

8. Consider approving in concept an "Ordinance Amending Section 7.130.030 and 7.130.110 of the Santa Cruz County Code Regarding Retail Commercial Cannabis Operations," approve the California Environmental Quality Act Notice of Exemption, and take related actions ()



## **County of Santa Cruz Board of Supervisors**

### **Agenda Item Submittal**

**From:** County Administrative Office

**Subject:** Chapter 7.130 amendments to incorporate new business license requirements to allow for consumption on-site and various technical amendments

**Meeting Date:** March 11, 2025

**Formal Title:** Consider approving in concept an "Ordinance Amending Section 7.130.030 and 7.130.110 of the Santa Cruz County Code Regarding Retail Commercial Cannabis Operations," approve the California Environmental Quality Act Notice of Exemption, and take related actions

### **Recommended Actions**

1. Approve in concept an "Ordinance Amending Section 7.130.030 and 7.130.110 of the Santa Cruz County Code Regarding Retail Commercial Cannabis Operations" allowing for onsite consumption and schedule the ordinance for second reading and final adoption on March 25, 2025;
2. Approve the Notice of Exemption for compliance with the California Environmental Quality Act; and
3. Direct the Clerk of the Board to publish the Notice of Proposed Ordinance Summary in a newspaper of general circulation at least five days prior to the scheduled second reading and final adoption, no later than March 20, 2025, pursuant to Government Code Section 25124.

### **Executive Summary**

The Cannabis Licensing Office (CLO) has provided a proposed amendment to SCCC Chapter 7.130 (exhibit 1) based on the Board motion on June 4, 2024. This amendment would allow for onsite consumption of cannabis at existing retailers. The proposed amendments focus on technical amendments that will allow inhalable consumption while complying with state smoke free workplace regulations.

### **Discussion**

On November 14, 2023, the Board considered cannabis cultivation issues related to sustainable growth, economic development, and responsible cannabis regulation, in alignment with the 2023 Sustainability Plan updates. The Board discussed the matter and directed the CLO to conduct public meetings across various districts to collect public opinion. The motion from that meeting outlined specific discussion topics to be covered:

- Changes to canopy limits.
- Increases to cannabis cultivation area and greenhouses.
- Limited retail sale of cannabis goods grown and produced by cultivation licensees at the point of cultivation.
- Medicinal, educational and recreational options for onsite consumption.
- An onsite consumption pilot program.
- Changes to co-location options for non-retail commercial cannabis.

The Board instructed the CLO to facilitate community discussions on potential options to gain a deeper understanding of public concerns before considering any changes to the existing cannabis ordinance.

The CLO collaborated with Board members to identify key individuals and groups for targeted outreach to encourage attendance at the public meetings. Board members supported these efforts by including information about the meetings in their newsletters. The CLO promoted the meetings on their website and coordinated with the Public Information Officer to share updates across social media platforms, including NextDoor, X (formerly Twitter), and Facebook. A press release was also issued. The NextDoor post received 14,000 impressions, while the Facebook post garnered 1,100 impressions prior to the meetings.

Community meetings were conducted in districts one, two, four, and five. District three, which currently has no commercial cannabis businesses under County jurisdiction, did not host a meeting. The meetings were held in the evening and via a hybrid format, allowing community members to participate either in person or via Zoom.

The CLO presented a report of the results of the listening sessions to the Board on June 4, 2024. Community feedback in regard to onsite consumption, for existing retailers included: Community members expressed several concerns regarding this topic, which were comparable to those associated with on-site consumption at cultivation sites. Concerns included the risk of impaired driving, the condition of the County road infrastructure, the proximity of some retail locations to school routes, and the potential for youth exposure at these sites. A group of community members suggested that the County engage with the California Highway Patrol and the Sheriff to gain their insights on this issue. They also questioned the market demand for such initiatives. Some retailers supported the proposal, highlighting the potential market and expressing enthusiasm about the unique experiences a consumption lounge could offer, including educational opportunities. This retailer also noted that a regulated setting could enhance the product's value.

Some community members expressed interest in establishing additional retail outlets in the County. They were enthusiastic about the possibility of integrating retail businesses with wellness and restaurant enterprises. Other community members were neutral on the idea, stressing the importance of selecting suitable locations and implementing measures to ensure public safety. There was also support for initiating this concept as a pilot program, allowing for the gathering of experience on a smaller scale before deciding on a broader implementation.

Several suggestions were made regarding this topic, including the implementation of measures to limit youth exposure, reviewing regulatory models from other jurisdictions, and setting consumption sales limits that differentiate between inhalable products and edibles to account for the delayed effects of the latter. Additionally, it was noted that cannabis industry retailers should be held accountable for overserving patrons, akin to the liabilities faced by alcohol-serving establishments.

The report prompted a discussion that resulted in the Board directing the CLO to draft ordinances related to the items on the November 14, 2023, agenda item. These specifically included the following:

- a) Align the canopy limits across zone districts and license classes with their current co-location maximums.
- b) Remove the co-location option outlined under the non-retail commercial cannabis uses section of SCCC 13.10.650.
- c) Allow cultivators in good standing who have not been the subject of complaints to apply for an additional 2% canopy bonus of the parcel size every year.
- d) Allow CA-zoned parcels, less than 10 acres, to use the entire square footage of established greenhouses for cannabis production.
- e) Allow limited retail sales and consumption of cannabis goods grown by the licensee at the point of cultivation, similar to a winery.
- f) Allow current retail operators the option to have onsite consumption lounges.

Staff was further instructed to bring back the cultivation related items no later than the end of October and the items related to onsite consumption for retailers and cultivators no later than the end of 2024, including background information as it relates to economic impact analysis. This report is limited to consumption at existing retail businesses (item f). The Board previously reviewed the draft ordinance language during the October 29, 2024 meeting.

The Board directed staff to consider ancillary sales, CBT sales in retail and lounges, taxation on products consumed in lounges, and ways to extend the opportunity to have consumption lounges in more of the existing retailers, in October. On January 28, 2025 the Board reviewed three options for extending the opportunities to have consumption lounges for retailers. After discussing the options, the Board motion stated:

Move that the Board pursue option one (allow retailers the option of pursuing on-site consumption either within their existing licensed space or at an adjoining commercial parcel to the existing site) for on-site consumption. Move that the board pursue option one for defining ancillary products as those products derived from cannabis or those containing cannabis to allow for non-cannabis to be excluded from the cannabis business tax and to set the tax rate at one percent for cannabis products sold at lounges and receive an update on revenues from cannabis sales during the annual cannabis update. Direct the Health Services Agency to provide additional feedback when we (the Board) consider a lounge ordinance and then either at the same or separate date the Health Services Agency also provide recommendations for reducing underage cannabis consumption in our community.

#### Analysis of Proposed Amendments

The proposed amendments will allow existing retail businesses the option of pursuing on-site consumption either within their existing licensed space or at an adjoining commercial parcel to the existing site. The option to include this activity at an adjoining parcel was discussed in the community listening sessions and included in the Board motion.

The proposed amendments include technical requirements for onsite consumption that will limit impacts to adjoining parcels through engineered mitigation systems. Licensees will be required to implement a designated cannabis smoking area and a ventilation system plan, developed by a licensed mechanical engineer. These plans are intended to design a system which can remove all detectable odors, smoke and by-products of combustion. Many of the technical aspects of these plans have been modeled off of the

Environmental Health requirements that San Francisco has developed for cannabis consumption lounges.

These plans are designated to comply with smoke free workplace requirements in the state. Some of the critical components include: a) workers cannot be required to go into the areas where inhalable products can be consumed and b) those areas be under negative pressure. Negative pressure means that air from the exterior of the room is being mechanically pulled into the room and exhausted, a common example of a negative pressure room is a hospital isolation room.

The proposed amendments include a prohibition from selling ingestible (non-inhalable) products with a serving size greater than 10 mg of THC. This was included to address the delayed effects of non-inhalable cannabis products and address the community concerns voiced during the listening sessions.

### Research Findings

Cannabis consumption lounge business models vary throughout the State. In order to provide context for the Board, staff has provided a summary of its findings, gathered through phone interviews with operators and regulators mainly within northern California. Staff focused on surveying cannabis lounge operators in smaller markets similar to Santa Cruz County and avoiding interviewing operators in large metropolitan markets such as Los Angeles and San Francisco. However, materials from larger metropolitan areas were reviewed via on-line research, which included twenty-one different lounges.

All cannabis lounges surveyed allow for consumption of inhalable, edibles and infused beverages. All lounges have private party rentals. Many of the cannabis lounges surveyed noted that the lounge has served as a differentiator for their business. Many lounges identified their space as supportive and symbiotic to local non-retail cannabis businesses. Examples provided from several operators included:

- Farmers market style events featuring local businesses
- Farm takeovers of the lounge space where a single operator's products are featured
- Curated cannabis events featuring a variety of local farms
- Educational days geared to senior citizens
- Private parties with catering provided by local restaurants

The consistent benefit that all operators expressed was that the lounge provided a safe space for educating people on cannabis use. As an example, we interviewed a lounge operator in an area where the tourism aspect of the local economy looms large. That operator stated their lounge was a tourist draw and cited many of his customers go there because they can consume cannabis in a safe and comfortable environment. That operator mentioned events are a key aspect to their business and that they also partner with local restaurants to provide non-cannabis food options.

### Health Services Agency Analysis

Health Services Agency Public Health Division (Public Health) has shared concerns about the expansion of the availability of cannabis at farm stands / farm consumption locations. These concerns include the need to raise awareness around potency of modern cannabis products; the potential for mental health conditions with prolonged cannabis use and use of high potency products; youth access to cannabis and the

normalization of cannabis use on youth populations; impaired driving after cannabis use at a consumption location; second-hand smoke at consumption locations and the need for server training and oversight at consumption lounge locations. Additional details can be found in the attached Health Impact Assessment.

On today's agenda Public Health has a separate letter speaking specifically to the concerns around underage cannabis use. Public Health notes that additional requirements should be considered in the licensing process for retail consumption lounges and at farm locations in order to safeguard public health. Some of these the Board has already discussed and suggested that the Cannabis Licensing Office (CLO) include in Licensing requirements for these new business models. Public Health suggested requirements include: 1) prominent signage at farm stand locations as recommended by the County Health Officer and approved and verified by the CLO regarding the potential impacts of cannabis consumption and exposure to second-hand smoke; 2) limiting the amount of cannabis available for purchase at retail farm stands and for purchase to use in consumption lounges; 3) requesting businesses implement a designated driver or rideshare protocol at consumption locations; and 4) determining a complaint process for licensed locations that includes an annual review by the Cannabis Licensing Office during the license renewal process.

Adopting lessons learned from responsible alcohol retailers and on-site alcohol consumption licensees to reduce risk, Public Health recommends future consideration of a licensing requirement for evidence-informed responsible server training program, which could be verified during regular Cannabis Licensing Office inspections. However, no such standardized training exists locally or statewide. In lieu of this, the Cannabis Licensing Office will continue to work collaboratively with Public Health to identify alternative strategies which support safe consumption and workplace safety, and update licensing requirements as determined by recent advances in science and/or other developments occur in order to maintain positive public health standards related to cannabis in our community.

### Economic Analysis

The available data to conduct a thorough economic analysis was limited. Operators could not necessarily distinguish what percentage of their sales was attributable to on-site consumption or to a specific event versus their regular retail space or were unwilling to share that data from the point-of-sales systems. Many of the operators have had a lounge as part of their business for the life of the business, which meant a before and after comparison of sales figures through State data sets related to the lounge activity could not be examined. Based on the interviews conducted we disaggregated the information between economies with tourism as a significant driver or not. Businesses where tourism was already a significant part of their economy indicated that lounge derived customers likely contribute 25-35% of total sales. Where tourism is not a factor in the local economy, businesses indicated that lounge derived customers likely contribute 15-20% of total sales. Regardless of the tourism, businesses indicated that events at lounges were key to the overall businesses success because events also attracted in local people and acted as a platform for obtaining repeat local customers.

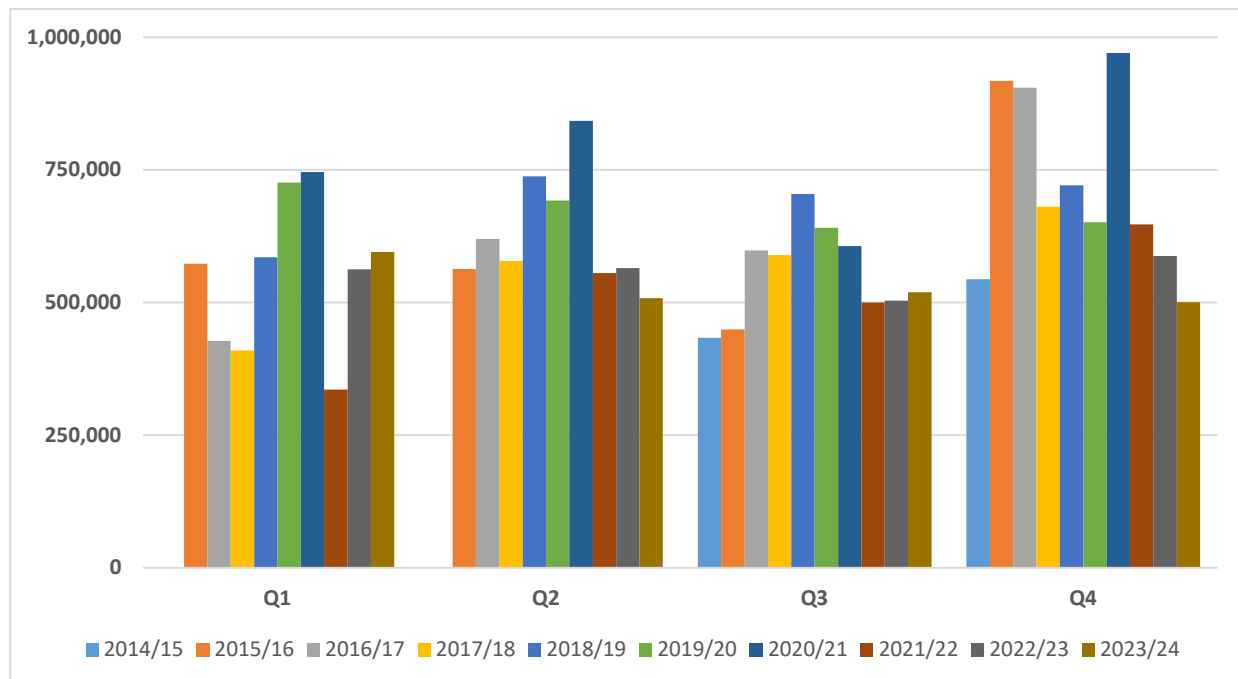
Our current Cannabis Business Tax (CBT) rate is 7% of gross receipts. CBT at the retail level has been somewhat consistent, with sales typically highest from June through November. Tax data is a lagging indicator, with June data indicating May sales. The average annual retail CBT is \$2,330,199 and the median is \$2,381,320 for the past ten

years. Below are two data sets showing total retail CBT collected annually since the inception of the retail ordinance and sales by quarter for the same period.

**Table 1: Annual Fiscal Year Retail Cannabis Business Tax**

Taxes	TOTAL	Year-to-Year Change	Notes
2014/15	978,009		Collection of taxes begins in January 2015
2015/16	2,504,043	156.0%	
2016/17	2,551,209	1.9%	
2017/18	2,258,597	-11.5%	
2018/19	2,749,569	21.7%	
2019/20	2,710,709	-1.4%	COVID lockdown starts March 2020
2020/21	3,166,457	16.8%	COVID return to "normal" June 2021
2021/22	2,039,916	-35.6%	
2022/23	2,218,828	8.8%	
2023/24	2,124,650	-4.2%	

**Table 2: Quarterly Fiscal Year Retail Cannabis Business Tax**



While an increase to the CBT is hard to predict based on information received during our interviews and on-line research, we can provide you with some different scenarios that relate changes in gross sales to changes in CBT.

The FY 2023-24 CBT was \$2,124,650, which represents 7% of gross receipts on \$30,352,143 worth of sales. Each 1% increase to gross sales generates an additional \$21,247 in CBT based on this data set. Below is a table that shows how an increase to gross sales (in percentages and dollars) create an increase in taxes, using the above data set as a starting point.

