

16. Adopt "Ordinance Enacting Chapter 7.138 of the Santa Cruz County Code Regarding Cannabis Farm Retail License Pilot Program" (Approved in concept March 25, 2025) ()



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Clerk of the Board

Subject: Ordinance Amending Section 7.138 of the Santa Cruz County Code

Meeting Date: April 8, 2025

Formal Title: Adopt "Ordinance Enacting Chapter 7.138 of the Santa Cruz County Code Regarding Cannabis Farm Retail License Pilot Program" (Approved in concept March 25, 2025)

Recommended Actions

Adopt "Ordinance Enacting Chapter 7.138 of the Santa Cruz County Code Regarding Cannabis Farm Retail License Pilot Programs" as approved in concept on March 25, 2025.

Executive Summary

n/a

Discussion

On March 25, 2025, the Board of Supervisors approved the ordinance in concept and scheduled it for second reading/final adoption on April 8, 2025.

Financial Impact

There is no financial impact associated with the recommended actions.

Strategic Initiatives

N/A

Submitted By:

Juliette Rezzato, Chief Deputy Clerk of the Board

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. 5478****ORDINANCE ENACTING CHAPTER 7.138 OF THE SANTA CRUZ COUNTY CODE REGARDING CANNABIS FARM RETAIL LICENSE PILOT PROGRAM**

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, on February 12, 2025, the Planning Commission recommended the Board approve the proposed amendments to SCCC sections 13.10.640 and 13.10.372 to allow temporary produce sales areas and produce stands within the Timber Production and Special Use Zone districts, which will enable the proposed licensing in those Zone districts; and

WHEREAS, the proposed amendments to the SCCC have been addressed in the Sustainability Plan Final EIR, an Addendum to the EIR has been drafted, pursuant to sections 15162 and 15164 of the CEQA Guidelines, which requires an addendum to a previously certified EIR if changes are made that do not result in unaccounted for impacts; and

WHEREAS, the Board has found and determined that the proposed addition of SCCC Chapter 7.138 is 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

The Santa Cruz County Code is hereby amended by adding new Chapter 7.138 to read as follows:

**Chapter 7.138
CANNABIS FARM RETAIL LICENSE PILOT PROGRAM**

Sections:

7.138.010 Purpose.

7.138.030 Definitions.

7.138.050 Prohibited activities.

7.138.070 Creation of the Cannabis Farm Retail Licensing Pilot Program.

7.138.090 License Required.

7.138.110 General Requirements Applicable to Cannabis Farm Retail Licenses.

7.138.130 Enforcement.

7.138.150 Severability.

7.138.010 Purpose.

The purpose of this chapter is to create a pilot program for, and provide local rules to regulate, retail cannabis sales and cannabis consumption at licensed cannabis cultivation sites (“cannabis farms”) within the unincorporated area of Santa Cruz County.

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

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

7.138.030 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 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 manufacturing 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) “CFRL pilot program” means the cannabis farm retail licensing program created by this chapter.
- (G) “Designated cannabis smoking area” means a designated area where ingestion of inhalable cannabis products, purchased from the licensee, may occur.
- (H) “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.
- (I) “Licensee” means the person or entity holding a valid license to operate a retail business under this chapter.
- (J) “Licensing Official” means the official appointed by the County Administrative Officer who is responsible for implementing the provisions of this chapter.

(K) “Manager” means any person to whom a retail farm 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.

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

(M) “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.

(N) “Retailer” for the purposes of this chapter, means a licensed cannabis farm with a fixed produce stand in compliance with SCCC 13.10.640, which may or may not include a Cannabis Consumption area, that sells cannabis and cannabis products to retail consumers. “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.;
or

(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.

(O) “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.

(P) 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.”

7.138.050 Prohibited activities.

(A) It is unlawful and shall constitute a public nuisance for anyone to own, establish, operate, use, or permit the establishment or operation of a Retailer without (1) a valid local License required by this chapter; and (2) a valid State license required under California law.

