

ORDINANCE NO. 2018-__

AN ORDINANCE OF THE CITY OF CULVER CITY, CALIFORNIA,
AMENDING CHAPTER 11.17, "COMMERCIAL CANNABIS
BUSINESSES," OF THE CULVER CITY MUNICIPAL CODE; AND
(2) AMENDING SECTION 11.01.075 "UNLAWFUL BUSINESSES
PROHIBITED" OF CHAPTER 11.01.

NOW, THEREFORE, the City Council of the City of Culver City, California,
DOES HEREBY ORDAIN as follows:

SECTION 1. This Ordinance shall be known and may be cited as the
Culver City Commercial Cannabis Regulation and Safety Ordinance.

SECTION 2. Chapter 11.17, "Commercial Cannabis Businesses," is
hereby amended to read as follows (underlined text denotes additions, strikeout text
denotes deletions):

CHAPTER 11.17: COMMERCIAL CANNABIS BUSINESSES

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§11.17.010. Legal Authority.

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1 ***Adoption by Reference of Part 7 of Chapter 8.04, 'Commercial Cannabis***
2 ***Activities,' and Chapter 11.37, 'Cannabis Facilities,'***
3 ***of the Los Angeles County Code***

4 §11.17.400 Adoption by Reference of Los Angeles County Cannabis
5 Public Health Ordinance.

6 ***General Provisions***

7 **§11.17.005 Purpose and Intent**

8 It is the purpose and intent of this Chapter to implement the provisions of
9 the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA") to
10 accommodate the needs of medically-ill persons and provide access to cannabis for
11 medicinal purposes as recommended by their health care provider(s), and to provide
12 access to adult-use of cannabis for persons over the age of 21 as authorized by the
13 Control, Tax & Regulate the Adult Use Cannabis Act ("AUMA" or "Proposition 64"
14 passed by California voters in 2016), while imposing reasonable regulations on the use
15 of land to protect the City's residents, neighborhoods, and businesses from
16 disproportionately negative impacts. As such, it is the purpose and intent of this
17 Chapter to regulate the cultivation, processing, manufacturing, testing, sale, delivery,
18 distribution and transportation of medicinal and adult-use cannabis and cannabis
19 products in a responsible manner to protect the health, safety, and welfare of the
20 residents of Culver City and to enforce rules and regulations consistent with state law.
21 It is the further purpose and intent of this Chapter to require all commercial cannabis
22 businesses to obtain and renew annually a permit to operate within Culver City. Nothing
23 in this Chapter is intended to authorize the possession, use, or provision of cannabis for
24 purposes that violate state law. It is neither the intent nor the effect of this Chapter to
25 condone or legitimize the illegal use or consumption of cannabis under federal, state or
26 local law. The provisions of this Chapter are in addition to any other permits, licenses
27 and approvals which may be required to conduct business in the City, and are in
28 addition to any permits, licenses and approvals required under state, county, or other
law.

22 **§11.17.010 Legal Authority.**

23 Pursuant to Sections 5 and 7 of Article XI of the California Constitution,
24 the provisions of MAUCRSA, any subsequent state legislation and/or regulations
25 regarding same, the City of Culver City is authorized to adopt ordinances that establish
26 standards, requirements and regulations for the licensing and permitting of commercial
27 medicinal and adult-use cannabis activity. Any standards, requirements, and
28 regulations regarding health and safety, security, and worker protections established by
the State of California, or any of its departments or divisions, shall be the minimum
standards applicable in the City of Culver City to all commercial cannabis activity.

1
2 **§11.17.015 Commercial Cannabis Cultivation and Commercial**
3 **Cannabis Activities Prohibited Unless Specifically**
4 **Authorized by this Chapter.**

5 Except as specifically authorized in this Chapter, the commercial
6 cultivation, manufacture, processing, storing, laboratory testing, labeling, sale, delivery,
7 distribution or transportation (other than as provided under California Business &
8 Professions Code section 26090(e)), of cannabis or cannabis products is expressly
9 prohibited in the City of Culver City.

10 **§11.17.020 Compliance with Laws.**

11 A. Nothing in this Chapter shall be construed as authorizing any
12 actions that violate state law or local law with respect to the operation of a commercial
13 cannabis business. It shall be the responsibility of the Permittees and Responsible
14 Persons of a commercial cannabis business to ensure that a commercial cannabis
15 business is, at all times, operating in a manner compliant with all applicable state and
16 local laws, including for as long as applicable, all state cannabis laws, any subsequently
17 enacted state law or regulatory, licensing, or certification standards or requirements,
18 and any specific, additional operating procedures or requirements which may be
19 imposed as conditions of approval of the Commercial Cannabis Business Permit.

20 B. All commercial cannabis businesses authorized by this Chapter
21 shall comply with the applicable provisions of the Los Angeles County Public Health
22 Code.

23 **§11.17.025 Definitions.**

24 When used in this Chapter, the following words shall have the meanings
25 ascribed to them as set forth herein. Any reference to California statutes includes any
26 regulations promulgated thereunder, and is deemed to include any successor or
27 amended version of the referenced statute or regulatory provision.

28 **Applicant.** Applicant shall include any ~~individual or entity~~ Person applying
for a Commercial Cannabis Business Permit under this Chapter, including any officer,
director, partner, or other duly authorized representative applying on behalf of an entity.

Business tax certificate. The certificate issued by the City's Revenue
Division after payment of the business tax fee as set forth in Chapter 11.01 of the City
of Culver City Municipal Code.

1 **A-License.** A license issued by the State of California under MAUCRSA
2 for cannabis or cannabis products that are intended for adults 21 years of age and over
and who do not possess a physician's recommendation.

3 **Cannabis.** Except as specified herein, all parts of the Cannabis sativa
4 Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds
5 thereof; the resin, whether crude or purified, extracted from any part of the plant; and
6 every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its
7 seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified,
8 obtained from cannabis. "Cannabis" does not include the mature stalks of the plant,
9 fiber produced from the stalks, oil or cake made from the seeds of the plant, any other
compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks
(except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the
plant which is incapable of germination. For the purpose of this Chapter, "cannabis"
does not mean "industrial hemp" as defined by Section 11018.5 of the California Health
and Safety Code.

10 **Cannabis concentrate.** Cannabis that has undergone a process to
11 concentrate one or more active cannabinoids, thereby increasing the product's potency.
12 Resin from granular trichomes from a cannabis plant is a concentrate for purposes of
this Chapter. A cannabis concentrate is not considered food, as defined by Section
13 109935 of the California Health and Safety Code, or drug, as defined by Section
109925 of the California Health and Safety Code.

14 **Cannabis products.** Cannabis that has undergone a process whereby
15 the plant material has been transformed into a concentrate, including but not limited to
16 concentrated cannabis, or an edible or topical product containing cannabis or
concentrated cannabis and other ingredients.

17 **Canopy.** All areas occupied by any portion of a cannabis plant, inclusive
18 of all vertical planes, whether contiguous or noncontiguous on any one site.

19 **Caregiver or primary caregiver.** Has the same meaning as that term is
20 defined in Section 11362.7 of the California Health and Safety Code.

21 **Chief of Police.** The Chief of the Culver City Police Department,
22 including his or her designee.

23 **City.** The City of Culver City, California.

24 **City Manager.** City Manager of the City of Culver City, including his or her
25 designee.

26 **Code.** The Culver City Municipal Code.

27 **Commercial cannabis activity.** Activities that include the cultivation,
28

1 possession, manufacture, distribution, processing, storing, laboratory testing,
2 packaging, labeling, transportation, delivery or sale of cannabis and cannabis products
as provided for in MAUCRSA and its related or successor laws and regulations.

3 **Commercial cannabis business.** Any business or operation which
4 engages in medicinal or adult-use commercial cannabis activity.

5 **Commercial Cannabis Business Permit.** The regulatory permit issued
6 by the City pursuant to this Chapter, to a commercial cannabis business, which is
required before any commercial cannabis activity may be conducted in the City.

7 **Community Development Director.** The Director of the City's
8 Community Development Department, including his or her designee.

9 **Cultivation.** Any activity involving the planting, growing, harvesting,
10 drying, curing, grading, or trimming of cannabis.

11 **Customer.** A natural Person 21 year of age or older; or, a natural Person
12 18 years of age or older who possesses a physician's recommendation, or a primary
caregiver.

13 **Day care center.** Day care center has the same meaning as in Section
14 1596.76 of the California Health and Safety Code.

15 **Delivery.** The commercial transfer of cannabis or cannabis products to a
16 customer. Delivery also includes the use by a retailer of any technology platform.

17 **Dispensing.** Any activity involving the retail sale of cannabis or cannabis
18 products from a retailer.

19 **Distribution.** The procurement, sale, and transport of cannabis and
20 cannabis products between licensees.

21 **Distributor.** A Person holding a valid Commercial Cannabis Business
22 Permit for distribution issued by the City of Culver City, and, a valid state license for
distribution.

23 **Edible cannabis product.** Cannabis product that is intended to be used,
24 in whole or in part, for human consumption, and is not considered food. Edible
cannabis product has the same meaning as Section 26001 of the California Business
and Professions Code.

25 **Employee.** Each Person who renders any service, with or without
26 compensation, for the Owner, Permittee, or agent of either an Owner or Permittee of a
27 commercial cannabis business. For purposes of this Chapter, the term *Employee* shall
include part-time, full-time, temporary, or permanent Employees.

1 **Fire Chief.** The Chief of the Culver City Fire Department, including his or
2 her designee.

3 **License or State License.** A permit or license issued by the State of
4 California, or one of its departments or divisions, under MAUCRSA and any subsequent
5 State of California legislation regarding the same, to engage in commercial cannabis
6 activity.

6 **Licensee.** Any Person holding a license issued by the State of California
7 to conduct commercial cannabis business activities.

8 **Live plants.** Living cannabis flowers and plants including seeds,
9 immature plants, and vegetative stage plants.

10 **Manager.** Any person(s) designated by the commercial cannabis
11 business to act as the representative or agent of the commercial cannabis business in
12 managing day-to-day operations with corresponding liabilities and responsibilities,
13 and/or the individual in apparent charge of the premises where the commercial
14 cannabis business is located. Evidence of management includes, but is not limited to,
15 evidence that the individual has the power to direct, supervise, or hire and dismiss
16 Employees, controls hours of operations, creates policy rules, or purchases supplies.

14 **M-License.** A license issued by the state of California under MAUCRSA
15 for commercial cannabis activity involving medicinal cannabis.

