Hannah L. Nelson
Attorney at Law

31452 Airport Road, Fort Bragg, CA 95437

(707) 962-9091 - hannahnelson@hannahnelson.net

Mendocino County Board of Supervisors
501 Low Gap Rd.
Ukiah, CA 95482

March 01, 2022

Re: Agenda Item 4a BoS Meeting 3/2/22

Dear Supervisors,

I have previously written extensively on the subject of Fallowing. I appreciate the time that the Ad Hoc and staff have given to this issue and am thankful that Supervisor Haschack has brought this important and time-sensitive issue to the full Board.

I continue to receive calls from cultivators, almost daily, asking about fallowing. Currently, they are faced with a Sophie's Choice that is unnecessary. The specific modifications outlined by me in my prior materials, and attached here for your reference, are necessary to make a sensible fallowing program. It is simply not enough to state that cultivators can simply continue with their permit or application by not cultivating the plants outlined in their application or permit. The tax liability and burden to appeal, the cost of maintaining other requirements necessary under an "active" permit or application, are among some of the reasons why a fallowing program is needed as opposed to merely having people not cultivate canopy even though they have an active permit or authorization to do so. I believe it is possible that the state will enact a fallowing program. It would be a shame to have to play catch-up when we have the opportunity to show leadership and when I have already provided the specific components of a responsible local fallowing program.

The only tricky thing would be to figure out the challenge of the minimum tax and the ability to continue to sell product grown in the past. Cultivators can continue to file quarterly gross sales statements and tax for the product sold while being exempt from the minimum tax for the time they are not actually cultivating (or pegged down to a lower minimum if they will partially fallow).

I also support the MCA memo, which is clear and outlines the issues.

Thank you for your consideration,

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Mendocino County Board of Supervisors
501 Low Gap Rd.
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January 30, 2022

Re: Response to request for Information Concerning Fallowing Proposal

Dear Supervisors,

I have previously requested a fallowing program that is more feasible for cultivators than the current limited application stay and non-cultivation (for annual permit holders) provisions that currently exist in various sections of 10A.17. Fallowing is defined by Miriam Webster as "usually cultivated land that is allowed to lie idle during the growing season."[1]

Recently, I provided the Ad Hoc and the Chair of the Board with copies of my initial attempt at a redline of the applicable ordinance provisions. I have updated that redline slightly and for ease of comparison, included versions of the provisions as they currently exist in the ordinance and then the new redlined proposed provision, section by section, in an attached document.

I was asked numerous questions by the Ad Hoc in response to my proposal to update the ordinance to create a more usable fallowing program. This memo is in response to that request and lays out the general need for a fallowing program, reasons why the current provisions are insufficient and why I believe the proposed changes address the current needs of cultivators while protecting the public safety and ensuring accountability.

In response to a Supervisor's request, I have also attached a bullet point summary of the changes proposed so a lay-person can more easily understand the proposed changes.

Currently, the Notice of Application Stay, which halts processing of the application is the only mechanism for applicants to fallow. Likewise, Notice of Non-Cultivation is the only mechanism for annual permit holders to fallow. Both the processing of applications and processing of annual permit holders' CEQA materials should not stop just because an applicant or permit holder wants to fallow. The proposed fallowing program, as reflected in the redlined ordinance changes, uncouples the Notice of Stay and the Notice of Non-Cultivation and makes both applicable to both permit holders and applicants.

Currently, the limits on the current possible ways for cultivators to take a break are unreasonable. The reasons are limited, the number of times they may file for it are too restrictive, and the ability to continue with the processing of their applications or CEQA materials is forbidden. Additionally,

[1] https://www.merriam-webster.com/dictionary/fallow

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inventory that is already in the state track and trace system cannot be dried, stored or sold. Finally, there is no way for the cultivator to keep their genetics alive during any non-cultivation period.

