

Exhibit A

ORDINANCE NO. _____

ORDINANCE AMENDING CHAPTER 7.130 OF THE SANTA CRUZ COUNTY CODE TO AUTHORIZE CANNABIS DISPENSARIES TO SELL ADULT-USE CANNABIS CONSISTENT WITH PROPOSITION 64, MAKING ADDITIONAL MISCELLANEOUS CHANGES, AND MAKING CEQA FINDINGS

The Board of Supervisors of Santa Cruz County hereby finds and declares the following:

WHEREAS, in November 2016, the California voters adopted Proposition 64, the “Control, Regulate and Tax Adult Use of Marijuana Act” (“the AUMA”), which authorizes the retail sale of cannabis to adult users for recreational purposes beginning on January 1, 2018; and

WHEREAS, 69.89 percent of Santa Cruz County voters approved the passage of Proposition 64; and

WHEREAS, the County currently operates, via Santa Cruz County Code Chapter 7.130, the Medical Cannabis Dispensary Licensing Program; and

WHEREAS, the Board of Supervisors believes that it is appropriate to allow the dispensaries that are currently licensed by the County to sell medical cannabis to also sell cannabis to non-medical users consistent with the provisions of Proposition 64; and

WHEREAS, the County has the ability to authorize licensed dispensaries to sell cannabis to non-medical users by making minor revisions to Chapter 7.130; and

WHEREAS, by authorizing existing licensed dispensaries to sell cannabis to non-medical users, the County will not be authorizing new businesses or development, since these establishments are existing and subject to substantive locations and operational limits under existing provisions of Chapter 7.130, and, based on the facts known to the Board, this ordinance has no potential to result in any reasonably foreseeable environmental impacts over existing conditions; and

WHEREAS, staff has identified a need to make additional, non-substantive miscellaneous changes to the dispensary ordinance to correct typographical errors, address the timing for submission of renewal license applications, eliminate unnecessary provisions, and address changes related to the AUMA;

NOW THEREFORE the Board of Supervisors of the County of Santa Cruz ordains as follows:

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Exhibit A

SECTION I

Santa Cruz County Code Chapter 7.130 is hereby amended to read as follows:

Chapter 7.130 Cannabis Dispensary Licenses

Sections:

- 7.130.010 Purpose.**
- 7.130.030 Definitions.**
- 7.130.050 Prohibited activities.**
- 7.130.070 Creation of the Cannabis Dispensary Licensing Program.**
- 7.130.090 License category, application submission dates, and eligibility.**
- 7.130.110 License required.**
- 7.130.130 Enforcement.**

7.130.010 Purpose.

The purpose of this Chapter is to provide local rules to regulate cannabis dispensaries in the unincorporated area of Santa Cruz County.

It is also the purpose of this Chapter to mitigate the negative impacts and secondary effects associated with ongoing cannabis activities including, but not limited to, demands placed on law enforcement and administrative resources; neighborhood disruption; the exposure of children to cannabis; drug sales to minors and adults; fraud in issuing, obtaining, or using cannabis recommendations; robberies; burglaries; assaults; drug trafficking and other violent crimes.

This Chapter is not intended to conflict with federal or State law. It is the intention of the County that this Chapter be interpreted to be compatible with federal and State enactments and in furtherance of the public purposes that those enactments encompass.

7.130.030 Definitions.

As used in this Chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

- (A) “Applicant” means the person or entity submitting an application for a dispensary license under this Chapter on behalf of the owner or owners of the dispensary seeking to be licensed.

Exhibit A

(B) “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, as defined under Business and Professions Code section 19300.5(f), as may be amended.

(C) “Cannabis plant” means any mature or immature cannabis plant, or any cannabis seedling, unless otherwise specifically provided herein.

(D) “Cultivation” or “cultivate” means the planting, growing, developing, propagating, harvesting, drying, processing, or storage of, one or more cannabis plants or any part thereof in any location, indoor or outdoor, including within a fully enclosed and secure building.