**Table 3: Increase in Gross Sales to Increase in Taxes**

Starting Point Gross Sales	% Increase to Gross Sales	Total Gross Sales With % Increase	Increase to Taxes	Total CBT Collected
30,352,143	1	30,655,664	21,247	2,145,897
	2	30,959,186	42,493	2,167,143
	5	31,869,750	106,233	2,230,883
	7	32,476,793	148,726	2,273,376
	10	33,387,357	212,465	2,337,115
	15	34,904,964	318,698	2,443,348
	20	36,422,572	424,930	2,549,580
	25	37,940,179	531,163	2,655,813

Based on this information as an example, on-site consumption lounges would need to generate an additional \$1,517,607 (5%) in gross sales in order for the county to receive an additional \$106,233 in CBT.

From our interviews with operators and localities and given that tourism is a major economic driver within our county, we would speculate that there could be a marginal increase to our CBT revenues with the advent of consumption lounges at our cannabis retailers. This increase is likely because we may see more tourism related spending at retailers who pursue the lounge experience. Not all of our retailers will be able to expand into this marketplace due to space, site or economic restrictions. All lounges would need to restrict usage to products purchased onsite therefore driving consumers to purchase their cannabis products from licensees. Overall that tourism related spending in the cannabis market may increase in our county, while repeat local customers may be attracted by specific events generated by the lounges.

There may be broader financial benefits to the County if cannabis lounges are allowed. According to a Harris poll 22% of Americans report they have chosen a destination based on recreational cannabis status. Thirty percent of Americans over 21 (50% of millennials) said they consider legal recreational cannabis status as important when choosing a destination for vacation.

According to Forbes the cannabis tourism market was valued at \$17.1 billion dollars in 2021, with \$4.5 billion in direct cannabis sales. Tourist “pour an additional \$12.6 billion into restaurants, hotels, attractions and other shops-as well as into state and municipality tax coffers. That’s because for every dollar spent at a cannabis retailer, there’s a multiplier effect, with an additional \$2.80 injected into the local economy, says Beau Whitney, founder and chief economist at [Whitney Economics](https://whitneyeconomics.com/) <<https://whitneyeconomics.com/>>.”

One positive example of cannabis tourism and the larger economic benefits can be seen in the City of Modesto, which has embraced cannabis tourism. They developed the [MoTown CannaPass](https://visitmodesto.com/cannapass/) <<https://visitmodesto.com/cannapass/>>, which is an app based reward program that helps visitors find local cannabis retailers, presents offers from other local businesses and shares details on local restaurants and activities in town. The app includes tips on pairing cannabis with food, art and nature. Todd Aaronson, the CEO of Visit Modesto, said the MoTown CannaPass delivered an immediate 11% boost in traffic to local cannabis retailers and also in overnight visits to Modesto. In addition to Modesto, both Oakland and Palm Springs highlight their local cannabis industry.



## **Financial Impact**

The addition of consumption lounges would create some additional staff work, particularly at the outset when plans, ventilation systems, workplace safety and other items might have to be added to the Best Practices tool and would require staff review. License amendments would need to be processed for any retailer adding a consumption lounge and would likely be billed on time spent, similar to how we approach any other retail license amendment. As retailers are inspected annually with their license renewal, lounges would also require annual inspection and thus, annual licensing fees would need to be modified to account for additional inspections. Potential changes could include a fee-based system that is based on the amount of inspections or based on square feet of lounge space.

## **Strategic Initiatives**

Operational Plan - Dynamic Economy

### **Submitted By:**

Carlos Palacios, County Administrative Officer

### **Recommended By:**

Carlos J. Palacios, County Administrative Officer

### **Artificial Intelligence Acknowledgment:**

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.

**ORDINANCE NO. \_\_\_\_**

**AN ORDINANCE AMENDING SECTIONS 7.130.030 AND 7.130.110  
OF THE SANTA CRUZ COUNTY CODE REGARDING RETAIL  
COMMERCIAL CANNABIS OPERATIONS**

The Board of Supervisors of the County of Santa Cruz (the “Board”) hereby finds and declares the following:

WHEREAS, the Board directed the Cannabis Licensing Office (“CLO”) and the Planning Department to prepare amendments to various sections of the Santa Cruz County Code (“SCCC”) to revise the farm stand and temporary produce stand regulations; and

WHEREAS, on November 14, 2023, the Board reviewed a letter emphasizing sustainable growth, economic development, and responsible cannabis regulation, in alignment with the 2023 Sustainability Plan updates. The Board discussed this letter and directed the CLO to conduct public meetings across various districts to collect public opinion; and

WHEREAS, on June 4, 2024, CLO staff presented the results of its public outreach to the Board. The Board directed the CLO to draft ordinances related to the items in the November 14, 2023 letter while incorporating feedback from the public meetings and to then return to the Board for further consideration and direction; and

WHEREAS, on October 29, 2024, the Board reviewed ordinance options and directed staff to finalize changes; and

WHEREAS, the proposed amendments are exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15061(b)(3) because the proposed modification are covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment; and

WHEREAS, the Board has found and determined that the proposed amendments are consistent and compatible with the Santa Cruz County General Plan and all components of the Local Coastal Program implementing ordinances;

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

**SECTION I**

Section 7.130.030 of the Santa Cruz County Code is hereby amended to read as follows:

**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 license under this chapter.
- (B) “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, as defined under Business and Professions Code Section [26001](#)(e), as may be amended.
- (C) “Cannabis Consumption” means smoking, eating, drinking, chewing, applying topically or otherwise ingesting cannabis and/or cannabis products.
- (D) “Cannabis plant” means any mature or immature cannabis plant, or any cannabis seedling, unless otherwise specifically provided herein.
- (E) “Cannabis products” means plant material that has been transformed, through a manufacture process whether by mechanical means and/or using solvents, into concentrated cannabis, or cannabis tinctures, edibles, drinks, topical salves, lotions or other materials containing cannabis or concentrated cannabis and other ingredients.
- (F) “CRL program” means the cannabis retail licensing program created by this chapter.
- (G) “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.
- (H) “Designated cannabis smoking area” means a designated area where ingestion of inhalable cannabis products, purchased from the licensee, may occur on the premises of the licensee.
- (I) “Designated cannabis smoking area ventilation system” means a ventilation system capable of removing all detectable odors, smoke and by-products of combustion.
- (J) “License” means the written evidence of permission given by the Licensing Official for a licensee to operate a retail business. “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 a retail business sits.

(K) “Licensee” means the person or entity holding a valid license to operate a retail business under this chapter.

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

(M) “Manager” means any person to whom a retail business 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.

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

(1) A person with an aggregate ownership interest of 10 percent or more in the applicant applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.

(2) The chief executive officer of a nonprofit or other entity.

(3) A member of the board of directors of a nonprofit.

(4) An individual who will be participating in the direction, control, or management of the person applying for a license.

(O) “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.

(P) “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.

(Q) “Retail business” or “retailer,” for the purposes of this chapter, means a fixed brick-and-mortar storefront located within the unincorporated area of Santa Cruz County that sells cannabis

and cannabis products to retail consumers. “Retail business” or “retailer” 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 Sections [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: (a) 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 (b) 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.

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

(S) “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.

(T) 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.”

## **SECTION II**

Section 7.130.110 of the Santa Cruz County Code is hereby amended to read as follows:

### **7.130.110 License required.**

(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. Amendments must be submitted prior to any changes occurring in ownership, corporate structure, business activities, or physical modifications to the premises.

(2) Applicants seeking an amended license must include with their application a monetary deposit, to be determined by the Licensing Official or their 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.

(3) Requests by a 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, licensees shall not be allowed to move to a new parcel unless the new parcel meets all the requirements of this chapter.

(4) Requests by a licensee to include cannabis consumption on an existing retail site or adjoining parcel will be addressed by the Licensing Official on a case-by-case basis, considering all requirements of this chapter. Cannabis consumption licensing amendments shall include a designated cannabis smoking area ventilation system plan that has been designed by a licensed mechanical engineer. The designated cannabis smoking area ventilation system plan must include:

(a) An explanation of how the ventilation system will be capable of removing all detectable odors, smoke and by-products of combustion. The designated cannabis

smoking area ventilation plan shall include a statement signed and dated by the person who prepared it, certifying that in their professional judgment the ventilation system proposed will be capable of achieving the protection from particulate matter (PM 2.5) equivalent to that associated with MERV 11 filtration (as defined by American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) standard 52.2) and that the designated cannabis smoking area will remain under negative pressure, at all times, while in use. The Cannabis Licensing Official or County of Santa Cruz Chief Building Official may specify additional or alternative protective equivalents as technology and research dictate. This ventilation plan shall include information to address the following:

- (1) Air exchanges rates for the designated cannabis smoking area.
- (2) Air exchange rates for common areas within the licensee's building.
- (3) Filter type and odor control measures for the designated cannabis smoking area.
- (4) Location of air intakes and exhaust outlets (exhaust outlets located the maximum distance possible from any residential or commercial building, and no less than 15 feet). Exhaust outlets shall comply with California Mechanical Code section 502.2.2 - "Other Product Conveying Outlets" termination requirements.
- (5) If negative pressure will be maintained only in the designated cannabis smoking area.
- (6) Area or areas of the licensee's building that are not served by enhanced ventilation.
- (7) Area or areas of the licensee's building where smoking or vaping will occur.
- (8) If applicable, location of Z-ducts, trickle vents or similar unfiltered air system used for the licensee's building.
- (9) Percentage of total square footage, for customer use, of the licensee's building that will be used for vaping or smoking of cannabis in the designated cannabis smoking area.

(10) Designated cannabis smoking area does not share space with employee work area. (Yes/No).

(11) Maximum occupant load for the designated cannabis smoking area.

(b) The licensee shall demonstrate to the Licensing Official that the following standards have been met prior to approval by the Cannabis Licensing Official:

(1) The designated cannabis smoking area shall be located in a non-work area where licensee's employees are not required to enter as a condition of their employment.

(2) The designated cannabis smoking area shall have signage to designate smoking areas. The licensee shall specify the locations where such signage shall be installed.

(3) The designated cannabis smoking area shall have a separate heating, ventilation and air-conditioning (HVAC) system such that none of the air in the designated smoking area will be recirculated into other parts of the licensee's building.

(4) The designated cannabis smoking area shall be completely separated from the remainder of the licensee's premises by solid partitions or glazing without openings other than doors. All doors to the designated cannabis smoking area must be installed with a gasket to provide a seal where the door meets the stop.

(5) The designated cannabis smoking area ventilation system shall exhaust 100% of the air directly to the outside through a filtration system that, at a minimum, eliminates all detectable odor, smoke and by-product of combustion so as to prevent any and all public nuisances.

(6) The designated cannabis smoking area shall remain under negative pressure and shall have a 10% differential, in relation to the other spaces inside of the licensee's building.

(7) The designated cannabis smoking area shall be equipped with a ventilation system that provides 60 cubic feet per minute (cfm) of supply air per smoker.



(8) The designated cannabis smoking area shall not be directly accessible from the primary outside entrance to the licensee's building, and shall not be visible from the fronting street or store front.

(9) The designated cannabis smoking area's ventilation system and all mechanical equipment shall be designed to assure compliance with all requirements of SCCC 8.30 (Noise).

(10) The designated cannabis smoking area's ventilation system shall be designed to comply with California Mechanical Code section 505.0 - "Product-Conveying Systems" requirements.

(c) The designated cannabis smoking area ventilation plan shall include a description of the Operations and Maintenance plan for the ventilation system and methods for recordkeeping to ensure that the Operations and Maintenance Plan is followed. A current Operations and Maintenance manual must be kept on-site and provided to all managers, building engineers and building owners. The manual shall be reviewed annually by the licensee and updated by the licensee as appropriate. The manual shall include:

(1) A provision that inoperability of the designated cannabis smoking area's ventilation system shall result in immediate closure of the designated cannabis smoking area.

(2) The approved designated cannabis smoking area ventilation system installed shall be properly maintained and documented as stated in the Operations and Maintenance manual following standard practices, and as specified by the design engineer.

(3) Documentation of the installation and/or maintenance of the designated cannabis smoking area ventilation system shall be preserved for a minimum of five years after such installation or maintenance.

(d) The Cannabis Licensing Official shall review the designated cannabis smoking area ventilation plan and may require additional modification or justification prior to approval. Approval by the Cannabis Licensing Official must be granted prior to the application for a building permit. The Cannabis Licensing Official's action on the

designated cannabis smoking area ventilation system plan shall be one of the following:

- (1) Approve without further revision; or
- (2) Require corrections, additions, and/or modifications which will allow the applicant to revise according to the Cannabis Licensing Official's specific comments and resubmit; or
- (3) Reject.

(D) Required Statements on Licenses. All licenses issued by the Licensing Official shall contain the following statements, displayed prominently on the license itself:

- (1) A warning that operators, employees, and members of cannabis businesses may be subject to prosecution under Federal laws; and
- (2) An acknowledgment that, by accepting the license and operating a retail business, the applicant and owners of the business 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.

(E) Restrictions Relating to the Issuance of a License.

- (1) No license may be issued to operate a retail business unless the retail business 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 CT (Tourist Commercial) by the Santa Cruz County Zoning Ordinance.
- (2) No license may be issued to operate a retail business located within 600 feet from (a) a school; (b) another cannabis retail business; or (c) an alcohol or drug treatment facility. This restriction may be waived by the Licensing Official if findings are made that the general public benefit would outweigh concerns regarding intensity of use, land use compatibility, and public health and safety. If this restriction is waived, public notice and an opportunity to appeal the waiver will be provided as delineated in subsections (E)(5), (6), and (7) of this section. 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 retail business to the closest property line of the lot containing the retail business 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 retail business 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 retail business) after the date on which the State Board of Equalization issued a seller's permit to the retail business for its location.

(3) No license may be issued to operate a retail business 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). This restriction may be waived by the Licensing Official if findings are made that the general public benefit would outweigh concerns regarding intensity of use, land use compatibility, and public health and safety. If this restriction is waived, public notice and an opportunity to appeal the waiver will be provided as delineated in subsections (E)(5), (6), and (7) of this section. 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 retail business is to be located. This prohibition shall not apply to retailers operating in a location occupied on January 1, 2016.

(4) In the instance an applicant requests a waiver, as defined in subsections (E)(2) and (3) of this section, the Supervisor of the affected district shall be notified prior to a determination by the Licensing Official.

(5) Upon approval of a waiver by the Licensing Official, the following public notice procedures are required:

(a) The County shall mail a notice, in the form of a postcard or letter to the applicant and to all property owners within 600 feet of the exterior boundaries of the subject property, as well as to all lawful occupants of properties within 100 feet of the subject property, including the lawful occupants of the subject property; and

(b) The applicant shall post a notice on the subject property in a conspicuous place at least 14 calendar days prior to the end of the appeal period.

(6) Contents of the waiver notice shall include:

- (a) Location of the proposed project;
- (b) Name of the applicant and owner;
- (c) Description of the proposed project and waiver requested;
- (d) Process to obtain additional information;
- (e) Description of appeal procedures; and
- (f) Final date on which an appeal will be accepted.

(7) Appeal Procedures.

- (a) Who May Appeal. Any person whose interests are adversely affected by approval of a waiver may submit a notice of appeal.
- (b) Appeal Period. The period to appeal a waiver determination shall be 21 calendar days from the date public notices are mailed pursuant to subsection (E)(5)(a) of this section.
- (c) Contents of a Notice of Appeal. Appeals can be made by submitting a notice of appeal, which shall be a signed writing submitted to the Cannabis Licensing Office at the address provided and by the date listed on the public notice. The notice of appeal shall identify the proposed project and proposed waiver, shall provide the identity and contact information of the appellant, and shall set forth a concise statement of the reasons appellant believes the proposed waiver is unjustified or inappropriate.
- (d) Effect of Notice of Appeal. The submission of the notice of appeal shall have the effect of staying the issuance of a cannabis business license until such time as final action has been taken on the appeal.
- (e) Appeal Hearing. An administrative hearing officer shall review any appeal(s) made on a waiver. The hearing officer shall consider the notice of appeal, the proposed waiver, the cannabis business license application, and any other relevant documents or written information provided by the Licensing Official, applicant, or appellant. The administrative hearing officer shall review the matter de novo and render a written decision within 30 days. The decision shall be final.

(F) Restrictions on the Mobile Delivery of Cannabis.

(1) Holders of a State retail license, which are located within the County of Santa Cruz, may deliver cannabis to consumers via mobile delivery to the consumer's premises, subject to the provisions of this section.

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

(G) Restrictions on Retail Sales for Onsite Consumption. Retailers are prohibited from selling ingestible products, which can be orally consumed, with a serving size in excess of 10 mg of THC.

