

ORD-25

REVISED

May 17, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Declare an Ordinance amending Long Beach Municipal Code Chapters 5.90 and 5.92 relating to the regulation of cannabis retail storefront (dispensary) business licenses and the Cannabis Social Equity Program, read the first time, and laid over to the next regular meeting of the City Council for final reading; and,

Adopt a Resolution authorizing the City Manager to establish a Request for Proposals (RFP) for cannabis retail storefront (dispensary) business licenses for the Cannabis Social Equity Program. (Citywide)

DISCUSSION

On May 10, 2022, the City Council received a presentation from staff on the Equity Dispensary Ordinance and Resolution, which will allow eight (8) additional cannabis dispensaries in Long Beach to be owned exclusive by verified equity applicants as part of the Cannabis Social Equity Program (Equity Program).

Following the staff presentation, public comment, and City Council discussion, the City Council passed a motion to:

- Amend the proposed Equity Business ownership requirements to prohibit Equity Businesses from transferring more than 51 percent ownership interest to a non-equity individual for ten years from the date the Equity Business submits a cannabis business license application to the City; and
- Amend the Equity Dispensary RFP Guidelines to only allow equity applicants who were verified on or before May 10, 2022, to submit a proposal. Equity applicants who received their verification after May 10, 2022, are not eligible to participate in the RFP process; and
- Amend the Equity Dispensary RFP Guidelines to add a provision to give priority to equity applicants who were selected in a previous lottery on September 10, 2010 and/or September 28, 2017. In order to be eligible to receive additional points in the RFP process, an equity applicant must have received their verification letter on or before May 10, 2022 and be listed on the original business license application(s) as an owner/managing member.

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The attached Equity Dispensary Ordinance and Resolution includes these amendments to the Equity Business Ownership Requirements and Equity Dispensary RFP Guidelines.

This matter was reviewed by Deputy City Attorney Arturo D. Sanchez and Budget Manager Grace H. Yoon on May 12, 2022.

TIMING CONSIDERATIONS

City Council action is requested on May 17, 2022, to ensure timely amendment to the LBMC. Should the City Council adopt the proposed Ordinance, staff estimates the RFP process to select the eight equity applicants will begin in July 2022 after the Ordinance takes effect. The eight equity applicants will likely be awarded to proceed through the business license process in December 2022 after the RFP process has concluded.

Given that it takes over a year on average to open a cannabis dispensary in Long Beach, staff estimates that cannabis sales from the additional licensed dispensaries would be realized likely starting in FY 24.

FISCAL IMPACT

It is anticipated that this new license type will result in an increase in business license tax revenues from equity dispensary operators. However, it is unclear how much revenue will be collected from these operators as it is largely based on market demand. Equity dispensary operators will be charged the same tax rate that other dispensary operators are charged - 6 percent of gross receipts from medical sales and 8 percent of gross receipts from adult-use sales. Revenues from this new license type will not be realized until businesses are licensed and operating, beginning approximately in FY 24. City staff will monitor these additional revenues and factor any potential impact into future projections. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The number of additional local jobs associated with this recommendation is currently unknown.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS: ORDINANCE
RESOLUTION

1 dispensary.

2 NOW, THEREFORE, the City Council of the City of Long Beach ordains as
3 follows:

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5 Section 1. Section 5.90.030 of the Long Beach Municipal Code is
6 amended to read as follows:

7 5.90.030 Medical Marijuana Business License Permit.

8 Except as otherwise set forth in this Chapter, it shall be unlawful for
9 any person or entity to operate, in or upon any property, a Medical
10 Marijuana Business without first obtaining all required State licenses and a
11 business license or permits issued by the City. Each State license type
12 available in the MMRSA is eligible to apply for a City Business License
13 Permit. Medical Marijuana Business shall be considered a personal service
14 type business in the City of Long Beach (as defined in section 21.15.2020)
15 with respect to issuing a Business License Permit and setting application
16 and license fees. Until the regulatory implementation of the MMRSA, the
17 Medical Marijuana Business license permits shall be issued without regard
18 to the fact the State license has not been issued. Failure to timely obtain
19 required State licenses or permits shall be grounds for suspension or
20 revocation of any permit or license issued by the City. Upon the regulatory
21 implementation of the MMRSA, unless otherwise set forth in this Chapter,
22 no person shall engage in commercial cannabis activity or in the activities of
23 a Medical Marijuana Business without possessing all applicable State
24 licenses and all applicable City permits and licenses. Revocation of a State
25 license shall constitute grounds for the City to suspend or revoke any permit
26 or license issued by the City.

27 A Medical Marijuana Business that is operating in compliance with
28 this Chapter and other State and local laws on or before January 1, 2018,

1 may continue its operations until its application for State licensure is
2 approved or denied by the licensing authority.

3 A Medical Marijuana Business must at all times maintain liability
4 insurance having aggregate policy limits in an amount not less than one
5 million dollars (\$1,000,000.00).

6 The City may impose an annual business license fee no greater than
7 one hundred fifty percent (150%) of the average business license fee the
8 city charges for non-cannabis related personal service business. Failure to
9 timely pay the annual business license fee shall be grounds for suspension
10 or revocation of the business license. Applicants that previously paid an
11 application fee pursuant to former Chapter 5.87 may, at the applicant's
12 discretion, have any un-refunded fee applied as credit against any fees
13 applicable under this Section. All Medical Marijuana Businesses shall be
14 subject to an annual regulatory inspection by the City to insure compliance
15 with all of the applicable provisions of this Chapter and to confirm
16 compliance with the business license permit issued by the City.

17 It shall be unlawful for the owner of a building to allow the use of any
18 portion of a building by a Medical Marijuana Business unless the tenant has
19 a valid business license permit, or has applied for and not been denied, a
20 business license permit. Each owner of a building whose tenant is a Medical
21 Marijuana Business License Permit applicant shall execute an
22 acknowledgement that the Applicant has the owner's permission and
23 consent to operate a Medical Marijuana Business at the subject property.

24 Each Medical Marijuana Business shall designate a Community
25 Relations Liaison (hereinafter, the "Liaison"), who shall be at least twenty-
26 one (21) years of age; and shall provide the Liaison's name to the City
27 Manager. The Liaison shall receive all complaints received by the City
28 Manager regarding the Medical Marijuana Dispensary, and make good faith

1 attempts to promptly resolve all complaints. To address community
2 complaints and concerns, the name and telephone number for the Liaison
3 shall be made publicly available. Each Medical Marijuana Business Liaison
4 is required to respond by phone or email within three (3) business days of
5 contact by a city official concerning the Medical Marijuana Business. The
6 name and contact information for Liaison of the medical marijuana business
7 shall be conspicuously posted on the main entry doors to the business.

8 No pesticides or insecticides prohibited by federal, State, or local law
9 for fertilization or production of edible produce may be used on any
10 marijuana cultivated, produced or distributed by a Medical Marijuana
11 Business. A Medical Marijuana Business shall comply with all applicable
12 federal, State, and local laws regarding use and disposal of pesticides and
13 fertilizers.

14 No Medical Marijuana Business may be operated in an area zoned
15 exclusively for residential use. No Medical Marijuana Dispensary may be
16 located within a six-hundred (600) foot radius of a public or private school
17 (as defined in Health and Safety Code Section 11362.768(h)), or within a
18 six-hundred (600) foot radius of a day care center, playground, community
19 center, or library, or within one thousand (1,000) feet of another dispensary.
20 No Medical Marijuana Business may be located within a one-thousand
21 (1,000) foot radius of a public or private school (as defined in Health and
22 Safety Code § 11362.768(h)) or public beach, or within a six hundred foot
23 (600') radius of a public park or public library, with the exception of
24 dispensaries which must follow the location requirements above. The
25 distances specified in this subdivision shall be determined by the horizontal
26 distance measured in a straight line from the property line of the school,
27 park or library to the closest property line of the lot on which the Medical
28 Marijuana Business is located, without regard to intervening structures.

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Section 2. Section 5.90.060 of the Long Beach Municipal Code is amended to read as follows:

5.90.060 Medical Marijuana Dispensary Operating Conditions and Restrictions.

Every person and entity operating as a Medical Marijuana Dispensary in the City shall comply with the following operating conditions and restrictions. No Medical Marijuana Dispensary may operate within the City of Long Beach without meeting the following conditions:

A Medical Marijuana Dispensary shall not be located within a one thousand foot (1,000') radius of any other Medical Marijuana Dispensary.

A sign shall be posted in a conspicuous location inside each Property advising: (a) It is a violation of State Law to engage in the sale of marijuana or the diversion of marijuana for non-medical purposes; (b) The use of marijuana may impair a person's ability to drive a motor vehicle or operate heavy machinery; (c) Loitering at the location of a Medical Marijuana Business for an illegal purpose is prohibited by Penal Code § 647(h); (d) This Medical Marijuana Business is licensed in accordance with the laws of the City of Long Beach; (e) Your membership will be terminated if you engage in the illegal sale or diversion of Medical Marijuana.

Representative samples of Medical Marijuana distributed by the Business shall be analyzed by an independent laboratory to ensure that they are free of harmful pesticides and other contaminants regulated under local, state or federal law.

No person, other than a patient, caregiver, licensee, employee, or a contractor shall be in the medical marijuana dispensary room. No patient shall be allowed entry into the medical marijuana dispensary room without showing a valid State issued picture Driver's License or Identification. A

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Medical Marijuana Dispensary may distribute, dispense, deliver or transport medical marijuana only in accordance with this Chapter and State law.

The number of licensed and permitted Medical Marijuana Dispensaries shall be limited to not less than one (1) Medical Marijuana Dispensary business for every eighteen thousand (18,000) residents in the City of Long Beach or not more than one (1) Medical Marijuana Dispensary business for every fifteen thousand (15,000) residents in the City of Long Beach. The population of the City shall be based on the official census population estimate as periodically updated by the US Department of Commerce, United States Census Bureau. The City Council may increase the number of licensed and permitted medical marijuana dispensaries pursuant to this Chapter but may not reduce them below the thresholds set forth herein. The City Manager shall issue the maximum number of licenses permitted by this Section unless otherwise directed by the City Council. The total number of permitted Medical Marijuana Dispensaries in the City is set at 40, with eight (8) dispensaries designated to be owned by cannabis equity businesses pursuant to Section 5.90.310. The eight (8) Medical Marijuana Dispensaries owned by cannabis equity businesses shall be selected via a Request for Proposals (RFP) process as outlined in regulations set forth by the City Manager, or their designee, and shall not be selected using the procedures outlined in Sections 5.90.070 and 5.90.080 of this Chapter.

The City will not accept applications from any of the thirty two (32) existing cannabis dispensary businesses to change their business location for one hundred eighty (180) days from the date the City awards the eight (8) Equity Dispensary Businesses to move forward in the licensing process, or until all Equity Dispensary Businesses have provided the complete, notarized Property Owner Authorization for the business premises in the

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business license application, whichever occurs sooner.

Section 3. Section 5.90.310 is hereby added to the Long Beach Municipal Code to read as follows:

5.90.310 Implementation of the Cannabis Social Equity Program.

A. The Cannabis Equity Program provisions outlined in Chapter 5.92 of this Code shall be applicable to any Medical Marijuana Business who meets the criteria of the program.

B. An equity applicant or a group of equity applicants applying for a Medical Marijuana Business Permit as an equity business shall receive the same assistance and benefits as an equity business applying for an Adult-Use Cannabis Business Permit pursuant to Chapter 5.92 of this Code.

C. The City Manager is authorized to make reasonable rules, policies, and procedures consistent with the intent and spirit of Chapter 5.92 of this Code to develop and implement an administrative program for this Equity Program. Regulations promulgated by the City Manager become effective upon date of publication, unless specified otherwise.

Section 4. Chapter 5.92 of the Long Beach Municipal Code is hereby amended and restated to read as follows:

Chapter 5.92

ADULT-USE CANNABIS BUSINESSES AND ACTIVITIES

DIVISION I - PURPOSE AND DEFINITIONS

5.92.010 Purpose and intent.

It is the purpose and intent of this Chapter to:

A. Regulate the cultivation, possession, manufacture,

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distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, and sale of cannabis goods for adults twenty-one (21) years of age and over, and co-located medicinal and adult-use commercial cannabis activities, in a manner that promotes and protects the health, safety, and welfare of the residents, neighborhoods, and businesses in the City and mitigates the costs to the community for the oversight of these activities.

B. Enforce rules and regulations consistent with State law pursuant to the MAUCRSA and any related or successor laws and regulations implemented by the State or any of its departments or divisions.

C. Regulate commercial cannabis activity in the City concurrently with the State.

5.92.020 General provisions.

A. Legal authority. Pursuant to Sections 5 and 7 of Article XI of the California Constitution and provisions of the MAUCRSA, as it may be amended from time to time and any subsequent State legislation or regulations regarding same, the City is authorized to adopt ordinances that establish standards, requirements, and regulations for local licenses and permits for commercial cannabis activity involving adult-use cannabis. Any standards, requirements, and regulations regarding health and safety, security, welfare, and worker protections established by the State, or any of its departments or divisions, are the minimum standards applicable to commercial cannabis activity in the City.

B. Conflict of law. This Chapter is not intended to interfere with, abrogate, or annul any other ordinance, resolution, regulation, statute, or other provision of law. In the event of any conflict between the provisions of this Chapter and any other applicable State or local law or regulation, the more restrictive provision shall control.

1 C. Nothing in this Chapter is intended, nor shall it be construed
2 to:

3 3. Interfere with an employer's rights and obligations to
4 maintain a drug and alcohol free workplace or require an employer to allow
5 or accommodate the use, consumption, possession, transfer, display,
6 transportation, sale, or growth of cannabis in the workplace, or affect the
7 ability of an employer to have policies prohibiting the use of cannabis by
8 employees or prospective employees, or prevent employers from complying
9 with local, State, or federal law.

10 4. Interfere with the right of any property owner from
11 restricting or prohibiting any of the actions or conduct otherwise permitted
12 under California Health and Safety Code Section 11362.1 on said property
13 owner's privately owned real property.

14 5. Condone or legalize the possession, use, consumption,
15 transportation, sale, or any other use of cannabis or cannabis products that
16 are otherwise prohibited under State law.

17 6. Require the City to allow, permit, license, authorize, or
18 otherwise regulate commercial cannabis activity, or to abridge the City's
19 police power with respect to enforcement regarding commercial cannabis
20 activity, or to restrict or otherwise limit the enforcement authority conferred
21 upon the City, or any State agency, by other provisions of this Code or
22 State law.

23 7. Exempt any commercial cannabis activity from any
24 applicable local and State building, electrical, plumbing, land use, or any
25 other building or land use standards or permitting requirements.

26 D. Adult-Use Cannabis Businesses, adult-use commercial
27 cannabis activity, and Co-Located Cannabis Businesses shall only be
28 allowed in compliance with this Chapter and all applicable provisions set

1 forth in this Code, including but not limited to, the cannabis business tax
2 ordinance pursuant to Chapter 3.80 of this Code, and all regulations
3 governing the land use, building, grading, plumbing, septic, electrical, fire,
4 hazardous materials, nuisance, and public health and safety.

5 E. If the State prohibits the cultivation, possession, manufacture,
6 processing, storing, laboratory testing, labeling, transporting, distribution,
7 delivery, or sale of cannabis goods through Adult-Use Cannabis
8 Businesses, or if a court of competent jurisdiction determines that the
9 federal government's prohibition of the sale, cultivation, manufacture,
10 possession, or other distribution of cannabis goods through Adult-Use
11 Cannabis Businesses supersedes State law, any permit issued pursuant to
12 this Chapter shall be deemed to be immediately revoked by operation of
13 law with no ground for appeal, or other redress, on behalf of any Adult-Use
14 Cannabis Business.

15 5.92.030 Definitions.

16 The definitions set forth in California Business and Professions Code
17 Section 26000 et seq. shall apply to this Chapter and are hereby incorporated by
18 reference. Any reference to State statutes includes any regulations promulgated
19 thereunder and is deemed to include any successor or amended version of the
20 referenced statute or regulatory provision. Unless otherwise defined herein, and
21 unless otherwise clearly apparent from the context, the following terms as used in
22 this Chapter shall have the meanings set forth in this Section:

23 A. “Accreditation Body” means an impartial non-profit
24 organization that operates in conformance with the International
25 Organization for Standardization (ISO)/International Electrotechnical
26 Commission (IEC) standard 17011 and is a signatory to the International
27 Laboratory Accreditation Cooperation (ILAC) Mutual Recognition
28 Arrangement (MRA) for Testing.

1 B. “Administrative Hold” means an order by the City Manager
2 prohibiting the movement, removal, transport, use, treatment, or disposal of
3 a material that is, or is suspected of being, adulterated, misbranded, or
4 hazardous waste that is being mismanaged or that the City Manager has
5 reason to suspect is, or will be, managed in violation of this Chapter.

6 C. “Adulterated” shall have the same meaning as California
7 Business and Professions Code Section 26131.

8 D. “Adult-Use Cannabis” means cannabis or cannabis products
9 for adults twenty-one (21) years of age or older who do not possess a
10 physician’s recommendation.

11 E. “Adult-Use Cannabis Business” means any person, entity, or
12 operation, in whole or in part, whether operating for-profit or not-for-profit,
13 and all associated owners, employees, managers, and agents, engaged in
14 adult-use commercial cannabis activity.

15 F. “Adult-Use Cannabis Business Permit” or “Permit” means one
16 (1) document issued by the City to reflect the regulatory business permit
17 issued pursuant to the provisions of this Chapter and Title 5 of this Code,
18 and a business license issued pursuant to Chapter 3.80 of this Code,
19 authorizing the holder thereof to operate an Adult-Use Cannabis Business
20 and to conduct adult-use commercial cannabis activities.

21 G. “Applicant” means a person or entity who has submitted an
22 application for an Adult-Use Cannabis Business Permit pursuant to this
23 Chapter, including any individual, officer, director, partner, or other duly
24 authorized representative applying on behalf of an entity.

25 H. “Batch” means a specific quantity of homogeneous cannabis
26 or cannabis product that is either a harvest batch or a manufactured
27 cannabis batch.

28 I. “Batch Number” or “Lot Number” means any distinct group of

1 numbers, letters, or symbols, or any combination thereof, assigned to a
2 unique group of cannabis goods, from which the complete history of the
3 commercial cannabis activity involving the cannabis goods can be
4 determined, as required by State law.

5 J. "Cannabinoid" means any of the chemical compounds that are
6 the active principles of cannabis.

7 K. "Cannabis" or "Plant" means all of the following:

8 1. All parts of the plant *cannabis sativa linnaeus*, *cannabis*
9 *indica*, or *cannabis ruderalis*, whether growing or not; the seeds thereof; the
10 resin, whether crude or purified, extracted from any part of the plant; and
11 every compound, manufacture, salt, derivative, mixture, or preparation of
12 the plant, its seeds, or resin.

13 2. The separated resin, whether crude or purified,
14 obtained from cannabis.

15 3. "Cannabis" as defined by California Health and Safety
16 Code Section 11018.

17 4. "Cannabis" does not include the mature stalks of the
18 plant, fiber produced from the stalks, oil or cake made from the seeds of the
19 plant, any other compound, manufacture, salt, derivative, mixture, or
20 preparation of the mature stalks (except the resin extracted therefrom),
21 fiber, oil, or cake, or the sterilized seed of the plant which is incapable of
22 germination.

23 5. For purposes of this Chapter, "Cannabis" does not
24 mean industrial hemp as defined by California Health and Safety Code
25 Section 11018.5.

26 L. "Cannabis Concentrate" or "Concentrate" means cannabis
27 that has undergone a process to concentrate one (1) or more active
28 cannabinoids, thereby increasing the product's potency. For purposes of

1 this Chapter, “Cannabis Concentrate” includes, but is not limited to, the
2 separated resin obtained from cannabis, whether crude or purified,
3 tinctures, capsules, suppositories, extracts, and vape cartridges. “Cannabis
4 Concentrate” is not considered food, as defined by California Health and
5 Safety Code Section 109935, or a drug, as defined by California Health and
6 Safety Code Section 109925.

7 M. “Cannabis Facility” or “Facility” means a permanent structure
8 in a fixed location that contains the permitted premises of one (1)
9 Commercial Cannabis Business or where the permitted premises of two (2)
10 or more Commercial Cannabis Businesses are located.

