

THE PEOPLE OF THE CITY OF CARSON DO ORDAIN AS FOLLOWS:

**SECTION 1. TITLE OF MEASURE.** This measure shall be known and may be cited as the “Carson Public Safety Measure to Regulate Cannabis Operations” (also the “Carson Cannabis Regulation Measure” or “Measure”). This Measure supersedes and replaces terms and sections of the Section 209 of the City of Carson (the “City”) Charter, California Statutes 2019 - Charter Chapter Number 7 (the “Carson Charter”), specified sections the City Municipal Code, and any other contrary City law and amends/repeals any other inconsistent Ordinance/Resolution therewith previously approved by City Council.

**SECTION 2. THE CITY COUNCIL OF THE CITY OF CARSON HEREBY MAKES THE FOLLOWING FINDINGS:**

Pursuant to Sections 111 and 209 of the Carson Charter, Section 7 of Article XI of the California Constitution, Section 26200 of the California Business & Professions Code, and any other applicable state or local authority, the City proposes that via a ballot measure a majority of the voters with Carson shall determine whether cannabis operations consistent with state law, including medical and recreational dispensaries shall be permissible within the City of Carson.

**SECTION 3.** Section 209 (Cannabis Regulation; Retail Dispensary Ban) of Article II (Powers of the City) of the City Charter is hereby repealed in its entirety and amended to read as follows:

**209 - Cannabis Regulation.**

The City shall authorize up to four (4) commercial cannabis operation centers (defined hereinafter), that may comprise each or any type of cannabis operations consistent and permitted by State law. Any change to the type of authorized commercial cannabis activities of cultivation, manufacturing, testing, distribution, medical/recreational dispensaries or retailer, or any increase to the number of authorized commercial cannabis operation centers from that currently permitted in the City Charter as of the effective date of the Measure may only be adopted by a majority vote of the voters of the City in a general municipal election.

**209.1 - Purpose and Intent.**

The voters of the City have adopted this Measure to establish a permitting process for cannabis operations, including medical and recreational dispensaries that were originally prohibited under the City Charter, but in order to avoid spending unnecessary time, missed tax opportunities, and unnecessary policing costs. This Measure will enable the City to collect general fund monies that otherwise would be collected from Carson residents purchasing legal cannabis and cannabis products in neighboring cities that do permit all cannabis operations, including medical and recreational dispensaries. The provisions of the Measure are in addition to any other consistent permits, licenses, and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses, and approval required under State or County of Los Angeles law.

**209.2 - Repeal of the Prohibition on Licensed Cannabis Operations, Including Medical and Recreational Dispensaries.**

Section 15.040 (Prohibited commercial cannabis operations) of Ordinance 17-1637 of the City Municipal Code and any other section, provision, law, or regulation previously adopted by the City (including any conflicting portion of the Carson Charter) are hereby repealed in their entirety or amended as provided for in this Measure to the extent those sections, provisions, laws, or regulations restrain or prohibit any state authorized and permitted cannabis operations, including medical and recreational dispensaries within the City.

Notwithstanding the above, and if permitted by State law, the City hereby expressly prohibits the delivery of cannabis and cannabis products within the City except by commercial cannabis operations based within the City and licensed under this Charter. If the City is required by State law to permit the delivery of cannabis and cannabis products by cannabis businesses not based within the City, such cannabis operators not based within the City shall be required to comply with the applicable operational requirements under this Charter and the City Municipal Code to the extent permissible by law.

### **209.3 - Compliance with Laws.**

It is the responsibility of the owners, managers, officers, employees, and agents of any cannabis operation to ensure that it is operating in a manner compliant with this Charter, compliant with all applicable State and local laws and any regulations promulgated thereunder. Nothing in this Charter shall be construed as in conflict with State or federal law.

### **209.4 - Definitions.**

When used in this Measure, the following words shall have the meanings ascribed to them as set forth herein. Unless otherwise defined in this Measure, terms and phrases used in this Measure shall have the meaning ascribed to them in Sections 61300 and 615030 of the City Municipal Code. Any reference to State statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

“Applicant” means the person applying for the cannabis operations license under this Measure (not the owners or the managers of the applicant).

“Day care center” or “childcare facility” means a facility, other than a family day care home, serving infant, toddler, preschool, and school age children licensed by the State Department of Social Services pursuant to Section 1596.951 of the State Health & Safety Code. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the California Business & Professions Code, this definition of “day care center” under this Measure shall override the definition of “day care center” in Section 26001 of the California Business & Professions Code.