(H) Grounds for License Revocation. Grounds for revocation of a license include, but are not limited to, any of the following:

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

(2) Allowing alcohol or cannabis to be consumed at the premises of a retail business ("premises," for purposes of this subsection, includes any area used for parking any vehicle).

(3) Allowing a minor unaccompanied by a parent or legal guardian to enter a retail business.

(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 a retail business or a cannabis delivery vehicle.

(6) Illuminating any portion of a retail business 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 retail business 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 a licensee's 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 a retailer's hours of operation.

(11) Violation of County signage regulations (see SCCC [13.10](#) ), the placement or use of any roadside billboard to advertise any aspect of a cannabis business or cannabis products, or the placement or use of any sign that includes pricing of cannabis, details regarding specific cannabis products, or cannabis photography or graphics related to the cannabis plant, cannabis products, or cannabis paraphernalia.

(12) Three or more citations for violation of SCCC [8.30](#) (Noise) within a single year.

(13) Possession, storage, or use of any firearm at a retailer or in association with the delivery of cannabis.

(14) Violation of any of the restrictions relating to the issuance of a license or the mobile delivery of cannabis as set forth in this chapter.

(15) Violation of any Santa Cruz County Code provision related to the cultivation of cannabis, including but not limited to any provision in SCCC [7.128](#) .

(16) Failure to cooperate with a financial audit by the County of Santa Cruz of any and all aspects of the licensee'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 licensee in the normal course of business.

(17) Failure to timely remit the taxes required to be paid under SCCC [4.06](#) (Cannabis Business Tax).

(18) 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.

(19) 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”).

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

(21) Failure to maintain a State-issued license authorizing the retail sale of cannabis.

(I) 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 sell cannabis.
- (c) Previous violation by the applicant of any provision of the Santa Cruz County Code or State law related to selling cannabis, or related to the cultivation, transportation, extraction, or manufacture of cannabis or cannabis products.
- (d) Operation of a retail business in a manner contrary to any of the conditions set forth in subsection (E) (Restrictions Relating to the Issuance of a License), subsection (F) (Restrictions on the Mobile Delivery of Cannabis), or subsection (G) (Grounds for License Revocation) of this section.
- (e) The applicant or owner failed their 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 retailer shall cease immediately, subject to the following exception:

If the applicant or operator is currently operating a retail business, 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 retail business for 90 days from the date the Licensing Official's decision was issued. Any retail business 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.

### **SECTION III**

The adoption of this ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3) because the proposed modifications are covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

### **SECTION IV**

The Board of Supervisors further finds and determines in its reasonable discretion on the basis of the entire record before it that the proposed amendments to Santa Cruz County Code sections 7.130.030 and 7.130.110 are consistent and compatible with and will not frustrate the objectives, policies, general land uses, and programs specified in the General Plan and Local Coastal Program.

### **SECTION V**



Should any section, clause, or provision of this Ordinance be declared by the courts to be invalid, the same shall not affect the validity of the Ordinance as a whole, or parts thereof, other than the part so declared to be invalid.

**SECTION VI**

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

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_ 2025, 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:

Signed by:  
  
\_\_\_\_\_  
4F07BB2FA63D4F5...

Office of the County Counsel

## Certificate Of Completion

Envelope Id: D5055610-3660-424D-9477-CC4BBCF61DB5	Status: Completed
Subject: Complete with Docusign: Exhibit 1 Chapter 7.130 clean.pdf	
Source Envelope:	
Document Pages: 16	Signatures: 1
Certificate Pages: 4	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Sam LoForti
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	701 Ocean Street
	Santa Cruz, CA 95060
	Sam.LoForti@santacruzcountyca.gov
	IP Address: 63.194.190.100

## Record Tracking

Status: Original	Holder: Sam LoForti	Location: DocuSign
2/28/2025 8:33:34 AM	Sam.LoForti@santacruzcountyca.gov	
Security Appliance Status: Connected	Pool: FedRamp	
Storage Appliance Status: Connected	Pool: County of Santa Cruz	Location: Docusign

## Signer Events

Ryan Thompson  
 Ryan.Thompson@santacruzcountyca.gov  
 Security Level: Email, Account Authentication (None)

## Signature

Signed by:  
  
 4F07BB2FA63D4F5...

Signature Adoption: Pre-selected Style  
 Using IP Address: 174.160.144.187

## Timestamp

Sent: 2/28/2025 8:34:29 AM  
 Viewed: 2/28/2025 9:37:32 AM  
 Signed: 2/28/2025 9:38:48 AM

## Electronic Record and Signature Disclosure:

Accepted: 2/28/2025 9:37:32 AM  
 ID: 27e13b63-1038-461e-9415-824f9e0580c1

## In Person Signer Events

## Signature

## Timestamp

## Editor Delivery Events

## Status

## Timestamp

## Agent Delivery Events

## Status

## Timestamp

## Intermediary Delivery Events

## Status

## Timestamp

## Certified Delivery Events

## Status

## Timestamp

## Carbon Copy Events

## Status

## Timestamp

## Witness Events

## Signature

## Timestamp

## Notary Events

## Signature

## Timestamp

## Envelope Summary Events

## Status

## Timestamps

Envelope Sent	Hashed/Encrypted	2/28/2025 8:34:29 AM
Certified Delivered	Security Checked	2/28/2025 9:37:32 AM
Signing Complete	Security Checked	2/28/2025 9:38:48 AM
Completed	Security Checked	2/28/2025 9:38:48 AM

## Payment Events

## Status

## Timestamps

## Electronic Record and Signature Disclosure

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, County of Santa Cruz (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact County of Santa Cruz:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us)

### **To advise County of Santa Cruz of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from County of Santa Cruz**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with County of Santa Cruz**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

### 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 license under this chapter.

(B) “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, as defined under Business and Professions Code Section [26001](#)(e), as may be amended.

(C) “Cannabis Consumption” means smoking, eating, drinking, chewing, applying topically or otherwise ingesting cannabis and/or cannabis products.

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

~~(ED)~~ “Cannabis products” means plant material that has been transformed, through a manufacture process whether by mechanical means and/or using solvents, into concentrated cannabis, or cannabis tinctures, edibles, drinks, topical salves, lotions or other materials containing cannabis or concentrated cannabis and other ingredients.

~~(FE)~~ “CRL program” means the cannabis retail licensing program created by this chapter.

~~(GF)~~ “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.

(H) “Designated cannabis smoking area” means a designated area where ingestion of inhalable cannabis products, purchased from the licensee, may occur on the premises of the licensee.

(I) “Designated cannabis smoking area ventilation system” means a ventilation system capable of removing all detectable odors, smoke and by-products of combustion.

~~(JG)~~ “License” means the written evidence of permission given by the Licensing Official for a licensee to operate a retail business. “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 a retail business sits.

~~(KH)~~ “Licensee” means the person or entity holding a valid license to operate a retail business under this chapter.

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

~~(MJ)~~ “Manager” means any person to whom a retail business 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.

~~(NK)~~ “Owner” or “owners” means any of the following: all persons or entities holding a financial interest in a retail business. For purposes of this definition, the term “financial interest” does not include a security interest, lien, or encumbrance on property.

(1) A person with an aggregate ownership interest of 10 percent or more in the applicant applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.

(2) The chief executive officer of a nonprofit or other entity.

(3) A member of the board of directors of a nonprofit.

(4) An individual who will be participating in the direction, control, or management of the person applying for a license.

~~(OL)~~ “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.

~~(PM)~~ “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.

~~(QN)~~ “Retail business” or “retailer,” for the purposes of this chapter, means a fixed brick-and-mortar storefront located within the unincorporated area of Santa Cruz County that sells cannabis

and cannabis products to retail consumers. “Retail business” or “retailer” 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 Sections [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: (a) 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 (b) 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.

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

(~~S~~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.



(TQ) 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.”

#### **7.130.110 License required.**

(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. Amendments must be submitted prior to any changes occurring in ownership, corporate structure, business activities, or physical modifications to the premises.

(2) Applicants seeking an amended license must include with their application a monetary deposit, to be determined by the Licensing Official or their 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.

(3) Requests by a 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, licensees shall not be allowed to move to a new parcel unless the new parcel meets all the requirements of this chapter.

(4) Requests by a licensee to include cannabis consumption on an existing retail site or adjoining parcel will be addressed by the Licensing Official on a case-by-case basis, considering all requirements of this chapter. Cannabis consumption licensing amendments shall include a designated cannabis smoking area ventilation system plan that has been designed by a licensed mechanical engineer. The designated cannabis smoking area ventilation system plan must include:

(a) An explanation of how the ventilation system will be capable of removing all detectable odors, smoke and by-products of combustion. The designated cannabis smoking area ventilation plan shall include a statement signed and dated by the person who prepared it, certifying that in their professional judgement the ventilation system proposed will be capable of achieving the protection from particulate matter (PM 2.5)

equivalent to that associated with MERV 11 filtration (as defined by American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) standard 52.2) and that the designated cannabis smoking area will remain under negative pressure, at all times, while in use. The Cannabis Licensing Official or County of Santa Cruz Chief Building Official may specify additional or alternative protective equivalents as technology and research dictate. This ventilation plan proposal shall ~~must~~ include information to address the following:

- (1) Air exchanges rates for the designated cannabis smoking area.
- (2) Air exchange rates for common areas within the licensee's building.
- (3) Filter type and odor control measures for the designated cannabis smoking area.
- (4) Location of air intakes and exhaust outlets (exhaust outlets located the maximum distance possible from any residential or commercial building, and no less than 15 feet). Exhaust outlets shall comply with California Mechanical Code section 502.2.2 - "Other Product Conveying Outlets" termination requirements.
- (5) If negative pressure will be maintained only in the designated cannabis smoking area.
- (6) Area or areas of the licensee's building that are not served by enhanced ventilation.
- (7) Area or areas of the licensee's building where smoking or vaping will occur.
- (8) If applicable, location of Z-ducts, trickle vents or similar unfiltered air system used for the licensee's building.
- (9) Percentage of total square footage, for customer use, of the licensee's building that will be used for vaping or smoking of cannabis in the designated cannabis smoking area.
- (10) Designated cannabis smoking area does not share space with employee work area. (Yes/No).
- (11) Maximum occupant load for the designated cannabis smoking area.

(b) The licensee shall demonstrate to the Licensing Official that the following standards have been met prior to approval by the Cannabis Licensing Official:

(1) The designated cannabis smoking area shall be located in a non-work area where licensee's employees are not required to enter as a condition of their employment.

(2) The designated cannabis smoking area shall have signage to designate smoking areas. The licensee shall specify the locations where such signage shall be installed.

(3) The designated cannabis smoking area shall have a separate heating, ventilation and air-conditioning (HVAC) system such that none of the air in the designated smoking area will be recirculated into other parts of the licensee's building.

(4) The designated cannabis smoking area shall be completely separated from the remainder of the licensee's premises by solid partitions or glazing without openings other than doors. All doors to the designated cannabis smoking area must be installed with a gasket to provide a seal where the door meets the stop.

(5) The designated cannabis smoking area ventilation system shall exhaust 100% of the air directly to the outside through a filtration system that, at a minimum, eliminates all detectable odor, smoke and by-product of combustion so as to prevent any and all public nuisances.

(6) The designated cannabis smoking area shall remain under negative pressure and shall have a 10% differential, in relation to the other spaces inside of the licensee's building.

(7) The designated cannabis smoking area shall be equipped with a ventilation system that provides 60 cubic feet per minute (cfm) of supply air per smoker.

(8) The designated cannabis smoking area shall not be directly accessible from the primary outside entrance to the licensee's building, and shall not be visible from the fronting street or store front.

(9) The designated cannabis smoking area's ventilation system and all mechanical equipment shall be designed to assure compliance with all requirements of SCCC 8.30 (Noise).

(10) The designated cannabis smoking area's ventilation system shall be designed to comply with California Mechanical Code section 505.0 - "Product-Conveying Systems" requirements.

(c) The designated cannabis smoking area ventilation plan shall include a description of the Operations and Maintenance plan for the ventilation system and methods for recordkeeping to ensure that the Operations and Maintenance Plan is followed. A current Operations and Maintenance manual must be kept on-site and provided to all managers, building engineers and building owners. The manual shall be reviewed annually by the licensee and updated by the licensee as appropriate. The manual shall include:

(1) A provision that inoperability of the designated cannabis smoking area's ventilation system shall result in immediate closure of the designated cannabis smoking area.

(2) The approved designated cannabis smoking area ventilation system installed shall be properly maintained and documented as stated in the Operations and Maintenance manual following standard practices, and as specified by the design engineer.

(3) Documentation of the installation and/or maintenance of the designated cannabis smoking area ventilation system shall be preserved for a minimum of five years after such installation or maintenance.

(d) The Cannabis Licensing Official shall review the designated cannabis smoking area ventilation plan and may require additional modification or justification prior to approval. Approval by the Cannabis Licensing Official must be granted prior to the application for a building permit. The Cannabis Licensing Official's action on the designated cannabis smoking area ventilation system plan shall be one of the following:

(1) Approve without further revision; or

(2) Require corrections, additions, and/or modifications which will allow the applicant to revise according to the Cannabis Licensing Official's specific comments and resubmit; or

(3) Reject.

(D) Required Statements on Licenses. All licenses issued by the Licensing Official shall contain the following statements, displayed prominently on the license itself:

- (1) A warning that operators, employees, and members of cannabis businesses may be subject to prosecution under Federal laws; and
- (2) An acknowledgment that, by accepting the license and operating a retail business, the applicant and owners of the business 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.

(E) Restrictions Relating to the Issuance of a License.

- (1) No license may be issued to operate a retail business unless the retail business 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 CT (Tourist Commercial) by the Santa Cruz County Zoning Ordinance.
- (2) No license may be issued to operate a retail business located within 600 feet from (a) a school; (b) another cannabis retail business; or (c) an alcohol or drug treatment facility. This restriction may be waived by the Licensing Official if findings are made that the general public benefit would outweigh concerns regarding intensity of use, land use compatibility, and public health and safety. If this restriction is waived, public notice and an opportunity to appeal the waiver will be provided as delineated in subsections (E)(5), (6), and (7) of this section. 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 retail business to the closest property line of the lot containing the retail business 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 retail business 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 retail business) after the date on which the State Board of Equalization issued a seller's permit to the retail business for its location.

(3) No license may be issued to operate a retail business 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). This restriction may be waived by the Licensing Official if findings are made that the general public benefit would outweigh concerns regarding intensity of use, land use compatibility, and public health and safety. If this restriction is waived, public notice and an opportunity to appeal the waiver will be provided as delineated in subsections (E)(5), (6), and (7) of this section. 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 retail business is to be located. This prohibition shall not apply to retailers operating in a location occupied on January 1, 2016.

(4) In the instance an applicant requests a waiver, as defined in subsections (E)(2) and (3) of this section, the Supervisor of the affected district shall be notified prior to a determination by the Licensing Official.

(5) Upon approval of a waiver by the Licensing Official, the following public notice procedures are required:

(a) The County shall mail a notice, in the form of a postcard or letter to the applicant and to all property owners within 600 feet of the exterior boundaries of the subject property, as well as to all lawful occupants of properties within 100 feet of the subject property, including the lawful occupants of the subject property; and

(b) The applicant shall post a notice on the subject property in a conspicuous place at least 14 calendar days prior to the end of the appeal period.

(6) Contents of the waiver notice shall include:

(a) Location of the proposed project;

(b) Name of the applicant and owner;

- (c) Description of the proposed project and waiver requested;
- (d) Process to obtain additional information;
- (e) Description of appeal procedures; and
- (f) Final date on which an appeal will be accepted.

(7) Appeal Procedures.

- (a) Who May Appeal. Any person whose interests are adversely affected by approval of a waiver may submit a notice of appeal.
- (b) Appeal Period. The period to appeal a waiver determination shall be 21 calendar days from the date public notices are mailed pursuant to subsection (E)(5)(a) of this section.
- (c) Contents of a Notice of Appeal. Appeals can be made by submitting a notice of appeal, which shall be a signed writing submitted to the Cannabis Licensing Office at the address provided and by the date listed on the public notice. The notice of appeal shall identify the proposed project and proposed waiver, shall provide the identity and contact information of the appellant, and shall set forth a concise statement of the reasons appellant believes the proposed waiver is unjustified or inappropriate.
- (d) Effect of Notice of Appeal. The submission of the notice of appeal shall have the effect of staying the issuance of a cannabis business license until such time as final action has been taken on the appeal.
- (e) Appeal Hearing. An administrative hearing officer shall review any appeal(s) made on a waiver. The hearing officer shall consider the notice of appeal, the proposed waiver, the cannabis business license application, and any other relevant documents or written information provided by the Licensing Official, applicant, or appellant. The administrative hearing officer shall review the matter de novo and render a written decision within 30 days. The decision shall be final.

