

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
WILDOMAR, ADDING CHAPTER 5.76 TO THE WILDOMAR MUNICIPAL
CODE ESTABLISHING COMMERCIAL CANNABIS LICENSING
REGULATIONS

WHEREAS,; and

WHEREAS,; and

WHEREAS,; and,

WHEREAS,.

THE CITY COUNCIL OF THE CITY OF WILDOMAR DOES ORDAIN AS
FOLLOWS:

SECTION 1. CEQA Findings.

SECTION 2. Addition of Chapter 5.76

Chapter 5.76 (Commercial Cannabis Licensing) is hereby added to the Wildomar
Municipal Code to read as shown in Exhibit A.

SECTION 3. Severability. If any section, subsection, sentence, clause, or
phrase of this ordinance is for any reason held to be invalid or unconstitutional by a
decision of any court of competent jurisdiction, such decision will not affect the validity
of the remaining portions of this ordinance. The City Council declares that it would have
passed this ordinance and each and every section, subsection, sentence, clause, or
phrase not declared invalid or unconstitutional without regard to whether any portion of
the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 4. Effective Date. This ordinance shall take effect thirty (30) days
after its passage by the City Council.

SECTION 5. Publication. The City Clerk shall cause this ordinance to be
published or posted in accordance with Government Code section 36933.

Mayor

APPROVED AS TO FORM:

ATTEST:

Thomas D. Jex
City Attorney

City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)
CITY OF WILDOMAR)

I, _____, City Clerk of the City of Wildomar, California, do hereby certify that the foregoing Ordinance No. ____ was duly introduced at a meeting of the City Council of the City of Wildomar, California, on _____, 20__, and adopted at a regular meeting of the City Council of the City of Wildomar, California, on _____, 20__, by the City Council of the City of Wildomar, California, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

City Clerk
City of Wildomar

EXHIBIT A

CHAPTER 5.76 COMMERCIAL CANNABIS LICENSING

5.76.010 Purpose and Intent.

A. This chapter shall provide for the regulation and licensing of medicinal and adult-use cannabis businesses throughout the city in conformance with applicable state and local laws and regulations pertaining to medicinal and adult-use cannabis.

B. The city council finds that it is necessary for the city to adopt local licensing standards for medicinal and adult-use cannabis businesses for the purpose of controlling and regulating the cultivation, distribution, transport, storage, manufacturing, processing, testing and sale of medicinal cannabis and medicinal cannabis products to qualified patients, and adult-use cannabis and adult-use cannabis products to adults twenty-one years of age and over.

C. The purpose of this chapter is to regulate all commercial cannabis activity in the city, as defined in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), to the extent authorized by state law and in a manner designed to minimize negative impacts on the city and neighboring uses, and promote the health, safety, morals, and general welfare of residents and businesses within the city.

5.76.020 Relationship to other laws.

A. Except as otherwise specifically provided herein, this chapter incorporates the requirements and procedures set forth in MAUCRSA. In the event of any conflict between the provisions of this chapter and the provisions of MAUCRSA or any other applicable state or local law or regulation, the more restrictive provision shall control.

B. Except as expressly stated herein, cannabis businesses must comply with all other city codes and regulations. Nothing in this chapter shall be construed as permitting a cannabis business to operate at any time in a manner that is in violation of other applicable state and local laws.

5.76.030 Definitions.

Unless otherwise defined herein, the terms in this chapter shall have the same meaning as set forth in MAUCRSA and any rules promulgated pursuant thereto. In addition, the following terms shall be defined as follows:

"Cannabis business" means any person engaged in commercial cannabis activity.

"Certificate of accreditation" means a certificate issued by an accrediting body to a licensed testing laboratory, entity, or site to be registered in the state.

"City" means Wildomar, California.

"City manager" shall mean the city manager of the city or a duly authorized designee.

"Distribution site" means a facility where cannabis and cannabis products are stored or inspected by a distributor for the purposes of distribution.

"Distributor" means a cannabis business that engages in the distribution and transportation of cannabis and cannabis products to other cannabis businesses.

"Good cause" for purposes of denying an initial local license issuance, for suspending or revoking a local license, or for denying a local license renewal, means:

1. The applicant or licensee has violated any of the terms, conditions, or provisions of this chapter, state law, regulations and rules promulgated pursuant to state law, applicable local rules and regulations, or special terms or conditions placed upon its conditional use permit, state license, or local license;

2. The premises has been or is proposed to be operated in a manner that adversely affects the public health, safety or welfare or the safety of the immediate neighborhood in which the establishment is or will be located;

3. The applicant or licensee has knowingly made false statements, misrepresentations or material omissions on an application form, renewal form, or any other document submitted to the city;

4. The applicant or licensee, or any owner of the applicant or licensee, operated a cannabis business in violation of this chapter or Chapter 17.315 of the code;

5. For renewals, suspensions and revocations, the licensee fails to allow inspection of the security recordings, activity logs, or business records of the licensed premises by city officials.

"Identification card" or "ID card" means a valid identification card issued pursuant to Section 11362.7 et seq., of the California Health and Safety Code.

