**ORDINANCE NO.**

**ORDINANCE AMENDING CHAPTER 6.36 – CANNABIS FACILITIES BUSINESSES AND CHAPTER 20.243 – CANNABIS FACILITIES**

The Board of Supervisors of the County of Mendocino, State of California, ordains as follows:

**Section 1**: Section 6.36.020 of the Mendocino County Code is hereby amended to read as follows:

Sec. 6.36.020 - Requirement for cannabis facility business license.

(A) It shall be unlawful for any Person to transact any business in the unincorporated area of Mendocino County for which a license is required by this Chapter, without possessing a valid and current Mendocino County Cannabis Facility Business License for such business issued by the Mendocino County Treasurer-Tax Collector (Tax Collector).

(B) Cannabis facilities shall be required to comply with other provisions of the Mendocino County Code, including but not limited to, Chapters 10A.17, 20.242, and 20.243, as applicable.

(C) All cannabis facilities, regardless of where located, shall comply with the following:

(1) Cannabis facilities other than Manufacturing Level 2 (Volatile) or Microbusinesses with a cultivation site shall not be allowed within a 600-foot radius of a youth-oriented facility, a school, a park, ~~or any church~~ or residential treatment facility, as those terms are defined in section ~~10A.17.020~~20.243.030 of the Mendocino County Code, that is in existence at the time a Cannabis Facility Business License is applied for; Manufacturing Level 2 (Volatile) facilities and Microbusinesses with a cultivation site shall not be allowed within 1,000 feet of such places or facilities. The distance between the uses listed in the preceding sentence and the cannabis facility shall be measured in a straight line from the nearest point of the cannabis facility to the nearest point of any fenced, maintained or improved area where the users of the facility are typically present during normal hours of operation. A cannabis facility not in compliance with the setback requirement of this paragraph (1) shall not be issued a cannabis facility business license unless the facility is first issued an administrative permit pursuant to Chapter 20.243 for a reduction in this required setback. The setback requirement of this paragraph (1) shall not apply to retailers/dispensaries which were operating with an approved business license as of the effective date of the ordinance adopting this Chapter 6.36.

(2) A cannabis facility shall comply with the general limitations set forth in section 20.243.050, except for paragraph (B) of section 20.243.050.

(D) Persons applying for a Cannabis Facility Business License shall obtain a valid California State license required under MAUCRSA as soon as such State licenses become available.

(E) A Person who obtains a Cannabis Facility Business License under this Chapter 6.36 for a cannabis facility shall not be required to obtain a separate business license under Chapter 6.04 for the same activity.

(F) The business license requirement set forth in this Chapter shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other federal, state, or local law.

(G) Cannabis facilities in existence prior to January 1, 2017, that had an approved County business license under Chapter 6.04 may continue to operate under that business license

until that license is scheduled to be renewed, at which time the cannabis facility shall apply for a license under this Chapter 6.36.

**Section 2**: Section 6.36.070 of the Mendocino County Code is hereby amended to read as follows:

Sec. 6.36.070 - Issuance of License.

Upon review of an application for a Cannabis Facility Business License and payment of the license fee and any other fee required by the County for review of the application, the Office of the Tax Collector shall perform the application review as stated in Section 6.36.060 and issue a license unless substantial evidence in the record demonstrates one of the following bases for denial:

(A) The application is incomplete or inaccurate.

(B) The application or the facility is not in compliance with the provisions of the Mendocino County Code including but not limited to this Chapter and Chapters 10A.17, 20.242, and 20.243.

(C) The provision of false or misleading information by the Applicant to the County.

(D) The failure or refusal of the owner or operator/manager of a licensed facility to comply with any of the provisions of this Chapter.

(E) The failure or refusal to carry out the required policies and procedures or comply with the statements provided to the County with the business license application for the facility.

(F) The failure or refusal to cooperate fully with an investigation or inspection by the County.

(G) The application requires additional information as requested by the County and no action has been taken by the applicant after one (1) year of being notified of said request for information.

A business license issued pursuant to this Chapter does not provide any exception, defense, or immunity from other laws, nor does it create an exception, defense or immunity to any Person in regard to potential criminal liability the Person may have for the production, distribution or possession of cannabis.

**Section 3**: Section 6.36.150 of the Mendocino County Code is hereby repealed:

~~Sec. 6.36.150 - Temporary Cannabis Facility Business Licenses.~~

~~(A) The Tax Collector may issue a temporary Cannabis Facility Business License (a "temporary CFBL"), on a form prescribed by the Tax Collector, subject to the following conditions:~~

~~(1) The applicant shall submit all of the following:~~

~~(a) A written application for a Cannabis Facility Business License on a form prescribed by the Tax Collector.~~

~~(b) Payment of the Cannabis Facility License Fee.~~

~~(c) Payment of the business license review fee for zoning clearance review by the Department of Planning and Building Services.~~

~~(d) A completed application and payment of all fees for the relevant discretionary permit required by the Mendocino County Zoning Code.~~

~~(e) A form of indemnification agreeme_nt, to be prepared by the County, similar to that required for discretionary land use approvals pursuant to County Code section 1.04.120.~~

~~(2) Prior to issuance of a temporary CFBL, the Department of Planning and Building Services shall review applications for consistency with applicable zoning and building standards.~~

