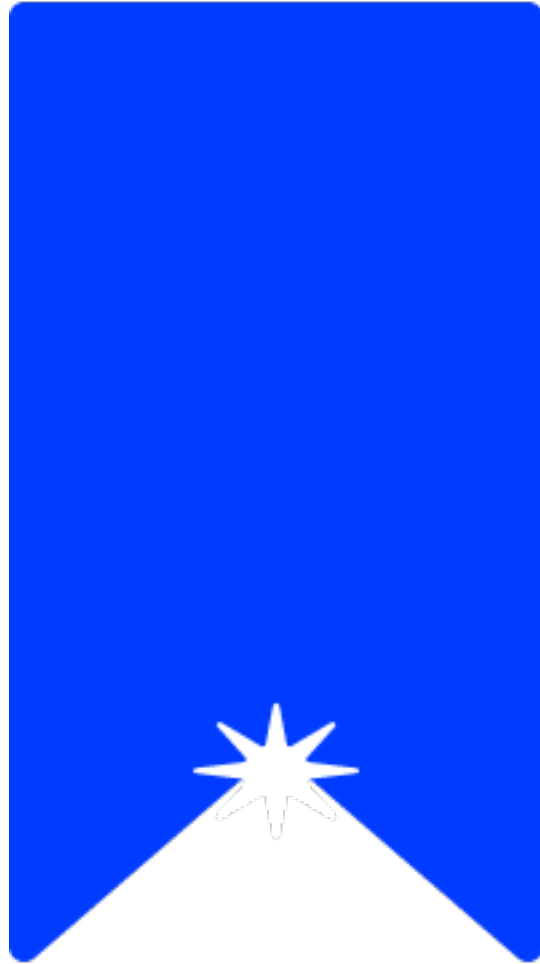


DAEDALUS



ANALYSIS

COMPARATIVE ANALYSIS OF PROPOSED CANNABIS CULTIVATION ORDINANCES

What follows is a comparative analysis of the draft of proposed Mendocino County Ordinance governing medical cannabis cultivation: Chapter 10A.17 (“Chapter 10A”) and the Mendocino Heritage Initiative (“The MHI” or “MHI”) slated for the ballot on November 8, 2016.

It is important to note that, while both proposed ordinances are designed to govern the cultivation of cannabis in Mendocino County, they are not identical in their scope and focus. There are similarities, and in some cases, identical language, in both documents. However, there are sections in both documents that address issues and delineate regulations for which there is no corresponding section in the other. With this in mind, some sections have been broken up to correspond with the proper section in the other proposal. Similarly, some sections have no analog in the other document. Those sections have not been included in this analysis.

Permitting

| Chapter 10A | The MHI |
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| <p>Chapter 10A.17.030: Cultivation Permits</p> <p>(A) All cultivation of cannabis for medical use shall operate in compliance with this Chapter, as well as all applicable state and local laws.</p> <p>(B) Cultivation of cannabis for medical use shall be permitted only following the issuance of a Cultivation Permit pursuant to the provisions of this Chapter, and the issuance of a permit pursuant to the provisions of Chapter 20.242 of the Mendocino County Zoning Code, if required. Chapter 20.242 permits the cultivation of cannabis for medical use only in specifically enumerated zoning, as determined by permit type, subject either to zoning clearance or an administrative permit or use permit.</p> <p>(C) Persons or entities may apply for and hold a maximum of two (2) Cultivation Permits listed in Section 10A.17.070 at any given time.</p> | <p>6.22.040: Activity Subject to Permit</p> <p>All commercial medical cannabis activity is subject to a permit. No commercial medical cannabis activity shall be deemed to have been a legally established use under the provisions of the Mendocino County Code, and such use shall not be entitled to claim a vested right, legal nonconforming or other similar status.</p> <p>However, for the purpose of establishing a basis for vertical integration under Business and Professions Code § 19328, and because the County of Mendocino had adopted Chapter 9.31 of the Mendocino County Code prior to July 1, 2015 in accordance with Business and Professions Code § 19328(c)(1), the County shall issue a Certificate of Good Standing to persons meeting all of the following conditions: (a) The person was cultivating, manufacturing, and dispensing medical cannabis or medical cannabis products on July 1, 2015, and has continuously done so since that date; (b) the person has not been adjudicated, prior to the date of application, to be in violation of Mendocino County Code Chapter 9.31; and (c) the person is registered with the State Board of Equalization.</p> |

These sections govern cultivation that requires permitting. Both documents state that any type of cannabis shall require permitting. Both documents also have exemptions for patient cultivations and cultivation by caregivers for patients (please see page 3 of this report).

Chapter 10A will require compliance with the regulations laid out within Chapter 10A.17 and the Mendocino County Zoning Code Chapter 20.242 (“Chapter 20.242”). At the time of this analysis Chapter 20.242 has not been added to the Mendocino County Ordinances. A draft version of the proposed Chapter 20.242 code has been attached to this document (Appendix C).

Chapter 10A also stipulates that any person or entity may only hold two permits for cultivation.

MHI requires that to be issued a certificate of good standing. To be issued a certificate under the governance of this section the applicant must have been and continue to be cultivating cannabis under the guidelines of the County 9.31 ordinance prior to July 1, 2015. Failure to obtain and retain this certificate will result in the cultivation being unlawful and be subject to administrative and civil remedies (Chapter 20.162.030, 20.514.131, 20.698.030). This seems to imply that no new permits will be issued other than to cultivators who are already permitted under the 9.31 program.

Additionally, this section incorporates by reference Chapter 20 zoning regulations.

Permitting Exemptions for cultivation in relation to certified primary caregivers and patients (non-commercial)

| Chapter 10A | The MHI |
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| <p>Section 10A.17.030(D)–Cultivation Permit Required; Exemptions.</p> <p>(D) Qualified patients or primary caregivers cultivating medical cannabis pursuant to this Section are exempt from the permit requirements of paragraph (B) of this Section provided that the qualified patient or primary caregiver shall register with the Agricultural Commissioner’s Office and shall comply with all applicable provisions of Section 10A.17.040. Qualified patients or primary caregivers cultivating medical cannabis pursuant to this Section may voluntarily comply with Section 10A.17.050(B) hereof.</p> <p>(1) Any and all cannabis cultivated by a qualified patient shall be for the sole and exclusive use by the patient only. A maximum of 100 square feet of medical cannabis may be cultivated by a qualified patient.</p> <p>(2) Any and all cannabis cultivated by a primary caregiver shall be for the sole and exclusive use of up to a maximum of two (2) patients which have provided written designation to the primary caregiver to provide those services. A maximum of 100 square feet of cultivation area of medical cannabis may be cultivated by a Primary caregiver for each patient they are cultivating for, up to a maximum total of 200 square feet.</p> | <p>Section 6.22.030 - Exemption for Cultivation by Patients and Caregivers.</p> <p>Pursuant to MMRSA Section 11362.777 (D)(f)(2)(g) No permit shall be required for the cultivation of medical cannabis by a qualified patient if the area he or she uses to cultivate cannabis does not exceed 100 square feet and he or she cultivates cannabis for his or her personal medical use and does not sell, distribute, donate, or provide cannabis to any other person or entity. No permit shall be required of a primary caregiver cultivating cannabis pursuant to Section 11362.5 if the area he or she uses to cultivate cannabis does not exceed 500 square feet and he or she cultivates cannabis exclusively for the personal medical use of no more than five specified qualified patients for whom he or she is the primary caregiver within the meaning of Section 11362.7 and does not receive remuneration for these activities, except for compensation provided in full compliance with subdivision (c) of Section 11362.765 of the MMRSA. For purposes of this section, the area used to cultivate cannabis shall be measured by the aggregate area of vegetative growth of live cannabis plants on the premises.</p> |