(E) “Dispensary” means a fixed brick-and-mortar storefront location that sells cannabis. “Dispensary” does not include the following:

(1) Any location during only that time reasonably required for a primary caregiver to distribute, deliver, dispense, or give away cannabis to a qualified patient or person with an identification card who has designated the individual as a primary caregiver, for the personal medical use of the qualified patient or person with an identification card, in accordance with California Health and Safety Code Section 11362.5 and 11362.7 et seq.;

(2) The location of any clinic licensed pursuant to Chapter 1 (commencing with Section 1200), a health care facility licensed pursuant to Chapter 2 (commencing with Section 1250), a residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 (commencing with Section 1568.01), a residential care facility for the elderly licensed pursuant to Chapter 3.2 (commencing with Section 1569), a hospice, or a home health agency licensed pursuant to Chapter 8 (commencing with Section 1725), all of Division 2 of the California Health and Safety Code where: (i) a qualified patient or person with an identification card receives medical care or supportive services, or both, from the clinic, facility, hospice, or home health agency, and (ii) the owner or operator, or one of not more than three employees designated by the owner or operator, of the clinic, facility, hospice, or home health agency has been designated as a primary caregiver pursuant to California Health and Safety Code Section 11362.7(d) by that qualified patient or person with an identification card; or

(3) A cultivation site granted an exemption by the Planning Director pursuant to SCCC 13.10.670(G) as enacted by Ordinance No. 5090 (now repealed), so long as the area subject to cultivation is not expanded or enlarged beyond what existed at that location on January 1, 2012.

(F) “Level One Dispensary License” means the license issued to a Level One Dispensary.

(G) “License” means the written evidence of permission given by the Licensing Official for a licensee to operate a dispensary. “License” does not mean “permit” within the meaning of the Permit Streamlining Act, and a license does not constitute a permit that runs with the land on which the dispensary sits.

Exhibit A

(H) “Licensee” means the person or entity holding a valid license to operate a cannabis dispensary under this Chapter.

(I) “Licensing Official” means the official appointed by the County Administrative Officer who is responsible for implementing the provisions of this Chapter.

(J) “Manager” means any person to whom a dispensary has delegated discretionary powers to organize, direct, carry on or control its operations. Authority to control one or more of the following functions shall be prima facie evidence that such a person is a manager of the business: (1) to disburse funds of the business other than for the receipt of regularly replaced items of stock; or (2) to make, or participate in making, policy decisions relative to operations of the business.

(K) “CDL Program” means the Cannabis Dispensary Licensing Program created by this Chapter.

(L) “Parcel” means that unit of land assigned a unique Assessor’s Parcel Number by the County Assessor, whether vacant or occupied by a building, group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area.

(M) “Park” means any playground, hiking or riding trail, recreational area, beach, community center or building, historic structure or facility, owned, managed or controlled by any public entity.

(N) “Owner” or “owners” means all persons or entities holding a financial interest in a cannabis dispensary. For purposes of this definition, the term “financial interest” does not include a security interest, lien, or encumbrance on property.

(1) If the owner is an entity, “owner” includes within the entity each person participating in the direction, control, or management of the dispensary, including but not limited to a corporate officer or a member of the board of directors.

(2) If the owner is a publicly traded company, “owner” means the chief executive officer in addition to anyone holding a financial interest in the dispensary.

(O) “School” means any licensed preschool or any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

(P) “Vehicle” means a device by which any person or property may be propelled, moved, or drawn upon a street, sidewalk or waterway, including but not limited to a device moved exclusively by human power.

(Q) The following words or phrases when used in this section shall be construed as defined in California Health and Safety Code Section 11362.7: “identification card”; “person with an identification card”; “primary caregiver”; and “qualified patient.”

Exhibit A

7.130.050 Prohibited activities.

- (A) It is unlawful and shall constitute a public nuisance for anyone to own, establish, operate, use, or permit the establishment or operation of a dispensary without 1) a valid local license required by this Chapter; and 2) a valid State license required under California law (as soon as State licenses become available for issuance).
- (B) The prohibition in subsection (A) of this section includes renting, leasing, or otherwise permitting a dispensary to occupy or use a location.

