

ORDINANCE NO. 17-__

1
2 AN URGENCY ORDINANCE OF THE CITY OF CULVER CITY,
3 CALIFORNIA, AMENDING TITLE 11, "BUSINESS
4 REGULATIONS," OF THE CULVER CITY MUNICIPAL CODE TO:
5 (1) ADD A NEW CHAPTER 11.17 "COMMERCIAL CANNABIS
6 BUSINESSES"; AND (2) AMEND SECTION 11.01.075
7 "UNLAWFUL BUSINESSES PROHIBITED" OF CHAPTER 11.01.

8 WHEREAS, in 1996 the voters of the State of California approved
9 Proposition 215, also known as the Compassionate Use Act (CUA), allowing medical
10 marijuana use by qualified patients within the state, and decriminalizing the possession
11 and cultivation of medical marijuana for limited personal medical purposes; and

12 WHEREAS, in 2004, the California legislature enacted Senate Bill 420,
13 the Medical Marijuana Program (the "MMP"), which, as codified in California Health and
14 Safety Code Section 11362.7 et seq., was intended to clarify the CUA's scope and
15 immunize from criminal prosecution, under specified state laws, certain activities and
16 conduct related to the provision of medical marijuana to qualified patients; and

17 WHEREAS, on October 9, 2015, Assembly Bills 243 and 266 and Senate
18 Bill 643 (collectively, the "Medical Cannabis Regulation and Safety Act" or "MCRSA")
19 were enacted to create a state regulatory and licensing system governing the
20 cultivation, testing, and distribution of medical marijuana, the manufacturing of medical
21 marijuana products, and physician recommendations for medical marijuana. MCRSA
22 expressly preserved local control over medical marijuana facilities and land uses,
23 including the authority to prohibit medical marijuana facilities and cultivation completely;
24 and

25
26 WHEREAS, on November 8, 2016, California voters approved Proposition
27 64, known as the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA),
28

1 legalizing the adult-use (recreational) marijuana within the state; and providing a
2 regulatory scheme for adult-use marijuana businesses; and

3 **WHEREAS**, on June 27, 2017, the Governor signed Senate Bill 94, which
4 repealed MCRSA and included provisions from MCRSA regarding medical marijuana in
5 the AUMA, so that the regulations governing both medical and non-medical marijuana
6 were contained under one regulatory structure. Senate Bill 94 renamed the AUMA as
7 the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”). In
8 addition to consolidating state laws regarding medical marijuana and adult-use
9 marijuana, Senate Bill 94 introduced more uniform terminology. Senate Bill 94 revised
10 references in existing law to “marijuana” or “medical marijuana” to instead refer to
11 “cannabis” or “medicinal cannabis”, and revised references to “nonmedical” to “adult-
12 use;” and
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14 **WHEREAS**, MAUCRSA provides comprehensive statewide regulations
15 governing medicinal and adult-use cannabis cultivation, manufacturing, testing,
16 distribution, sales and delivery, as well as a state licensing scheme, effective January 1,
17 2018; and
18

19 **WHEREAS**, MAUCRSA expressly preserves a local jurisdiction’s ability to
20 adopt and enforce local ordinances to regulate medicinal and adult-use cannabis
21 businesses; and
22

23 **WHEREAS**, the City of Culver City currently does not permit cannabis
24 businesses through its permissive zoning code, and desires to enact a comprehensive
25 regulatory scheme for the permitting and operation of cannabis businesses, and retain
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1 local control over such businesses to the extent permitted under state laws such as
2 MAUCRSA; and

3 **WHEREAS**, on November 27, 2017, City Council considered and
4 approved for first reading an Ordinance Amending Culver City Municipal Code, Title 17
5 – Zoning, Section 17.700.01 – Definitions of Specialized Terms and Phrases; Section
6 17.220.015 – Commercial District Land Uses and Permit Requirements; and
7 17.210.015 - Residential Zoning District Land Uses and Permit Requirements,
8 pertaining to commercial cannabis activity and personal cannabis cultivation (Zoning
9 Code Amendment) and an Ordinance amending Title 11, “Business Regulations,” of the
10 Culver City Municipal Code to (1) add a new Chapter 11.17 “Commercial Cannabis
11 Business; and (2) amend Section 11.01.075 “Unlawful Businesses Prohibited” of
12 Chapter 11.01 (Business Regulatory Ordinance) regarding commercial cannabis
13 businesses within the City; and
14