Both the Chapter 10A ordinance and the MHI have exemptions for non-commercial cultivation. Both proposed regulations allow for 100 square footage of cultivated crop with permitting exemption. An analysis of the relevant sections of both primary documents shows that while consideration is given for non-commercial cultivation, the scope and regulatory nature of said cultivation varies. Main differences include allowable square footage without permitting and exemption for greater square footage with reduced permitting. Additionally, Chapter 10A requires non-commercial growers to be registered with the Agricultural commissioners office and to be in compliance with section 17.040 of the ordinance (General Limitations, etc.). Whereas the MHI allows for the exemption so long as the cultivation is in compliance with the relevant sections of Medical Marijuana Regulation and Safety Act (“MMRSA”).

The regulation of cultivation for primary caregivers under the Chapter 10A regulation limits the maximum square footage of cultivation to 200 square feet and a maximum number of patients to two. The MHI limits the maximum square footage to 500 square feet and the maximum number of patients to five.

Limitations and Requirements for Cultivation Operations

| Chapter 10A | The MHI |
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| <p>Chapter 10A.17.040: General Limitations</p> <p>(A) The cultivation of medical cannabis in Mendocino County, in any amount or quantity by any entity, shall not be allowed in the following areas:</p> <p>(1) Within one thousand (1,000) feet of a youth-oriented facility, a school, a park, or any church or residential treatment facility as defined herein.</p> <p>(2) Outdoors or using mixed light within one hundred (100) feet of any occupied legal residential structure located on a separate legal parcel.</p> <p>(3) Outdoors or using mixed lighting a mobile home park as defined in Health and Safety Code Section 18214.1 within one hundred (100) feet of an occupied mobile home that is under separate ownership.</p> <p>(4) In any location where the cannabis plants are visible from the public right of way or publicly traveled private roads.</p> <p>(5) Outdoors or using mixed light within fifty (50) feet of a legal parcel under separate ownership. The distance between the above-listed uses in Subsection (A)(1) and cannabis that is being cultivated shall be measured in a straight line from the nearest point of the fence required in Section 10A.17.040 (H), or if the cannabis is cultivated indoors, from the nearest exterior wall of the building in which the cannabis is cultivated to the nearest boundary line of the property on which the facility, building, or structure, or portion of the facility, building, or structure, in which the above-listed use occurs is located. The distance in Subsections (A)(2) and (A)(3) to any residential structure shall be measured from the fence required in Section 10A.17.040 (H) to the nearest exterior wall of the residential structure.</p> <p>(B) The outdoor, indoor or mixed light cultivation of medical cannabis shall not subject residents of</p> | <p>Section 6.22.060 - Limitations on Location for Commercial Medical Cannabis Activity.</p> <p>(A) Commercial medical cannabis activity shall be allowed only in compliance with Mendocino County Code Chapter 20, Zoning Ordinance, as amended by the Mendocino Heritage Act of 2016.</p> <p>(B) Commercial medical cannabis cultivation, processing, manufacture, or distribution activity shall not be allowed in the following areas:</p> <p>(1) Within six hundred (600) feet of any school or park.</p> <p>(2) Within one hundred (100) feet of any occupied legal residential structure located on a separate parcel unless both the occupant and owner of the residential structure expressly waive or reduce the setback requirement.</p> <p>(3) Outdoors within thirty (30) feet of a parcel under separate ownership unless the owner of the parcel expressly waives or reduces the setback requirement.</p> <p>a. The distance between the uses in subsection (B)(1) and commercial medical cannabis activity shall be measured in a straight line from the nearest point of the fence required in Mendocino County Code § 6.22.084(A), or if the commercial medical cannabis activity occurs indoors, from the nearest exterior wall of the building in which the commercial medical cannabis activity occurs to the nearest boundary line of the property on which the facility, building, or structure, or portion of the facility, building, or structure in which the above-listed use occurs is located. The distance in subsections (B)(2) and (B)(3) to any residential structure or parcel shall be measured from the fence required in Mendocino County Code § 6.22.084(A) to the nearest exterior wall of the residential structure or nearest boundary line of the parcel.</p> <p>b. Any existing site of commercial medical cannabis activity that is in violation of section 6.22.060(B)(2) and/or section 6.22.060(B)(3) shall be given until July 1, 2018 to become compliant. (C) Commercial</p> |

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| <p>neighboring legal parcels who are of normal sensitivity to objectionable odors.</p> <p>(C) The use of light assistance for the indoor or mixed light cultivation of medical cannabis shall not exceed a maximum of 35 watts of lighting capacity per one square foot of growing area. The indoor or mixed-light cultivation of medical cannabis shall rely on the electrical grid or some form of alternative energy source for production. The indoor or mixed-light cultivation of medical cannabis shall not rely on a generator as a primary source of power</p> <p>(D) All lights used for the “mixed light” cultivation of medical cannabis shall be shielded and downcast or otherwise positioned in a manner that will not shine light or allow light glare to exceed the boundaries of the legal parcel upon which they are placed.</p> <p>(E) All activities associated with the cultivation of medical cannabis shall not exceed the noise level standards as set forth in the County General Plan Policies DE100, 101 and 103.</p> <p>(F) All cultivation of medical cannabis shall not utilize water that has been or is illegally diverted from any spring, wetland, stream, creek, or river.</p> <p>(G) The activities associated with the cultivation of medical cannabis shall not create erosion or result in contaminated runoff into any stream, creek, river or body of water.</p> <p>(H) All medical cannabis grown in Mendocino County (excluding indoor growing) must be within a secure, wildlife exclusionary fence of at least six (6) feet in height that fully encloses the immediate garden area. The fence must include a lockable gate that is locked at all times when a qualified patient or caregiver is not in the immediate area. Said fence shall not violate any other ordinance, code section or provision of law regarding height and location restrictions and shall not be constructed or covered with plastic or cloth except shade cloth may be used on the inside of the fence.</p> <p>(I) All buildings where medical cannabis is cultivated or stored shall be properly secured to prevent unauthorized entry.</p> <p>(J) Cultivation of medical cannabis by qualified patients or primary caregivers shall be subject to the restrictions of Mendocino County Code Chapter</p> | <p>medical cannabis dispensaries and testing facilities shall not be allowed in the following areas: (1) Within six hundred (600) feet of any school or park, as measured in the manner set forth in 12 section 6.22.060(B)(3)(a).</p> <p>Section 6.22.084 - Cultivation Operating Requirements.</p> <p>(A) Visibility and Fencing. (1) In any location where cannabis plants are visible from the public right of way or publicly traveled private roads, a secure fence at least six (6) feet in height that fully encloses the immediate garden area must be used. The fence must include a lockable gate that is locked at all times when a permittee is not in the immediate area. The fence shall not violate any other ordinance, code section or provision of law regarding height and location restrictions and shall not be constructed or covered with plastic or cloth except that shade cloth may be used on the inside of the fence.</p> <p>(B) Lighting. (1) All lights used for cultivation shall be shielded and downcast or otherwise positioned in a manner that will not shine light or allow light glare to exceed the boundaries of the parcel upon which they are placed from dusk to dawn.</p> <p>(C) Noise. (1) The commercial cultivation of medical cannabis shall not exceed the noise level standards as set forth in Mendocino County General Plan policies DE100, 101 and 103.</p> <p>(D) Water Source. (1) The commercial cultivation of medical cannabis shall not utilize water that has been or is illegally diverted from any stream, creek, or river.</p> <p>(E) Water Discharge. (1) The commercial cultivation of medical cannabis shall not create erosion or result in contaminated runoff into any stream, creek, river or body of water.</p> <p>(F) Security. (1) All buildings and enclosures where commercial medical cannabis cultivation takes place shall be properly secured to prevent unauthorized entry.</p> <p>(G) Plant Health.</p> |
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| 20.242.040. | (1) Medical cannabis nurseries shall conduct and document inspections and tests to ensure that clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of medical cannabis are free from pests and disease. Medical cannabis nurseries shall not sell or offer for sale any clones, immature plants, seeds, or other agricultural products unless they are believed in good faith to be free from pests and disease. |
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These sections cover the restrictions upon location, water usage and disposal, noise and light pollution, and security of cultivation/testing/distribution sites. Both proposals are similar in the restrictions and regulations of these issues.