(F) Restrictions on the Mobile Delivery of Cannabis.

(1) Holders of a State retail license, which are located within the County of Santa Cruz, may deliver cannabis to consumers via mobile delivery to the consumer's premises, subject to the provisions of this section.

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

(G) Restrictions on Retail Sales for Onsite Consumption. Retailers are prohibited from selling ingestible products, which can be orally consumed, with a serving size in excess of 10 mg of THC.

(HG) Grounds for License Revocation. Grounds for revocation of a license include, but are not limited to, any of the following:

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

(2) Allowing alcohol or cannabis to be consumed at the premises of a retail business ("premises," for purposes of this subsection, includes any area used for parking any vehicle).

(3) Allowing a minor unaccompanied by a parent or legal guardian to enter a retail business.

(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 a retail business or a cannabis delivery vehicle.

(6) Illuminating any portion of a retail business 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 retail business 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 a licensee's 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 a retailer's hours of operation.

(11) Violation of County signage regulations (see ~~Chapter~~ [SCCC 13.10](#) ~~SCCC~~), the placement or use of any roadside billboard to advertise any aspect of a cannabis business or cannabis products, or the placement or use of any sign that includes pricing of cannabis, details regarding specific cannabis products, or cannabis photography or graphics related to the cannabis plant, cannabis products, or cannabis paraphernalia.

(12) Three or more citations for violation of ~~Chapter~~ [SCCC 8.30](#) ~~SCCC~~ (Noise) within a single year.

(13) Possession, storage, or use of any firearm at a retailer or in association with the delivery of cannabis.

(14) Violation of any of the restrictions relating to the issuance of a license or the mobile delivery of cannabis as set forth in this chapter.

(15) Violation of any Santa Cruz County Code provision related to the cultivation of cannabis, including but not limited to any provision in ~~Chapter~~ [SCCC 7.128](#) ~~SCCC~~.

(16) Failure to cooperate with a financial audit by the County of Santa Cruz of any and all aspects of the licensee'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 licensee in the normal course of business.

(17) Failure to timely remit the taxes required to be paid under ~~Chapter SCCC~~ [4.06 SCCC](#) (Cannabis Business Tax).

(18) 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.

(19) 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").

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

(21) Failure to maintain a State-issued license authorizing the retail sale of cannabis.

**(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 sell cannabis.

(c) Previous violation by the applicant of any provision of the Santa Cruz County Code or State law related to selling cannabis, or related to the cultivation, transportation, extraction, or manufacture of cannabis or cannabis products.

(d) Operation of a retail business in a manner contrary to any of the conditions set forth in subsection (E) (Restrictions Relating to the Issuance of a License), subsection

(F) (Restrictions on the Mobile Delivery of Cannabis), or subsection (G) (Grounds for License Revocation) of this section.

(e) The applicant or owner failed their last annual LiveScan background check.

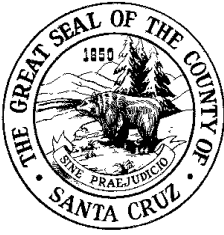
(f) The creation or maintenance of a public nuisance.

(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 retailer shall cease immediately, subject to the following exception:

If the applicant or operator is currently operating a retail business, 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 retail business for 90 days from the date the Licensing Official's decision was issued. Any retail business 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.



County of Santa Cruz  
Cannabis Licensing Office  
701 Ocean Street, Room 520  
Santa Cruz, CA 95060  
831-454-3833  
[Cannabisinfo@santacruzcounty.us](mailto:Cannabisinfo@santacruzcounty.us)



## NOTICE OF EXEMPTION

To: Clerk of the Board  
Attn: Juliette Rezzato  
701 Ocean Street, Room 500  
Santa Cruz, CA 95060

**Project Name:** Retail Commercial Cannabis Update

**Project Location:** Countywide

**Assessor Parcel No.:** N/A

**Project Applicant:** County of Santa Cruz Cannabis Licensing Office

**Project Description:** The project updates the Santa Cruz County Code for Retail commercial cannabis businesses to allow for consumption at existing locations.

**Agency Approving Project:** County of Santa Cruz Board of Supervisors

**County Contact:** Samuel LoForti

**Telephone No.** 831-454-3426

**Date Completed:** February 22, 2025

This is to advise that the County of Santa Cruz Board of Supervisors has approved the above described project on \_\_\_\_\_, 2025 (date) and found the project to be exempt from CEQA under the following criteria:

Exempt status: (check one)

- ☐ The proposed activity is not a project under CEQA Guidelines Section 15378.  
☐ The proposed activity is not subject to CEQA as specified under CEQA Guidelines Section 15060 (c).  
☒ The proposed activity is exempt from CEQA as specified under CEQA Guidelines Section 15061(b)(3).  
☐ **Ministerial Project** involving only the use of fixed standards or objective measurements without personal judgment.

☐ **Statutory Exemption** other than a Ministerial Project (CEQA Guidelines Section 15260 to 15285).

Specify type: 15282(h)

☐ **Categorical Exemption**

Class 1

### Reasons why the project is exempt:

The proposed amendments reflect minor changes to the existing County Code regulations and do not have potential for significant environmental impacts; the amendments are therefore exempt from environmental review per CEQA §15061(b)(3).

Signature: Sam LoForti Date: 02/28/2025 Title: Cannabis Licensing Manager

**PUBLIC NOTICE  
PROPOSED ORDINANCE  
(SUMMARY)**

Board of Supervisors Information (for Clerk Use only):

Approved in Concept: Click or tap to enter a date.

AMS Item: Click or tap here to enter text.

Scheduled for Second Reading & Final Adoption: Click or tap to enter a date.

Ordinance Title:

AN ORDINANCE AMENDING SECTIONS 7.130.030 AND 7.130.110 OF THE SANTA CRUZ COUNTY CODE REGARDING RETAIL COMMERCIAL CANNABIS OPERATIONS

Ordinance Summary:

The amendments to Santa Cruz County Code (SCCC) sections 7.130.030 and 7.130.110 pertain to retail commercial cannabis businesses and allow for cannabis consumption at existing licensee locations, subject to the requirements under SCCC Chapter 7.130.

The full text of this ordinance is available for public review at the Office of the Clerk of the Board, Room 520, Governmental Center Building, 701 Ocean Street, 5th Floor, Santa Cruz, California 95060; and on the Internet at:

<https://santacruzcountyca.igm2.com>

**For Clerk Use Only:**

By: Click or tap here to enter text.

Dated: Click or tap to enter a date.

## Health Impact Assessment: Expansion of Cannabis Access via Retailer Onsite Consumption Lounges, Farm Stand Retail, and Farm Stand Onsite Consumption

**The Evolution of Cannabis Potency and Its Impact** The potency of cannabis products has drastically increased over the past decades. Tetrahydrocannabinol (THC) concentration in cannabis plant material has raised from approximately 3% in the 1970s to approximately 23% today.<sup>1</sup> The average cannabis product potency for concentrates (shatter, budder, waxes, etc.) was 57% in 2017, and is now as high as 99% THC. The widespread availability of highly potent concentrates, edibles, and vape products has contributed to higher-frequency use and increased risks of dependence and adverse mental health effects. Public awareness campaigns and potency regulations are necessary to help inform consumers about the potential dangers of high-THC cannabis.<sup>2</sup>

# MARIJUANA POTENCY

a resource produced by:  
Smart Approaches to Marijuana

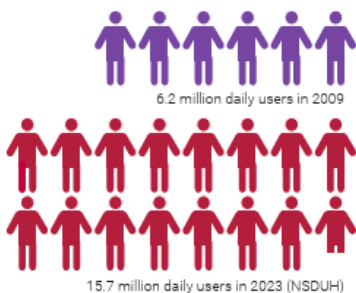


In the 1970s, "Woodstock Weed" contained roughly 1–3% THC. Since then, potency of marijuana plant material has increased to an **average potency of 18–23% today.**

## MORE THC



In 2017, THC concentrates had an average THC potency of 55.7%. Today, many retailers promote and profit from products containing **up to 95–99% THC.**



## INCREASED USE

Americans 12 and older who reported using marijuana daily or almost daily increased from 6.2 million in 2009 to 15.7 million in 2023.

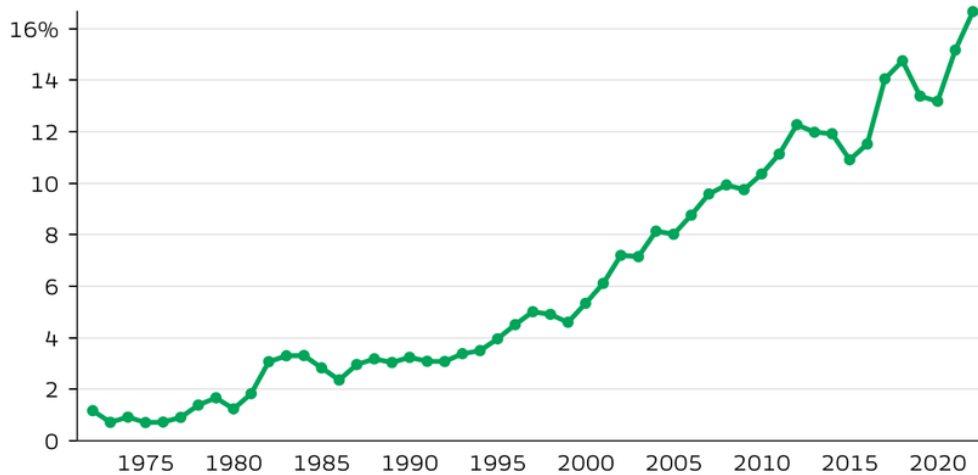
Daily users of high potency THC are **five times** more likely to develop a severe mental illness.

## GREATER HARM

High potency and high frequency marijuana use are associated with the **most severe impacts** on mental health.

## Today's cannabis is a lot stronger than its predecessors

Cannabis available today contains more than 10 times as much **THC**, on average, than it did in the 1970s



SOURCE: NIDA POTENCY MONITORING PROGRAM, UNIVERSITY OF MISSISSIPPI

**Mental and Physical Health and Cannabis Use** The link between high-potency cannabis and mental health conditions such as psychosis and schizophrenia are increasingly evident. Teens and young adults up to age 25 are particularly vulnerable to the onset of serious mental illness, and research suggests that cannabis use can trigger severe mental health conditions in individuals who may not have otherwise developed them. Recent studies suggest that cannabis use during adolescence results in impaired neural connectivity in several areas of the brain and is associated with poorer performance in schools and higher dropout rates.<sup>3</sup> Emergency room visits due to cannabinoid hyperemesis syndrome (CHS), a condition characterized by cycles of nausea, vomiting and abdominal pain caused by chronic, high-dose cannabis use, have surged.<sup>4</sup> Furthermore, the financial burden on Santa Cruz County is significant: *for combined Fiscal Years 2022-2023 and 2023-2024, 910 clients sought treatment for a primary diagnosis of cannabis use disorder, resulting in a total cost of care of \$7.7 million, of which the County (local) share was \$3.1 million.*<sup>5</sup> Local share includes a mix of County General Funds and other local funds. These costs represent services provided through the County-administered Medi-Cal Specialty Mental Health Plan and the Drug Medi-Cal Health Plan, and do not account for clients presenting for treatment with secondary and tertiary cannabis use disorder diagnoses. Onsite cannabis consumption lounges also may result in an increase to calls for service from first responder agencies, creating a potential to additionally burden the public safety system, including Emergency Medical Services (EMS), with unfunded additional calls for service.

**Youth and Cannabis Normalization: Understanding the Risks** Environment plays a key role in adolescent substance use, including through exposure to retail outlets and advertising. The availability and visibility of cannabis retailers have been shown to correlate with increased youth consumption rates. Research has shown that youth who are exposed to cannabis retailers or lounges in their vicinity are more likely to experiment with cannabis themselves. When lounges

are located near schools or places frequented by youth, it can normalize use and make consumption appear socially acceptable.<sup>6</sup>

In Santa Cruz County, California Healthy Kids (CHKS) data indicates a 7% decline in the perception of harm associated with cannabis use among 7th graders from 2019 to 2023. According to the most recent data from the CHKS Survey 2021-2023, 12% of all 11th grade Santa Cruz County students currently use cannabis. The percentage more than doubles to 24% for non-traditional/alternative education students. Latinx youth are disproportionately affected by proximity to cannabis retailers, increasing their risk of use and potential health consequences.<sup>7</sup>

**Cannabis and Impaired Driving** Driving under the influence of cannabis poses serious public safety risks. Santa Cruz County's 2024 DUI survey found that nearly 10% of individuals arrested for impaired driving had used cannabis on the day of their arrest.<sup>8</sup> Research from Canada has shown a 475.3% increase in cannabis-related traffic injuries following legalization.<sup>9</sup>

Santa Cruz County does not currently have practices in place for law enforcement to adequately detect and track cannabis impaired driving. In Washington State, among drivers involved in fatal crashes among drivers involved in fatal crashes between 2008 and 2016, 44% tested positive for two or more substances with alcohol and THC being the most common combination.<sup>10</sup> According to the Rocky Mountain High Intensity Drug Trafficking Area (RMHIDTA), in 2020, of drivers involved in fatal crashes, 24% of these drivers tested positive for cannabis and alcohol, 25% tested positive for cannabis and other drugs (no alcohol), and 13% tested positive for a combination of cannabis, alcohol, and other drugs.<sup>11</sup>

Strategies such as limiting on-site consumption, providing transportation options, expanding drug testing capacity for impaired drivers including oral fluid roadside test collection and law enforcement phlebotomy, and increasing law enforcement training in cannabis impairment detection can help mitigate these risks and enhance road safety.

**Training and Oversight for Cannabis Lounges and Onsite Consumption** Ensuring responsible cannabis consumption in onsite lounges requires proper staff training. Public Health experts nationally have many lessons learned from working successfully with responsible alcohol retailers and on-site alcohol consumption licensees to reduce risk – those harm reduction methods are evidence-based, such as license conditions on serving amounts and hours of operation, required responsible server trainings, clear enforcement and regulation, and other safety education.<sup>12</sup> Similar requirements should be considered in any cannabis ordinance amendments and regulatory practices.

Employees must actively monitor patrons, be trained to recognize signs of overconsumption and psychosis, and follow guidelines similar to alcohol server certifications to prevent overserving. Additionally, staff should be educated on the effects of different cannabis product potencies and clear limits on serving amounts. Establishing clear monitoring guidelines for consumer behavior and intervention strategies is essential in minimizing potential harm.

**Secondhand Cannabis Smoke: A Public Health Concern** Exposure to secondhand cannabis smoke presents significant health risks, comparable to those of tobacco smoke. In a recent study



examining particulate matter in the air of in-use cannabis consumption lounges, researchers found that air pollution levels were significantly elevated in the consumption area compared to outdoor air. This indicates that on site consumption of cannabis can lead to increased indoor air pollution.<sup>13</sup> Studies have linked secondhand cannabis smoke exposure to respiratory issues and cardiovascular effects. Emergency responders, staff, and patrons in cannabis consumption lounges are particularly vulnerable to prolonged exposure. Strategies such as prohibiting indoor smoking and vaping in cannabis lounges, implementing strict ventilation requirements, designating outdoor consumption areas, and developing an accessible, clear, and transparent method for logging air quality complaints from patrons, workers, neighboring businesses, and residents can help reduce these risks and protect public health.

## Endnotes

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To the Santa Cruz County Board of Supervisors

Regarding: (Agenda Item #8 Cannabis Consumption Lounges)

I am a pediatric nurse practitioner and Adolescent Health Director in Santa Cruz. I have been working in this community for the past 7 years. In my time as an adolescent medical provider, I have seen the significant impacts of potent THC products on my patients. I am writing as someone on the front lines who is seeing this impact directly, and to point out that the products on the market today are vastly different than the ones sold 10 or 20 years ago. In the 90s cannabis products had roughly 5% THC, today my patients are consuming products with 80 and 90% THC. With cannabis being legal on the state level but not at the federal level, we are unable to quickly and comprehensively study the effects of these highly potent products. However, in the research that has been done, we now have substantial evidence that frequent use of cannabis increases risks of psychosis, including schizophrenia among adolescent and young adults. It also increases risks of depressive disorders, suicidal ideation and suicide attempts. There is an increased risk of overdose injuries. And yet there are substantial gaps in regulation, despite the exponential growth and access to these more potent products.