"Identification card holder" or "ID card holder" means an individual who is a qualified patient who has applied for and received a valid ID card pursuant to Article 2.5 of Chapter 6 of Division 10 of the California Health and Safety Code.

"Licensed premises" means a premises for which a local license has been issued pursuant to this chapter.

"Licensee" means a person who has been issued a local license pursuant to this chapter.

"Limited access area" means a building, room or other area that is part of the licensed premises where cannabis is grown, cultivated, stored, weighed, displayed, packaged, or sold to other cannabis businesses with limited access to only authorized personnel.

"Local license" means a license granted by the local licensing authority, pursuant to this chapter.

"Local licensing authority" means the city manager.

"Manufacturing site" means a premises where a manufacturer engages in the manufacture of cannabis products.

"Medicinal and Adult-Use Cannabis Regulation and Safety Act" or "MAUCRSA" means Division 10 of the California Business and Professions Code.

"Medicinal cannabis patient" means both a qualified patient without an identification card and an ID card holder.

"Owner" means any of the following:

1. A person with an aggregate ownership interest of ten percent or more in the person applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.
2. The chief executive officer of a nonprofit or other entity.
3. A member of the board of directors of a nonprofit.
4. An individual who will be participating in the direction, control, or management of the person applying for a license.

"Physician," as used in this chapter, shall mean an individual who possesses a license in good standing to practice medicine or osteopathy from the state of California.

"Primary caregiver" shall have the meaning set forth in Section 11362.7(d) of the California Health and Safety Code.

"Qualified patient" shall have the meaning set forth in Section 11362.7(f) of the California Health and Safety Code.

"State law(s)" shall mean and include California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Sections 11362.7 to 11362.85 (Medicinal Marijuana Program Act); the MAUCRSA, and all other applicable laws and regulations of the state of California.

"State license" means a state license issued under MAUCRSA, and includes both an A-license and an M-license, as well as a testing laboratory license.

"State licensing authority" shall mean the state agency responsible for the issuance, renewal, or reinstatement of a state license, or the state agency authorized to take disciplinary action against a state licensee.

5.76.040 Local license in addition to business license or other permit.

The local license required by this chapter shall be in addition and supplemental to any other business registration or any permit required by any ordinance of the city.

5.76.050 Local license required.

A. It is unlawful to operate any cannabis business in the city without first having obtained a local license under this chapter.

B. The city may grant a local license prior to the applicant having obtained a state license. A cannabis business must possess the requisite state and local licenses prior to receiving a certificate of occupancy from the city.

5.76.060 Local license application process.

A. All applications for local licenses required pursuant to this chapter shall be made upon current forms prescribed by the local licensing authority. All applications for

local licenses must be accompanied by the application fee as established by resolution of the city council as amended from time to time.

B. An applicant shall file with the local licensing authority the following at the time of application for a local license:

1. An operating plan for the proposed cannabis business including the following information:

a. A general description of the types of products and services to be provided by the facility;

b. A floor plan designating all interior dimensions of the licensed premises and the layout of the cannabis business, including all limited access areas, areas of ingress and egress, and all security cameras. Such floor plan shall also show the principal uses of the floor area depicted therein. For cultivation sites, such floor plan shall distinguish all dimensions of areas in which plants are located;

c. For a retailer, a statement confirming whether delivery service of cannabis to any location outside the premises will be provided and the extent of such service, and in the event delivery is provided, a detailed delivery plan detailing how the retailer will comply with all requirements of this chapter, MAUCRSA, and any other applicable state or local laws.

2. Authorization for the local licensing authority to seek verification of the information contained within the application.

3. Proof of the nature of the cannabis business's organizational status, such as articles of incorporation, by-laws, organizational minutes, partnership agreements, or such other documentation acceptable to the city.

4. Proof that the applicant is, or will be, entitled to possession of the premises for which application is made. Evidence of lawful possession consists of properly executed deeds of trust, leases, evidence of ownership of the licensed premises, or other written documents acceptable to the local licensing authority.

5. The applicant shall provide any additional information that the local licensing authority may request to process and fully investigate the application. Failure to provide such additional information may result in denial of the application.

C. If the application is incomplete, the applicant shall have an opportunity to cure the incompleteness within thirty calendar days of written notice of incompleteness by the local licensing authority.

D. The local licensing authority shall issue a license to any applicant who has submitted a complete application and paid the application fee unless the local licensing authority finds that good cause exists to deny the license.

E. The applicant shall pay to the city the regulatory licensing fee, if any, established by resolution of the city council. The initial regulatory licensing fee shall be due in two equal installments upon the issuance of a certificate of occupancy for the cannabis business premises and six months thereafter. Subsequent regulatory licensing fees shall be paid concurrently with the renewal of the license.

F. A local license issued pursuant to this chapter shall specify the date of issuance, the period of licensure, the name of the licensee, the address of the licensed

premises, and the nature of the cannabis business licensed. All local licenses are valid for two years.