~~(3) Prior to issuance of a temporary CFBL, the Department of Planning and Building Services shall review the application for the relevant discretionary permit required by the Mendocino County Zoning Code and deem the application complete.~~

~~(4) Prior to issuance of a temporary CFBL, the Department of Planning and Building Services shall review the application and determine that the proposed project is exempt from the California Environmental Quality Act.~~

~~(5) The Division of Environmental Health shall review the application to determine if the project requires any permits from the Division.~~

~~(B) A temporary CFBL shall be issued subject to the following conditions:~~

~~(1) The temporary CFBL shall be valid for a period of 180 days and may be extended for additional 90-day periods at the discretion of the Tax Collector.~~

~~(2) A temporary CFBL is a conditional license and authorizes the holder thereof to operate a cannabis facility as would be permitted under the privileges of a Cannabis Facility Business License.~~

~~(3) Refusal by the Tax Collector to issue or extend a temporary CFBL shall not entitle the applicant to a hearing or appeal of the decision.~~

~~(4) A temporary CFBL does not obligate the County to issue a nontemporary Cannabis Facility Business License nor does the temporary CFBL create a vested right in the holder to an extension of the temporary CFBL, the granting of a subsequent nontemporary Cannabis Facility Business License, or the granting of any discretionary permit required by the Mendocino County Zoning Code.~~

~~(C) If a temporary CFBL is not extended by the Tax Collector or the discretionary permit required by the Mendocino County Zoning Code for the requested activity is denied by the County, the temporary CFBL shall terminate immediately and the applicant shall cease all cannabis facility operations at the subject location. The County shall immediately notify the relevant State licensing authority regarding such termination.~~

~~(D) The County shall not issue a temporary CFBL after December 31, 2018.~~

**Section 4**: Section 20.243.030 of the Mendocino County Code is hereby amended to read as follows:

Section 20.243.030 - Definitions.

The definitions in this Chapter are intended to apply solely to the regulations in this Section. ~~Applicable definitions in Mendocino County Code Sections 10A.17.020 and Section 20.242.030 shall also apply to this Chapter.~~ As used herein the following definitions shall apply:

"Adjacent parcel" means any legal parcel that directly shares a property line boundary with another legal parcel.

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

"A-licensee" means any person holding a license for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess a physician's recommendation.

"Bureau" means the Bureau of Cannabis Control.

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

"Cannabis" means all parts of the plant Cannabis sativa, Cannabis indica, or Cannabis ruderalis, or any other strain or varietal of the genus Cannabis that may hereafter be discovered or developed that has psychoactive or medicinal properties, whether growing or not, including the seeds thereof. "Cannabis" also means marijuana as defined by Section 11018 of the State of California Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. For the purpose of this section, "cannabis" does not mean "industrial hemp" as defined by Section 81000 of the State of California Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

~~"Cannabis facility" means a business and/or structure or location where, or from where, retailing, distributing, processing, testing, manufacturing or delivering of cannabis is operating.~~

"Cannabis Facility Business License" or "CFBL" means a revocable, limited-term grant of permission to operate a cannabis processing, manufacturing, testing, retailing/dispensing, distributing, and/ or microbusiness within the County. The business license shall be in the form prescribed by the Tax Collector and must contain, at a minimum, the licensee's name, the business name, type of business, location of business, commencement and expiration dates of the license, and fee remitted. A Cannabis Facilities Business License shall be required for the operation of any cannabis facility.

"Cannabis facility" means a business and/or structure or location where, or from where, retailing, distributing, processing, testing, manufacturing or delivering of cannabis is operating.

"Cannabis farm" means a legal parcel with a cannabis cultivation site under application review or permitted pursuant to the Mendocino County Code.

"Cannabis farmers' market" means a market at which cannabis cultivators sell their cannabis.

"Cannabis farm tour" means the provision of transportation, accommodation, showcasing, education, and/or retail of cannabis in relation to a County permitted cannabis cultivation site.

"Cannabis farm tour operator" means a person, company, or entity responsible for delivering and performing services specified in a given tour to the client, including, but not limited to, transportation, accommodation, showcasing, education, and retail of cannabis at a County

permitted cannabis cultivation site. The owner of a County permitted cannabis cultivation site, or employee thereof, may act as their own cannabis farm tour operator, with property owner consent if applicable.

"Cannabis lodging" means an establishment primarily engaged in the provision of lodging services on a less than monthly basis with incidental food, drink, and other sales and services intended for the convenience of the guests, but also including the provision of cannabis and/or cannabis products.

"Cannabis product" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. "Cannabis product" also means marijuana products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medical cannabis products.

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

~~"Cannabis facility" means a business and/or structure or location where, or from where, retailing, distributing, processing, testing, manufacturing or delivering of cannabis is operating.~~

~~"Cannabis Facility Business License" or "CFBL" means a revocable, limited-term grant of permission to operate a cannabis processing, manufacturing, testing, retailing/dispensing, distributing, and/ or microbusiness within the County. The business license shall be in the form prescribed by the Tax Collector and must contain, at a minimum, the licensee's name, the business name, type of business, location of business, commencement and expiration dates of the license, and fee remitted. A Cannabis Facilities Business License shall be required for the operation of any cannabis facility.~~

"Cannabis waste" means waste that contains cannabis and that has been made unusable and unrecognizable in the manner prescribed in section 5054 of Division 42 of Title 16 of the California Code of Regulations but is not otherwise a hazardous waste as defined in Public Resources Code section 40141.

