cannabis business, for a period of no less than four (4) years. Once a State License is obtained, the cannabis business must maintain such records only to the extent permitted or required by MAUCRSA.
- S. All cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis goods for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until purchase as set forth MAUCRSA.
- T. Each cannabis business shall allow County officials 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 twenty-four (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.

**Section 7.02.120. Retail Prohibited.**

Except as specifically authorized, no Cannabis Business Permit shall be issued pursuant to this Chapter for retail, which is expressly prohibited. Retail of any kind, except as specifically authorized, is expressly prohibited in the County and shall be subject to all applicable enforcement. It shall be unlawful, and a violation of this Chapter, for any person to engage in any retail of any kind, including, but not limited to, manage or operate a cannabis store front or non-store front facility in which customers are permitted on the premises or in which deliveries are made for which it will sell, exchange, barter, transfer, and/or promote, any cannabis goods in the County for commercial purpose. This prohibition also applies to microbusinesses, which shall be prohibited from engaging any retail component of their operation.

**Section 7.02.130. Operating Requirements Out-of-County Delivery Services.**

- A. **Out-of-County Delivery Services.** Notwithstanding Section 7.02.130 out-of-county delivery services are not expressly prohibited. Any Out-of-County Delivery Service shall be required to obtain a Cannabis Business Permit pursuant to this Chapter prior to delivering any cannabis and/or cannabis product to any customer or purchaser in the County.
- B. The delivery of cannabis goods within the County shall only be conducted by State-Licensed Retailers located outside of the County, including Microbusinesses with a retail component, which hold a valid authorization to engage in commercial cannabis activities from the local jurisdiction of origin.
- C. Prior to commencing operations within the County, an Out-of-County Delivery Service shall be required to:
  - 1. Obtain a Cannabis Business Permit from the County in order to deliver cannabis goods within the County regardless of whether the Retailer or Microbusiness is located in a local jurisdiction.
  - 2. Provide a list of all its delivery employees.
  - 3. Obtain Cannabis Employee Work Permits for any employee making deliveries within the County for the Out-of-County Delivery Service, including those employees operating any motor vehicle used during delivery.
  - 4. Provide the make, model, license plate number and VIN number of all delivery vehicles that will be used to deliver cannabis goods.
  - 5. Ensure the delivery vehicles meet the requirements of Section 7.02.140, subdivision (H);
- D. The information list in Section 7.02.140, subdivision (D)(4) shall be required for any new delivery vehicle prior to using the delivery vehicle within the County.
- E. The Out-of-County Delivery Services shall maintain an accurate list of all its delivery employees and delivery vehicles, and shall notify the County in writing within thirty

(30) calendar days whenever any changes to the information required by this Section occur.

**F. Time, Place, and Manner Requirements.**

1. An Out-of-County Delivery Service shall be limited to operating within the County only during the hours of 7:00 a.m. through 9:00 p.m., seven days a week, or as set forth in the conditions of the Cannabis Business Permit.
2. An Out-of-County Delivery Service shall not deliver cannabis goods to any address located on publicly owned land or any address on land or in a building leased by any public agency.
3. All deliveries of cannabis goods shall be made in person. A delivery of cannabis goods shall not be made through the use of an unmanned vehicle.
4. An Out-of-County Delivery Service shall comply with all requirements of state and local law pertaining to the State-License, the local jurisdiction of origin's authorization to engage in commercial cannabis activity, and the Cannabis Business Permit and all subsequent policies, procedures and regulations which may be amended by the County Administrative Officer from time to time in order to enforce this Chapter.

**G. Conduct of Out-of-County Delivery Service Employees.** While making deliveries within the County, an employee of an Out-of-County Delivery Service shall:

1. Only travel in an enclosed motor vehicle operated by themselves or by another employee of the Out-of-County Delivery Service, each of whom are independently required to obtain a Cannabis Employee Work Permit;
2. Only sell cannabis goods to a natural person twenty-one (21) years of age or older, or a natural person eighteen (18) years of age or older who possesses a physician's recommendation for cannabis medical use only, as applicable and authorized by the State-License.
3. Ensure the cannabis goods are not visible to the public.
4. Ensure the cannabis and/or cannabis goods are locked in a box that is secured to the inside of the delivery vehicle.
5. Carry a valid copy of each of the following:
  - i. the Out-of-County Delivery Service's State-License,
  - ii. the local jurisdiction of origin's authorization to operate;
  - iii. a valid Cannabis Business Permit;
  - iv. valid Cannabis Employee Work permits for each employee making deliveries;
  - v. the employee's government-issued identification, and
  - vi. An employer provided badge containing a picture and the name of the delivery employee.
6. Carry proper shipping manifest documentation which includes the following information:
  - i. The name of the Out-of-County Delivery Service;
  - ii. The names of the authorized drivers;
  - iii. The type and quantity or amount of cannabis goods being transported;

- iv. The unique identifiers issued by the Department of Food and Agriculture pursuant to Health and Safety Code Section 11362.777;
  - v. The quantity and weight or amount of cannabis goods being transported;
  - vi. The time and location of departure;
  - vii. The time and location of the expected arrival; and
  - viii. The make, model and license plate number of the delivery vehicle
7. Not leave cannabis goods in an unattended motor vehicle unless the motor vehicle is equipped with an active vehicle alarm system
  8. Not carry cannabis goods valued in excess of \$5,000 at any time. This value shall be determined using the retail price of all cannabis goods carried by the Out-of-County Delivery Service.

**H. Delivery Vehicle Requirements.** Each delivery vehicle must be:

1. Non-conspicuous and shall not display signs, logos, pictures or any other form of advertisement which can be detectable by a bystander or observer that the delivery vehicle may be used for, or is, carrying cannabis goods.
2. Outfitted with a dedicated Global Positioning System (“GPS”) device for the identifying the geographic location of the delivery vehicle. A dedicated GPS device does not include a phone or tablet. The GPS device shall be either permanently or temporarily affixed to the delivery vehicle and shall remain active and inside of the delivery vehicle at all times during the delivery. At all times, the licensed delivery service shall be able to identify the geographic location of the delivery vehicles that are making deliveries for the delivery service and shall provide the information to the County upon request.

**Section 7.02.140. Operating Requirements for Cultivators; Outdoor Cultivation Prohibited.**

- A. Cultivators permitted under this Chapter shall at all times comply with all applicable requirements set forth in Chapter 19.43 of the San Benito County Code.
- B. Cultivators shall only be permitted under this Chapter and/or any subsequently created State-License for cultivation as defined in MAUCRSA, and may be permitted to operate only within those zone districts as set forth in Title 25 of the County Code.

**Section 7.02.150. Operating Requirements for Distributors.**

- A. Distributors permitted under this Chapter shall at all times comply with all applicable requirements set forth in Chapter 19.43 of the San Benito County Code.
- B. Distributors shall only be permitted under this Chapter and/or any subsequently created State-License for distribution as defined in MAUCRSA, and may be permitted to operate only within those zone districts as set forth in Title 25 of the County Code.

**Section 7.02.160. Operating Requirements for Testing Laboratories.**

- A. Testing laboratories permitted under this Chapter shall at all times comply with all applicable requirements set forth in Chapter 19.43 of the San Benito County Code.
- B. Testing laboratories shall only be permitted under this Chapter and/or any subsequently created State-License for testing laboratories as defined in MAUCRSA, and may be permitted to operate only within those zone districts as set forth in Title 25 of the County Code.

**Section 7.02.170. Operating Requirements for Manufacturers.**

- A. Manufacturers permitted under this Chapter shall at all times comply with all applicable requirements set forth in Chapter 19.43 of the San Benito County Code.
- B. Manufacturers shall only be permitted under this Chapter and/or any subsequently created State-License for manufacturing as defined in MAUCRSA, and may be permitted to operate only within those zone districts as set forth in Title 25 of the County Code.

**Section 7.02.180. Operating Requirements for Microbusinesses.**

- A. Microbusinesses permitted under this Chapter shall at all times comply with all applicable requirements set forth in Chapter 19.43 of the San Benito County Code.
- B. Microbusinesses shall only be permitted under this Chapter and/or any subsequently created State-License for microbusinesses as defined in MAUCRSA, and may be permitted to operate only within those zone districts as set forth in Title 25 of the County Code.