We have come a long way since the provisions that attempted to address some of the issues related to application stay or non-cultivation were considered and put into the ordinance. Now, everyone is utilizing the state Track and Trace (METRC) program and no inventory goes unaccounted. Now, we have much less time for people to get through the annual permit and then the CEQA process, so the need to continue those processes even if someone is choosing or forced to fallow is heightened. Additionally, we have seen fire, drought, Covid, and the market crash all impact the cultivator's ability to cultivate in the amounts they had thought they would, or even at all for a period. The delays in the Equity Program money getting to qualified applicants has also impacted many cultivators' ability to continue to cultivate and/or continue to process the CEQA materials or applications for an annual permit.

Written Questions Submitted By Supervisor To Me:

Q: How long is a fallow period? Does it coincide with annual permits and licenses?
A: My suggestion is that there is NO defined period. Also, it should not be limited to annual permit holders. It must be applicable to applicants as well and there should be no standardized timetable, especially given the lack of standardized review or any regular annualized event for applicants (besides state requirements and annual taxes). The need to fallow can arise at any time of year for many kinds of reasons (personal illness, family matters, financial need, especially with unknown delays in grant funding or the need to prioritize other regulator expenses over costs of production, drought conditions, fire, etc.) and cannot be dependent on the unknown timing of MCP's schedule of processing requests. My suggestion is that IF the fallowing period coincides with an annual event such as an annual permit renewal or an annual tax period for applicants, that the fee, if any is greatly reduced for filings of either a Notice of Non-Cultivation or Notice of Stay (of processing either the CEQA materials for the annual permit holder if they have filed CEQA for county processing, or of Application, if they are still in application and have not received an annual permit) if it/they are filed in the place of the annual event (renewal or local tax year end reporting).

Q: What fees are reasonable to keep a fallow permit valid?
A: The only fees that can legally be charged are actual cost recovery, if any. In this instance, if an inspection is required, then the cost of an inspection at cost-reimbursement is reasonable. The actual filing of the forms (Notice of Application or CEQA Processing Stay or Notice of Non-Cultivation) merely need to be filed in the county system and if a non-cultivation notice is filed, the inspection required, if any applies and if a stay of processing an application or CEQA materials is filed, there is no real cost to no longer conduct that work of processing by Staff. Any filing of removal of the Stay or Non-Cultivation would simply trigger the continuation of all fees applicable as if the Stay or Non-Cultivation did not occur.

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Q: How do you account for cannabis on hand being processed to avoid unauthorized sales of material being "brokered" from another growers supply?
A: All those filing Notice of Non-Cultivation would register all genetics they want to keep alive, and all inventory is ALREADY specifically logged into the state's Track and Trace (METRC) and will be tacked continually as it moves through the supply chain. No additions to new inventory can be made without the system showing it and all non-growing product on-hand would be tracked as it is dried, stored, and sold or destroyed. There is no way to "broker" unauthorized sales. Sales of all inventories EXCEPT registered genetics that the cultivator is requesting to keep alive and on hand for when they re-enter cultivation, would be allowed since it has already been grown and is already specifically tracked in the state system. No plants or seeds that the cultivator wishes to register as genetics to keep alive and on-hand for when they reenter cultivation would be allowed to be sold and Track & Trace would easily confirm that inventory as it was at the time of registration.

Q: What do you consider a maximum period for fallowing a cannabis production site?
A: There should be no limits. State licensing requirements will motivate people to finish the application process and CEQA and therefore potentially limit the time for any Stay of Application or CEQA processing. Specifically, the end of the provisional licensing scheme will motivate cultivators to not Stay those processes too long so they can get through the entire process before the deadline in state law or they will simply have to start the entire application process and conduct CEQA before they can cultivate again (because of state law, not our local program). Fallowing should be in response to the environmental conditions and the individual cultivator's financial, physical, and logistical needs and their mental health. There is no reason to put a time limit on it. If we were to say a maximum of two years, but then after two years there is still or another severe draught, wouldn't we want to encourage the continued fallowing? If we were to say a maximum of two years, but then the costs of compliance (such as CDFW LSA projects) or of production have continued to skyrocket without market expansion, wouldn't we want cultivators to not start up until they had the capabilities and resources to do it properly to better ensure proper compliance with all regulations and requirements? Cannabis cultivation permit applications are not continuously allowed as they are for other businesses or land use projects. There is no current way to apply for any new permit. Because of that, current permit holders and applicants MUST be able to keep their application or permit in good standing even if they fallow. **Otherwise, those businesses are gone forever**.