11 N. “Cannabis Goods” means cannabis and/or cannabis products.

12 O. “Cannabis Product” or “Manufactured Cannabis Product” or
13 “Product” means cannabis that has undergone a process whereby the plant
14 material is transformed into a concentrate for internal consumption or
15 topical application, including, but not limited to, concentrated cannabis, an
16 edible cannabis product, or a topical cannabis product containing cannabis
17 or concentrated cannabis in combination with other ingredients.

18 P. “Cannabis Public Health Permit” means a written authorization
19 issued by the Long Beach Health Department to operate an Adult-Use
20 Cannabis Business pursuant to this Chapter.

21 Q. “Cannabis Waste” means waste that is generated from a
22 commercial cannabis activity that contains cannabis or cannabis products.

23 R. “Canopy” means the designated area(s) at a permitted
24 premises, except nurseries, that will contain mature plants at any point in
25 time. The total area of the canopy shall be calculated and measured using
26 the method(s) required by the State Department of Food and Agriculture.

27 S. “Certificate of Accreditation” means a certificate issued by an
28 accreditation body that attests to a Laboratory’s competence to carry out

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specific testing analysis.

T. "City" means the City of Long Beach.

U. "City Attorney" means the City Attorney of the City of Long Beach and his or her designee.

V. "City Health Officer" means the City Health Officer of the City of Long Beach, his or her designee, or any other person exercising the duties of City Health Officer for the City of Long Beach.

W. "City Manager" means the City Manager of the City of Long Beach and his or her designee.

X. "Co-Located Cannabis Business" means any person, entity, or operation, in whole or in part, whether operating for-profit or not-for-profit, and all associated owners, employees, managers, or agents engaged in both adult-use and medicinal commercial cannabis activities on the same permitted premises for one (1) identical type of commercial cannabis activity.

Y. "Code" means the Long Beach Municipal Code.

Z. "Commercial Cannabis Activity" or "Commercial Cannabis Activities" means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, making available, or sale of cannabis goods.

AA. "Commercial Cannabis Business" means any person, entity, or operation, in whole or in part, whether operating for-profit or not-for-profit, and all associated owners, employees, managers, or agents that engages in adult-use commercial cannabis activity or adult-use and medicinal commercial cannabis activity from one (1) premises.

BB. "Common-Use Area" means any area of a cannabis manufacturer's licensed shared-use facility, including equipment that is available for use by more than one licensee, provided that the use of a

1 common-use area is limited to one licensee at a time.

2 CC. "Component" means any substance or item intended for use
3 in the manufacture of a cannabis product, including those substances or
4 items that are not intended to appear in the final form of the product.

5 "Component" may include cannabis, cannabis products used as
6 ingredients, other ingredients, and processing aids.

7 DD. "Cultivation" means any activity involving the planting,
8 growing, harvesting, drying, curing, grading, or trimming of cannabis,
9 including nurseries.

10 EE. "Cultivation Area" means the combined total number of square
11 feet on one (1) premises dedicated to the cultivation of living cannabis
12 plants, including, but not limited to, any areas dedicated to the vertical
13 and/or horizontal cultivation of cannabis.

14 FF. "Cultivation Site" means a permanent structure in a fixed
15 location that contains a permitted premises where cannabis is planted,
16 grown, harvested, dried, cured, graded, or trimmed, or a premises where
17 any combination of those activities occurs.

18 GG. "Cultivator" means any person, entity, or operation, in whole
19 or in part, whether operating for-profit or not-for-profit, and all associated
20 owners, employees, managers, and agents engaged in planting, growing,
21 harvesting, drying, curing, grading, or trimming cannabis, including a
22 nursery which produces clones, immature plants, seeds, or other
23 agricultural products specifically for the planting, propagation, or cultivation
24 of cannabis.

25 HH. "Customer" means a natural person twenty-one (21) years of
26 age or older or a natural person eighteen (18) years of age or older who
27 possesses a physician's recommendation.

28 II. "Day Care Center" shall have the same meaning as in

1 California Health and Safety Code Section 1596.76.

2 JJ. "Delivery" means the commercial transfer of cannabis goods
3 by a Dispensary to a customer at a physical address. "Delivery" also
4 includes the use of any technology platform by a Dispensary that is also
5 owned, leased, or controlled by the Dispensary.

6 KK. "Delivery Employee" means an employee of a Dispensary
7 who delivers cannabis goods from the premises of a Dispensary to a
8 customer at a physical address. "Department of Cannabis Control" means
9 the division of the State Department of Consumer Affairs responsible for
10 licensing and regulating cannabis businesses in California.

11 LL. "Department of Cannabis Control" means the division of the
12 State Department of Consumer Affairs responsible for licensing and
13 regulating cannabis businesses in California.

14 MM. "Designated Area" means the area of a cannabis
15 manufacturer's licensed shared-use facility that is designated principal
16 licensee for the sole and exclusive use of a shared use manufacturing
17 Operator Licensee, including storage of the shared use manufacturing
18 Operator Licensee's cannabis, cannabis concentrates, and cannabis
19 products.

20 NN. "Director of Financial Management" means the Director of
21 Financial Management of the City of Long Beach and his or her designee.

22 OO. "Dispensary" means any person, entity, or operation, in whole
23 or in part, whether operating for-profit or not-for-profit, and all associated
24 owners, employees, managers, or agents engaged in both medicinal and
25 adult-use commercial cannabis activity from the same permitted premises
26 for the retail sale and delivery of cannabis goods to customers. A
27 "Dispensary," as that term is used in this Code, is a "Retailer" under the
28 MAUCRSA.

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PP. "Distribution" means the procurement, sale, and transport of cannabis or cannabis products between State licensees.

QQ. "Distributor" means any person, entity, or operation, in whole or in part, whether operating for-profit or not-for-profit, and all associated owners, employees, managers, or agents that engages in the business of the distribution of cannabis goods between State licensees.

RR. "Dried Flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

SS. "Edible Cannabis Product" means manufactured cannabis that is intended to be used, in whole or in part, for oral human consumption including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the California Food and Agricultural Code. An edible cannabis product is not considered food as defined by California Health and Safety Code Section 109935 or a drug as defined by California Health and Safety Code Section 109925.

TT. "Electronic Age Verification Device" means a device capable of quickly and reliably confirming the age of the cardholder of a government-issued identification card using computer processes.

UU. "Employee" means any individual engaged in the operation of a Commercial Cannabis Businesses, whether full-time, part-time, permanent, or temporary, for a wage, salary, commission, barter, or any other form of compensation, or for no compensation, including but not limited to, any owner-operator, member of the owner's family, partner, associate, agent, manager or solicitor, full-time employee, part-time employee, temporary employee, contractors, volunteers, and agents. The owner of a sole proprietorship shall not be considered an employee.

VV. "Equity Applicant" means an individual who meets the criteria

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in Section 5.92.1615.

WW. “Equity Business” means a cannabis business where a minimum of fifty-one percent (51%) ownership in the cannabis business is held by one equity applicant or, if the cannabis business will be held by a group of applicants in the Equity Program, any one (1) of the equity applicants must hold majority ownership interest in the cannabis business.

XX. “Equity Dispensary” means a dispensary owned by an equity business as defined in Section 5.92.1620.

YY. “Equity Employee” means an individual who meets the criteria in Section 5.92.1610.

ZZ. “Extraction” means a process by which cannabinoids are separated from cannabis plant material through chemical or physical means.

AAA. “Fire Alarm System” means an assembly of equipment and devices arranged to signal the presence of a hazard requiring urgent attention, to which fire officials may respond.

BBB. “Flowering” means that a cannabis plant has formed a mass of pistils measuring greater than one half inch (1/2”) wide at its widest point.

CCC. “Good Standing” means that a Commercial Cannabis Business is regarded as having complied with all explicit obligations, while not being subject to any form of sanction, suspension, or disciplinary censure by the City, State, or any of the State’s departments or divisions.

DDD. “Government-Issued Identification” means a document issued by a federal, state, county, or municipal government that includes the name, date of birth, physical description, and picture of the person, such as a driver’s license, U.S. passport, military ID, or State or local government identification card.

EEE. “Harvest Batch” means a specifically identified quantity of

1 dried flower or trim, leaves, and other cannabis plant matter that is uniform
2 in strain, harvested at the same time, and, if applicable, cultivated using the
3 same pesticides and other agricultural chemicals, and harvested at the
4 same time.

5 FFF. "Household" means the residence address as indicated on the
6 equity verification application.

7 GGG. "Household Size" means the number of individuals that meet
8 any of the following criteria :

9 1. All spouses or domestic partners must be included in
10 the household and must appear in the submission content.

11 2. All household members who are under 18 years of age
12 must be the legal dependent of an adult household member, except in the
13 case of emancipated minors, as claimed on the most recent income tax
14 return, or legal minor children of title holders.

15 3. Pregnant applicants will only be counted as two
16 household members with verifiable medical documentation.

17 4. Temporarily absent household members who intend to
18 live in the residence upon return may be considered, if verifiable
19 documentation supporting their absence is provided. Such household
20 members include, but are not limited to, household members serving
21 temporarily in the armed forces, or who are temporarily institutionalized.

22 5. Individuals not listed on the equity applicant's most
23 recent tax return, such as elderly relatives, live-in assistants, and foster
24 children will not be counted toward household size.

25 HHH. "Identification Card" means a document issued by the State
26 pursuant to California Health and Safety Code 11362.7 et seq. that
27 identifies a person authorized to engage in the medicinal use of cannabis
28 and the person's designated primary caregiver, if any.

1 III. "Immature Plant" means a cannabis plant that is not flowering,
2 including, but not limited to, seedlings, sprouts, and unrooted clones.

3 JJJ. "Infusion" means a process by which cannabis, cannabinoids,
4 cannabis concentrates, or manufactured cannabis is directly incorporated
5 into a cannabis product formulation to produce a cannabis product.

6 KKK. "Ingredient" means any substance that is used in the
7 manufacture of a cannabis product and that is intended to be present in the
8 product's final form.

9 LLL. "Labeling" means any label or other written, printed, or graphic
10 matter upon cannabis goods, its container or wrapper, or that accompanies
11 cannabis goods.

12 MMM. "Labor Peace Agreement" shall have the same meaning as
13 California Business and Professions Code 26001(y), as amended from time
14 to time.

15 NNN. "Licensee" means a person or entity licensed by the City of
16 Long Beach to operate a cannabis business.

17 OOO. "Limited-Access Area" means an area within a permitted
18 premises used for storing and holding cannabis goods and currency, which
19 is only accessible to the permittee and authorized employees of the
20 permittee.

21 PPP. "Live Plants" or "Live Cannabis Plants" means living cannabis
22 flowers and plants, including but not limited to, seeds, sprouts, immature
23 plants, plants in the vegetative stage, plants in the flowering stage, and
24 mature plants.

25 QQQ. "Manager" means any person(s) designated by a Commercial
26 Cannabis Business to act as the representative or agent of the Commercial
27 Cannabis Business in managing day-to-day operations with corresponding
28 liabilities and responsibilities, and/or the individual in apparent charge of the

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permitted premises of the Commercial Cannabis Business. Evidence of management includes, but is not limited to, evidence that the individual has the power to direct, supervise, or hire and dismiss employees, control hours of operation, creates policy rules, or purchases supplies.

RRR. "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

SSS. "Manufactured Cannabis Batch" means either of the following:

1. An amount of cannabis concentrate or extract that is produced in one (1) production cycle using the same extraction methods and standard operating procedures.

2. An amount of a type of manufactured cannabis produced in one (1) production cycle using the same formulation and standard operating procedures.

TTT. "Manufacturer" means any person, entity, or operation, in whole or in part, whether operating for-profit or not-for-profit, and all associated owners, employees, managers, and agents, engaged in the production, conversion, preparation, propagation, deriving, processing, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis goods or labels or relabels its container.

UUU. "Manufacturing" means all aspects of the extraction and/or infusion processes, including processing, preparing, holding, storing, packaging, or labeling of cannabis product. "Manufacturing" shall also include any processing, preparing, holding, or storing of components and ingredients used in cannabis products.

VVV. "Marijuana" shall have the same meaning as cannabis under

1 this Chapter.

2 WWW. "Mature Cannabis Plant" or "Mature Plant" means a
3 cannabis plant that is flowering.

4 XXX. "MAUCRSA" means the Medicinal and Adult-Use Cannabis
5 Regulation and Safety Act, consisting of the legislation in SB 94.

6 YYY. "Medicinal Marijuana Business" means any person, entity, or
7 operation, in whole or in part, whether operating for-profit or not-for-profit,
8 and all associated owners, employees, managers, and agents, engaged in
9 commercial cannabis activity involving medicinal cannabis pursuant to
10 Chapter 5.90 of this Code.

11 ZZZ. "Medical Marijuana Business Permit" means one (1)
12 document issued by the City to reflect the regulatory business permit issued
13 pursuant to the provisions of Chapter 5.90 and Title 5 of this Code, and the
14 business license issued pursuant to Chapter 3.80 of this Code, authorizing
15 the holder thereof to operate a Medical Marijuana Business and to conduct
16 medicinal commercial cannabis activities.

17 AAAA. "Medicinal Cannabis" or "Medicinal Cannabis Product" means
18 cannabis or a cannabis product, respectively, intended to be sold for use
19 pursuant to California Health and Safety Code Section 11362.5, by a
20 medicinal cannabis patient in California who possesses a physician's
21 recommendation.

22 BBBB. "Medicinal Cannabis Patient" or "Medical Patient" means a
23 qualified patient or a person with an identification card.

24 CCCC. "Microbusiness" or "Type 12 Microbusiness" means a
25 business as defined by California Business and Professions Code Section
26 26070, applying for, or issued, a Type-12 Microbusiness State license, to
27 engage in three (3) or more of the following commercial cannabis activities
28 from one permitted premises: cultivation on an area less than ten thousand

1 (10,000) square feet, distribution, manufacturing, or retail sales
2 (Dispensary).

3 DDDD. "Microorganisms" means yeasts, molds, bacteria,
4 viruses, protozoa, and/or microscopic parasites and includes species that
5 are pathogens. The term "Undesirable Microorganisms" includes those
6 microorganisms that are pathogens, that subject a cannabis product to
7 decomposition, that indicate that a cannabis product is contaminated with
8 filth, or that otherwise may cause a cannabis product to be adulterated.

9 EEEE. "Misbranded" shall have the same meaning as California
10 Business and Professions Code Section 26121.

11 FFFF. "Non-Equity Business" means a business that does not meet
12 the definition of an Equity Business as defined in Section 5.92.1620.

13 GGGG. "Nonvolatile Solvent" means any solvent used in the
14 extraction process that is not a volatile solvent, including but not limited to,
15 carbon dioxide or ethanol.

16 HHHH. "Nursery" means a Cultivator that produces only
17 clones, immature plants, seeds, and other agricultural products used
18 specifically for the planting, propagation, and cultivation of cannabis.

19 IIII. "Operation" means any act for which a person is legally
20 required to have a State and local permit or license, or any commercial
21 transfer of cannabis goods.

22 JJJJ. "Operator" means a person that is engaged in any act for
23 which a State and local permit or license is legally required.

24 KKKK. "Owner" means any of the following:

- 25 1. Any person with an ownership interest of ten percent
26 (10%) or more in the Adult-Use Cannabis Business applying for a permit
27 pursuant to this Chapter;
- 28 2. The chief executive officer of an entity, including

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nonprofits;

3. A member of the board of directors of a for-profit or non-profit entity;

4. All persons within an entity that have a financial interest of ten percent (10%) or more in the proposed Adult-Use Cannabis Business, including but not limited to:

a. A general partner of an Adult-Use Cannabis Business that is organized as a partnership;

b. A non-member manager or managing member of an Adult-Use Cannabis Business that is organized as a limited liability company;

c. Any person holding a voting interest in a partnership, association, or limited liability company;

d. All officers or directors of an Adult-Use Cannabis Business that is organized as a corporation and all shareholders who individually own more than ten percent (10%) of the issued and outstanding stock of the corporation.

LLLL. "Outdoors" means any location within the City that is not within an enclosed locked structure or building.

MMMM. "Package" and "Packaging" means any container or wrapper that may be used for enclosing or containing any cannabis goods for final retail sale. "Package" does not include a shipping container or outer wrapping used solely for the transport of cannabis goods in bulk quantity to a State licensee.

NNNN. "Panic Hardware" means a door-latching assembly incorporating a device that releases the latch upon the application of a force in the direction of egress travel.

OOOO. "Parcel of Land" means one (1) contiguous piece of

1 real property, its boundaries, and all the rights contained therein, which is
2 identified by a Los Angeles County Assessor’s Parcel Number (APN).

3 PPPP. “Permittee” means a person issued an Adult-
4 Use Cannabis Business Permit pursuant to this Chapter.

5 QQQQ. “Person” means a natural person as well as an entity,
6 individual, firm, partnership, joint venture, association, corporation, limited
7 liability company, estate, trust, business trust, receiver, syndicate, or any
8 other legal entity or group, or combination thereof acting as a unit, and
9 includes the plural as well as the singular number.

10 RRRR. “Physician’s Recommendation” means a
11 recommendation provided by a physician or surgeon that an individual may
12 obtain and use cannabis for medicinal purposes in accordance with
13 California Health and Safety Code Section 11362.5.

14 SSSS. “Playground” means any park or recreational area specifically
15 designed to be used by children which has play equipment installed,
16 including public grounds designed for athletic activities such as baseball,
17 football, soccer, or basketball, or any similar facility located on public or
18 private school grounds, or city, county, or state parks.

19 TTTT. “Premises” means a contiguous area wherein the permit
20 privileges are, or will be, exercised, as diagrammed in the application for an
21 Adult-Use Cannabis Business Permit, and for which a separate permit is
22 required.

23 UUUU. “Primary Caregiver” means the individual, designated
24 by a qualified patient, who has consistently assumed responsibility for the
25 housing, health, or safety of said qualified patient pursuant to California
26 Health and Safety Code Section 11362.7.

27 VVVV. “Principal Licensee” means the licensed cannabis
28 manufacturer that has been approved by the City of Long Beach to operate

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its licensed premises as a Shared-use Manufacturing Facility.

WWWW. "Property Line" means the defined boundaries of a parcel of land.

XXXX. "Property Owner" means the person who is the owner of record for the real property and premises where a commercial cannabis activity or commercial cannabis activities are located, or are proposed to be located.

YYYY. "Public Beach" or "Beach" means any beach area used for recreational purposes which is owned, operated, or controlled by the State, any State agency, or any local agency within the City's authority, including but not limited to, Alamitos Bay Beach, Alamitos Beach, Alamitos Park Beach, Belmont Shore Beach, Colorado Lagoon Park, Granada Beach, Rosie's Dog Beach, Long Beach City Beach, Marine Stadium Beach, Mothers Beach, Peninsula Bayside Beach, Peninsula Beach, and Shoreline Aquatic Park.

ZZZZ. "Public Park" or "Park" means publicly owned natural or open areas set aside for active public use for recreational, cultural, or community service activities, including but not limited to, all parks dedicated or designated in Table 35-2 of Chapter 21.35 of this Code.

AAAAA. "Public Place" or "Public" means any real property owned, leased, or used by a public entity, and any place on private property open to the public, common areas of buildings, private clubs, vehicles, those portions of any private property upon which the public has an express or implied license to enter or remain, and any place visible from such places. "Place open to the public" does not include any fenced area of a private residence regardless of whether it can be seen from a place open to the public.

BBBBB. "Public Right-Of-Way" means any public highway,

1 street, alley, sidewalk, parkway, and all extensions or additions thereto
2 which is either owned, operated, or controlled by the City, or is subject to an
3 easement or dedication to the City, or is a privately-owned area within City's
4 authority which is not yet dedicated, but is designated as a proposed public
5 right-of-way on a tentative subdivision map approved by the City.

6 CCCCC. "Qualified Patient" means a person who is entitled to
7 the protections of California Health and Safety Code Section 11362.5, but
8 who does not have an identification card.

9 DDDDD. "Quality Control Personnel" means any person or
10 group, designated by the permittee to be responsible for quality control
11 operations.

12 EEEEE. "Retail Area" means a building, room, or other area that
13 is open to the public upon a premises in which cannabis goods are sold or
14 displayed.

