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COUNTY OF I UNLIMITED JU	HUMBOLDT
JOHN LEE CASALI, STEVE LUU, KAREN HESSLER, DYLAN MATTOLE, PATRICK WILLIAM ANDREWS, HANNAH WHYTE, INDICUS MCGRATH RIGGS and the HUMBOLDT COUNTY GROWERS ALLIANCE, Petitioners/Plaintiffs, V. JUAN P. CERVANTES, in his official capacity as Humboldt County Registrar of Voters; and DOES 1 through 10, inclusive, Respondents/Defendants, MARK THURMOND; and ELIZABETH WATSON, Real Parties in Interest	Case No.: CV2301608 PETITIONERS/PLAINTIFFS' MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF WRI OF MANDATE AND INJUNCTIVE AN DECLARATORY RELIEF. (Filed contemporaneously with Declaration Nicholas L. Sanders and Exhibits.) Date: Tuesday, November 28, 2023 (<i>Specially Set</i>) Time: 10:30 a.m. Dept: 4 Complaint filed: October 11, 2023
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INTRODUCTION "I think there are a couple of growers who wish they hadn't signed it SF Gate; October 12, 2023.) know, the answer is clearly "no." First, the Initiative violates the California Elections Code's "full text doctrine" by failing to provide voters with sufficient information to intelligently evaluate the Initiative's legal effect, including its effect on current law, within the four corners of the Petition. Below, Petitioners discuss eight examples of such violations, including several examples in which the Initiative directly amends County Code without any citation or reference whatsoever. Any one of these examples is sufficient to render the Petition invalid and remove the Initiative from the March 5, 2024 ballot.

For example, the Initiative amends the County's current definitions of "mixed light" and "outdoor" cultivation by now defining as "mixed-light" cultivation any outdoor cultivation which uses light deprivation. While this definitional change in the Initiative may seem relatively straightforward, it has significant effects on other County laws - most notably, that mixed-light cultivation is taxed at twice the rate as outdoor cultivation. Given that a majority of cannabis cultivators in the Count use light deprivation, the Initiative will result in a majority of cultivators

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[the Initiative Petition],' [Real Party in Interest Elizabeth] Watson said." (Black, Lester; "Humboldt cannabis farmers sue to block 'Karen initiative' from ballot";

This case involves a simple question: did the Measure A petition provide voters with enough true information for those voters to understand what that initiative actually does? As Real Parties

Petitioners/Plaintiffs JOHN LEE CASALI, STEVE LUU, KAREN HESSLER, DYLAN MATTOLE, PATRICK WILLIAM ANDREWS, HANNAH WHYTE, INDICUS MCGRATH RIGGS and the HUMBOLDT COUNTY GROWERS ALLIANCE ("Petitioners") seek a writ of mandate and injunctive and declaratory relief directing Respondent/Defendant JUAN P. CERVANTES, in his official capacity as Humboldt County Registrar of Voters (the "Registrar"), to remove an unlawfully qualified ballot measure from the March 5, 2024 Humboldt County ballot. The ballot measure, designated as "Measure A," and which qualified based on an unlawful petition and therefore should not be presented to the voters, is the "Humboldt Cannabis Reform Initiative" (the "Initiative"). The Initiative, whose official proponents are Real Parties in Interest MARK THURMOND and ELIZABETH WATSON ("Real Parties"), is fatally flawed for two reasons.

having their tax levy doubled. Despite this fact, neither the Initiative nor the Petition contain any reference to any tax provisions in the County Code, and both fail to even mention the word "tax."

Through exclusions such as this one in the Petition, Real Parties are attempting to implement changes in County law without enumerating the Initiative's material legal changes to voters, and have created confusion regarding the effect of the Initiative on Humboldt County Law. In other words, Real Parties materially deprived voters of the opportunity to intelligently evaluate the Petition they were asked to sign. As Real Parties have noted, this causes remorse in voters who only later find out what the Initiative will do. The Petition therefore violates the Elections Code and applicable case law, and, as discussed herein, should not appear on the ballot.

Second, the Petition contained objectively inaccurate information and calculated untruths that substantially misled and misinformed reasonable voters into believing that the Initiative affects only "large-scale" cannabis cultivation, in violation of the Elections Code and applicable case law as discussed below. Because the Initiative actually affects all cannabis cultivators – with the lion's share of the burden falling on small cultivators – the Initiative should not appear on the ballot.