“Liquid assets” means assets that can be readily converted into cash. “Liquid assets” include, but are not limited to, the following: funds in checking or savings accounts, certificates of deposit, money market accounts, mutual fund shares, publicly traded stocks, and United States savings bonds. “Liquid assets” does not mean household items, furniture and equipment, vehicles, cannabis or cannabis products, business inventory, or real property and improvements thereto.

“Manager” means any individual who will be participating in the direction, control, or management of an applicant or a permittee, including but not limited to, any (i) manager or managing member or other officer of a limited liability company, or (ii) chief executive officer, secretary, treasurer / chief financial officer or other officer of a for profit corporation.

“Owner” means any of the following:

- A. A person with an aggregate ownership interest of twenty (20) percent or more in the applicant or a permittee, unless the interest is solely a security, lien, or encumbrance;
- B. The chief executive officer, secretary, or treasurer / chief financial officer of a nonprofit applicant or permittee; or
- C. A member of the board of directors of a nonprofit applicant or permittee.

Notwithstanding Subsection C above, every applicant and permittee must have at least one individual person designated as an “owner” for the purpose of compliance with this Measure, including the review and evaluation of any commercial cannabis business license application.

“School” means, as evidenced by the State Department of Education school directory, a public school instructing children in grades kindergarten through 12, as authorized by the California Department of Education or a private school instructing children in grades kindergarten through 12 that has filed a verification of private school affidavit with the California Department of Education pursuant to Section 33190 of the California Education Code, excluding any private school in which education is primarily conducted in a private home. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the California Business & Professions Code, this definition of “school” under this Measure shall override the definition of “school” used in Section 26054 of the California Business & Professions Code and Section 11362.768 of the California Health & Safety Code.

“Youth center” means any public or private facility that is primarily used to host recreational or social activities for minors such as private youth membership organizations or clubs, social service teenage club facilities, or a park, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or on City, county, or State parks. “Youth center” shall not include any private martial arts, yoga, ballet, music, or similar studio of this nature nor shall it include any private athletic training facility, pizza parlor, restaurant, video arcade, dentist office, or doctor’s office primarily serving children even if the private athletic training facility, pizza parlor, restaurant, video arcade, dentist office, or doctor’s office contains a playground or recreational area specifically designed to be used by children which may have play equipment installed. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the California Business & Professions Code, this definition of “youth center” under this Measure shall override the definition of “youth center” in Section 26001 of the California Business & Professions Code.

#### **209.5 - Maximum Number of Authorized Commercial Cannabis Operations.**

The four (4) commercial cannabis operation centers authorized under Section 209 of the Charter and Section 15.050 of Carson Ordinance NO. 17-1637 of the City Municipal Code may each conduct a cannabis operation, including solely medical and recreational dispensaries or commercial cannabis retailer operation, a standalone State-licensed commercial cannabis retailer operation co-located on the same property with other types of commercial cannabis operations, or a commercial cannabis retailer operation as part of a commercial cannabis microbusiness. All previously approved cannabis operation permits are repealed and invalid immediately upon the effective date of this Measure. The Cannabis Operation Permit Application Procedure under Section 209.7 of this Charter shall be established prior to implementing the Cannabis Operation Center Permit Application Procedure under Section 209.8 of this Charter.

#### **209.6 - Location Commercial Cannabis Operations.**

No cannabis operation, including medical and recreational dispensaries, shall locate or operate in any zone of the City, other than in industrial or commercial zones (inclusive of any co-located overlay zones but also in compliance with any co-located overlay zones), and must comply with the Location Restrictions of Subsection “C” of Section 15.150 of Chapter 15 of Carson Ordinance NO. 17-1637, except that:

- A. No location to be considered or approved under this Measure, including the parcel of land, whether vacant or occupied by a building, group of buildings, or accessory buildings, and

including the structures, yards, open spaces, lot width, and lot area, may exceed one acre in size; or

- B. No location to be considered or approved under this Measure, including the parcel of land, whether vacant or occupied by a building, group of buildings, or accessory buildings, and including the structures, yards, open spaces, lot width, and lot area, may be located within seven hundred fifty (750) feet of any school, day care center, or youth center established with a valid City business license and valid certificate of occupancy as of the effective date of this Measure, with the distance be measured as the shortest horizontal distance measured in a straight line from the property line of one (1) site to the property line of another site.