I have seen this with my patients. A 14-year-old with uncontrolled vomiting due to cannabis hyperemesis syndrome, a result of chronic cannabis use. A 15-year-old with early onset psychosis who began smoking with his brother at age 12. A 13-year-old with treatment resistant depression who smokes 'dabs,' (a highly potent form of THC) multiple times per day. My patients tell me that they learn about cannabis from their friends and social media. And it has been documented that most of the information on social media is promoting cannabis rather than offering warnings about potential risks. Given the discrepancy in product marketing versus public health messaging, there is a strong misperception about the health consequences of using these highly potent products. When asked, many of my patients believe cannabis is not addictive, even though it has been documented that roughly 3 million people meet criteria for a cannabis addiction. Many who use cannabis report they prefer to use cannabis to treat their anxiety, depression, or sleep problems, because it was recommended by a friend, a social media post, or 'someone in the industry.'

Those of us who have been trained are working upstream as these products evolve and become more potent than the public health data can keep up with. At our clinic, we are working to come up with cannabis withdrawal medication protocol, using limited data, because patients have such significant symptoms when trying to quit. I strongly agree with this quote by Doctor Yasmin Hurd, "Until we do research on the drastically transformed cannabis in all its forms, I think putting them under the umbrella of a safe, legal drug is wrong," she said. "It's misleading at best and dangerous at worst."

When asked, 99% of my patients who use cannabis report getting it from a dispensary. When I probe, they say their 'friend' or 'source' is buying from a dispensary, marking it up and selling it to young people. So, though it is not legal for individuals under the age of 21 years old, the presence of these dispensaries, and the products they sell in our community are having a direct impact on our youth. To ignore this impact would be irresponsible. In light of these concerns, I ask the following:

- Vote against cannabis lounges until more research is done on potential harms of these products, and more regulations are in place to keep our community safe.

- If you move forward with approval then at the very least, cap the potency of products allowed to be consumed in the lounges.
- Require safety warning labels based on the evidence available.
- Limit the zoning regulations to allow for the fewest lounges possible to limit access and normalization of the use of products.

Let's prioritize health over profits.

Nadia Al-Lami

If you'd like to learn more, please see my recent Op-Ed from Lookout.

<https://lookout.co/cannabis-lounges-pose-a-risk-to-the-health-of-santa-cruz-county-youth-the-board-of-supervisors-should-vote-no/>

**From:** [Brenda Armstrong](#)  
**To:** [Board Of Supervisors](#)  
**Subject:** Cannabis Lounge Recommendations  
**Date:** Monday, March 10, 2025 12:11:23 PM

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3/7/2025

**Santa Cruz County Board of Supervisors**  
701 Ocean Street, Room 500  
Santa Cruz, CA 95060

**Subject: Concerns Regarding Cannabis Consumption Lounges and Impact on Public Safety**

Dear Chairperson Hernandez and Members of the Board of Supervisors,

I am writing to address my concerns regarding the establishment and operation of cannabis consumption lounges in our community. While such establishments present potential economic opportunities and provide a viable option for individuals and patients who do not have a legal space to consume cannabis, it is critical to consider implications on consumer safety, community well-being, and economic impacts. Thoughtful regulation and proactive policies are crucial to ensure these spaces are responsibly managed and integrated into our community.

**Recommended Policies for Consumer and Public Safety**

- **Mandatory Staff Training:** All staff at consumption lounges should undergo training based on the standards outlined by the Cannabis Licensing Office to serve as the baseline for ensuring staff competency in managing consumer and community safety.
- **Patron Education:** Guide responsible and safe consumption, including titration: the gradual adjustment of dosage to achieve desired effects while minimizing risks.
- **Safe Transportation Options:** Consumption lounges should be required to provide transportation information, including designated driver services and safe ride options, to ensure patrons do not drive under the influence.
- **Social Norms Campaign:** A public awareness campaign should be launched to promote safe rides and prevent impaired driving.
- **Pilot Program Restrictions:** Limit the number of lounges in the pilot project in the first year, increasing annually. A gradual expansion will allow for a thorough assessment of the program's feasibility and community impact.
- **Quarterly Compliance Visits:** During the pilot phase, the Cannabis Licensing Office (CLO) should conduct quarterly visits to support compliance, provide education, and monitor the program's successes and challenges. This will allow the board to review the program and recommend changes to support safe and successful businesses.

## Ensuring Safety

The safety of patrons, staff, and the community must be a top priority in the operation of cannabis consumption lounges. Effective staff training is essential to support consumer safety. The CLO, funded to manage licensing components, should be directed to develop a standardized training program in partnership with Public Health and Cannabis Businesses, covering the following components:

- **Dosage and Titration:** Train staff and consumers on safe consumption practices, including the "start low, go slow" approach to dosing, and inform consumers about product potency and effects.
- **Monitoring Consumption:** Ensure staff monitor consumption, recognize signs of overconsumption, and offer assistance when necessary. Implement video surveillance to support compliance and ensure patron safety.
- **Safe Ride Options:** Encourage or provide safe ride services to patrons to prevent impaired driving.

In approving lounges, the cost of development and management of standardized training, issuance of certificates, and monitoring of certification should be considered.

## Community Well-Being

Cannabis lounges must operate without compromising the quality of life for residents. Several considerations must be considered:

- **Driving Under the Influence (DUI):** In 2022, Santa Cruz County had the second-highest rate of impaired driving in California. The Statewide Integrated Traffic Records System (SWITRS) reported this resulted in 319 victims killed or injured and 1,678 DUI Arrests. Cannabis consumption lounges must take proactive steps to prevent DUIs by providing clear policies and enforcing consequences for violators.
- **DUI Place of Last Drink Survey for Santa Cruz County** participants identified a bar or restaurant as their place of last drink, reporting 40% in 2023 and dropping to 32% in 2024. One significant change during this time is CA Alcoholic Beverage Control mandated training for all on-sale outlets. They approved a curriculum and monitor and track the compliance of individuals through ABC staff and local enforcement.
- **The California Office of Traffic Safety** states that people who drive immediately after using cannabis may increase their risk of getting into a crash by 25 to 35 percent. The impairing effect rises rapidly and remains for some time. These effects can be delayed if the cannabis is ingested rather than smoked. [Drug-Impaired Driving | Office of Traffic Safety](#)
- **DUI Prevention: Protocols:** Similar to alcohol-serving establishments, cannabis lounges should implement strict protocols, including clear signage about impaired driving and information about rideshare options. All patrons should sign a waiver acknowledging the prohibition of driving under the influence. Licensees should have business policies to temporarily or permanently bar patrons who fail to consume responsibly or who violate other posted rules.
- **Robust Safety Measures:** Controlled access, strict age verification, compliance with ventilation and odor mitigation standards, and security management plans are vital to minimizing disruptions to the community.
- **Operating Hours:** Limit operating hours to reduce traffic, avoid conflicts with children's school schedules, and minimize late-night disturbances.

## Economic and Community Impacts

Cannabis lounges have the potential to contribute economically, but their associated costs must be carefully considered:

- **Licensee Training Cost:** A comprehensive training certification program should be developed, with the County responsible for approving content and tracking compliance. The costs of training and monitoring should be accounted for in business plans.
- **Health Service Impacts:** Increased cannabis use may result in higher demands on emergency and behavioral health services. Cannabis consumption has been linked to adverse health outcomes, including addiction, mental health challenges, and impaired cognition ([Source](#)).
- **Monitoring and Enforcement Cost:** Ongoing costs include staff training, business plan reviews, site visits, and compliance monitoring. The financial implications of impaired driving also need to be factored into the overall cost-benefit analysis of cannabis lounges.

By adopting robust regulations, and safety measures, we can foster a responsible framework for this growing industry. Economic development must be balanced with consumer safety and community well-being.

I urge the Board to incorporate these recommendations into its policy framework. With careful planning, cannabis consumption lounges can contribute positively to both the local economy and community values.

Thank you for considering these concerns.

Sincerely,

Brenda Armstrong  
Felton, CA 95018

Valerie Leveroni Corral  
WAMM Phytotherapies  
Executive Director

D'Angelo "Cricket" Roberto  
Santa Cruz, CA 95060

Jozee Roberto  
Santa Cruz, CA 95060

Jennifer O'Brien Rojo  
Felton, CA 95018

**From:** [Frederick C. Lee](#)  
**To:** [Board Of Supervisors](#)  
**Cc:** [Fifth District](#)  
**Subject:** Marijuana Bar in Boulder Creek, CA  
**Date:** Sunday, March 9, 2025 4:31:27 PM

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\*\*\*CAUTION: This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.\*\*\*

Greetings:

It took America DECADES to get weaned off of tobacco products (since the Surgeon General declared tobacco use dangerous in 1964).

Waikiki Beach had a serious problem with discarded butts on its beaches, even though there's a strict ordinance against smoking on the beach.

Boulder Creek doesn't need another headache screwing up its bucolic scene, akin to Northern Exposure's Cicely, Alaska which are unfortunately diminishing.

Keep Boulder Creek pristine. Keep the pot-heads out.

Regards,

Frederick C. Lee

[REDACTED]

Boulder Creek, CA 95006-8509

[REDACTED]



**From:** [luci D](#)  
**To:** [Board Of Supervisors](#)  
**Subject:** Public Comment for Ordinance Amending Local Cannabis Policy Item #8  
**Date:** Monday, March 10, 2025 10:41:35 AM

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3/8/25

Santa Cruz County Board of Supervisors

701 Ocean Street, Room 500

Santa Cruz, CA 95060

Hello, my name is Luciana Dodson and I'm here because I am a concerned highschool student as well as a concerned driver.

According to Crash rankings in 2022 Santa Cruz was 2nd in the state for impaired driving and 3rd for under 21 impaired driving. This is incredibly concerning statistics, and I believe that the Cannabis Consumption lounges will only increase that number.

This personally is very important to me because I've seen the negative effects of cannabis use on my peers. I've seen students and tourists smoking and driving, I've seen early weed addiction consume the lives of my closest friends, and I've seen the long term effects in my family members. Close friends have detailed to me the life changing consequences that crashes involving impaired driving have left them with.

I believe the cannabis consumption lounge will have a negative effect on our community. Effective regulations on things such as overserving, mandatory sober drivers, and the locations of these lounges are imperative for our communities health. I believe that effective measures like proper TRACE programs for cannabis, mandatory staff training, community outreach programs, and regular impaired driving checkpoints are effective ways to mitigate the negative consequences. Ultimately, though, I do not believe we are prepared to handle the consequences of this policy amendment.

Thank you for hearing my concerns,

Luci Dodson

Links

<https://www.ots.ca.gov/media-and-research/crash-rankings-results/>



**Santa Cruz County Friday Night Live Partnership Youth Council**

3/9/2025

Santa Cruz County Board of Supervisors  
701 Ocean Street, Room 500  
Santa Cruz, CA 95060

Dear Santa Cruz County Board of Supervisors,

As high school students, getting a drivers license is one of those honored rights of passage to gain independence. We take drivers education classes in the graduated drivers license program that prepares us to hit the road safely and responsibly. But we need our policy makers to ensure our roads are safe for us to use as well. In 2022, Santa Cruz County saw more than 1600 DUI arrests ([California Office of Traffic Safety](#)). As you consider changes to local cannabis policy and vote on whether or not to permit onsite consumption at cannabis dispensaries and cannabis farms, we want to, again, share our concerns about the impacts to our community.

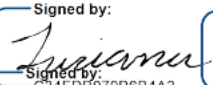
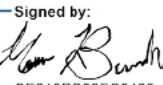
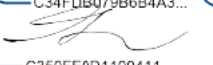
We are members of the Santa Cruz County Friday Night Live Partnership Youth Council where youth are leaders, advocates, and resources to influence positive changes in our community. We attend schools across Santa Cruz County. We're interested in the factors that contribute to youth substance use and how we can make changes to prevent use and increase protective factors. Research shows that the closer cannabis retailers are to where youth live, learn, and play, the more likely they are to use earlier in life ([Examining Associations Between Licensed and Unlicensed Outlet Density and Cannabis Outcomes From Preopening to Postopening of Recreational Cannabis Outlets - PubMed](#)). In January, we wrote a letter to the Board of Supervisors that was read during public comment expressing our concerns over the changes to local cannabis policy to allow Cannabis Consumption Lounges. Our top concerns were around impaired driving, youth access and exposure, gaps in compliance, and normalization of cannabis use leading to a reduced perception of harm among youth. Since then, we learned that cannabis farms would be allowed to offer onsite consumption and sale of cannabis products at farmstands. This increase in the number of places where people can buy cannabis raises more concerns over normalization and reduced perceptions of harm among youth who will now see cannabis as accessible as strawberries, honey, and other non-age restricted produce.

Further, onsite consumption concerns us as cannabis use can impair safe driving. According to the CDC, cannabis use can slow reaction time, distort perception, and impair

ability to make decisions and physical coordination ([Impaired Driving Facts | Impaired Driving | CDC](#)). The California Office of Traffic Safety states that people who drive immediately after using cannabis may increase their risk of getting into a crash by 25 to 35 percent. The impairing effect increases rapidly and lingers. The method of use can delay effects too whether cannabis is smoked or ingested ([Drug-Impaired Driving | Office of Traffic Safety](#)). The National Highway Traffic Safety Administration conducted a study where they looked at more than 4,000 drivers who were seriously injured in crashes and found that 25% tested positive for cannabis ([Update to Special Reports on Traffic Safety during the COVID-19 Public Health Emergency: Fourth Quarter Data \[Traffic Safety Facts\]](#)). Impaired driving does not just impact drivers. Passengers and youth are impacted themselves. According to the 2012-2023 California Healthy Kids Survey, 30% of 7<sup>th</sup> grade students in Santa Cruz County have ridden in the car driven by someone who had been using substances ([Santa\\_Cruz\\_County\\_2123\\_Sec\\_CHKS.pdf](#)). The risk is too high for our friends and peers.

Local policies can reduce impaired driving and reinforce the age restriction and potential harms of cannabis to youth. Some policies include training servers on how to notice when someone is intoxicated or impaired, establish clear monitoring policies for consumer behavior and intervention strategies that prevent impaired driving, and increase law enforcement training in cannabis impairment detection through Drug Recognition Expert training and oral swab testing. Businesses can provide ride share and sober driver options to consumers onsite and promote social media campaigns designed to amplify safe ride options and prevent impaired driving.

[Thank](#) you for considering our concerns and prioritizing the health and safety of youth and our community.

Signed by:  Signed by:   
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SCCFNLP Youth Council

Signed by:   
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March 11, 2025

County of Santa Cruz Board of Supervisors  
Governmental Center Building, Board Chambers  
701 Ocean Street, Room 525  
Santa Cruz, California

Dear County of Santa Cruz Board of Supervisors,

As you consider cannabis (marijuana and hemp) consumption lounges and consumption on site at cannabis farms in Santa Cruz County, California, we offer the collective expertise of The Foundation for Advancing Alcohol Responsibility ([Responsibility.org](https://responsibility.org)) and The National Alliance to Stop Impaired Driving (NASID). Responsibility.org and NASID take no position on cannabis legalization, but we are dedicated to ensuring that cannabis policy/legislation includes strong provisions to **prevent impaired driving**. Additionally, **preventing underage cannabis consumption** must also be a priority.

Many states are also grappling with how to regulate new intoxicating hemp products, which contain psychoactive cannabinoids in concentrations high enough to cause impairing effects. While this letter does not delve further into intoxicating hemp products, Responsibility.org and NASID believe that legislation concerning these products should also include strong measures to combat impaired driving and underage consumption.

You have the unique opportunity and responsibility to proactively address the increased risks of wholly preventable crashes, deaths, and injuries caused by impaired driving and underage consumption.

**About Responsibility.org and the National Alliance to Stop Impaired Driving (NASID):**

For over 30 years, [Responsibility.org](https://responsibility.org) has led the fight to eliminate drunk driving and underage drinking. We are a national not-for-profit organization funded by the following leading distillers: Bacardi U.S.A., Inc.; Beam Suntory; Brown-Forman; Campari Group; Constellation Brands, Inc; DIAGEO; Edrington; Hotaling, Mast-Jägermeister US; Moët Hennessy USA; Ole Smoky; Pernod Ricard USA; and William and Grant & Sons. Responsibility.org has transformed countless lives through programs that bring individuals, families, and communities together to guide a lifetime of conversations around alcohol responsibility and to offer proven solutions to stop impaired driving.