Accordingly, Petitioners seek judicial relief by way of: (1) a writ of mandate compelling the Registrar to refrain from taking any action that would cause the Initiative to appear on the March 5, 2024 ballot; (2) injunctive relief preventing the Registrar from taking any action that would cause the Initiative to appear on the ballot; (3) a judicial declaration that the Initiative is legally invalid and shall not appear on the ballot; and (4) such other and further relief as the Court deems just and proper.

FACTUAL BACKGROUND The Initiative and the Petition

On or about March 4, 2022, Real Parties submitted the Initiative to the Registrar. A true and correct copy of the Initiative is attached to the Declaration of Nicholas L. Sanders ("Sanders Declaration" or "Sanders Dec.") as Exhibit 1 and incorporated herein by this reference. Between March 2022 and September 2022, Real Parties created, and caused to be circulated, the Petition, which included their "Notice of Intent to Circulate Petition." A true and correct copy of the Petition is attached to the Sanders Declaration as Exhibit 2 and incorporated herein by this reference.

On or about September 12, 2022, Real Parties, after having caused the Petition to be circulated coming the County's voters, submitted the signed Petition to the Registrar.

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On or about October 11, 2022, the Registrar certified the number of signatures on the Petition as sufficient to qualify the Initiative for the March 5, 2024 Humboldt County ballot.

On or about October 25, 2022, the County Board of Supervisors fulfilled its ministerial duty by voting to place the Initiative on the March 5, 2024 ballot.

On or about June 27, 2023, the Humboldt County Planning Department prepared for the Board of Supervisors an "Amended Analysis and Recommendations" (the "Analysis") report discussing the extensive and unpredicted legal effect of the Initiative on Humboldt County law. A true and correct copy of the Analysis is attached to the Sanders Declaration as Exhibit 3, and incorporated herein by this reference.

The Initiative's Framework

The Initiative proposes changes to Humboldt County laws mostly through amendment to the County's General Plan. It includes 12 pages of new goals, policies, standards and implementation measures related to cannabis cultivation. These legal changes include, among other things: new definitions for numerous terms used in Humboldt County Code, a cap on permits for cannabis cultivation, limits on the types and methods of cultivation, and limits on permit renewal terms and conditions. Many of these provisions directly conflict with current County law.

Importantly, the Initiative makes abundantly clear that its General Plan amendments apply beyond the four corners of its legal language. For example, section 4.9.3 of the Initiative's General Plan amendments require that the "Definitions below shall control over any definitions of the same or similar terms contained elsewhere in the Humboldt County Code." (Sanders Dec., Exh. 1, page 7 [emphasis added].) Section CC-IM2 of the Initiative's General Plan amendments states "The goals, policies, standards, and implementation measures set forth in Section 4.9 of the General Plan shall control over any conflicting provisions of the Humboldt County Code or Zoning Regulations." (Sanders Dec., Exh. 1, page 15 [emphasis added].) Section 7 ("Implementation") of the Initiative states "any provisions of the Humboldt County Code, Zoning Regulations, or any other County of Humboldt ordinance or resolution that are inconsistent with the General Plan amendments adopted by this Initiative shall not be applied or enforced in a manner inconsistent with this Initiative." (Sanders Dec., Exh. 1, page 30 [emphasis added].) In other words, the Initiative's legal changes control over any and all other County law, and any existing County law which does not conform to the Initiative's amendments cannot be applied or enforced.

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Real Parties evidently understood that the Initiative would affect the County Code, because it includes some revisions to County Code and amendments to the County's Local Coastal Plans which conform these laws to the Initiative's General Plan amendments, and attached one Board of Supervisors Resolution to the documents. These redlined amendments to the County Code, as well as the inclusion of the Resolution, all conform to some degree to the Initiative's General Plan amendments, although, as discussed in detail below, they do not come close to capturing the true legal effect of the Initiative's General Plan amendments on County Code, and in at least two cases create additional confusion regarding the Initiative's legal effect.

The First Comprehensive Cannabis Land Use Ordinance

In early 2016, several months before California formally legalized recreational cannabis, Humboldt County established a comprehensive regulatory scheme for cannabis cultivation by implementing the "First Comprehensive Cannabis Land Use Ordinance." A true and correct copy of this ordinance is attached to the Sanders Declaration as Exhibit 4, and is incorporated herein by this reference.