"CFBL Holder" means any person holding a cannabis facility business license issued pursuant to Chapter 6.36, including any review or permit required by this Chapter.

"Caregiver" or "primary caregiver" has the same meaning as that term is defined in Section 11362.7 of the Health and Safety Code.

"Commercial cannabis activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of cannabis and cannabis products.

"Customer" means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician's recommendation.

"Day care center" has the same meaning as in Section 1596.76 of the Health and Safety Code.

"Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer.

"Distribution" means the procurement, sale, and transport of cannabis and cannabis products between licensees.

"Edible cannabis product" means cannabis that is intended to be used, in whole or in

part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food as defined by Section 109935 of the Health and Safety Code or a drug as defined by Section 109925 of the Health and Safety Code.

"Environmental Health" means the Environmental Health Division of the Mendocino County Health and Human Services Agency or the authorized representatives thereof.

"Extraction" means a process by which cannabinoids are separated from cannabis plant material through chemical or physical means.

"Infused pre-roll" means a pre-roll into which cannabis concentrate (other than kief) or other ingredients have been incorporated.

"Kief" means the resinous trichomes of cannabis that have been separated from the cannabis plant.

"License" means a state license issued pursuant to MAUCRSA, and includes both an A-license (Adult Use) and an M-license (Medical), as well as a testing laboratory license.

"Licensee" means any person holding a license pursuant to MAUCRSA, regardless of whether the license held is an A-license or an M-license, and includes the holder of a testing laboratory license.

"M-license" means a state license issued for commercial cannabis activity involving medicinal cannabis.

"M-licensee" means any person holding a license for commercial cannabis activity involving medicinal cannabis.

"Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

(1) The term "manufacture" includes the following processes:

(A) Extraction;

(B) Infusion;

(C) Packaging or repackaging of cannabis products; and

(D) Labeling or relabeling the packages of cannabis products.

(2) The term "manufacture" does not include the following:

(A) The repacking of cannabis products from a bulk shipping container by a distributor or retailer where the product's original packaging and labeling is not otherwise altered;

(B) The preparation of pre-rolls by a licensed distributor in accordance with the requirements of the Bureau specified in Section 5303 of Division 42 of Title 16 of the California Code of Regulations;

(C) The collection of the resinous trichomes that are dislodged or sifted from the cannabis plant incident to cultivation activities by a licensed cultivator in accordance with the requirements of the California Department of Food and Agriculture specified in Article 4 of Chapter 1 of Division 8 of Title 3 of the California Code of Regulations;

(D) The processing of non-manufactured cannabis products, as defined in Section 8000 of Title 3 of the California Code of Regulations, by a licensed cultivator in

accordance with the requirements of the California Department of Food and Agriculture specified in Article 4 of Chapter 1 of Division 8 of Title 3 of the California Code of Regulations; or

(E) The addition of cannabinoid content on the label of a package of cannabis or cannabis product by a distributor in accordance with Section 40409.

"Manufacturing Level 1 (Non-Volatile)" means facilities that manufacture cannabis products using nonvolatile solvents, or no solvents or volatile solvents using a non- volatile method. This definition shall include infused pre-roll cannabis products.

"Manufacturing Level 2 (Volatile)" means facilities that manufacture cannabis products using volatile solvents.

"MAUCRSA" means the Medical and Adult-Use Cannabis Regulations Safety Act.

"Mendocino County Certified Unified Program Agency (CUPA)" means the agency certified to implement the unified hazardous waste and hazardous materials management regulatory program set forth in Section 25404 of the Health and Safety Code.

"Microbusiness" means at least three (3) of the following commercial cannabis activities: (1) cultivation of cannabis on an area 10,000 square feet or less, (2) distribution, (3) Manufacturing Level 1 (Non-Volatile), and (4) acting as a licensed retailer/dispensary under this Chapter, provided such licensee/CFBL Holder complies with all requirements imposed by this Chapter on each of the three or more activities, to the extent the licensee/CFBL Holder engages in such activities.

"Nonvolatile solvent" means any solvent used in the extraction process that is not a volatile solvent. For purposes of this chapter, "nonvolatile solvents" include carbon dioxide and ethanol.~~"Nonvolatile extraction" means an extraction method using nonvolatile solvents (such as carbon dioxide or "$CO_2$") to manufacture cannabis products.~~

"Nonvolatile solvent" means any solvent used in the extraction process that is not a volatile solvent. ~~A n~~Nonvolatile solvents used for extraction include~~s~~ carbon dioxide and ethanol ~~used for extraction~~.

"Park" means an area of land used for community recreation owned or operated by a public entity or a private area of land recognized as a neighborhood park utilized by youth. State or Federal designated parks and forestlands as recognized within the Mendocino County General Plan are not included within this definition.

"Person" means 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, whether organized as a nonprofit or for-profit entity, and includes the plural as well as the singular number.