15 **WHEREAS**, the Zoning Code Amendment and Business Regulatory
16 Ordinance are on the City Council agenda for December 11, 2017, for second reading
17 and adoption and, if adopted, will take effect on January 10, 2017; and
18

19 **WHEREAS**, during the short gap between January 1 and 10, 2018, it is
20 possible that a cannabis business could apply to a state cannabis licensing authority for
21 a temporary license; and
22

23 **WHEREAS**, the City’s proposed business regulatory ordinance for
24 cannabis businesses reflects a very careful balancing of competing interests following a
25 lengthy drafting process and substantial public input; and
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1 **WHEREAS**, if a cannabis business were able to obtain even a temporary
2 license from the state during the short gap period referenced above, it would potentially
3 upset the careful balance that the City has sought to achieve; and

4 **WHEREAS**, to avoid confusion over the status of the City's cannabis
5 regulations, to protect the public health, safety and welfare and the City's rights to
6 regulate cannabis businesses, and to promote the orderly development of any cannabis
7 businesses in the City, the City desires to have a regulatory ordinance in place prior to
8 the state of California issuing licenses to cannabis businesses, which may occur as
9 early as January 2, 2018.

10
11 **NOW, THEREFORE**, the City Council of the City of Culver City, California,
12 **DOES HEREBY ORDAIN** as follows:

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

15 **SECTION 2.** A new Chapter 11.17, "Commercial Cannabis Businesses,"
16 is hereby added to Title 11 of the Culver City Municipal Code, to read as follows:

17 **CHAPTER 11.17: COMMERCIAL CANNABIS BUSINESSES**

18 ***General Provisions***

19 §11.17.005 Purpose and Intent.

20 §11.17.010. Legal Authority.

21 §11.17.015. Commercial Cannabis Cultivation and Commercial Cannabis
22 Activities Prohibited Unless Specifically Authorized by this
23 Chapter.

24 §11.17.020 Compliance with Laws.

25 §11.17.025 Definitions.

26 ***Permit Procedures; Administration***

27 §11.17.100 Commercial Cannabis Business Permit Required to Engage
28 in Commercial Cannabis Business.

- 1 §11.17.105 Maximum Number and Type of Authorized Commercial
Cannabis Businesses Permitted.
- 2 §11.17.110 Initial Application Procedure.
- 3 §11.17.115 Permittee Selection Process.
- 4 §11.17.120 Expiration of Commercial Cannabis Business Permits.
- 5 §11.17.125 Revocation of Permits.
- 6 §11.17.130 Renewal Applications.
- 7 §11.17.135 Effect of State License Suspension, Revocation, or
Termination.
- 8 §11.17.140 Appeals
- 9 §11.17.145 Commercial Cannabis Business Permit – Nonassignable
and Nontransferable.
- 10 §11.17.150 Change in Location of Commercial Cannabis Business.
- 11 §11.17.155 Changes in Ownership of Commercial Cannabis Business.
- 12 §11.17.160 Changes in Information on Application; Alterations to
Approved Facility; Amendments to Permit.
- 13 §11.17.165 City Business Tax Certificate.
- 14 §11.17.170 Permits and Inspections Prior to Commencing
Operations.
- 15 §11.17.175. Limitations on City's Liability.
- 16 §11.17.180 Fees; Debt to the City.
- 17 §11.17.185 Promulgation of Regulations, Standards and Other
Legal Duties.

18 ***Operating Requirements***

- 19 §11.17.200 Operating Requirements Applicable to all Commercial
Cannabis Businesses.
- 20 §11.17.205 Operating Requirements for Storefront Retail Facilities.
- 21 §11.17.210 Operating Requirements for Delivery-Only Retailers.
- 22 §11.17.215 Operating Requirements for Cultivation Facilities.
- 23 §11.17.220 Operating Requirements for Cannabis Manufacturing
Businesses.
- 24 §11.17.225 Operating Requirements for Cannabis Distribution.
- 25 §11.17.230 Operating Requirements for Cannabis Testing.
- 26 §11.17.235 Records and Recordkeeping.
- 27 §11.17.240 Security Measures.
- 28 §11.17.245 Restriction on Alcohol & Tobacco Sales.
- §11.17.250 Community Relations.