The Second Comprehensive Cannabis Land Use Ordinances

In 2018, Humboldt County adopted two new comprehensive regulatory ordinances amending the First Comprehensive Cannabis Land Use Ordinance. These new ordinances control any permits issued, or any permits deemed "modified," after their effective date. In other words, older permits are controlled by the First Comprehensive Cannabis Land Use Ordinance, and newer or modified permits are controlled by the Second Comprehensive Cannabis Land Use Ordinances. True and correct copies of these ordinances are attached to the Sanders Declaration as Exhibit 5, and are incorporated herein by this reference.

The Small Cultivator Ordinance

In 2020, Humboldt County adopted additional laws regulating small cultivators, many of which provide reduced regulatory burden on small cultivators. A true and correct copy of this ordinance is attached to the Sanders Declaration as Exhibit 6, and is incorporated herein by this reference.

Measure S (Cannabis Tax Ordinance)

In 2016, a ballot Measure, known as "Measure S," established, among other things, the comprehensive taxation scheme for cannabis cultivation in Humboldt County. A true and correct

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copy of this ordinance is attached to the Sanders Declaration as Exhibit 7, and is incorporated herein
 by this reference.

LEGAL DISCUSSION

1. <u>Real Parties' Petition Violated the Full Text Requirement by Failing to Include</u> Reference to, or Notice of, Amendments in Existing County Law.

The Full Text Requirement's Legal Framework.

Elections Code section 9101 sets forth the "full text requirement" imposed on all initiative petitions which are circulated among County voters to qualify an initiative for the ballot. Section 9101 states, in relevant part, that "[a]ny proposed ordinance may be submitted to the board of supervisors by filing an initiative petition with the county elections official . . . [and that e]ach petition shall . . . contain a full and correct copy of the notice of intention and accompanying statement including the full text of the proposed ordinance."

Courts – in a line of cases stretching back nearly a century – have regularly held that the full text requirement requires more than a mere presentation of the proposed legal language which will be implemented by an initiative or referendum, and instead represents an affirmative duty owed to potential signers of the initiative to provide a sufficient amount of information and notice to those voters to allow them to understand the legal changes being proposed, without causing confusion. (See Boyd v. Jordan (1934) 1 Cal.2d 468, 475; Myers v. Stringham (1925) 195 Cal. 672, 675-676.) Courts have repeated that "[t]he purpose of the full text requirement is to provide sufficient information so that registered voters can intelligently evaluate whether to sign the initiative petition and to avoid confusion." (Mervyn's v. Reves (1999) 69 Cal.App.4th 93, 99.) The Mervyn's Court also set forth a requirement that "persons evaluating whether to sign the petition be advised which laws are being challenged and which will remain the same." (Id. at 104.) In Wilson v. Napa (2017) 9 Cal.App.5th 178, the First District held that a petition should be removed from the ballot due to invalidity under the full text requirement, because, among other reasons, the proposed initiative made changes to the law which were not included on the face of the petition, and potential signers therefore "would be required to do extraneous research" in order to properly understand the legal effect of a proposed initiative. (Id. at 185.) And in Creighton v. Reviczky (1985) 171 Cal.App.3d 1225, the Court describes the legal effect of violating the full text requirement when it ruled that a petition regarding the adoption of a specific plan, and which did not include the text of the affected ordinance, "failed to provide the electors with the information which they needed in order to exercise

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intelligently their rights," and therefore was invalid. In each of these cases, the measure was removed from the ballot as invalidly qualified under the full text requirement. (*Id.* at 1232.)

From these cases, we can decipher the general rule that an initiative petition must provide *sufficient information* for potential signers to *intelligently evaluate* the legal effect of an initiative, including the *specific ways* that the initiative will interact with existing law, all within the *four corners* of the initiative petition. And if a voter cannot evaluate the initiative's legal effect from the face of the petition, then the voter cannot intelligently exercise his or her rights, and his or her signature cannot be a valid expression of the voter's will.

Here, and as explained in detail below, the Initiative amends numerous sections of the County Code. Real Parties had various ways to provide information about these amendments to voters through the language of the Initiative or in the Petition. Real Parties could have included redlined County Code amendments within the Initiative language, they could have cited and described the ordinances in the Initiative or Petition, or they could have simply attached any relevant ordinances to the Petition. If the Real Parties engaged in any of those activities, then voters would be able to look at the face of the Petition and decipher the legal effect of the Initiative. They did not.

Instead, Real Parties engaged in three types of violations of the full text requirement: (1) they amended provisions of the County Code *without any notice* whatsoever of the amendments; (2) they amended provisions of the County Code and provided amendments to the County Code in a manner which provided *insufficient notice* of the amendments and *caused confusion*; and (3) they amended provisions of the County code and provided attachments of County law in a manner which provided *insufficient notice* and *caused confusion*.