"Pre-roll" means any combination of the following rolled in paper: flower, shake, leaf, or kief that is obtained from accumulation in containers or sifted from loose, dry cannabis flower or leaf with a mesh screen or sieve.

"Process," "processing," and "processes" means all activities associated with the drying, curing, grading, trimming, rolling, storing, packaging, and labeling of non-manufactured cannabis products. This definition shall include pre-roll cannabis products.

"Processing Facility" means a location or facility where cannabis is dried, cured, graded, trimmed, and/or packaged at a location separate from the cultivation site where the cannabis is grown and harvested.

"Retailer/Dispensary" means the retail sale and delivery of cannabis or cannabis products to customers.

"School" means an institution of learning for minors, whether public or private, offering a regular course of instruction required by the California Education Code, or any licensed day care or preschool facility. The definition includes a nursery school, 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.

"Shared-use facility" means a building or dedicated area within a building allocated for the provision and maintenance of commonly used equipment and services, including, but not limited to, manufacturing equipment, security systems, fire monitoring and protection systems, and waste disposal services. In compliance with State regulations, any part of the facility that is common-use shall be occupied by only one licensee at a time by restricting the time period that each licensee may use the common-use area and shall be restricted

"State" means the State of California.

"Testing" means testing of cannabis and cannabis products.

"Testing laboratory" means a facility, entity, or site in the State that offers or performs testing of cannabis or cannabis products and that is both of the following:

(A) Accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state; and

(B) Licensed by the Bureau.

"Volatile extraction" means an extraction method using volatile solvents to manufacture cannabis products.

"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.

"Youth center" has the same meaning as in Section 11353.1 of the Health and Safety Code.

"Youth-oriented facility" means any of the following uses as defined by Title 20, Division I of the Mendocino County Code: child day care facility, community recreation, day care facilities/small school, and educational facilities (excluding schools providing instruction to persons older than the age of 18 years). Youth-oriented facility also shall include "day care center," as defined in Section 1596.76 of the California Health and Safety Code, as that section may be modified or superseded, and shall include "youth center" as defined in Section 11353.1 of the Health and Safety Code, as that section may be modified or superseded.

**Section 5**: Section 20.243.040 of the Mendocino County Code is hereby amended to read as follows:

Section 20.243.040 - Use Classifications.

The purpose of these provisions is to classify uses into a limited number of use types on the basis of common functional, product or compatibility characteristics, thereby providing a basis for regulation of uses in accordance with criteria which are directly relevant to the public interest. A Cannabis Facilities Business License (CFBL) shall be required, at minimum, for all uses below, unless otherwise specified in this Section, and not including the permitting requirements pursuant to Section 20.243.060 of this Chapter

(A) Processing Facilities.

(1) Processing facilities, as defined herein, shall be an agricultural use type.

(2) Processing facilities for cannabis grown on site pursuant to a permitted cultivation operation shall be allowed as an accessory use in all zones where cultivation is permitted pursuant to ~~Chapter 10A.17~~the Mendocino County Code. Additionally, processing of cannabis grown by the same applicant on abutting legal parcels under the same ownership shall be allowed as an accessory use and may occur on either adjacent parcel on which said cannabis is grown.

(B) Manufacturing Facilities.

(1) Manufacturing facilities, as defined herein, shall be an industrial use type.

(2) Exception for home manufacturing.

(a) Manufacturing (Level 1) as an accessory use to cultivation is allowed in all zones where cultivation is allowed pursuant to ~~Chapter 10A.17~~the Mendocino County Code and is subject to the provisions of Chapter 20.156 or Chapter 20.160, as applicable, and the following provisions:

(i) The cultivator engaging in home manufacturing must be permitted to cultivate pursuant to Chapter 10A.17 and must reside on the property where the home manufacturing is occurring.

(ii) All cannabis used in home manufacturing must be cultivated on site, under a cultivation permit issued pursuant to ~~Chapter 10A.17~~the Mendocino County Code.

(iii) The manufacturing of edible cannabis products is permitted in compliance with State of California regulations.

(iv) Only nonvolatile extraction methods may be used.

(3) Multiple manufacturing facilities may occupy a single structure and operate as a "Shared-use Facility" in zones where Manufacturing Level 1 (Non-volatile) is permitted, provided that:

(a) An Administrative Permit shall be obtained pursuant to this Chapter, or, for shared-use facilities located in a Commercial zoning district, a Minor Use Permit shall be obtained pursuant to this Chapter.

(b) Use of the "Shared Facility" shall be limited to Manufacturing Level 1 (Non-volatile);

(c) All separate users of the "Shared Facility" shall obtain a manufacturing CFBL from the County and a Type S license from the State; and

~~(a)~~(d) No more than five (5) separate users shall be allowed per facility.

(C) Testing Laboratories and Research Institutions.

(1) Testing laboratories and research institutions, as defined herein, shall be a commercial use type.

(2) Testing licensees/CFBL Holders shall not

(a) hold a license in another facility or category established by this Chapter; or

(b) own or have an ownership interest in any other facility or category licensed pursuant to this Chapter.

(D) Retailer/Dispensary.

(1) A Retailer~~/Dispensary~~, as defined herein, shall be a commercial use type.