Enforcement and Penalties

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

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

9 **§11.17.020 Compliance with Laws.**

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

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

22 **§11.17.025 Definitions.**

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

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

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

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

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

13 **Cannabis concentrate.** Cannabis that has undergone a process to
14 concentrate one or more active cannabinoids, thereby increasing the product's potency.
15 Resin from granular trichomes from a cannabis plant is a concentrate for purposes of
16 this Chapter. A cannabis concentrate is not considered food, as defined by Section
17 109935 of the California Health and Safety Code, or drug, as defined by Section
18 109925 of the California Health and Safety Code.

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

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

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

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

City. The City of Culver City, California.

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

Code. The Culver City Municipal Code.

Commercial cannabis activity. Activities that include the cultivation,
possession, manufacture, distribution, processing, storing, laboratory testing,
packaging, labeling, transportation, delivery or sale of cannabis and cannabis products
as provided for in MAUCRSA and its related or successor laws and regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Owner. Any of the following:

1 (1) An entity or individual with an aggregate ownership interest of 10
2 percent or more in the Person applying for a Culver City Commercial Cannabis
3 Business Permit, whether a partner, shareholder, member, or the like, unless the
4 interest is solely a security, lien, or encumbrance.

5 (2) The chief executive officer of a nonprofit or other entity.

6 (3) A member of the board of directors of a nonprofit.

7
8 **Park and Playground.** Public parks, play lots, playgrounds, and athletic
9 fields for non-commercial or private neighborhood or community use, including tennis
10 courts. Does not include parkways, golf courses, country clubs, private sport courts or
11 play structures accessory to a single-family dwelling.

12
13 **Patient or qualified patient.** The same definition as Section 11362.7 et
14 seq. of the California Health and Safety Code, as it may be amended, and which means
15 a Person who is entitled to the protections of Section 11362.5 of the California Health &
16 Safety Code.

17
18 **Permit Administrator.** The Chief Financial Officer of the City, or his/her
19 designee.

20
21 **Permittee.** Any Person to whom a current and valid City-issued
22 Commercial Cannabis Business Permit has been issued.

23
24 **Person.** Any individual, firm, partnership, joint venture, association,
25 corporation, limited liability company, estate, trust, business trust, receiver, syndicate,
26 or any other group or combination acting as a unit, and the plural as well as the
27 singular.

28
29 **Premises.** The designated structure or structures and land specified in
30 the application that is owned, leased, or otherwise held under the control of the
31 Applicant where the commercial cannabis activity will be or is conducted. The premises
32 shall be a contiguous area and shall only be occupied by one Permittee.

33
34 **Purchaser.** The customer who is engaged in a transaction with a
35 Permittee for purposes of obtaining cannabis or cannabis products.

36
37 **Responsible Person.** All Owners and operators of a commercial
38 cannabis business, including the Permittee and all officers, directors, Managers, or
39 partners, and all Persons with authority, including apparent authority, over the premises
40 of the commercial cannabis business.

41
42 **Retailer-Storefront.** A Storefront Retailer is a commercial cannabis
43 business facility where cannabis, cannabis products, or devices for the use of cannabis
44 or cannabis products are offered, either individually or in any combination, for retail
45 sale to customers at an on-site fixed location, including an establishment that also
46 offers delivery of cannabis and cannabis products as part of a retail sale, in addition to

1 on-site sales, and where the operator holds a valid Commercial Cannabis Business
2 Permit authorizing the operation of a retailer, and a valid state license as required by
state law to operate a retailer.

3 **Retailer-Delivery only.** A Delivery only retailer is a commercial cannabis
4 business facility where cannabis, cannabis products, or devices for the use of cannabis
5 or cannabis products are offered, either individually or in any combination, for retail sale
6 to customers, where the premises are closed to the public and sales are conducted
7 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 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.

8 **Sell, sale, and to sell.** Includes any transaction whereby, for any
9 consideration, title to cannabis or cannabis products are transferred from one Person to
10 another, and includes the delivery of cannabis or cannabis products pursuant to an
11 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.

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

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

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

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

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

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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
12 currently in compliance with all applicable state and local laws and regulations
13 pertaining to the commercial cannabis business and the commercial cannabis activities,
14 including the duty to obtain any required state licenses.

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

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

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

27 C. Each year following the initial award of permits, if any, or at any
28 time in the City Council's discretion, the City Council may reassess the number of
Commercial Cannabis Business Permits which are authorized for issuance. The City
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.