This Court can look at any individual example below as sufficient to render the Petition invalid – it need not delve deeply into the specifics of the complicated land use matters implied, but instead simply needs to look at the current law, determine that the Initiative amends that law, and then determine that the Petition failed to include sufficient information for potential signers to intelligently evaluate the legal effect of the Initiative within the four corners of the Petition. The sum of the numerous violations only adds to a level of egregiousness, and is not necessary to demonstrate that the Petition violated the full text requirement. Any violation in the examples below is sufficient.

In the end, an initiative which fails to comply with the full text requirement cannot validly qualify for the ballot, and courts regularly remove violative initiatives from the ballot in pre-election challenges. (See also *Nelson v. Carlson* (1993) 17 Cal.App.4th 732, 738-740 [referendum petition

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properly rejected by city because copy of general plan and local coastal plan amendments not

attached]; Defend Bayview/Hunters Point Committee v. City and County of San Francisco (2008) 167

Cal. App. 4th 846, 856-858 [City Attorney properly deemed referendum petition invalid because petition failed to include redevelopment plan]; *Billig v. Voges (1990) 223 Cal.App.3d 962* [City properly refused to accept signatures gathered on referendum petition because petition did not include ordinance language or all referenced exhibits].)

Actions such as this instant case are common, and a judicial resolution which removes an initiative from the ballot because its petition failed to satisfy the full text requirement is fully justified. As the California Supreme Court has noted, "the type of defect that most often has been found fatal is the failure of an initiative or referendum petition to comply with the statutory requirements of setting forth in sufficient detail the text of the proposed initiative measure . . . so that registered voters can intelligently evaluate whether to sign the initiative petition and to avoid confusion." (*Costa v. Superior Court* (2006) 37 Cal.App.4th 986, 1016, fn. 2 [cleaned up].)

Here, given the numerous violations of the full text requirement, it is clear that voters could not have validly expressed their will, and that the Petition must be deemed invalid. The common and proper judicial intervention in such cases is to remove the Initiative from the March 5, 2024 ballot.

B. The Petition Failed to Provide Any Notice of Significant Amendments to County Law Made By the Initiative.

1.The Petition Provides No Notice That It Doubles the Tax Rate Levied on the
Majority of Humboldt Cannabis Cultivators.

Under current County law, "mixed-light" cultivation is taxed at twice the rate of "outdoor" cultivation, and outdoor cultivation includes the use of "light deprivation"¹ without employing any artificial light. (Humboldt County Code section 719-3(f) ["outdoor" shall mean outdoor cultivation of marijuana which does not involve the use of artificial light of any kind."]; Humboldt County Code section 719-4 ["each person issued a commercial marijuana cultivation permit shall pay an annual tax

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Light deprivation permitted under the current definition of "outdoor" cultivation includes an
extremely common temporary structure – often an open-ended dome made from wood and plastic of
various opacity – to strategically block natural sunlight, without any additional artificial light. This
structure placed over a cultivation area, and permits cultivators to shorten the cannabis life cycle.
This shortening permits cultivators to have multiple harvests and/or plan different harvests
throughout the year. A minority of light deprivation includes the use of artificial lights within the
light deprivation structure, which under both current County law, state law, and the Initiative would

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⁸ light deprivation structure, which under both current County law, state law and the Initiative would qualify as "mixed-light cultivation."

of one dollar (\$1.00) per square foot of outdoor cultivation area, two dollars (\$2.00) per square foot of mixed-light cultivation area"].) Light deprivation without artificial light is an extremely common cannabis cultivation technique in Humboldt County.² These current County definitions align with the State's current definitions. (4 Cal. Code of Regs. section 15000(ss) & (xx) ["Outdoor cultivation" means the cultivation of mature cannabis without the use of artificial lighting in the canopy area at any point in time."].)

The Initiative sets forth new definitions of "mixed-light" and "outdoor" cultivation which will exclude the common practice of light deprivation without artificial light as outdoor cultivation, and will instead classify it as mixed-light cultivation. (Sanders Dec., Exh. 1, page 8 ["Outdoor Cultivation' means the cultivation of mature cannabis without the use of artificial lighting *or light deprivation* in the canopy area at any point in time."; emphasis added].) As discussed above, the Initiative's definitions "control over" current County definitions, and conflicting definitions "shall not be applied or enforced." (Sanders Dec., Exh. 1, pages 7 & 30.) Therefore, if the Initiative were to become effective, the majority of cannabis cultivators in Humboldt County would have their tax rate immediately doubled.