(2) A Retailer~~/Dispensary~~ may be permitted and issued a CFBL as ~~only~~ a Retail Dispensary or as a Non-Storefront Retailer, as defined by State law and regulation.

(3) A Retail~~er/~~ Dispensary with a storefront shall only be allowed pursuant to Table 1 of Section 20.243.060 or pursuant to Section 20.243.040(d)(7)(c)

~~(3) This section applies to all retailers/dispensaries, as defined in Section 20.243.030 of this Chapter. Retailers/dispensaries that cultivate nursery stock or seeds must comply with the provisions of Mendocino County Code Chapter 10A.17.~~

~~(a) Retailers/dispensaries that engage in mobile deliveries are prohibited from having any advertisement of their business or services on their delivery vehicles.~~

~~(b) On-site consumption of cannabis is permitted in outdoor areas of A-license retailers/dispensaries, such as patios or decks, and shall adhere to the provisions of Mendocino County Code Chapter 9.32.~~

~~(c) Promotional items and free product give-a-ways by A-license retailers/dispensaries is prohibited.~~

(4) Retailers may engage in mobile deliveries, provided, however, that any advertisement of business or services on delivery vehicles is prohibited.

(5) On-site consumption of cannabis and cannabis products is permitted at a licensed Retail Dispensary and at licensed Cannabis Events as set forth pursuant to applicable state and local laws and regulations if all of the following are met:

(a) Access to the area where cannabis consumption is allowed is

restricted to persons 21 years of age or older.

(b) Cannabis consumption is not visible from any public place or area restricted due to age.

~~(a)~~(c) For Retail Dispensaries, sale or consumption of alcohol or tobacco is prohibited on the premises.

~~(4)~~(6) Promotion items and free product give-a-ways by A-license Retailers is~~f~~ prohibited.

(7) Notwithstanding Table 1 in Section 20.243.060, the following uses shall be permitted in any zoning district with a cannabis cultivation site under application review or permitted pursuant to the Mendocino County Code.

(a) Non-Storefront Retail for the purposes of retail deliveries, sales to farm tours, cannabis lodging sales, and/or event vendor sales shall be permitted as an accessory use pursuant to Chapter 20.164 of the Mendocino County Code. If the provision or sale of cannabis or cannabis products is included prior to, during, or after the farm tour, the cannabis farm shall obtain a CFBL for Non-Storefront Retail.

(b) Farm tours which include the provision and sale of cannabis or cannabis products shall be permitted as an accessory use pursuant to Chapter 20.164 provided, however, that no more than one (1) tour is permitted per week and a business license is obtained pursuant to Chapter 6.04 of the Mendocino County Code.

(c) Retail Dispensary locations shall be permitted subject to a Minor Use Permit under the jurisdiction of the Planning Commission, pursuant to Chapter 20.196 of the Mendocino County Code.

(8) Cannabis Farmer's Markets

(a) Cannabis Farmer's Markets shall comply with the regulations set forth in Section 20.243.110 of this Chapter.

(b) No Cannabis Farmer's Markets shall be conducted in a visibly public location, such as a park, street, or on any school grounds. Public fairgrounds are not included in this prohibition.

(c) All vendors shall obtain or have an active Non-Storefront Retail CFBL and all cannabis and cannabis products shall be compliant with State requirements, including testing, packaging, and retailing.

(9) Cannabis Farm Tours

(a) Cannabis farms and cannabis farm tour operators seeking to have a frequency of tours greater than one (1) per week shall obtain a Minor

Use Permit under the jurisdiction of the Planning Commission pursuant to Chapter 20.196 of the Mendocino County Code.

(b) Cannabis farms shall obtain and operate under a Non-Storefront Retail CFBL if cannabis or cannabis products are to be sold.

(10) Cannabis Lodging

(a) The business shall be permitted for a lodging accommodation use as either Transient Habitation, as defined by Section 20.024.135, or Room & Board, as defined by Section 20.164.015(L).

(b) The business shall obtain and operate under a Non-Storefront Retail Cannabis Facilities Business License.

(c) Cannabis and cannabis products shall only be provided to overnight guests. No cannabis or cannabis product shall be given or sold to non-overnight guests.

~~(a)~~(d) Cannabis and cannabis products shall either be included in the nightly rate of the accommodation or shall be sold separately. Unless purchased from a permitted cannabis retailer, cannabis or cannabis products to be included with the accommodation are subject to taxation pursuant to Chapter 6.36 of the Mendocino County Code.

(E) Distribution Facility.

(1) A distribution facility shall be a site or location where distribution, as defined herein, occurs, and shall be a commercial use type.

~~Distribution CFBLs may be issued in the following categories, as these categories are defined in State laws and regulations, and subject to the restrictions of this Chapter: Distributor Transport Only, Self-Distribution, and Distributor~~.

(2) ~~A distribution facility shall be a commercial use type, provided, however, that a location engaging in operations limited to Distributor Transport Only or Self-Distribution, where the location is limited to distributing cannabis or cannabis products grown or manufactured by the CFBL Holder may be considered an accessory use to other CFBL types on that site~~The following Distribution types are defined in State laws and regulations: Distributor, Self-Distribution, and Distributor Transport Only. Such permit types shall be permitted in the County of Mendocino as outlined below and subject to the restrictions of this Chapter.