**209.7 - Cannabis Operation Permit Application Procedure.**

- A. Applicants for cannabis operation permits under this Measure must comply with the application procedures established by this Measure, and do not have to comply with Sections 15.060 (Commercial Cannabis Operation Permit), 15.070 (Applications for Commercial Cannabis Operation Permit), 15.080 (Review of Commercial Cannabis Operation Permit Application), 15.090 (Issuance of Commercial Cannabis Operation Permit), 15.100 (Development Agreement), and 15.110 (Renewal of Commercial Cannabis Operation Permit) of Ordinance 17-1637 of the City Municipal Code.
- B. Within sixty (60) days following the effective date of this Measure, the City Manager or designee(s) shall make available a cannabis operation permit application only for cannabis retailer operations and adopt any necessary application rules for the submission, intake, review, and approval of applications only for cannabis retailer operations, including medical and recreational dispensaries, and to issue up to the maximum number of cannabis operation permits authorized under Section 209.5 of this Charter and Section 15.050 of Ordinance 17-1637 of the City Municipal Code.
- C. The City Manager or designee(s) shall cease acceptance of commercial cannabis operation permit applications for cannabis retailer operations thirty (30) days after making available the necessary forms, adopt any necessary application rules for the submission, intake, review, and approval of cannabis operation permit application only for cannabis retailer operations.
- D. Within thirty (30) days of ceasing the acceptance of cannabis operation permit applications only for commercial cannabis retailer operations, the City Manager or designee(s) shall review the applications for compliance with the following minimum requirements:
  - 1. Payment of an application fee established by resolution of the City Council to cover all costs incurred by the City in the application process;
  - 2. Sufficient evidence of the legal right to use the proposed property for the proposed use, to include a lease, sublease, purchase agreement, assignment of purchase agreement, or lease or purchase option, in the name of the applicant, which may include nominal consideration and be contingent upon issuance of a commercial cannabis operation permit or other approvals;
  - 3. Sufficient evidence to demonstrate that the proposed property complies with the location and zoning requirements in Section 209.6 of this Charter;

4. Proof of funds showing that the applicant has access and control of over \$500,000.00 in liquid assets, which may be via a binding legal agreement in the name of the applicant such as a promissory note so long as said legal agreement is accompanied by a proof of funds in the name of a party to the agreement;
  5. A set of plans, including site development plan, floor plans and building elevations (all four (4) sides), preliminary grading plan, and a conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species;
  6. Colored interior and elevation renderings;
  7. A completed background check application and receipt for each owner and manager of the applicant pursuant to a “Live scan”, including an inkless electronic fingerprinting and the automated background check developed by the California Department of Justice (“DOJ”) which involves digitizing fingerprints and electronically transmitting the fingerprint image data along with personal descriptor information to computers at the DOJ for completion of a criminal record check;
  8. The following application components: (a) evidence of character, veracity, qualifications, background, and relevant experience of the owners and managers of the applicant; (b) business plan; (c) operations plan; (d) safety plan; (e) security plan; (f) neighborhood compatibility plan (to include an odor control plan and an environmental impact mitigation plan); and (g) community benefits plan (to include a labor and employment plan); and
  9. For an applicant with two (2) or more employees or an applicant that has entered a labor peace agreement, the applicant shall attest to the City that the applicant has entered into a labor peace agreement and will abide by the terms of the agreement by submitting a copy of the page of the labor peace agreement that contains the signatures of the labor representative and the applicant. For applicants with less than two (2) employees who have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement within thirty (30) days after employing two (2) employees or .
- E. The City Manager or designee(s) shall as a ministerial duty reject any cannabis operation permit application that fails to meet the minimum requirements in contained in Subsection D.
- F. Within sixty (60) days of completing the application review under Subsection D above, the City Manager or designee(s) shall, as a ministerial duty, review and score any applications complete pursuant to objective review criteria adopted pursuant to the necessary application rules under Subsection B, according to the following point system or equivalent quantitative evaluation scale:
1. Qualifications of the applicant’s owners and managers – up to 100 points
  2. Plans, renderings, and overall location – up to 100 points
  3. Business plan – up to 100 points
  4. Operations plan – up to 100 points

5. Safety plan – up to 100 points
6. Security plan – up to 100 points
7. Odor control plan and an environmental impact mitigation plan – up to 100 points
8. Community benefits plan (to include a local employment plan) – up to 200 points
10. Established business commitment to the City – up to 200 points

The one-hundred (100) points shall only be awarded if the applicant applies from a property previously approved by the City for a Commercial Cannabis Operation Permit pursuant to Chapter 15 of Carson Ordinance NO. 17-1637.