15 FFFFF. "Security Alarm System" means an assembly of
16 equipment and devices arranged to signal the presence of a hazard
17 requiring urgent attention, to which police officials may respond.

18 GGGGG. "Sell," "Sale," and "To Sell" means any transaction
19 whereby, for any consideration, title to cannabis goods are transferred from
20 one (1) person to another, and includes the delivery of cannabis goods in
21 response to an order placed for the purchase of the same and soliciting or
22 receiving an order for the same, but does not include the return of cannabis
23 goods by a permittee to the permittee from whom the cannabis goods were
24 purchased.

25 HHHHH. "Shared-Use Manufacturing Facility" or "Shared-Use
26 Facility" means a manufacturing premises operated by a Principal Licensee
27 in which Shared Use Manufacturing Operator Licensees are authorized to
28 conduct manufacturing operations.

1 IIIII. “Shared Use Manufacturing Operator Licensee” or “Operator
2 Licensee” means any person, entity, or operation, in whole or in part,
3 whether operating for-profit or not-for-profit, and all associated owners,
4 employees, managers, or agents that engages in manufacturing activities
5 limited to infusions, packaging/labeling of cannabis products, and
6 extractions with butter or food grade oils in common-use areas of a licensed
7 Shared-Use Manufacturing Facility, pursuant to California Department of
8 Public Health Code Section 40191.

9 JJJJJ. "Site" means one (1) or more contiguous lots or parcels of
10 land which were developed and function as a single development for
11 satisfying the requirements and development standards of this Code,
12 including, but not limited to, access and parking.

13 KKKKK. “Site Boundary” means the outer defined boundaries of
14 a site, which are coterminous with any or all portions of the property line(s)
15 of the lot(s) or parcel(s) of land that total the whole of the site.

16 LLLLL. “State” means the State of California.

17 MMMMM. “State Licensee” means a person issued a State
18 license by the State, or one of its departments or divisions, pursuant to the
19 MAUCRSA to conduct adult-use and/or medicinal commercial cannabis
20 activity, and includes the holder of a Testing Laboratory license.

21 NNNNN. “State License” means a license issued by the State of
22 California, or one of its departments or divisions, pursuant to the
23 MAUCRSA to conduct adult-use and/or medicinal commercial cannabis
24 activity, as well as a Testing Laboratory State license.

25 OOOOO. “Technical Report” means a document prepared by,
26 and bearing the stamp of, a registered design professional or qualified
27 specialist, laboratory, or fire safety specialty organization to analyze and
28 demonstrate that the fire safety properties of the equipment, devices,

1 systems, products, technologies, materials and uses attending the design,
2 operation or use of a building or premises comply with all applicable local
3 and State Building Codes, Fire Codes, Electrical Codes, and other laws.

4 P P P P P. "Testing Laboratory" means any person, entity, or
5 operation, in whole or in part, whether operating for-profit or not-for-profit,
6 and all associated owners, employees, managers, or agents offering or
7 performing tests of cannabis goods and that is ISO/IEC 17025 accredited,
8 or pending ISO/IEC 17025 accreditation.

9 Q Q Q Q Q. "Time and/or Temperature Controlled" means a
10 cannabis or cannabis product that requires time and/or temperature control
11 for safety to limit pathogenic microorganism growth or toxin formation.

12 R R R R R. "Trim" means the excess snipping of leaves from the
13 flowers of cannabis plants.

14 S S S S S. "Topical Cannabis Product" means a cannabis product
15 intended for external use, such as cannabis-enriched lotions, balms, and
16 salves. A topical cannabis product is not considered a drug as defined by
17 California Health and Safety Code Section 109925.

18 T T T T T. "Track-and-Trace System" means the State-approved
19 system required by the MAUCRSA to track commercial cannabis activity
20 and movement of cannabis goods through the distribution chain.

21 U U U U U. "Transport," "Transporting," or "Transportation" means
22 the physical movement of cannabis goods from the premises of one State
23 licensee to the premises of another State licensee.

24 V V V V V. "Transport Only Distributor" means any person, entity,
25 or operation, in whole or in part, whether operating for-profit or not-for-profit,
26 and all associated owners, employees, managers, or agents that engages
27 in the business of the transporting of cannabis goods between State
28 licensees only where the cannabis or cannabis products were cultivated or

1 manufactured by said permittee (self-distribution), or where the cannabis or
2 cannabis products are cultivated or manufactured by other State licensees.

3 WWWWW. "Transporter" means an employee of a Distributor
4 engaged in the procurement, sale, and transfer of cannabis goods from the
5 premises of one State licensee to the premises of another State licensee.

6 XXXXX. "Unique Identifier" means an alphanumeric code or
7 designation used for reference to a specific cannabis plant on a permitted
8 premises and any cannabis goods derived or manufactured from said
9 cannabis plant.

10 YYYYY. "Vacuum Oven" means an oven that uses a
11 combination of heat and negative pressure (vacuum) to strip the
12 concentrated material of any residual solvents that were used in the
13 extraction process.

14 ZZZZZ. "Volatile Solvent" means a solvent that is or produces a
15 flammable gas or vapor that, when present in the air in sufficient quantities,
16 will create explosive or ignitable mixtures. Examples of volatile solvents
17 include, but are not limited to, hexane and liquefied petroleum gases, such
18 as butane or propane.

19 AAAAA. "Youth Center" shall have the same meaning as
20 California Health and Safety Code Section 11353.1.

21
22 DIVISION II ADMINISTRATION

23 Subdivision I General Authority.

24 5.92.110 Authority to delegate.

25 A. The City Manager may delegate an act required to be
26 performed pursuant to this Chapter to any Code Enforcement Officer or
27 Official of the City, including, without limitation, the Chief of Police, the Fire
28 Code Official, the Building Official, the Director of Financial Management,

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the City Attorney, the City Health Officer, or any designee of such officers or officials. All references to the City Manager in this Chapter shall include any designee of the City Manager.

B. The City Manager has all the powers of any peace officer to:

1. Investigate violations or suspected violations of this Chapter; Chapter 3.80, Chapter 5.90, and Title 21 of this Code; the provisions of MAUCRSA; any regulations implemented and enforced by the State or any of its departments or divisions that may be enforced by peace officers; any other laws or regulations pertaining to Commercial Cannabis Businesses in this City, any resolutions or regulations promulgated pursuant to such provisions;
2. View, duplicate, and/or take possession of recordings made by the digital video surveillance system of a Commercial Cannabis Business, which shall be made available to the City Manager upon verbal request. No search warrant, court order, or subpoena shall be needed for the City Manager to view security records;
3. Enter the cannabis facility and premises of a Commercial Cannabis Business from time to time unannounced to make reasonable inspections to observe and enforce compliance with this Chapter and all laws and regulations of the City and State;
4. Serve all warrants, summonses, subpoenas, administrative citations, notices, or other processes relating to the enforcement of laws regulating commercial cannabis activities and Commercial Cannabis Businesses.
5. Assist or aid any law enforcement officer in the performance of his or her duties upon such law enforcement officer's request, or the request of other local officials that have jurisdiction;
6. Inspect, examine, or investigate any Commercial

1 Cannabis Business, and the premises and/or cannabis facility for the same,
2 where cannabis goods are grown, harvested, possessed, stored, cultivated,
3 processed, manufactured, packaged, labeled, transported from, tested,
4 distributed, sold, or made available, and any books and records in any way
5 connected with any permitted activity;

6 7. Require any Commercial Cannabis Business, upon
7 demand, to allow an inspection of any Commercial Cannabis Business
8 during business hours, or at any time of apparent business, including,
9 without limitation, any cannabis equipment, cannabis accessories, security
10 records, inventory, on-site operations specific to the Commercial Cannabis
11 Business, accounts, or books and records; and to permit the testing of, or
12 examination of, cannabis goods.

13 8. Require applicants to submit complete and current
14 applications, fees, and any other information the City Manager deems
15 necessary to make permitting decisions and to approve material changes
16 made by any applicant or Commercial Cannabis Business;

17 9. Conduct investigations into the character, criminal
18 history, and all other relevant factors related to suitability of all applicants for
19 a Commercial Cannabis Business Permit, and such other persons with a
20 direct or indirect interest in a Commercial Cannabis Business, as the City
21 Manager may require; and

22 10. Promulgate such administrative regulations as deemed
23 necessary and appropriate, if said regulations are consistent herewith and
24 with all applicable State law and regulations.

25 11. Exercise any other power or duty authorized by law.

26 C. Nothing in this Section is intended to, or shall operate to,
27 change or shall have the effect of changing, the status of a City Manager's
28 designee under this Section from a public or miscellaneous officer or

1 employee to an individual peace officer or safety member or to a class of
2 peace officer or safety member for purposes of retirement, worker's
3 compensation or similar injury or death benefits, or any other employee
4 benefit or benefits to which said officer or employee would not have been
5 entitled to as a public employee prior to the adoption of this Section.

6 5.92.120 - Authority to order an administrative hold of cannabis goods.

7 To prevent destruction of evidence, diversion, or other threats to public
8 safety, while permitting a Commercial Cannabis Business to retain its inventory
9 pending further investigation, the City Manager may order an administrative hold
10 of cannabis goods pursuant to the following procedure:

11 A. If during an investigation or inspection of a Commercial
12 Cannabis Business, the City Manager develops reasonable grounds to
13 believe certain cannabis goods constitute evidence of acts in violation of
14 this Chapter, or rules promulgated pursuant to it, or otherwise constitute a
15 threat to the public safety, the City Manager may issue a notice of
16 administrative hold of any such cannabis goods.

17 B. The notice of administrative hold shall provide a documented
18 description of the cannabis goods to be subject to the administrative hold.

19 C. The Commercial Cannabis Business shall completely and
20 physically segregate the cannabis goods subject to the administrative hold
21 in a separate area of the location under investigation, where it shall be
22 safeguarded by the Commercial Cannabis Business. Pending the outcome
23 of the investigation and any related disciplinary proceeding, the Commercial
24 Cannabis Business is prohibited from selling, giving away, transferring,
25 transporting, or destroying the cannabis goods subject to the administrative
26 hold.

27 D. Following an investigation, the City Manager may lift the
28 administrative hold, order the continuation of the administrative hold, or

1 seek a Final Order for the destruction of the cannabis goods. A Commercial
2 Cannabis Business shall be responsible for the cost of the destruction of
3 cannabis associated with its violation.

4 E. Any decision or action of the City Manager pursuant to this
5 subsection is subject to the appeal procedures pursuant to Section
6 5.92.1445.

7 F. Voluntary surrender of cannabis goods. The Commercial
8 Cannabis Business, prior to a Final Order and upon mutual agreement with
9 the City Manager, may elect to waive a right to a hearing and any
10 associated rights, and voluntarily surrender any goods to the City Manager.
11 Such voluntary surrender may require destruction of any cannabis goods in
12 the presence of the City Manager.

13 5.92.130 Authority to make reasonable rules, policies, and procedures.

14 A. The City Manager is authorized to make reasonable rules,
15 policies, and procedures consistent with the intent and spirit of this Chapter
16 as may be necessary to administer and enforce the provisions of this
17 Chapter and any other ordinances, regulations or laws relating to and
18 affecting the permitting and operations of Commercial Cannabis
19 Businesses. Regulations promulgated by the City Manager become
20 effective upon date of publication, unless specified otherwise.

21 B. Applicants and permittees shall cooperate with the City
22 Manager, including City Manager designees who are conducting
23 inspections or investigations relevant to the enforcement of laws and
24 regulations related to this Chapter.

25 C. It is unlawful for any person to obstruct, impede, or interfere
26 with the City Manager, from reasonable inspection, investigation, audits
27 authorized by law or from exercising their respective duties under the
28 provisions of this Chapter and all rules promulgated pursuant to it, including

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but not limited to, the following:

1. Threatening force or violence against the City Manager, or otherwise endeavoring to intimidate, obstruct, or impede the City Manager or any peace officers from exercising their duties. The term “threatening force” includes the threat of bodily harm to such individual or to a member of his or her family;
2. Denying the City Manager access to any portion of a Commercial Cannabis Business, premises, and/or cannabis facility during business hours or times of apparent activity;
3. Providing false or misleading statements;
4. Providing false or misleading documents and records;
5. Failing to timely produce requested books and records required to be maintained by the Commercial Cannabis Business; or
6. Failing to timely respond to any request for information made by the City Manager about an investigation of the qualifications, conduct, or compliance of a Commercial Cannabis Business or applicants.

5.92.140 Authority of the Director of Financial Management.

The Director of Financial Management is authorized to make reasonable rules, policies, and procedures consistent with the intent and spirit of this Chapter concerning the applications, the application process, the information required of applicants, the application procedures, and the administration and procedures to be used and followed in the application process for permit applications and requests for permit changes or modifications required pursuant to this Chapter.

Subdivision II Permit Application and Administration.

5.92.210 Business license and permit required.

A. It is unlawful for any person to engage in, operate, conduct, carry on, or allow to be carried on, the business of adult-use cannabis in the

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City without having first met the following requirements:

1. The person has paid any business license tax pursuant to Chapter 3.80 of this Code;
2. The person holds a valid permit pursuant to the requirements of this Chapter; and
3. The person holds a State license in accordance with California Business and Professions Code Section 26000 et seq. and any applicable regulations implemented by the State or any of its departments or divisions.

B. Each permit issued pursuant to the requirements of this Chapter shall entitle the holder thereof to obtain a City license to engage in the business described in the permit, upon payment of the license tax required by the provisions of Chapter 3.80 of this Code, provided the holder of the permit complies with all other applicable provisions of law or ordinance.

C. Fixed location required. A permit may only be issued for a specific, fixed location within a secured, fully enclosed building, that is subject to building and/or zoning permits and regulations.

5.92.215 Permit application required filing.

A. Any person seeking an Adult-Use Cannabis Business Permit shall submit a written application to the City, signed under penalty of perjury, using the form approved by the City for that purpose and in the manner required by the Director of Financial Management. The application shall be accompanied by a non-refundable application fee, established by resolution of the City Council. All applications shall contain, at a minimum, the following information and documents unless otherwise specified by the Director of Financial Management:

1. Applicant information.

- 1 a. The legal business name of the applicant.
- 2 b. The applicant’s mailing address, e-mail address,
- 3 and business telephone number.
- 4 c. The federal employer identification number or
- 5 social security number of the applicant.
- 6 d. A description of the business organizational
- 7 structure of the applicant, including the entity identification number, if
- 8 applicable.
- 9 e. The contact information for the Community
- 10 Liaison, including the Liaison’s full name, phone number, and e-mail
- 11 address.
- 12 f. Other cannabis licenses. A list of all State
- 13 licenses and any out-of-state or other local licenses, permits, or
- 14 authorizations to conduct commercial cannabis activity held by the
- 15 applicant, including the date the license was issued and the state license
- 16 number.
- 17 g. Description of State licenses required. A
- 18 description or identification of the State license(s) types that are required for
- 19 the applicant’s proposed operations.
- 20 h. Prior denials, suspensions, or revocations. A
- 21 statement under penalty of perjury by the applicant, as to whether the
- 22 applicant has ever had the right to conduct a commercial cannabis activity
- 23 denied, suspended, or revoked by the City, State, or any other cannabis
- 24 licensing authority, including out-of-state licensing authorities.
- 25 2. Owner information. Every application shall include the
- 26 following information for every owner of the applicant’s Adult-Use Cannabis
- 27 Business:
- 28 a. The full legal name, title, social security number

1 or individual taxpayer identification number, mailing address, e-mail
2 address, telephone number, and percentage of ownership in the Adult-Use
3 Cannabis Business.

4 b. A copy of a completed Live Scan fingerprinting
5 and criminal background check form, identifying the Long Beach Police
6 Department as the requesting agency; and

7 c. A color copy of every owner's government-
8 issued identification.

9 3. Property information. Every application shall include,
10 but not be limited to, the following property information concerning the
11 proposed premises:

12 a. The physical address of the premises to be
13 permitted;

14 b. A premises diagram;

15 c. The full legal name, e-mail address, and
16 telephone number of the property owner for the proposed premises; and

17 d. Proof that the applicant has the legal right to
18 occupy and use the premises for commercial cannabis activity, subject to
19 the following requirements:

20 (i) If the Adult-Use Cannabis Business owns
21 the real property where the commercial cannabis activity will occur, the
22 applicant shall provide properly executed deeds or other proof of title to said
23 real property.

24 (ii) If the Adult-Use Cannabis Business does
25 not own the real property where the commercial cannabis activity will occur,
26 the applicant shall provide the following:

27 1) A written statement, on a form
28 provided by the City for that purpose, signed and notarized by each

1 property owner under penalty of perjury, consenting and/or attesting to the
2 following:

3 a. That commercial cannabis
4 activity may be conducted on the property by the Adult-Use Cannabis
5 Business applicant;

6 b. That the Adult-Use
7 Cannabis Business applicant has the right to occupy the property;

8 c. That no person shall
9 engage in commercial cannabis activity on the proposed premises without
10 all licenses and permits required by this Code and State law to conduct
11 commercial cannabis activity while a Commercial Cannabis Business
12 application is pending;

13 d. That the City may enter the
14 property to conduct property inspections during the application process and
15 after a permit is issued; and

16 e. That each property owner
17 has read, understands, and will ensure compliance with the terms of this
18 Chapter.

19 2) A copy of the Property Owner's
20 Non-Residential Rental Business License.

21 4. Details of business operation. Every application shall
22 include details of the proposed operation, including but not limited to: the
23 proposed hours of operation; a description of the nature of the proposed
24 commercial cannabis activity; whether any other type of commercial
25 cannabis activity will share the proposed premises or cannabis facility with
26 the proposed operation; and all specifications for any equipment to be
27 required for the proposed operation.

28 5.92.220 Permit application investigation.

1 A. Upon receipt of a complete application, the Director of
2 Financial Management shall refer the application to the appropriate City
3 departments to determine whether the proposed premises and cannabis
4 facility complies with all applicable laws and regulations.

5 B. As part of the application process, every Adult-Use Cannabis
6 Business shall be subject to mandatory inspections of the proposed
7 premises.

8 C. All applicants shall obtain all required land use approvals, and
9 any other necessary approvals, certifications, permits, or licenses from the
10 City, State, or any applicable State or local agencies, for each separate
11 proposed premises and for every type of commercial cannabis activity
12 required for the applicant’s proposed operation.

13 5.92.225 Co-location of adult-use and medicinal commercial cannabis
14 activities.

15 The City may allow a Commercial Cannabis Business to conduct both
16 adult-use and medicinal commercial cannabis activity on the same permitted
17 premises if all of the following criteria are met:

18 A. The permittee holds both an Adult-Use Cannabis Business
19 Permit and a Medical Marijuana Business Permit on the same premises for
20 an identical type of commercial cannabis activity.

21 B. Except as otherwise authorized by law, the permittee only
22 conducts one of the following types of commercial cannabis activities on the
23 same permitted premises: retail sale (Dispensary), cultivation, distribution,
24 manufacturing, or laboratory testing. Examples of exceptions authorized by
25 law include, but are not limited to, businesses holding a State license for a
26 Type 12 Microbusiness or Transport Only Distributors that hold a State
27 license and City permit for cultivation or manufacturing.

28 C. Prior to the issuance of an Adult-Use Cannabis Business

1 Permit, the applicant shall waive the rights to the inspection, penalty,
2 suspension, revocation, and appeals process and requirements under
3 Chapter 5.90 of this Code, and shall consent to subject the Medical
4 Marijuana Business Permit to the inspection, penalty, suspension,
5 revocation, and appeals processes and requirements of this Chapter.

6 D. The application for an Adult-Use Cannabis Business Permit
7 shall be submitted by the same entity and owners that hold the Medical
8 Marijuana Business Permit, or the same entity and owners who are named
9 on the application for the Medical Marijuana Business Permit, for the
10 identical premises as the Medical Marijuana Business.

11 E. The operation of adult-use and medicinal commercial
12 cannabis activities from the same permitted premises complies with the
13 requirements in this Chapter and all other applicable State and local laws
14 and regulations, including, but not limited to, the location requirements
15 specified in Section 5.92.420.

16 F. If the Commercial Cannabis Business is a Dispensary, the
17 proposed Adult-Use Cannabis Dispensary shall also be a permitted Medical
18 Marijuana Dispensary in good standing.