27 **§11.17.110 Initial Application Procedure.**

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

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

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

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

24 E. Background Check. Pursuant to Sections 11105(b)(11) and
25 13300(b)(11) of the California Penal Code, which authorizes city authorities to access
26 state and local summary criminal history information for employment, licensing, or
27 certification purposes, and authorizes access to federal level criminal history
28 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.

§11.17.115 Permittee Selection Process.

1 A. *Storefront Retail Commercial Cannabis Businesses.*

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

5 2. One stage of the process shall include a public meeting
6 where the public may comment on the proposed storefront retail commercial cannabis
7 business Applicants. At least 10 days prior to the public meeting, the proposed
8 Premises will be posted, and notice of the public meeting will be delivered to all
9 property owners and occupants located within 1000 feet of the proposed Premises of
10 each of the Applicants that will be present at the meeting.

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

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

18 B. *All Other Commercial Cannabis Business Permits.* Commercial
19 Cannabis Business Permits for manufacturing, cultivation, distribution, testing and
20 delivery-only retailers shall be issued by the Permit Administrator. City Council shall
21 adopt by resolution a selection process for the issuance of these categories of
22 Commercial Cannabis Business Permits.

23 C. *Requirements applicable to all Commercial Cannabis Business*
24 *Permits.*

25 1. Issuance of a Commercial Cannabis Business Permit does
26 not create a land use entitlement. No Commercial Cannabis Business Permit shall be
27 issued and no Applicant selected for issuance of a Commercial Cannabis Business
28 Permit may begin operations, until the Applicant has demonstrated compliance with all
the state and local laws and regulations, including but not limited to the requirements of
this Code and of the Commercial Cannabis Business Permit.

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

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

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

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

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

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

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

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

16 h. The Applicant is under 21 years of age.

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

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

27 **§11.17.120 Expiration of Commercial Cannabis Business Permits.**

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

§11.17.125 Revocation of Permits.

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

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

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

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

18 1. A violent felony, as specified in Section 667.5(c) of the
19 California Penal Code.

20 2. A serious felony, as specified in Section 1192.7(c) of the
21 California Penal Code Section.

22 3. A felony involving fraud, deceit, or embezzlement.

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

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

29 6. A felony or misdemeanor involving the illegal possession for
30 sale, sale, manufacture, transportation, or cultivation of a controlled substance.

31 E. If the City Manager determines that a ground for revocation of a
32 Commercial Cannabis Business Permit for a storefront retail commercial cannabis
33 business exists, the City Manager shall give dated written notice of revocation to the
34 Permittee. For all other categories of Commercial Cannabis Business Permit, the
35 Permit Administrator shall make the determination if grounds for revocation exist, and
36 give the dated written notice of revocation to the Permittee.

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

7
8 **§11.17.130 Renewal Applications.**

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

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

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

17 D. The Permittee shall pay a fee in an amount to be set by resolution
18 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
19 Chapter.

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

- 21 1. Any of the grounds for revocation under Section 11.17.125.
- 22 2. The Commercial Cannabis Business Permit is suspended or
23 revoked at the time of the application.
- 24 3. The commercial cannabis business has not been in regular
25 and continuous operation in the four months prior to the renewal application.
- 26 4. The Permittee fails or is unable to renew its State of
27 California license.

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

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

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

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

16 **§11.17.135 Effect of State License Suspension, Revocation, or
17 Termination.**

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

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

28 **§11.17.140 Appeals.**

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

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

1 follows:

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

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

9 a. Name, address, and telephone number of the
10 appellant;

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

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

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

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

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

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

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

3 1. The administrative appeal shall be scheduled no later than
4 60 calendar days, and no sooner than 21 calendar days, after receipt of a timely filed
5 notice of appeal. The appellant(s) listed on the written notice of appeal shall be notified
6 in writing of the date, time, and location of the hearing at least 10 calendar days before
7 the date of the hearing ("notice of appeal hearing").

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

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

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

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

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

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

28 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
contributed to the City Manager issuing a notice, may be required to participate in the
appeal hearing.

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

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

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

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

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

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

26 1. If the City Council or appointed hearing officer determines
27 that no grounds for denial, nonrenewal, suspension, revocation, or other action exist,
28 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:

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

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

2. The decision of the City Council or appointed hearing officer,
is final and conclusive. The written final decision shall also contain the following

1 statement: "The decision of the City Council [or appointed hearing officer], is final and
2 binding. Judicial review of this decision is subject to the time limits set forth in California
Code of Civil Procedure Section 1094.6."