In both documents the handling of light pollution, noise pollution, water sourcing, water discharge, and site security are handled in a substantially similar manner. Main differences in the proposed regulations are as follows:

Chapter 10A requires any site to have a 1,000 foot set back from a youth-oriented facility, a school, a park, or any church or residential treatment facility. Whereas The MHI requires a 600 foot setback from any school or park.

Chapter 10A requires a 100 foot setback from any occupied residence that is on an adjacent parcel under separate ownership. Chapter 10A also includes the same provision for motor homes under separate ownership that may be on the same parcel. The motor home provision is not included in the MHI regulations. Chapter 10A also stipulates that there can be no cultivation that is visible from a public or publically traveled road.

The MHI stipulates a 100 foot setback from any occupied residence on an adjacent parcel under separate ownership and a 30 foot setback from any separate parcel. The MHI also includes language to allow the adjacent parcel owner to waive or reduce the setback. The MHI makes no stipulation about visibility from public, or publically traveled private, roadways in this section. The MHI does however stipulate privacy fences in section 6.22.084.

Additionally, the Chapter 10A documents has restrictions on wattage per square foot to 35 watts per square foot and the requirement that a generator not be used as the primary source of electricity. This document also includes a section restricting the subjecting of residents of neighboring parcels to offensive odors.

The MHI also contains a plant health section whereas Chapter 10A includes reference to the Chapter 20.242 regulations (attached to this report as appendix C).

Both Documents use the same calculation method to determine setbacks.

COLLECTIVES/DISPENSARIES

Note: While these sections of the two documents under analysis do not directly correspond, they address similar issues and have overlap.

| Chapter 10A | The MHI |
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| <p>Section 10A.17.060 - Medical Marijuana Collectives</p> <p>Medical marijuana collectives currently operate to produce medical cannabis for seriously ill Californians under an array of State law and guidelines established for that purpose, including Proposition 215 and Senate Bill 420 (2004). Under the provisions of MCRSA, Health and Safety Code section 11362.775 (b) repeals the current collective/cooperative model for the production and dispensing of medical cannabis upon issuance of State licenses. From that point forward, the State regulations developed in response to MCRSA will define the operational model for any entity conducting activities related to commercial medical cannabis cultivation.</p> <p>Additionally, Health and Safety Code section 11362.775 (b) mandates that the current collective/cooperative model in California, as detailed above, will be repealed one (1) year from the date that the Department of Consumer Affairs posts on its public internet webpage a notice stating that State licenses are being issued for activities covered under MCRSA, at which point Health and Safety Code Section 11362.775 (a) will sunset.</p> <p>In addition to obtaining any required cultivation permit pursuant to this Chapter (10A.17), medical marijuana collectives engaged in cultivation shall also comply with all of the following:</p> <p>(A) Operate on a non-profit basis as set forth in Section IV B.1. of the Attorney General's Guidelines.</p> <p>(B) Employ only persons who are at least twenty one (21) years of age and comply with all applicable state and federal requirements relating to the payment of payroll taxes including federal and state income taxes and/or contributions for unemployment insurance, state workers' compensation and liability laws.</p> <p>(C) Follow the membership and verification guidelines as set forth in Section IV B.3. of the Attorney General's Guidelines, except that wherever "should" appears it shall be replaced with "shall".</p> <p>(D) Require all prospective members to complete and sign a written membership application acknowledging and agreeing to abide by all the rules of the collective and all applicable requirements of this Section.</p> <p>(E) Prohibit sales to non-members as set forth in</p> | <p>Section 6.22.090 - Medical Cannabis Dispensaries.</p> <p>The Mendocino County Health and Human Services Agency shall issue permits for medical cannabis dispensaries, including but not limited to Permit Types 10 and 10A.</p> <p>Section 6.22.092 - Term of Dispensary Permits and Renewals Required.</p> <p>(1) Permits issued under this chapter shall expire two years following the date of their issuance.</p> <p>(2) Permits may be renewed by the Mendocino County Health and Human Services Agency for additional periods of two (2) years in length upon application by the permittee, unless the application for renewal fails to comply with the provisions of this chapter.</p> <p>Section 6.22.094 - Dispensary Operating Requirements.</p> <p>Dispensary operations shall be established and managed in compliance with the following standards:</p> <p>(A) Minors.</p> <p>(1) It is unlawful for any permittee, operator, or other person in charge of any dispensary to employ any person who is not at least 21 years of age. (2) Persons under the age of 18 shall not be allowed on the premises of a dispensary allowing on-site consumption unless they are a qualified patient or a primary caregiver or they are in the presence of their parent or guardian.</p> <p>(B) Operating Hours.</p> <p>(1) Dispensaries may operate between the hours of 9:00 am and 9:00 pm up to seven days per week.</p> <p>(C) Dispensing Operations.</p> <p>(1) A dispensary shall only dispense to qualified patients or caregivers with a currently valid physician's approval or recommendation in compliance with the criteria in Health and Safety Code § 11362.5 et seq.</p> <p>(2) Prior to dispensing medical cannabis, the dispensary shall obtain and maintain verification from the recommending physician that the individual requesting medical cannabis is a qualified patient.</p> <p>(3) Patient records shall be maintained and verified as needed.</p> <p>(4) A dispensary may deliver medical cannabis to patients.</p> <p>(D) Consumption Restrictions.</p> <p>(1) Qualified patients may consume medical cannabis</p> |