Q: How about the maximum amount of "genetics" mother plants? Even though there is a prohibition of their use, it is reasonable to harvest some for sensory analysis or other testing? I could see things getting out of hand in the process if there are numerous plants.
A: I believe I suggested an amount that is "reasonably necessary" to keep the cultivator's genetics alive. It may be sensible to come up with a quantity for each permit size so there is no confusion over what is "reasonable" but it is imperative that farmers are queried on this before a specific number is adopted. I will ask MCA to ask its members and welcome other farmers to weigh in. It is also imperative that seeds and mother plants that are ALREADY IN INVENTORY and Tracked through

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METRC are not unnecessarily destroyed. Not all seeds later germinate and not all mother plants survive. There must be sufficient numbers allowed to ensure the promise of genetic retention is not mythical.

Q: How does this interface with state licenses? Do they have existing standards for fallowing a cannabis production site?

A: First, the state licensing system does not require one to continue to grow mature plants (canopy). One may keep a state license if they only have already processed inventory—in fact, they MUST still possess a state license in that instance or in the instance of any inventory (such as seeds, immature plants/mothers). The recent state license fee waiver program, which many Mendocino County cultivators are eligible for, makes it financially feasible, for the moment, to keep the state license active even if there is no further production. Finally, Origins Council, for whom I am an advisor, has been engaged with the Department of Cannabis Control regarding promulgation of a state fallowing program in the regular rulemaking process it is currently working on. That rulemaking process is projected to begin formally sometime this Spring. In the meantime, as stated above, state license holders may utilize few waivers to sustain their state licenses even if they cease production.

Q: Are there obligations to clean up the site such as removing plastic from hoop houses, any peripheral garbage to avoid an abandoned look? (Orchard and vineyard operators are obliged to keep pests abated if they are not actively farming their properties as an example).

A: It would be reasonable to impose the pest abatement provision in parity with other agricultural production businesses. Removal of plastic from hoop houses is not wise to include since the length of time of the fallowing is unknown and that is simply a business decision regarding preservation of infrastructure that should be made by the business. Nuisance and Abatement provisions of County Codes that already exist apply to all properties, so it is unnecessary to apply special provisions to a cannabis fallowing program to prevent an unsightly “abandoned look.”

Conclusion

It is time to make a useful fallowing program. Despite my prior requests to do so, no effort was expended by the County to address the situation. Therefore, I have donated many hours of time preparing redline version of ordinance changes and this memo, which not only seeks to better inform the Board about the need, but also addresses the specific questions posed to me by a Supervisor, and the attached bullet point Summary of Proposed 10A17 Changes For Fallowing Program.

The following are attached to this memo: Attachment 1: Summary of Proposed Changes To 10A.17 For Fallowing Program .01.30.22; Attachment 2: Existing & Redline Edits HN .01.30.22; Attachment 3: Notice of Application Stay Form Edits. Please note that there is a form for Non-Cultivation but it is not available on the County Website so it was not redlined.