5.76.070 Conditions of approval, administrative rules.

A. The local licensing authority may place conditions upon the approval of any local license which are, in the opinion of the local licensing authority, reasonably related to the protection of the health, safety and welfare of the neighborhood in which the proposed licensed premises is to be located and of the general public.

B. The local licensing authority is authorized to make rules, policies and procedures consistent with the intent and spirit of this chapter concerning the applications, the application process, the information required of applicants, the application procedures, and the administration and procedures to be used and followed in the application process.

5.76.080 Changes and modifications of local licenses.

In addition to any applicable requirements in Chapter 17.315 of this code, the following requirements apply for transfers of or changes to the ownership of a licensee, modifications to a licensed premises, and changes of location of a cannabis business.

A. Change of Ownership. Subsequent to the issuance of a local license, the licensee shall report any transfer of ownership in the cannabis business to the local licensing authority on forms prescribed by the local licensing authority and pay the processing fee established by resolution of the city council. A change of ownership that solely involves a previously approved owner no longer being an owner of the cannabis business shall be reported to the local licensing authority within thirty calendar days of the change. A change in ownership that involves adding a new owner to the previously approved ownership must be approved by the local licensing authority in advance. The local licensing authority shall approve the change in ownership unless there is good cause to deny the change.

B. Modification of Licensed Premises. A licensee shall not make physical changes, alterations, or modifications to the licensed premises that materially or substantially alters the licensed premises from the plans approved by the local licensing authority without the prior written approval of the local licensing authority. Material changes include, but are not limited to: an increase or decrease in the total square footage of the licensed premises or the addition, sealing off, or relocation of a wall, common entryway, doorway, or other means of public ingress and/or egress. Applications for modifications of licensed premises shall be made on forms prescribed by the local licensing authority and shall be accompanied by the processing fee established by resolution of the city council. The local licensing authority shall approve the proposed modification if it meets all requirements of this chapter and all other applicable state laws and city codes and ordinances, and will not present a threat to the public health, safety or welfare.

C. Change of Location.

1. A licensee may apply to the local licensing authority to change the location previously approved for such local license to any other place in the city, but it is unlawful to engage in any commercial cannabis activity at any such place or location until express permission to do so is granted by local licensing authority, the city has issued a

conditional use permit to the licensee for the new location, and a certificate of occupancy has been issued for the new location. Applications for changes of location shall be made on forms prescribed by the local licensing authority and be accompanied by the processing fee established by resolution of the city council.

2. In permitting a change of location, the local licensing authority may change any existing conditions of approval on the license and/or add new conditions of approval as determined appropriate by the local licensing authority.

5.76.090 Renewal of local license.

A. A cannabis business that desires to renew its license shall apply for the renewal no less than thirty calendar days prior to the local license's expiration date. If the cannabis business files a renewal application within thirty calendar days prior to expiration, the cannabis business must provide a written explanation detailing the circumstances surrounding the late filing. The local licensing authority may accept or reject such late filing in its discretion. The local licensing authority may elect to administratively continue a local license past its expiration date, provided that the licensee has submitted a renewal application that is pending final action.

B. An application for renewal shall be submitted on forms provided by the local licensing authority, accompanied by the processing fee established by resolution of the city council. The following information shall be submitted as a part of the renewal application:

1. Proof that no changes to the ownership of the licensee has occurred since last approved by the local licensing authority.
2. Proof that the licensee is still entitled to the possession and use of the licensed premises.
3. Any other information that the local licensing authority deems necessary to determine whether to renew the local license.

C. The local licensing authority shall renew a local license if the licensee has submitted a complete application and paid the application processing fee, unless the local licensing authority finds that good cause exists to deny the license renewal. Notwithstanding the foregoing, the local licensing authority in its discretion may elect not to renew any local license if it determines that the licensed premises has not been used for a cannabis business, without reasonable cause as determined by the local licensing authority, during the term of the license.

D. Unless administratively continued pursuant to subsection A, a local license is immediately invalid upon expiration and the cannabis business shall cease operations. If a local license expires, the local licensing authority may approve a renewal of the expired license at any time up to three months from the expiration date of the license. After the license has been expired for three months, the license may not be renewed by the local licensing authority, and the holder of the expired license must apply for and obtain a new cannabis license to resume operations.

5.76.100 Appeal of decision on local license.

Any applicant may appeal the local licensing authority's approval, conditional approval, or denial of an initial local license, renewal thereof, or a change to the license

requested under Section 5.76.080, or a revocation or suspension of the license under Section 5.76.210. Such appeal shall be filed with the city clerk within ten calendar days of the date of the decision of the local licensing authority and must state the basis for the appeal. The city clerk will give the appellant written notice of the date, time and place of the appeal hearing. The city council shall hear the appeal de novo and shall not be limited by the rules of evidence. The council may affirm, amend or reverse the decision of the local licensing authority.

5.76.110 Cannabis business operational requirements.

All cannabis business must comply with the requirements set forth in this section.

A. General Obligation to Operate in Compliance. A cannabis business shall operate in compliance with all applicable state and local laws and regulations governing cannabis businesses.