16 **Manufacture.** To compound, blend, extract, infuse, or otherwise make or
17 prepare a cannabis product.

18 **Manufactured cannabis.** Raw cannabis that has undergone a process
19 whereby the raw agricultural product has been transformed into a concentrate,
20 extraction or other manufactured product intended for internal consumption through
21 inhalation or oral ingestion or for topical application.

21 **Manufacturer.** A licensee that conducts the production, preparation,
22 propagation, or compounding of cannabis or cannabis products either directly or
23 indirectly or by extraction methods, or independently by means of chemical synthesis,
24 or by a combination of extraction and chemical synthesis at a fixed location that
25 packages or repackages cannabis or cannabis products or labels or container. A
26 manufacturer may also be a Person that infuses cannabis in its products but does not
27 perform its own extraction.

25 **Medicinal cannabis or medicinal cannabis product.** Cannabis or a
26 cannabis product, respectively, intended to be sold for use pursuant to the
27 Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the
28 California Health and Safety Code, by a medicinal cannabis patient in California who

possesses a physician's recommendation.

Owner. Any of the following:

(1) An entity or individual with an aggregate ownership interest of 10 percent or more in the Applicant or Permittee ~~Person applying for a Culver City Commercial Cannabis Business Permit~~, whether a partner, shareholder, member, or the like, 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.

Park and Playground. Public parks, play lots, playgrounds, and athletic fields for non-commercial or private neighborhood or community use, including tennis courts. Does not include parkways, golf courses, country clubs, private sport courts or play structures accessory to a single-family dwelling.

Patient or qualified patient. The same definition as Section 11362.7 et seq. of the California Health and Safety Code, as it may be amended, and which means a Person who is entitled to the protections of Section 11362.5 of the California Health & Safety Code.

Permit Administrator. The Chief Financial Officer of the City, or his/her designee.

Permittee. Any Person to whom a current and valid City-issued Commercial Cannabis Business Permit has been issued.

Person. Any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

Premises. The designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the Applicant or Permittee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one Permittee.

Purchaser. The customer who is engaged in a transaction with a Permittee for purposes of obtaining cannabis or cannabis products.

Responsible Person. All Owners and operators of a commercial cannabis business, including the Permittee and all officers, directors, Managers, or partners, and all Persons with authority, including apparent authority, over the premises of the commercial cannabis business.

Retailer-Storefront. A Storefront Retailer is a commercial cannabis business facility where cannabis, cannabis products, or devices for the use of cannabis

1 or cannabis products are offered, either individually or in any combination, for retail
2 sale to customers at an on-site fixed location, including an establishment that also
3 offers delivery of cannabis and cannabis products as part of a retail sale, in addition to
4 on-site sales, and where the ~~operator~~ Permittee holds a valid Commercial Cannabis
Business Permit authorizing the operation of a retailer, and a valid state license as
required by state law to operate a retailer.

5 **Retailer-Delivery only.** A Delivery only retailer is a commercial cannabis
6 business facility where cannabis, cannabis products, or devices for the use of cannabis
7 or cannabis products are offered, either individually or in any combination, for retail sale
8 to customers, where the premises are closed to the public and sales are conducted
9 exclusively by delivery, where a vehicle is used to convey the cannabis or cannabis
products to the customer from a fixed location, and where the ~~Permittee~~ operator holds
a valid Commercial Cannabis Business Permit authorizing the operation of a retailer,
and a valid state license as required by state law to operate a retailer.

10 **Sell, sale, and to sell.** Includes any transaction whereby, for any
11 consideration, title to cannabis or cannabis products are transferred from one Person to
12 another, and includes the delivery of cannabis or cannabis products pursuant to an
13 order placed for the purchase of the same and soliciting or receiving an order for the
same, but does not include the return of cannabis or cannabis products by a licensee to
the licensee from whom the cannabis or cannabis product was purchased.

14 **State Cannabis Laws.** Laws of the State of California, which include
15 California Health and Safety Code Sections 11362.1 through 11362.45; California
16 Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California
17 Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program);
18 California Health and Safety Code Sections 26000 through 26211 (Medicinal and Adult-
19 Use Cannabis Regulation and Safety Act ("MAUCRSA")); California Health and Safety
20 Code Sections 26220 through 26231.2; the California Attorney General's Guidelines
21 for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in
August, 2008, as such guidelines may be revised from time to time by action of the
Attorney General; California Labor Code Section 147.5; California Revenue and
Taxation Code Sections 31020 and 34010 through 34021.5; California Fish and Game
Code Section 12029; California Water Code Section 13276; all state regulations
adopted pursuant to MAUCRSA; and all other applicable laws of the state of California.

22 **Testing laboratory.** A laboratory, facility, or entity in the state that offers
23 or performs tests of cannabis or cannabis products and that is both of the following:

- 24 (1) Accredited by an accrediting body that is independent from all other
Persons involved in commercial cannabis activity in the state.
25 (2) Licensed by the State of California.

26 **Topical cannabis.** A product intended for external application and/or
27 absorption through the skin. A topical cannabis product is not considered a drug as
defined by Section 109925 of the California Health and Safety Code.

1 **Youth center.** The same meaning as in Section 11353.1 of the California
2 Health and Safety Code.

3
4 **Permit Procedures; Administration**

5 **§11.17.100 Commercial Cannabis Business Permit Required to**
6 **Engage in Commercial Cannabis Business.**

7 No Person may engage in any commercial cannabis business or in any
8 commercial cannabis activity within the City of Culver City including cultivation,
9 manufacturing, processing, laboratory testing, transporting, dispensing, distribution, or
10 sale of cannabis or a cannabis product unless the Person (1) has a valid Commercial
11 Cannabis Business Permit; (2) has a valid State of California Seller's Permit; and (3) is
currently in compliance with all applicable state and local laws and regulations
pertaining to the commercial cannabis business and the commercial cannabis activities,
including the duty to obtain any required state licenses.

12 **§11.17.105 Maximum Number and Type of Authorized Commercial**
13 **Cannabis Businesses Permitted.**

14 A. The maximum number of each type of commercial cannabis
15 business that shall be permitted to operate in the City shall be established by
16 resolution of the City Council.

17 B. This section is only intended to create a maximum number of
18 commercial cannabis businesses that may be issued Commercial Cannabis Business
19 Permits to operate in the City under each category of commercial cannabis business.
20 Nothing in this Chapter creates a mandate that the City must issue all or any of the
21 Commercial Cannabis Business Permits, if it is determined that it is in the best interest
of the City to issue a lesser number than the maximum number of Commercial
Cannabis Business Permits, or not issue any Commercial Cannabis Business Permits
at all; or if the Applicants do not meet the standards which are established in the
application requirements or further amendments thereto.

22 C. Each year following the initial award of permits, if any, or at any
23 time in the City Council's discretion, the City Council may reassess the number of
24 Commercial Cannabis Business Permits which are authorized for issuance. The City
25 Council, in its discretion, may determine by resolution that the number of Commercial
Cannabis Business Permits should remain the same, be reduced, or be increased.

§11.17.110 Initial Application Procedure.

A. The City Council shall adopt by resolution the procedures to govern the application process for issuance of a Commercial Cannabis Business Permit. The resolution shall authorize the City Manager to prepare the necessary forms, and adopt any necessary rules, regulations and processes concerning the applications and the application process.

B. Any Person seeking to obtain a Commercial Cannabis Business Permit shall submit a written application to the City, signed under penalty of perjury, using the form approved by the City for that purpose. The application shall be accompanied by a non-refundable application fee established by resolution of the City Council, to defray the costs incurred by the City in the application process set forth in this Chapter.

C. As part of the application process, the Applicant shall be required to obtain all required land use approvals from the City's Community Development Department, including a certification from the Community Development Director certifying that the business is a permitted use in the zone where it is located, and the proposed Premises meets all the requirements of Title 17 of this Code.

D. Any Person intending to open and to operate a commercial cannabis business shall provide sufficient evidence of the legal right to occupy and to use the proposed Premises. In the event the proposed Premises will be leased from another Person, the Applicant shall be required to provide a signed and notarized statement from the owner of the property, in a form approved by the City, acknowledging that the property owner has read this Chapter and consents to the operation of the commercial cannabis business on the owner's property.

E. Background Check. Pursuant to Sections 11105(b)(11) and 13300(b)(11) of the California Penal Code, which authorizes city authorities to access state and local summary criminal history information for employment, licensing, or certification purposes, and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every Applicant, Owner, Manager and Responsible Person of the commercial cannabis business must submit fingerprints and other information deemed necessary by the Chief of Police for a background check by the Culver City Police Department. No Applicant shall be issued a Commercial Cannabis Business Permit unless the Applicant, Owner, Manager and Responsible Person have first cleared the background check, as determined by the Chief of Police, as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a Commercial Cannabis Business Permit is submitted.

1 **§11.17.115 Permittee Selection Process.**

2 A. *Storefront Retail Commercial Cannabis Businesses.*

3 1. Applicants shall be selected through a multi-stage screening
4 process to be adopted by City Council resolution. No Applicant is guaranteed any
5 particular result in the application process.

6 2. One stage of the process shall include a public meeting
7 where the public may comment on the proposed storefront retail commercial cannabis
8 business Applicants. At least 10 days prior to the public meeting, the proposed
9 Premises will be posted, and notice of the public meeting will be delivered to all
10 property owners and occupants located within 4000-2500 feet of the proposed
11 Premises of each of the Applicants that will be present at the meeting.

12 3. Each commercial cannabis storefront retail business shall
13 comply with the requirements of §17.220.015 of this Code to have a valid Conditional
14 Use Permit in place prior to operation.

15 4. City Council shall select the Applicants to be awarded a
16 storefront retail Commercial Cannabis Business Permit at a public City Council meeting.
17 The City Council's decision as to those Applicants that are issued a Commercial
18 Cannabis Business Permit shall be final.

19 5. No Applicant shall be selected if the proposed location is not
20 in compliance with the following distancing requirements:

21 a. No storefront retailer shall be located within a 600-
22 foot radius of a school providing instruction in kindergarten or any grades 1 through 12,
23 day care center, youth center, or park or playground, that is in existence at the time of
24 the initial issuance of a Commercial Cannabis Business Permit from the City. The
25 distance specified in this subsection 5.a shall be the horizontal distance measured in a
26 straight line from the property line of the sensitive receptor to the closest property line of
27 the lot on which the cannabis business is to be located without regard to intervening
28 structures.

 b. No storefront retailer shall be located within 1,000
feet of any other storefront retailer within the eCity. The distance specified in this
subsection 5.b shall be the horizontal distance measured in a straight line from the
property line of the lot on which one storefront retailer is located to the closest property
line of the lot on which the second storefront retailer is to be located without regard to
intervening structures.

 c. No storefront retailer shall be located on a corner
parcel where the structure on the Premises is within 45 feet of a residential zoning
district. The distance specified in this subsection 5.c shall be the horizontal distance

1 measured in a straight line from the exterior wall of the structure on the Premises, to the
2 closest property line of the nearest property in a residential zoning district within the
3 City.