Respectfully submitted, Hannah L. Nelson

Attachment 1

Summary of Proposed 10A.17 Changes To Create a More Effective Fallowing Program

- Distinguish between Non-Cultivation, which is currently only available to annual permit holders and Stay of either Application (for those that do not yet have an annual permit) or CEQA processing (for those that do have an annual permit and want to continue that process even as they fallow temporarily).
- Allow any cultivator to file a Non-Cultivation Notice under the terms outlined.
- Allow Annual Permit holders to fallow and still continue with their CEQA review by the County so they don't lose their place in line unless they file a Stay of that process and request that processing be halted.
- Allow Applicants to file a Non-Cultivation Notice under the terms outlined.
- Allow Applicants to fallow and still continue with their application processing so that they do not lose their place in line unless they file a Stay of Application.
- Remove the limitation of only allowing fallowing one in every five years.
- Remove the limitation that fallowing can only happen at time of renewal (for annual permit holders) or must be a halt of application processing (for applicants). Instead allow it at ANY time during the permit OR application period.
- Create a provision where anyone seeking to STAY either the processing of CEQA certification (annual permit holders) or and Application (applicants), will have to resubmit those materials when the Stay is lifted, but that cultivators that file Notice of Non-Cultivation who want their CEQA materials to continue to be processed (permit holders) or Applications to be processed (applicants), do not have to resubmit all materials when they begin to cultivate again UNLESS they are not going to be cultivating substantially in accordance with the materials they had submitted prior to the Notice of Non-Cultivation.
- Create a mechanism for cultivators who file a Notice of Non-Cultivation to keep genetics alive if they register the specific genetics, which are already in the Track and Trace system with the state, and which cannot be sold during the fallowing (non-cultivation_ period, and then only in accordance with all state laws after the fallowing has lifted.
- Remove the restriction that drying, harvest storage, sales through the state track and trace system, and maintenance of genetics are not allowed if fallowing by attaching a specific definition of "cultivation" for purposes of the fallowing provisions. Currently, a Notice of Non-Cultivation or Notice of Application Stay use the general definition of cultivation from the ordinance that includes those activities. So long as no new plants are being cultivated, all existing inventory (as reported in Track and Trace and has and is always subject to inspection) should be allowed to be dried, stored, sold, and genetics maintained under the strict provisions of the proposed program.
- Allow fallowing (Notice of Non-Cultivation) for ANY purpose, allow applicant that receives notice of denial to file BOTH Notice of Non-Cultivation AND Notice of Application Stay to prevent denial. Having both Notices available independently, will allow for the applicant who may need to correct something in order to change from a denial to an approval of their permit application, but they may have to continue to fallow at that point (as a logistical matter). They should be able to continue to fallow but

have their application get back in the queue for processing after the correction if they do not want to stay the Application further.

Attachment 2

10A.17.080 (B) Existing Provision for Annual Permit Holders

(6) If a Permit is granted pursuant to this paragraph (B), any future revocation or lapse in renewal of such Permit shall extinguish the ability of any person to obtain a Permit for such cultivation site, unless otherwise allowed by this Chapter 10A.17; provided, however, that not more than once in a five (5) year period, a Permittee may file with the Department of Agriculture, on a form prescribed by the Department, a Notice of Non-Cultivation instead of an application to renew the Permit, and the Permittee's ability to obtain a Permit for such cultivation site will not be extinguished.

PROPOSED 10A.17.080 (B)

(6)

(a) If a Permit is granted pursuant to this paragraph (B), any future revocation or lapse in renewal of such Permit shall extinguish the ability of any person to obtain a Permit for such cultivation site, unless otherwise allowed by this Chapter 10A.17; provided, however, ~~that not more than once in a five (5) year period~~, a Permittee may file with the Mendocino Cannabis Program ~~Department of Agriculture~~, on a form prescribed by the Department, a Notice of Non-Cultivation instead of an application to renew the Permit~~,~~ or may file a Notice of Non-Cultivation at any time during the permit term, under the conditions and terms of this provision and the Permittee's ability to obtain a Permit for such cultivation site will not be extinguished.