B. General Obligation to Pay Taxes. A cannabis business must pay all applicable taxes pursuant to federal, state, and local law, including but not limited to state and local sales and use taxes and state excise taxes.

C. General Obligation for Compliant Facilities. The licensed premises shall fully comply with all applicable rules, regulations, and laws including, but not limited to, building and safety codes, and the Americans with Disabilities Act.

D. Age Requirement. A cannabis business shall not allow an individual less than twenty-one years of age to work within the licensed premises or handle cannabis and cannabis products.

E. Age Restrictions. A cannabis business may not permit an individual less than twenty-one years of age to enter, or be within, its licensed premises, except that a cannabis business with an M-license from the state may allow persons eighteen years of age or older within the licensed premises if they are an ID card holder or qualified patient with physician's recommendation from a licensed physician.

F. Secure Storage of Product. Cannabis and cannabis products possessed by a cannabis business shall be kept and stored in a secured manner at all times.

G. Cannabis Consumption on Licensed Premises. Smoking, vaporizing, ingesting, or otherwise consuming cannabis and cannabis products at a licensed premises is prohibited. "Licensed premises" as used in this subsection includes the actual building, as well as any accessory structures, common areas and parking areas. A sign shall be posted at each entrance to a licensed premises that clearly and legibly states, "Smoking, vaporizing, ingesting, or otherwise consuming cannabis or cannabis products on these premises or in their vicinity is prohibited and a violation of the Wildomar Municipal Code."

H. Prohibition on Alcohol and Tobacco Sales, Distribution, or Consumption on Licensed Premises. A cannabis business shall not sell, provide, store, or distribute any alcoholic beverages or tobacco products, or allow such products to be consumed on the licensed premises.

I. On-Site Signage. On-site signage for a cannabis business that is viewable from the exterior of the cannabis business shall comply with all local signage laws applicable to the licensed premises, including Chapters 17.251 and 17.254 of this code.

Signage may not be designed to appeal to children, or contain any false or misleading statements, or make any misrepresentations.

J. Advertising. A cannabis business shall not advertise in a manner intended to encourage persons under twenty-one years of age to consume cannabis or cannabis products. It shall be unlawful for any cannabis business to make any claims that a product is safe because it is tested. All advertisements, including off-site advertising signs, shall comply with Chapter 15 of MAUCRSA.

K. Display of License. A cannabis business shall display a copy of its local license issued pursuant to this chapter in a conspicuous place at or near the entrance to the licensed premises.

L. No Physician Evaluations on Licensed Premises. A cannabis business shall not permit a physician to evaluate potential medicinal cannabis patients or to provide a physician's recommendation for medicinal cannabis within its licensed premises. Cannabis businesses shall not offer or provide any form of remuneration to a physician who provides physician's recommendations for medicinal cannabis.

M. Community Relations Designee. A cannabis business must provide the city with the name, phone number, facsimile number, and email address of an on-site community relations representative or staff member or other representative whom the city can contact regarding operating concerns associated with the cannabis business. The cannabis business shall report any change in their community relations designee to the city within ten calendar days.

N. Accurate Weights and Measures. Scales and weighing mechanisms used by a cannabis business to weigh non-waste products must be able to weigh to within 1/100th of a gram, shall be maintained in good working order and shall be subject to annual inspection by either a Riverside County agricultural commissioner's office weights and measures official or a licensed scale company.

O. Waste Disposal.

1. Chemical, Dangerous and Hazardous Waste. Disposal of chemical, dangerous or hazardous waste must be conducted in a manner consistent with federal, state and local laws, regulations, rules or other requirements. This may include, but is not limited to, the disposal of all pesticide or other chemicals used in the cultivation process, certain solvents or other chemicals used in the production of cannabis concentrate.

2. Cannabis Waste. Cannabis waste shall be stored, managed, and disposed of in accordance with Section 5054 (Destruction of Cannabis Goods Prior to Disposal) of Title 16, Division 42 of the California Code of Regulations, as that section may be amended or renumbered from time to time.

P. General Sanitary Requirements. A cannabis business must ensure that its licensed premises are maintained in a sanitary manner and activities on its licensed premises are conducted in a sanitary manner.

1. All facilities of a cannabis business must have adequate and sufficient access to bathrooms and hand-washing facilities with running water at a suitable temperature.

2. Hand-washing facilities shall be located where good sanitary practices require workers to wash or sanitize their hands, and provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices.

3. All workers that engage in the preparation or dispensing of edible cannabis products must comply with the provisions of all relevant state and local laws regarding the preparation, distribution, and sale of food.