7.130.070 Creation of the Cannabis Dispensary Licensing Program.

- (A) There is hereby created the Cannabis Dispensary Licensing Program. The CDL Program shall be operated by the Licensing Official. The Licensing Official shall be appointed by the County Administrative Officer and shall report directly to the County Administrative Officer.
- (B) The Licensing Official shall take the necessary steps to build and manage the CDL Program. This includes, but is not limited to, accomplishing the following tasks in compliance with the rules set forth in this Chapter:
- (1) Creating application forms for licensees;
 - (2) Conducting pre-licensure inspections;
 - (3) Approving and denying license applications;
 - (4) Issuing and revoking licenses;
 - (5) Creating a system on the County's website to communicate the number of licenses issued and notifying the public as to whether applications for licenses are being accepted;
 - (6) Establishing and/or recommending the adoption of any policies, procedures, rules, regulations, or fees necessary to implement the CDL Program; and
 - (7) Working with other officials in the County to ensure that licensees comply with all aspects of the County Code.

7.130.090 License category, application submission dates, and eligibility.

- (A) The license created under this Chapter is the Level One Dispensary License.
- (B) Acceptance of applications for an original Level One Dispensary License shall open on September 1, 2016 and close on November 30, 2016. After November 30, 2016, no additional

Exhibit A

applications for an original Level One Dispensary License shall be accepted.

Exception: This restriction shall not apply to the Santa Cruz Veterans Alliance. The Santa Cruz Veterans Alliance shall be permitted to submit an application until June 1, 2017.

(C) The following dispensaries are the only dispensaries eligible to apply for a Level One Dispensary License. These dispensaries may only apply for a license to operate on the parcel at which they are currently operating a dispensary. Requests by a Level One Dispensary licensee to change locations to a new parcel will be addressed by the Licensing Official on a case-by-case basis, considering all the requirements of this Chapter. However, Level One Dispensaries shall not be allowed to move to a new parcel unless the new parcel meets all the requirements of this Chapter.

- (1) Capitola Healing Association
- (2) Central Coast Wellness Center
- (3) Creekside Collective
- (4) Evolution
- (5) Granny Purps
- (6) Green Acres
- (7) Herbal Cruz
- (8) California Agricultural Association
- (9) KindPeoples Collective
- (10) Redwood Coast Collective
- (11) Santa Cruz Mountain Herb
- (12) Santa Cruz Mountain Naturals
- (13) Therapeutic Healthcare Collective
- (14) Santa Cruz Veterans Alliance

(D) Submission of an application for a Level One Dispensary License does not guarantee issuance of a license.

Exhibit A

7.130.110 License required.

(A) Original License.

(1) Submission Of The Application.

An application for an original license under this Chapter shall be made on the forms designated for that purpose promulgated by the Licensing Official, and shall include all required information, attachments, and signatures required by the Licensing Official. The forms shall be submitted under penalty of perjury, and shall include, but not be limited to, the following information:

- (a) The names of the applicant(s) and owner(s);
- (b) The exact location by street address and Assessor Parcel Number of the existing dispensary;
- (c) The applicants' and owners' waiver and release of the County from any and all liability for monetary damages related to or arising from the application for a license, the issuance of the license, the denial of the license, or the enforcement of the conditions of the license;
- (d) Background information to be determined by the Licensing Official, including but not limited to a statement that the applicant(s) and owner(s) have submitted to a LiveScan background check no earlier than thirty days prior to the date the application is submitted;
- (e) Tax identification information;
- (f) Security plans; and
- (g) Such other information as the Licensing Official deems reasonably necessary to a thorough review of the application.

(2) Payment Of The Application Fee.

An application for a license hereunder shall not be accepted unless it is accompanied by the payment of a non-refundable application fee set by the Licensing Official and approved by the Board of Supervisors. The purpose of any and all fees assessed under this Chapter is to pay for the costs of the CDL Program.