(B) The prohibition in subsection (A) of this section includes renting, leasing, or otherwise permitting a Retailer to occupy or use a location.

(C) It is unlawful and shall constitute a public nuisance for anyone other than a locally licensed Retailer to engage in retail sales of cannabis on the premises of a cannabis farm.

(D) It is unlawful and shall constitute a public nuisance for a Retailer to engage in retail sales of cannabis via delivery.

7.138.070 Creation of the Cannabis Farm Retail Licensing Pilot Program.

(A) There is hereby created the Cannabis Farm Retail Licensing (“CFRL”) Pilot Program. The pilot program shall last for three years from the date of enactment of this chapter and it shall be operated by the Licensing Official. The Licensing Official shall be appointed by the County Administrative Officer and shall report directly to the County Administrative Officer.

(B) The Licensing Official shall take the necessary steps to build and manage the CFRL pilot program. This includes, but is not limited to, accomplishing the following tasks in compliance with the rules set forth in this chapter:

- (1) Creating application forms for Licensees;
- (2) Conducting pre-licensure inspections;
- (3) Approving and denying License applications;
- (4) Issuing and revoking Licenses;
- (5) Creating a system on the County’s website to communicate the number of Licenses issued and notifying the public as to whether applications for Licenses are being accepted;
- (6) Establishing and/or recommending the adoption of any policies, procedures, rules, regulations, or fees necessary to implement the CFRL pilot program; and
- (7) Working with other officials in the County to ensure that Licensees comply with all aspects of the County Code.

7.138.090 License Required.

(A) Pilot Program License.

(1) Submission of the Application. An application for a License under this chapter shall be made via a format designated for that purpose promulgated by the Licensing Official, and shall include all required information, attachments, and signatures required by the Licensing Official. The application shall be submitted under penalty of perjury, and shall include, but not be limited to, the following information:

- (a) The names of the Applicant(s) and Owner(s);
- (b) The exact location by street address and assessor parcel number of the existing licensed cannabis farm where retail business will occur;

- (c) Proof that an application for a State-issued license to engage in retail sales of cannabis has been submitted to the Department of Cannabis Control;
 - (d) The Applicants' and Owners' waiver and release of the County from any and all liability for monetary damages related to or arising from the application for a License, the issuance of the License, the denial of the License, or the enforcement of the conditions of the License;
 - (e) Background information to be determined by the Licensing Official, including but not limited to a statement that the Applicant(s) and Owner(s) have submitted to a LiveScan background check;
 - (f) Tax identification information;
 - (g) Security plans for the retail operations and any security procedures form that the Applicant submitted to the Department of Cannabis Control;
 - (h) Proof of compliance with workers' compensation insurance requirements; and
 - (i) Such other information as the Licensing Official deems reasonably necessary to a thorough review of the application.
- (2) Payment of the Application Fee. An application for a License shall not be accepted unless it is accompanied by the payment of a nonrefundable application fee set by the Licensing Official and approved by the Board of Supervisors. The purpose of any and all fees assessed under this chapter is to pay for the costs of the CFRL program.
- (3) Review of the Application.
- (a) Upon receipt of an application for a license, the Licensing Official will create a licensing file related to the application and will conduct an actual inspection of the proposed Retailer to determine whether it meets the requirements of the CFRL pilot program. The Licensing Official shall be the custodian of the licensing file. The licensing file is subject to the California Public Records Act.
 - (b) Meeting the requirements of the CFRL pilot program does not automatically entitle an applicant to receive a License.

(c) Required Findings. Issuance of a License is a discretionary act. No Applicant is automatically entitled to receive a License based solely on meeting the basic requirements of this chapter. In order to issue a License, the Licensing Official must make the following findings:

(i) Issuance of the License will be consistent with all requirements set forth in this chapter and all administrative rules and regulations then in place, and either none of the grounds for denial under this chapter exist, or the approval of the License will be subject to an enforceable condition(s) resolving any existing grounds for denial.