Q. Security Requirements. The licensed premises of a cannabis business must comply with all of the following security requirements:

1. Video Surveillance. The licensed premises must be equipped with a video surveillance system that meets all of the requirements set forth in this subsection.

a. Security cameras and digital storage of recordings shall be maintained in good condition and used in an on-going manner, twenty-four hours per day, seven days per week.

b. The security system must maintain at least one hundred twenty concurrent hours of digitally recorded video for each security camera in the licensed premises. Security footage should be stored in an MPEG4, MJPEG, H.264, or another format approved by the local licensing authority in writing.

c. Security cameras must provide adequate and sufficient coverage for the facility, which must include, but need to be limited to, all limited access areas, all areas of ingress and egress, point of sale, the public areas, storage areas, and any other areas as required by this chapter and the MAUCRSA.

d. The video surveillance system must be equipped with a failure notification system that provides prompt notification to the manager of record of the licensed premises of the cannabis business of any surveillance interruption or complete failure of the surveillance system that lasts longer than fifteen minutes.

e. The video surveillance system shall have sufficient battery backup to support a minimum of fifteen minutes of recording in the event of a power outage.

2. Alarm System. The licensed premises shall have an audible interior and exterior security alarm system installed on all perimeter entry points and perimeter windows, operated, and monitored by a security company licensed by the Department of Consumer Affairs, Bureau of Security and Investigative Services.

3. Signage Requirement. The licensed premises must comply with the following signage requirements.

a. A sign shall be posted in a conspicuous place near each point of public access which shall be not less than twelve inches wide and twelve inches long, composed of letters not less than one inch in height, stating "All Activities Monitored by Video Camera."

b. Limited access areas shall be clearly identified by the posting of a sign which shall be not less than twelve inches wide and twelve inches long, composed of letters not less than one-half inch in height, which shall state, "Limited Access Area—Authorized Personnel Only."

4. Lighting. The business entrance(s) and all window areas shall be illuminated during evening hours. The cannabis business shall comply with the city's lighting standards regarding fixture type, wattage, illumination levels, and shielding.

5. Commercial-Grade Locks. All points of ingress and egress to a licensed premises shall ensure the use of commercial-grade, nonresidential door locks or window locks.

6. Notification of Local Licensing Authority and Law Enforcement. A cannabis business shall notify the local licensing authority and the appropriate law enforcement authorities within twenty-four hours after discovering any of the following:

- a. Significant discrepancies identified during inventory;
- b. Diversion, theft, loss, or any criminal activity involving the retailer or any employee or agent of the retailer;
- c. The loss or unauthorized alteration of records related to cannabis, cannabis patients, primary caregivers, or retailer employees or agents; or
- d. Any other breach of security.

R. Subletting Prohibited. Licensees are not authorized to sublet any portion of a licensed premises for any purpose, unless all necessary applications to modify the existing licensed premises to accomplish any subletting have been approved by the local licensing authority.

S. Recordkeeping. Cannabis businesses shall keep and maintain all records specified in Chapter 16 of the MAUCRSA and shall make the same available for inspection and examination of the local licensing authority or its duly authorized representatives during standard business hours of the licensed facility or at any other reasonable time.

Cannabis businesses are required to exercise due diligence in preserving and maintaining all required records.

T. Transactions. Licensees shall only do business with cannabis businesses that licensed or permitted to do business in their respective jurisdictions.

5.76.120 Retailer operational requirements.

In addition to the operation requirements in Section 5.76.110, a retailer must comply with the requirements set forth in this section.

A. Limited Hours of Operation. A retailer may only be open to the public and engage in sales between the hours of 8:00 a.m. and 10:00 p.m.

B. Product Not Visible To Public. The display of cannabis and cannabis products for sale shall not be visible from outside the licensed premises.

C. Age Restricted Entry. A retailer may not permit an individual less than twenty-one years of age into the licensed premises, except a retailer with an M-license from the state may permit an individual aged eighteen years or older into the licensed premises if the retailer verifies the individual is an ID card holder or qualified patient with a physician's recommendation.

D. Cannabis Paraphernalia Sales. Dispensaries may sell or otherwise provide equipment, supplies, and paraphernalia used to consume cannabis and cannabis products.

E. Electronic Point-of-Sale System Required. Dispensaries must have an electronic point of sale system. The electronic point of sale system must be capable of

producing an electronic or automatic paper record for all transactions associated with any product sold, rented, or otherwise provided to the customer.

F. No Sales of Expired Product. A retailer may not sell any expired products, cannabis or cannabis products. A retailer shall not alter, edit, or adjust in any manner an expiration date on any item or product once affixed by its manufacturer.

G. Handling of Edible Cannabis Products. A retailer that possesses edible cannabis products shall comply with the provisions of all relevant state and local laws regarding the storage, handling, and sale of food.

H. Delivery of Cannabis and Cannabis Products. A retailer that provides delivery service shall comply with the following requirements:

1. The retailer shall not delivery cannabis or cannabis products to any location outside of California or to any location within California where the delivery of cannabis or cannabis products has been prohibited by the city or county.

2. The delivery service must be approved by the local licensing authority as a part of the licensing process. The deliveries must be conducted in accordance with any relevant state laws, this code, any applicable local laws in the delivery location, and any conditions imposed upon the license.

3. The retailer must keep in place standard operating procedures that ensure the safety and security of those individuals engaging in delivery and the and security of all cannabis being delivered, including procedures to prevent diversion.

4. A retailer may only deliver cannabis to a specific street address requested by the purchaser. Delivery to parks, schools or any other public facilities is prohibited.