(3) Review Of The Application.

- (a) Upon receipt of an application for an original license, the Licensing Official will create a Licensing File related to the application, and will conduct an actual inspection of the dispensary to determine whether it meets the requirements of the CDL

Exhibit A

Program. The Licensing Official shall be the custodian of the Licensing File. The Licensing File is subject to the California Public Records Act.

(b) Meeting the requirements of the CDL Program does not automatically entitle an applicant to receive a license.

(4) Grant Or Denial Of The License.

After concluding the required pre-license investigation, the Licensing Official shall notify the applicant in writing whether the license has been granted or denied. If an application for a Level One Dispensary License is denied, any further non-licensed dispensary operations may only be carried out in accordance with the limitations set forth in section 7.130.110(H)(3).

(5) Payment Of The License Fee.

An original license shall not be granted to an applicant under this Chapter until the applicant has paid a non-refundable original license fee as set by the Licensing Official and approved by the Board of Supervisors.

(6) Length Of Time The Original License Is Valid.

An original Level One Dispensary License shall be valid from the date it is issued until December 31, 2017. If a licensee wishes to continue operating a dispensary after December 31, 2017, he or she must obtain a renewal license, as set forth below in section 7.130.110(B).

(B) Renewal License.

(1) Requirement To Obtain A Renewal License.

In order to continue operating a dispensary after expiration of the original license, a licensee must obtain a renewal license before the original license expires. A renewal license must be obtained annually via application forms designated for that purpose. It is incumbent on the holder of a license to ensure that the license is renewed before expiration, in order to continue dispensing cannabis after December 31st of the year the renewal license expires.

(2) Submission Of The Renewal License Application.

(a) An application for a renewal license shall be made on the forms designated for that purpose promulgated by the Licensing Official, and shall include all required information, attachments, and signatures required by the Licensing Official. The forms shall be submitted under penalty of perjury, and shall include, but not be limited to, the following information:

(i) The information required for the submission of an original license under Section 7.130.110(A);

Exhibit A

(ii) Identification of any changes to the information the applicant submitted on the original license application;

(iii) Any law enforcement or license enforcement activity related to the licensee's operations during the past calendar year;

(iv) A representation that the applicant continues to hold in good standing any license required by the State of California for dispensary operations;

(v) Such other information as the Licensing Official deems reasonably necessary to a thorough review of the application.

(b) Renewal license applications will be accepted starting in the year 2017. In 2017, applications for a renewal license shall be accepted during the time frame determined by the Licensing Official. For all future years, applications for a renewal license shall only be accepted from September 1st through October 15th of any calendar year, in order to allow the Licensing Official to timely investigate the renewal license applications submitted for that calendar year. The Licensing Official is not authorized to accept an untimely renewal license application.

(3) Payment Of The Renewal License Application Fee.

An application for a renewal license shall be accompanied by the payment of a non-refundable renewal license application fee set by the License Official and approved by the Board of Supervisors.

(4) Review Of The Renewal License Application.

Upon receipt of an application for a renewal license, the Licensing Official shall update the licensee's Licensing File and perform whatever investigation the Licensing Official deems necessary to determine whether to grant or deny the renewal license. The investigation may include a physical inspection of the dispensary, at the discretion of the Licensing Official, to determine whether the licensee remains in compliance with the regulations of the CDL Program.

(5) Grant Or Denial Of The Renewal License.

On or before December 31st of the year in which the renewal application is submitted, and after concluding the required renewal license investigation, the Licensing Official shall notify the applicant in writing of whether the renewal license has been granted or denied. If an application for a renewal license is denied, any further non-licensed dispensary operations may only be carried out in accordance with the limitations set forth in section 7.130.110(H)(3).

Exhibit A

(6) Payment Of The Renewal License Fee.

A renewal license shall not be granted to the applicant under this Chapter until the applicant has paid a non-refundable renewal license fee as set by the Licensing Official and approved by the Board of Supervisors.