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| <p>Section IV B.5. of the Attorney General's Guidelines.</p> <p>(F) Allow reimbursements and allocations of medical cannabis as set forth in Section IV B.6. of the Attorney General's Guidelines.</p> <p>(G) Possess cannabis only in amounts consistent with the medical needs of the members of the collective; and only cultivate cannabis consistent with the limits set forth in this Ordinance.</p> <p>(H) Exterior signage shall not indicate or advertise the presence or availability of medical cannabis.</p> | <p>on-site provided that such consumption is by vaporization or oral consumption in a restricted area that does not allow persons under the age of 18 unless they have a health care provider's recommendation to use medical cannabis and are accompanied by an adult.</p> <p>(E) Operating Plans. (1) A permitted dispensary shall maintain on-site an operating plan that shall include but not be limited to the following information:</p> <p>(F) Access Control, Security, and Diversion Prevention. (1) A permitted dispensary shall implement sufficient security measures to both deter and prevent unauthorized entrance into areas containing medical cannabis or medical cannabis products and theft of medical cannabis or medical cannabis products at the dispensary. These security measures shall include, but not be limited to, all of the following: a. Establishing limited access areas accessible only to authorized dispensary personnel. b. Storing all finished medical cannabis and medical cannabis products in a secured and locked room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes, samples, or immediate sale.</p> <p>(G) Emergency Contact. (1) A dispensary shall provide the Health and Human Services Agency with the name, phone number and email address of a staff person to whom one can provide notice if there are operating problems associated with the dispensary. The dispensary shall make every good faith effort to encourage neighborhood residents to call this person to try to solve operating problems.</p> <p>(H) Staff Training. (1) Dispensary staff shall receive appropriate training to understand cannabis medicine, how to best counsel patients on its use, and to ensure compliance with state and local law.</p> <p>(I) Compliance. (1) A dispensary shall provide patients with a list of the rules and regulations governing medical cannabis use and consumption within Mendocino County and shall make available recommendations on sensible cannabis etiquette and use.</p> |
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This section governs the direct sale of cannabis to a collective's members and lays out guidelines that regulate the various aspects of establishments that undertake those sales.

Chapter 10A incorporates by reference the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use (“CAGG”) (Appendix D). The sections of the CAGG referenced by Chapter 10A deal with regulation of collectives as non-profit organizations, membership application and verification, the prohibition on distribution and sales to non-members and the appropriate payment for cannabis to the collective. Chapter 10A also requires that collectives only have on hand an amount of cannabis concurrent with the needs of their patients on record. Chapter 10A does not require further permitting to for distribution so long as distribution is in compliance with the regulations therein.

The MHI incorporates by reference Health and Safety code section 11362.5 et seq. which is the California code section that relates to medical cannabis within the state. The MHI states that all dispensaries shall be in compliance with said code section. Additionally, MHI stipulates that there will be separate permits issued for dispensaries. These permits shall be valid for two years. Section 6.22.094(C) contains similar regulations that are contained in CAGG section IV B. 3.

Beyond the external references, both proposed regulations restrict the employment of anyone under the age of 21. Additionally, MHI further states that no person under the age of 18 shall be allowed on the premises “unless they are a qualified patient or a primary caregiver or they are in the presence of their parent or guardian.”

Furthermore, the MHI lays out restrictions on hours of operation for dispensaries and operation plans. Operation plans are to include; Security plans, emergency contacts, training plans, and a compliance section that informs patients of rules and etiquette for cannabis in the county. There is also a section in the MHI regulating areas within the dispensary where cannabis may be consumed.

PERMIT TYPES

| Chapter 10A | The MHI |
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| <p>Section 10A.17.070 – Permit Types</p> <p>The following types of cultivation permits will be offered at a maximum density of one (1) cultivation permit per applicant per legal parcel. However, if a single legal parcel is owned by multiple individuals residing in separate habitable residential units on that legal parcel, each owner may individually apply for a permit to cultivate medical cannabis, provided that the cumulative total square footage of cultivation of all owners shall not exceed the total maximum square footage allowed based on the permit type. All owners seeking to cultivate in this manner shall initiate the application process at the same time; any partial owner of the legal parcel not cultivating medical cannabis shall provide a statement, as part of the application, that he or she will not so cultivate.</p> | <p>Section 6.22.050 - Types of Permits for Commercial medical cannabis Activity.</p> <p>Permit classifications pursuant to this chapter are as follows, and shall have substantially the same meaning as set forth in Business & Professions Code § 19300 et seq. as the same may be amended from time to time:</p> <p>Type MB = Micro-Business; Specialty outdoor/mixed-light/indoor; Micro. For outdoor/ mixedlight/indoor cannabis cultivation of less than or equal to 2,500 square feet of total canopy size on one parcel. Type 1 = Cultivation; Specialty outdoor; Small. For outdoor cannabis cultivation using no artificial lighting during the flowering cycle of less than or equal to 5,000 square feet of total canopy size on one parcel.</p> <p>Type 1A = Cultivation; Specialty indoor; Small. For</p> |

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| <p>(A) “Type C” for outdoor cultivation using no artificial lighting of a maximum of 2,500 square feet of total canopy size on one legal parcel.</p> <p>(B) “Type C-A” for indoor cultivation using exclusively artificial lighting not to exceed 2,500 square feet of cultivation area within a structure on one legal parcel.</p> <p>(C) “Type C-B” for cultivation using a combination of natural and supplemental artificial lighting (mixed light) not to exceed 2,500 square feet of cultivation area within a structure on one legal parcel.</p> <p>(D) “Type 1” for outdoor cultivation using no artificial lighting of 2,501 to 5,000 square feet of total canopy size on one legal parcel.</p> <p>(E) “Type 1A” for indoor cultivation using exclusively artificial lighting 2,000 to 5,000 square feet of cultivation area within a structure on one legal parcel.</p> <p>(F) “Type 1B” for cultivation using a combination of natural and supplemental artificial lighting (mixed light) of 2,501 to 5,000 square feet of cultivation area on one legal parcel.</p> <p>(G) “Type 2” for outdoor cultivation using no artificial lighting of 5,001 to 10,000 square feet of total canopy size on one legal parcel.</p> <p>(H) “Type 2A” for indoor cultivation using exclusively artificial lighting having a cumulative cultivation area within a structure of 5,001 to 10,000 square feet on one legal parcel.</p> <p>(I) “Type 2B” for cultivation using a combination of natural and supplemental artificial lighting (mixed light) having a cumulative cultivation area within a structure of 5,001 to 10,000 square feet on one legal parcel.</p> <p>(J) “Type 4” for the cultivation of medical cannabis solely as a nursery product to be sold to a permittee, a qualified patient or a primary caregiver. The nursery product may take the form of either vegetative and non-flowering starts or may be in the form of seeds, if the applicant is applying as a seed producer under this type of permit. The cumulative cultivation area dedicated to vegetative, non-flowering starts shall not exceed 22,000 square feet on one legal parcel.</p> | <p>indoor cultivation using exclusively artificial lighting of less than or equal to 5,000 square feet of total canopy size on one parcel.</p> <p>Type 1B = Cultivation; Specialty mixed-light; Small. For cultivation using a combination of natural and supplemental artificial lighting during the flowering cycle at a maximum threshold to be determined by the California Department of Food and Agriculture, of less than or equal to 5,000 square feet of total canopy size on one parcel.</p> <p>Type 2 = Cultivation; Outdoor; Small. For outdoor cultivation using no artificial lighting during the flowering cycle between 5,001 and 10,000 square feet, inclusive, of total canopy size on one parcel.</p> <p>Type 2A = Cultivation; Indoor; Small. For indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one parcel.</p> <p>Type 2B = Cultivation; Mixed-light; Small. For cultivation using a combination of natural and supplemental artificial lighting during the flowering cycle at a maximum threshold to be determined by the licensing authority, between 5,001 and 10,000 square feet, inclusive, of total canopy size on one parcel.</p> <p>Type 3 = Cultivation; Outdoor; Medium. For outdoor cultivation using no artificial lighting during the flowering cycle from 10,001 square feet to one acre, inclusive, of total canopy size on one parcel.</p> <p>Type 3A = Cultivation; Indoor; Medium. For indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one parcel.</p> <p>Type 3B = Cultivation; Mixed-light; Medium. For cultivation using a combination of natural and supplemental artificial lighting during the flowering cycle at a maximum threshold to be determined by the California Department of Food and Agriculture, between 10,001 and 22,000 square feet, inclusive, of total canopy size on one parcel.</p> <p>Type 4 = Cultivation; Nursery. For cultivation of medical cannabis solely as a nursery. Nurseries may: transport and distribute live cannabis plants and seed stock to patients, caregivers, dispensaries, and commercial cultivators; cultivate an aggregate canopy size not in excess of that defined by MMRSA or other</p> |
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| | <p>applicable State guidelines on multiple, noncontiguous parcels to preserve genetic stock in case of pest or disease outbreak; build and operate tissue culture facilities; and flower plants for breeding and quality control purposes.</p> <p>Type 6 = Manufacturer 1; Non-Volatile Extraction. For the extraction of cannabis concentrates using non-volatile solvents and the manufacturing of edible cannabis products and topical cannabis.</p> <p>Type 7 = Manufacturer 2; Volatile Extraction. For the extraction of cannabis concentrates using volatile solvents and the manufacturing of edible cannabis products and topical cannabis.</p> <p>Type 8 = Testing laboratory. Means a facility, entity, or site in the state that offers or performs tests of medical cannabis or medical cannabis products.</p> <p>(Research Note: No Type 9 permit found in MHI documents)</p> <p>Type 10 = Dispensary; General. For dispensaries with more than three retail sites.</p> <p>Type 10A = Dispensary. For dispensaries with no more than three retail sites.</p> <p>Type 11 = Distribution. For distributors engaging in the procurement, sale, and transport of medical cannabis and medical cannabis products between permitted and/or licensed entities within California.</p> <p>Type 12 = Transporter. For the transport of medical cannabis or medical cannabis products between permitted and/or licensed entities within California. Persons otherwise permitted under this Chapter are not required to obtain a Type 12 permit for transportation occurring wholly within Mendocino County.</p> |
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The permit type section generally divides types by square footage of cultivation and light source.