Despite this dramatic effect on the taxation of most cannabis cultivators within the County, neither the Initiative nor the Petition provides any information about the tax levied on cannabis cultivators, and in fact does not even mention the word "tax." The full text requirement demanded that the Petition provide sufficient information for voters to intelligently evaluate the Initiative's legal effect, and how the Initiative will change and retain current law. (*Meryvn's* (1999) 69 Cal.App.4th at 99 & 104.) The only way that a voter could understand that the change in the definitions used in the Initiative's general plan will have any effect on taxation would be to do their own extraneous research – the specific problem rendering the initiative in *Wilson v. Napa* invalid under the full text doctrine. (*Wilson* (2017) 9 Cal.App.5th at 185.) There is simply no way that any voter looking at the Petition could understand that a law not referenced in any way would be amended. For these reasons, the Petition fails as a matter of law here, where no notice of any kind was provided to voters of the Initiative's dramatic legal effect on taxation levied on the majority of cannabis cultivators in the County.

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² A November-December 2022 survey of Humboldt County cannabis cultivators indicated that 59 percent of cultivators – a group which includes five of the seven individual Petitioners in this case – utilize light deprivation with no additional artificial light.

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It is expected that Real Parties will claim that this and other arguments are somehow moot, because the County *may* have the capacity to enact amendments to the Initiative's language once it becomes effective. Such claim, however, is purely hypothetical, subject to numerous provisions in the Initiative which restrict the Board of Supervisors' capacity to amend Initiative language, and does not change the simple fact that the Initiative *will* double the tax levy on the majority of cannabis cultivators *immediately* upon becoming effective. The question at issue in this case is not whether the County can fix Real Party's errors. The question is whether Real Parties provided sufficient information within the four corners of the Petition such that voters had notice of the Initiative's legal effect: here, doubling the tax rate on a majority of the County's cannabis cultivators. They did not.

2. <u>The Petition Provides No Notice That It Removes Current Infrastructure</u> <u>Permitting Standards, and/or an Exemption, Which Are Used By Most</u> <u>Humboldt County Cultivators</u>.

Under current County law, cannabis cultivation must be conducted on a road which either meets "category 4" road standards, or which has been determined by the County to have the functional capacity to accommodate commercial cannabis activity through the issuance of a special permit. (See, e.g., Humboldt County Code section 313-55.4.6.1.2.1; see also, Analysis, page 27 ["As a matter of practice, the County required that an assessment be made of the road for functional capacity. . . If it is less than a category 4 road, an engineer must assess whether the road has the functional capacity to serve all existing traffic and the cultivation site."].) "Small cultivators" who meet certain criteria, as defined under the Small Cultivator Ordinance, qualify for an exception which exempts them from road requirements entirely. (Humboldt County Code section 314-55.4.6.1.2.)

The Initiative's General Plan amendments state unconditionally that any road on which a cultivation parcel sits must "meet or exceed the Category 4 standard (or same practical effect)," with this requirement covering all cultivators, regardless of whether they qualify as a small cultivator, or whether their permit was issued under the County's special permitting process. (Sanders Dec., Exh. 1, page 13, section CC-P13; see also, Analysis, pages 28-29 ["This is a significant change that would dramatically affect existing cultivators who could otherwise modify their site, except where they are not located on a Category 4 road."; "Many applications that could still be pending at the time of initiative approval could then not be approved."; "This provides no flexibility to consider context and volume of traffic on a road."; "This would increase costs for famers to complete the analysis by paying for an engineer, and in the cost of upgrading the road to Category 4 which will probably not

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be feasible for 10,000 square feet of cultivation."; "This is a direct contradiction of the small farmer provisions of the CCLUO which waived the road requirements when the cultivation area was 3,000 square feet or less and the farmers lived on the property. Even these small farmers would then become nonconforming due to the road."].)

Most cultivators in the County, and five of seven individual Petitioners in this case, are not located on roads which "meet or exceed the Category 4 standard." As a result, a majority of existing cultivators in the County would be rendered "nonconforming" under the Initiative. Any new cultivation would be prohibited from utilizing the special permitting process to demonstrate adequate functional road capacity, and new applications for small cultivation would no longer be able to utilize the road exemptions established under the Small Cultivator Ordinance.