5. Upon arrival at the delivery address and prior to transferring any cannabis or cannabis products, the delivery person must verify and confirm that the identity of the recipient is the same as the person who requested the delivery and that the person is either twenty-one years of age or a qualified patient or primary caregiver.

6. A retailer shall report to the local licensing authority and local law enforcement any vehicle accidents, diversions, losses, or other reportable incidents such as thefts or suspicious activity, that occur during transportation and delivery, within twenty-four hours.

7. The delivery shall keep a delivery manifest that includes the following information:

- a. All cannabis that will be transported, accurately inventoried;
- b. Departure date and approximate time of departure;
- c. Arrival date and approximate time of arrival;
- d. Name, address, local license number and CUP number of the originating cannabis business;
- e. Name and address of the individual requesting the delivery;
- f. Delivery vehicle make, model, and license plate number; and
- g. Name and signature of the individual transporting the cannabis.

8. Sale of Live Plants. A retailer may sell and offer for sale seeds and immature cannabis plants, but shall not sell or offer for sale live mature cannabis plants. The

retailer may provide light and water to immature cannabis plants being offered for sale but may not engage in any other cultivation activity unless the retailer is licensed and permitted by the State and the city to engage in cannabis cultivation. For the purposes of this provision, an immature cannabis plant is defined as a non-flowering cannabis plant that is shorter and narrower than 18 inches.

5.76.130 Manufacturing site operational requirements.

In addition to the operational requirements in Section 5.76.110, manufacturers must comply with the requirements set forth in this section.

A. Edible Cannabis Products. Edible cannabis products shall be manufactured, packaged and labeled in compliance with MAUCRSA and any implementing regulations adopted by the state.

1. Edible cannabis products must be individually packaged and ready for sale by the manufacturer prior to sale or transfer to another cannabis business.

2. Any person that is involved in the manufacture of edible cannabis products must be a state certified food handler. The valid certificate number of such person must be on record at the manufacturing site where that individual produces edible cannabis products.

3. Any facility used by a cannabis business to manufacture edible cannabis products shall be constructed, operated and inspected in accordance with the applicable building code and applicable food safety requirements.

4. A cannabis business that manufactures edible cannabis products must comply with the provisions of all relevant state and local laws regarding the preparation, distribution, and sale of food; which shall include, but not be limited to, hand-washing requirements, use of gloves for packaging, and policies prohibiting individuals suffering from symptoms associated with communicable diseases or infections from engaging the production of edible cannabis products.

B. Expiration Date. A cannabis business engaged in the manufacture of cannabis products, including an edible cannabis product, that is perishable shall assign an expiration-date or use-by date, whichever is appropriate, to all perishable cannabis products. Once an expiration date or use-by date is assigned to cannabis products, it shall be unlawful for a person to alter that date or affix a new label with a later use-by or expiration date.

C. Extraction Requirements.

1. A manufacturer engaged in extraction may only engage in type of extraction approved by the local licensing authority in its application for a local license. The licensee shall not make any modifications to the method of extraction without first obtaining a modification of its local license.

2. Within the limitations set forth by state law, a cannabis business that extracts cannabis or produces cannabis concentrate using a solvent must use a professional-grade, closed-loop extraction system capable of recovering the solvent used and must only use a solvent that is permissible under the MAUCRSA and the manufacturer's state license.

5.76.140 Cultivation operational requirements.

In addition to the operational requirements in Section 5.76.110, a cultivator must comply with the requirements set forth in this section.

A. Cultivators must comply with the Federal Worker Protection Standard (40 CFR 170).

B. The cultivation of cannabis must be conducted in accordance with all applicable federal, state, and local laws and regulations governing the use of pesticides.

C. The use of pesticides must be recorded in a log in accordance with 16 CCR Section 1970.

D. The cultivation of cannabis shall be conducted in a secure manner and shall not be visible from a public right-of-way. As used in this subsection D, the term "visible" means capable of being seen without visual aid by an individual of normal acuity.

E. A licensee may not distribute, sell, dispense, or administer cannabis on the licensed premises of a cultivation site except for as authorized by the MAUCRSA and other applicable state law.

5.76.150 Distribution operational requirements.

In addition to the operational requirements in Section 5.76.110, distributors shall comply with the requirements of this section.

A. Quality Assurance and Testing.

1. Prior to distribution, the distributor shall inspect cannabis for quality assurance as required by MAUCRSA and to ensure the labeling and packaging of the cannabis and cannabis products conforms to the requirements of this chapter and MAUCRSA.

2. Distributors shall ensure that cannabis and cannabis products in its custody are tested by a licensed testing laboratory in accordance with MAUCRSA prior to distributing the cannabis and cannabis products to a retailer.

B. Transportation.

1. A distributor may not transport cannabis to or from another cannabis business outside the state of California.

2. An individual may only transport cannabis on behalf of a distributor if the individual:

- a. Is an employee of the distributor and is listed on the distributor's employee list;
- b. Possesses a copy of the distributor's local license; and
- c. Possesses a copy of a transportation manifest that meets all the requirements of MAUCRSA and subsection (B)(3).