4 B. *All Other Commercial Cannabis Business Permits.* Commercial
5 Cannabis Business Permits for manufacturing, cultivation, distribution, testing and
6 delivery-only retailers shall be issued by the Permit Administrator. City Council shall
7 adopt by resolution a selection process for the issuance of these categories of
8 Commercial Cannabis Business Permits.

9 C. *Requirements applicable to all Commercial Cannabis Business*
10 *Permits.*

11 1. All Applicants shall be at least 21 years of age or older.

12 2. Issuance of a Commercial Cannabis Business Permit does
13 not create a land use entitlement. No Commercial Cannabis Business Permit shall be
14 issued and no Applicant selected for issuance of a Commercial Cannabis Business
15 Permit may begin operations, until the Applicant has demonstrated compliance with all
16 the state and local laws and regulations, including but not limited to the requirements of
17 this Code and of the Commercial Cannabis Business Permit.

18 23. Notwithstanding anything in this Chapter to the contrary, the
19 City reserves the right to reject any or all applications if it determines it would be in the
20 best interest of the City, taking into account the public health, safety and welfare.
21 Applications may also be rejected for the following reasons:

22 a. The application is received after the designated time
23 and date in which the City will receive applications.

24 b. The Applicant has failed to submit a complete
25 application, or the application is not organized in the required format;

26 c. The Applicant has failed to pay the application fee as
27 required by this Chapter and by City Council resolution.

28 d. The Applicant has made a false, misleading or
fraudulent statement or omission of fact in the application or in the application process.

e. The application contains excess or extraneous
material not called for in the application package.

f. The Applicant, an Owner, or Manager has, within the
past three years, been sanctioned or fined for, enjoined from, or found guilty of or plead
guilty or no contest to a charge of operating a cannabis dispensary or retailer in the
state without the necessary permits and approvals from the applicable state and/or
local jurisdictions.

1 f. ~~The Applicant, an Owner, or Manager has been~~
convicted within the past 10 years of any of the offenses listed in Section 11.17.125.D.

2 g.

3 h. ~~The Applicant is under 21 years of age.~~

4 34. Conviction of the Applicant, or an Owner, Manager, or Responsible
5 Person, including a plea of guilty or no contest, to any the following offenses shall be
6 grounds for denial of a Commercial Cannabis Business application:

7 a. A violent felony, as specified in Section 667.5(c) of
8 the California Penal Code.

9 b. A serious felony, as specified in Section 1192.7(c) of
10 the California Penal Code Section.

11 c. A felony involving fraud, deceit, or embezzlement.

12 d. A felony for hiring, employing, or using a minor in
13 transporting, carrying, selling, giving away, preparing for sale, or peddling, any
14 controlled substance; or selling, offering to sell, furnishing, offering to furnish,
15 administering, or giving any controlled substance to a minor.

16 e. A felony for drug trafficking with enhancements
17 pursuant to Section 11370.4 or 11379.8 of the California Health and Safety Code.

18 f. A felony involving the illegal possession for sale, sale,
19 manufacture, transportation, or cultivation of a controlled substance.

20 5. An Applicant shall have no right to a Commercial Cannabis
21 Business Permit until a Commercial Cannabis Business Permit is actually issued, and
22 then only for the duration of the Commercial Cannabis Business Permit's term. Each
23 Applicant assumes the risk that, at any time prior to the issuance of a Commercial
24 Cannabis Business Permit, the City Council may terminate or delay the issuance of
25 permits as established by this Chapter.

26 6. Prior to operating a commercial cannabis business, each
27 Person awarded a Commercial Cannabis Business Permit shall be required to pay a
28 permit fee established by resolution of the City Council, to cover the costs of
administering this Chapter.

29 §11.17.120 Expiration of Commercial Cannabis Business Permits.

30 Each Commercial Cannabis Business Permit issued pursuant to this
31 Chapter shall expire twelve (12) months after the date of its issuance. Commercial
32 cannabis business permits may be renewed as provided in Section 11.17.130.

1 **§11.17.125 Revocation of Permits.**

2 A. Failure of a Permittee to comply with any requirement imposed by
3 the provisions of this Code (or successor provision or provisions) including any rule,
4 regulation, condition or standard adopted pursuant to this Chapter, or any term or
5 condition imposed on the Commercial Cannabis Business Permit, or any provision of
6 state law, may be grounds for revocation of the permit.

7 B. Revocation of a state license issued under MAUCRSA shall be
8 grounds for immediate revocation of a Commercial Cannabis Business Permit.

9 B.C. Any of the grounds for rejection or denial of a permit under Section
10 11.17.115.

11 ~~C. A Commercial Cannabis Business Permit may be revoked if the~~
12 ~~Permittee, and/or Permittee's Owner, Manager or Responsible Person has, within the~~
13 ~~past three years, been sanctioned or fined for, enjoined from, or found guilty of or plead~~
14 ~~guilty or no contest to a charge of operating a cannabis dispensary or retailer in the~~
15 ~~state without the necessary permits and approvals from the applicable state and/or~~
16 ~~local jurisdictions.~~

17 ~~Conviction within the past 10 years of the Permittee, Permittee's Owner,~~
18 ~~Manager, or Responsible Person, including a plea of guilty or no contest, to any the~~
19 ~~following offenses may be grounds for revocation of a Commercial Cannabis Business~~
20 ~~Permit issued by the City:~~

21 ~~A violent felony, as specified in Section 667.5(c) of the California~~
22 ~~Penal Code.~~

23 ~~A serious felony, as specified in Section 1192.7(c) of the California~~
24 ~~Penal Code Section.~~

25 ~~A felony involving fraud, deceit, or embezzlement.~~

26 ~~A felony for hiring, employing, or using a minor in transporting,~~
27 ~~carrying, selling, giving away, preparing for sale, or peddling, any~~
28 ~~controlled substance; or selling, offering to sell, furnishing, offering~~
~~to furnish, administering, or giving any controlled substance to a~~
~~minor.~~

~~A felony for drug trafficking with enhancements pursuant to~~
~~Section 11370.4 or 11379.8 of the California Health and Safety~~
~~Code.~~

1 D. ~~A felony or misdemeanor involving the illegal possession for~~
2 ~~sale, sale, manufacture, transportation, or cultivation of a~~
3 ~~controlled substance.~~

4 E. ~~_____~~

5 F.D. If the City Manager determines that a ground for revocation of a
6 Commercial Cannabis Business Permit for a storefront retail commercial cannabis
7 business exists, the City Manager shall give dated written notice of revocation to the
8 Permittee. For all other categories of Commercial Cannabis Business Permit, the
9 Permit Administrator shall make the determination if grounds for revocation exist, and
10 give the dated written notice of revocation to the Permittee.

11 G.E. The Permittee shall be served, either personally or by first class
12 mail addressed to the address listed on the application, with a written notice to revoke a
13 permit. This notice shall state the reasons for the action, the effective date of the
14 decision, the right of the Permittee to appeal the decision, and that the notice of
15 revocation will be final if no written appeal is timely submitted to, and received by, the
16 City, pursuant to the provisions in Section 11.17.140 of this Chapter. The notice will be
17 effective within 15 calendar days from the date of service of the notice. If an appeal is
18 timely and properly filed in accordance with Section 11.17.140, the effective date of the
19 notice is stayed until a final decision on the appeal is rendered.

20 **§11.17.130 Renewal Applications.**

21 A. An application for renewal of a Commercial Cannabis Business
22 Permit shall be filed with the Permit Administrator's office at least 60 calendar days
23 prior to the expiration date of the current permit, on a form designated by the City.

24 B. Any Permittee submitting an application less than 60 days before
25 the expiration of a Commercial Cannabis Business Permit shall be required to pay a
26 late renewal application fee, as established by resolution of the City Council. Any
27 renewal application filed less than 30 days before the expiration of a Commercial
28 Cannabis Business Permit may be rejected by the City on that basis alone.

 C. The Permittee shall include on the renewal application any
information that has changed since the filing of the initial application or prior year's
renewal application, as applicable.

 D. The Permittee shall pay a fee in an amount to be set by resolution
of the City Council to cover the costs of processing the renewal application, together
with any costs incurred by the City to administer the permit scheme created under this
Chapter.

 E. An application for renewal of a Commercial Cannabis Business
Permit may be denied if any of the following exists:

1 1. Any of the grounds for rejection or revocation of an
2 application under Section 11.17.115 or Section 11.17.125.

3 2. The Commercial Cannabis Business Permit is suspended or
4 revoked at the time of the application.

5 3. The commercial cannabis business has not been in regular
6 and continuous operation in the four months prior to the renewal application.

7 4. The Permittee fails or is unable to renew its State of
8 California license.

9 5. The Permittee has made a false, misleading or fraudulent
10 statement or omission of fact in the renewal application.

11 F. The Permit Administrator is authorized to make all decisions
12 concerning the renewal of a Commercial Cannabis Business Permit, except for renewal
13 of a storefront retail Commercial Cannabis Business Permit, which decisions shall be
14 made by the City Manager. When making the decision on a renewal application,
15 additional conditions to the renewal of a Commercial Cannabis Business Permit may be
16 imposed, if it is determined to be necessary to ensure compliance with state or local
17 laws and regulations or to preserve the public health, safety or welfare.

18 G. Permittees will be notified in writing of the decision to deny a
19 renewal application. Appeals from a denial of a renewal application shall be handled
20 pursuant to Section 11.17.140.

21 H. If an application for renewal of a Commercial Cannabis Business
22 Permit is denied, a Person may file a new application pursuant to this Chapter no
23 sooner than one year from the date of the denial.

24 **§11.17.135 Effect of State License Suspension, Revocation, or**
25 **Termination.**

26 A. Suspension of a Permittee's license issued by the State of
27 California, or by any of its departments or divisions, shall immediately suspend the
28 Permittee's Commercial Cannabis Business Permit and Permittee's ability to operate a
29 commercial cannabis business within the City, until the State of California, or its
30 respective department or division, reinstates or reissues Permittee's State license.