NASID is a coalition established and led by [Responsibility.org](https://responsibility.org) to eliminate all forms of impaired driving, especially multiple substance impaired driving—driving while impaired by drugs and alcohol or a combination of drugs—through effective and proven measures such as DUI system reform, DUI detection, expanding drug testing, and improved use of data and technology. NASID membership includes stakeholders working in a public/private partnership to achieve these goals. Our members include law enforcement, prosecutors, judges, toxicologists, academics, safety advocates, and industry leaders. We also have “Ally” members who do not advocate or lobby but support our programmatic efforts. To learn more please visit [www.NASID.org](https://www.NASID.org).

### **The Danger of Impaired Driving**

According to the National Highway Traffic Safety Administration (NHTSA), traffic fatalities on US roads increased by 29% from 2013 to 2022, while drunk driving increased 34% during the same time period. NHTSA's latest data also shows that 42,514 people were killed in motor vehicle crashes in 2022. Among those, 13,524 people died in drunk driving crashes—accounting for 32% of all fatalities. Additionally, 10,697 people were killed in crashes involving drugs, accounting for 25% of all traffic fatalities.

What's more, the number of people driving impaired by multiple substances is on the rise. A 2020 NHTSA study of five trauma centers revealed that fatal and serious injuries involving alcohol and cannabis-impaired driving increased; 25 percent of these drivers had more than one substance in their systems. The danger of driving while impaired by cannabis is well-established, but evidence suggests that many members of the public do not understand the risks. In Washington, Colorado, and Oregon, there have been dramatic increases in drug-impaired and multiple substance impaired driving.

### **Detecting Drugs and Multiple Substance Impairment**

Drug and multiple substance impaired drivers often go undetected and are underreported. Many state policies and protocols prevent drug testing if an impaired driver is at or above the legal blood alcohol concentration (BAC) limit. Drug use is often only investigated when alcohol is not an impairment factor or when observed impairment does not correspond with the driver's BAC level. Additionally, our nation has more than 70 years of science on the study of alcohol impairment. However, unlike alcohol, researchers have been unable to define a standard of impairment for cannabis.

Washington State data revealed multiple substance impairment was the most common type of impairment found among drivers involved in fatal crashes between 2008 and 2016 (Grondel et al., 2018). Among drivers involved in fatal crashes during this timeframe, 44 percent tested positive for two or more substances with alcohol and THC being the most common combination (Grondel et al., 2018). According to data reported by the Rocky Mountain High Intensity Drug Trafficking Area (RMHIDTA), in 2020 drivers involved in fatal crashes who tested positive for cannabis were more likely to test positive for multiple substances as opposed to cannabis alone. In fact, 24 percent of these drivers tested positive for cannabis and alcohol, 25 percent tested positive for cannabis and other drugs (no alcohol), and 13 percent tested positive for a combination of cannabis, alcohol, and other drugs (RMHIDTA, 2021).

### **How to Achieve Better DUI Detection**

Drug Recognition Experts (DREs)—law enforcement officers trained to recognize impairment in drivers under the influence of drugs or a combination of drugs and alcohol—are critical to helping identify and stop impaired driving. Ensuring your law enforcement agencies have the necessary number of trained DREs in place is important. Cannabis levels dissipate quickly in a person's system while impairment remains, highlighting the need for expedited testing to promptly gather essential information. Every state, but especially a state considering legalization of cannabis, should test for both drugs and alcohol among impaired drivers. This is a best practice that will lead to reduced recidivism, a better understanding of the issue, informed decision-making regarding policy and resource allocation, effective case disposition, and effective sentences tailored to offender supervision and treatment needs.

## **Strengthen DUI Laws**

Effective laws that ensure traffic safety and prevent underage consumption issues include:

- Inclusion of cannabis and all impairing substances in the state's impaired driving and implied consent laws,
- Providing more tools to law enforcement, such as funding for training programs focusing on Standardized Field Sobriety Testing (SFST), Advanced Roadside Impaired Driving Enforcement (ARIDE), and DRE instruction, to detect and respond to all forms of impaired driving,
- Improved testing and data collection efforts such as requiring alcohol and drug testing of all fatally injured and surviving drivers involved in fatal and serious injury crashes,
- Expedited testing (oral fluid field screening, electronic search warrants, and law enforcement phlebotomy),
- Administrative license revocation laws made specific to cannabis impairment,
- Expanded open container laws to include the various forms of cannabis available in the state,
- Enhanced laws for young drivers who's cognitive and driving skills are still developing by expanding the zero tolerance DUI-alcohol standard for people under 21 to also include cannabis. It is illegal to consume alcohol under 21 and then drive in every state. The same should be true for underage cannabis consumption and driving,
- Prohibition of cannabis use for people under the age of 21 (exceptions defined by state statute for medicinal use).

In 2021, The Federal Government expanded funding for state highway safety offices to address impaired driving. We urge you to implement the following programs to create the infrastructure needed to effectively address cannabis and multiple substance impaired driving along with drunk driving:

- [Specialized Law Enforcement Training \(SFST, ARIDE, and DREs\);](#)
- [Cannabis Impairment Detection Workshops \(Green Labs\);](#)
- [Expanded Drug Testing for Impaired Drivers;](#)
- [Law Enforcement Phlebotomy;](#)
- [Oral Fluid Roadside Test Collection;](#)
- [Effective Technology \(e.g., electronic warrants\);](#)
- [Advanced Vehicle Technology;](#)
- [Rideshare;](#)
- [Improved Data Collection;](#)
- [Treatment Courts; and](#)
- [Monitoring Courts.](#)



Responsibility.org and NASID stand ready to assist Santa Cruz County, California in its efforts to reduce cannabis impaired driving and underage consumption. Please contact us at [Darrin.grondel@responsibility.org](mailto:Darrin.grondel@responsibility.org) or [Kelly.poulsen@responsibility.org](mailto:Kelly.poulsen@responsibility.org) for any assistance we can provide.

Sincerely,

A handwritten signature in black ink, appearing to read "Darrin T. Grondel".

Darrin T. Grondel, Ph.D.  
Director, NASID  
Senior Vice President, Traffic Safety  
Responsibility.org

A handwritten signature in black ink, appearing to read "Kelly Poulsen".

Kelly Poulsen  
Senior Vice President, Government Relations  
Responsibility.org



# COMMUNITY TRAFFIC SAFETY COALITION

## of SANTA CRUZ COUNTY



[www.sctrafficsafety.org](http://www.sctrafficsafety.org) ♦ [www.facebook.com/sctrafficsafety](https://www.facebook.com/sctrafficsafety) ♦ [CTSC@santacruzcounty.us](mailto:CTSC@santacruzcounty.us) ♦ (831) 454-7551

March 10, 2025

Board of Supervisors  
Santa Cruz County  
701 Ocean St #500A  
Santa Cruz, CA 95060

Dear Members of the Board of Supervisors,

I am writing on behalf of the Community Traffic Safety Coalition (CTSC) regarding the proposal to permit on-site consumption in cannabis lounges and at cannabis farms in Santa Cruz County. While we understand the need to balance innovation and regulation, we also recognize the importance of addressing the potential public safety risks associated with cannabis consumption and impaired driving. According to the CDC, cannabis use can impair important skills required for safe driving, including impairing coordination, distorting perception, and slowing one's reaction time and ability to make decisions.

The following national and state-wide crash statistics highlight the growing need to take a proactive approach to mitigate the risks of impaired driving:

- In the US, the percentage of fatalities involving cannabis and cannabis plus alcohol increased from 9.0% in 2000 to 21.5% in 2018, and 4.8% in 2000 to 10.3% in 2018, respectively ([Trends in Cannabis Involvement and Risk of Alcohol Involvement in Motor Vehicle Crash Fatalities in the United States, 2000-2018, PubMed](#)).
- A study done by the National Highway Traffic Safety Administration (NHTSA) that examined more than 4,000 drivers who were seriously injured in crashes found that 25% tested positive for cannabis ([Update to Special Reports on Traffic Safety during the COVID-19 Public Health Emergency: Fourth Quarter Data \[Traffic Safety Facts\], NHTSA](#)).
- The California Office of Traffic Safety (OTS) states that people who drive immediately after using marijuana may increase their risk of getting into a crash by 25% to 35% ([Drug-Impaired Driving, OTS](#)).

States that have implemented testing and tracking for cannabis involvement in crashes include Washington State and Colorado. Below are cannabis-related crash statistics for both states:

- Among drivers involved in fatal crashes between 2008 and 2016 in Washington, 44% tested positive for two or more substances with alcohol and THC being the most common combination. ([Marijuana Use, Alcohol, and Driving, Washington Traffic Safety Commission](#))



# COMMUNITY TRAFFIC SAFETY COALITION

## of SANTA CRUZ COUNTY



[www.sctrafficsafety.org](http://www.sctrafficsafety.org) ♦ [www.facebook.com/sctrafficsafety](https://www.facebook.com/sctrafficsafety) ♦ [CTSC@santacruzcounty.us](mailto:CTSC@santacruzcounty.us) ♦ (831) 454-7551

- According to Colorado's Rocky Mountain High Intensity Drug Trafficking Area (RMHIDTA), 24% of drivers who were involved in fatal crashes in 2020 tested positive for cannabis and other drugs not including alcohol. Thirteen percent tested positive for a combination of cannabis, alcohol, and other drugs ([The legalization of Marijuana in Colorado: The Impact, RMHIDTA](#)).

The statistics below help to demonstrate the problem of cannabis use and impaired driving in Santa Cruz County:

- According to the 2024 DUI Place of Last Drink Survey in Santa Cruz County, 9% of the 668 people surveyed indicated that on the day of their arrest, they had used cannabis. This is nearly 1 in 10 individuals (DUI: Place of Last Survey Results, Applied Survey Research).
- In 2023, 15% of crashes in Santa Cruz County were caused by driving or bicycling under the influence of alcohol or drugs ([Statewide Integrated Traffic Records System provisional data, TIMS](#)).

Given the public health risks associated with cannabis consumption and impaired driving, the CTSC strongly recommends that on-site cannabis consumption in lounges and at farms be held to the same or higher standards of regulation as bars. To help ensure public safety, we recommend the following safety policies:

- Comprehensive staff training where employees receive specialized training to recognize the signs of impairment, in addition to how to monitor consumption responsibly and how to take appropriate actions to prevent patrons from driving while impaired.
- Increased law enforcement training in cannabis impairment detection.
- Providing transportation information and options to on-site consumers.
- Social norms campaigns designed to promote safe rides and prevent impaired driving.

By implementing these safeguards, the county can minimize risks and protect both patrons and the broader community from the dangers of impaired driving.

Thank you for your attention to this important matter. Our goal is to work together toward safer transportation for all county residents.

Sincerely,

Tawn Kennedy, Co-Chair  
Community Traffic Safety Coalition

March 10, 2025

Santa Cruz County Board of Supervisors  
701 Ocean Street, Room 500  
Santa Cruz, CA 95060  
[BoardOfSupervisors@santacruzcountyca.gov](mailto:BoardOfSupervisors@santacruzcountyca.gov)

**Re:** Agenda items 8, 9, 10 for March 11, 2025,  
Consider approving in concept an "Ordinance Amending Section 7.130.030 and 7.130.110 of the Santa Cruz County Code Regarding Retail Commercial Cannabis Operations," -  
OPPOSE

Consider approving in concept an "Ordinance Enacting Chapter 7.138 of the Santa Cruz County Code Regarding Cannabis Farm Retail License Pilot Program," an "Ordinance Amending Section 13.10.640 of the Santa Cruz County Code Regarding Temporary Produce Sales Areas and Produce Stands," and an "Ordinance Amending Section 13.10.372 of the Santa Cruz County Code Regarding Allowance of Temporary Produce Sales Areas and Produce Stands in the Timber Production Zone District" allowing for retail cannabis sales at produce stands, approve the California Environmental Quality Act Addendum to the Final Environmental Impact Report for the Sustainability Policy and Regulatory Update, and take related actions (County Administrative Office) -  
OPPOSE

Dear Supervisors Cummings, DeSerpa, Hernandez, Koenig, and Martinez,

On behalf of **Getting it Right from the Start**, a project of the Public Health Institute, a 501c3 non-profit organization that has served California to promote public health for the past 55 years, we are writing to express our strong opposition to the proposal regarding the permitting of additional cannabis on-site consumption activities. Since 2017 we've worked with city and county officials to discourage on-site consumption, as we do all across the nation. As of January of 2024, 67% of jurisdictions allowing storefront retailers in California wisely continued to prohibit on-site consumption lounges, including Capitola, Santa Cruz and Watsonville.<sup>1</sup> Rather than leading as you have in tobacco control, the proposed measures will undermine the public health protections wisely adopted by your cities.

We were deeply distressed to see recommendations that despite lip service to public health protections, in practice only service increasing cannabis industry profits. They

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<sup>1</sup> Getting it Right from the Start. 2024 Local Cannabis Policy Scorecards and Press Kit. Public Health Institute.  
[https://www.gettingitrightfromthestart.org/wp-content/uploads/2024/12/Press-Kit\\_2024-State-of-Cannabis-Policy-in-California-Cities-Counties.pdf](https://www.gettingitrightfromthestart.org/wp-content/uploads/2024/12/Press-Kit_2024-State-of-Cannabis-Policy-in-California-Cities-Counties.pdf)

show little concern for the profound adverse health consequences from increasing harmful use from road injuries to psychosis to fetal exposures in our state. These recommendations charge ahead with increasing the number of places where cannabis will be consumed and sold including farms, further normalizing and making more ubiquitous an industry that has not sought to temper harms and instead has vastly increased the potency of its products, and aggressively marketed to youth.

### Smoke-free air:

For decades, public health advocates, medical providers and many unions have fought to promote clean indoor air and protect workers and the public in general from the health risks associated with secondhand smoke. Indeed, Santa Cruz County has been a leader in tobacco control, passing its recent groundbreaking law on tobacco filters, building on a proud history of other measures. For this reason, we are shocked and dismayed to see a willingness to undermine public health, renormalize smoking and weaken worker protection solely to increase the profitability of a handful of vocal business owners. To build Santa Cruz's beautiful tourism potential on encouraging a return to smoking.

The protective provisions proposed in the ordinances are grossly inadequate and fail to recognize the clear evidence included in the county's own public health report.

Smoke-free air and worker protections have been one of the great advances of the public health in the last century. We strongly oppose allowing onsite cannabis consumption lounges because such an action significantly undermines the progress made to ensure smoke-free air. It puts employees and customers at an increased risk for heart disease,

stroke, and other adverse effects.<sup>2</sup>

Employees would be at particular risk as they would have no choice but to breathe in second-hand smoke/vapor during their shifts; exposure is a concern whether they are working indoors at a consumption lounge or outdoors at a special event.<sup>3,4</sup> Even allowing just vaping products has little impact on

### AQI thresholds for PM<sub>2.5</sub>

AQI	"Level of Concern"	PM <sub>2.5</sub> µg/m <sup>3</sup>
0-50	Healthy	0-9
51-100	Moderate	9.1-35.4
101-150	Unhealthy for Sensitive Groups	35.5-55.4
151-200	Unhealthy	55.5-125.4
201-300	Very Unhealthy	125.5-225.4
301-500	Hazardous	225.5+

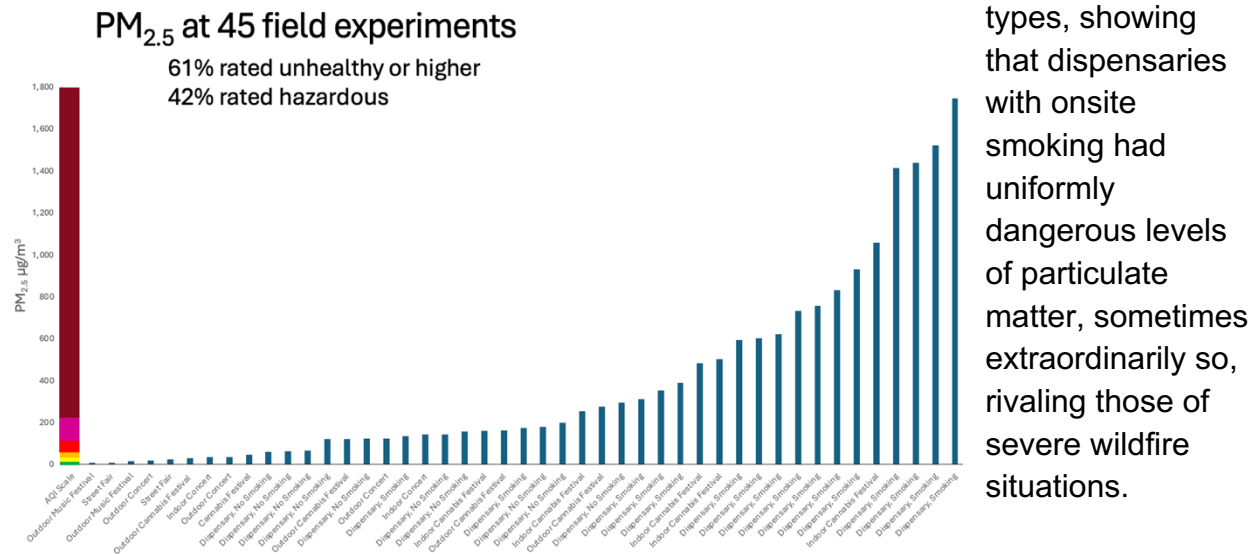
<sup>2</sup> Jeffers, A. M., Glantz, S., Byers, A. L., & Keyhani, S. (2024). Association of Cannabis Use With Cardiovascular Outcomes Among US Adults. *Journal of the American Heart Association*, 13(5), e030178. <https://doi.org/10.1161/JAHA.123.030178>

<sup>3</sup> Cheng, K. C., Huang, G., & Hildemann, L. M. (2023). PM<sub>2.5</sub> exposure to marijuana smoke on golf courses and other public outdoor locations: A pilot observational study. *The Science of the total environment*, 896, 165236. <https://doi.org/10.1016/j.scitotenv.2023.165236>

<sup>4</sup> Tong, M., Goodman, N., & Vardoulakis, S. (2024). Impact of secondhand smoke on air quality in partially enclosed outdoor hospitality venues: a review. *BMC public health*, 24(1), 1872. <https://doi.org/10.1186/s12889-024-19394-w>

the high particulate matter in such lounges. Here are 3 **Figures** with some of the recent evidence from UCSF researcher S. Schick, PhD. who has studied air at 45 cannabis consumption spaces in California. First a reminder of what are considered unhealthy or hazardous levels for particulate matter (PM<sub>2.5</sub> – the dangerous sized particles for health), AQI is Air Quality Index.