3. Transportation Manifest.

a. A cannabis business must create a transportation manifest in accordance with this chapter for every transport and delivery of cannabis. A cannabis business must ensure that a copy of the appropriate transportation manifest accompanies every transport and delivery of cannabis and is kept for retention by the originating cannabis business in compliance with Section 5037 (Record Retention) of Title 16, Division 42 of the California Code of Regulations.

b. If a cannabis businesses makes multiple pick-ups or deliveries during a single trip, then a separate transportation manifest shall be required for each pick-up or delivery.

c. A transportation manifest will be deemed sufficient if it accurately reflects:

i. All cannabis that will be transported to the address reflected on the manifest, accurately inventoried to include the weight of any raw cannabis or cannabis concentrate and the number of individual cannabis products;

ii. Departure date and approximate time of departure;

iii. Arrival date and approximate time of arrival;

iv. Name, address, local license number and CUP number (or, for cannabis businesses outside of Cathedral City, a similar number issued by the cannabis business's local jurisdiction) of the originating cannabis business;

v. Name, address, local license and CUP number (or, for cannabis businesses outside of Cathedral City, a similar number issued by the cannabis business's local jurisdiction) of the receiving cannabis business;

vi. Delivery vehicle make, model, and license plate number; and

vii. Name and signature of the individual transporting the cannabis.

4. A cannabis business with a local license may only transport cannabis between licensed premises by way of motor vehicle, unless the transport is between two licensed premises that are within the same building or at the same street address.

5. A cannabis business with a local license shall transport cannabis in a manner that is secure and not visible from outside the vehicle.

6. An employee transporting cannabis pursuant to this chapter must take a direct route from the distributor to the destination of the other cannabis business(es) and may not make any stops other than those necessary in the ordinary course of business.

C. Bonding. Transporters shall comply with applicable state laws and regulations, if any, requiring that they be bonded and insured.

D. Preparation of Cannabis and Cannabis Products for Transportation.

1. All cannabis and cannabis products must be appropriately and completely tracked in a cannabis business's inventory tracking system prior to transportation to another cannabis business. This must include verifying and documenting the weight of any raw cannabis or cannabis concentrate and the number of individual cannabis products being transported.

2. Preparations for the transport of cannabis and cannabis products must be conducted in a limited access area on camera.

E. Receiving Cannabis and Cannabis Products.

1. A distributor may not receive cannabis or cannabis products unless accompanied by a transportation manifest that meets all of the requirements set forth in subsection (B)(3). The distributor must retain copies of transportation manifests associated with all deliveries of cannabis.

2. Immediately upon receipt, all cannabis and cannabis products must be appropriately and completely tracked in the distributor's inventory tracking system. This

must include verifying and documenting the weight of any raw cannabis or cannabis concentrate and the number of individual cannabis products being transported.

F. Perishable Cannabis Products. A cannabis business must provide adequate refrigeration when engaged in the transportation of perishable cannabis products.

5.76.160 Testing laboratory operation requirements.

In addition to the operational requirements in Section 5.76.110, a testing laboratory shall comply with the requirements of this section.

A. No Other Ownership. An owner of a testing laboratory shall not have an ownership or other direct financial interest in any other commercial cannabis business license type.

B. Accreditation. A testing laboratory shall obtain and maintain ISO/IEC 17025 accreditation.

C. Operating Procedures. A testing laboratory shall adopt and adhere to standard operating procedures to ensure the reporting of accurate test results, including, but not limited to, equipment, calibration, and methodology standards, that are consistent with its ISO/IEC 17025 accreditation.

1. A testing laboratory shall obtain samples of cannabis and cannabis products for testing in accordance with a statistically valid method designed to ensure that a sample is representative of the whole. Sampling methods should have at least a ninety-five percent confidence rate.

2. A testing laboratory shall destroy and safely dispose of the remains of any samples of cannabis or cannabis products tested upon completion of the analysis and the expiration of any retention time pursuant its standard operating procedures.

3. A testing laboratory shall maintain all testing results as a part of their respective business records and must keep such records in compliance with Section 5037 (Record Retention) of Title 16, Division 42 of the California Code of Regulations.

5.76.170 Packaging and labeling.

A. Compliance with State Law. All packaging and labeling of cannabis and cannabis products by a cannabis business must, at a minimum meet the requirements of Chapter 12 of MAUCRSA and any implementing regulations, as the same may be amended from time to time or superseded or replaced by subsequent state legislation or by any state department or division.

B. Tamper-Evident, Child-Resistant Packaging Required. Prior to delivery or sale at a retailer to a purchaser, cannabis and cannabis products shall be labeled and placed in a resealable, tamper-evident, child-resistant package and shall include a unique identifier for the purposes of identifying and tracking cannabis and cannabis products.

C. Cannot Be Attractive to Children. Cannabis packaging and labeling shall not be designed to appeal to children, including, but not limited to, cartoon characters or similar images.