Nevertheless, there is no redlined amendments of the numerous County Code sections which set forth current law, including both the special permitting process and the small cultivator exemption, and no reference to the typical County practices associated with infrastructure permitting. Neither the Initiative nor the Petition provides any information about the special permitting process, any information about the small cultivator infrastructure exemption, or any reference to the fact that a majority of cultivators in the County have obtained permits without meeting the Category 4 standard.

Instead, the Initiative simply removes the permitting process and exemption used by a majority of cultivators in the County without any notice whatsoever. As in *Mervyn's*, a voter had no opportunity to understand the way in which a law was being challenged and the way it would be the same. As in *Wilson*, a voter would be required to do extraneous research to determine how this unenumerated provision would affect cultivators. Because the Petition provides no notice that the Initiative removes an exemption applicable to most cultivators in the County, voters had no capacity whatsoever to intelligently evaluate the Initiative's legal effect, and the Petition failed to satisfy the full text requirement.

3. <u>The Petition Provides No Notice That It Removes Exemptions in Discretionary</u> Review Process.

Under current County Code section 314-55.4.5.5, property owners engaged in cannabis cultivation of 5,000 square feet or less on a parcel between five and ten acres are exempt from the discretionary permit review process. The Initiative effectively removes this exemption by simply inserting General Plan amendment language requiring discretionary permit review for all cultivation sites over 3,000 square feet. (Sanders Dec., Exh. 1, pages 12-13, section CC-P8.) Though this

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change in the law must be read to remove an exemption existing in current County Code, neither the Initiative nor the Petition includes any reference to the current exemption. Because the Petition provides no notice that it removes this exemption, voters had no capacity to intelligently evaluate the Initiative's legal effect, and the Petition failed to satisfy the full text requirement.

> The Petition Provides No Notice That It Amends Public Notice Requirements 4. for Cultivators.

Under current County Code section 313-55.4.5.1.4, cultivators seeking a conditional use permit are required to provide notice to property owners and occupants within 1,000 feet of the parcel proposed for cultivation. The Initiative sets promulgates new requirements in its General Plan amendments requiring, among other things, a requirement for notice by first class mail to all property owners and occupants within one mile of the parcel proposed for cultivation. (Sanders Dec., Exh. 1, pages 12 & 14-15, sections CC-P7 & CC-S4.) Though the Initiative directly amends County Code in this regard, neither the Initiative nor Petition contains any reference to County Code section 5.4.5.1.4 or the existing conditional use permit requirements. Voters had no opportunity to understand the way in which the law was being changed, and would be required to do extraneous research if they wished to understand how the Initiative affects current law. They had no opportunity to intelligently evaluate the Initiative's legal effect, and the Petition failed to satisfy the full text requirement.

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5. The Initiative Provides No Notice of Legal Changes Implemented By Amending Four Other Definitions Used in County Law.

The Initiative also changes the definitions of "commercial cannabis cultivation," "cultivation area," "forbearance period," and "indoor cultivation." These changes in definition were made without reference to existing County law, and clearly affect the regulatory structure of cannabis cultivation and permitting in Humboldt County. There is simply not sufficient space to here discuss the specific legal effect of these laws. The most important and relevant point for the purposes of this full text argument is that these definitions have changed, and it was Real Parties' responsibility to ensure that the Initiative and/or the Petition provided notice to voters about how these amendments change County law. They did not. As a result, the Initiative fails to satisfy the full text requirement.

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C. Where the Petition Does Reference Existing County Law, It Provided Insufficient Notice of Amendments to County Law Made by the Initiative, and Caused Confusion **Among Prospective Signers.**

As discussed above, Real Parties did include some redline amendments to the County

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Code in the Initiative which bring this small sample of Code into alignment with the Initiative's General Plan amendments. However, Real Parties did not include all of the relevant language necessary to properly convey the Initiative's legal effect in two distinct ways.

 <u>The Petition Provides Insufficient Notice of Legal Changes to Public Hearing</u> <u>Rights By Referencing an Ordinance Not Provided or Described</u>.

Numerous County Code sections set forth the application requirements for cannabis cultivation permits, including public hearing requirements, and County Code section 312-9.2 sets forth the circumstances under which public hearing requirements may be waived by the County. The Initiative adds County Code section 5.4.11, which prohibits waiver of public hearing for cannabis cultivation permits. That language includes the phrase "Notwithstanding any contrary provision of the Humboldt County Code, including but not limited to Section 312-9.2." From this language, it is clear that Real Parties understand that several County Code sections provide alternative rights to cannabis cultivators, including section 312-9.2. Nevertheless, neither the Initiative nor the Petition presents any context for this law or how it differs from current law, or provides any information about the Chapter in which the code section appears. Voters are simply provided the language and left to ponder what rights "contrary provisions of the Humboldt County Code" or "Section 312-9.2" might convey. In *Wilson*, the Court ruled a petition invalid because it failed to include legal language which was specifically referenced on the face of a petition. Real Parties have committed the same error here, and for this reason the Petition fails to satisfy the full text requirement.