19 G. The Medical Marijuana Business Permit shall be issued
20 before the Adult-Use Cannabis Business Permit will be issued.

21 5.92.240 Effect of other permits or licenses.

22 Possession of other types of local and State licenses or permits does not
23 exempt any person from the requirement of obtaining a permit under this Chapter.

24 5.92.245 Incomplete applications.

25 A. Upon review of an application, if the Director of Financial
26 Management determines an application is incomplete, the Director of
27 Financial Management shall provide notice to the applicant, who shall have
28 ninety (90) calendar days to correct all deficiencies.

1 B. If the applicant fails to correct said deficiencies within the
2 ninety (90) day period, the application shall be deemed abandoned, void,
3 and of no further force and effect. The applicant may reapply at any time
4 following an abandoned application. The City will not refund any fees for
5 incomplete or abandoned applications.

6 C. The Director of Financial Management may extend the
7 deadline upon showing of good cause by the applicant for the inability to
8 provide all required information by the deadline, if a written request for an
9 extension is received no later than ten (10) calendar days prior to the
10 deadline. For purposes of this subsection, the term "good cause" shall
11 mean the applicant's failure to complete the application process occurred
12 due to circumstances outside of the applicant's control.

13 5.92.250 One applicant per property address.

14 A. The Director of Financial Management shall only accept
15 applications from one (1) applicant per property address at a time.

16 B. Any applications received by the Director of Financial
17 Management from a different applicant, while an active application is
18 pending for the same property address, is deemed void and of no force and
19 effect.

20 C. If more than one (1) application for an Adult-Use Cannabis
21 Business Permit has been submitted for the same property address, the
22 first application received by the Director of Financial Management shall be
23 eligible to proceed.

24 5.92.255 Withdrawal of application.

25 A. An applicant may withdraw an application any time prior to the
26 issuance or denial of a permit by submitting a signed and dated request to
27 withdraw, on a form provided by the City for that purpose.

28 B. Upon the Director of Financial Management's receipt of the

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request to withdraw, the application is deemed withdrawn, void, and of no further force and effect.

C. Withdrawal of an application submitted under this Chapter does not deprive the Director of Financial Management of his or her authority to institute or continue any proceeding against the applicant for the denial of an application for a permit upon any ground provided by law or to enter an order denying an application for a permit upon any such ground.

5.92.260 Revocable privilege.

A permit issued by the City is a revocable privilege. It is the responsibility of the applicant to provide all information required for approval of the permit and to demonstrate compliance with this Chapter and any other applicable law, rule, or regulation.

5.92.265 Persons prohibited as owners.

A. It shall be unlawful for any of the following persons to be an owner of an Adult-Use Cannabis Business pursuant to this Chapter:

1. A sheriff deputy, police officer, or prosecuting officer, or an officer or employee of the State, County, or the City.
2. A person otherwise prohibited in this Chapter from engaging in commercial cannabis activity.
3. A licensed physician making patient recommendations for cannabis.
4. An individual who is under twenty-one (21) years of age.
5. A person who has been convicted of any offense within the last ten (10) years that is substantially related to the qualifications, functions, or duties of the operation of a Commercial Cannabis Business and conducting commercial cannabis activity, which includes the following offenses:

- 1 a. A violent felony, as specified under Penal Code
- 2 Section 667.5(c).
- 3 b. A serious felony, as specified under Penal Code
- 4 Section 1192.7(c).
- 5 c. A felony involving fraud, deceit, or
- 6 embezzlement.
- 7 6. A person who has been convicted of any offense that is
- 8 substantially related to the qualifications, functions, or duties of the
- 9 operation of a Commercial Cannabis Business and conducting commercial
- 10 cannabis activity, which includes the following offenses:
- 11 a. A felony conviction for hiring, employing, or
- 12 using a minor in transporting, carrying, selling, giving away, preparing for
- 13 sale, or peddling, any controlled substance to a minor; or selling, offering to
- 14 sell, furnishing, offering to furnish, administering, or giving any controlled
- 15 substance to a minor.
- 16 b. A felony conviction for drug trafficking with
- 17 enhancements pursuant to California Health and Safety Code Section
- 18 11370.4 or 11379.8.
- 19 7. Any person who has failed to remedy any outstanding
- 20 delinquent taxes, fees, or judgment owed to the City.
- 21 8. A person who has, within the past (3) years, been
- 22 sanctioned or fined for, enjoined from, found guilty of, or plead guilty or no
- 23 contest to, any charge of engaging in commercial cannabis activity without
- 24 the required permits, licenses, registrations, or approvals required by State
- 25 or local law.
- 26 B. Conviction for any controlled substance felony after the
- 27 issuance of an Adult-Use Cannabis Business Permit shall be grounds for
- 28 revocation of said permit or denial of the renewal of said permit.

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C. A plea or verdict of guilty, or a conviction following a plea of nolo contendere is deemed a conviction within the meaning of this Chapter.

D. Except as provided for in Section 5.92.265.A.6 and Section 5.92.1615.B.4.a, a prior conviction, where the sentence, including any term of probation, incarceration, or supervised release, is completed, for possession of, possession for sale, sale, manufacture, transportation, or cultivation of cannabis and/or cannabis goods shall not be the sole ground for denial of a permit.

5.92.270 Limitations on liability.

To the fullest extent permitted by law, the City will not assume any liability whatsoever with respect to issuing any permit pursuant to this Chapter or otherwise approving the operation of any Adult-Use Cannabis Business or Co-Located Cannabis Business. Prior to issuance of an Adult-Use Cannabis Business Permit, the applicant, or its legal representative, shall execute an agreement, on a form approved by the City Attorney, regarding the following:

A. The applicant will indemnify, defend (at applicant's sole cost and expense), and hold harmless the City, and its officers, officials, employees, representatives, and agents from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of the Adult-Use Cannabis Business Permit, the City's decision to approve the applicant's operation of any commercial cannabis activity or any Commercial Cannabis Business operation, the process used by the City in making its decision, or the alleged violation of any federal, State, or local laws by the Adult-Use Cannabis Business applicant, permittee, or any of its officers, managers, employees, or agents; and

B. The applicant will agree to reimburse the City for all costs and expenses, including but not limited to attorney fees and costs, which the

1 City may be required to pay as a result of any legal challenge related to the
2 City's approval of the applicant's Adult-Use Cannabis Business Permit, or
3 related to the City's approval of the applicant's commercial cannabis
4 activity. The City may, at its sole discretion, participate at its own expense
5 in the defense of any such action, but such participation shall not relieve
6 any of the obligations imposed hereunder.

7 5.92.275 Payment of fees.

8 A. No person may commence or continue any adult-use
9 commercial cannabis activity in the City, without timely paying in full all fees
10 and taxes required for the operation of an Adult-Use Cannabis Business.

11 B. The actual cost to the City arising from the processing and
12 oversight of permits, business permits and licenses, and the costs of
13 monitoring and ensuring compliance with this Chapter, including the Equity
14 Program, the Responsible Vendor Pilot Program, investigations,
15 enforcement actions, and disciplinary or abatement proceedings, shall be
16 offset through application fees, and annual renewal fees, and shall be
17 established by resolution of the City Council which may be amended from
18 time to time.

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

23
24 Subdivision III Permit Terms and Modifications.

25 5.92.310 Term and renewal of permit.

26 A. All permits issued under the provisions of this Chapter shall
27 be effective for a period not to exceed five (5) years after issuance. The City
28 Manager may renew a permit if the City Manager determines that the

1 permittee has complied with the provisions of this Chapter and all
2 applicable laws during the preceding permit term, and if the permittee pays
3 the renewal fees and taxes required by this Chapter.

4 B. Any permit issued under this Chapter does not confer a
5 vested right or entitlement to receive a future permit under this Chapter.

6 C. Any permit issued under this Chapter does not authorize any
7 conduct or continuance of any operation of a Commercial Cannabis
8 Business, in the event a permittee fails to provide required business tax
9 returns and taxes to the City.

10 5.92.320 Permit changes or modifications generally.

11 A. Form and fees required. Any permit changes or modifications
12 made pursuant to this Subdivision shall be submitted on a form, provided by
13 the City for that purpose, with a nonrefundable fee established by resolution
14 of the City Council.

15 B. No permittee may avail themselves of the provisions of this
16 Subdivision if the Director of Financial Management has notified the
17 permittee that the Adult-Use Cannabis Business Permit or Co-Located
18 Cannabis Business Permits have been, or may be, suspended or revoked,
19 or may not be renewed.

20 5.92.330 Change of address.

21 A. Any relocation or expansion of the permitted premises that
22 includes a different property address is considered a change of address.

23 B. No permittee shall operate an Adult-Use Cannabis Business
24 or Co-Located Cannabis Business at any premises other than the premises
25 specified in the permittee's permit(s).

26 C. The relocation of any Adult-Use Cannabis Business shall first
27 be approved by the Director of Financial Management who shall determine
28 whether all ordinances and regulations of the City will be complied with at

1 any proposed new premises.

2 D. Only permittees may request to relocate an Adult-Use
3 Cannabis Business operation to a new premises. Applicants seeking to
4 relocate shall withdraw their existing application and submit a new
5 application for the new proposed premises pursuant to the requirements of
6 this Chapter.

7 E. The Director of Financial Management may approve a
8 permittee's request to relocate the operation of an Adult-Use Cannabis
9 Business if the relocation complies with the following requirements:

10 1. The permittee, and any owners identified in the permit,
11 and the commercial cannabis activity specified in the existing permit remain
12 unchanged if the request to relocate is approved.

13 2. The existing Adult-Use Cannabis Business Permit, and
14 the corresponding State license, shall not be the subject of a pending
15 revocation or suspension action by the City, State, or any of the State's
16 divisions or departments.

17 3. If the permittee is a Dispensary, both the Medical
18 Marijuana Dispensary and the Adult-Use Cannabis Dispensary shall
19 relocate to the same premises at the same time. It shall be unlawful for a
20 Co-Located Dispensary to relocate the operation of either the Adult-Use
21 Cannabis Dispensary or the Medical Marijuana Dispensary without likewise
22 changing the location of the other.

23 4. The proposed premises complies with the requirements
24 in this Chapter and all other applicable State and local laws and regulations,
25 including, but not limited to, the locations requirements specified in Section
26 5.92.420.

27 F. A Non-Equity Dispensary shall not be eligible to submit a
28 request to relocate the operation of the Adult-Use Cannabis Dispensary

1 until one hundred eighty (180) days after the City begins accepting
2 business license applications from Equity Dispensaries, or until all Equity
3 Dispensaries have provided the complete, notarized Property Owner
4 Authorization for the business premises in the business license application,
5 whichever occurs sooner.

6 5.92.340 Change of ownership.

7 A. Except as otherwise set forth in this Chapter, any sale,
8 transfer, assignment, attempted sale, attempted transfer, or attempted
9 assignment of a permit in violation of this Chapter shall be deemed to
10 constitute a voluntary surrender of such permit, and all rights to operate a
11 Commercial Cannabis Business in the City shall terminate, and any such
12 permit(s) shall thereafter be deemed null and void.

13 B. No permittee may sell, transfer, or assign, or change
14 ownership or control of an Adult-Use Cannabis Business Permit to another
15 person, or by operation of law, unless and until the proposed new owner(s),
16 or the proposed transferee(s), submit all required materials at least thirty
17 (30) days prior to the change of ownership or transfer, pay all applicable
18 fees, and independently meet the requirements of this Chapter. For
19 purposes of this Chapter:

20 1. A change in ownership occurs when one (1) or more of
21 the owners of a permit change and the new person added to the permit
22 meets the definition of an "Owner" pursuant to this Chapter.

23 2. A change in ownership does not occur when one (1) or
24 more owners leave the business by transferring their ownership interest to
25 the other existing owner(s). In cases where one (1) or more owners leave
26 the business by transferring their ownership interest to the other existing
27 owner(s), the owner(s) that are transferring their interest shall provide a
28 signed statement to the City confirming that they have transferred their

1 interest.

2 C. If the permittee is a Co-Located Cannabis Business, any
3 request to change ownership, or transfer a permit, shall not be approved
4 unless both the Medical Marijuana Business and the Adult-Use Cannabis
5 Business changes permit ownership at the same time, to the same owners,
6 same business name, and in the same business formation. It shall be
7 unlawful for a Co-located Commercial Cannabis Business to change
8 ownership of either the Medical Marijuana Business Permit or the Adult-Use
9 Cannabis Business Permit without likewise changing the ownership of the
10 other.

11 D. The existing permittee may conduct business under the
12 existing permit while the Director of Financial Management reviews the
13 application for a change of ownership or permit transfer. Denial of an
14 application for a change of ownership does not result in the revocation of
15 the existing permit.

16 5.92.350 Change in business name.

17 No permittee shall operate, conduct, manage, engage in, or carry on an
18 Adult-Use Cannabis Business under any name other than the name of the Adult-
19 Use Cannabis Business specified in the permit and/or any “doing business as” or
20 “DBA” provided in the permit application.

21 5.92.360 Physical modification of premises.

22 A. A permittee shall not make a physical change, alteration, or
23 modification of the permitted premises without the prior written approval of
24 the Director of Financial Management.

25 B. If a permitted premises is to be changed, modified, or altered,
26 the permittee is responsible for filing a request for a premises modification
27 with the Director of Financial Management and securing all necessary City
28 approvals, project plan approvals, and permits.

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C. Alterations or modifications requiring City approval include, without limitation:

1. The removal, creation, or relocation of a common entryway, doorway, passage, or a means of public entry or exit, when such common entryway, doorway, or passage alters or changes the limited-access areas within the permitted premises.
2. The removal, creation, addition, or relocation of the cultivation area.
3. Any other physical modification resulting in a material or substantial change in the mode or character of business operation.
4. The requirements of this Section are in addition to compliance with any other applicable State or local rule, law, or regulation pertaining to approval of building modifications, zoning, or land use requirements.

D. The Director of Financial Management may refer the plans and specifications to all concerned City departments for review and inspection, as appropriate.

DIVISION III - GENERAL OPERATING CONDITIONS

The following general operating requirements are applicable to all Adult-Use Cannabis Businesses. Requirements in this Section are in addition to the requirements specific to each type of Adult-Use Cannabis Business set forth in Division IV (Dispensary operating conditions); Division V (Cultivation operating conditions); Division VI (Manufacturing operating conditions); Division VII (Shared Use Manufacturing operating conditions); Division VIII (Distribution operating conditions); and Division IX (Testing Laboratory operating conditions) of this Chapter.

Subdivision I Cannabis facility and location requirements.

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5.92.410 Compliance.

A. Every Adult-Use Cannabis Business shall comply with all applicable State laws and regulations, as may be amended and adopted, including all permit, approval, inspection, reporting and operational requirements, imposed by the State or its regulatory agencies having jurisdiction over cannabis, commercial cannabis activity, or Commercial Cannabis Businesses.

B. Every Adult-Use Cannabis Business shall comply with all applicable State laws, guidelines, and regulations for cannabis and commercial cannabis activity, as may be adopted and as amended by any State agency or department, including, but not limited to, the Department of Cannabis Control, the State Department of Food and Agriculture, the State Department of Public Health, the State Department of Pesticide Regulation, the Attorney General, and the State Department of Tax and Fee Administration.

C. Every Adult-Use Cannabis Business shall comply with all applicable local and regional agency regulations, including, but not limited to, regulations issued by the State Water Resources Control Board and the Los Angeles County Agricultural Commissioner/Weights and Measures.

D. Adult-Use Cannabis Businesses shall provide copies of State, regional and local agency licenses, permits, approvals, or certificates upon verbal or written request by the City Manager, to serve as verification for such compliance.

5.92.415 Right to use and occupy premises.

Every Adult-Use Cannabis Business permittee, and applicant for the same, shall maintain a legal right to occupy and a right to use the premises upon which the Adult-Use Cannabis Business operates.

5.92.420 Location requirements.

1 A. Except as otherwise provided for in this Chapter, a premises
2 shall comply with zoning districts in Title 21 (Zoning Ordinance) of this
3 Code, Specific Plans, or Planned developments.

4 B. Adult-Use Cannabis Dispensary premises shall not be located
5 within:

6 1. A six-hundred foot (600') radius of a public or private
7 school (as defined in California Health and Safety Code Section
8 11362.768(h)).

9 2. A six-hundred foot (600') radius of a day care center.

10 3. A six-hundred foot (600') radius of a playground or
11 community center.

12 4. A six hundred foot (600') radius of a library.

13 5. A one-thousand foot (1,000') radius of any other
14 Dispensary.

15 6. A building which contains a dwelling unit, with the
16 exception of those dispensaries otherwise permitted on ground floors of
17 mixed-use buildings within the Downtown Planned Development District
18 (PD-30).

19 7. A dwelling unit within any zoning district.

20 C. A premises for a cannabis business that is not an Adult-Use
21 Cannabis Dispensary shall not be located within:

22 1. A one-thousand foot (1,000') radius of a public or
23 private school (as defined in California Health and Safety Code Section
24 11362.768(h)).

25 2. A one-thousand foot (1,000') radius of a public beach.

26 3. A six-hundred foot (600') radius of a public park, public
27 library, or day care center.

28 4. A building which contains a dwelling unit.

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5. A dwelling unit within any zoning district.

D. Youth center buffer. Pursuant to its authority under California Business and Professions Code Section 26054, the City hereby establishes a zero-foot (0') radius buffer for youth centers for Adult-Use Cannabis Businesses licensed under this Chapter; therefore, there is no buffer distance requirement for youth centers for Adult-Use Cannabis Business within the City.

5.92.425 Noncompliant locations.

A. If the Director of Financial Management has deemed an application complete, any Adult-Use Cannabis Business may continue the application process unaffected if the proposed premises becomes non-compliant with the buffers in subsections (1) through (4) of Section 5.92.420.A due to the establishment of any sensitive use.

B. A permittee pursuant to this Chapter may continue to operate unaffected if the permitted premises becomes non-compliant with the buffers in subsections (1) through (4) of Section 5.92.420.A due to the establishment of any sensitive use, so long as an Adult-Use Cannabis Business Permit remains valid.

5.92.430 Measurement of distance between sites.

The distance between a proposed premises and any sensitive use, as set forth in subsections (1) through (4) of Section 5.92.420.A, shall be determined by the horizontal distance measured in a straight line from the site boundary of the sensitive use to the closest site boundary of the site on which the proposed premises is to be located, without regard to intervening structures.

5.92.435 Premises requirements.

A. Except as otherwise provided in this Chapter, the premises of two (2) or more Commercial Cannabis Businesses proposed on the same site or within the same cannabis facility shall be granted approval only if:

1 1. All of the proposed Commercial Cannabis Businesses
2 and their operation from the same site or cannabis facility are authorized by
3 both local and applicable State law and regulations; and

4 2. Every Commercial Cannabis Business within said
5 cannabis facility or on any one site operates from a separate premises and
6 property address.

7 B. Commercial Cannabis Businesses issued permits for multiple
8 permit types at the same physical address shall maintain clear separation
9 between permit types unless otherwise authorized by local and State law.

10 C. Two (2) or more permitted premises may share a common
11 lobby, common interior walkway, or common interior hallway and
12 bathroom(s), wherein no permitted privileges will be exercised, provided
13 that all premises comply with the requirements of this Chapter and any
14 applicable State laws and regulations.

15 D. Commercial Cannabis Businesses shall obtain all necessary
16 local and State licenses and permits, and land use approvals from local and
17 State agencies for each type of commercial cannabis activity proposed at
18 every separate premises.

19 E. Commercial Cannabis Businesses shall ensure the
20 requirements set forth in this Code for each type of commercial cannabis
21 activity and every separate premises are satisfied, including all parking
22 requirements.

23 F. Except for Commercial Cannabis Businesses authorized by
24 the State to operate as a Type 12 Microbusiness, Commercial Cannabis
25 Businesses shall only conduct one (1) type of commercial cannabis activity
26 per permitted premises. Commercial Cannabis Businesses intending to
27 apply with the State for, and operate as, a Type 12 Microbusiness State
28 license shall obtain a separate permit for every type of commercial

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cannabis activity on the proposed premises.

G. The City may allow one (1) permittee to conduct both adult-use and medicinal commercial cannabis activities from the same permitted premises if:

1. The requirements of this Section are satisfied; and
2. The permittee holds both an Adult-Use Cannabis

Business Permit and a Medical Marijuana Business Permit for the identical type of commercial cannabis activity at the same premises.