Chapter 10A designates ten permit types focused entirely on cultivation. Types cover square footage area from 2,500 to 10,000. The type 4 permit covers nursery production and allows up to 22,000 square feet. Chapter 10A also differentiates permits based on primary light sources (i.e. indoor versus outdoor or mixed lighting). It should be noted that the permits outlined above have further extensive regulations laid out in section 10A.17.080 Cultivation Permits - Specific Requirements. The requirements laid out in that section have various requirements that may create major impediments to acquiring said permits.

The MHI permits cover cultivation and divide cultivation permits in a similar method as Chapter 10A with a focus on square footage and light source. MHI cultivation permits have a range from the 2,500 square foot micro business permit to the Type 3A and 3B permits that allow a maximum of 22,000 square feet.

Furthermore, the MHI contains 12 permit types that govern extract manufacturing, product testing, dispensaries, distribution, and transportation. The MHI also modifies, through section 11 of the initiative, existing Mendocino County code to provide zoning guidelines, among other changes, for the various permit types. The modified version of the County code has been attached within an appendix to this report (Appendix B).

APPLICATION REQUIREMENTS

| CHAPTER 10A | The MHI |
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| <p>Section 10A.17.090 – Cultivation Permit Application and Zoning Review</p> <p>Any person or entity that wishes to engage in the cultivation of cannabis for medical use shall submit an application to the Agricultural Commissioner’s Office. Applications for Cultivation Permits shall be made upon such forms and accompanied by such plans and documents as may be prescribed by the Agricultural Commissioner’s Office so as to assure the fullest practical presentation of facts for the review of the application. An application fee will be due at the time the application is submitted and is non-refundable.</p> <p>The Agricultural Commissioner’s Office shall refer each application to the Department of Planning and Building Services for a determination pursuant to Chapter 20.242 as to what type of clearance or permit is required. No application for a Cultivation Permit shall be approved without clearance or final permit approval as required by Chapter 20.242.</p> <p>Until January 1, 2020, the Agricultural Commissioner’s Office shall only consider applications for cultivation permits from persons or entities that were cultivating cannabis for medical use in Mendocino County prior to January 1, 2016. If such persons or entities move their cultivation site to a different legal parcel, the requirements listed as items I, II, and III immediately below then apply.</p> <p>Starting January 1, 2020, applications from potential new cultivators will be accepted with the additional requirements listed below:</p> <p>I. The requirement set forth in Section 10A.17.040</p> | <p>Section 6.22.070 - Permits for Commercial Medical Cannabis Activity.</p> <p>(A) Permit Applications</p> <p>(1) All permit applications shall include but not be limited to the following information:</p> <ul style="list-style-type: none"> a. Name, present address and telephone number for the applicant and all individuals involved in the commercial medical cannabis business, entity, or activity that is proposed to hold the permit, including owners, managers and employees. b. Written proof that the applicant and all other individuals involved in the activities are over the age of twenty-one (21) years. c. Written proof that the applicant has been a resident of Mendocino County for at least the last two years. d. The address to which notice of action on the application and all other notices are to be mailed. e. The location of operations by address and/or associate parcel number. <p>(2) The residency requirement set forth in section 6.22.070(A)(1)(c) shall no longer be a requirement after January 1, 2020.</p> <p>(B) Qualifications of an Applicant</p> <p>(1) For purposes of this section 6.22.070 and these rules, an applicant must: a. Satisfy the residency requirement set forth in section 6.22.070(A)(1)(c); b. Must own at least fifty-one percent (51%) of the</p> |