31 B. Should the State of California, or any of its departments or
32 divisions, revoke or terminate Permittee's license of a commercial cannabis business,
33 such revocation or termination shall also immediately revoke or terminate Permittee's
34 Commercial Cannabis Business Permit and Permittee's ability to operate a commercial
35 cannabis business within the City of Culver City.

1
2 **§11.17.140 Appeals.**

3 A. Appeals from any decision of the Permit Administrator pertaining to
4 Commercial Cannabis Business Permits for manufacturing, cultivation, distribution,
5 testing, and delivery-only retailers shall follow the process set forth in Section 11.07.100
6 of this Code.

7 B. Appeals from any decision of the City Manager pertaining to
8 Storefront Retail Commercial Cannabis Business Permits shall be conducted as
9 follows:

10 1. A commercial cannabis storefront retail Permittee may
11 appeal any decision of the City Manager, by filing with the City Clerk a written notice of
12 appeal within 15 calendar days from the date of service of the notice issued by the City
13 Manager of his or her decision.

14 2. The notice of appeal shall be in writing and signed by the
15 Person making the appeal ("appellant"), or his or her legal representative, and shall
16 contain the following:

17 a. Name, address, and telephone number of the
18 appellant;

19 b. Statement that the Person is appealing from a
20 specified decision, action, or a particular part thereof, made by the City Manager.

21 c. True and correct copy of the notice issued by the City
22 Manager for which the appellant is appealing.

23 d. Statement with specificity the reasons and grounds
24 for making the appeal, including, but not limited to, a statement of facts upon which the
25 appeal is based in sufficient detail to enable the City Council, or any appointed hearing
26 officer, to understand the nature of the controversy, the basis of the appeal, and the
27 relief requested.

28 e. All documents or other evidence pertinent to the
appeal that the appellant requests the City Council consider at the hearing.

3. Failure of the City Clerk to receive a timely appeal
constitutes a waiver of the right to appeal the notice issued by the City Manager. In this
event, City Manager's notice of revocation, nonrenewal, suspension and/or other action
is final and binding.

4. In the event a written notice of appeal is timely filed, the

1 nonrenewal, suspension, revocation, or other action shall not become effective until a
2 final decision has been rendered and issued by the City Council or appointed hearing
3 officer. If no appeal is timely filed in the event of a decision of nonrenewal, the
4 Commercial Cannabis Business Permit shall expire at the conclusion of the term of the
5 permit. If no appeal is timely filed in the event of a decision of suspension or
6 revocation, the suspension or revocation shall become effective upon the expiration of
7 the period for filing a written notice of appeal.

8 C. All appellants shall, subject to filing a timely written notice of
9 appeal, obtain review thereof before the City Council or appointed hearing officer.

10 1. The administrative appeal shall be scheduled no later than
11 60 calendar days, and no sooner than 21 calendar days, after receipt of a timely filed
12 notice of appeal. The appellant(s) listed on the written notice of appeal shall be notified
13 in writing of the date, time, and location of the hearing at least 10 calendar days before
14 the date of the hearing ("notice of appeal hearing").

15 2. All requests by an appellant to continue a hearing must be
16 submitted to the City Clerk in writing no later than three business days before the date
17 scheduled for the hearing. The City Council may continue a hearing for good cause or
18 on its own motion; however, in no event may the hearing be continued for more than 30
19 calendar days without stipulation by all parties.

20 3. The City Council shall preside over the hearing on appeal, or
21 in the alternative, the City Council may appoint a hearing officer to conduct the hearing
22 if a quorum of the City Council is unavailable or unable to timely hear the appeal.

23 4. At the date, time and location set forth in the notice of
24 appeal hearing, the City Council or an appointed hearing officer, shall hear and
25 consider the testimony of the appellant(s), City staff, and/or their witnesses, as well as
26 any documentary evidence properly submitted.

27 5. The following rules shall apply at the appeal hearing:

28 a. Appeal hearings are informal, and formal rules of
evidence and discovery do not apply. However, rules of privilege shall be applicable to
the extent they are permitted by law, and irrelevant, collateral, undue, and repetitious
testimony may be excluded.

b. The City bears the burden of proof to establish the
grounds for denial, nonrenewal, suspension or revocation by a preponderance of
evidence.

c. The issuance of the City Manager's notice constitutes
prima facie evidence of grounds for the denial, nonrenewal, suspension or revocation,
and City or county personnel who significantly took part in the investigation, which

1 contributed to the City Manager issuing a notice, may be required to participate in the
2 appeal hearing.

3 d. Each party shall have the right to introduce evidence,
4 to present and examine witnesses, and to cross-examine opposing witnesses who have
5 testified under direct examination. The City Council, or the appointed hearing officer,
6 may also call witnesses, and examine any person who introduces evidence or testifies
7 at any hearing.

8 e. The City Council, or the appointed hearing officer,
9 may accept and consider late evidence not submitted initially with the notice of appeal
10 upon a showing by the appellant of good cause. The City Council or hearing officer
11 shall determine whether a particular fact or facts amount to a good cause on a case-by-
12 case basis.

13 f. The appellant may bring a language interpreter to the
14 hearing at his or her sole cost and expense.

15 g. The City may, at its discretion, record the hearing by
16 stenographer or court reporter, audio recording, or video recording.

17 6. If the appellant, or his or her legal representative, fails to
18 appear at the appeal hearing, the City Council, or the appointed hearing officer, may
19 cancel the appeal hearing and send a notice thereof to the appellant by first class mail
20 to the address(es) stated on the notice of appeal. A cancellation of a hearing due to
21 non-appearance of the appellant shall constitute the appellant's waiver of the right to
22 appeal and a failure to exhaust all administrative remedies. In such instances, the City
23 Manager's notice of decision is final and binding. In the alternative, the City Council or
24 the appointed hearing officer may hear the appeal and render a determination in the
25 absence of the appellant.

26 D. Following the conclusion of the appeal hearing, the City Council or
27 appointed hearing officer shall determine if any ground exists for the nonrenewal,
28 suspension or revocation of a Commercial Cannabis Business Permit or other action.
At the discretion of the City Council, deliberations on the appeal may be continued to
the next City Council meeting. If the appeal is heard by a hearing officer, the
determination shall be issued no later than ten days following the conclusion of the
appeal hearing.

1. If the City Council or appointed hearing officer determines
that no grounds for denial, nonrenewal, suspension, revocation, or other action exist,
the City Manager's notice of decision shall be deemed cancelled. If the City Council or
appointed hearing officer, determines that one or more of the reasons or grounds
enumerated in notice of decision exists, a written final decision shall be issued within 10
days, which shall at minimum contain the following:

1 a. A finding and description of each reason or grounds
for nonrenewal, suspension, revocation, or other action that exist.

2 b. Any other finding, determination or requirement that is
3 relevant or related to the subject matter of the appeal.

4 2. The decision of the City Council or appointed hearing officer,
5 is final and conclusive. The written final decision shall also contain the following
6 statement: "The decision of the City Council [or appointed hearing officer], is final and
binding. Judicial review of this decision is subject to the time limits set forth in California
Code of Civil Procedure Section 1094.6."

7 3. A copy of the final decision shall be served by first class mail
8 on the appellant. If the appellant is not the owner of the Premises in which the
9 commercial cannabis storefront retail business is located, or proposed to be located, a
10 copy of the Final Decision may also be served on the property owner by first class mail
11 to the address shown on the last equalized assessment roll. Failure of a Person to
receive a properly addressed final decision shall not invalidate any action or proceeding
by the City pursuant to this Chapter.

12
13 **§11.17.145 Commercial Cannabis Business Permit – Nonassignable
and Nontransferable.**

14
15 A. A Commercial Cannabis Business Permit issued under this
Chapter is valid only as to the Permittee and approved Premises, and is therefore
16 nontransferable to other Persons, projects or locations.

17 B. No Commercial Cannabis Business Permit may be sold,
18 transferred or assigned by a Permittee, or by operation of law, to any other Person,
Persons, or entities. Any such sale, transfer, or assignment, or attempted sale, transfer,
19 or assignment shall be deemed to constitute a voluntary surrender of such Commercial
Cannabis Business Permit and such permit shall thereafter be null and void, except as
20 set forth in this Chapter.

21
22 **§11.17.150 Change in Location of Commercial Cannabis Business.**

23 A. No Permittee shall change the Premises of a commercial cannabis
storefront retailer business specified in the Commercial Cannabis Business Permit until
24 such change of Premises is approved by the City Council. All other changes of
Premises of any commercial cannabis business must be approved by the Permit
25 Administrator.

26 B. The City Manager shall adopt a process (to include any necessary
27 forms and procedures) for the relocation of any commercial cannabis business. As part
28

1 of the process, Sstorefront Retail Permittees proposing to relocate shall give notice to
2 all property owners and occupants located within ~~4000~~ 2500 feet of the proposed
Premises.

3 C. The proposed Premises shall meet all the requirements under this
4 Code, including but not limited to this Chapter and Title 17.

5 **§11.17.155 Changes in Ownership of Commercial Cannabis**
6 **Business.**

7 A. No Permittee shall transfer greater than ~~50%~~ percent of ownership
8 or control of a commercial cannabis business unless and until the proposed new Owner
9 submits all required application materials and pays all applicable fees, and
independently meets the requirements of this Chapter such as to be entitled to the
10 issuance of a commercial Cannabis Business Permit.

11 B. Any changes in ownership or control of greater than ~~50%~~ percent
12 of a commercial cannabis storefront retail Permittee must be submitted to the City
Council for review and approval.

13 C. No Permittee may add a new Owner of ~~10%~~ percent or more
14 ownership interest unless the proposed new Owner undergoes and passes a
background check as provided for in this Chapter.

15 D. A Permittee may change the form of business entity without
16 applying to the City Council for a new Commercial Cannabis Business Permit, provided
that one of the following applies:

17 1. The ownership of the new business entity is the same as the
18 business entity that was issued the existing Commercial Cannabis Business Permit; or

19 2. The existing Permittee is an unincorporated association,
20 mutual or public benefit corporation, agricultural or consumer cooperative corporation
21 and subsequently transitions to or forms a new business entity as allowed under the
22 MAUCRSA, provided that the Board of Directors (or in the case of an unincorporated
association, the individual(s) listed on the City permit application) of the existing
Permittee entity are the same as the new business entity.

23 E. Although a new Commercial Cannabis Business Permit is not
24 required in the two circumstances listed in Subsection D above, the Permittee shall
25 notify the City in writing of the change within 15 days of the change, and obtain an
26 amendment to the existing Commercial Cannabis Business Permit after paying the fee
set by resolution of the City Council.