2. <u>The Petition Provides Insufficient Notice of Permit Renewal Requirements,</u> and Creates Confusion By Including Incongruent Standards.

Current County Code section 314-55.4.5.6 sets for the requirements for cannabis cultivation permit renewal. The Initiative amends section 55.4.5.6 in two different ways: (1) it includes a General Plan amendment setting forth three new conditions for permit renewal, and (2) it provides redlined amendments to section 55.4.5.6 which includes one of the three new requirements. (Sanders Dec., Exh. 1, pages 12 [section CC-P4] & 22-26 [section 55.4.5.6].) Rather than simply provide no notice of the change to section 55.4.5.6 within the Initiative's General Plan amendment, Real Parties here chose to actively deceive voters who read the Initiative's redline amendments to section 55.4.5.6 by hiding two of the three new permit renewal requirements. Not only does the Initiative provide inadequate notice that section 55.4.5.6 is subject to three new permit renewal requirements – a violation of the full text requirement in the same way as violations discussed above in section 1.B –

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but it also creates confusion among voters who read the Initiatives redline amendments of the section – a separate indicator that the Petition violates the full text requirement. (*Mervyn's* (1999) 69 Cal.App.4th at 99 ["[t]he purpose of the full text requirement [includes] *to avoid confusion*."; emphasis added].) As a result, the Petition fails to satisfy the full text requirement.

D. Where the Initiative Attaches Provisions of Existing County Law, It Provided Insufficient Notice of the Initiative's Legal Effect, and Caused Confusion Among Prospective Signers.

Under current Board of Supervisors Resolution 18-43, there is a cap on the total number of cannabis cultivation permits which may be issued by the County. The total number of permits issued by the County has not yet reached that cap. The Initiative's General Plan amendments places a cap on the number of total cultivation permits issued by the County at "1.05 times the total number of existing, approved, unexpired permits . . . as of March 4, 2022." (Sanders Dec., Exh. 1, pages 10-11, section CC-P1.) This section – like section 55.4.11 above – explicitly refers to existing County law; in this case, Resolution 18-43. Real Parties in this case decided to attach Resolution 18-43 to the text of the Initiative and within the Petition.

However, Resolution 18-43 does not provide voters with any information about the "total number of existing, approved, unexpired permits" existing, and instead only provides information about the County's current cap – a cap which has not been reached. Real Parties had the option to determine the specific number of permits issued as of March 4, 2022 and present that number to voters. They did not. In other words, the Petition presents voters with a false, larger number from Resolution 18-43, and any calculation based on Resolution 18-43 will yield a higher cap than the cap actually imposed by the Initiative. At best, this can be described as insufficient notice for voters to intelligently evaluate the Initiative's legal effect. At worst, it is an act of deception by Real Parties which provides a provably false cap on permits to voters reviewing the Petition. In either case, the Petition fails to satisfy the full text requirement.

E. Real Parties Were Required to Include Amended Language From the First
Comprehensive Cannabis Land Use Ordinance, the Second Comprehensive Cannabis
Land Use Ordinances, the Small Cultivator Ordinance, Measure S, and Section 312-9.2,
But Failed to Do So.

Real Parties had several options which would have satisfied the full text requirement. First, they could have reviewed existing County Code, determined the different Code sections affected by

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the Initiative's General Plan amendments, and then amended those Code sections in a manner which properly captured the Initiative's legal effect. As discussed above, Real Parties engaged in an insufficient attempt to do this for some Initiative provisions, and failed entirely to do so for some of the most important provisions. This is the best and preferred method of presenting petitions to voters, and there is simply no reason that Real Parties could not have provided voters with this information.

The second option available to Real Parties – because they evidently refused to evaluate current law and provide voters with redlined amendments to County Code affected by the Initiative – was to simply attach the information necessary for voters to intelligently evaluate the Initiative's legal effect without causing confusion. The sum of those parts is, at a minimum, the First Comprehensive Cannabis Land Use Ordinance, the Second Comprehensive Land Use Ordinances, the Small Cultivator Ordinances, Measure S and Section 312-9.2. These each and together set forth the current regulatory scheme for cannabis cultivation in the County, and their inclusion would have allowed voters to understand the current law, and the ways in which the Initiative would change it.