**Section 7.02.190. [RESERVED]**

**Section 7.02.200. Inspection and Enforcement.**

- A. The enforcing officer charged with enforcing the provisions of the County of San Benito County Code, or any provision thereof, may enter a cannabis business site at any time, without notice, and inspect the location of any cannabis business as well as any recordings and records required to be maintained pursuant to this Chapter or under applicable provisions of State law.
- B. It is unlawful for any person having responsibility over the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the County to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business 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 cannabis business under this Chapter or under state or local law.
- C. The enforcing officer charged with enforcing the provisions of this Chapter may enter a cannabis business site 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 the County of San Benito shall be logged, recorded, and maintained in accordance with established procedures by the County of San Benito' County Administrative Officer or these regulations.
- D. Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.
- E. Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the County of San Benito. 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 for any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The County of San Benito may also pursue any and all remedies and actions available and applicable under state and local laws for any

violations committed by the cannabis business 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 Administrative Officer, or his/her designee(s), may take immediate action to temporarily suspend a Cannabis Business Permit issued by the County, pending a hearing before the County Administrative Officer, or his/her designee(s).

- F. Each and every violation of the provisions of this Chapter may in the discretion of the District Attorney or County 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 six (6) months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense.
- G. The remedies provided herein are not to be construed as exclusive remedies. The County is authorized to pursue any proceedings or remedies provided by law.

**Section 7.02.210. Compliance with State and Local Laws.**

It shall be the responsibility of the owners and employees of the cannabis business to ensure that the cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, including the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”), and any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed by the County as conditions of approval. Nothing in this Chapter shall be construed as authorizing any actions that violate state or local law regarding the operation of a cannabis business.

**Section 7.02.220. Permit Holder Responsible for Violations.**

The person to whom any permit is issued pursuant to this Chapter shall be responsible for any and all violations of the state and/or local laws, as well as any the regulations promulgated under this Chapter, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the cannabis business site whether or not said violations occur within the permittee’s presence.

**Section 7.02.230. Limitations on County’s Liability.**

To the fullest extent permitted by law, the County of San Benito shall not assume any liability whatsoever with respect to having issued a Cannabis Business Permit pursuant to this Chapter or otherwise authorizing a commercial business to engage in commercial cannabis activity.

**SECTION 2.** If any section, subsection, sentence, clause, portion, or phrase of this Ordinance is for any reason held illegal, invalid, or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions hereof. The board hereby declares that it would have passed this chapter and each section, subsection, sentence, clause, portion, or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared illegal, invalid or unconstitutional.

**SECTION 3.** The Board of Supervisors hereby finds that this Ordinance is not subject to review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15308 Class 8: Actions by Regulatory Agencies for Protection of the Environment consists of actions taken by regulatory agencies, as authorized by state or local ordinance, to

assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment, California Business and Professions Code Section 26055, subd. (h), which states in pertinent part, “[w]ithout limiting any other statutory exemption or categorical exemption, [CEQA] does not apply to the adoption of an ordinance . . . that requires discretionary review and approval of permits . . . to engage in commercial cannabis activity. To qualify for this exemption, the discretionary review in any such law, ordinance, rule, or regulation shall include any applicable environmental review pursuant to [CEQA].”

**SECTION 4. EFFECTIVE DATE.** This ordinance shall take effect thirty (30) days from the date of its adoption, and prior to the expiration of fifteen (15) days from the adoption thereof shall be published at least one time in a newspaper of general circulation in San Benito County, with the names of the Supervisors voting for or against the same.

In regular session of the Board of Supervisors of the County of San Benito, adopted this 11<sup>th</sup> day of December, 2018, on regular roll call of the members of said Board by the following vote:

AYES: Supervisor(s) Botelho, Muenzer, Medina, De La Cruz

NOES: Supervisor(s) None

ABSENT OR NOT VOTING: None

Anthony Botelho,  
Chair, Board of Supervisors

ATTEST:

Janet Slipsager, Clerk of the Board

By: Janet Slipsager  
Clerk of the Board

APPROVED AS TO LEGAL FORM:

San Benito County Counsel  
Barbara J. Thompson

By: [Signature] 12/10/18  
Sarah M. Dickinson,  
Acting Assistant County Counsel