(b) MCP shall continue to process the CEQA certification (Appendix G), if and when submitted by the permit holder, and the permit holder shall continue to be responsive to information requests and pay the necessary processing fees unless the permit holder requests a stay of the CEQA certification process, in which case, the permit holder shall resubmit all CEQA materials when the removal of the stay of CEQA processing is requested. Any request for stay in CEQA processing shall result in the permit holder losing its place in the MCP workload regardless of whether CEQA materials had previously been submitted to MCP for certification. Any permit holder not requesting a stay of CEQA processing that files a Notice of Non-Cultivation shall not lose their place in the line of MCP workload by virtue of filing the Notice of Non-cultivation.

(c) For purposes of any stay granted under this provision, the Permit holder may not grow any cannabis plants other than that pursuant to the exemptions provided in 10A.17.030 for personal medical or adult use, or that which is reasonably necessary to keep the Permit holder's genetics alive. Any genetics continued to be possessed in the form of seeds, or continued to be maintained as live plants, must be specifically registered and the Permit holder must continue to meet the requirements of the state track and trace program with respect to those plants and genetic material. Any mother plants kept alive for purposes of maintaining the genetics by the Permit holder may never be sold or utilized in any manner during the stay period.

(d) For purposes of this section, and for purposes of qualifying for the stay and for the duration of any stay period, the definition of "non-cultivation" shall exclude the drying, secure harvest storage, processing, and sales of cannabis already in inventory of the Permit holder and the

continued possession of that inventory through its sale and further excludes the possession and maintenance of genetics pursuant to subsection (c).

10A.17.090 Existing Provision For Applicants (middle paragraph; see also section 10A.100(D) for existing Permit Denial in relation to Stay)

Any person or entity that wishes to engage in the cultivation of cannabis shall submit an application for a Permit to the Agricultural Commissioner's Office. Applications for Permits shall be made upon such forms and accompanied by such plans and documents as may be prescribed by the Agricultural Commissioner's Office. The application shall be reviewed by the Agricultural Commissioner's office and other agencies as described herein and renewed annually. Any referral to or consultation with an agency other than the County of Mendocino shall state that a response must be returned within thirty (30) days of the date of the referral.

Following the submission of an application for a Phase One Permit, an applicant may file with the Agricultural Commissioner's Office, on a form prescribed by the Agricultural Commissioner's Office, a Notice of Application Stay for the purpose of preventing the denial of an application for a Phase One Permit based on inactivity by the applicant for up to a one-year period. An applicant may only file a Notice of Application Stay one time. Nothing in this paragraph is intended to prevent the County or the applicant the ability to continue processing or perfecting the application. During the time period of this Application Stay, the applicant shall be prohibited from cultivating cannabis in excess of the limitations of paragraph (B) or (C) of section 10A.17.030 and shall allow the County to make and shall pay the reasonable costs for an inspection of the applicant's cultivation site (and origin site if the application involves a relocation) to confirm compliance with this paragraph; violation of this prohibition shall be a violation of County Code, subject to administrative penalties, and shall be cause for immediate denial of the permit application. Any denial of an application may be followed by nuisance abatement procedures. During the time period of the Application Stay, the applicant shall remain subject to all code enforcement provisions as identified in section 10A.17.100.

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 Permit shall be approved without clearance or final permit approval as required by Chapter 20.242.

PROPOSED 10A.17.090

Any person or entity that wishes to engage in the cultivation of cannabis shall submit an application for a Permit to the Agricultural Commissioner's Office. Applications for Permits shall be made upon such forms and accompanied by such plans and documents as may be prescribed by the Agricultural Commissioner's Office. The application shall be reviewed by the Agricultural Commissioner's office and other agencies as described herein and renewed annually. Any referral to or consultation with an agency other than the County of Mendocino shall state that a response must be returned within thirty (30) days of the date of the referral.