D. State-Mandated Warnings and Information. All cannabis and cannabis product labels and inserts shall include the state-mandated warnings and information contained in Business and Professions Code Section 26120(c).

5.76.180 Visitor requirements.

A. Visitors. Any individual permitted to enter a limited access area who is not an owner or employee of the cannabis business is a visitor for the purposes of this section. Notwithstanding the foregoing, state and local employees, or their official designees, shall not be considered a visitor provided the individual is on the licensed premises for purposes of official government business.

B. Visitors Identification and Record Requirements. Prior to permitting a visitor into a limited access area, a cannabis business must check the individual's valid government issued identification. The visitor shall be required to sign the cannabis business's visitor log, which must include the individual's name, date of entry, and purpose for entry.

C. Visitors Must Be at Least Twenty-One Years of Age. A cannabis business may not permit a visitor who is less than twenty-one years of age to enter a limited access area.

D. Visitors Prohibited Conduct. A visitor shall not be permitted to engage in the cultivation, preparation, processing, manufacturing, packaging, labeling, transportation, or sale of cannabis.

5.76.190 Limitations on City's liability.

To the fullest extent permitted by law, the city shall not assume any liability whatsoever, with respect to approving any local license pursuant to this chapter or the operation of any cannabis business approved for such local license pursuant to this chapter. As a condition of approval a local license granted under this chapter, the applicant or its legal representative shall:

A. Indemnify and hold the city harmless from any and all claims, damages, legal or enforcement actions, including, but not limited to, any actions or claims associated with violation of federal law associated with the operation of the cannabis business and delivery of cannabis as provided in this chapter; and

B. Maintain insurance in the amounts and of the types that are acceptable to the city pursuant to guidelines and policies set forth by the local licensing authority; and

C. Name the city as an additionally insured on all city-required insurance policies; and

D. Defend, at its sole expense, any action against the city, its agents, officers, and employees related to the approval of a local license or the operation of the cannabis business; and

E. Reimburse the city for any court costs and attorney fees that the city may be required to pay as a result of any legal challenge (or federal enforcement action) related to the city's approval of a local license or conditional use permit. The city may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

5.76.200 Inspections.

A. Recordings made by security cameras at any cannabis business shall be made immediately available to the local licensing authority upon verbal request for law or regulatory enforcement and criminal investigation purposes. Such recordings shall be

considered confidential and shall not be released to the public pursuant to Government Code Section 6254(f) without the consent of the licensee.

B. The local licensing authority shall have the right to enter all cannabis businesses from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter. Such inspections shall be limited to observing the licensed premises for purposes of determining whether the cannabis business is being operated or maintained in compliance with this code, state law, and other applicable laws and regulations. Any cannabis business licensed pursuant to this chapter may be required to demonstrate, upon demand by the local licensing authority that the source and quantity of any cannabis or cannabis products found upon the licensed premises is in full compliance with any applicable local or state law or regulation.

C. The local licensing authority shall have the right to inspect records of medicinal cannabis patients and primary caregivers that have made purchases of medicinal cannabis or medicinal cannabis products from a retailer for the sole purpose of determining whether any and all such individuals are qualified to make such purchases. Such inspections of records shall not be used for any other purposes, nor shall the records be removed off-site by the city without a court order.

D. The local licensing authority may delegate an act required to be performed pursuant to this section to any code enforcement officer or official of the city, including, without limitation, the chief of police, the fire chief, the building official, the finance director, the city attorney, or any designee of such officers or officials.

E. Applicants and licensees must cooperate with the local licensing authority and his designees who are conducting inspections or investigations relevant to the enforcement of laws and regulations related to this chapter.

5.76.210 Enforcement; Suspension and Revocation of License.

A. The provisions of this chapter may be enforced by the local licensing authority by any means provided for in Chapter 1.16 of this code in addition to any and all other remedies, civil, equitable or criminal, afforded to the city under the law. The operation of a cannabis business in violation of this chapter or any conditions of approval placed on a licensee's local license is hereby deemed to be a public nuisance.

B. In addition to any other remedies available to the city under the law, a license issued under the terms of this chapter may be suspended or revoked by the local licensing authority if he or she concludes any of the following:

1. The cannabis business or licensee has violated any of the requirements of this chapter, chapter 17.315, the applicable conditional use permit, or the applicable development agreement.

2. The cannabis business is being operated in a manner which constitutes a nuisance.

3. The cannabis business is being operated in a manner which conflicts with or violates State Laws.

4. A licensee's conditional use permit or development agreement issued pursuant to Chapter 17.315 of this code has been terminated or revoked.

5. A licensee's state license has been suspended, terminated, or revoked.
- B. A license may be suspended or revoked by the local licensing authority as follows:
 1. For a first violation within a 24 month period, the license may be suspended for 10 days.
 2. For a second violation within a 24 month period, the license may be suspended for 30 days.
 3. For a third violation within a 24 month period, the license may be suspended for 60 days.
 4. For a fourth or subsequent violation within a 24 month period, the license may be revoked and no new license may be issued to any owner of the subject cannabis business for a period of at least one year.