(ii) Issuance of the License will not create or maintain a nuisance, or be otherwise detrimental to public health, safety, or welfare.

(iii) The applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code (the CEQA process) has been completed, and that issuance of the License will not have a significant, unmitigated effect on the environment.

(iv) The Applicant has obtained all permits required under the Santa Cruz County Code (development, building, grading, etc.) and any other applicable jurisdiction for the land use authorized under the License.

(4) Conditional Approval or Denial of the License.

(a) After concluding the required pre-license application review, the Licensing Official shall notify the Applicant in writing whether the License has been conditionally approved or denied, including any reasons for denial.

(b) Conditions. The Licensing Official is authorized to impose conditions on the License at the time it is conditionally approved in order to ensure the proposed business activity will meet the intent and requirements of this chapter and other applicable provisions of the Santa Cruz County Code.

(5) Upon determination by the Licensing Official that a License may be granted, 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 notice shall include:

- (a) Location of the proposed project;
- (b) Name of the Applicant and Owner;
- (c) Description of the proposed project;
- (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 issuance of a License may submit a notice of appeal.

(b) Appeal Period. The period to appeal the issuance of a License shall be 21 calendar days from the date public notices are mailed pursuant to subsection (A)(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 License issuance, shall provide the identity and contact information of the appellant, shall identify how the appellant's interests are adversely affected, and shall set forth a concise statement of the reasons for the appeal.

(d) Effect of Notice of Appeal. The submission of the notice of appeal shall have the effect of staying the issuance of a 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 to the issuance of a License. The hearing officer shall consider the notice of appeal, the proposed approval, the 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, without a hearing, and render a written decision within 30 days. The administrative hearing officer's decision shall be final.

(8) **Approval or Denial of the License.** After the public notification process and any related appeal is complete, the Licensing Official shall approve or deny the License application. A License shall not be granted to an Applicant under this chapter until the Applicant has:

(a) Provided proof that a State license has been approved by the Department of Cannabis Control; and

(b) Paid a nonrefundable License fee as set by the Licensing Official and approved by the Board of Supervisors.

(9) **Length of Time the Original License Is Valid.** A License shall be valid for one year from the date it is issued. If a Licensee wishes to continue operations after one year, they must obtain a renewal License, as set forth in subsection (B) of this section.

(B) **Renewal License.**

(1) **Requirement to Obtain a Renewal License**

(a) In order to continue business operations after the original License expires, a Licensee must obtain a renewal License. A renewal License must be obtained annually via an application form designated for that purpose. It is incumbent on the holder of a License to ensure that the License is renewed before License expiration in order to continue business operations.

(b) Renewal License applications must be submitted at least 60 days before an existing License expires. The Licensing Official is not authorized to accept an untimely renewal License application.

- (c) Each renewal License is valid for a one-year period from the date it is issued. If a Licensee wishes to continue business operations after expiration of the renewal License, it must obtain a new renewal License per the terms of this section.
- (2) Submission of the Renewal License Application. An application for a renewal License shall be made via a format designated for that purpose promulgated by the Licensing Official and shall be accompanied by the applicable fees set forth in the Unified Fee Schedule. The application shall be submitted under penalty of perjury, and shall include, but not be limited to, the following information:
- (a) Verification of the information required for the submission of an original License under subsection (A) of this section;
 - (b) Any law enforcement, License enforcement, or other code enforcement activity related to the Licensee's operations during the past calendar year;
 - (c) A representation that the Applicant continues to hold in good standing any license required by the State of California for commercial cannabis business activities;
 - (d) A copy of the Applicant's State license to engage in the commercial cannabis activity;
 - (e) Proof of compliance with workers' compensation insurance requirements; and
 - (f) Such other information as the Licensing Official deems reasonably necessary to a thorough review of the application.
- (3) Payment of the Renewal License Application Fee. An application for a renewal License shall be accompanied by the payment of a nonrefundable renewal License application fee set by the Licensing Official and approved by the Board of Supervisors.
- (4) Review of the Renewal License Application. Issuance of a renewal License is a discretionary act. No Applicant is automatically entitled to receive a renewal License based solely on meeting the basic requirements of this chapter. It is not necessary for the Licensing Official to issue findings before granting a renewal License to an Applicant who is requesting to maintain already-approved business operations. However, if a renewal License Applicant is seeking to change business operations in any substantive respect (e.g., increasing operating hours, increasing employees, increasing size of authorized operations,