(a) Following the submission of an application for a Phase One Permit, an applicant may file with the Agricultural Commissioner's Office, on a form prescribed by the Agricultural Commissioner's Office, a Notice of ~~Application Stay~~ Non-Cultivation for ~~the~~ any purpose, ~~of~~ including preventing the denial of an application for a Phase One Permit based on inactivity by the applicant ~~for up to a one-year period. An applicant may only file a Notice of Application Stay one time.~~ Nothing in this paragraph is intended to prevent the County or the applicant the ability to continue processing or perfecting the application. During the time period of this Non-Cultivation~~Application Stay~~, the applicant shall be prohibited from cultivating cannabis in excess of the limitations of paragraph (B) or (C) of section 10A.17.030 and shall allow the County to make and shall pay the reasonable costs for an inspection of the applicant's cultivation site (and origin site if the application involves a relocation) to confirm compliance with this paragraph; violation of this prohibition shall be a violation of County Code, subject to administrative penalties, and shall be cause for immediate denial of the permit application. Any denial of an application may be followed by nuisance abatement procedures. During the time period of the Application Stay, the applicant shall remain subject to all code enforcement provisions as identified in section 10A.17.100.

(b) In the event of the filing of a Notice of Non-Cultivation, MCP shall continue to process the application, and the applicant shall continue to be responsive to information requests, unless the applicant also asks to stay the processing of the application by filing a Notice of Application Stay, in which case, the applicant shall resubmit all application materials when requesting the removal of any application stay and the application will lose its place in line and revert to the next available slot in MCP's workload. If only the Notice of Non-Cultivation is filed, when the removal of the Non-Cultivation status is requested, the applicant shall only cultivate pursuant to substantially the same details disclosed in the application at the time of the Notice of Non-Cultivation the applicant shall be required to fully resubmit the application. If a Stay of Application is also filed, the removal of a Stay of Application must be requested in writing and shall require resubmission of all materials.

(c) For purposes of any stay granted under this provision, the applicant may not grow any cannabis plants other than that pursuant to the exemptions provided in 10A.17.030 for personal medical or adult use, or that which is reasonably necessary to keep the Permit holder's genetics alive. Any genetics continued to be possessed in the form of seeds, or continued to be maintained as live plants, must be specifically registered and the applicant must continue to meet the requirements of the state track and trace program with respect to those plants and genetic material. Any mother plants kept alive for purposes of maintaining the genetics by the Permit holder may never be sold or utilized in any manner during the non-cultivation or stay period.

(d) For purposes of this section, and for purposes of qualifying for the stay and for the duration of any non-cultivation or stay period, the definition of "non-cultivation" shall exclude the drying, secure harvest storage, processing, and sales of cannabis already in inventory of the Permit holder and the continued possession of that inventory through its

sale and further excludes the possession and maintenance of genetics pursuant to subsection (c).

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 Permit shall be approved without clearance or final permit approval as required by Chapter 20.242.

10A.17.100 (D) (See (D)(2) denial with respect to Stay existing - separate discussion for Denial appeal rights)

(D) Permit Application Denial.

(1) The Agricultural Commissioner's Office may, at any time during the application process, deny an application based on the failure to meet the requirements of this Chapter 10A.17, including, but not limited to, the following:

(a) Incomplete application.

(b) Failure to provide additional information or documentation within the timeframe prescribed by the Agricultural Commissioner's Office.

(c) Cultivation of cannabis on a legal parcel (beyond what is exempt from a permit requirement pursuant to County Code section 10A.17.030) during an application stay pursuant to County Code section 10A.17.090.

(d) Cultivation of cannabis in illegal and/or non-compliant structures.

(e) Cultivation of cannabis, or activities related to preparing a cultivation site, that are non-compliant with the requirements of this Chapter 10A.17 or not consistent with the application as submitted, whether such issues are discovered during a pre-permit site inspection or other inspection of the property.

(2) If the applicant does not meet the requirements to obtain a permit and a permit with a compliance plan is not viable, the Agricultural Commissioner's Office shall deny the permit application unless:

(a) the applicant immediately files for a Notice of Application Stay pursuant to County Code section 10A.17.090 and corrects the conditions of the property in a manner that would allow for permit issuance no later than the expiration of the Application Stay; or

(b) the applicant immediate amends the application in a manner that allows for permit issuance.