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

10 **§11.17.145 Commercial Cannabis Business Permit – Nonassignable**
11 **and Nontransferable.**

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

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

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

22 A. No Permittee shall change the Premises of a commercial cannabis
23 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
25 Premises of any commercial cannabis business must be approved by the Permit
26 Administrator.

27 B. The City Manager shall adopt a process (to include any necessary
28 forms and procedures) for the relocation of any commercial cannabis business. As part
of the process, storefront retail Permittees proposing to relocate shall give notice to all
property owners and occupants located within 1000 feet of the proposed Premises.

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

1 **§11.17.155 Changes in Ownership of Commercial Cannabis**
2 **Business.**

3 A. No Permittee shall transfer greater than 50% of ownership or
4 control of a commercial cannabis business unless and until the proposed new Owner
5 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
issuance of a commercial Cannabis Business Permit.

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

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

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

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

15 2. The existing Permittee is an unincorporated association,
16 mutual or public benefit corporation, agricultural or consumer cooperative corporation
17 and subsequently transitions to or forms a new business entity as allowed under the
18 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.

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

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

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

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

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

5
6 **§11.17.160 Changes in Information on Application; Alterations To
Approved Facility; Amendments to Permit.**

7
8 A. A Permittee shall advise the City within 15 calendar days of all
9 changes of name or designation under which the commercial cannabis business is to
10 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.

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

13 C. All required City approvals, plan approvals, and permits must be
14 obtained before causing, allowing, or permitting alterations to, and/or extensions or
15 expansions of, the existing building(s), structure(s), or portions thereof, approved as the
16 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.

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

21
22 **§11.17.165 City Business Tax Certificate.**

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

25
26 **§11.17.170 Permits and Inspections Prior to
Commencing Operations.**

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

8 **§11.17.175 Limitations on City's Liability.**

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

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

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

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

29 **§ 11.17.180 Fees; Debt to the City.**

30 A. No Person may commence or continue any commercial cannabis
31 activity in the City, without timely paying in full all fees required for the operation of a
32

1 commercial cannabis business. Fees associated with the operation of a commercial
2 cannabis business shall be established by resolution of the City Council which may be
amended from time to time.

3 B. All commercial cannabis businesses authorized to operate under
4 this Chapter shall pay all sales, use, business and other applicable taxes, and all
5 license, registration, and other fees required under federal, state and local law. Each
6 commercial cannabis business shall cooperate with the City with respect to any
7 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.

8 C. The amount of any fee, cost or charge imposed pursuant to this
9 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.

10 **§11.17.185 Promulgation of Regulations, Standards and Other Legal**
11 **Duties.**

12 A. In addition to any regulations adopted by the City Council, the City
13 Manager is authorized to establish any additional rules, regulations and standards
14 related to the issuance, denial or renewal of Commercial Cannabis Business Permits,
15 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.

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

18 C. Regulations promulgated by the City Manager shall become
19 effective upon date of publication on the City's website. Commercial cannabis
20 businesses shall be required to comply with all state and local laws and regulations,
21 including but not limited to any rules, regulations or standards adopted by the City
22 Manager.

23 ***Operating Requirements***

24 **§11.17.200 Operating Requirements Applicable to all Commercial**
25 **Cannabis Businesses.**

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

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

2 C. No outdoor storage of cannabis or cannabis products is permitted
3 at any time.

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

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

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

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

15 H. Each commercial cannabis business shall provide the City
16 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.

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

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

23 K. Persons under the age of 21 years shall not be allowed on the
24 Premises of a commercial cannabis business, and shall not be allowed to serve as a
25 driver for a mobile delivery service, except as pertaining to sales of cannabis for
medicinal use. It shall be unlawful and a violation of this Chapter for any Person to
26 employ any Person at a commercial cannabis business who is not at least 21 years of
age.

27 L. Odor control devices and techniques shall be incorporated in all
28 commercial cannabis businesses to ensure that odors from cannabis are not detectable

1 off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing
2 ventilation and exhaust system so that odor generated inside the commercial cannabis
3 business that is distinctive to its operation is not detected outside of the facility,
4 anywhere on adjacent property or public rights-of-way, on or about the exterior or
5 interior common area walkways, hallways, breezeways, foyers, lobby areas, or any
6 other areas available for use by common tenants or the visiting public, or within any
7 other unit located inside the same building as the commercial cannabis business. As
8 such, commercial cannabis businesses must install and maintain the following
9 equipment, or any other equipment which the Community Development Director
10 determines is a more effective method or technology:

11
12 1. An exhaust air filtration system with odor control that
13 prevents internal odors from being emitted externally;

14
15 2. An air system that creates negative air pressure between the
16 commercial cannabis business' interior and exterior, so that the odors generated inside
17 the commercial cannabis business are not detectable on the outside of the commercial
18 cannabis business.