5.92.440 Business identification signage.

A. Exterior business identification signage for every Adult-Use Cannabis Business shall conform to the requirements of State law and this Code, including, but not limited to, Title 21 of this Code and California Business and Professions Code, Chapter 15 (“Advertising and Marketing Restrictions”) of Division 10.

B. Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. Business identification signage is discouraged for Adult-Use Cannabis Businesses that are not open to the public.

C. Exterior signage for one (1) Commercial Cannabis Business issued permits for two (2) or more commercial cannabis activities at the same physical address shall be cumulative; one (1) business identification sign shall represent all uses.

5.92.445 Fire prevention system.

A. Where applicable, every Adult-Use Cannabis Business shall implement fire prevention measures on the premises in compliance with Title 18 of this Code, including but not limited to, fire sprinkler systems, fire alarm systems, fire extinguishers, and gas detections systems.

1 B. The Adult-Use Cannabis Business shall obtain all necessary
2 permits for any fire prevention systems installed at the premises and/or
3 cannabis facility from the Long Beach Fire Department.

4 C. A minimum of a one (1) hour fire barrier shall be maintained
5 between every premises of a Commercial Cannabis Business and any
6 adjacent business that is not engaged in commercial cannabis activity or
7 that is not a Commercial Cannabis Business.

8 D. Every premises shall be fully separated from any other
9 premises where commercial cannabis activities are conducted by walls that
10 extend from floor to underneath the roof with five-eighths inch (5/8") drywall
11 on both sides. All doors and windows separating commercial cannabis
12 activities shall be one (1) hour rated.

13 5.92.450 General sanitation requirements.

14 A. Washing facilities. Every premises shall have:

15 1. Hand-washing facilities designed to ensure an
16 employee's hands do not pose a source of contamination to products,
17 surfaces, or packaging materials. Hand-washing facilities shall also be
18 convenient and furnish hot running water running water of at least 100°F;

19 2. Effective hand-cleaning (liquid soap) and disposable
20 paper towel or suitable drying devices;

21 3. Three (3) compartment utensil washing facilities;

22 4. Bathrooms; and

23 5. Mop sinks with hot and cold running water.

24 B. Adequate lighting. Cannabis facilities shall have adequate
25 lighting in the following areas: hand-washing areas; dressing and locker
26 rooms; toilet facilities; all areas where components or cannabis goods are
27 examined, trimmed, harvested, manufactured, processed, packed, or held;
28 and in all areas where equipment or utensils are cleaned.

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5.92.455 Cannabis public health permit.

A. Permit required. Every Adult-Use Cannabis Business shall obtain a cannabis public health permit prior to the establishment or operation of any adult-use commercial cannabis activity and in addition to any other applicable permits and licenses required pursuant to State and local law to engage in adult-use commercial cannabis activity.

B. Application and fees required. To obtain a cannabis public health permit, every Adult-Use Cannabis Business shall file an application with the City Health Officer, on a form provided for that purpose, and pay a nonrefundable cannabis public health permit fee established by resolution of the City Council. The City Health Officer may request additional documentation and information as deemed necessary for the Adult-Use Cannabis Business to demonstrate compliance.

C. Permit provisions.

1. All cannabis public health permits are valid for twelve (12) months from the date of issuance and may be renewed annually.

2. Every cannabis public health permit is valid only for the person, premises, and type of commercial cannabis activity specified in the permit. Cannabis public health permits are not transferable upon change of ownership or relocation of the premises.

3. Every premises where commercial cannabis activities occur within the same cannabis facility requires a separate cannabis public health permit.

4. All public health permits and licenses shall be posted in a conspicuous place within the premises.

D. Permit renewals.

1. An application for renewal of any cannabis public health permit shall be submitted to the City Health Officer at least sixty (60)

1 business days prior to the expiration date of the current cannabis public
2 health permit, but no more than one-hundred and twenty (120) calendar
3 days prior to the expiration of the current cannabis public health permit.

4 2. An Adult-Use Cannabis Business that does not obtain
5 a renewed cannabis public health permit by the end of the business day of
6 the expiration date shall discontinue operation of the Adult-Use Cannabis
7 Business until a new cannabis public health permit is issued.

8 3. Any cannabis public health permit that has not been
9 renewed by the annual renewal date will not be valid and is deemed
10 inactive.

11 4. Denial of applications or renewals. The City Health
12 Officer may deny an application or renewal application for a cannabis public
13 health permit for any reason enumerated in Section 5.92.1540 of this
14 Chapter.

15 E. Permit suspension or revocation.

16 1. Any cannabis public health permit issued under this
17 Chapter may be suspended or revoked by the City Health Officer for any
18 violation of the requirements of this Chapter, this Code, or State or local
19 laws or regulations.

20 2. Any premises, or portion of a premises, for which the
21 cannabis public health permit has been suspended or revoked shall close,
22 cease doing business, and remain closed until the cannabis public health
23 permit has been reinstated or reissued by the City Health Officer.

24 3. Whenever the City Health Officer finds the operation of
25 any Adult-Use Cannabis Business does not comply with the requirements
26 of this Chapter or State or local laws or regulations, a written notice to
27 comply, that contains a required compliance date, shall be issued to the
28 Adult-Use Cannabis Business.

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4. If the Adult-Use Cannabis Business fails to comply within the specified time, the City Health Officer may issue a written notice setting forth the acts or omissions with which the Adult-Use Cannabis Business is charged, and informing the Adult-Use Cannabis Business of a right to a hearing, if requested, to show cause why the cannabis public health permit should not be suspended or revoked.

5. Notice requirements for an Adult-Use Cannabis Business's request for an appeal, and the suspension or revocation of a cannabis public health permit shall be governed by the provisions of Division IX of this Chapter. No person shall conduct any activity regulated by this Section after a cannabis public health permit for such activity has been revoked or during the time a cannabis public health permit therefor has been suspended.

Subdivision II General Operating Requirements.

5.92.510 Community Liaison.

A. Adult-Use Cannabis Businesses shall have a Community Relations Liaison designated at all times, who shall be twenty-one (21) years of age or older. Any Co-Located Cannabis Business or Commercial Cannabis Business conducting two (2) or more commercial cannabis activities within the same cannabis facility shall designate one (1) Liaison for the site.

B. The Liaison shall be responsible for receiving and responding to all concerns and complaints made to the City regarding the Adult-Use Cannabis Business and for making a good faith attempt to promptly address all concerns and resolve all complaints.

C. The Liaison shall respond by phone or e-mail within forty-eight (48) hours of any complaint(s) or concern(s) reported by a City official.

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D. The Liaison’s name and contact information shall be:

1. Publicly available, such as, available to any individual upon request, on the Adult-Use Cannabis Business’s website, marketing material, or the technology platform used by the Adult-Use Cannabis Business.

2. Provided to the City Manager prior to operation of the business and within forty-eight (48) hours of a designation of a new Liaison.

3. Provided to all neighboring businesses located within one-hundred feet (100’) of the permitted premises or cannabis facility, as measured in a straight line without regard to intervening structures, between the front doors of each establishment prior to opening.

4. Posted conspicuously, and in a conspicuously visible font size, on the main entry doors to the business.

5.92.515 Display of permit and license.

Every Adult-Use Cannabis Business shall maintain a copy of its City permit and State license on display during business hours and in a conspicuous place so that the City permit and State license may be readily seen by all persons entering the premises.

5.92.520 Age restrictions.

Individuals under twenty-one (21) years of age shall not be allowed on the premises of any Adult-Use Cannabis Business, except as pertaining to the sale of cannabis for medicinal use by a Dispensary to a medical patient or primary caregiver who is at least eighteen (18) years of age.

5.92.525 No direct sales to the public.

Except as otherwise provided for in this Chapter and Chapter 5.90 of this Code for Dispensaries, no direct sales of cannabis goods to the public may occur upon a permitted premises of a Distributor, Cultivator, Manufacturer, or Testing Laboratory.

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5.92.530 Advertising and marketing.

A. All advertisements and marketing, including off-site advertising signs, on-premises signs, labels, and billboards by an Adult-Use Cannabis Business shall comply with this Chapter, Title 21 of this Code, any regulations implemented by the State or any of its divisions or departments, and California Business and Professions Code Chapter 15 (“Advertising and Marketing Restrictions”) of Division 10.

B. Not attractive to children. Advertisements and marketing may not be designed to appeal to children or encourage children to consume cannabis goods, contain any false or misleading statements, or make any misrepresentations.

C. Billboard advertising and marketing.

1. No person shall place, establish, keep, allow, maintain, or locate any advertisement or marketing for cannabis goods on any billboard located within a one-thousand foot (1,000’) radius of a public park, day care center, or public or private school (as defined in California Health and Safety Code Section 11362.768(h)).

2. The City hereby establishes a zero-foot (0’) radius buffer for youth centers and playgrounds for any advertisements or marketing of cannabis goods on a billboard within the City by a Commercial Cannabis Business; therefore, there are no buffer distance requirements for youth centers or playgrounds for billboards advertising or marketing cannabis goods within the City.

5.92.535 Waste management.

A. Obligation to comply. When managing cannabis goods, chemicals, hazardous or dangerous waste, Adult-Use Cannabis Businesses are obligated to obtain all required permits, licenses, or other clearances and comply with all orders, laws, regulations, or other requirements of other

1 regulatory agencies, including, but not limited to, local health agencies,
2 regional water quality control boards, air quality management districts or air
3 pollution control districts, local land use authorities, and fire authorities.

4 B. The sale of cannabis waste is prohibited.

5 C. Storage of cannabis waste. All cannabis waste shall be stored
6 in a secured waste receptacle or in a secured area on the permitted
7 premises. For the purposes of this section, “secure waste receptacle” or
8 “secured area” means that physical access to the receptacle or area is
9 restricted to the permittee, employees of the permittee, or by the local
10 agency or local agency franchised or contracted waste hauler only. Public
11 access to the designated receptacle or area shall be strictly prohibited.

12 D. Before removing any cannabis waste from the premises for
13 disposal, the Adult-Use Cannabis Business shall render cannabis goods
14 unusable and unrecognizable in compliance with State and local laws or
15 regulations.

16 E. Records of cannabis waste. Every Adult-Use Cannabis
17 Business shall maintain accurate and comprehensive records at the
18 premises regarding cannabis waste that accounts for, reconciles, and
19 provides evidence of, all activity related to the generation and disposal or
20 deposition of cannabis waste.

21 5.92.540 Ventilation and filtration system.

22 A. Every Adult-Use Cannabis Business shall implement
23 adequate ventilation system and odor control filtration measures to prevent
24 odors from inside the cannabis facility from being detected outside the
25 cannabis facility.

26 B. Certification of system. A licensed professional engineer shall
27 certify that the system is capable of preventing odors from inside the
28 cannabis facility from being detected outside the cannabis facility. The

1 design of the ventilation and filtration system shall be based on industry-
2 specific best control technologies and best management practices to
3 effectively mitigate cannabis odors. The system shall use a range of odor
4 mitigation practices to control odor-emitting activities, sources, and
5 locations.

6 C. Training and maintenance. The Adult-Use Cannabis Business
7 is responsible for regular maintenance to ensure the system remains
8 functional and shall implement staff training procedures regarding use and
9 maintenance of the system.

10 D. Records. All records relating to odor management shall be
11 made available upon verbal or written request of the City Health Officer,
12 including but not limited to:

13 1. Odor complaints received, actions taken by the
14 business, and responses to the complaint; and

15 2. System installation, maintenance, and any equipment
16 malfunctions.

17 5.92.545 Discourage illegal, criminal, or nuisance activities.

18 A. Every Adult-Use Cannabis Business shall take reasonable
19 steps to discourage persons on the Site of the permitted premises, and
20 within any parking areas under the control of the Adult-Use Cannabis
21 Business, from engaging in illegal, criminal, or nuisance activities. For
22 purposes of this Section, “illegal, criminal, or nuisance activities” includes,
23 but is not limited to, disturbances of the peace, public intoxication, drinking
24 alcoholic beverages in public or on the site of the permitted premises,
25 smoking or ingesting cannabis goods in public or on the site of the
26 permitted premises, illegal drug activity, vandalism, obstruction of the
27 operation of a another business, harassment of passersby, gambling,
28 prostitution, loitering, public urination, lewd conduct, drug trafficking,

1 excessive loud noise, or any other behavior that adversely affects or
2 detracts from the quality of life for adjoining residents, property owners, or
3 businesses.

4 B. Loitering prohibited. Loitering is prohibited on or around the
5 premises or any area under control of the Adult-Use Cannabis Business.
6 Adult-Use Cannabis Businesses shall prevent individuals from remaining on
7 the premises or site of the Adult-Use Cannabis Business if they are not
8 engaging in an activity directly related to the permitted operations of the
9 Adult-Use Cannabis Business.

10 C. Property maintenance. The site, premises, and all associated
11 parking areas, including the adjacent area under the control of the Adult-
12 Use Cannabis Business and any sidewalk or alley, shall be maintained in
13 an attractive condition and shall be kept free of obstruction, trash, litter, and
14 debris.

15 D. Graffiti. Adult-Use Cannabis Businesses shall remove graffiti
16 from the premises within forty-eight (48) hours of its occurrence.

17 E. Nuisances. Commercial cannabis activity shall not adversely
18 affect the health or safety of the nearby residents by creating dust, glare,
19 heat, noise, smoke, vibration, or other negative impacts, and shall not be
20 hazardous due to use or storage of materials, processes, products,
21 chemicals, or wastes. Commercial Cannabis Activity shall not adversely
22 affect health, safety, or welfare of any persons engaged in the operation of
23 the Adult-Use Cannabis Business.

24 5.92.550 Recordkeeping.

25 A. Adult-Use Cannabis Businesses shall comply with all
26 recordkeeping requirements, as set forth in this Chapter, California
27 Business and Professions Code Section 26000 et seq., and all applicable
28 regulations implemented and enforced by the State or any of its

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departments and divisions.

B. Every owner and operator of an Adult-Use Cannabis Business shall maintain legible, clear, adequate, and accurate books, records, and documentation, demonstrating that all cannabis goods have been obtained from, and are provided to, other State licensees, and shall detail all of the revenues and expenses of the business, and all of its assets and liabilities on the premises. All records shall be in English.

C. All required records shall be stored, preserved, and maintain on the premises for a minimum of (7) years. Mandatory records shall be stored in a secured area where the records remain protected from debris, moisture, contamination, hazardous waste, fire, or theft. Electronic records shall be secured and backed up in a manner that prevents unauthorized access and that ensures the integrity of the records is maintained.

D. Adult-Use Cannabis Businesses 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 Adult-Use Cannabis Business, and separately a register of all the officers, managers, employees, responsible persons, and volunteers currently employed or otherwise engaged by the Adult-Use Cannabis Business. The register required by this subsection shall be provided to the City Manager upon a verbal or written request.

E. Point-of-sale inventory control and reporting system.

1. Adult-Use Cannabis Businesses shall maintain a point-of-sale software inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis goods for all stages of the growing, production, manufacturing, laboratory testing, distribution processes, sale, transfer, purchase, receipt, and delivery of cannabis goods, as set forth in California Business and

1 Professions Code Section 26000 et seq. and any regulations implemented
2 thereunder.

3 2. The software shall be capable of producing electronic
4 shipping manifests, tracking all cannabis inventory in possession of the
5 Adult-Use Cannabis Business, promptly identifying any discrepancy in the
6 stock, and tracking cannabis from the customer back to its source in the
7 event of a serious adverse event.

8 3. The system shall have the capability to produce
9 historical transactional data for review by the City.

10 F. Track-and-Trace.

11 1. Tracking inventory. Adult-Use Cannabis Businesses
12 shall promptly comply with any track-and-trace system requirements
13 established by the State or any of its departments and divisions.

14 2. Every Adult-Use Cannabis Business is responsible for
15 the accuracy and completeness of all data and information entered into the
16 track-and-trace system. Data entered into the track-and-trace system shall
17 be accurate. Inaccuracies in the track-and-trace system, if not corrected,
18 may result in an enforcement action against the Adult-Use Cannabis
19 Business.

20 5.92.555 Notification to City.

21 A. Breaches of security. Every Adult-Use Cannabis Business
22 shall notify the City Manager and the Long Beach Police Department in
23 writing, within twenty-four (24) hours after discovering any of the following:

24 1. Significant discrepancies identified in inventory.

25 2. Suspected diversion, theft, loss, or any other criminal
26 activity pertaining to the operation of the Adult-Use Cannabis Business and
27 cannabis goods.

28 3. Discovering diversion, theft, loss, or any other criminal

1 activity by any individual authorized to engage in the operation of the Adult-
2 Use Cannabis Business and pertaining to the operations of the business.

3 4. The loss or unauthorized alteration of records related to
4 cannabis goods, customers, or employees of the Adult-Use Cannabis
5 Business.

6 5. Any other breach of security.

7 6. All written notifications regarding a breach of security
8 shall include the date and time of occurrence of theft, loss, or criminal
9 activity and a description of the incident including, where applicable, and
10 the item(s) that were taken or lost.

11 B. Criminal acts.

12 1. Adult-Use Cannabis Businesses shall notify the City
13 Manager in writing, either by mail or by electronic mail, of any felony
14 conviction against any owner or manager of the Adult-Use Cannabis
15 Business within forty-eight (48) hours of the conviction.

16 2. The written notification to the City Manager shall
17 include the date of conviction, the court docket number, the name of the
18 court in which the person was convicted, and the specific offense(s) for
19 which the person was convicted.

20 C. Change in permit or license status.

21 1. Adult-Use Cannabis Businesses shall notify the City
22 Manager in writing within ten (10) days, either by mail or by electronic mail,
23 of any denial, suspension, modification, revocation, or expiration or any
24 applicable State or local license and/or permit required for the operation of
25 the Adult-Use Cannabis Business.

26 2. The written notification shall include the name of the
27 agency involved, a written explanation of the proceeding or enforcement
28 action, and the specific violation(s) that led to the discipline or revocation.

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Subdivision III Cannabis Goods.

5.92.610 Handling of cannabis goods.

A. Every person that handles cannabis goods shall comply with the provisions of all relevant State and local laws regarding the storage, preparation, handling, packaging, preparation, distribution, and sale of food.

B. Employee health and handling cannabis goods.

1. To reduce the likelihood of foodborne disease transmission, individuals who are suffering from symptoms associated with acute gastrointestinal illness, or are known to be infected with a communicable disease that is transmissible through foodstuffs, are prohibited from handling cannabis goods until they are free of that illness or disease, or are incapable of transmitting the illness or disease through cannabis goods.

2. The City Health Officer has authority to exclude any Adult-Use Cannabis Business employee that handles cannabis goods from any Adult-Use Cannabis Business if the employee is diagnosed with an illness caused by an infectious agent, and the employee is either symptomatic and still considered infectious, or is not experiencing symptoms of the illness associated with that agent but is still considered infectious.

3. For purposes of this Section, "illness caused by an infectious agent" means a condition caused by any of the following infectious agents: Hepatitis A virus; Salmonella typhi; Salmonella spp; Shigella spp; Entamoeba histolytica; Enterohemorrhagic or shiga toxin producing Escherichia coli; Norovirus; and any other communicable diseases that may be transmitted to others through the handling of cannabis goods.

4. The Adult-Use Cannabis Business may remove a

1 restriction placed on an employee upon the resolution of symptoms, as
2 reported by an employee, if the employee states that he or she no longer
3 has any symptoms of an acute gastrointestinal illness.

4 5. Only the City Health Officer may remove exclusions or
5 restrictions, or both, related to diagnosed illnesses due to infectious agents
6 specified in this Section after the City Health Officer provides a written
7 clearance stating that the excluded or restricted employee is no longer
8 considered infectious.

9 5.92.620 Storage of cannabis goods.

10 A. Every Adult-Use Cannabis Business shall store currency and
11 cannabis goods, including all living cannabis plants, in a manner that
12 prevents diversion, theft, loss, hazards, contamination, and nuisances.

13 B. Cannabis goods shall be stored separate and apart from
14 employee break rooms, changing facilities, or bathrooms.

15 C. Except for limited amounts of cannabis goods used for display
16 purposes, samples, or immediate sale, cannabis goods that do not require
17 refrigeration, and currency, shall be stored in a limited-access area, such as
18 a secured and locked safe room, or in a locked safe or vault, that is secured
19 to the structure of the cannabis facility.