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| <p>(A) (5) shall become 100 feet; and</p> <p>II. The requirement set forth in Section 10A.17 (A) (2) shall become 200 feet; and</p> <p>III. There will be a two (2) acre minimum parcel size for the Cottage type permits.</p> <p>Starting January 1, 2018, the Agricultural Commissioner’s Office shall start accepting applications for Type 1A and Type 2A permits from individuals that were not cultivating in Mendocino County prior to January 1, 2016. Applicants for a Cultivation Permit shall provide the following information on, or as an attachment to, the application:</p> <p>(A) The name, business and residential address, and phone number(s) of the applicant.</p> <p>(B) If the applicant is not the record title owner of the legal parcel, written consent from the owner allowing the cultivation of medical cannabis on their property by the applicant with original signature of the record title owner.</p> <p>(C) Written evidence that each person applying for the permit and any other person who will be engaged in the management of the collective is at least twenty-one (21) years of age;</p> <p>Section 10A.17.100 – Permit Review and Issuance</p> <p>The Agricultural Commissioner’s Office shall issue a Cultivation Permit pursuant to this Chapter only:</p> <p>(A) Following the referral to and clearance or permit approval pursuant to Chapter 20.242; and</p> <p>(B) After the Agricultural Commissioner’s Office, and other County and State agency staff, as appropriate, have performed a pre-permit site inspection to confirm adherence to the requirements established in this Chapter and the MCCO application process.</p> <p>As a condition of approval for any cultivation permit, the owner or permittee shall indemnify and hold harmless the County of Mendocino and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by affected property owners or other third parties due to the commercial cultivation of cannabis for medical use and for any claims brought by any person for</p> | <p>business or entity applying for or holding the commercial medical cannabis Permit; c. Must maintain full management and control, including operations, of the business or entity applying for or holding the commercial medical cannabis Permit;</p> <p>(2) Exclusive of any employees of the business or entity applying for or holding the commercial medical cannabis permit, no individual, entity, group, club, partnership, joint venture, or any other like or similar formation that does not meet the residency requirement set forth in section 6.22.070(A)(1)(c) shall exercise any management or control over the business applying for or holding the commercial medical cannabis Permit; a. Passive investors and lenders shall not be considered to be exercising management or control over the business applying for or holding the commercial medical cannabis Permit.</p> <p>(3) For purposes of section 6.22.070, if a legal entity is designated as an applicant, where legal entity includes but is not limited to, a limited liability company, a corporation, a partnership, joint venture, 13 or any other group or formation of a group, the legal entity shall not be held to any residency requirement set forth in this section, only the following individuals comprising or involved with the legal entity must also be listed as applicants on the permit application:</p> <p>a. All partners in a limited partnership;</p> <p>b. All members having a membership interest in a limited liability company; and</p> <p>c. All directors and principal officers of a corporate entity; (4) Any individual that meets the standards in section 6.22.070(B)(3)(a)-(c) must meet the residency requirement set forth in section 6.22.070(A)(1)(c). No legal entity or structure shall be required to meet the residency requirement in section 6.22.070(A)(1)(c).</p> <p>(C) Permit Renewals</p> <p>(1) Applications for renewal shall be made at least 30 days before the expiration date of the permit.</p> <p>(2) Notwithstanding subsection (B)(1), a permittee that has applied for renewal at least 30 days before the expiration date of the permit may continue operations until its application for permit renewal is either approved or denied.</p> |
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| <p>problems, injuries, damages, or liabilities of any kind that may arise out of the commercial cultivation of cannabis for medical use.</p> <p>If, during the pre-permit site inspection, violations of any building or other health, safety or other state or county statute, ordinance, or regulation are discovered, the applicant shall be required to submit a written plan to remediate, abate, or cure the violations at the earliest feasible date, but in no event more than one (1) year after the date of issuance of the Cultivation Permit; said plan shall be signed by the applicant, approved by the relevant enforcement agency or agencies, and compliance with said plan shall be a condition of the Cultivation Permit.</p> <p>T& T unique identifiers will only be made available following the issuance of a Cultivation</p> <p>Permit by the Agricultural Commissioner’s Office. The applicant will have 72 hours to register with the County designated T& T system. Upon T& T system registration, the system will provide unique identifiers. The unique identifiers shall be affixed to the individual plants within 72 hours of them being provided to the permittee. Cultivation permits shall remain valid for one (1) year from the date of issuance, subject to any enforcement action or other action that may result in earlier suspension or revocation.</p> | <p>(3) Appeals for a denial of a permit renewal shall be conducted as set forth in section 6.22.150(D).</p> <p>(D) Permit Application Grace Period Any existing commercial medical cannabis activity currently located in any zoning district pursuant to Title 20 of the Mendocino County Code where that respective medical cannabis activity is a principal or conditional permitted use may continue to operate, function, exist, and continue to carry on the cannabis activity during the permitting process pursuant to this Section and pursuant to the applicable zoning permitting process in Title 20. The permitting grace period for existing commercial medical cannabis to operate while applying for the Cannabis Permits pursuant to this Section and any applicable zoning permits shall be for one-hundred-eighty days (180) from the implementation of the MHA, after such time, if the necessary and required permits have not been obtained, the commercial medical cannabis activity must cease.</p> <p>Section 6.22.082 - Term of Cultivation Permits and Renewals Required.</p> <p>(1) Permits issued under this chapter shall expire one year following the date of their issuance.</p> <p>(2) Permits may be renewed by the Department of Agriculture for additional periods of one year in length upon application by the permittee, unless the application for renewal fails to comply with the provisions of this chapter.</p> |
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The above is as closely as can be matched, the sections of both documents that are relevant to the application and permitting process. Please note that the section from Chapter 10A.17.090 stops after section 090(C). There is no corresponding regulatory language in the MHI proposal. Sections 10.A.17.090(D)-(AA) deal primarily with site documentation and adherence to the proper regulatory guidelines. These are extensive requirements without parallel in the MHI. While a complete reading of these omitted subsections is advisable, a summary of the contents can be found below in this report under the heading Excluded Sections.

Additionally, Section 10A.17.100 – Permit Review and Issuance, has been added to correspond to the MHI proposal section which governs these issues.

Both proposed regulations delineate requirements for applicant. They require personal contact info as well as information about the location for which the application is submitted. Applicants are required to be of at least 21 years of age. Applicants are also required to own the property that the cultivation permit is being applied for. If the applicant is not the owner, a waiver signed by the owner is an application requirement under both systems. Both systems also outline a process for applicants who are in violation of regulations at the time of the

application. Chapter 10A allows one year to remediate said issues, whereas MHI provides applicants with 180 days. Both proposed ordinances issue permits for one year. MHI requires that renewal applications be submitted at least 30 days before the expiry of the current permit.

The MHI requires that the applicant be a resident of Mendocino County for at least two years before they may be granted a cultivation license. In addition to the personal information for the applicant(s), MHI also requires information on all employees or individuals who will participate in or manage the cultivation. Furthermore, the MHI requires that any partners or entities that will exert managerial control of the cultivation meet the residency requirements outlined above.

Chapter 10A, aside from the requirements found within the sections omitted from this report as referenced above, also creates limitations on applicants to the program based upon prior cultivation. Chapter 10A proceeds to outline a plan for introducing new applicants to the program beginning 2020. The plan does state that it will begin accepting new applications in 2018. New applicants or old applicants who have moved their cultivation site to a new parcel will be required to adhere to increased setbacks from other residences. In addition, Chapter 10A includes a section for tagging and tracking (T&T) under a serial number system. The MHI has no corresponding system. The section of Chapter 10A that further outlines the T&T system has been omitted from this report.