(7) Length Of Time The Renewal License Is Valid.

The renewal license shall be valid for one calendar year, beginning January 1st of the year following issuance, and expiring on December 31st of that year. If a licensee wishes to continue operating a dispensary after December 31st of that year, it must obtain a new renewal license per the terms of this section.

(C) Amending A License.

(1) Licensees may submit an application to amend an existing license at any time, on a form promulgated by the Licensing Official for that purpose. Applications to amend a license will be reviewed by the Licensing Official in a manner consistent with the review of original and renewal license applications.

(2) Applicants seeking an amended license must include with their application a monetary deposit, to be determined by the Licensing Official or his or her designee, based on an estimate of the hours the Licensing Official will need to review the application and perform any necessary inspections. Additional deposits or payments shall be made as determined necessary by the Licensing Official in order to recover costs associated with processing the application.

(D) Required Statements On Licenses.

All licenses issued by the Licensing Official shall contain the signature of the owner(s) of the license. In addition, all licenses shall contain the following statements, displayed prominently on the license itself:

(1) A warning that operators, employees, and members of cannabis dispensaries may be subject to prosecution under federal laws; and

(2) An acknowledgment that, by accepting the license and operating a cannabis dispensary, the applicant and owners of the licensed facility have released the County from any and all liability for monetary damages related to or arising from the application for a license, the issuance of the license, the enforcement of the conditions of the license, or the revocation of the license; and

(3) Any other statements deemed necessary by the Licensing Official.

Exhibit A

(E) Restrictions Relating To The Issuance Of A License.

(1) No license may be issued to operate a dispensary unless the dispensary is located in a zone district designated as PA (Professional and Administrative Offices), C-1 (Neighborhood Commercial), C-2 (Community Commercial), C-4 (Commercial Services), or C-T (Tourist Commercial) by the Santa Cruz County Zoning Ordinance.

(2) No license may be issued to operate a dispensary located within 600 feet from 1) a school; 2) another cannabis dispensary; or 3) an alcohol or drug treatment facility. The distance specified in this subsection shall be the horizontal distance measured in a straight line from the property line of the school or other dispensary to the closest property line of the lot containing the dispensary under review, without regard to intervening structures. The distance requirements set forth in this subsection shall not apply to those licensed health care and other facilities identified in California Health and Safety Code Section 11362.7(d)(1); or a dispensary that is in violation of the distance requirement of this subsection as a result of the establishment of a conflicting use (a school or other dispensary) after the date on which the State Board of Equalization issued a seller's permit to the dispensary for its location.

(3) No license may be issued to operate a dispensary within 300 feet of any parcel zoned RA (Single-Family Residential and Agriculture); RR (Single-Family Residential, Rural); R-1 (Single-Family Residential, Urban/Rural); RB (Single-Family Residential, Oceanfront/Urban); or RM (Multiple-Family Residential). The distance specified in this section shall be the horizontal distance measured in a straight line from the property line of the residentially zoned property to the closest property line of the lot on which the dispensary is to be located. This prohibition shall not apply to Level One Dispensaries operating in a location occupied on January 1, 2016.

(F) Mobile Delivery Of Cannabis By Dispensaries.

(1) Holders of a Level One Dispensary License are allowed to deliver cannabis to cannabis consumers off-premises via mobile delivery services.

(2) Dispensaries that engage in mobile deliveries shall keep complete and appropriate financial records enabling audit of all transactions accomplished via mobile delivery, and shall be able to distinguish between, and account for, sales between the categories of on-site sales versus mobile delivery sales for accounting purposes.

(3) Dispensaries that engage in mobile deliveries are prohibited from having any advertisement of their business or services on their delivery vehicles.

(G) Grounds For License Revocation.

Grounds for revocation of a license include, but are not limited to, any of the following:

(1) Remaining open and/or operating between the hours of 10:00 p.m. and 8:00 a.m.

Exhibit A

(2) Allowing alcohol or cannabis to be consumed at the premises (“premises,” for purposes of this sub-section, includes any area used for parking any vehicle).