(a) A Distribution CFBL holder shall apply for a Distributor license with the State.

(b) A Self-Distribution CFBL holder shall apply for a Distributor license with the State, provided, however, that the permittee shall be restricted to distributing cannabis or cannabis products grown or

manufactured onsite, or, for Retailer CFBL holders, cannabis or cannabis products to be sold at their retail location.

(c) A Distributor Transport Only CFBL holder shall apply for Distributor Transport Only with the State.

(d) A Distributor Transport Only – Cultivator CFBL holder shall apply for Self-Distribution with the State, provided, however, that the permittee shall be restricted to distributing cannabis or cannabis products grown or manufactured on-site.

(3) Notwithstanding Table 1 in Section 20.243.060, Distribution Transport Only CFBL holder shall be allowed in any zoning district as an accessory use to a cultivation site under application review or permitted pursuant to the Mendocino County Code.

~~(2)~~(4) Notwithstanding Table 1 in Section 20.243.060, Self-Distribution shall be allowed in any zoning district as an accessory use to another on-site CFBL by the same holder or as an accessory use to a cultivation site under application review or permitted pursuant to the Mendocino County Code.

(F) Microbusinesses.

(1) Microbusiness, as defined herein, shall be the use type which is the predominant use type of that microbusiness.

(2) Microbusinesses with on-site cannabis cultivation must comply with and obtain a permit pursuant to ~~Chapters 10A.17 and 20.242 of~~ the Mendocino County Code.

(3) Microbusinesses with on-site processing, distribution, wholesale, manufacturing and/or retail sales or dispensing of its products shall comply with all applicable sections of this Chapter.

(4) Microbusinesses proposed in the General Commercial (C2) zoning district must demonstrate that the retail component of the Microbusiness is the primary use and other uses are incidental and subordinate to the retail component.

(5) All components of a microbusiness must comply with the development requirements of the zoning district in which it is located.

(6) The manufacturing of edible cannabis products is permitted in compliance with State of California regulations.

(7) Notwithstanding Table 1 of Section 20.243.060, a microbusiness may be allowed in any zoning district provided that (a) the microbusiness either (i) qualifies as a home occupation pursuant to Chapter 20.156 or (ii) is permitted as a cottage industry pursuant to Chapter 20.160; and (b) there is a cultivation site permitted pursuant to ~~Chapters 10A.17 and 20.242~~the Mendocino County Code.

(8) Microbusinesses which are either a home occupation or cottage industry shall (a) have any distribution component be limited to Self-Distribution or Distribution Transport Only – Cultivator CFBL types of the microbusiness' own cannabis and cannabis products and (b) have any ~~retail/dispensary~~Retailer component be limited to the number of daily

customers as allowed by either Chapter 20.156 or Chapter 20.160.

(9) All cultivation, manufacturing, distribution, and retail activities performed by a licensee/CFBL Holder under a permitted microbusiness shall occur on the same licensed premises.

**Section 6**: Section 20.243.050 of the Mendocino County Code is hereby amended to read as follows:

Section 20.243.050 - General Limitations on Cannabis Facilities.

(A) All cannabis facilities shall comply with all applicable regulations of in the Mendocino County Code and State law.

(B) The processing, manufacturing, testing, dispensing, retail sales, and distributing of cannabis in Mendocino County, shall not be allowed within one thousand (1000) foot radius of a youth-oriented facility, a school, a park, ~~or any church~~ or residential treatment facility, as ~~those terms are~~ defined in section ~~10A.17.020~~20.243.030 of the ~~Mendocino County Code~~this Chapter, that is in existence at the time the zoning clearance or permit is applied for. The distance between the uses listed in the preceding sentence and the cannabis facility shall be measured in a straight line from the nearest point of the cannabis facility to the nearest point of any fenced, maintained or improved area where the users of the facility are typically present during normal hours of operation.

(1) Applicants may apply for a reduction in the setback described in this paragraph (C) through an administrative permit pursuant to section 20.243.090 of this Chapter.

(C) All structures associated with permitted cannabis facilities shall comply with the setbacks established by the zoning district in which the cannabis facility site is located.

(D) All cannabis facilities shall be located in a permanent building in conformance with the California Building Code as adopted by Mendocino County for a commercial or industrial building, as applicable, and shall not be located in a dwelling unit, recreational vehicle, ~~cargo container,~~ motor vehicle or other similar personal property, except as provided for by Mendocino County Code Chapter 20.156 or Chapter 20.160.

(E) The processing, manufacturing, testing, dispensing, retailing, and distributing of cannabis is not permitted within any habitable space (i.e., kitchen, bedroom, bathroom, living room or hallway) of a dwelling unit nor is it permitted within any required parking space, except as otherwise allowed in this chapter, except as provided for by Mendocino County Code Chapter 20.156 or Chapter 20.160.

(F) Cannabis facilities proposed in Industrial zoning districts shall be subject to the provisions of Development Review pursuant to Chapter 20.188, as applicable.

(G) Cannabis facilities shall implement the following security measures:

(1) Sufficient security measures to both deter and prevent unauthorized entrance into areas containing cannabis or cannabis products and theft of cannabis or cannabis products.

(2) Security measures to prevent individuals from remaining on the premises of the facility if they are not engaging in activity expressly related to the operations of the facility.