etc.), the Licensing Official must make the findings required under subsection (A)(3)(c) of this section before approving the renewal License application.

(5) Grant or Denial of the Renewal License.

(a) The Licensing Official shall notify the Applicant in writing of whether the renewal License has been granted, conditionally granted, or denied, including any reasons for denial.

(b) The Licensing Official is authorized to impose new or additional conditions on the renewal License at the time it is granted in order to ensure that all cannabis business activities will meet the requirements of this chapter and other applicable provisions of the Santa Cruz County Code.

(6) Payment of the Renewal License Fee. A renewal License shall not be granted to the Applicant under this chapter until the Applicant has paid a nonrefundable renewal License fee as set by the Licensing Official and approved by the Board of Supervisors.

(7) Length of Time the Renewal License Is Valid. The renewal License shall be valid for one calendar year.

(C) Amending a License.

(1) Licensees may submit an application to amend an existing License via a format 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. Granting an application to amend a License is a discretionary act. If an Applicant is seeking to amend a License to change business operations in any substantive respect (e.g., increasing operating hours, increasing employees, increasing size of authorized operations, etc.), the Licensing Official must make the findings required under subsection (A)(3)(c) of this section before granting the application to amend the License.

(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.

(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;
- (2) An acknowledgment that, by accepting the License and operating a retail cannabis 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. No License may be issued unless the proposed Retailer is in compliance with the provisions of SCCC 13.10.372 and 13.10.640.

(G) 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 8:00 p.m. and 10:00 a.m.
- (2) Allowing alcohol to be consumed at the premises of a Retailer ("premises," for purposes of this subsection, includes any area used for parking any vehicle).
- (3) Allowing a minor to enter the 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 the Retailer.
- (6) Illuminating any portion of a Retailer between the hours of 8:00 p.m. and 10:00 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 Retailer to successfully pass the background check required by the Licensing Official, including but not limited to successfully passing the LiveScan background check.

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.

(14) Violation of any of the restrictions relating to the issuance of a License.

(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.

(22) Cannabis Consumption anywhere on the premises of the Retailer outside of the specifically-designated area approved for Cannabis Consumption by the Licensing Official.

(H) Denial or Revocation of License; Remedies.

(1) The Licensing Official may deny an application for a License, or revoke a 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) Conducting operations in a manner contrary to any of the conditions set forth in this chapter.

(e) The Applicant or Owner failed their last annual LiveScan background check.

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

(g) Specific suitability issues with the location, including but not limited to the distance from competing land uses and individuals, access to the location from public roads, parking capacity of the location, and view sheds from the public right of ways of the proposed produce stand.

(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) 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.

7.138.110 General Requirements Applicable to Cannabis Farm Retail Licenses.

The following general requirements are applicable to all CFRL Licenses:

(A) Cannabis may not be stored within a residence and may not be stored for distribution within a residence.

(B) Cannabis business activities require written consent from the owner of the parcel where the cannabis business activity will take place if the Applicant is not the owner of the parcel.

(C) Licenses are not be permitted on private roads without the written consent from all owners of parcels who utilize said road.

(D) Cannabis plants and products shall not be visible from the exterior of the parcel.