(a) Exception: Dispensary employees are allowed to consume cannabis (but not smoke it) within the dispensary itself, as permitted by their employer.

(3) Allowing a minor unaccompanied by a parent or legal guardian to enter the premises.

(4) Allowing a person less than 21 years of age to transport, distribute, deliver, dispense, or give away cannabis on behalf of the business.

(5) Allowing cannabis to be visible from the exterior of the premises.

(6) Illuminating any portion of the dispensary between the hours of 10:00 p.m. and 8:00 a.m. by lighting that is visible from the exterior of the premises, except such lighting as is reasonably utilized for the security of the premises.

(7) Failure by an applicant or owner of a dispensary to successfully pass the background check required by the Licensing Official, including but not limited to successfully passing the LiveScan background check conducted annually before the submission of an application for an original or renewal license.

A failed LiveScan is a LiveScan report that includes any felony conviction within the past 10 years and/or reflects that the applicant or owner is currently on parole or probation related to a felony conviction. Felony convictions for cannabis-related offenses prior to January 1, 2016 will not result in a failed LiveScan, unless the offense involved sales to a minor.

(8) Providing an on-site location for physicians or medical professionals to write recommendations for medical cannabis.

(9) Failing to provide litter and graffiti removal services for the business premises on a daily basis.

(10) Failure to provide adequate security precautions at all times, including, but not limited to, dedicated security personnel present during the dispensary’s hours of operation.

(11) Printing, publishing, advertising, or disseminating in any way or by any means of communication, or causing to be printed, published, advertised, or disseminated in any way or by any means of communication, other than by way of a dedicated business Internet website accessible only through an age gate portal, any notice or advertisement that includes the following information: pricing of cannabis, details regarding specific cannabis products, or cannabis photography or graphics related to the cannabis plant or cannabis products.

Exhibit A

Notwithstanding the limitations imposed by this subsection (11), a dispensary may provide the following: an entry in the telephone directory with the name, location, and phone number of the dispensary; or signage as permitted by this section. Such directory entry or signage may identify the business as a “cannabis dispensary,” but shall not include pricing of cannabis, details regarding specific cannabis products, or cannabis photography or graphics related to the cannabis plant or cannabis products.

(12) Providing any signage for the dispensary other than one identifying sign stating the dispensary name, address, hours of operation, and a green cross. Any sign posted under this section shall not exceed six square feet in area, shall not be directly illuminated, shall not contain graphics identifying cannabis, and must comply with all existing County regulations and restrictions regarding signs.

(13) Three or more citations for violation of SCCC Chapter 8.30 (Noise) within a single year.

(14) Possession, storage, or use of any firearm at the dispensary.

(15) Violation of any of the restrictions relating to the issuance of a license as set forth in this Chapter.

(16) Violation of any Santa Cruz County Code provision related to the cultivation of cannabis, including but not limited to any provision in Section 7.128 of the County Code.

(17) Failure to cooperate with a financial audit by the County of Santa Cruz of any and all aspects of the dispensary’s business, including but not limited to on-site inspection and review of financial transactions, sales records, payroll and employee records, purchase orders, overhead expense records, shipping logs, receiving logs, waste disposal logs, bank statements, credit card processing statements, inventory records, tax records, lease agreements, supplier lists, supplier agreements, policies and procedures, and examination of all financial books and records held by the dispensary in the normal course of business.

(18) Failure to timely remit the taxes required to be paid under Santa Cruz County Code section 4.06 (Cannabis Business Tax).

(19) Violation of any Santa Cruz County Code provision or State law related to the extraction of cannabis oils, resins, or other compounds from cannabis plants.

(20) Violation of any Santa Cruz County Code provision or State law related to the cannabis business activity, including any provision of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”).

(21) Violation of any administrative rule or regulation promulgated by the Licensing Official.

Exhibit A

(H) Denial Or Revocation of License; Remedies.