2. <u>Real Parties' Statements That The Initiative Affected Only Large-Scale Cannabis</u> <u>Cultivation Violates Elections Code Section 18600 and Well-Established Case Law</u>.

In violation of Elections Code section 18600, Real Parties repeatedly included false and/or misleading statements within the Petition and in information provided to voters during the circulation process that the Initiative affects only "large-scale" cannabis cultivation. These statements were more than mere political hyperbole, and instead constituted objectively inaccurate information and calculated untruths that substantially misled and misinformed reasonable voters. The remedy applied in *San Francisco Forty-Niners v. Nishioka* (1988) 75 Cal.App.4th 637 should be applied there: the invalidation of the Initiative and the prevention of the Initiative from appearing on the ballot.

The Petition in numerous places states unequivocally that the Initiative "will protect the County's residents and natural environment from harm caused by large-scale commercial cannabis cultivation". (Sanders Dec., Exh. 2, page 1.) Real Parties also included similar phrases in campaign literature distributed during circulation of the Petition, which state that the Initiative "Support[s] small-scale, high quality cannabis cultivation" and "protect[s] residents, land owners, and our beautiful natural environment from harm caused by large-scale industrial cannabis cultivation." (Sander Dec., Exh. 8.) These statements are demonstrably false for at least two reasons.

First, and most notably, the Initiative affects all cannabis cultivation. Its effect is not limited to large cannabis cultivation, and it in fact creates significant and potentially existential burdens for

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small cannabis cultivators. (See, e.g., Analysis, pages 24 & 27-30.) For instance, and as discussed above, the Initiative will double the tax rate on a majority of cultivators in the County, and will render a majority of permits issued in the County nonconforming because most cannabis cultivation parcels are not located on Category 4 roads. These effects fall on small cultivators, and not "largescale" producers.

Second, the terms used by Real Parties are legal terms which do not comport with any part of the Initiative's regulations. California Business and Professions Code section 26050 defines a "large" cultivation license as cultivation of more than one acre of outdoor cannabis, or more than 22,000 square feet of mixed-light cannabis cultivation. The Initiative does not in any way limit its effect to license of either one acre (outdoor) or 22,000 square feet (mixed-light). In other words, nothing in the Initiative purports to regulate "large-scale" cultivation – it merely regulates all cultivation. (See Analysis, pages 17-18 ["the threshold of 10,000 square feet it arbitrary."].)

Because the Petition contained blatantly false and/or misleading statements, Real Parties violated Elections Code section 18600 by both circulating and publishing a "false statement or misrepresentation concerning the contents, purport of effect of any . . . local initiative . . . petition . . . for the purpose of obtaining any signature to, or persuading or influencing any person to sign, that initiative petition."

Real Parties deliberately placed these false and/or misleading statements throughout the Petition and related campaign materials to draw the unjustified ire of voters and cajole them into signing the Petition. Therefore, this Court, in order to protect the initiative process, should invalidate the Petition based on the fact that Real Parties misinformed and deliberately misled County voters. If the Initiative is permitted to remain on the ballot, then Real Parties will be rewarded for the violations of the law, Petitioners' and voters' rights will be violated, and the sanctity of the initiative process will be violated. Real Parties' deliberate and material false and misleading statements in violation of section 18600 and *Forty-Niners* justifies this Court's granting of Petitioners' requested relief.

CONCLUSION

Based on the foregoing, Petitions respectfully request that this Court issue a writ of mandate, injunctive relief, and declaratory relief as prayed for in the Writ Petition/Complaint.

DATED: November 7, 2023

NICHOLAS L. SANDERS Counsel for Petitioners

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<u>PROOF OF SERVICE</u>			
	1. I am over the age of eighteen years and not a party to the within action. My business address is 1121 L Street, Suite 105, Sacramento, CA 95814.		
$2 \qquad On Nc$	ovember 7, 2023. Lear	ved the foregoing document described as:	
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Michael Colantuono, Alena Shamos Colantuono, Highsmi 420 Sierra College D Grass Valley, CA 959 (530)432-7357 Email: mcolantuono(ith & Whatley, PC prive, Suite 140 945 @chwlaw.us	Counsel for Respondent/Defendant JUAN P. CERVANTES	
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XX (VIA ELECTRONIC MAIL) I transmitted the document(s) via electronic mail to the addressees listed above at their electronic mail addresses as listed above.			
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