20 D. Any refrigerator, refrigerated storage, or freezer used for
21 storage of cannabis products shall be locked and secured to the structure of
22 the cannabis facility in a limited-access area.

23 E. All extractions, concentrates, infusions, components, and
24 edible cannabis products intended for human consumption and capable of
25 supporting the growth of undesirable microorganisms shall be refrigerated
26 at temperatures of 41°F continually, unless otherwise approved by the City
27 Health Officer. Adult-Use Cannabis Businesses shall follow the
28 Manufacturer’s requirements for safe storage of such cannabis products.

1 F. Refrigeration equipment standards. All refrigerators,
2 refrigerated storage, or freezers used for commercial cannabis activity
3 under this Chapter shall:

4 1. Meet National Sanitation Foundation (NSF) or
5 American National Standards Institute (ANSI) standards or an equivalent.

6 2. Be equipped with an NSF thermometer or temperature-
7 recording device that is accurate to plus or minus 2°F and installed in a
8 location to indicate the air temperature in the warmest part of the unit and to
9 be readily visible.

10 3. Be approved by the City Health Officer prior to use.

11 5.92.630 Laboratory testing of cannabis goods.

12 Cannabis goods may not be sold or transferred to a Dispensary, or
13 released for retail sale, unless a representative sample of the cannabis goods
14 have undergone and passed all testing pursuant to California Business and
15 Professions Code Section 26000 et seq. and any applicable regulations
16 implemented and enforced by the State or any of its divisions or departments.

17 5.92.640 Quality assurance of cannabis goods.

18 A. Internal quality assurance testing. Notwithstanding any of the
19 provisions of this Chapter, an Adult-Use Cannabis Business may conduct
20 internal quality assurance testing of any cannabis goods as part of its
21 reasonable business operations. This provision shall not be interpreted to
22 authorize or permit cross-licensing of a Laboratory with any other type of
23 permit under this Chapter or with respect to State law.

24 B. Quality assurance testing by the City.

25 1. The City Health Officer may collect and analyze
26 samples or specimens of cannabis goods, including any living cannabis
27 plants and any components used in cannabis products, from any premises
28 during business hours, or any reasonable time, without notice and at no

1 cost to the Health Department, to verify compliance with State and local
2 laboratory testing, packaging, and labeling requirements for cannabis
3 goods.

4 2. The City Health Officer shall provide the Adult-Use
5 Cannabis Business with a receipt or documentation for any samples or
6 specimens of cannabis goods collected from an Adult-Use Cannabis
7 Business prior to leaving the permitted premises. A copy of the results of
8 the sample analysis shall be provided to the Adult-Use Cannabis Business.

9 3. The City Health Officer may take any enforcement
10 action necessary to protect the health, safety, and welfare of the public
11 depending on the testing results and analysis of the sample(s) or
12 specimen(s) of cannabis goods collected at a permitted premises.

13 5.92.650 Adulterated or misbranded cannabis goods.

14 A. When the City Health Officer has evidence that cannabis
15 goods in possession of an Adult-Use Cannabis Business are adulterated or
16 misbranded, the City Health Officer may notify and order the Adult-Use
17 Cannabis Business to immediately cease any commercial cannabis activity
18 related to all cannabis goods that have been identified as being potentially
19 adulterated or misbranded.

20 B. Upon confirmation from the State, including any of its
21 departments or divisions, that the identified cannabis goods are adulterated
22 or misbranded, the City Health Officer may issue orders to the Adult-Use
23 Cannabis Business regarding the required movement, segregation,
24 isolation, or destruction of the adulterated or misbranded cannabis goods,
25 and may order those to be held in place, embargoed, or quarantined.

26 C. It is unlawful for any person to move, or allow to be moved,
27 any cannabis goods that are subject to an order to quarantine, embargo, or
28 hold cannabis goods in place unless that person has first obtained written

1 authorization from the City Health Officer and/or State Department of Public
2 Health.

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4 Subdivision IV Security.

5 5.92.710 Security standards.

6 Every Adult-Use Cannabis Business shall implement security measures to
7 prevent unauthorized entrance into areas containing cannabis goods and
8 currency, prevent the theft of cannabis goods and currency from the premises, and
9 to protect the physical safety of employees in compliance with this Chapter, State
10 law, and any regulations implemented and enforced by the State or any of its
11 divisions or departments. These security measures shall include, but shall not be
12 limited to, all of the provisions of this Subdivision.

13 5.92.715 Limited-access areas.

14 Adult-Use Cannabis Businesses shall establish limited-access areas
15 accessible only to authorized employees of the Adult-Use Cannabis Business.

16 5.92.720 Identification badges.

17 All employees of an Adult-Use Cannabis Business shall display or wear a
18 laminated or plastic-coated identification badge at all times while engaging in
19 commercial cannabis activity, including during transport and delivery of cannabis
20 goods. At a minimum, the identification badge shall include:

21 A. The Adult-Use Cannabis Business's "doing business as"
22 name, City permit number, and State license number;

23 B. The first name of the individual;

24 C. Any employee number exclusively assigned to that individual
25 for identification purposes; and

26 D. A color photograph of the individual that clearly shows the full
27 front of the individual's face that is at least one inch (1") in width and one
28 and a half inches (1.5") in height.

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5.92.725 Secure transportation area.

A. Adult-Use Cannabis Businesses shall implement procedures for safe and secure transportation and delivery of cannabis goods and currency in accordance with State and local laws and regulations.

B. Adult-Use Cannabis Businesses shall have an area of the premises designed for the secure transfer of cannabis goods from the cannabis facility to a vehicle for transportation or delivery, wherever possible.

C. Any individual or employee transferring cannabis goods from a cannabis facility to a vehicle for transportation or delivery shall be accompanied by a security escort during the transfer, if the cannabis facility does not have an area designed for the secure transfer of cannabis goods from the cannabis facility to a vehicle for transportation or delivery.

5.92.730 Digital video surveillance system.

A. Every Adult-Use Cannabis Business shall implement an operational digital video surveillance system at the premises that meets or exceeds the following criteria:

1. The digital video surveillance system with a minimum video camera resolution of 1280 × 1024 pixels.

2. Each video surveillance camera shall record continuously twenty-four (24) hours per day, seven (7) days a week, and at a minimum of fifteen (15) frames per second (FPS).

3. The location and position of each camera shall be capable of recording images of the area under surveillance, in any light condition, to allow facial feature identification of persons in the following locations on the premises:

a. In interior and exterior areas where cannabis goods or currency are present at any given time.

- 1 b. In the immediate interior and exterior areas of
- 2 doors, windows, or other avenues of potential access.
- 3 c. Areas open to the public, including a full view of
- 4 public right-of-way and any parking lot under the control of the Adult-Use
- 5 Cannabis Business.
- 6 d. Point-of-sale locations and areas where
- 7 cannabis goods are displayed for sale at a Dispensary, including but not
- 8 limited to, a retail area.
- 9 e. Any other areas as required by this Chapter,
- 10 State law, or any regulations implemented and enforced by the State or any
- 11 of its divisions or departments.
- 12 B. Each camera shall be permanently mounted and in a fixed
- 13 location and, to the extent reasonably possible, shall be installed in a
- 14 manner that prevents intentional obstruction, tampering with, and/or
- 15 disabling the camera.
- 16 C. All video surveillance equipment shall have sufficient battery
- 17 backup to support a minimum of four (4) hours of recording in the event of a
- 18 power outage.
- 19 D. Every video surveillance system shall be equipped with a
- 20 failure notification system that provides prompt notification to the Adult-Use
- 21 Cannabis Business of any prolonged surveillance interruption and/or the
- 22 complete failure of the surveillance system.
- 23 E. Surveillance video recordings shall clearly and accurately
- 24 display the date and time. Time is to be measured in accordance with the
- 25 United States National Institute of Standards and Technology standards for
- 26 the Pacific Time zone.
- 27 F. Security notice required. The permitted premises shall have a
- 28 sign posted in a conspicuous place near each monitored area on the

1 interior and exterior of the premises and shall not be less than twelve
2 inches (12”) wide and twelve inches (12”) long, composed of letters not less
3 than one inch (1”) in height, stating "All Activities Monitored by Video
4 Camera" or "This Premises is Being Digitally Recorded," or otherwise
5 advising all persons entering the premises that a video surveillance and
6 camera recording system is in operation at the premises and recording all
7 activity as provided in this Chapter.

8 5.92.735 Security records.

9 A. Surveillance recordings of every Adult-Use Cannabis
10 Business are subject to inspection by the City Manager, or any City
11 Manager designee, without a search warrant, court order, or subpoena. The
12 Adult-Use Cannabis Business shall send, or otherwise provide, copies of
13 the recordings immediately upon verbal request or within a time specified
14 by the City Manager.

15 B. Secure storage. To prevent tampering or theft, all surveillance
16 recordings and monitoring equipment shall be kept in a secure limited-
17 access area of the permitted premises.

18 C. At a minimum, every Adult-Use Cannabis Business shall
19 maintain the following security records at the premises:

20 1. Surveillance video recordings shall be maintained for a
21 minimum of ninety (90) days and on an IP-configurable Digital Video
22 Recorder (DVR) capable of producing a still photograph in color from any
23 live or recorded camera image at the premises and capable of exporting the
24 images in TIFF, BMP, or JPG format.

25 2. A map of the camera locations, the direction of camera
26 coverage, and assigned camera numbers.

27 3. Surveillance equipment maintenance activity logs and
28 operating instructions for the surveillance equipment.

1 4. A user authorization list of individuals who have access
2 to the surveillance system, including, but not limited to, the secured area for
3 recording and monitoring equipment and physical media and surveillance
4 recording storage devices.

5 5.92.740 Security alarm system.

6 Every Adult-Use Cannabis Business shall implement an operational
7 security alarm system at the premises that meets or exceeds the following criteria:

8 A. The security alarm system shall be operated, maintained,
9 monitored by, and responded to by a security company staffed twenty-four
10 hours (24) a day, seven (7) days a week and licensed by the Department of
11 Consumer Affairs, Bureau of Security and Investigative Services.

12 B. The security alarm system shall include sensors to detect all
13 points of entry and exit, from all limited-access and secured areas, all roof
14 hatches, and all windows.

15 C. Every Adult-Use Cannabis Business shall obtain a security
16 alarm system permit pursuant to Chapter 5.12 of this Code.

17 5.92.745 Commercial-grade locks.

18 Every Adult-Use Cannabis Business shall secure the following areas using
19 commercial-grade, non-residential door locks, roof hatches, and window locks in a
20 manner that prevents free and unauthorized access:

21 A. All points of ingress and egress to a premises.

22 B. Limited-access areas.

23 C. Areas where cannabis goods, living cannabis plants, cannabis
24 waste, and currency are stored and/or present at any given time.

25 D. Areas where surveillance equipment and records are stored.

26 5.92.750 Security barriers.

27 A. Any security barriers installed on the windows or the doors of
28 the premises shall be installed only on the interior of the building and in

1 compliance with all City Building, Zoning, and Fire Codes. Security bars are
2 discouraged for all Adult-Use Cannabis Businesses and shall not be
3 minimally visible from the public right-of-way.

4 B. Security barriers shall meet the following criteria:

5 1. Only open grill design security systems located on the
6 inside of the building shall be permitted on elevations visible from the street.

7 2. Open grill design security systems shall be primarily
8 transparent with not less than seventy-five percent (75%) visibility from the
9 street.

10 3. Solid roll-down security doors are prohibited unless
11 part of a vehicle loading bay.

12 4. Interior security gates shall be opened and fully
13 retracted during the hours of operation.

14 5.92.755 Remain secure during power outage.

15 Every Adult-Use Cannabis Business shall have the capability to remain
16 secure during a power outage. Adult-Use Cannabis Businesses shall also ensure
17 that all access doors on the premises are not solely controlled by an electronic
18 access panel, to ensure that locks are not released during a power outage.

19 5.92.760 Visibility.

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

23 B. Exterior lighting. Every Adult-Use Cannabis Business shall
24 implement exterior lighting security measures including, but not limited to:

25 1. All exterior light fixtures shall be vandal resistant,
26 installed on exterior walls, and shall be the type of fixture with proper cut-
27 offs to avoid any light pollution, including but not limited to, urban sky glow,
28 light trespass, glare, and clutter.

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2. Exterior lighting shall clearly illuminate the building address, all parking, driving, and walking surfaces, exterior doors, and all window areas during the hours of darkness.

3. Any broken or burned out lights shall be replaced within seventy-two (72) hours.

5.92.765 Building design.

The nature and operations of Adult Use Cannabis Businesses have the potential to result in building design changes that represent a departure from typical building appearances. The following criteria is intended to minimize impacts to neighborhood character caused by building design changes resulting from remodeled and new premises for Adult-Use Cannabis Business and commercial cannabis activities:

A. Building Design must meet any applicable criteria in Title 21 of this Code, Specific Plans, or Planned Developments.

B. Blank building facades over twenty-five feet (25') fronting the street or parking lot shall be prohibited and must incorporate architectural features, such as building plane breaks, three-dimensional elements, windows, doors, and changes in color and materials that result in a building with articulation.

C. Windows.

1. On any building elevation visible from the street, windows shall comprise at least forty percent (40%) of the ground floor building elevation. On all other ground floor elevations visible from the street, windows shall comprise at least twenty-five percent (25%) of the building elevation.

2. An identifiable entrance to the cannabis facility shall be visible from the street.

3. Windows along the street-facing frontage shall be

1 transparent. Such glass should be clear with an exterior daylight reflectance
2 of not more than eight percent (8%).

3 4. Where feasible, the storefront window shall provide
4 visibility to the tenant space. Where visibility to the tenant space by means
5 of the storefront window is not feasible due to security needs of the
6 permittee's operation, the creation of a storefront window display may be
7 permitted.

8 5. Window display areas shall have a minimum depth of
9 at least forty-eight inches (48"), not including walls. Display windows shall
10 be permitted for up to sixty percent (60%) of the building's storefront
11 window area. Display areas shall be well lit during hours of operation. The
12 window display area shall be maintained with a creative attractive window
13 display including but not limited to display of artwork, non-cannabis plants,
14 and the like.

15
16 Subdivision V Prohibited Activities.

17 5.92.810 Consumption of cannabis prohibited; signage required.

18 A. Cannabis goods shall not be consumed by any individual on
19 the premises of an Adult-Use Cannabis Business. The term "consumed"
20 includes, but is not limited to, vaporizing, inhaling, ingesting, smoking,
21 eating, or otherwise introducing cannabis goods into the human body.

22 B. Adult-Use Cannabis Businesses shall post a sign in a
23 conspicuous place near the interior entrance to the premises, that shall be
24 visibly posted with a clear and legible notice with the following language:
25 "Smoking, vaporizing, ingesting, or consuming cannabis, cannabis
26 products, tobacco, or alcohol on these premises, or in their vicinity, is
27 prohibited and a violation of the Long Beach Municipal Code."

28 5.92.820 Alcohol or tobacco prohibited.

1 No person shall cause or permit the sale, dispensing, storage, distribution,
2 or consumption of alcohol or tobacco products on or about the premises of an
3 Adult-Use Cannabis Business.

4 5.92.830 Physician evaluations prohibited.

5 Adult-Use Cannabis Businesses shall not:

6 A. Permit a physician to evaluate existing or potential medicinal
7 cannabis patients on its premises by any means, or permit a physician to
8 provide a physician's recommendation on its premises, including, but not
9 limited to: a physician that provides evaluations or recommendations in-
10 person from the permittee's site or on-site via the internet, or a physician
11 that provides recommendations via the internet, fax, electronic means, or by
12 any other means from the permittee's site.

13 B. Enter into an agreement with, employ, provide, or offer to
14 provide, any form of remuneration to, a physician who provides physician's
15 recommendations for medicinal cannabis.

16 C. Advertise or market services for a physician who provides
17 physician's recommendations for medicinal cannabis.

18 5.92.840 Weapons or firearms prohibited.

19 Weapons and firearms are prohibited on the premises of an Adult-Use
20 Cannabis Business. This provision does not apply to public officials engaged in
21 official duty or uniformed security personnel or patrol hired or contracted by an
22 Adult-Use Cannabis Business.

23 5.92.850 Generators prohibited.

24 The use of generators by any Adult-Use Cannabis Business is prohibited,
25 except as short-term temporary emergency back-up systems.

26 5.92.860 Outdoor storage of cannabis goods prohibited.

27 No outdoor storage of cannabis goods is permitted at any time.

28 5.92.870 Drive-through services prohibited.

1 Drive-through services or walk-up window services where cannabis goods
2 are sold, or made available to any person, that are operated in conjunction with
3 any Adult-Use Cannabis Business are prohibited.

4
5 DIVISION IV - DISPENSARY OPERATING CONDITIONS

6 In addition to the general operating requirements set forth in Division III of
7 this Chapter, this Division provides additional requirements for Dispensaries and
8 delivery services.

9
10 5.92.910 Compliance.

11 Dispensaries may sell, distribute, dispense, provide, deliver, or transport
12 Cannabis, only in accordance with all applicable laws and regulations, including
13 but not limited to, this Code, any regulations implemented by the Bureau of
14 Cannabis Control, California Business and Professions Code Sections 26000 et
15 seq., and all other applicable State, federal and local laws and regulations.

16 5.92.915 Hours of operation.

17 Dispensaries may only be open to the public between the hours of 9:00
18 a.m. to 9:00 p.m. up to seven (7) days per week. All deliveries of cannabis goods
19 to customers by a Dispensary shall be completed by 10:00 p.m.

20 5.92.920 Security personnel.

21 A. Dispensaries shall hire or contract for uniformed security
22 personnel to provide twenty-four (24) hour random security patrols of the
23 premises to monitor site activity, control loitering and site access, and to
24 serve as a visual deterrent to unlawful activities. At a minimum, uniformed
25 security personnel shall be generally located at an indoor guard station on
26 the premises during all hours of operation and security-patrolling services
27 shall patrol the premises during all hours the Dispensary is closed to the
28 public.

1 B. All uniformed security personnel hired or contracted by a
2 Dispensary shall be licensed with the State of California Bureau of Security
3 and Investigative Service, and shall comply with requirements in California
4 Business and Professions Code Chapters 11.4 and 11.5 of Division 3.

5 5.92.925 Protocols for individuals entering the premises.

6 A. No person shall be permitted to enter a Dispensary without
7 government-issued identification. Dispensaries shall not provide cannabis
8 goods to any person, whether by purchase, trade, gift, or otherwise, who
9 does not possess a valid government-issued identification and who does
10 not meet the age requirements of this Chapter.

11 B. Electronic age verification device required. Dispensaries shall
12 verify the proof of age of every person entering the business with an
13 electronic age verification device, prior to entry of the retail area. The
14 electronic age verification device may be mobile or fixed, and shall be able
15 to retain a log of all scans that includes the following information: date, time,
16 and age. Said log shall be kept for a minimum of one-hundred and eighty
17 (180) business days and all records shall be made available to the City
18 Manager upon request.

19 5.92.930 Point-of-sale tracking required.

20 A Dispensary shall facilitate the dispensing, making available, sale, and
21 delivery of cannabis goods with a technology platform that uses point-of-sale
22 technology to track, and database technology to record and store, the following
23 information for each transaction involving the exchange of cannabis goods
24 between the Dispensary and customer:

25 A. The date and time of transaction.

26 B. The first name and employee number of the Dispensary
27 employee who processed the sale of cannabis goods on behalf of the
28 Dispensary.

1 C. A list of all the cannabis goods purchased, including the
2 quantity purchased.

3 D. The total amount paid for the sale, including the individual
4 prices paid for cannabis or cannabis products purchased, and any amounts
5 paid for taxes.

6 5.92.935 Taxes.

7 Transactions for Dispensaries shall be taxed at the non-medical marijuana
8 tax rate pursuant to Section 3.80.261.C.2 of this Code, unless the Dispensary is
9 able to prove by reasonable and verifiable standards which portion of the gross
10 receipts are tied to the sale of the adult-use cannabis goods and which portion are
11 tied to the sale of medicinal cannabis goods.

12 5.92.940 Cannabis goods.