(3) Establishing limited access areas accessible only to authorized personnel.

(4) Storing all cannabis and cannabis products in a secured and locked

room, safe, or vault and in a manner sufficient to prevent diversion, theft, and loss.

(5) Diversion, theft, loss or any criminal activity involving the facility or any other breach of security must be reported immediately to law enforcement.

(H) Cannabis remnants, infused products, bi-products, and other waste material shall be disposed of in a safe, sanitary, and secure manner. Any portion of the cannabis remnants, products or bi- products being disposed of will be rendered unusable before disposal, will be protected from being possessed or ingested by any person or animal, and shall not be placed within the facility's exterior refuse containers.

(I) Signage associated with permitted cannabis facilities shall meet the applicable requirements set forth in the Mendocino County Zoning Code for signage and other applicable State regulations.

**Section 7**: Section 20.243.060 of the Mendocino County Code is hereby amended to read as follows:

Section 20.243.060 - Permit Types and Zoning Districts.

All cannabis facilities shall be permitted in accordance with this Section. All new cannabis facilities shall obtain approval from other State and Local agencies with permitting jurisdiction. Cannabis facilities may be allowed with an approved Zoning Clearance, Administrative Permit, Minor Use Permit, or Major Use Permit as required for the zoning district in which the cannabis facility is located as listed in Table 1, below:

| Table 1<br>Permit Requirements for Processing, Manufacturing, Testing, Retailers, Distribution, and Microbusiness<br>by Zoning District and Adult Use Cannabis Facilities Code Permit Type | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | 6-A and 6-M | 7-A and 7-M | 8-A and 8-M | 10-M and 10A | 11-A and 11-M | 12-A |
| Permit Type | | Processing* | Manufacturing (Non-volatile)** | Manufacturing (Volatile) | Testing | Retailer***/~~Dispensary~~ | Distributor | Mircobusiness |
| Zoning District | RR 2 | - | - | - | - | - | - | - |
| | RR 5 | - | - | - | - | - | - | - |
| | RR 10 | - | - | - | - | - | - | - |
| | R3 | - | - | - | - | - | - | - |
| | RC | AP | AP | UP | UP | UP | UP | UP |
| | SR | - | - | - | - | - | - | - |
| | AG | AP | - | - | - | - | MUP | - |
| | UR | AP | - | - | - | - | - | - |
| | RL | AP | - | - | - | - | MUP | - |
| | FL | AP | - | - | - | - | MUP | - |
| | TPZ | - | - | - | - | - | - | - |
| | C1 | AP | MUP | - | - | ZC | - | - |
| | C2 | AP | UP | - | ZC | ZC | UP | AP |
| | I1 | ZC | ZC | AP | ZC | UP | ZC | AP |
| | I2 | ZC | ZC | AP | ZC | UP | ZC | AP |
| | PI | ZC | ZC | AP | ZC | UP | ZC | AP |
| —=Not Allowed, ZC = Zoning Clearance, AP = Administrative Permit, UP = Minor Use Permit, MUP = Major Use Permit | | | | | | | | |
| * See Section 20.243.040(A)~~(2)~~ regarding processing of cannabis grown on site.<br>** See Section 20.243.040(B)~~(2)~~ regarding home manufacturing exception.<br>*** See Section 20.243.040(D)(6)(c) regarding on-site consumption for cultivation sites. | | | | | | | | |

~~Notwithstanding the above Table 1:~~

~~(A) Distribution Transport Only and Self-Distribution licenses shall be allowed in any zoning district as an accessory use to a cultivation site under application review or permitted pursuant to Chapters 10A.17 and 20.242, but the CFBL Holder shall be restricted to distributing cannabis goods grown or made by the CFBL Holder itself.~~

~~(B)~~(A) ~~Non-Storefront Retail locations shall be permitted in any zoning district as an accessory use to a cultivation site under application review or permitted pursuant to Chapters 10A.17 and 20.242.~~

**Section 10**: Section 20.243.090 of the Mendocino County Code is hereby amended to read as follows:

Section 20.243.090 - Planning Approval Required for Processing, Manufacturing, Testing, Retail/Dispensary, and Distribution Facilities for Cannabis.

(A) Planning Approval Procedure. Each cannabis facility site is subject to one of the following planning procedures that correspond to the applicable zoning district, as specified by Table 1 of this Chapter. Planning and Building shall review the application in accordance with the applicable planning approval process.

(1) Zoning Clearance. Planning and Building Services and the Department of Environmental Health shall review projects for compliance with applicable local regulations.

(2) Administrative Permits.

(a) In accordance with the Administrative Permit review procedure listed in Chapter 20.192, the Zoning Administrator shall approve, conditionally approve or deny an Administrative Permit for a cannabis facility based on the following special findings:

(i) The cannabis facility site is allowed in the zoning district and is in compliance with the provisions of ~~this Chapter and Chapter 10A.17~~the Mendocino County Code, as applicable.

(ii) The cannabis facility will avoid or minimize odor and light impact on residential uses.

(iii) The findings required by Section 20.196.020 shall also be made.