19
20 M. The original copy of the Commercial Cannabis Business Permit
21 issued by the City pursuant to this Chapter and the City-issued business tax certificate
22 shall be posted inside the commercial cannabis business in a location readily-visible to
23 the public.

24
25 N. The Permittee of a commercial cannabis business shall prohibit
26 loitering by Persons outside on the premises.

27
28 O. Nothing in this Chapter exempts a commercial cannabis business
from complying with all applicable local, state and federal laws and regulations
pertaining to Persons with disabilities.

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

§11.17.205 Operating Requirements for Storefront Retail Facilities.

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

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

B. Prior to dispensing medicinal cannabis or medicinal cannabis

1 products to any Person, the storefront retailer shall obtain verification from the
2 recommending physician that the Person requesting medicinal cannabis or medicinal
cannabis products is a qualified patient.

3 C. Storefront retailers also providing delivery shall comply with the
4 requirements pertaining to deliveries in Section 11.17.210 of this Chapter.

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

8 E. All restroom facilities shall remain locked and under the control of
9 management.

10 F. A storefront retailer may sell, give away, or donate specific devices,
11 contrivances, instruments, or paraphernalia necessary for consuming cannabis or
12 cannabis products, including but not limited to rolling papers and related tools, pipes,
13 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.

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

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

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

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

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

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

1
2 **§11.17.210 Operating Requirements for Delivery-Only Retailers.**

3 Commercial cannabis delivery-only retailers shall comply with all of the
4 following requirements:

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

7 B. The general public is not permitted on the premises except for the
8 Owners, Managers, Employees, agents and volunteers of the delivery-only Permittee
9 and agents or employees of the City of Culver City, the County of Los Angeles or the
10 state.

11 C. Delivery-only retailers may only deliver cannabis or cannabis
12 products to customers within a city or county that does not expressly prohibit such
13 delivery by ordinance.

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

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

22 1. The identity of the individual dispensing cannabis or
23 cannabis products on behalf of the Permittee;

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

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

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

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

1 G. Individuals authorized to conduct deliveries on behalf of the
2 Permitee shall have a valid California Driver's License.

3 H. Individuals making deliveries of cannabis or cannabis products on
4 behalf of the Permitee shall maintain a physical or electronic copy of the delivery
5 request (and/or invoice) and shall make it available upon request of City employees or
6 agents.

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

10 J. A Permitee shall only permit or allow delivery of cannabis or
11 cannabis products in a vehicle that (i) is insured at or above the legal requirement in
12 California; (ii) is capable of securing (locking) the cannabis or cannabis products during
13 transportation; (iii) is capable of being temperature controlled if perishable cannabis or
14 cannabis products are being transported; and (iv) does not display advertising or
15 symbols visible from the exterior of the vehicle that suggest the vehicle is used for
16 cannabis delivery or affiliated with a cannabis retailer.

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

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

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

24 3. The time that the delivery vehicle returned to the permitted
25 Premises.

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

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

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

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

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

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

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

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

15 **§11.17.215 Operating Requirements for Cultivation Facilities.**

16 Commercial cannabis indoor cultivation facilities must comply with all of
17 the following requirements:

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

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

22 C. The general public is not permitted on the cannabis cultivation
23 Premises except for the Owners, Managers, Employees, agents and volunteers of the
24 cannabis cultivation Permittee and agents or employees of the City of Culver City, the
25 County of Los Angeles or the state.

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

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

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

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

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

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

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

17 1. A cultivation and operations plan that meets or exceeds
18 minimum legal standards for water usage, conservation and use; drainage, watershed
19 and habitat protection; waste disposal; and proper storage of fertilizers, pesticides, and
20 other regulated products to be used on the parcel, and a description of the cultivation
21 activities and schedule of activities during each month of growing and harvesting, or
22 explanation of growth cycles and anticipated harvesting schedules for all-season
23 harvesting.

24 2. A description of a legal water source, irrigation plan, and
25 projected water use.