13 A. A Dispensary shall not make any cannabis goods available for
14 sale or delivery to a customer unless the cannabis goods were received
15 from a State licensed Distributor.

16 B. Prior to making cannabis goods available to customers,
17 Dispensaries shall ensure that all cannabis goods dispensed, sold,
18 delivered, or made available by the Dispensary, at a minimum:

19 1. Are packaged and sealed in tamper-evident packaging
20 that includes a unique identifier, such as a batch number and lot number or
21 bar code, to identify and track the cannabis goods.

22 2. For manufactured cannabis products, that the product
23 complies with all requirements of California Business and Professions Code
24 Section 26130 and all other applicable laws and regulations.

25 3. The Dispensary has verified that the cannabis goods
26 have not exceeded their expiration or sell-by date, if one is provided.

27 4. For edible cannabis product, that the products comply
28 with State packaging and labeling requirements, including, but not limited

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to:

a. Edible cannabis products shall not exceed 10 milligrams of tetrahydrocannabinol (THC) per serving.

b. The THC content for the cannabis product in its entirety is printed on the package.

c. All applicable requirements pursuant to California Business and Professions Code Sections 26120 and 26121 and any regulations promulgated thereunder.

C. Exit packaging. Cannabis goods purchased by a customer shall not leave the Dispensary's premises unless placed in an opaque (not see-through) exit package.

D. Secure storage of cannabis goods. Cannabis goods that are not used for display purposes or immediate sale shall be stored in a limited-access area, such as a secure and locked room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss. It is unlawful, and a violation of this Chapter for a Dispensary to store cannabis goods in the retail area after the close of business.

E. Edible cannabis products.

1. Dispensaries may only dispense, sell, provide, or make available those edible cannabis products authorized by the State Department of Public Health and the City Health Officer.

2. The sale, distribution, and delivery of edible cannabis products shall be conducted in a manner that complies with all applicable food safety laws for the protection of humans consuming cannabis.

F. No sales of expired cannabis products. Dispensaries are prohibited from selling any expired cannabis goods. It is unlawful for any person to alter, edit, or adjust, in any manner, an expiration date on any item or cannabis product once affixed by its Manufacturer.

1 5.92.945 Daily limit per person.

2 No Dispensary shall sell, distribute, or deliver more than 28.5 grams of
3 cannabis or eight (8) grams of concentrated cannabis, including concentrated
4 cannabis contained in cannabis products, to the same customer in the same
5 business day.

6 5.92.950 No free adult-use cannabis goods.

7 A Dispensary shall not provide free adult-use cannabis goods to any
8 person. A Dispensary shall not allow individuals that are not employed by the
9 Dispensary to provide free adult-use cannabis goods to any person on the
10 permitted premises. In this Section, "free adult-use cannabis goods" shall mean
11 any amount of cannabis goods provided to any person without cost or payment in
12 exchange of any other thing of value.

13 5.92.955 Interior signage required.

14 Dispensaries shall post the following notice(s), on a separate sign, or by
15 adding the following notices to the interior sign required pursuant to Section
16 5.90.060 of this Code, conspicuously and where an average customer is likely to
17 clearly view said notice within the permitted premises:

18 A. "Smoking, vaporizing, ingesting, or consuming cannabis,
19 cannabis products, tobacco, or alcohol on these premises, or in their
20 vicinity, is prohibited and a violation of the Long Beach Municipal Code."

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

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

27 5.92.960 Delivery services.

28 In addition to the requirements set forth in this Chapter for Dispensaries, the

1 delivery of cannabis goods shall be subject to the following requirements:

2 A. Compliance. Delivery services shall be conducted in
3 accordance with any relevant State and local laws and regulations, any
4 applicable local laws in the delivery location, and any conditions imposed
5 upon a Dispensary.

6 B. Delivery services may operate only as a part of, and in
7 conjunction with, a Dispensary with a storefront open to the public during
8 business hours and permitted pursuant to this Chapter and Chapter 5.90 of
9 this Code and any applicable State laws and regulations.

10 C. No person shall conduct sales of cannabis goods exclusively
11 by delivery.

12 D. Any application for a Dispensary shall include a statement as
13 to whether the proposed use will include delivery of cannabis goods to
14 customers.

15 E. Vehicle standards. Dispensaries shall only allow delivery of
16 cannabis goods in a vehicle that:

17 1. Is capable of securing (locking) the cannabis goods
18 during transportation.

19 2. Is capable of being time and/or temperature controlled,
20 if perishable cannabis goods are being transported.

21 3. Does not display advertising or symbols visible from
22 the exterior of the vehicle that suggest the vehicle is used for cannabis
23 delivery or affiliation with a Dispensary.

24 F. Inspections. Any motor vehicle used by a Dispensary to
25 deliver cannabis goods is subject to inspection by the City Manager or Chief
26 of Police and may be stopped at the premises or during the delivery for
27 inspection.

28 G. Delivery employees. Every delivery employee of a Dispensary

1 shall be at least twenty-one (21) years of age and shall have a valid
2 California Driver's License.

3 H. Documentation during transport. Delivery employees of a
4 Dispensary shall carry a physical or electronic copy of the delivery request
5 receipt with details regarding the delivery, a copy of the Dispensary's
6 current permits and/or licenses required by the State and City, the
7 employee's government-issued identification, and an identification badge
8 provided by the Dispensary. All documentation shall be made available
9 upon request to the City Manager or Chief of Police.

10 I. Dispensaries shall maintain a database, and provide to the
11 City Manager upon verbal or written request, a list of delivery employees
12 and vehicles authorized to conduct deliveries on behalf of the Dispensary.

13 J. Delivery employees shall personally verify, for each individual
14 transaction, that the identity of the customer receiving cannabis goods from
15 the Dispensary is the same as the person who ordered the delivery, and
16 that said person is twenty-one (21) years of age or older, via the
17 presentation of a valid government-issued identification.

18 K. Limitations.

19 1. While making deliveries, a Dispensary's delivery
20 employee shall not carry cannabis goods worth more than limits imposed by
21 the State at any time. This value shall be determined using the current retail
22 price of all cannabis goods carried by the delivery employee.

23 2. Direct route only. Except where a delivery employee
24 requires rest, fuel, vehicle repair, or where the road conditions make the
25 continued use of the road unsafe, impossible, or impracticable, a delivery
26 employee may only travel to and from the Dispensary, to the delivery
27 address, and between delivery addresses while delivering cannabis goods.

28 3. Dispensaries and delivery employees may only deliver

1 cannabis goods to customers within a city or county that does not expressly
2 prohibit such delivery by ordinance.

3 4. Consumption prohibited. No person shall consume or
4 otherwise ingest cannabis goods, alcohol, any controlled substance, or
5 intoxicants while transporting or delivering cannabis goods.

6 5. The Dispensary shall prepare a delivery request receipt
7 for each delivery of cannabis goods that shall include the following:

- 8 a. The name and address of the Dispensary;
- 9 b. The first name and employee number of the
10 Dispensary's delivery employee who delivered the order;
- 11 c. The first name and employee number of the
12 Dispensary's employee who prepared the order for delivery;
- 13 d. The first name of the customer and a
14 Dispensary-assigned customer number for the person who requested the
15 delivery;
- 16 e. The date and time the delivery request was
17 made;
- 18 f. The delivery address;
- 19 g. A detailed description of all cannabis goods
20 requested for delivery. The description shall include the weight, volume, or
21 any other accurate measure of the amount of all cannabis goods requested;
- 22 h. The total amount paid for the delivery, including
23 any taxes or fees, the cost of the cannabis goods, and any other charges
24 related to the delivery; and
- 25 i. Upon delivery, the date and time the delivery
26 was made, and the signature of the customer who received the delivery.

27 6. A vehicle used for the delivery of cannabis goods shall
28 be outfitted with a dedicated Global Positioning System (GPS) device for

1 identifying the geographic location of the delivery vehicle in compliance with
2 all applicable State laws and regulations.

3 a. The dedicated GPS device must be owned by
4 the Dispensary and used for delivery only.

5 b. The device shall be either permanently or
6 temporarily affixed to the delivery vehicle, shall remain active, and inside of
7 the delivery vehicle at all times during delivery.

8 c. At all times, the Dispensary shall be able to
9 identify the geographic location of all delivery vehicles that are making
10 deliveries for the Dispensary and shall provide that information to the City
11 Manager or Chief of Police upon request.

12 5.92.965 Responsible Vendor Training Pilot Program.

13 A. Purpose and Intent. Recognizing the potential harms and
14 public health implications associated with cannabis use, the purpose of this
15 Section is to promote public health and safety to reduce the likelihood of the
16 problematic use of cannabis by proactively requiring that all customer-
17 facing employees and managers of Dispensaries learn the necessary skills
18 to protect customers, the public, employees of the Dispensary, and
19 Dispensaries through a Responsible Vendor Training Program.

20 B. Compliance. Every customer-facing manager and employee
21 of a permitted Dispensary shall enroll in the Department of Health and
22 Human Services' standardized training for Dispensaries within ninety (90)
23 days of the establishment of the City's Responsible Vendor Training Pilot
24 Program. Upon completion of such training, employees and managers shall
25 receive written confirmation from the Department of Health and Human
26 Services of successful completion of the program. Dispensaries shall keep
27 a copy of said written confirmation on the permitted premises for every
28 customer-facing employee and manager.

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C. New employees and managers. Any newly hired manager or employee of a permitted Dispensary shall successfully complete the Responsible Vendor Training Pilot Program within sixty (60) days of said individual's first day of employment.

D. Renewal of Training. After initial successful completion of the Responsible Vendor Pilot Training Program, every manager and employee of a Dispensary shall successfully complete the Responsible Vendor Training Pilot Program every twenty-four (24) months.

E. Online or in-person training is at the discretion of the Department of Health and Human Services. Nothing in this Section shall prevent the City from becoming a training provider under any similar program for Dispensaries implemented by the State.

F. Within three (3) years of the establishment of the program, the City Council will consider the available data and determine whether and how to continue the program. This Section shall remain in effect until revoked by the City Council.

DIVISION V - CULTIVATION OPERATING CONDITIONS

In addition to the general operating requirements set forth in Division III of this Chapter, this Division provides additional requirements for Cultivators.

5.92.1010 Compliance.

A. Cultivation shall always be conducted in accordance with State and local laws and regulations related to cultivation, zoning, grading, electricity, water usage, water quality, fish and wildlife habitat protection, wastewater discharges, pesticides, and fertilizers, handling and storage of gases, and employee safety.

B. Cultivation shall always be conducted in such a way as to

1 ensure the health, safety, and welfare of the public, the employees working
2 at the cultivation site, neighboring properties, to protect the environment
3 from harm to waterways, fish, and wildlife; to ensure the security of the
4 cannabis; and to safeguard against the diversion of cannabis for unlicensed
5 purposes.

6 5.92.1015 Outdoor cultivation prohibited.

7 All cultivation shall occur indoors, and only on a site holding a valid Adult-
8 Use Cannabis Business Permit from the City pursuant to this Chapter. All outdoor
9 or mixed light cultivation is prohibited, including but not limited to, the use of
10 greenhouses.

11 5.92.1020 Maximum canopy size.

12 A. The total canopy size on one (1) premises shall not exceed
13 the maximum number of square feet authorized by State license
14 classifications Type 1A, Type 1C, Type 2A, Type 3A, and Type 4.

15 B. The total canopy size on one (1) premises shall not exceed
16 the maximum number of square feet identified in the application and
17 authorized by the Adult-Use Cannabis Business Permit. Permittees shall
18 obtain written permission from the City prior to engaging in any activity that
19 results in an increase of the square feet of maximum canopy authorized by
20 the Adult-Use Cannabis Business Permit.

21 5.92.1025 Extension cords prohibited.

22 The use of extension cords to supply power to any electrical equipment
23 used in cultivation is prohibited. All electrical equipment used in cultivation shall be
24 plugged directly into a wall outlet or otherwise hardwired.

25 5.92.1030 Interior lighting.

26 All lighting used for indoor cultivation shall be fully shielded, downward
27 casting, and shall not spill over onto structures, other properties, or into the night
28 sky. Indoor cultivation lighting shall be contained so that little to no light escapes

1 and any light that escapes from the cultivation site shall be at a level that is not
2 visible from neighboring properties between sunset and sunrise.

3 5.92.1035 Environmental control systems.

4 A. In addition to the general odor control and ventilation
5 requirements in Section 5.92.540, every Cultivator shall implement
6 environmental control systems to minimize and/or prevent the likelihood of
7 mold and mildew growth. Cultivators shall regularly test for mold and
8 mildew within the cultivation site.

9 B. Environmental control systems at a cultivation site shall
10 include a range of environmental control technologies and practices to
11 control humidity levels, illumination, heating, cooling, air circulation, and
12 ventilation.

13 C. Compatibility with odor prevention and ventilation systems.
14 Cultivators shall implement an environmental control system that is
15 adequately compatible with any odor control prevention and ventilation
16 systems at the cultivation site. For purposes of this Section, “adequately
17 compatible” means that any environmental control systems and odor control
18 systems operating at the cultivation site operate concurrently to prevent
19 cannabis odors from being detected outside the cultivation site, while still
20 allowing for the permittee to successfully cultivate.

21 5.92.1040 Water source.

22 Cultivators shall comply with California Water Code Section 13149 and any
23 implementing regulations, policies, or guidelines adopted by the State Water
24 Resources Control Board regarding water usage, the diversion of water, and the
25 discharge of waste while cultivating cannabis.

26 5.92.1045 Carbon dioxide testing.

27 Cultivators shall test carbon dioxide levels within cultivation areas at the
28 cultivation site, if carbon dioxide is added to the air. No carbon dioxide shall be

1 utilized for cultivation without prior inspection and approval of the City's Building
2 Official and the Fire Code Official.

3 5.92.1050 Storage and use of compressed gas.

4 A. Storage and use of compressed gases in compressed gas
5 containers, cylinders, tanks, and systems used for cultivation shall comply
6 with this Code and the California Fire Code.

7 B. Any compressed gases used in cultivation shall not be stored
8 on any property within the City in containers that exceed the amount that is
9 approved by the Fire Code Official and authorized by the Adult-Use
10 Cannabis Business Permit.

11 5.92.1055 Pesticides.

12 A. Cultivators shall comply with all applicable federal, State and
13 local laws and regulations regarding use, storage, and disposal of
14 pesticides and fertilizers, including, without limitation, those enforced by the
15 State Department of Food and Agriculture and State Department of
16 Pesticide Regulation. Cultivators shall ensure hazards are not created on
17 the permitted premises by the use or storage of chemicals, fertilizers,
18 materials, processes, products, or wastes.

19 B. Pesticides, insecticides, and/or fertilizers prohibited by federal,
20 state, or local law for fertilization or production of edible produce shall not
21 be used for cultivation.

22 C. Employee safety. At a minimum, Cultivators using pesticides
23 shall protect all employees from exposure to pesticides by following
24 pesticide labels; providing required personal protective equipment;
25 providing access to pesticide labels, safety information, and training on an
26 annual basis; properly ventilating all areas of the cultivation site; and proper
27 storage, handling, and disposal of pesticides in compliance with State,
28 federal, and local laws and regulations pertaining to pesticide use and

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worker safety.

5.92.1060 Packaging and labeling.

A. All cannabis packaged and/or labeled by a Cultivator shall meet the provisions of packaging and labeling requirements specified by State law, including but not limited to, California Business and Professions Code Division 5 (“Weights and Measures”) and Division 10 (“Cannabis”) and any regulations implemented and enforced by the Bureau of Cannabis Control, the State Department of Public Health, or State Department of Food and Agriculture.

B. Prior to distribution and transportation, a Cultivator shall package and seal all cannabis in tamper-evident packaging and use a unique identifier of the harvest batch to identify and track said cannabis.

C. Product labels. All labels for cannabis shall include all of the following: all required government warnings; the net weight of cannabis in the package; source and the date of cultivation; the type of cannabis; the date of packaging; and the product’s unique identifier for the harvest batch.

D. Packaging that makes cannabis attractive to children or imitates candy is prohibited.

5.92.1065 Accurate weights and measures.

A. Weighing devices used by a Cultivator shall be approved, tested, sealed, and registered with the Los Angeles County Agricultural Commissioner/Weights and Measures in compliance with California Business and Professions Code Division 5 (“Weights and Measures”) and Division 10 (“Cannabis”), any regulations implemented by the State Department of Food and Agriculture, and all other applicable local, State, and Federal laws.

B. Cultivators are prohibited from using scales, weights, or measures that do not accurately conform to the standard of weights and

1 measures of the State and county.

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DIVISION VI - MANUFACTURING OPERATING CONDITIONS

In addition to the general operating requirements set forth in Division III of this Chapter, this Division provides additional requirements for Manufacturers.

5.92.1110 Compliance.

A. The manufacture of cannabis products shall comply with the standards set by State and local law, including but not limited to those related to volatile and nonvolatile extractions; labeling, packaging, repackaging, and relabeling; infusions; safety; discharges; waste disposal; processing, handling, and storage of solvents or gases; and food handling.

B. Manufacturers shall only be allowed to engage in the manufacture of cannabis authorized by State law and in the Adult-Use Cannabis Business Permit issued for the premises. No additional manufacturing activities may be conducted without applying for, and receiving written permission, from the City for said additional activity.

C. The manufacture of cannabis products shall be conducted in a manner to ensure the operation does not pose a significant threat to the health, safety, and welfare of the public or to neighboring properties.

5.92.1115 Additional ventilation requirements.

A. In addition to the general odor control and ventilation requirements in Section 5.92.540, Manufacturers shall utilize adequate ventilation or control equipment to minimize dust, odors, and vapors (including steam and noxious fumes) in areas where they may cause allergen cross-contact or contamination of cannabis products.

B. Fans and other air-blowing equipment used at a manufacturing facility shall be used in a manner that minimizes the potential

1 for allergen cross-contact and contamination of manufactured cannabis
2 products or packaging materials and contact surfaces intended for
3 manufactured cannabis handling or production.

4 5.92.1120 Sanitation standards.

5 A Manufacturer shall comply with sanitation standards equivalent to the
6 California Retail Food Code (Part 7 (commencing with Section 113700) of Division
7 104 of the California Health and Safety Code) for food preparation, storage,
8 handling, and sale of products. Cannabis, including concentrated cannabis in a
9 cannabis product, manufactured in compliance with this Chapter and State law is
10 not considered an adulterant under this Chapter.

11 5.92.1125 Quality and preventative controls.

12 A. Quality control. A Manufacturer shall employ quality control
13 personnel and establish standard operating procedures that comply with
14 current good manufacturing practices, as outlined by the State Department
15 of Public Health and the U.S. Food and Drug Administration.

16 B. Preventative controls. All Manufacturers have a continuous
17 obligation to identify and/or evaluate known or reasonably foreseeable
18 hazards and implement written preventive controls to significantly minimize
19 or prevent manufactured cannabis products from becoming adulterated or
20 misbranded.

21 5.92.1130 Standard operating procedures.

22 A Manufacturer creating cannabis extracts shall develop standard operating
23 procedures, good manufacturing practices, and a training plan prior to producing
24 extracts for the marketplace.

25 5.92.1135 Fire Code Official approval required.

26 Manufacturers conducting extractions, including any professional closed
27 loop systems or equipment used in extraction or processing, shall be approved for
28 their use by the Fire Code Official and shall comply with the following

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requirements:

A. Any required fire, safety, and building code requirements specified in the California Building and Fire Codes, as adopted by the City.

B. Any State laws and regulations implemented and enforced by the State Department of Public Health.

5.92.1140 Vacuum ovens.

A. Vacuum ovens shall not be used to process volatile solvents or flammable/combustible liquids contained in cannabis concentrate unless said vacuum oven is rated to process the vapors of volatile solvents or flammable/combustible liquids, such as a vacuum oven that is rated with an explosion-proof classification.

B. Manufacturers conducting extractions with a vacuum oven shall take adequate precautions to ensure that any cannabis concentrate introduced into said oven does not contain volatile solvents or flammable/combustible liquids.

C. All vacuum ovens used in the manufacture of cannabis products shall be listed by a Nationally Recognized Testing Laboratory (NRTL).

5.92.1145 Doors to extraction room.

Doors to any room where Manufacturers use volatile solvents, hazardous materials, or flammable/combustible liquids in the manufacture of cannabis shall swing in the direction of egress, be self-closing and/or self-latching, and be provided with panic hardware.