Second here is the data measured at 45 cannabis consumption locations of different

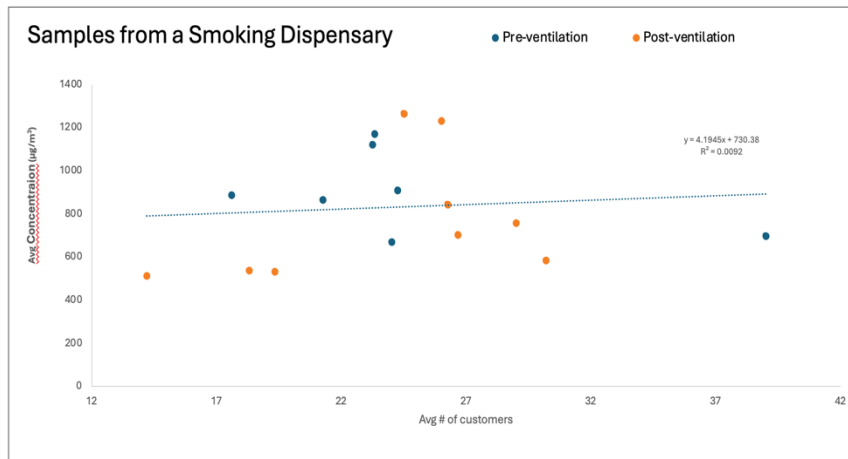


Third, the data showed that the oft-cited ventilation systems, as we already knew from tobacco research, are ineffective, and merely a ruse to justify allowing the return of smoke-filled spaces. The ordinance appears to require strong ventilation systems, yet the experts in ventilation systems, the leading engineers in this area, have clearly stated that ventilation cannot safely filter air when people are smoking. The proposal simply ignores these widely recognized facts and proposes to move forward.

It states, on a positive note, that no employees will be required to enter these spaces. But who will clean them? Non-employees contracted through a third party?

To be consistent you would at a minimum have to prohibit the sale of cannabis in these

## Ventilation did not decrease PM<sub>2.5</sub>



spaces, prohibit food service, and prohibit entertainment. These provisions are absent in the proposal. If you press forward despite public health recommendations, they should be added.

It's important to note that evidence suggests that cannabis smoke

and/or vapor may be even more harmful than tobacco smoke. You may hear cannabis lobbyists coming to tell you that cannabis smoke is safe. We heard those lies the State legislature last year. This is simply not true. Researchers have compared the pollution levels (as fine particulate matter in the air) when a user smokes a Marlboro tobacco cigarette to the pollution levels that occur when the user smokes cannabis in a joint, bong, and pipe, as well as when they vaporize cannabis.<sup>5</sup> They found that all the methods of cannabis consumption produced as much or more pollution than the tobacco cigarette; cannabis joints were the most polluting, producing 3.5 times more particulate matter than the tobacco cigarette. In another study that compared cannabis and tobacco smoke, cannabis smoke was found to have 20 times higher levels of ammonia and 3-5 times more hydrogen cyanide, some aromatic amines, nitrogen dioxide and nitric oxide.<sup>6</sup> Secondhand cannabis smoke and vapor pollutes the air as much or more than tobacco. One minute of exposure to cannabis smoke impaired cardiovascular endothelial cell function as much as one minute of tobacco smoke, but the negative effect lasted considerably longer.<sup>7</sup> Use of vaporized rather than smoked cannabis did not reduce this risk.<sup>8</sup>

Decades of research has shown that **ventilation systems do not reduce toxic levels of particulate matter** in secondhand tobacco smoke and many of the harmful constituents found in cannabis smoke cannot be eliminated through air ventilation

<sup>5</sup> Ott, W.R., Zhao, T., Cheng, K.C., Wallace, L.A., & Hildemann, L.M. (2021). Measuring indoor fine particle concentrations, emission rates, and decay rates from cannabis use in a residence. *Atmospheric Environment: X*; Volume 10. <https://doi.org/10.1016/j.aeaoa.2021.100106>.

<sup>6</sup> Moir, D., Rickert, W. S., Levasseur, G., Larose, Y., Maertens, R., White, P., & Desjardins, S. (2008). A comparison of mainstream and sidestream marijuana and tobacco cigarette smoke produced under two machine smoking conditions. *Chemical research in toxicology*, 21(2), 494–502. <https://doi.org/10.1021/tx700275p>

<sup>7</sup> Wang X, Derakhshandeh R, Liu J, Narayan S, Nabavizadeh P, Le S, Danforth OM, Pinnamaneni K, Rodriguez HJ, Luu E, Sievers RE, Schick SF, Glantz SA, Springer ML. One Minute of Marijuana Secondhand Smoke Exposure Substantially Impairs Vascular Endothelial Function. *J Am Heart Assoc*. 2016 Jul 27;5(8):e003858.

<sup>8</sup> Liu J, Nabavizadeh P, Rao P, Derakhshandeh R, Han DD, Guo R, Murphy MB, Cheng J, Schick SF, Springer ML. Impairment of Endothelial Function by Aerosol From Marijuana Leaf Vaporizers. *J Am Heart Assoc*. 2023 Dec 5;12(23):e032969..

systems or air cleaning technologies. In fact, the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) states in their standards for ventilation for acceptable indoor air quality that there is no safe level of exposure to secondhand smoke, that cannabis smoke should not be allowed indoors, and that ventilation and other air filtration technologies cannot eliminate all the health risks caused by cannabis and other smoke. Neither dilution ventilation, air distribution (e.g., “air curtains”) nor air cleaning can be relied upon to control environmental smoke exposure.<sup>9</sup> Indeed, states like New Jersey are finally working to correct the ill-advised exemption for casino environments that has long put many thousands of workers at higher risk, after extensive research documented the toll of exposure on their health. The ventilation requirements should not be used to provide a masquerade of safety.

### **Product types:**

You have a restriction of edibles to 10 mg doses, presumably to prevent drugged driving, but not how many can be sold to an individual or of even far more hazardous products. Sales of edibles should be restricted to one 10 mg dose **per person per day** if you move forward with this ill-conceived plan. High potency products should not be allowed. Most importantly, **dabbing, which can provide an ultra-high and addictive dose of as high as 90 mg THC should not be allowed.** Many on-site lounges have line-ups of dab-rigs, the most likely form of use to cause harm. **We recommend not allowing on-site consumption of flower >25%THC or concentrates, or of any cocentrates, inclidi9ng including >60% THC or THC infused pre-rolls.** All of these high potency products are more likely to cause adverse reactions such as psychosis and addiction. They are likely also more likely to cause poor judgement decisions such as driving while high.

### **Farm sales:**

Likewise, we oppose the proposal to allow retail sales at farms and on-site consumption for the same reasons. Produce stands should never be allowed to sell cannabis as it would be impossible not to expose children and youth. If allowed, no product other than flower should be sold.

Let’s be clear. We need to have balanced objectives for a legal cannabis sector. Those objectives should be to provide legal access to a safer product and end the illicit market, but they must also include the specific goals of protecting youth and public health including not driving up consumption, or social normalization of cannabis use or of smoking. Our state cannabis laws say that protection of the public welfare should have primacy in the regulation. The proposed measures in Santa Cruz do not balance these

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<sup>9</sup> ASHRAE. ASHRAE Position Document on Environmental Tobacco Smoke. June 2023.  
[https://www.ashrae.org/file%20library/about/position%20documents/pd\\_environmental-tobacco-smoke-2023-06-28.pdf](https://www.ashrae.org/file%20library/about/position%20documents/pd_environmental-tobacco-smoke-2023-06-28.pdf)



objectives, they solely serve the interests of the cannabis industry.

Cannabis is the leading substance of abuse in our nation. Harmful, daily use has skyrocketed in young and older adults. It is a significant contributor to a subset of serious mental illness cases including psychosis and mood disorders.<sup>10</sup> Our California cannabis industry has migrated almost exclusively to ultra-high potency products that have doubled the rate of addiction and vastly increased serious adverse effects including cannabis induced psychosis and schizophrenia, depression and suicidality.<sup>11</sup> One in ten young American adults is now using cannabis daily or near daily, triple rates of daily use in the early 1990s. The ten-fold increase in potency of flower<sup>12,13,14</sup> and the proliferation of industrialized high potency extracts like shatter, resins and waxes has more than doubled the risk of developing cannabis use disorder compared to twenty years ago, now reaching 20-25% of those who use cannabis.<sup>15,16,17</sup> These trends have also been associated with greatly increased risk of developing psychosis or schizophrenia, by as much as 3-5 fold with daily use, or daily use of products with more than 10%THC, respectively.<sup>18,19</sup> In 2022, past month cannabis consumers were almost four times as likely to report daily or near daily use (42.3% vs. 10.9%) and 7.4 times more likely to report daily use (28.2% vs. 3.8%) as alcohol consumers.<sup>20</sup> It is now very difficult to find traditional lower potency cannabis in California retailers. The industry has intransigently fought measures to make products safer and less addictive or attractive to youth, as well as to inform consumers of risks.

In Northern California, including the Santa Cruz area, our own research with Kaiser

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<sup>10</sup> Starzer MSK, Nordentoft M, Hjorthøj C. Rates and Predictors of Conversion to Schizophrenia or Bipolar Disorder Following Substance-Induced Psychosis. *Am J Psychiatry*. 2018 Apr 1;175(4):343-350. doi: 10.1176/appi.ajp.2017.17020223. Epub 2017 Nov 28. Erratum in: *Am J Psychiatry*. 2019 Apr 1;176(4):324. doi:

<sup>11</sup> [Report of the California High Potency Cannabis Scientific Committee to the California Department of Public Health](#). October 30, 2024.

<sup>12</sup> ElSohly MA, Ross SA, Mehmedic Z, Ararat R, Yi B, Banahan BF 3rd. Potency trends of delta9-THC and other cannabinoids in confiscated marijuana from 1980-1997. *J Forensic Sci*. 2000 Jan;45(1):24-30. PMID: 10641915.

<sup>13</sup> Freeman TP, Craft S, Wilson J, Stylianou S, ElSohly M, Di Forti M, Lynskey MT. Changes in delta-9-tetrahydrocannabinol (THC) and cannabidiol (CBD) concentrations in cannabis over time: systematic review and meta-analysis. *Addiction*. 2021 May;116(5):1000-1010. doi: 10.1111/add.15253. Epub 2020 Nov 7. PMID: 33160291

<sup>14</sup> Geweda MM, Majumdar CG, Moore MN, Elhendawy MA, Radwan MM, Chandra S, ElSohly MA. Evaluation of dispensaries' cannabis flowers for accuracy of labeling of cannabinoids content. *J Cannabis Res*. 2024 Mar 9;6(1):11. doi: 10.1186/s42238-024-00220-4. PMID: 38461280; PMCID: PMC10924369.

<sup>15</sup> Leung, J., Chan, G. C., Hides, L., & Hall, W. D. (2020). What is the prevalence and risk of cannabis use disorders among people who use cannabis? A systematic review and meta-analysis. *Addictive behaviors*, 109, 106479

<sup>16</sup> Feingold, D., Livne, O., Rehm, J., & Lev-Ran, S. (2020). Probability and correlates of transition from cannabis use to DSM-5 cannabis use disorder: Results from a large-scale nationally representative study. *Drug and alcohol review*, 39(2), 142-151.

<sup>17</sup> Hall, W., & Pacula, R. L. (2003). *Cannabis use and dependence: public health and public policy*. Cambridge university press.

<sup>18</sup> Di Forti M, Quattrone D, Freeman TP, et al. The contribution of cannabis use to variation in the incidence of psychotic disorder across Europe (EU-GEI): a multicentre case-control study. *Lancet Psychiatry*. 2019;6(5):427-436.

<sup>19</sup> National Academies of Sciences, Engineering, and Medicine; Health and Medicine Division; Board on Population Health and Public Health Practice; Committee on the Health Effects of Marijuana: An Evidence Review and Research Agenda. *The Health Effects of Cannabis and Cannabinoids: The Current State of Evidence and Recommendations for Research*. Washington (DC): National Academies Press (US); 2017 Jan 12. PMID: 28182367.

<sup>20</sup> Caulkins JP. Changes in self-reported cannabis use in the United States from 1979 to 2022. *Addict Abingdon Engl*. 2024;119(9):1648-1652. doi:10.1111/add.16519

Permanente has shown that use during pregnancy, which is quite harmful, has doubled to 9%, 2012-2022, with major racial disparities, less present for other types of use. Use by black pregnant women rose from 20% to 28%. Use by Latina pregnant women has doubled from 5.7% to 10.4%, a group that has traditionally had low rates and better neonatal outcomes. Use by Asian pregnant women, although with the lowest rates, still tripled from 0.7% to 2.4%.<sup>21</sup> This is associated with adverse maternal outcomes like gestational hypertension and preeclampsia, and harm to the exposed newborn including low birth, weight, prematurity and NICU use, and is associated with long term developmental harms to the exposed infants.<sup>22,23</sup>

Opening onsite consumption lounges creates new social environments that will further normalize cannabis use and dependency, aggravating these concerning trends. Typically, lounges have a line-up of dab rigs which provide the highest potency products of all, often to those who are dependent. Workers are inevitably exposed to secondhand cannabis smoke. If a worker is a woman of reproductive age who becomes pregnant, so too will her child be exposed.

Proposals such as AB1775, the 2024 Cannabis Café bill, opened the door to allow on-site consumption lounge operators to operate smoke-filled cannabis restaurants and clubs, twenty-five years after our state ended tobacco smoke filled restaurants and clubs. Your county will face constant pressure to allow such businesses, which will increase the number of exposed workers and patrons and the typical length of stay in a lounge.

In addition to health risks for employees and customers, we are concerned that allowing social consumption of cannabis at cannabis consumption lounges or licensed special events will increase the possibility of intoxicated driving accidents in Santa Cruz County.<sup>24,25</sup> This is particular concern when it comes to the use of cannabis edibles, which can take a few hours after being consumed before having their full effect but is relevant to all consumption outside of the home. Shouldn't policies that inevitably lead to more people driving while high on the streets of Santa Cruz be avoided? This too generates costs to law enforcement and health care and tragedies for families. While the proposed ordinance

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<sup>21</sup> Young-Wolff KC, Chi FW, Lapham GT, Alexeeff SE, Does MB, Ansley D, Campbell CI. Changes in Prenatal Cannabis Use Among Pregnant Individuals From 2012 to 2022. *Obstet Gynecol*. 2024 Aug 30. doi: 10.1097/AOG.0000000000005711. Epub ahead of print. PMID: 39208448.