VIOLATION, ENFORCEMENT AND APPEALS

| Chapter 10A | The MHI |
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| <p>Section 10A.17.140 –Cultivation Site Inspections: Violations and Enforcement</p> <p>If the Third Party inspector determines that the site does not comply with the requirements establish by this Chapter, the inspector shall serve notice to the permit holder with a written statement identifying the items not in compliance, and may suggest action(s) that the permit holder may take to cure the non-compliance(s). Personal delivery or mailing the written statement to the mailing address listed on the application by regular mail, plus three (3) days after date of mailing shall constitute delivery. The time frame allowed for the permit holder to take appropriate actions to cure the non-compliance will be the shortest feasible time frame as determined by the inspector. The Agricultural Commissioner’s office may amend the time frame if deemed inappropriate. A re-inspection by the Third Party inspector will be required to confirm and document the curative measure(s) taken by the permit holder. It is the responsibility of the permit holder to facilitate the above mentioned re-inspection by the end of the allowed timeframe. Failure to request re-inspection or to cure any items of non-compliance shall initiate an un-scheduled compliance inspection from the</p> | <p>Section 6.22.150 - Enforcement and Appeals Process.</p> <p>(A) Civil Enforcement. (1) Any violations of this Chapter may be subject to administrative citation and other applicable civil injunctive or equitable remedies. No violations of this Chapter shall be subject to criminal enforcement. No enforcement of provisions in this Chapter shall take place against a permit applicant while their application is pending.</p> <p>(B) Notice of Inspections. (1) Cannabis regulatory agencies identified in this Chapter may conduct inspections only with three business days’ notice given to the permitted entity.</p> <p>(C) Penalties. (1) Violations of this Chapter will result in a citation that included a \$100 fine and allows a period of 60 days to resolve the violation. If the violation is not corrected, a fine of \$1,000 will be levied and the permittee will have an additional 60 days to correct the violation. After 120 days, a fine of 1% of the permittee’s annual gross receipts will be levied each day will be levied each day the named violation</p> |

Department of Agriculture. Inspection fees shall be charged to the permittee for any additional compliance inspections required beyond those regularly scheduled and enumerated in Section 10A.17.080. All additional inspection fees shall consist of the hourly rate for an inspector from the Department of Agriculture for the travel and inspection time plus the standard IRS mileage rate for travel distance. If the non-compliance(s) are substantiated during the unscheduled compliance inspection above, the Department of Agriculture shall notify other public agencies or County departments, including the Department of Planning and Building Services, of these findings. The cultivation permit issued pursuant to this Chapter shall be in suspension pending a final compliance reinspection from the Department of Agriculture within seven (7) days. This final reinspection will be to determine whether or not the permit holder has cured all issues of noncompliance. Failure to request and facilitate this final reinspection or to cure any items of non-compliance shall terminate the cultivation permit through the issuance of a "Notice to Terminate Permit". The permit shall be terminated immediately upon the expiration of any appeal period or, if an appeal to this determination and action is filed, per Section 10A.17.150, upon the final determination of the appeal.

The County shall additionally notify any state license authority, as defined by the MCRSA, whenever the County cultivation permit has been suspended or terminated, as appropriate.

Section 10A.17.150 – Cultivation Site Inspections and Appeals

If a "Notice to Terminate Permit" is issued to a permittee by the Agricultural Commissioner's office, the permittee may appeal said notice within ten (10) days after delivery. Personal delivery or mailing the written statement to the mailing address listed on the application by regular mail, plus three (3) days after date of mailing, shall constitute delivery. The appeal shall be made in writing, on a form provided by the Agricultural Commissioner's Office. The fee for filing the appeal is \$100.00. The appeal shall be heard by a Hearing Officer using the procedures outlined in Chapter 8.75, as modified by the following provision:

(A) The appeal shall be heard by the Hearing Officer within ten (10) business days following the filing of the appeal. The Hearing Officer shall render a written ruling on the appeal within three (3) business days

continues. Notwithstanding the foregoing, upon providing proof of correction of the named violation, the permittee may continue to operate and will not be fined while waiting for county inspection and confirmation that the named violation has been corrected. (2) Any penalty imposed pursuant to this section 6.22.150 is appealable pursuant to the process and requirements set forth in section 6.22.150(D).

(D) Appeals Process.

(1) The permitted entity or permittee shall be allowed to continue operating during the Appeals process. Upon denial of any permit renewal or decision to impose penalties pursuant to section 6.22.150, a permittee shall have the right to appeal the decision to the respective Agency pursuant to the following:

a. Requests for an appeal must be filed with the respective Agency responsible for the denial within twenty (20) days of personal service of notice of the denial upon the permittee subject to the denial or adverse Agency decision.

b. Not later than fifteen (15) calendar days after receipt of the written request from the permittee for an appeal, the respective Agency shall provide written notice to the permittee of the date, time, and place of the hearing.

c. The respective Agency shall appoint a Hearing Officer, to conduct an evidentiary hearing, who was not involved in and is independent of the adverse Agency decision, including any decision to deny a permit renewal or decision to impose a penalty.

d. A record of the hearing shall be made by any means, as long as reasonably accurate and complete written transcription of the proceedings can be derived from the recording. Relevant evidence may be admitted and shall be given probative effect only if it is the kind of evidence upon which reasonable persons are accustomed to rely in the conduct of business.

e. A decision by the Hearing Officer shall be supported by substantial evidence. Following conclusion of the hearing, the Hearing Officer shall prepare a written decision that either grants or denies the appeal, contains findings of facts and conclusions of law in support of the Hearing Officer's decision to impose fines, penalties, or deny the permit renewal. The Hearing Officer's written decision shall be the final decision of the County and shall become final upon the date notice thereof is mailed to the appellant by certified mail.

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| <p>following the hearing.</p> <p>Section 10A.17.160 – Public Nuisance</p> <p>All of the remedies provided for in this Chapter shall be cumulative and not exclusive for violations of this Chapter. Any violation of this Chapter, including, but not limited to failure to obtain and maintain in good standing any permit required by this Chapter, compliance with any required element on which a permit was issued pursuant to this Chapter, or any violation of the provisions of this Chapter where a permit is not required, shall be, and the same hereby is declared to be, a public nuisance and unlawful and shall be subject to injunction, abatement or any other administrative or civil remedy available to the County under the applicable state and county laws, including but not limited to those set forth in Mendocino County Code and MCRSA.</p> <p>The County may abate the violations of this Chapter in accordance with the provisions of County Code Section 8.75 or by the prosecution of a civil action, including an action for injunctive relief. The remedy of injunctive relief may take the form of a court order, enforceable through civil contempt proceedings, prohibiting the maintenance of the violation of this Chapter or requiring compliance with other terms.</p> <p>The County may also abate the violation of this Chapter through the abatement process established by Government Code Section 25845.</p> | <p>d. (<i>sic</i>). Any determination of the Hearing Officer shall be subject to judicial review pursuant to Code of Civil Procedure Section 1094.5.</p> |
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The above sections relate to violations of the regulations laid down in the proposed ordinances. Chapter 10A uses a third party inspector system to ensure proper oversight on cultivation sites. The MHI uses various regulatory agencies as described in the initiative.

The timeline and consequences of non-compliance differ between the two ordinances. Chapter 10A allows the third party inspector to set the timeline for remediation of the issue identified. Failure to address and cure problems identified by the third party inspector will result in an un-scheduled compliance inspection from the Department of Agriculture. Should the issues not be properly addressed, the permit will be suspended following the expiry of any appeals process. Following the un-scheduled inspection from the department of agriculture a termination if the permit will be initiated within seven business days. Appeals must be made within business days after receipt of the notice of termination. The hearing for the appeal will be heard within 10 business days of notice of appeal. A written ruling will be rendered within three business days from the hearing.

Under Chapter 10A, after the permit has been suspended or terminated, the county will notify the appropriate state agencies. Furthermore, violation of Chapter 10A and failure to remediate said violations shall result in the cultivation being deemed a “public nuisance” and shall be subject to civil and administrative abatement actions.