(3) A permit may be denied based on confirmation that the applicant provided false or misleading information to the County, or any other agency if such communication was made as part of the process in securing a permit under this Chapter 10A.17.

(4) A permit may be denied if the applicant or any agent or employee of the applicant has engaged in or is engaging in activities related to the cultivation of cannabis that endangers the health or safety of people or property.

(5) This paragraph (D) in no way limits the authority of the Agricultural Commissioner's Office to deny an application as inherently or explicitly provided by this Chapter 10A.17.

PROPOSED 10A.17.100 (D)

(D) Permit Application Denial.

(1) The Agricultural Commissioner's Office may, at any time during the application process, deny an application based on the failure to meet the requirements of this Chapter 10A.17, including, but not limited to, the following:

(a) Incomplete application.

(b) Failure to provide additional information or documentation within the timeframe prescribed by the Agricultural Commissioner's Office.

(c) Cultivation of cannabis on a legal parcel (beyond what is exempt from a permit requirement pursuant to County Code section 10A.17.030) during an application stay pursuant to County Code section 10A.17.090.

(d) Cultivation of cannabis in illegal and/or non-compliant structures.

(e) Cultivation of cannabis, or activities related to preparing a cultivation site, that are non-compliant with the requirements of this Chapter 10A.17 or not consistent with the application as submitted, whether such issues are discovered during a pre-permit site inspection or other inspection of the property.

(2) If the applicant does not meet the requirements to obtain a permit and a permit with a compliance plan is not viable, the Agricultural Commissioner's Office shall deny the permit application unless:

(a) the applicant immediately files for a Notice of Application Stay and Notice of Non-Cultivation pursuant to County Code section 10A.17.090 and corrects the conditions of the property in a manner that would allow for permit issuance no later than the expiration of the Application Stay; or

(b) the applicant immediate amends the application in a manner that allows for permit issuance.

(c) In the event of the filing of a Notice of Non-Cultivation and Application Stay, MCP shall continue to process the application, and the applicant shall continue to be responsive to information requests, unless the applicant asks to stay the processing of the application, in which case, the applicant shall resubmit all application materials when requesting the removal of the stay and the application will revert to the next available slot in MCP's workload. If the application is processed during the stay, when the stay and non-cultivation is

lifted, the applicant shall only cultivate pursuant to substantially the same details disclosed in the application at the time of the stay and or the applicant shall be required to fully resubmit the application.

(d) For purposes of any stay granted under this provision, the applicant may not grow any cannabis plants other than that pursuant to the exemptions provided in 10A.17.030 for personal medical or adult use, or that which is reasonably necessary to keep the Permit holder's genetics alive. Any genetics continued to be possessed in the form of seeds, or continued to be maintained as live plants, must be specifically registered and the applicant must continue to meet the requirements of the state track and trace program with respect to those plants and genetic material. Any mother plants kept alive for purposes of maintaining the genetics by the Permit holder may never be sold or utilized in any manner during the stay period.

(e) For purposes of this section, and for purposes of qualifying for the stay and for the duration of any stay period, the definition of "non-cultivation" shall exclude the drying, secure harvest storage, processing, and sales of cannabis already in inventory of the Permit holder and the continued possession of that inventory through its sale and further excludes the possession and maintenance of genetics pursuant to subsection (d).

(3) A permit may be denied based on confirmation that the applicant provided false or misleading information to the County, or any other agency if such communication was made as part of the process in securing a permit under this Chapter 10A.17.

(4) A permit may be denied if the applicant or any agent or employee of the applicant has engaged in or is engaging in activities related to the cultivation of cannabis that endangers the health or safety of people or property.

(5) This paragraph (D) in no way limits the authority of the Agricultural Commissioner's Office to deny an application as inherently or explicitly provided by this Chapter 10A.17.