1 E. The City Manager shall adopt a process (to include any necessary
2 forms and procedures) for the change in ownership of any commercial cannabis
business as set forth in this Section.

3 F. No Permittee may avail themselves of the provisions of this Section
4 if the City Manager or Permit Administrator has notified the Permittee that the
5 Commercial Cannabis Business Permit has been or may be suspended or revoked, or
may not be renewed.

6 G. Failure to comply with this Section is grounds for revocation of a
7 Commercial Cannabis Business Permit.

8 H. Any attempt to transfer a Commercial Cannabis Business Permit
9 either directly or indirectly in violation of this Section is hereby declared void, and such
10 a purported transfer shall be deemed a ground for revocation of the Commercial
Cannabis Business Permit.

11 **§11.17.160 Changes in Information on Application; Alterations To**
12 **Approved Facility; Amendments to Permit.**

13 A. A Permittee shall advise the City within 15 calendar days of all
14 changes of name or designation under which the commercial cannabis business is to
15 be conducted. The change of name or designation shall be accompanied by a non-
refundable fee established by resolution of the City Council to defray the costs of
amendment to and reissuance of the Commercial Cannabis Business Permit.

16 B. No Permittee shall operate, conduct, manage, engage in, or carry
17 on a commercial cannabis business under any name other than the name of the
18 commercial cannabis business specified in the Commercial Cannabis Business Permit.

19 C. All required City approvals, plan approvals, and permits must be
20 obtained before causing, allowing, or permitting alterations to, and/or extensions or
21 expansions of, the existing building(s), structure(s), or portions thereof, approved as the
22 Premises for a commercial cannabis business. Said alterations, extensions, or
expansions shall comply with all applicable laws, regulations and standards, including
those concerning building safety and occupancy.

23 D. Within 15 calendar days of any other change in the information
24 provided in the application form or any change in status of compliance with the
25 provisions of this Chapter, including any change in the commercial cannabis business
26 form of Ownership or management members, the Permittee shall notify the City on a
27 form approved by the City Manager for review along with a permit amendment fee, as
28 adopted by resolution of the City Council.

1 **§11.17.165 City Business Tax Certificate.**

2 Prior to commencing operations, a Permittee of a commercial cannabis
3 business shall obtain a City of Culver City business tax certificate.

4 **§11.17.170 Permits and Inspections Prior to**
5 **Commencing Operations.**

6 Prior to commencing operations, a commercial cannabis business shall be
7 subject to a mandatory inspection of the Premises, and must obtain all required building
8 permits and approvals which would otherwise be required for any business of the same
9 size and intensity operating in the zone in which the Premises are located. The
10 Permittee shall also obtain all required Building Safety Division approvals, Fire
11 Department approvals, County Health Department approvals and any other permit or
12 approval required by this Code or applicable law.

11 **§11.17.175 Limitations on City's Liability.**

12 To the fullest extent permitted by law, the City of Culver City shall not
13 assume any liability whatsoever with respect to having issued a Commercial Cannabis
14 Business Permit pursuant to this Chapter or otherwise approving the operation of any
15 commercial cannabis business. As a condition to the approval of any Commercial
16 Cannabis Business Permit, the Applicant, Owner and Permittee shall be required to
17 meet all of the following conditions before a Commercial Cannabis Business Permit is
18 issued:

19 A. The Applicant, Owner, and Permittee must execute an agreement,
20 in a form approved by the City Attorney, agreeing to indemnify, defend (at Applicant's
21 owner's and Permittee's sole cost and expense), and hold harmless the City of Culver
22 City, and its officers, officials, employees, representatives, and agents from any and all
23 claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in
24 any way related to, the City's issuance of the Commercial Cannabis Business Permit,
25 the City's decision to approve the Applicant's operation of the commercial cannabis
26 business or activity, the process used by the City in making its decision, or the alleged
27 violation of any federal, state or local laws by the commercial cannabis business
28 Applicant, Owner, Permittee, or any of its their officers, Managers, Employees or
agents.

24 B. Maintain insurance at coverage limits, and with conditions thereon
25 determined necessary and appropriate from time to time, as determined by the City
26 Manager and City Attorney.

26 C. The Applicant, Owner, and Permittee must execute an agreement,
27 in a form approved by the City Attorney, agreeing to rReimburse the City of Culver City
28

1 for all costs and expenses, including but not limited to attorney fees and costs, which
2 the City of Culver City may be required to pay as a result of any legal challenge related
3 to the City's approval of the Applicant's, Owner's and Permittee's Commercial Cannabis
4 Business Permit, or related to the City's approval of the Applicant's commercial
5 cannabis activity. The City of Culver City may, at its sole discretion, participate at its
6 own expense in the defense of any such action, but such participation shall not relieve
7 any of the obligations imposed hereunder.

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§ 11.17.180 Fees; Debt to the City.

A. No Person may commence or continue any commercial cannabis activity in the City, without timely paying in full all fees required for the operation of a commercial cannabis business. Fees associated with the operation of a commercial cannabis business shall be established by resolution of the City Council which may be amended from time to time.

B. All commercial cannabis businesses authorized to operate under this Chapter shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each commercial cannabis business shall cooperate with the City with respect to any reasonable request to audit the commercial cannabis business' books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes required to be paid during any period.

C. The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to the City of Culver City that is recoverable in any manner authorized by this Code, state law, or in any court of competent jurisdiction.

§11.17.185 Promulgation of Regulations, Standards and Other Legal Duties.

A. In addition to any regulations adopted by the City Council, the City Manager is authorized to establish any additional rules, regulations and standards related to the issuance, denial or renewal of Commercial Cannabis Business Permits, the ongoing operation and City's oversight of commercial cannabis businesses, or any other subject determined to be necessary to carry out the purposes of this Chapter.

B. Regulations promulgated by the City Manager shall be published on the City's website and maintained and available to the public in the Office of the City Clerk.

C. Regulations promulgated by the City Manager shall become effective upon date of publication on the City's website. Commercial cannabis businesses shall be required to comply with all state and local laws and regulations,

1 including but not limited to any rules, regulations or standards adopted by the City
2 Manager.

3 ***Operating Requirements***

4 **§11.17.200 Operating Requirements Applicable to all Commercial** 5 **Cannabis Businesses.**

6 A. Commercial cannabis businesses may operate only during the
7 hours established by resolution of the City Council and specified in the Commercial
8 Cannabis Business Permit issued by the City.

9 B. Cannabis shall not be consumed by anyone on the Premises of
10 any commercial cannabis business.

11 C. No outdoor storage of cannabis or cannabis products is permitted
12 at any time.

13 D. Each commercial cannabis business shall have in place a point-of-
14 sale or management inventory tracking system to track and report on all aspects of the
15 commercial cannabis business including, but not limited to, such matters as cannabis
16 tracking, inventory data, gross sales (by weight and by sale) and other information
17 which may be deemed necessary by the City. The system must have the capability to
18 produce historical transactional data for review. Any system selected must be in
19 compliance with state law.

20 E. All cannabis and cannabis products sold, tested, distributed or
21 manufactured shall be cultivated, manufactured, and transported by licensed facilities
22 that maintain operations in full conformance with State and local regulations.

23 F. No physician shall be permitted in any commercial cannabis
24 business at any time for the purpose of evaluating patients for the issuance of a
25 medicinal cannabis recommendation or medicinal cannabis identification card.

26 G. All commercial cannabis retailers shall have a Manager on the
27 Premises at all times during hours of operation.

28 H. Each commercial cannabis business shall provide the City
Manager with the name and telephone number (both land line and mobile, if available)
of a Manager or Owner to whom emergency notice may be provided 24 hours a day.

I. Business identification signage for a commercial cannabis business
shall conform to the requirements of state law and this Code, including, but not limited
to, the requirements for a City sign permit.

1 J. Each commercial cannabis business premises shall be visibly
2 posted with a clear and legible notice indicating that smoking, ingesting, or otherwise
3 consuming cannabis on the premises or in the areas adjacent to the commercial
4 cannabis business is prohibited.

5 K. Persons under the age of 21 years shall not be allowed on the
6 Premises of a commercial cannabis business, and shall not be allowed to serve as a
7 driver for a mobile delivery service, Notwithstanding the foregoing, except as
8 pertaining to sales of cannabis for medicinal use. Persons at least 18 years old with a
9 physician's recommendation are permitted on the premises of a storefront retailer
10 selling medicinal cannabis and medicinal cannabis products. -It shall be unlawful and a
11 violation of this Chapter for any Person to employ any Person at a commercial cannabis
12 business who is not at least 21 years of age.

13 L. Odor control devices and techniques shall be incorporated in all
14 commercial cannabis businesses to ensure that odors from cannabis are not detectable
15 off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing
16 ventilation and exhaust system so that odor generated inside the commercial cannabis
17 business that is distinctive to its operation is not detected outside of the facility,
18 anywhere on adjacent property or public rights-of-way, on or about the exterior or
19 interior common area walkways, hallways, breezeways, foyers, lobby areas, or any
20 other areas available for use by common tenants or the visiting public, or within any
21 other unit located inside the same building as the commercial cannabis business. As
22 such, commercial cannabis businesses must install and maintain the following
23 equipment, or any other equipment which the Community Development Director
24 determines is a more effective method or technology, or that has been approved by the
25 County of Los Angeles Department of Public Health:

26 1. An exhaust air filtration system with odor control that
27 prevents internal odors from being emitted externally;

28 2. An air system that creates negative air pressure between the
commercial cannabis business' interior and exterior, so that the odors generated inside
the commercial cannabis business are not detectable on the outside of the commercial
cannabis business.

M. The original copy of the Commercial Cannabis Business Permit
issued by the City pursuant to this Chapter and the City-issued business tax certificate
shall be posted inside the commercial cannabis business in a location readily-visible to
the public.

N. The Permittee of a commercial cannabis business shall prohibit
loitering by Persons outside on the premises.

1 O. Nothing in this Chapter exempts a commercial cannabis business
2 from complying with all applicable local, state and federal laws and regulations
3 pertaining to Persons with disabilities.

4 P. No commercial cannabis business may discriminate or exclude
5 patrons in violation of local, state and federal laws and regulations.

6 **§11.17.205 Operating Requirements for Storefront Retail Facilities.**

7 Commercial cannabis storefront retailers shall comply with all of the
8 following requirements:

9 ~~A. No storefront retailer shall be located within a 600-foot radius of a~~
10 ~~school providing instruction in kindergarten or any grades 1 through 12, day care~~
11 ~~center, youth center, or park or playground, that is in existence at the time of the initial~~
12 ~~issuance of a Commercial Cannabis Business Permit from the City.~~

13 A. Prior to dispensing medicinal cannabis or medicinal cannabis
14 products to any Person, the storefront retailer shall obtain verification from the
15 recommending physician that the Person requesting medicinal cannabis or medicinal
16 cannabis products is a qualified patient.