- G. Upon timely receipt of a cannabis operation permit application under this Measure, the City Manager or designee(s) shall verify the validity of the background check required by this Measure. The City Manager or designee(s) shall issue cannabis operation permits for cannabis retailer operations in order of their rank under Subsection F up to the licensing limits authorized under Section 209.5 of the Charter and Section 15.050 of the City Municipal Code. In so doing, the City Manager or designee(s) shall not issue a cannabis operation permit to any applicant (or applicant with an owner or manager) that:
1. Provided false or misleading information on the applicant’s cannabis operation permit application;
  2. Has been convicted (or pled no contest) of “an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made” as that term is defined in Section 26057(b)(4) of the California Business & Professions Code;
  3. Has been judicially sanctioned or had a license suspended or revoked for unauthorized or unlawful cannabis activity in the three (3) years immediately preceding the date of application submission under Subsection D; or
- H. Any decision of the City Manager or designee(s) under this Measure shall be a final administrative decision not subject to administrative appeal under any provisions of this Measure, this Charter, or the City Municipal Code but, rather, subject to judicial review and remedies.

**209.8 - Cannabis Operation Center/Location Permit Application Procedure.**

- A. Notwithstanding the limits enumerated under Section 209 of the Charter and Section 15.050 of Ordinance 17-1637 of the City Municipal Code, any additional applicant that bases its operations at one of the four (4) locations to which a commercial cannabis operation permit issued by the City under Section 209.7 of this Charter applies (each a “cannabis operation center/location”) may apply for any cannabis operation permit for any use enumerated under Section 15050.A of Ordinance 17-1637 of the City Municipal Code and a “Type 12 = Microbusiness”, but not a “Type 12 = Microbusiness” for cannabis retailer operations unless the previously permitted cannabis retailer operations under Section 209.7 of this Charter are included within a “Type 12 = Microbusiness” application.

- B. Contemporaneously with the City's issuance of four (4) cannabis operation permits under Section 209.7 of this Charter, the City Manager or designee(s) shall make available a cannabis operation permit application for non-retailer cannabis operations based on the cannabis operation centers on the same location submitted by the Applicant and adopt any necessary application rules for the submission, intake, review, and approval of applications.

**209.9 - Cannabis operation permit Term.**

- A. Subject to revocation or suspension under this Measure, the term of each cannabis operation permit shall be indefinite.
- B. Upon the one (1) year anniversary of the date of issuance for each commercial cannabis operation permit and each year thereafter, the City Manager or designee(s) shall conduct a performance review of the permittee to assess compliance with the requirements of this Measure and the City Municipal Code. Within thirty (30) days of the conclusion of the annual performance review of the permittee, the City Manager or designee(s) shall issue a letter of compliance or noncompliance outlining all items to be corrected to ensure full compliance. In the event of any noncompliance, the permittee shall have sixty (60) days to remedy such noncompliance. However, in the event such noncompliance items cannot be remedied within sixty (60) days, such failure to remedy shall constitute a material violation of any law, any rule, regulation, and standard adopted pursuant to this Measure, subject to suspension or revocation.

**209.10 - Suspension and Revocation of cannabis operation permits.**

- A. The City Manager or designee(s) may suspend or revoke a cannabis operation permit for any material violation of any law, rule, regulation, and standard adopted pursuant to this Measure.
- B. Suspension or revocation of a State license issued by the State or by any of its departments or divisions, corresponding to the cannabis operation permit shall immediately result in the suspension of the associated cannabis operation permit until the State, or its applicable department or division, reinstates the State license or otherwise lifts such suspension.
- C. A permittee shall inform the City Manager or designee(s) of any suspension, revocation, or termination of a State license corresponding to its cannabis operation permit within two (2) business days of the suspension, revocation, or termination of the State license.