(1) The Licensing Official may deny an application for an original or renewal license, or revoke an original or renewal license, for any of the following reasons:

- (a) Discovery of untrue statements submitted on a license application.
- (b) Revocation or suspension of any State license required to operate a dispensary.
- (c) Previous violation by the applicant of any provision of the Santa Cruz County Code or State law related to operation of a dispensary or cultivation, transportation, extraction, or manufacture of cannabis or cannabis products.
- (d) Operation of a dispensary in a manner contrary to any of the conditions set forth in subsection (E), “Restrictions Relating To The Issuance Of A License” or subsection (G), “Grounds For License Revocation.”
- (e) The applicant or owner failed his or her last annual LiveScan background check.
- (f) The creation or maintenance of a public nuisance.

(2) The Licensing Official’s denial of a license application or revocation of a license is a final action that is not subject to any further administrative remedy. The only legal remedy available to appeal the Licensing Official’s action is to file a petition for writ of mandate in the superior court under California Code of Civil Procedure section 1085.

(3) If an application for an original or renewal license is denied, or if a license is revoked, all operations associated with the dispensary shall cease immediately, subject to the following exception:

If the applicant or operator is currently operating a dispensary, and the applicant or operator files a petition with the superior court challenging the Licensing Official’s denial or revocation decision within 30 days of the date the decision is issued, the applicant or operator may continue to operate the dispensary for 90 days from the date the Licensing Official’s decision was issued. Any dispensary operations that occur after the 90 days has elapsed may only be conducted with a valid local license.

(4) Under no circumstances shall a cause of action for monetary damages be allowed against the County of Santa Cruz, the Licensing Official, or any County employee as a result of a denial or a revocation of a license.

Exhibit A

7.130.130 Enforcement.

(A) In addition to the authority of the Licensing Official to revoke any license pursuant to this Chapter, the Licensing Official may also elect to pursue one or more of those alternatives set forth in section 19.01.030(A) of this Code. It shall be a separate offense for each and every day during any portion of which any violation of, or failure to comply with, any provision of this Chapter is committed, continued or permitted.

(B) Notwithstanding the limitations on civil penalties set forth in SCCC Section 1.12.070(A)(2), civil penalties for violation of Chapter 7.130 shall be assessed as follows:

(1) A fine not exceeding \$2,500 for a first violation.

(2) A fine not exceeding \$5,000 for a second violation of the same County Code provision within one year.

(3) A fine not exceeding \$7,500 for each additional violation of the same County Code provision within one year.

(C) Whenever the Licensing Official determines that a public nuisance as defined in this Chapter exists at any location within the unincorporated area of Santa Cruz County, he or she is authorized to issue a Notice of Violation pursuant to section 1.12.070 of this Code. However, a violator shall be provided with seven (7) calendar days from notice of the violation to correct the violation before the imposition of civil penalties under section 1.12.070(D)(2)(a) of this Code.

(D) Nothing in this Chapter shall be construed as imposing on the Licensing Official or the County of Santa Cruz any duty to issue a notice of violation, nor to abate any unlawful cannabis business activity, nor to take any other action with regard to any unlawful cannabis business activity, and neither the Licensing Official nor the County shall be held liable for failure to issue an order to abate any unlawful cannabis business activity, nor for failure to abate any unlawful cannabis business activity, nor for failure to take any other action with regard to any unlawful cannabis business activity.

SECTION II

This ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and Section 15060(c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, because it has no potential for resulting in physical change to the environment, directly or indirectly).

SECTION III

This ordinance shall take effect on the 31st day after the date of final passage.

Exhibit A

PASSED AND ADOPTED this ____ day of _____, 2017, by the Board of Supervisors of the County of Santa Cruz by the following vote:

AYES: SUPERVISORS
NOES: SUPERVISORS
ABSENT: SUPERVISORS
ABSTAIN: SUPERVISORS

Chairperson of the Board of Supervisors

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:

JM Heats 10/13/17
Chief Assistant County Counsel

cc: County Administrative Office
Planning Department