17 B. Storefront retailers also providing delivery shall comply with the
18 requirements pertaining to deliveries in Section 11.17.210 of this Chapter.

19 DC. Storefront retailers selling medicinal cannabis shall verify the age
20 and all necessary documentation of each customer to ensure the customer is not under
21 the age of 18 years and that the potential customer has a valid doctor's
22 recommendation. Adult use retailers shall verify the age of all customers to ensure
23 Persons under the age of 21 are not on the premises.

24 ED. All restroom facilities shall remain locked and under the control of
25 management.

26 FE. A storefront retailer may sell, give away, or donate specific devices,
27 contrivances, instruments, or paraphernalia necessary for consuming cannabis or
28 cannabis products, including but not limited to rolling papers and related tools, pipes,
water pipes, and vaporizers. The equipment may only be provided to qualified patients,
primary caregivers, or customers in accordance with Section 11364.5 of the California
Health and Safety Code.

GF. A storefront retailer shall notify qualified patients, primary
caregivers, and customers of the following verbally (or by written agreement) and by
posting of a notice or notices conspicuously within the permitted premises:

1 1. "The sale or diversion of cannabis or cannabis products
2 without a permit issued by the City of Culver City is a violation of State law and the
3 Culver City Municipal Code."

4 2. "Secondary sale, barter, or distribution of cannabis or
5 cannabis products purchased from [Insert Name of Permittee] is a crime and can lead
6 to arrest."

7 3. "Patrons must immediately leave the premises and not
8 consume cannabis or cannabis products until at home or in an equivalent private
9 location."

10 4. "The use of cannabis or cannabis products may impair a
11 Person's ability to drive a motor vehicle or operate heavy machinery."

12 5. "CALIFORNIA PROP. 65 WARNING: Smoking of cannabis
13 and cannabis-derived products will expose you and those in your immediate vicinity to
14 cannabis smoke. Cannabis smoke is known by the State of California to cause
15 cancer."

16 G. During business hours, shipments of cannabis or cannabis
17 products shall not enter the premises through an entrance that is available to the public.

18 **§11.17.210 Operating Requirements for Delivery-Only Retailers.**

19 Commercial cannabis delivery-only retailers shall comply with all of the
20 following requirements:

21 A. From a public right-of-way, there shall be no exterior evidence of
22 commercial cannabis activity except for any signage authorized by this Code.

23 B. The general public is not permitted on the premises, ~~except for~~ Only
24 the Owners, Managers, Employees, agents and volunteers of the delivery-only
25 Permittee and agents or employees of the City of Culver City, the County of Los
26 Angeles or the state are permitted to be on-site.

27 C. Delivery-only retailers may only deliver cannabis or cannabis
28 products to customers within a city or county that does not expressly prohibit such
delivery by ordinance. Deliveries shall be made to a physical address and no deliveries
shall be made in the public right of way.

 D. Security plans developed pursuant to this Chapter shall include
provisions relating to vehicle security and the protection of Employees and product
during loading and in transit.

1 E. A Delivery-only retailer shall facilitate the delivery of cannabis or
2 cannabis products with—a technology platform that uses point-of-sale technology to
3 track and database technology to record and store the following information for each
transaction involving the exchange of cannabis or cannabis products between the
Permittee and qualified patient, primary caregiver, or customer:

4 1. The identity of the individual dispensing cannabis or
5 cannabis products on behalf of the Permittee;

6 2. The identity of the qualified patient, primary caregiver, or
7 customer receiving cannabis or cannabis products from the Permittee;

8 3. The type and quantity of cannabis or cannabis products
dispensed and received; and

9 4. The dollar amount charged by the Permittee and received by
10 the delivery driver for the cannabis or cannabis products dispensed and received.

11 F. A Permittee shall maintain a database and provide to the City a list
12 of the individuals and vehicles authorized to conduct deliveries on behalf of the
Permittee.

13 G. Individuals authorized to conduct deliveries on behalf of the
14 Permittee shall have a valid California Driver's License.

15 H. Individuals making deliveries of cannabis or cannabis products on
16 behalf of the Permittee shall maintain a physical or electronic copy of the delivery
17 request (and/or invoice) and shall make it available upon request of City employees or
agents.

18 I. During delivery, a copy of the Permittee's Commercial Cannabis
19 Business Permit shall be in the vehicle at all times, and the driver shall make it available
upon request of City employees and agents.

20 J. A Permittee shall only permit or allow delivery of cannabis or
21 cannabis products in a vehicle that (i) is insured at or above the legal requirement in
22 California; (ii) is capable of securing (locking) the cannabis or cannabis products during
23 transportation; (iii) is capable of being temperature controlled if perishable cannabis or
24 cannabis products are 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 cannabis retailer.

25 K. A Delivery-only retailer shall facilitate deliveries with a technology
26 platform that uses global positioning system technology to track and database
27 technology to record and store the following information:
28

1 1. The time that the delivery vehicle departed the permitted
Premises.

2 2. The time that the delivery vehicle completed delivery to the
3 qualified patient, primary caregiver, or customer.

4 3. The time that the delivery vehicle returned to the permitted
5 Premises.

6 4. The route the delivery vehicle traveled to conduct deliveries
7 between departing and returning to the permitted Premises.

8 5. For each individual transaction, the identity of the individual
conducting deliveries on behalf of the Delivery-only retailer Permittee.

9 6. For each individual transaction, the vehicle used to conduct
10 deliveries on behalf of the Delivery-only retailer Permittee.

11 7. For each individual transaction, the identity of the qualified
12 patient, primary caregiver, or customer receiving cannabis or cannabis products from
the Delivery-only retailer.

13 8. For each individual transaction, the type and quantity of
14 cannabis or cannabis products dispensed and received.

15 9. For each individual transaction, the dollar amount charged
16 by the Delivery-only retailer and received by the delivery driver for the cannabis or
cannabis products dispensed and received.

17 L. The delivery driver shall personally verify for each individual
18 transaction the identity of the qualified patient, primary caregiver, or customer receiving
19 cannabis or cannabis products from the Delivery-only retailer.

20 M. A Delivery-only retailer may sell, give away, or donate specific
21 devices, contrivances, instruments, or paraphernalia necessary for consuming cannabis
22 or cannabis products, including but not limited to rolling papers and related tools, pipes,
23 water pipes, and vaporizers. The equipment may only be provided to qualified patients,
primary caregivers, or customers in accordance with Section 11364.5 of the California
Health and Safety Code.

24 **§11.17.215 Operating Requirements for Cultivation Facilities.**

25 Commercial cannabis indoor cultivation facilities must comply with all of
26 the following requirements:
27
28

1 A. The cultivation of all cannabis must occur indoors only, and outdoor
cultivation is prohibited.

2 B. From a public right-of-way, there should be no exterior evidence of
3 cannabis cultivation except for any signage authorized by this Code.

4 C. The general public is not permitted on the cannabis cultivation
5 Premises, ~~except for the~~ Only Owners, Managers, Employees, agents and volunteers
6 of the cannabis cultivation Permittee and agents or employees of the City of Culver
City, the County of Los Angeles or the state are permitted to be on-site.

7 D. A Permittee shall only be allowed to cultivate the square feet of
8 canopy space permitted by state law and in the Commercial Cannabis Business Permit
issued for the Premises.

9 E. Cannabis cultivation shall be conducted in accordance with state
10 and local laws related to electricity, water usage, water quality, discharges, waste
11 disposal and similar matters.

12 F. A cultivation Permittee shall comply with all applicable federal, state
and local laws and regulations regarding use and disposal of pesticides and fertilizers.

13 G. Pesticides and fertilizers shall be properly labeled and stored to
14 avoid contamination through erosion, leakage or inadvertent damage from pests,
15 rodents or other wildlife.

16 H. The cultivation of cannabis shall at all times be operated in such a
17 way as to ensure the health, safety, and welfare of the public, the Employees working
at the commercial cannabis business, neighboring properties, and the end users of the
18 cannabis being cultivated, to protect the environment from harm to waterways, fish,
and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard
19 against the diversion of cannabis.

20 I. Prior to transportation, a cannabis cultivation Permittee shall
21 package and seal all cannabis or cannabis products in tamper-evident packaging and
22 use a unique identifier, such as a batch and lot number or bar code, to identify and
track the cannabis or cannabis products.

23 J. All Applicants for a Commercial Cannabis Business Permit
24 pertaining to cannabis cultivation shall submit the following in addition to the
information otherwise required for a Commercial Cannabis Business Permit:

25 1. A cultivation and operations plan that meets or exceeds
26 minimum legal standards for water usage, conservation and use; drainage, watershed
and habitat protection; waste disposal; and proper storage of fertilizers, pesticides, and
27 other regulated products to be used on the parcel, and a description of the cultivation
28

1 activities and schedule of activities during each month of growing and harvesting, or
2 explanation of growth cycles and anticipated harvesting schedules for all-season
harvesting.

3 2. A description of a legal water source, irrigation plan, and
4 projected water use.

5 3. Identification of the source of electrical power and plan for
6 compliance with applicable Building Codes and related Codes.

7 4. Plan for addressing odor and other public nuisances that
8 may derive from the cultivation site.

9 **§11.17.220 Operating Requirements for Cannabis Manufacturing**
10 **Businesses.**

11 Commercial cannabis manufacturing businesses shall comply with all of
the following requirements:

12 A. From a public right-of-way, there should be no exterior evidence of
13 cannabis manufacturing except for any signage authorized by this Chapter.

14 B. The general public is not permitted on the cannabis manufacturing
15 Premises, ~~except for the~~ Only Owners, Managers, Employees, agents and volunteers
16 of the cannabis manufacturing Permittee and agents or employees of the City of
Culver City, the County of Los Angeles or the state are permitted to be on-site.

17 C. All cannabis manufacturing shall comply with the standards set by
18 state and local law, including but not limited to those related to safety, discharges,
waste disposal and similar matters.

19 D. Any compressed gases used in the manufacturing process shall
20 not be stored on any property within the City of Culver City in containers that exceeds
21 the amount which is approved by the Fire Chief and authorized by the Commercial
22 Cannabis Business Permit. Each manufacturing Premises subject to a Commercial
Cannabis Business Permit shall be limited to a total number of tanks as authorized by
the Fire Chief on the property at any time.