**209.11 - Appeals Regarding cannabis operation permits.**

- A. Within ten (10) calendar days after the date of a decision of the City Manager or his/her designee(s) to add conditions, revoke, suspend, or deny the renewal of an issued cannabis operation permit, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper. An appeal shall stay all proceedings in furtherance of the appealed action.
- B. At the time of filing the appellant shall pay the designated appeal fee, established by resolution of the City Council.

- C. Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council. The City Council shall hear the matter de novo, and shall conduct the hearing pursuant to the procedures set forth by the City.
- D. The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than ninety (90) days from the date of such filing. The City shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.
- E. At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.
- F. At the conclusion of the hearing the City Council may affirm, reverse, or modify the decision appealed. The decision of the City Council shall be a final administrative decision, subject to judicial review and remedies.

**209.12 - Transfer of cannabis operation permit.**

- A. An owner of a commercial cannabis operation permit shall not transfer ownership or control of such permit to another person or entity unless and until the transferee obtains an amendment to the permit from the City Manager or designee(s) stating that the transferee is now an owner of the permit. A permittee may change the ownership specified in a commercial cannabis operation permit upon submission and approval of a change in ownership application promulgated by the City Manager or designee(s), which shall include all of the same requirements established by this Measure. The permittee shall pay an application fee to cover all costs incurred by the City in the review and processing of change in ownership applications. The City Manager or designee(s) shall process such change in ownership applications as a ministerial duty once the City Manager or designee(s) reasonably determines that the transferee passed the background check required for applicants, owners, and managers and meets all other requirements of this Measure.
- B. A permittee may transfer ownership or change form of business entity without applying to the City Manager or designee(s) for a change in ownership, provided that either:
  - 1. The ownership of the permittee is substantially similar after transfer or change form of business entity in that at least 50.1% of the ownership of the permittee as provided in the original commercial cannabis operation permit application for the permit remains identical after transfer or change form of business entity; or
  - 2. If the original permittee is a cooperative or collective and then transitions to a new business entity, provided that all the owners in the new business entity are identical those owners provided in the original commercial cannabis operation permit application for the license.
  - 3. Although a transfer application is not required in these two (2) circumstances, the permittee is required to notify the City Manager or designee(s) in writing of the change within fifteen (15) calendar days of the change.
- C. No cannabis operation permit may be transferred when the City Manager or designee(s) has notified the permittee that the license has been or may be suspended or revoked.



### **209.13 - Change in Location.**

A permittee issued a cannabis operation permit for commercial cannabis retailer operations may change the business location specified in its cannabis operation permit upon submission and approval of a change in location application promulgated by the City Manager or designee(s) pursuant to regulations adopted under this Measure adopted within one-hundred eighty (180) days following the effective date of this Measure. The permittee shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the review and processing of change in location applications. The City Manager or designee(s) shall process such change in location applications as a ministerial duty within sixty (60) days of receipt. However, in the event of approval, such new location shall not be considered a cannabis operation center for the purpose of further permitting under Section 209.8 of this Charter and all cannabis retailer operations shall cease at the previous location.

### **209.14 - Building Permits and Inspection.**

Prior to commencing operations, a cannabis operation shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in the zone in which the business proposes to be located. These include but are not limited to building permits, fire department approvals, and health and safety approvals.

### **209.15 - Non-Retailer Operating Requirements.**

- A. Non-retailer cannabis operations shall be conducted in compliance with Sections 15.120, 15.130, 15.140, 15.150, and 15.160 of Ordinance 17-1637 of the City Municipal Code as applicable to the particular type of non-retailer cannabis operation(s) being conducted.
- B. Notwithstanding the location restrictions Sections 15.120, 15.130, 15.140, 15.150, and 15.160 of Ordinance 17-1637 of the City Municipal Code, non-retailer cannabis operations may be conducted on any approved cannabis operation location.

### **209.16 - Retailer Operating Requirements.**

Commercial cannabis retailers operations shall be conducted in compliance with Section 15.120 of Ordinance 17-1637 of the City Municipal Code as applicable to cannabis retailers operations, including:

- A. Retailers and the operation thereof shall comply with State law at all times.
- B. Prior to dispensing medicinal cannabis or medicinal cannabis products to a qualified patient, a retailer shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation or identification card as described in Sections 11362.71

through 11362.77 of State Health & Safety Code, as may be amended from time to time, on site for period of not less than seven (7) years.