(E) Cannabis Consumption shall only take place in the designated Cannabis Consumption area, which shall be approved by the Licensing Official as part of the application process.

(F) Designated cannabis smoking areas must comply with California Labor Code Section 6404.5.

(G) The placement or use of any roadside billboard to advertise any aspect of a cannabis business or cannabis products is prohibited, as is the placement or use of any sign that includes pricing of cannabis, details regarding specific cannabis products, cannabis photography, or graphics related to the cannabis plant, cannabis products, or cannabis paraphernalia.

(H) Subject to review and approval of the Licensing Official, Licensees are required to develop and maintain an adequate security plan, which is intended to prevent unauthorized diversion of cannabis material and to protect the health, safety, and welfare of workers and the general public. This includes security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis or cannabis products.

(1) Security requirements must comply with applicable Non-Retail Commercial Cannabis Business Best Management and Operational Practices requirements.

(a) No razor wire fencing is permitted.

(b) Limited access to cannabis or cash secure storage rooms shall occur during business hours and all cash and cannabis products must be secured within a safe when the business is closed. Any safe utilized for cannabis, cannabis products, or cash storage, and any ATM provided for customer use, must be incorporated into the building structure or securely attached thereto.

(c) All loading and unloading of cannabis products or value-added products shall occur behind locked gates, and/or inside a secured facility, and/or in the presence of trained security personnel.

(d) Cannabis storage for retail sale shall be limited to a maximum of five pounds of cannabis material.

(e) The facility shall provide adequate security precautions at all times, including locking and securing the facility to prevent theft or access to minors. The facility must be closed to the general public and only authorized personnel may be present on site.

(f) Doors and windows of facilities shall remain closed, except for the minimum length of time needed to allow people to enter or exit the premise.

(I) All noise from business activity shall conform to applicable General Plan Noise Element policies and standards and is also subject to the regulations set forth in SCCC [8.30](#) (Noise).

(J) Advertising shall not contain the use of objects, such as toys, inflatables, movie characters, cartoon characters, or include any other display, depiction, or image designed in any manner likely to be appealing to minors, as determined by the County Health Officer.

(K) All Licensees are prohibited from using packaging materials that contain cartoons or caricatures using comically exaggerated features, animals, or anthropomorphized creatures or packaging materials connected to sports, music, celebrities, popular culture, or similar topics that attract or appeal to minors, as determined by the County Health Officer.

(L) All Licensees must record the number of visitors and vehicles which arrive onsite daily. Logs of visitors and vehicles must be preserved throughout the duration of the pilot program and reports shall be submitted to the cannabis licensing office annually or upon request.

(M) Manufactured product sales are limited to food grade and topical products produced by the licensee within the County.

7.138.130 Enforcement.

(A) It shall be unlawful for any person or entity to violate any provision or fail to comply with any requirement of this chapter. No proof of knowledge, intent, or other mental state is required to establish a violation. Violations of this chapter shall be subject to notice of violation, abatement order, injunctive relief, costs of abatement, costs of restoration, costs of investigation, attorney fees, restitution, or any other relief, remedy, or enforcement measure authorized by the Santa Cruz County Code or available at law or in equity.

(B) Each and every violation of the provisions of this chapter shall constitute a separate violation and is hereby deemed unlawful, a public nuisance, and an immediate threat to public health, safety and welfare. Pursuant to Government Code section [53069.4](#), fines and penalties shall be immediately imposed for violations of this chapter to protect the public health, safety, and welfare against unlawful cannabis activities and other violations herein as they pertain to zoning, health, or safety provisions of the County Code.

(C) The Licensing Official is authorized to issue a Notice of Violation for violations of this chapter pursuant to the procedures in SCCC [1.12.070](#). Whenever a Notice of Violation is issued by the Licensing Official for violation of a provision of this chapter, the violator shall not be provided with additional time to correct the violation before the imposition of civil penalties are assessed. All other provisions set forth herein pertaining to administrative hearings and administrative hearing officers shall be controlling for Notice of Violations issued pursuant to this chapter.