23 E. Cannabis manufacturing facilities may use the hydrocarbons N-
24 butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to
25 minimal potential human-related toxicity approved by the Fire Chief. These solvents
26 must be of at least ninety-nine percent purity and any extraction process must use
27 them in a professional grade closed loop extraction system designed to recover the
solvents and work in an environment with proper ventilation, controlling all sources of
ignition where a flammable atmosphere is or may be present.

1 F. If an extraction process uses a professional grade closed loop CO₂
2 gas extraction system every vessel must be certified by the manufacturer for its safe
3 use. Closed loop systems for compressed gas extraction systems must be
commercially manufactured and bear a permanently affixed and visible serial number.

4 G. Certification from an engineer licensed by the State of California
5 must be provided to the Fire Chief for a professional grade closed loop system used by
6 any commercial cannabis manufacturing manufacturer to certify that the system was
7 commercially manufactured, is safe for its intended use, and was built to codes of
recognized and generally accepted good engineering practices, including but not limited
to:

- 8 1. The American Society of Mechanical Engineers (ASME);
- 9 2. American National Standards Institute (ANSI);
- 10 3. Underwriters Laboratories (UL); or
- 11 4. The American Society for Testing and Materials (ASTM)

12 H. The certification document reference in subsection G above must
13 contain the signature and stamp of the professional engineer and serial number of the
14 extraction unit being certified.

15 I. Professional closed loop systems, other equipment used, the
16 extraction operation, and facilities must be approved for their use by the Fire Chief and
17 meet any required fire, safety, and building code requirements specified in the
California Building and Fire Codes, as adopted by the City.

18 J. Cannabis manufacturing facilities may use heat, screens, presses,
19 steam distillation, ice water, and other methods without employing solvents or gases to
20 create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from
natural sources, and other extracts.

21 K. Cannabis manufacturing facilities may use food grade glycerin,
22 ethanol, and propylene glycol solvents to create or refine extracts. Ethanol should be
23 removed from the extract in a manner to recapture the solvent and ensure that it is not
vented into the atmosphere.

24 L. Cannabis manufacturing facilities creating cannabis extracts must
25 develop standard operating procedures, good manufacturing practices, and a training
26 plan prior to producing extracts for the marketplace. Such plan shall be submitted to
the City as part of the application process.

1 M. Any Person using solvents or gases in a closed looped system to
2 create cannabis extracts must be fully trained on how to use the system, have direct
3 access to applicable material safety data sheets and handle and store the solvents and
4 gases safely.

5 N. Parts per million for one gram of finished extract cannot exceed
6 state standards for any residual solvent or gas when quality assurance tested.

7 **§11.17.225 Operating Requirements for Cannabis Distribution.**

8 Commercial cannabis distribution businesses shall comply with all of the
9 following requirements:

10 A. From a public right-of-way, there should be no exterior evidence of
11 cannabis distribution except for any signage authorized by this Chapter.

12 B. The general public is not permitted on the cannabis distribution
13 Premises. Only except for the Owners, Managers, Employees, agents and volunteers
14 of the cannabis distribution Permittee and agents or employees of the City of Culver
15 City, the County of Los Angeles or the state are permitted to be on-site.

16 C. A cannabis distribution Permittee shall only procure, sell, or
17 transport cannabis or cannabis products that is packaged and sealed in tamper-
18 evident packaging that uses a unique identifier, such as a batch and lot number or bar
19 code, to identify and track the cannabis or cannabis products.

20 D. A cannabis distribution Permittee shall maintain a database and
21 provide to the City a list of the individuals and vehicles authorized to conduct
22 transportation on behalf of the cannabis distribution licensee.

23 E. Individuals authorized to conduct transportation on behalf of the
24 cannabis distribution Permittee shall have a valid California driver's license.

25 F. Individuals transporting cannabis or cannabis products on behalf of
26 the cannabis distribution Permittee shall maintain a physical or electronic copy of the
27 transportation request (and/or invoice) and shall make it available upon request of City
28 employees and agents.

G. During transportation, the individual conducting transportation on
behalf of the cannabis distribution Permittee shall maintain a copy of the cannabis
distribution Permittee's Commercial Cannabis Business Permit and shall make it
available upon request of City employees and agents.

H. A cannabis distribution Permittee facility shall only transport
cannabis or cannabis products in a vehicle that is (1) insured at or above the legal

1 requirement in California, (2) capable of securing (locking) the cannabis or cannabis
2 products during transportation, and (3) capable of being temperature controlled if
3 perishable cannabis products are being transported.

4 **§11.17.230 Operating Requirements for Cannabis Testing.**

5 Commercial cannabis testing businesses shall comply with all of the
6 following requirements:

7 A. Cannabis testing shall take place within an enclosed locked
8 structure.

9 B. From a public right-of-way, there should be no exterior evidence of
10 Cannabis testing except for any signage authorized by this Chapter.

11 C. The general public is not permitted on the cannabis testing
12 Premises, ~~except for the~~ Only Owners, Managers, Employees, agents and volunteers
13 of the cannabis testing Permittee and agents or employees of the City of Culver City,
14 the County of Los Angeles or the state are permitted to be on-site.

15 D. All cannabis testing shall be performed in accordance with state
16 law.

17 E. A cannabis testing Permittee shall adopt a standard operating
18 procedure using methods consistent with general requirements established by the
19 International Organization for Standardization, specifically ISO/IEC 17025, to test
20 cannabis or cannabis products, and shall operate in compliance with state law at all
21 times.

22 F. A cannabis testing Permittee shall be accredited by a body that is a
23 signatory to the International Laboratory Accreditation Cooperation Mutual Recognition
24 Arrangement.

25 G. A cannabis testing Permittee shall establish standard operating
26 procedures that provide for adequate chain of custody controls for samples transferred
27 to the testing laboratory for testing.

28 H. A cannabis testing Permittee shall destroy the remains of samples
of any cannabis or cannabis product upon completion of analyses.

29 **§11.17.235 Records and Recordkeeping.**

30 A. Each Permittee of a commercial cannabis business shall maintain
31 accurate books and records in an electronic format, detailing all of the revenues and
32 expenses of the business, and all of its assets and liabilities. On no less than an

1 annual basis (at or before the time of the renewal of a Commercial Cannabis Business
2 Permit issued pursuant to this Chapter), or at any time upon reasonable request of the
3 City, each Permittee shall file a sworn statement detailing the commercial cannabis
4 business' revenue and number of sales during the previous 12-month period (or shorter
5 period based upon the timing of the request), provided on a per-month basis. The
6 statement shall also include gross revenues for each month, and all applicable taxes
paid or due to be paid. On an annual basis, each Permittee shall submit to the City a
financial audit of the business' operations conducted by an independent certified public
accountant. Each Permittee shall be subject to a regulatory compliance review and
financial audit as determined by the City Manager.

7 B. Each Permittee of a commercial cannabis business shall maintain
8 a current register of the names and the contact information (including the address, e-
9 mail address and telephone number) of anyone owning or holding an interest in the
10 commercial cannabis business, and separately of all the officers, Managers,
11 Employees, Responsible Persons and volunteers currently employed or otherwise
engaged by the commercial cannabis business. The register required by this
paragraph shall be provided to the City Manager upon a reasonable request.

12 C. All records collected by a Permittee pursuant to this Chapter shall
13 be maintained for a minimum of seven years and shall be made available by the
14 Permittee to the agents or employees of the City upon request, except that private
medical records shall be made available only pursuant to a properly executed search
warrant, subpoena, or court order.

15 D. All Permittees shall maintain an inventory control and reporting
16 system that accurately documents the present location, amounts, and descriptions of all
17 cannabis and cannabis products for all stages of the growing and production or
18 manufacturing, laboratory testing and distribution processes until purchase as set forth
MAUCRSA.

19 E. Subject to any restrictions under the Health Insurance Portability
20 and Accountability Act (HIPAA) regulations, each Permittee shall allow City of Culver
21 City officials to have access to the business's books, records, accounts, together with
22 any other data or documents relevant to its permitted commercial cannabis activities,
23 for the purpose of conducting an audit or examination. Books, records, accounts, and
24 any and all relevant data or documents will be produced no later than 24 hours after
receipt of the City's request, unless otherwise stipulated by the City. The City may
require the materials to be submitted in an electronic format that is compatible with the
City's software and hardware.

25 **§11.17.240 Security Measures.**

26 A. All Permittees shall implement sufficient security measures to deter
27 and prevent the unauthorized entrance into areas containing cannabis or cannabis
28

1 products, and to deter and prevent the theft of cannabis or cannabis products at the
2 commercial cannabis business. Except as may otherwise be determined by the Chief of
Police, these security measures shall include, but shall not be limited to, all of the
following:

3
4 1. Preventing individuals from remaining on the premises of the
commercial cannabis business if they are not engaging in an activity directly related to
5 the permitted operations of the commercial cannabis business.

6 2. Establishing limited access areas accessible only to
authorized commercial cannabis business personnel.

7
8 3. Except for live growing plants which are being cultivated at a
cultivation facility, all cannabis and cannabis products shall be stored in a secured and
9 locked room, safe, or vault when not contained within a sales display. All cannabis and
cannabis products, including live plants that are being cultivated, shall be kept in a
10 manner as to prevent diversion, theft, and loss,

11 4. Installing 24-hour security surveillance cameras of at least
12 HD-quality to monitor all entrances and exits to and from the premises, all interior
spaces within the commercial cannabis business which are open and accessible to the
13 public, all interior spaces where cannabis, cash or currency, is being stored for any
period of time on a regular basis, and all interior spaces where diversion of cannabis
14 could reasonably occur. Video recordings shall be maintained for a minimum of 60
days, and shall be made available to the Chief of Police upon request. Video shall be
15 of sufficient quality for effective prosecution of any crime found to have occurred on the
16 site of the commercial cannabis business.

17 5. Sensors shall be installed to detect entry and exit from all
secure areas.

18
19 6. Panic buttons shall be installed in all commercial cannabis
businesses.

20
21 7. Having a professionally installed, maintained, and monitored
alarm system, with the required Culver City alarm permit pursuant to Chapter 11.04 of
22 this Code.

23 8. Any bars installed on the windows or the doors of the
commercial cannabis business shall be installed only on the interior of the building and
24 in compliance with all City Building and Fire Codes.

25 9. Security personnel shall be on-site during operating hours or
alternative security may be provided, as authorized by the Police Chief. Security
26 personnel must be licensed by the State of California Bureau of Security and
Investigative Services Personnel and shall be subject to the prior review and approval
27 of the Chief of Police, which approval shall not be unreasonably withheld.