- C. Prior to dispensing cannabis or cannabis products to an adult-use customer, a retailer shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one (21) years.
- D. Entrances into the retailer shall be locked with entry strictly controlled. Although a public entrance may remain open during business hours, a “buzz-in” electronic / mechanical entry system shall be utilized to limit access, to limit entry, and to separate the retail sale areas from a reception / lobby / check-in area.
- E. Retailers may have only that quantity of cannabis and cannabis products readily available for sale on-site in the retail sales area of the retailer reasonably anticipated to meet the daily demand.
- F. All restroom facilities shall remain locked and under the control of managers onsite.
- G. A retailer shall notify customers (verbally or by written agreement) and by posting of a notice or notices conspicuously in at least 15-point type within the permitted premises that state as follows:
  - 1. “The sale or diversion of cannabis or cannabis products without a license issued by the City of Carson is a violation of State law and the Carson Municipal Code.”
  - 2. “Secondary sale, barter, or distribution of cannabis or cannabis products purchased from a permittee is a crime and can lead to arrest.”
  - 3. “Customers must not loiter in or near these premises and may not consume cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted. These premises and vicinity are monitored to ensure compliance.”
  - 4. “WARNING: The use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate heavy machinery.”
  - 5. “CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer.”
- H. During public hours of operation, at least one (1) armed security guards shall be present at the location of a commercial cannabis retailer operation at all times. During non-public hours when commercial cannabis retailer operations cease, a commercial cannabis retailer operation may monitor the location remotely so long as (i) the retailer is securely locked with commercial-grade, non-residential door locks; (ii) the retailer’s alarm system shall be active and the overnight security monitoring service will watch to ensure no one attempts to get close or enter the retailer; (iii) all cannabis products shall be stored in a

locked safe or vault; and (iv) only authorized employees and contractors shall be allowed to enter the retailer.

**209.17 - Delivery Operating Requirements.**

- A. Delivery shall comply with State law at all times.
- B. Security plans developed pursuant to this Measure shall include provisions relating to vehicle security and the protection of employees and product during loading and in transit.
- C. A retailer shall facilitate the delivery of cannabis or cannabis products with a technology platform owned by or licensed to the delivery-only retailer that uses point-of-sale technology to track and database technology to record and store the following information for each transaction involving the exchange of cannabis or cannabis products between the retailer and customer:
  - 1. The identity of the individual dispensing cannabis or cannabis products on behalf of the permittee;
  - 2. The identity of the customer receiving cannabis or cannabis products from the permittee;
  - 3. The type and quantity of cannabis or cannabis products dispensed and received;
  - 4. The gross receipts charged by the permittee and received by the individual dispensing cannabis or cannabis products on behalf of the permittee for the cannabis or cannabis products dispensed and received; and
  - 5. The location or address where the sale or retail sale took place or closed.
- D. A permittee shall maintain a database and provide a list of the individuals and vehicles authorized to conduct delivery, and a copy of the valid State driver's license issued to the driver of any such vehicle on behalf of the retailer to the City Manager or designee(s).
- E. Individuals making deliveries of cannabis or cannabis products on behalf of the retailer shall maintain a physical copy of the delivery request (and invoice) and shall make it available upon the request of agents or employees of the City requesting documentation.
- F. During delivery, a copy of the permittee's commercial cannabis business license and State license shall be in the vehicle at all times, and the driver shall make it available upon the request of agents or employees of the City requesting documentation.
- G. A retailer shall only permit or allow delivery of cannabis or cannabis products in a vehicle that is (i) insured at or above the legal requirement in the State; (ii) capable of

securing (locking) the cannabis or cannabis products during transportation; (iii) capable of being temperature controlled if perishable cannabis or cannabis products is being transported; and (iv) does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for cannabis delivery or affiliated with a retailer.