(D) The County may also pursue any and all remedies and actions available and applicable under State and local laws for any violations committed by the Licensee, property owner, operator, or persons related to, or associated with, the unlawful cannabis activity.

7.138.150 Severability.

The provisions of this chapter are severable. If any section, paragraph, sentence, phrase or word of this chapter is declared invalid for any reason, that decision shall not affect any other portion of this chapter, which shall remain in full force and effect.

SECTION II

The adoption of this ordinance is subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15162 and 15164, which require an addendum to a previously certified EIR if changes are made that do not result in unaccounted for impacts. The proposed amendments to Santa Cruz County Code have been addressed in the Sustainability Plan Final EIR, and an Addendum to the EIR has been drafted.

SECTION III

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 Chapter 7.138 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 IV

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 V

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

PASSED AND ADOPTED this 8th day of April 2025, by the Board of Supervisors of the County of Santa Cruz by the following vote:

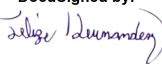
Ordinance 5478

AYES: Supervisors Koenig, Cummings and Hernandez

NOES: Supervisors De Serpa and Martinez

ABSENT: None

ABSTAIN: None

DocuSigned by:

309EB769DA614E4...

Felipe Hernandez 4/10/2025
Chairperson of the Board of Supervisors

ATTEST:

DocuSigned by:

466B074F3141450...

Juliette Rezzato 4/10/2025
Clerk of the Board

APPROVED AS TO FORM:

Signed by:

4F07BB2FA63D4F5...

Ryan Thompson
Office of the County Counsel

Certificate Of Completion

Envelope Id: 997833F2-943E-4944-ADB6-98A16941D7B8

Status: Completed

Subject: Complete with DocuSign: Exhibit 1 - Chapter 7.138 post hearing changes.pdf

Source Envelope:

Document Pages: 20

Signatures: 1

Envelope Originator:

Certificate Pages: 4

Initials: 0

Sam LoForti

AutoNav: Enabled

701 Ocean Street

Envelopeld Stamping: Enabled

Santa Cruz, CA 95060

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Pool: County of Santa Cruz

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Ryan Thompson

Ryan.Thompson@santacruzcountyca.gov

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Signature

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Signature Adoption: Pre-selected Style

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Electronic Record and Signature Disclosure:

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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

3/26/2025 11:37:36 AM

Certified Delivered

Security Checked

3/26/2025 12:06:05 PM

Signing Complete

Security Checked

3/26/2025 12:08:09 PM

Completed

Security Checked

3/26/2025 12:08:09 PM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

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Envelope Originator:

Certificate Pages: 5

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CBD eSignature

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Stamps: 1

701 Ocean Street

Envelopeld Stamping: Enabled

Santa Cruz, CA 95060

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

cbd.esignature@santacruzcountyca.gov

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Storage Appliance Status: Connected

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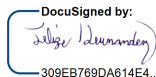
Signer Events

Felipe Hernandez

Felipe.Hernandez@santacruzcountyca.gov

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Signature

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Juliette Rezzato

Juliette.Rezzato@santacruzcountyca.gov

Chief Deputy Clerk of the Board of Supervisors
County of Santa Cruz

Security Level: Email, Account Authentication (None)

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cbd.esignature@santacruzcountyca.gov

County of Santa Cruz

Security Level: Email, Account Authentication (None)



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Status

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Agent Delivery Events

Status

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Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Sam LoForti Sam.LoForti@santacruzcountyca.gov Cannabis Licensing Manager County of Santa Cruz Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Accepted: 3/1/2022 3:08:32 PM ID: b821828f-0fa2-440c-9b60-600891d419f2	<div>COPIED</div>	Sent: 4/10/2025 4:32:21 PM
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Notary Events	Signature	Timestamp
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