Violations of the MHI proposed ordinance would result in a \$100 fine and 60 days to remediate said violations. After 60 days, if the violations are still present, a \$1,000 fine will be levied. If after a total of 120 days from notification of violation, the permittee has not cured the issue, a fine of 1% of the permittee’s annual gross receipts shall be levied daily until the violation is cured. Should the permittee provide proof that the violation has been cured, the permittee will not be fined and will be allowed to continue operations until and inspection can be made.

Permittees or applicants in violation shall be granted a hearing to appeal should they file for such within 20 days of personal service of the denial from the responsible agency. No later than 15 calendar days after receipt of the appeal, the agency will set a date and time for the hearing. The MHI provides that there will be no criminal penalties for continued violation of the proposed ordinance.

Primary differences in this section relate to the presence of a third party inspector and the method of enforcement relied upon to gain compliance with the ordinance.

EXCLUDED SECTIONS

The sections of both proposed ordinances that address intent, definitions of terms, and severability have been omitted from this report. These sections fall outside the scope and focus of this analysis. Other sections for which analysis has not been conducted are in the table below. These sections are important to the efficacy and regulatory nature of both proposed ordinances. However, these sections do not have counterparts in the alternative ordinance. What follows will be a list of the excluded sections and a brief summary of the section. In some cases the sections have been reproduced in their entirety.

| Chapter 10A | The MHI |
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| <p>Section 10A.17.080 – Cultivation Permits – Specific Requirements The specific requirements for each type of permit are laid out in this section. These requirements generally delineate the canopy size and the zoning designation required. In addition, it also outlines number and scope of inspections by a third party inspector required. There will also be other review and inspection requirements for larger permitted cultivations. Furthermore, all non-indoor cultivation will require that there be a legal dwelling, inspected by the building department, on the parcel used for cultivation (excluding industrial zoned parcels).</p> <p>Section 10A.17.090 – Cultivation Permit Application and Zoning Review. Subsections D-AA These subsections provide extensive regulatory guidance for the application process. This guidance includes site plans; photographs of the site both aerial and ground, and any activities thereon; multiple and comprehensive evidentiary documents to provide proof of cultivation before 2016; an in-depth cultivation plan outlining all aspects of the proposed cultivation</p> | <p>Section. 6.22.100 - Medical Cannabis Manufacturing This section and its various subsections regulate the permitting and operating parameters of the manufacture of extracts. It lays out minimum standards for said production and covers the handling in all stages of the potentially volatile chemicals used in such activities.</p> <p>Section. 6.22.110 - Medical Cannabis Testing. The provisions of this section lay out the guidelines of expected regulation and procedure for medical cannabis testing within Mendocino County. It stipulated that the county shall create standards and procedures for testing by July 1, 2017. Prior to the distribution of such standards, the section requires a detailed plan for testing and outlines in subsections the required points of such a plan. These points include but are not limited to proof of accreditation, procedures for inventory control and non-diversionary tactics, and proof of lack of conflict of interest with cultivators. It additionally states that once the county releases the regulations, testing facilities will have 180</p> |

including but not limited to, herbicide and pesticide storage, usage and disposal, water sources and drainage, power sources, grow medium and soil importation, and scheduling of activities; all applicable permits that may be required from their respective agencies; proposed site security measure, and multiple other situational specific documentation.

Section 10A.17.110 – Performance Standards

This section deals primarily with the appropriate compliance with multiple governing agencies and regulations. It delineates further permitting and compliances required.

Section 10A.17.120 - Certifications

This section states that permittees who are in full compliance and good standing with the regulations outlined in the Chapter 10A ordinance will be issued “Certified Mendocino County Grown” certificates by the Agricultural Commissioner’s Office. Additionally, it provides for violations of breach of this certification.

Section 10A.17.130 – Third Party Inspectors

Provides for the employment of third party inspectors by the Agricultural Commissioner’s Office to assist in effecting compliance with Chapter 10A. It also delineates duties and responsibilities of the third party inspectors as well as establishing hiring criteria for the inspectors.

Section 10A.17.170 – Attorneys’ Fees

This section states that in any dispute commenced by the county in regards to the enforcement of Chapter 10A shall allow the prevailing party to collect attorney’s fees.

days to bring their operation into compliance with the released county rules.

Section. 6.22.120 - Medical Cannabis Distribution and Transportation.

Permits whose specific requirements are laid out in this section regulate distribution and transportation of cannabis within Mendocino County. The requirements for transportation and distribution permitting are to be drafted by the County no later than July 1, 2017. In the interim holders of these permits shall provide the County with manifests, plans to control inventory and non-diversionary actions, pest control, and extensive records. The records shall delineate amounts, varieties, arrival and departure times, matching records for receiving and the categorization of all products being transported by permittees.

Section. 6.22.130 - Permit Fees

“All commercial medical cannabis activity permit applications shall be accompanied by a three hundred dollar (\$300.00) deposit to the County Treasurer-Tax Collector, who will draw from the deposit as the application materials are reviewed, facilities are inspected, activities are monitored and regulations enforced regarding each individual business. If additional time or expense is necessary to administer a permit, the County Treasurer-Tax Collector has the authority to request and deposit additional funds, in three hundred dollar (\$300.00) increments, as needed. In the event that all deposited funds were not expended upon full completion of the permitting process, the County will refund to the applicant the balance of the deposit.”

Section. 6.22.140 - Cannabis Business Tax.

““Non-medical cannabis business" means any entity engaging in any of the activities described above that are not conducted pursuant to Health and Safety Code §§ 11362.5, 11362.7-11362.83, and/or Business and Professions Code § 19300 et seq., but are otherwise authorized by State law.

(A) Each "medical cannabis business" shall pay a business tax of 2.5% of gross receipts.

(B) Each "non-medical cannabis business" shall pay a business tax of 5% of gross receipts.”

Section. 6.22.160 – Establishment of a Mendocino County Cannabis Commission

The MHI also establishes an independent body to be known as the Mendocino County Cannabis Commission. This commission “may, among other responsibilities, initiative (*sic*) and oversee the development of an annual Economic Impact Report measuring the economic impact of cannabis regulation on the local economy.

SUPPLEMENTAL

This report is designed to be a supplement to the original document. The analysis herein is intended to compare the contents of the proposed ordinances to one another to further the familiarity with and understanding of both Chapter 10A and the MHI. It should be noted however that this is by no means an exhaustive analysis and that both proposals have extensive supporting documents and reference to outside code sections.

Furthermore, this report makes no attempt advise readers as to which proposal would serve its stated purpose with more efficacy. Full understanding of the matters outlined herein requires a complete reading of both Chapter 10A and the MHI as well as the proposed modifications the Mendocino County Zoning Code contained in Chapter 20.242 and Chapters 20.162, 20.514, 20.698.

APPENDIXES

Appendix A: Chapter 10A

Appendix B: The MHI

Appendix C: Chapter 20.242

Appendix D: CAGG

SOURCES

http://www.co.mendocino.ca.us/planning/pdf/AG_Ord-V.2_bos_adopted_8-2-16_draft_-_updated_as_of_8-17-2016.pdf

https://mendocinoheritageinitiative.files.wordpress.com/2016/03/an-initiative-of-the-people-of-the-county-of-mendo_032216_v7.pdf

<http://www.bmcr.ca.gov/>

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=HSC§ionNum=11362.775

https://oag.ca.gov/system/files/attachments/press_releases/n1601_medicalmarijuanaguidelines.pdf?