- H. A retailer shall facilitate deliveries with a technology platform owned by or licensed to the retailer that uses global positioning system technology to track, and database technology to record and store the following information:
1. The time that the individual conducting delivery on behalf of the retailer departed the licensed premises.
  2. The time that the individual conducting delivery on behalf of the retailer completed delivery to the customer.
  3. The time that the individual conducting delivery on behalf of the retailer returned to the licensed premises.
  4. The route the individual conducting delivery on behalf of the retailer traveled between departing and returning to the licensed premises to conduct delivery.
  5. For each individual delivery transaction, the identity of the individual conducting deliveries on behalf of the retailer.
  6. For each individual delivery transaction, the vehicle used to conduct delivery on behalf of the retailer.
  7. For each individual delivery transaction, the identity of the customer receiving cannabis or cannabis products from the retailer.
  8. For each individual delivery transaction, the type and quantity of cannabis or cannabis products dispensed and received.
  9. For each individual delivery transaction, the gross receipts charged by the retailer and received by the individual conducting deliveries on behalf of the retailer for the cannabis or cannabis products dispensed and received.
- I. The individual making deliveries on behalf of the retailer shall personally verify for each individual delivery transaction the identity of the customer receiving cannabis or cannabis products from the retailer and (a) for medicinal cannabis or medicinal cannabis products to a qualified patient, the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation or identification card as described in Sections 11362.71

through 11362.77 of State Health & Safety Code, as may be amended from time to time, on site for period of not less than seven (7) years or (b) for cannabis or cannabis products to an adult-use customer, age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one (21) years.

Section 15.170 of Ordinance 17-1637 of the City Municipal Code is hereby repealed in its entirety.

**209.18 - Restriction on Alcohol and Tobacco Sales.**

No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco on or about the premises of a commercial cannabis operation.

**209.19 - Measure Administration.**

This Measure and all cannabis operations in the City as of the effective date of this Measure shall be administered by the City Manager or designee(s).

SECTION 4. CATEGORICALLY EXEMPT FROM CEQA. The People of the City find that the actions contemplated by this Measure, including the issuance of cannabis operation permits, are categorically exempt from the California Environmental Quality Act (“CEQA”) under Section 15060(c)(2) and Section 15060(c)(3) of Title 14 of the California Code of Regulations and the holding by the California Supreme Court in *Tuolumne Jobs & Small Business Alliance v. Superior Court* (2014) 59 Cal.4th 1029. Further, the People of the City find that cannabis activity is similar to already existing permitted general uses in City’s industrial or commercial zones with the only difference being the type of product cultivated, manufactured, distributed, processed, stored, tested, packaged, labeled, transported, delivered, or sold.

SECTION 5. CONFLICTING MEASURES. The People of the City find and declare that the provisions of this Measure relating to the regulation of cannabis operations in the City, may conflict with one or more provisions of other initiative measures. It is the intent of the People that if this Measure receives a greater number of affirmative votes than a conflicting measure at the same election, this Measure shall prevail in its entirety over a conflicting measure.

SECTION 6. SEVERABILITY. If any provision, section, paragraph, sentence, phrase, or word of this Measure is rendered or declared invalid, illegal, or unconstitutional by any final action in a court of competent jurisdiction or by reason or any preemptive legislation, such unconstitutionality illegality or invalidity shall only affect such provision, section, paragraph, sentence, phrase, or word and shall not affect or impair any remaining provisions, sections, paragraphs, sentences, phrases, or words, or the application of the Measure to any other person or circumstance, and to that end, the provisions hereof are severable. It is hereby declared to be the intention of the People of the City that that this Measure would have been adopted had such unconstitutional illegal or invalid provision, section, paragraph, sentence, phrase, or word not been included herein.

SECTION 7. LIBERAL CONSTRUCTION. This Measure is an exercise of the initiative power of the People of the City to provide for safe and regulated access to cannabis and cannabis products, including medical and recreational dispensaries and shall be liberally construed to effectuate that purpose.

SECTION 8. LEGAL DEFENSE. If approved by a simple majority of voters, and thereafter challenged in court of competent jurisdiction, the City shall defend this Measure in such court of competent jurisdiction. The People of the City by approving this Measure by a simple majority of voters, hereby declare that the proponent(s) of the Measure have a direct and personal stake in defending the Measure from constitutional or statutory challenges to the Measure's validity or implementation. In the event the City fails to defend the Measure, or the City fails to appeal an adverse judgment against this Measure, in whole or in part, in any court of competent jurisdiction, the Measure's proponent(s) shall be entitled to assert his, her, or their direct personal stake by defending the Measure's validity and implementation in any court of competent jurisdiction and shall be empowered by the People through this Measure to act as agents of the People of the City, and the City shall indemnify the proponent(s) for reasonable attorneys' fees.

SECTION 9. EFFECTIVE DATE. This Measure shall be in full force and effect upon the tenth day following certification by the City Council of the election returns indicating passage of the Measure by a majority of the voters casting votes on the Measure.