1 10. Each commercial cannabis business shall have the
2 capability to remain secure during a power outage and shall ensure that all access
3 doors are not solely controlled by an electronic access panel to ensure that locks are
not released during a power outage.

4 B. Each Permittee shall identify a designated security
5 representative/liaison to the City, who shall be reasonably available to meet with the
6 Chief of Police regarding any security related measures or any operational issues.

7 C. Any security plan required by this Chapter shall not be made public
in the interest of safety and security.

8 D. Upon request and reasonable notice of not less than 24 hours,
9 except in exigent circumstances or in a time frame as determined by the City, each
10 Permittee shall make the premises and its security measures available for inspection or
11 audit for the purpose of determining the effectiveness of the security plan and
compliance with the requirements of this Chapter.

12 E. A Permittee shall notify the Chief of Police within 24 hours after
13 discovering any of the following:

14 1. Significant discrepancies identified during inventory. The
15 level of significance shall be determined by the regulations promulgated by the Chief of
Police.

16 2. Diversion, theft, loss, or any criminal activity involving the
commercial cannabis business or any agent or Employee of the commercial cannabis
business.

17 3. The loss or unauthorized alteration of records related to
18 cannabis, registering qualifying patients, primary caregivers, or Employees or agents of
the commercial cannabis business.

19 4. Any other breach of security.

20 **§11.17.245 Restriction on Alcohol & Tobacco Sales.**

21
22 No Person shall cause or permit the sale, dispensing, or consumption of
23 alcoholic beverages or tobacco products on or about the Premises of a commercial
cannabis business.

24 **§11.17.250 Community Relations.**

25
26 A. Each Permittee shall provide the name, telephone number, and
27 email address of a community relations contact to whom notice of problems associated
28 with the commercial cannabis business can be provided. Each Permittee shall also

1 provide the above information to all businesses and residences located within 600 feet
2 of the commercial cannabis business.

3 B. During the first year of operation pursuant to this Chapter, the
4 Owner, Manager, and community relations representative from each Permittee may be
5 required to attend a quarterly meeting with the City Manager and other interested
6 parties as deemed appropriate by the City Manager, to discuss costs, benefits, and
7 other community issues arising as a result of implementation of this Chapter. After the
8 first year of operation, the Owner, Manager, and community relations representative
9 from each such Permittee shall meet with the City Manager when and as requested by
10 the City Manager.

11 ***Enforcement and Penalties***

12 **§11.17.300 Responsibility for Violations.**

13 Permittees and their Responsible Persons and Managers shall be
14 responsible for violations of the laws of the State of California or of this Code, whether
15 committed by the Permittee, or any Employee or agent of the Permittee, which
16 violations occur on the Premises of the commercial cannabis business, or when
17 engaged in the business activity of the commercial cannabis business Permittee,
18 regardless of location, and whether or not said violations occur within the Permittee's
19 presence. Any act or omission of any Employee constituting a violation of the
20 provisions of this Chapter shall be deemed the act or omission of the Permittee for
21 purposes of determining whether the permit shall be revoked, suspended, or not
22 renewed.

23 **§11.17.305 Inspections.**

24 A. The City Manager, Chief of Police, Fire Chief or City personnel
25 charged with enforcing the provisions of this Code may enter the location of a
26 commercial cannabis business at any time during regular business hours, without
27 notice, and inspect the location of any commercial cannabis business as well as any
28 recordings and records required to be maintained pursuant to this Chapter or under
applicable provisions of State law.

B. It is unlawful for any Person having responsibility over the operation
of a commercial cannabis business, to impede, obstruct, interfere with, or otherwise
not to allow, the City to conduct an inspection, review or copy records, recordings or
other documents required to be maintained by a commercial cannabis business under
this Chapter or under state or local law. It is also unlawful for a Person to conceal,
destroy, deface, damage, or falsify any records, recordings or other documents
required to be maintained by a commercial cannabis business under this Chapter or
under state or local law.

1
2 **§11.17.310 Violations and Penalties.**

3 A. Any Person who violates any provision of this Chapter is guilty of a
4 misdemeanor.

5 B. It is unlawful for any Permittee of a commercial cannabis business,
6 or its Responsible Person, Manager or any other responsible Person employed by or
7 working in concert with them or on their behalf, whether directly or indirectly, to continue
8 to operate, conduct, or maintain a commercial cannabis business after the Commercial
9 Cannabis Business Permit has been suspended or revoked, or not renewed, pursuant
10 to a non-contested notice of decision issued by the City Manager, or after the issuance
11 of a final determination after an appeal hearing.

12 C. Any commercial cannabis business operated, conducted, or
13 maintained contrary to the provisions of this Chapter shall be, and the same is declared
14 to be, unlawful and a public nuisance, and the City may, in addition to or in lieu of
15 prosecuting a criminal action, commence an administrative or civil action(s) or
16 proceeding(s), for the abatement, removal and enjoinder thereof, in the manner
17 provided by law, and shall take such other steps and shall apply to such court or courts
18 as may have jurisdiction to grant such relief to abate or remove such commercial
19 cannabis business and restrain and enjoin any Person from operating, conducting or
20 maintaining a commercial cannabis business contrary to the provisions of this Chapter.

21 D. Each Person shall be guilty of a separate offense for each and
22 every day, or part thereof, during which a violation of this Chapter, or of any law or
23 regulation referenced herein, is allowed, committed, continued, maintained or permitted
24 by such Person, and shall be punishable accordingly.

25 E. Whenever in this Chapter any act or omission is made unlawful, it
26 shall include causing, permitting, aiding, abetting, suffering, or concealing the fact of
27 such act or omission.

28 F. The penalties set forth herein are cumulative and in addition to all
other remedies, violations, and penalties set forth in this Chapter, this Code, or in any
other ordinance, laws, rules or regulations of the City, County, or the State of California.

23 **§11.07.315 Effect on Other Ordinances.**

24 Except as designated in this Chapter, the provisions of this Chapter shall
25 control for regulation of commercial cannabis businesses as defined herein if other
26 provisions of this Code conflict therewith. This Chapter shall not, however, relieve any
27 Person of his or her duty to comply with such laws if additional obligations, duties, or
28 prohibitions are imposed thereby.

1
2 ***Adoption by Reference of Part 7 of Chapter 8.04, 'Commercial Cannabis***
3 ***Activities,' and Chapter 11.37, 'Cannabis Facilities,'***
4 ***of the Los Angeles County Code***

5 **§11.17.400 Adoption by Reference of Los Angeles County Cannabis**
6 **Public Health Ordinance.**

7 A. The City of Culver City hereby adopts by reference Part 7 of
8 Chapter 8.04 "Commercial Cannabis Activities" and Chapter 11.37 "Cannabis Facilities"
9 of the Los Angeles County Code, dated December 9, 2017. The provisions of the Los
10 Angeles County Code described herein shall be applicable in the City and referred to as
11 the City's Cannabis Public Health Ordinance.

12 B. A copy of Part 7 of Chapter 8.04 "Commercial Cannabis Activities"
13 and Chapter 11.37 "Cannabis Facilities" of the Los Angeles County Code shall be
14 available for public inspection in the City Clerk's office.

15 **SECTION 3:** Section 11.01.075 of the Culver City Municipal Code is
16 hereby amended to read as follows: (underlined text denotes additions)

17 **§11.01.075 Unlawful Businesses Prohibited**

18 In no event shall any business tax certificate be granted for any use or
19 activity that is illegal or unlawful under federal, state or City laws or regulations. No
20 business tax certificate issued hereunder shall be construed as authorizing the conduct
21 of or continuance of any illegal or unlawful business, or the furnishing, sale or
22 provisioning of any service, good or product that is illegal under this Code, the laws of
23 the State of California, or the laws of the United States of America. Notwithstanding the
24 foregoing, a business tax certificate may be granted for businesses permitted under
25 Chapter 11.17 of this Code, provided the Applicant has complied with all other
26 provisions of this Code and state law. Business tax certificates may also be issued to
27 commercial cannabis delivery-only retailers that hold a valid cannabis operating permit
28 from another jurisdiction and a valid cannabis license to operate issued by the state.

29 **SECTION 4:** The City Council finds that this Ordinance is subject to the
30 California Environmental Quality Act ("CEQA") pursuant to CEQA guidelines,
31 California Code of Regulations, Title 14, Chapter 3. Pursuant to Section 15060, an
32 Initial Study was prepared for this Project. The Initial Study determined that the Project

1 does not result in impacts on the environment. In conjunction with the Initial Study, and
2 pursuant to Section 15070, a Negative Declaration (ND) has been prepared pursuant to
3 the CEQA guidelines, and found no substantial evidence that the project will have a
4 significant effect on the environment.

5
6 **SECTION 5:** Nothing in this Ordinance shall be construed to affect any
7 suit or proceeding impending in any court, or any rights acquired, or liability incurred, or
8 any cause or causes of action acquired or existing, under any act or Ordinance hereby
9 repealed as cited in Section 1 of this Ordinance; nor shall any just or legal right or
10 remedy of any character be lost, impaired or affected by this Ordinance.

11
12 **SECTION 6:** Pursuant to Section 619 of the City Charter, this Ordinance
13 shall take effect thirty (30) days after its adoption. Pursuant to Section 616 and 621 of
14 the City Charter, prior to the expiration of fifteen (15) days after the adoption, the City
15 Clerk shall cause this Ordinance, or a summary thereof, to be published in the Culver
16 City News and shall post this Ordinance or a summary thereof in at least three places
17 within the City.

18 ///

19 ///

20 ///

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27 ///

1 **SECTION 7:** The City Council hereby declares that, if any provision,
2 section, subsection, paragraph, sentence, phrase or word of this Ordinance is rendered
3 or declared invalid or unconstitutional by any final action in a court of competent
4 jurisdiction or by reason or any preemptive legislation, then the City Council would have
5 independently adopted the remaining provisions, sections, subsections, paragraphs,
6 sentences, phrases, or words of this Ordinance, and as such they shall remain in full
7 force and effect.

8 APPROVED and ADOPTED this _____ day of _____ 2018.

9
10
11 _____
12 JEFFREY COOPER, MAYOR
13 City of Culver City, California

14 ATTEST:

15 APPROVED AS TO FORM:

16 _____
17 JEREMY GREEN
18 City Clerk

19 _____
20 CAROL A. SCHWAB
21 for City Attorney

22 A18-00139
23
24
25
26
27
28