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

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

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

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

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

1 B. The general public is not permitted on the cannabis manufacturing
2 Premises except for the Owners, Managers, Employees, agents and volunteers of the
3 cannabis manufacturing Permittee and agents or employees of the City of Culver City,
4 the County of Los Angeles or the state.

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

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

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

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

25 G. Certification from an engineer licensed by the State of California
26 must be provided to the Fire Chief for a professional grade closed loop system used by
27 any commercial cannabis manufacturing manufacturer to certify that the system was
28 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:

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

H. The certification document reference in subsection G above must

1 contain the signature and stamp of the professional engineer and serial number of the
2 extraction unit being certified.

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

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

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

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

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

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

25 **§11.17.225 Operating Requirements for Cannabis Distribution.**

26 Commercial cannabis distribution businesses shall comply with all of the
27 following requirements:

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

B. The general public is not permitted on the cannabis distribution
Premises except for the Owners, Managers, Employees, agents and volunteers of the
cannabis distribution Permittee and agents or employees of the City of Culver City, the
County of Los Angeles or the state.

C. A cannabis distribution Permittee shall only procure, sell, or

1 transport cannabis or cannabis products that is packaged and sealed in tamper-
2 evident packaging that uses a unique identifier, such as a batch and lot number or bar
code, to identify and track the cannabis or cannabis products.

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

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

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

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

13 H. A cannabis distribution Permittee facility shall only transport
14 cannabis or cannabis products in a vehicle that is (1) insured at or above the legal
15 requirement in California, (2) capable of securing (locking) the cannabis or cannabis
16 products during transportation, and (3) capable of being temperature controlled if
perishable cannabis products are being transported.

17 **§11.17.230 Operating Requirements for Cannabis Testing.**

18 Commercial cannabis testing businesses shall comply with all of the
19 following requirements:

20 A. Cannabis testing shall take place within an enclosed locked
21 structure.

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

23 C. The general public is not permitted on the cannabis testing
24 Premises except for the Owners, Managers, Employees, agents and volunteers of the
25 cannabis testing Permittee and agents or employees of the City of Culver City, the
County of Los Angeles or the state.

26 D. All cannabis testing shall be performed in accordance with state
27 law.

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

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

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

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

14 **§11.17.235 Records and Recordkeeping.**

15 A. Each Permittee of a commercial cannabis business shall maintain
16 accurate books and records in an electronic format, detailing all of the revenues and
17 expenses of the business, and all of its assets and liabilities. On no less than an
18 annual basis (at or before the time of the renewal of a Commercial Cannabis Business
19 Permit issued pursuant to this Chapter), or at any time upon reasonable request of the
20 City, each Permittee shall file a sworn statement detailing the commercial cannabis
21 business' revenue and number of sales during the previous 12-month period (or shorter
22 period based upon the timing of the request), provided on a per-month basis. The
23 statement shall also include gross revenues for each month, and all applicable taxes
24 paid or due to be paid. On an annual basis, each Permittee shall submit to the City a
25 financial audit of the business' operations conducted by an independent certified public
26 accountant. Each Permittee shall be subject to a regulatory compliance review and
27 financial audit as determined by the City Manager.

28 B. Each Permittee of a commercial cannabis business shall maintain
a current register of the names and the contact information (including the address, e-
mail address and telephone number) of anyone owning or holding an interest in the
commercial cannabis business, and separately of all the officers, Managers,
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.

C. All records collected by a Permittee pursuant to this Chapter shall
be maintained for a minimum of seven years and shall be made available by the
Permittee to the agents or employees of the City upon request, except that private

1 medical records shall be made available only pursuant to a properly executed search
2 warrant, subpoena, or court order.

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

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

17 **§11.17.240 Security Measures.**

18 A. All Permittees shall implement sufficient security measures to deter
19 and prevent the unauthorized entrance into areas containing cannabis or cannabis
20 products, and to deter and prevent the theft of cannabis or cannabis products at the
21 commercial cannabis business. Except as may otherwise be determined by the Chief of
22 Police, these security measures shall include, but shall not be limited to, all of the
23 following:

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

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

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

8 4. Installing 24-hour security surveillance cameras of at least
9 HD-quality to monitor all entrances and exits to and from the premises, all interior
10 spaces within the commercial cannabis business which are open and accessible to the
11 public, all interior spaces where cannabis, cash or currency, is being stored for any

1 period of time on a regular basis, and all interior spaces where diversion of cannabis
2 could reasonably occur. Video recordings shall be maintained for a minimum of 60
3 days, and shall be made available to the Chief of Police upon request. Video shall be
of sufficient quality for effective prosecution of any crime found to have occurred on the
site of the commercial cannabis business.