<sup>22</sup> Young-Wolff, K. C., Adams, S. R., Alexeeff, S. E., Zhu, Y., Chojolan, E., Slama, N. E., Does, M. B., Silver, L. D., Ansley, D., Castellanos, C. L., & Avalos, L. A. (2024). Prenatal Cannabis Use and Maternal Pregnancy Outcomes. *JAMA internal medicine*, 184(9), 1083–1093. <https://doi.org/10.1001/jamainternmed.2024.3270>

<sup>23</sup> Avalos LA, Adams SR, Alexeeff SE, Oberman NR, Does MB, Ansley D, Goler N, Padon AA, Silver LD, Young-Wolff KC. Neonatal outcomes associated with in utero cannabis exposure: a population-based retrospective cohort study. *Am J Obstet Gynecol*. 2024 Jul;231(1):132.e1-132.e13.

<sup>24</sup> Wilson, F. A., Stimpson, J. P., & Pagán, J. A. (2014). Fatal crashes from drivers testing positive for drugs in the U.S., 1993-2010. *Public health reports (Washington, D.C. : 1974)*, 129(4), 342–350. <https://doi.org/10.1177/003335491412900409>

<sup>25</sup> Elvik R. (2013). Risk of road accident associated with the use of drugs: a systematic review and meta-analysis of evidence from epidemiological studies. *Accident; analysis and prevention*, 60, 254–267. <https://doi.org/10.1016/j.aap.2012.06.017>



sought incompletely to address delayed edible effects it did not address other high potency products.

Furthermore, under Proposition 64, on-site consumption is limited to the physical premises of a licensed retailer, **sales of cannabis cannot be authorized at remote locations from a licensed premise** as is being discussed. “a local jurisdiction may allow for the smoking, vaporizing, and ingesting of marijuana or marijuana products on the premises of a retailer or microbusiness licensed under this division.” Furthermore, marijuana consumption cannot be visible from any public place or non-age restricted area.

Cannabis advocates will seek to frame this as an equity issue, but this is largely false opportunism. First, most retailers are not equity licensees, they are profit-making businesses just like any of the restaurants where smoking is not allowed today. And rather than food they specialize in sale of an addictive substance. It is not the Board’s obligation to maximum their profits at the expense of the health of the community. Any increased tax revenues will be offset by the cost of increased addiction, mental health and physical health issues. Disparities in consumption can exacerbate existing health disparities in vulnerable groups, especially these at risk for mental health issues, such as LGBTQ youth, those under age 26 whose brains are still developing, and other subsets at greater risk.

Whatever increased in cannabis tax revenue may occur will be offset by increased social costs to families and to the county including road injuries, cannabis-triggered psychosis and schizophrenia, other mental health harms, and children with consequences of perinatal exposure. It’s simply not worth it.

Lastly, these policies are not necessary to have a thriving legal cannabis retail sector in Santa Cruz. Statewide the number of licensed retailers has grown steadily. Of course, some fail. That is normal. Most new restaurants do not last 5 years or even one and we cannot realistically expect all cannabis retailers to succeed, nor is it government’s role to expose workers to harmful smoke to make sure they succeed.

Rather than allowing harmful on-site consumption lounges, the County can take other important steps to help its cannabis retailers succeed by: a) first by not licensing too many, so that those which are licensed are not competing in a race to the bottom of low prices and aggressive advertising (we recommend no more than 1 storefront per 20,000 residents and not too many delivery companies); b) by effectively enforcing against the illicit market, and c) by taking legal and enforcement steps to end the sale of illegal

intoxicating hemp products in Santa Cruz, which are often unsafe synthetic compounds which compete with legal cannabis. These steps would provide real relief to legal cannabis operators while also protecting public health and youth. Furthermore, vast overproduction of cannabis has lead to plummeting prices, and reduced profitability for retailers. Further increasing licensed cultivation through increased canopy, etc, may further exacerbate that problem.

### **Summary of Recommendations:**

- Do not allow on-site consumption lounges or on farm consumption or sale
- Do not allow sale outside of licensed retailers (e.g. farms, produce stands, etc)
- To assist the legal cannabis industry consider instead rigorous enforcement against intoxicating hemp and the illicit cannabis industry, and limiting the number of retailer licenses issued.

If onsite consumption is allowed, these should be places where people can smoke cannabis, but which do not promote normalization of cannabis use or driving while high:

- Limit the number of lounges to 3
- Require distances of at least 1500 feet from schools, colleges and universities for both on-site consumption and farm operations
- Limit edibles to one 10 mg dose per person per day
- Do not allow dabbing
- Do not allow sale for on-site consumption (or at all) of flower > 25% THC, THC infused pre-rolls, or concentrates (including vapes) with >60% THC and require lower potency options be available (California high-potency cannabis report recommendations)
- Do not allow food service or entertainment where on-site consumption is allowed since it is clearly impossible not to require employees to enter the areas as the ordinances claims will be the case if these services are provided.
- Do not allow farms to sell any product other than flower for either sale or on-site consumption (the ordinance language mentions food grade products)
- Add language prohibiting tobacco sales or consumption at all on-site lounges (tobacco and alcohol sales are prohibited at retailers by law but while alcohol consumption is mentioned tobacco consumption is not.)



Cannabis is no ordinary commodity. It should not be treated as such. No one should go to jail for its possession, but no one should land in the hospital or be exposed to its smoke keep their job. Our public policies should prioritize public health over cannabis industry profits. These proposals do not. Thank you for your consideration of our views on this important matter.

Respectfully,

Lynn Silver, MD, MPH, FAAP  
Director, Getting it Right from the Start  
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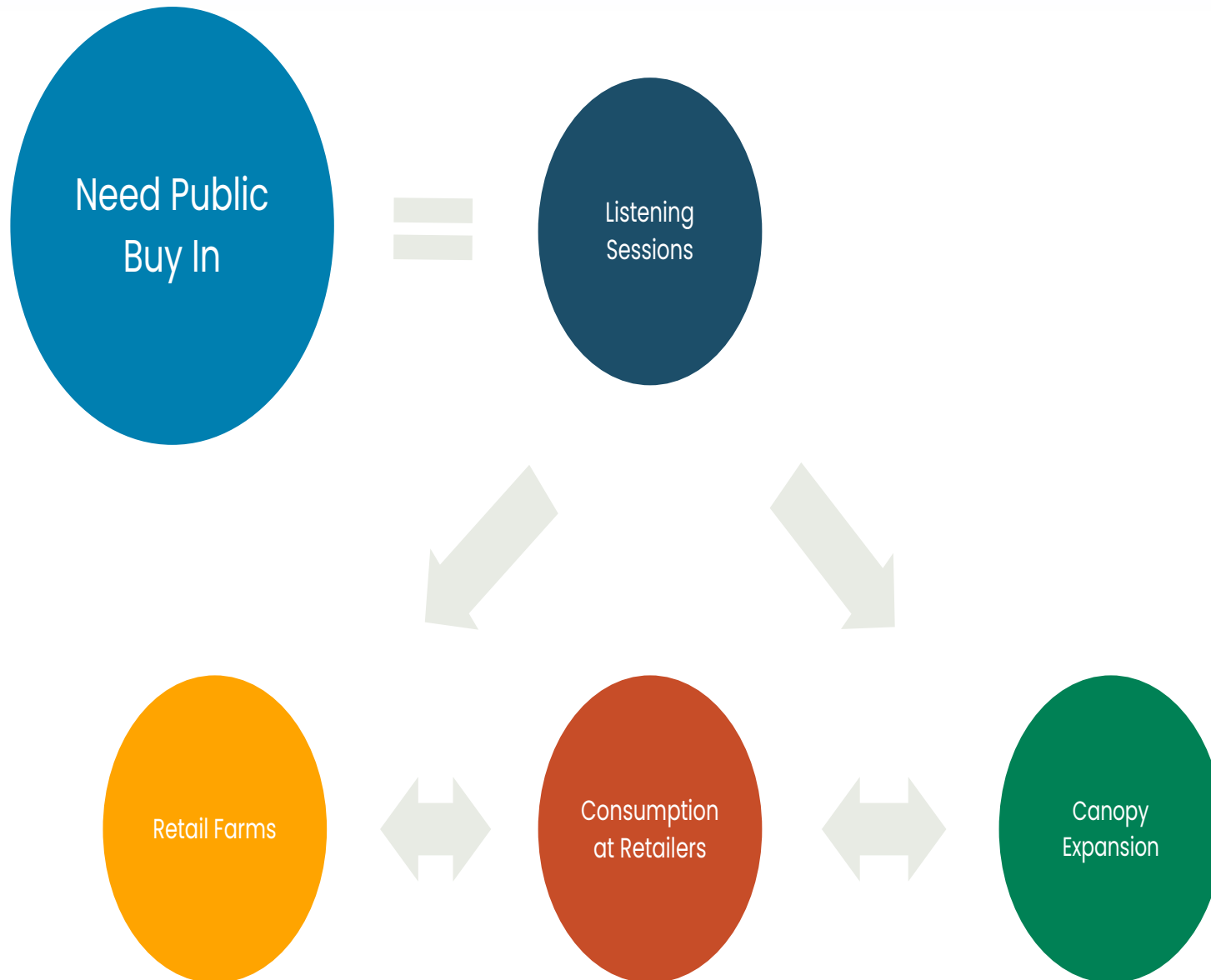
# **Item 8 Proposed Code Amendments to Allow Cannabis Consumption at Existing Retailers**

**and**

# **Item 9 Proposed Code Amendments to Allow Retail Sales and Cannabis Consumption at Farms**

# Background

November 14, 2023 Board Meeting



# Background

April 2024 Public Listening Sessions



Listening Sessions occurred in 4 Districts

- Board members directed CLO who to reach out to
- Board members advertised these
- PIO helped publicize via:
  - NextDoor, X, Facebook, Press release
  - Over 15,100 view of these posts
- 80 Community Members attended
  - Meetings were hybrid format





# Background

June 4, 2024 Board Meeting

## Board Consideration of Listening Sessions

- Thorough discussion of community meeting feedback and themes
- Staff directed to draft ordinances for Board consideration
  - Today's item focuses on:
    - Allowing cannabis consumption at existing retailers
    - Allow retail sales and consumption at farms



# Background

October 29, 2024 Board Meeting



## Board Consideration of Draft Ordinances

- Direction on consumption at existing retailers was limited to tax and opportunities at additional locations
- Direction on retail farms sales was to limit sales to 1/8 ounce flower
  - Discussion on extracts and limitations
  - Staff included language to enact the Boards vision within the Ordinance:
    - Manufactured product sales are limited to food grade and topical products produced by the licensee....



# Background

November 2023 - Present

**November  
2023**

Board Letter focused on sustainable growth, economic development, and responsible cannabis regulation

**April  
2024**

Four community listening sessions held

**June  
2024**

Board and Community discussed the results of the listening sessions / Board chose to move forward with Ordinances

**October  
2024**

Board reviewed draft ordinances and requested staff to proceed

**January  
2025**

Board reviewed options for consumption locations

**February  
2025**

Planning Commission reviewed retail farm landuse changes

**March  
2025**

Board vote on ordinance changes

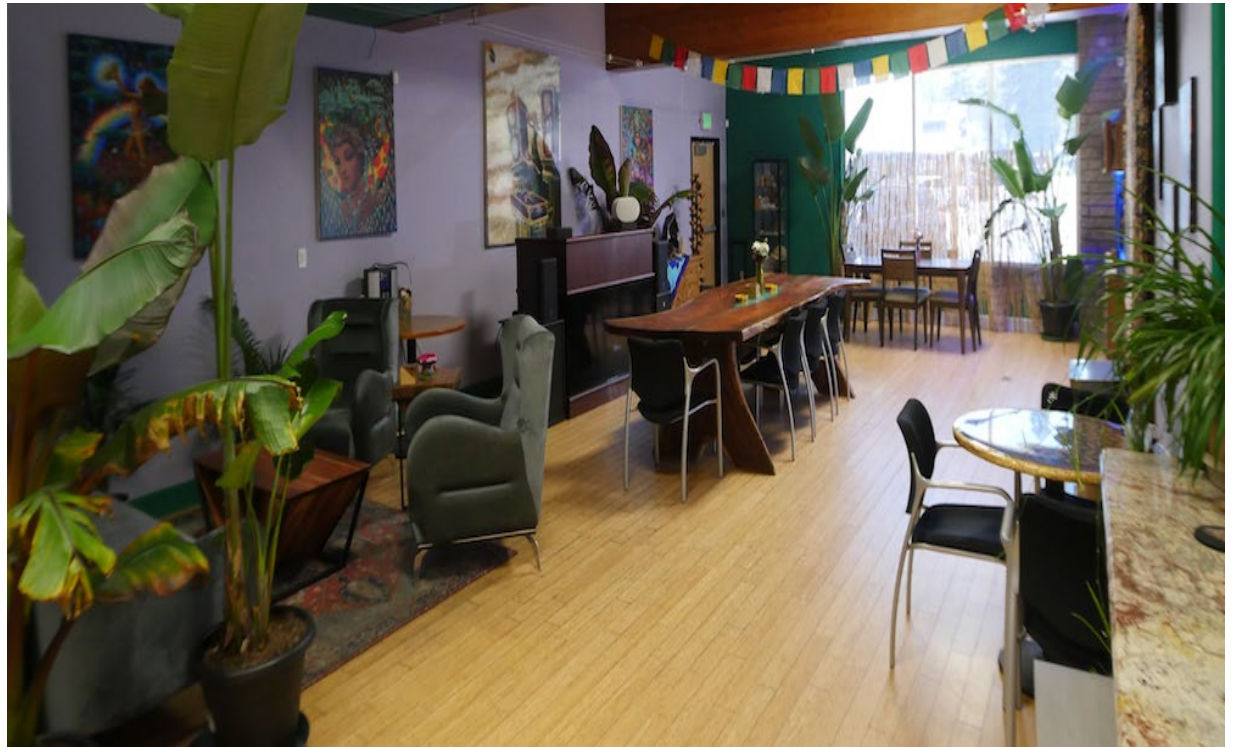
**In total there have been 9 public meetings allow for community input**

# **Proposed Code Amendments to Allow Cannabis Consumption at Existing Retailers**

Item 8 Consumption

# Focus of Amendments

- Technical requirements to prevent nuisance odors and maintain worker safety
  - Mechanical engineers required to develop plans
  - HVAC systems must be separate from remainder of the building
- Workers can not be required to go into the consumption area



# Research Findings

Cannabis Tourism

# Cannabis Lounges are a Differentiator



Operators use their lounges to:

- Serve as an educational venue
- Highlight the local non-retail industry
- Attract tourists – provide a safe place to consume for traveler's
- Private Rentals

# Lounge Economics

Most Retailers with Lounges started off as retails with lounges

- Difficult to distinguish lounge sales from retail sales
  - Exception being when events are occurring as the majority of those are lounge related
- Most businesses say lounge contributes 25-35% of their total sales
  - Not based solely on lounge sales
  - Mix of lounge sales and customers obtained from lounge events and sales
- Business located in areas where tourism is not a factor in the local economy
  - 15-20% of their total sales are lounge derived



# Lounges as an Economic Multiplier

Cannabis is a deciding factor in tourism choices for 22% of Americans (50% of millennials)



Cannabis Tourism market valued at \$17.1 Billion in 2021

- \$4.5 B in direct sales
- \$12.6 B in non-cannabis spending

A key aspect of cannabis tourism is having safe spaces for people to consume

This is a missing piece of our legal market

# Modesto Cannabis Tourism Destination

Modesto developed the MoTown CannaPass w/ immediate economic benefits



- Immediate 11% boost to local retailers
- Boost in overnight stays at local hotels
- App based program
- Includes the Do's and Don't of cannabis in Modesto
- Ride share and taxi information for visitors
- Part of the Visit Modesto website – highlights
  - Art scene, parks, recreational opportunities, ag industry, wineries



# Financial Impacts

Pursuit of cannabis consumption at local retailers will

- Result in additional staff work
  - Processing license amendments
  - May need additional inspections
- License fee structure will need to be adjusted
- Sunk costs for the CLO will remain constant
- Potential boost to CBT particularly during our summer season
- Potential boost to TOT associated with cannabis tourism
- Every tourism dollar spent on cannabis leads to about \$2.80 in ancillary spending



# Questions on consumption at existing retailers?

Thank You