(b) In addition to the requirements of paragraph (a) above, administrative permits may be approved, conditionally approved or denied for the reduction of the setback provided for in section 20.243.050(C) based on the following special findings:

(i) That there be special circumstances applicable to the property involved, including size, shape, topography, location or surrounding;

(ii) That the granting of such reduction will not be materially detrimental to the public welfare or injurious to the property or improvements in such vicinity and zone in which the property is located; and

(iii) That the granting of such reduction will not adversely affect the General Plan.

(3) Minor Use Permits. In accordance with the Use Permit review procedure listed in Chapter 20.196, the Zoning Administrator or the Planning Commission shall approve, conditionally approve, or deny a Minor Use Permit for a cannabis facility based on findings in Sections 20.196.020 and 20.196.030.

(a) The cannabis facility site is allowed in the zoning district and is in compliance with the provisions of ~~this Chapter and Chapter 10A.17~~the Mendocino County Code, as applicable.

(b) The cannabis facility will avoid or minimize odor and light impact on residential uses.

(4) Major Use Permits. In accordance with the Use Permit review procedure listed in Chapter 20.196, the Zoning Administrator or the Planning Commission shall approve, conditionally approve, or deny a Major Use Permit for a cannabis cultivation site based on findings in Sections 20.196.020 and 20.196.030.

(a) The cannabis facility site is allowed in the zoning district and it is in compliance with the provisions of ~~this Chapter and Chapter 10A.17~~ the Mendocino County Code, as applicable.

(b) The cannabis facility will avoid or minimize odor and light impact on residential uses.

(B) The County shall notify any State licensing authority, as defined by the MAUCRSA, as applicable, whenever the County business license, Administrative Permit or Minor or Major Use Permit has been revoked or terminated.

~~(B)~~(C) Any "idle application" ~~that is idle for more than one (1) year~~ may be Administratively w~~W~~ithdrawn by the County. An "idle~~"~~ application" is an application~~shall be one~~ that has either been deemed incomplete upon submittal or the processing of the application has been placed on hold due to additional requirements that must be fulfilled by the applicant and the applicant has not responded for a period of one (1) year to a notice of incompletion.

**Section 11**: Section 20.243.110 of the Mendocino County Code is hereby amended to read as follows:

Section 20.243.110 – Cannabis Events~~Permit Revocation~~.

~~An Administrative Permit or Use Permit may be revoked or modified according to the revocation or modification provisions in Mendocino County Code sections 20.192.060 and 20.192.065 or sections 20.196.055 and 20.196.060, respectively. Grounds for seeking revocation or modification include: non-compliance with one or more of the requirements listed in this Code; failure to comply with the requirements of the Mendocino County Certified Unified Program Agency (CUPA), or any of the grounds listed in code sections identified in this paragraph, as applicable, and any successor provisions.~~

(A) An event which focuses on cannabis or cannabis products or an event at which cannabis or cannabis products are retailed shall apply for a permit pursuant to Section 20.168.020, including events of less than 100 people, Examples of cannabis events include, but are not limited to, farmers' markets or outdoor festivals that include the sale of cannabis. All cannabis events shall be subject to the following general requirements:

(1) The parcel(s) on which the special event is located shall become permitted with the applicable State licensing body prior to the dates of the cannabis event.

(2) The parcel(s) on which the event is hosted shall be located at least six hundred (600) feet from any youth-oriented facility, school, and/or park. The distance between the uses listed in the preceding sentence and the event shall be measured in a straight line from the property line of the event venue to the nearest point of any fenced, maintained or improved area where the users of the sensitive receptor are typically present during normal hours of operation.

(3) All retailers shall be licensed with both local and state entities.

(4) If a special event allows attendance by persons under the age of twenty-one (21), the sale of cannabis and cannabis products shall be conducted in a secure and secluded location at the event only accessible by a controlled entrance.

(5) If a special event includes the provision of alcohol, the sale of cannabis and cannabis products shall be conducted in a secure and secluded location at the event only accessible by a controlled entrance.

**Section 12**: Section 20.243.120 of the Mendocino County Code is hereby added to read as follows:

Section 20.243.120 - Permit Revocation.

An Administrative Permit or Use Permit may be revoked or modified according to the revocation or modification provisions in Mendocino County Code sections 20.192.060 and 20.192.065 or sections 20.196.055 and 20.196.060, respectively. Grounds for seeking revocation or modification include: non-compliance with one or more of the requirements listed in this Code; failure to comply with the requirements of the Mendocino County Certified Unified Program Agency (CUPA), or any of the grounds listed in code sections identified in this paragraph, as applicable, and any successor provisions.

**PASSED AND ADOPTED** by the Board of Supervisors of the County of Mendocino, State of California, on this _____ day of _____, 2021, by the following roll call vote:

AYES:
NOES:
ABSENT:

**WHEREUPON**, the Chair declared the Ordinance passed and adopted and **SO ORDERED**.

ATTEST: CARMEL J. ANGELO
Clerk of the Board

_____
Deputy

*APPROVED AS TO FORM:*
CHRISTIAN M CURTIS, County Counsel

_____

_____
DAN GJERDE, Chair
Mendocino County Board of Supervisors

I hereby certify that according to the provisions of Government Code section 25103, delivery of this document has been made.

BY: CARMEL J. ANGELO
Clerk of the Board

_____
Deputy