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

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

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

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

12 9. Security personnel shall be on-site during operating hours or
13 alternative security may be provided, as authorized by the Police Chief. Security
14 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
of the Chief of Police, which approval shall not be unreasonably withheld.

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

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

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

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

26 E. A Permittee shall notify the Chief of Police within 24 hours after
27 discovering any of the following:
28

1 regardless of location, and whether or not said violations occur within the Permittee's
2 presence. Any act or omission of any Employee constituting a violation of the
3 provisions of this Chapter shall be deemed the act or omission of the Permittee for
4 purposes of determining whether the permit shall be revoked, suspended, or not
5 renewed.

6 **§11.17.305 Inspections.**

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

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

21 **§11.17.310 Violations and Penalties.**

22 A. Any Person who violates any provision of this Chapter is guilty of a
23 misdemeanor.

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

C. Any commercial cannabis business operated, conducted, or
maintained contrary to the provisions of this Chapter shall be, and the same is declared
to be, unlawful and a public nuisance, and the City may, in addition to or in lieu of
prosecuting a criminal action, commence an administrative or civil action(s) or
proceeding(s), for the abatement, removal and enjoinder thereof, in the manner
provided by law, and shall take such other steps and shall apply to such court or courts
as may have jurisdiction to grant such relief to abate or remove such commercial

1 cannabis business and restrain and enjoin any Person from operating, conducting or
2 maintaining a commercial cannabis business contrary to the provisions of this Chapter.

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

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

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

13 **§11.07.315 Effect on Other Ordinances.**

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

19 **SECTION 3:** Section 11.01.075 of the Culver City Municipal Code is
20 hereby amended to read as follows: (Underline denotes additions).

21 **§11.01.075 Unlawful Businesses Prohibited**

22 In no event shall any business tax certificate be granted for any use or
23 activity that is illegal or unlawful under federal, state or City laws or regulations. No
24 business tax certificate issued hereunder shall be construed as authorizing the conduct
25 of or continuance of any illegal or unlawful business, or the furnishing, sale or
26 provisioning of any service, good or product that is illegal under this Code, the laws of
27 the State of California, or the laws of the United States of America. Notwithstanding the
28 foregoing, a business tax certificate may be granted for businesses permitted under
Chapter 11.17 of this Code, provided the Applicant has complied with all other
provisions of this Code and state law.

SECTION 4. Based on the recitals set forth above, the City Council finds
and declares this Ordinance to be necessary for the immediate preservation of the

1 public health safety and welfare, and upon that basis has determined that an urgency
2 measure, pursuant to Government Code Section 36937(b) and Culver City Charter
3 Section 614, is warranted.

4
5 **SECTION 5:** The City Council finds that this Ordinance is subject to the
6 California Environmental Quality Act ("CEQA") pursuant to CEQA guidelines,
7 California Code of Regulations, Title 14, Chapter 3. Pursuant to Section 15060, an
8 Initial Study was prepared for this Project. The Initial Study determined that the Project
9 does not result in impacts on the environment. In conjunction with the Initial Study, and
10 pursuant to Section 15070, a Negative Declaration (ND) has been prepared pursuant to
11 the CEQA guidelines, and found no substantial evidence that the project will have a
12 significant effect on the environment.

13
14 **SECTION 6:** Nothing in this Ordinance shall be construed to affect any
15 suit or proceeding impending in any court, or any rights acquired, or liability incurred, or
16 any cause or causes of action acquired or existing, under any act or Ordinance hereby
17 repealed as cited in Section 1 of this Ordinance; nor shall any just or legal right or
18 remedy of any character be lost, impaired or affected by this Ordinance.

19
20 **SECTION 7.** Pursuant to Section 614 of the City Charter, this Ordinance
21 shall be introduced and adopted at one and the same meeting and shall take effect
22 immediately upon its adoption by a four-fifths vote of the City Council. Pursuant to
23 Sections 616 and 621 of the City Charter, prior to the expiration of fifteen (15) days
24 after the adoption, the City Clerk shall cause this Ordinance, or a summary thereof, to
25 be published in the Culver City News and shall post this Ordinance or a summary
26 thereof in at least three places within the City.