5.92.1150 Refrigerators.

A. Volatile solvents, hazardous chemicals, and flammable/combustible liquids, including volatile solvents, hazardous chemicals, and flammable/combustible liquids contained in concentrated cannabis or cannabis goods, shall be stored in a refrigerator, refrigerated

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storage, or a freezer rated to store flammable liquids.

B. Manufacturers shall store and process all volatile solvents or flammable/combustible liquids, including concentrated cannabis and manufactured cannabis that contains volatile solvents or flammable/combustible liquids, in refrigerators, refrigerated storage, or freezers rated to store flammable liquids which are, at a minimum, rated “Lab-Safe” or “Flammable Safe.”

5.92.1155 Closed loop system required.

A. Chemical extractions using carbon dioxide or a volatile solvent shall be conducted in a professional and commercially manufactured closed loop extraction system that has been certified by a California-licensed engineer. All professional and commercially manufactured closed loop systems shall bear a permanently affixed and viable serial number.

B. No closed loop systems shall be utilized without prior inspection and approval of the Fire Code Official.

C. Certification requirements.

1. Certifications from a California-licensed engineer of any closed loop system used by a Manufacturer shall be provided to the Fire Code Official to certify that the system was 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:

- a. The American Society of Mechanical Engineers (ASME);
- b. American National Standards Institute (ANSI);
- c. Underwriters Laboratories (UL); or
- d. The American Society for Testing and Materials (ASTM).

2. The certification document required pursuant this

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subsection shall contain the signature and stamp of the professional engineer and serial number of the extraction unit being certified.

D. Training required. Any person using solvents or gases in a closed looped system to create cannabis extracts shall be fully trained on how to use the system, have direct access to applicable material safety data sheets, and handle and store the solvents and gases safely in compliance with State and local laws and regulations.

5.92.1160 Volatile and nonvolatile solvents permitted.

A. Manufacturers may only use volatile solvents or gases approved by the Fire Code Official and State law for extractions. Manufacturers may use nonvolatile solvents or mechanical processes to create or refine extracts, if approved by the Fire Code Official.

B. Any extraction process must use solvents or gases in a professional grade closed loop extraction system designed to recover the solvents and work in an environment with proper ventilation. Manufacturers shall control all sources of ignition where a flammable atmosphere is or may be present.

5.92.1165 Change in solvent.

A. Any Manufacturer that changes the medium of extraction or solvent used in manufacturing from the technical report previously approved by the Fire Code Official shall submit a revised technical report for approval of the Fire Code Official prior to the use of the equipment with said new medium or solvent. The technical report shall be revised at the cost of the Manufacturer.

B. If the original engineer of record that drafted the last approved technical report is not available, then the Manufacturer shall comply with the following requirements prior to submitting a revised technical report to the Fire Code Official that has been drafted by a new engineer of record:

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1. The Manufacturer shall submit the new engineer’s educational background and professional experience specific to the review and approval of system, equipment, and processes with like hazards of those associated with the extraction system to the Fire Code Official.

2. Once the proof of qualifications is deemed acceptable by the Fire Code Official, the engineer of record shall produce the technical report and the report shall be signed and sealed in accordance with State requirements. The proof of qualifications shall include documentation indicating the person is a professional engineer licensed in the State.

5.92.1170 Storage and use of compressed gas.

A. Storage and use of compressed gases in compressed gas containers, cylinders, tanks, and systems used for cannabis manufacturing shall comply with this Code and the California Fire Code.

B. Any compressed gases used in the manufacturing process shall not be stored on any property within the City in containers that exceed the amount that is approved by the Fire Code Official and authorized by the Adult-Use Cannabis Business Permit.

5.92.1175 Hazardous material requirements.

Manufacturers that use and generate hazardous materials or hazardous waste shall comply with all applicable hazardous material regulations for hazardous waste generators and hazardous material handling requirements and shall maintain any applicable permits from the Certified Unified Program Agency (CUPA) of Long Beach for said regulations and requirements.

5.92.1180 Edible cannabis products.

A. The manufacture, distribution, and transportation of edible cannabis products shall be conducted in a manner that complies with all applicable food safety laws for the protection of humans consuming cannabis.

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B. Cannabis facility requirements and limitations.

1. All products, storage facilities, utensils, equipment, and materials used for the manufacture of edible cannabis products shall be approved, used, managed, and handled in accordance to the provisions of all State and local laws regarding the preparation, distribution, labeling, and sale of food.

2. Any manufacturing site that proposes to prepare, store, dispense, and distribute edible cannabis products shall comply with the relevant provisions of all State and local laws regarding the preparation, distribution, labeling, and sale of food.

3. No food production shall be allowed in a facility where edible cannabis products are manufactured to avoid the unintentional contamination of non-cannabis foods with cannabis.

4. Facilities where edible cannabis products are manufactured shall be constructed, permitted, operated, and inspected in accordance with the applicable building code and applicable food safety requirements.

5.92.1185 Food handler certification.

All owners, employees, volunteers, or other individuals that participate in the production of edible cannabis products shall be State certified food handlers. The valid certificate number of each such owner, employee, volunteer, or other individual shall be on record at the permitted premises where said individual participates in the production of edible cannabis products.

5.92.1190 Packaging and labeling.

A. All manufactured cannabis products packaged and/or labeled by a Manufacturer shall meet the provisions of packaging and labeling requirements specified by State law, including but not limited to, California Business and Professions Code Division 5 (“Weights and Measures”) and

1 Division 10 (“Cannabis”), and any regulations implemented and enforced by
2 the Bureau of Cannabis Control or the State Department of Public Health.

3 B. Packaging that makes cannabis products attractive to children
4 or imitates candy is prohibited.

5 C. Prior to release of a product to a Distributor, Manufacturers
6 shall package and seal all cannabis products in tamper-evident packaging
7 and use a unique identifier for the manufactured cannabis batch to identify
8 and track the cannabis products.

9 D. Edible cannabis products shall not exceed 10 milligrams of
10 tetrahydrocannabinol (THC) per serving. The THC content for the edible
11 cannabis product in its entirety shall be printed on the edible cannabis
12 product packaging.

13 5.92.1195 Accurate weights and measures.

14 A. Manufacturers shall maintain all weighing devices in good
15 working order, approved, tested, sealed, and registered with the Los
16 Angeles County Agricultural Commissioner/Weights and Measures in
17 compliance Division 5 (“Weights and Measures”) of the California Business
18 and Professions Code, any regulations implemented by the Manufactured
19 Cannabis Safety Branch, and all other applicable local, State, and Federal
20 laws.

21 B. Manufacturers are prohibited from using scales, weights, or
22 measures that do not accurately conform to the standard of weights and
23 measures of the State and county.

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25 DIVISION VII – SHARED USE MANUFACTURING OPERATING CONDITIONS

26 Manufacturing facilities may be shared, containing multiple licensed permit
27 holders for a single premises. In addition to the general operating requirements set
28 forth in Division III and the manufacturing operating requirements set forth in

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Division VI of this Chapter, this Division provides additional requirements for Shared Use Manufacturing.

5.92.1210 Compliance

A. The manufacture of cannabis products in shared-use facilities shall comply with the standards set by State and local law, including but not limited to those related to volatile and nonvolatile extractions; labeling, packaging, repackaging, and relabeling; infusions; safety; discharges; waste disposal; processing, handling, and storage of solvents or gases; and food handling.

B. Manufacturers shall only be allowed to engage in the manufacture of cannabis authorized by State law and in the Adult-Use Cannabis Business Permit issued for the premises. No additional manufacturing activities may be conducted without applying for, and receiving written permission, from the City for said additional activity.

C. The manufacture of cannabis products shall be conducted in a manner to ensure the operation does not pose a significant threat to the health, safety, and welfare of the public or to neighboring properties.

5.92.1215 Equity licenses prioritized.

A. The City shall accept applications for Shared Use Manufacturing Operator Licenses from Verified Equity Businesses only for a period of one (1) year, or until fifteen (15) Operator licenses have been issued, whichever occurs sooner. The one-year period shall not start until the date the City begins accepting applications for Shared Use Manufacturing Operator Licenses.

B. After the one-year period has concluded, the City shall begin accepting applications from all qualifying applicants for the Shared Use Manufacturing Operator license pursuant to this chapter.

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5.92.1220 Principal Licensees.

A. Shared-use manufacturing facilities are required to have a Principal Licensee, who is responsible for the facility.

B. The principal licensee shall operate the shared-use facility in accordance with the conditions of operation specified in this Chapter.

C. The shared-use manufacturing principal licensee shall be responsible for ensuring the facility meets all applicable requirements of this Chapter.

D. No cannabis manufacturer shall operate as a shared-use manufacturing facility without prior approval of the City.

E. Licensed cannabis manufacturers in good standing may request to operate as a shared-use manufacturing facility on a form prescribed by the Director of Financial Management.

5.92.1225 Operator Licensees.

A. Operator licenses will only be issued to businesses that have received written authorization to operate in a licensed shared-use manufacturing facility.

B. Operator Licensees may only conduct the following operational activities:

1. Infusions, as defined by this Chapter;
2. Packaging and labeling of cannabis products; and,
3. Extractions with butter or food-grade oils, provided that

the resulting extract or concentrate shall be used solely in the manufacture of the Operator Licensee's infused product and shall not be sold to any other licensee.

C. Operator licensees shall have a separate license for each shared-use manufacturing facility where they are conducting manufacturing operations.

1 D. Operator Licensees may only operate at the facility identified
2 by their license and during the hours set forth in the occupancy schedule.

3 5.92.1230 Exemptions.

4 A. Operator Licensees are exempt from the following provisions
5 of this Chapter:

- 6 1. 5.92.215.3.d (Proof that the applicant has the legal
7 right to occupy and use the premises for commercial cannabis activity)
- 8 2. 5.92.250 (One applicant per address)
- 9 3. 5.92.425 (Noncompliant locations)
- 10 4. 5.92.435 (Premises Requirements)
- 11 5. 5.92.860 (Subletting prohibited)

12 5.92.1235 Use agreements.

13 A. The Principal licensee and the Operator Licensee(s) may take
14 part in a use agreement which may allocate responsibility for providing and
15 maintaining commonly used equipment and services, including, but not
16 limited to, security systems, fire monitoring and protection services, and
17 waste disposal services. However, such agreement is not binding on the
18 City and the City may take enforcement action against either the principal
19 licensee or the Operator Licensee(s), regardless of the allocation of
20 responsibility in the use agreement.

21 5.92.1240 Designated areas.

22 A. The Principal licensee will identify and assign each Operator
23 Licensee a “designated area” that, at a minimum:

- 24 1. Is for exclusive use by the Operator Licensee; and,
- 25 2. Provides an area for storage that is secure, fixed in
26 place, locked with a commercial-grade lock, and accessible only to the
27 Operator Licensee for storage of that Operator Licensee’s cannabis,
28 cannabis concentrates, and cannabis products.

1 B. The designated area for an Operator Licensee shall not be
2 altered without prior notification to the City. Prior to making any changes to
3 the designated area, written notification shall be submitted to the City that
4 includes the intended changes. The City shall approve all changes prior to
5 the designated area being altered.

6 5.92.1245 Common-use areas.

7 A. The Principal licensee will identify and assign common-use
8 area(s) authorized for use by the Operator Licensee.

9 B. Any part of the premises used for manufacturing activities that
10 is a common-use area shall be occupied by only one licensee at a time by
11 restricting the time period that each licensee may use the common-use
12 area. During the assigned time period, one licensee shall have sole and
13 exclusive occupancy of the common-use area.

14 C. The principal licensee may conduct manufacturing activities
15 as permitted under its medical or adult-use manufacturing license and may
16 use the common-use area during its scheduled time period.

17 5.92.1250 Occupancy schedules.

18 A. The Principal licensee is responsible for providing an
19 occupancy schedule that identifies the days and/or times each Operator
20 Licensee is authorized to use the common-use area(s).

21 B. The occupancy schedule shall be prominently posted near the
22 entrance to the licensed shared-use facility.

23 C. The occupancy schedule shall not be altered without prior
24 notification to the City. Prior to making any changes to the occupancy
25 schedule, written notification shall be submitted to the City that includes the
26 intended changes.

27 5.92.1255 Facility restrictions.

28 The use of the shared use facility shall be restricted to the principal licensee

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and Operator Licensees authorized by the City to use the shared-use facility.

5.92.1260 Facility modifications.

The use of the shared use facility shall be restricted to the principal licensee and Operator Licensee(s) authorized by the City to use the shared-use facility.

5.92.1265 Cannabis waste.

Any cannabis product or other materials remaining after an Operator Licensee ceases operation and discontinues use of its designated area shall be considered cannabis waste and disposed of by the principal licensee consistent with the requirements of this Chapter.

5.92.1270 Product recalls or embargoes.

In the event of a recall or embargo of a cannabis product produced at a shared-use facility, the City, in its sole discretion, may include any or all cannabis products produced at the shared-use facility.

5.92.1275 Discontinuing operations.

A Principal Licensee that wishes to discontinue operation as a shared-use facility may do so by providing written notice to the City and each Operator Licensee authorized to use the shared-use facility at least thirty (30) calendar days prior to the effective date of the cancellation.

5.92.1280 Violations.

A Principal licensee or an Operator Licensee is liable for any violation found at the shared-use facility during that licensee's scheduled occupancy or within that licensee's designated area. However, a violation of any provision of the Chapter may be deemed a violation for which each Operator Licensee and the principal licensee are responsible. In the event of a recall or embargo of a cannabis product produced at a shared-use facility, the City, in its sole discretion, may include any or all cannabis products produced at the shared-use facility.

DIVISION VIII - DISTRIBUTION OPERATING CONDITIONS

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In addition to the general operating requirements set forth in Division III of this Chapter, this Division provides additional requirements for Distributors.

5.92.1310 Compliance.

A. A Distributor and the premises shall meet all health protection operating criteria for the distribution of cannabis goods as required by State law and regulations implemented and enforced by the Bureau of Cannabis Control.

B. Distributors shall transfer cannabis goods only between State licensees.

5.92.1315 Transport Only Distributor.

A. Transport Only Distributor may transport cannabis goods between State licensees if the transport, and the type of cannabis goods transported, is authorized by State and local law.

B. A Transport Only Distributor shall comply with all provisions required by this Code and State law for Distributors, except for those related to quality assurance and testing.

C. A Transport Only Distributor shall not hold title to any cannabis goods unless said Transport Only Distributor also holds a State-issued Cultivation, Manufacturing, Retailer, or Microbusiness license.

D. Transport Only Distributors shall not be authorized to:

1. Engage in the delivery of cannabis goods to a customer; or
2. Engage in the wholesale, destruction, packaging, labeling, or storing of cannabis goods; or
3. Arrange for the testing of cannabis goods by a Testing Laboratory.

5.92.1320 Storage.

1 A. Separate and distinct. Distributors shall ensure that each
2 batch is stored separately and distinctly from every other batch on the
3 Distributor's premises.

4 B. Labels required for batch storage containers. Distributors shall
5 ensure a label with the following information is physically attached to each
6 container of each batch: the Manufacturer or Cultivator's name and State
7 license number; the date of entry into the Distributor's storage area; the
8 unique identifiers and batch number associated with the batch; a
9 description of the cannabis goods with enough detail to easily identify the
10 batch; and the weight of or quantity of units in the batch.

11 C. A Distributor shall store cannabis goods in a building designed
12 to permit control of temperature and humidity and shall prevent the entry of
13 environmental contaminants such as smoke and dust. The area in which
14 cannabis goods are stored shall be vermin proof and shall not be exposed
15 to direct sunlight. Distributors shall not store cannabis goods outdoors.

16 D. Storage-only services. Distributors may provide cannabis or
17 cannabis product storage-only services to a Cultivator, Manufacturer, or
18 other Distributor, which are unrelated to the quality assurance and
19 laboratory testing processes required of the Distributor.

20 5.92.1325 Quality assurance.

21 A. Distributors shall ensure compliance with any requirements for
22 packaging and labeling cannabis goods pursuant to State and local law and
23 regulations.

24 B. After taking physical possession of a cannabis batch, the
25 Distributor shall meet all testing requirements and procedures as required
26 by local and State law and regulations. Upon the request of the City
27 Manager, the Distributor shall immediately make available the results of all
28 tests performed on each cannabis batch by a certified State licensed

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Laboratory.

C. A Distributor shall only procure, sell, or transport cannabis goods that are packaged and sealed in tamper-evident packaging that use a unique identifier, such as a batch and lot number or bar code, to identify and track the cannabis goods.

5.92.1330 Transport.

A. Documentation during transport. Transporters shall carry a physical or electronic copy of the shipping manifest for the transport of cannabis goods, a copy of the Distributor’s current permits and/or licenses required by the State and City, the Transporter’s government-issued identification, and an identification badge provided by the Distributor. All documentation shall be made available upon request to the City Manager or Chief of Police.

B. Transporters shall be at least twenty-one (21) years of age and shall have a valid California Driver's License.

C. Vehicle standards. A Distributor shall only allow transport of cannabis goods in a vehicle:

1. That is capable of securing (locking) the cannabis goods during transportation.
2. That is capable of being time and/or temperature controlled if perishable cannabis goods are being transported.
3. That does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for cannabis transport or affiliated with a Commercial Cannabis Business.

D. Inspections. Any motor vehicle used by a Distributor to transport cannabis goods is subject to inspection by the City Manager or Chief of Police and may be stopped during transport, delivery, or pick-up of cannabis goods for inspection.

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5.92.1335 Accurate weights and measures.

A. Distributors shall maintain all weighing devices in good working order, approved, tested, sealed, and registered with the Los Angeles County Agricultural Commissioner/Weights and Measures in compliance Division 5 (“Weights and Measures”) of the California Business and Professions Code, any applicable State laws and regulations implemented by the State or its departments or divisions, and all other applicable local, State, and Federal laws.

B. Distributors are prohibited from using scales, weights, or measures that do not accurately conform to the standard of weights and measures of the State and county.

5.92.1340 Records.

A. In addition to records generally required of all Adult-Use Cannabis Businesses, every Distributor shall maintain records specific to the operation, including but not limited to: records relating to branding, packaging and labeling; inventory logs and records; transportation bills of lading and shipping manifests for completed transports and for cannabis goods in transit; vehicle and trailer ownership records; quality-assurance records; records relating to destruction of cannabis goods; laboratory-testing records; warehouse receipts; records relating to tax payments collected and paid. The Distributor shall make all records available to the City upon request.

B. Storage records. A Distributor shall maintain a written contract with other State licensees storing cannabis goods on the Distributor's premises. A Distributor shall maintain a separate storage inventory log for every State licensee storing cannabis goods on the Distributor's premises. The Distributor's storage inventory logs and written contracts shall be provided to the City Manager upon request. All inventory documents shall

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contain the identity and State license number of all contracting parties.

C. A Distributor shall maintain a database, and provide to the City upon request, a list of the individuals and vehicles authorized to conduct transportation on behalf of the Distributor.

DIVISION IX - TESTING LABORATORY OPERATING CONDITIONS

In addition to the general operating requirements set forth in Division III of this Chapter, this Division provides additional requirements for Testing Laboratories.

5.92.1410 Compliance.

All laboratory testing of cannabis goods shall be performed in accordance with this Chapter, this Code, and any applicable State law and regulations, implemented and enforced by the State and its divisions and departments.

5.92.1415 No other employment or interest.

No owner or employee of a Laboratory may be employed by, or have any ownership or financial interest, in any other type of commercial cannabis activity.

5.92.1420 Laboratory employee requirements.

Laboratory employees shall meet the experience, education, and training requirements specified and required by the State or any of its departments and divisions.

5.92.1425 Certificate of accreditation required.

Every Laboratory shall hold a valid certificate of ISO/IEC 17025 accreditation, issued by an accreditation body that attests to the Laboratory's competence to perform testing of the cannabis goods for compounds and contaminants, in compliance with State laws and regulations for cannabis testing. Said accreditation body shall be a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement for testing. The

1 certificate of accreditation shall be kept at the premises.

2 5.92.1430 Standard operating procedures.

3 A Laboratory shall adopt a standard operating procedure using methods
4 consistent with general requirements established by the International Organization
5 for Standardization, specifically ISO/IEC 17025, to test cannabis goods, and shall
6 operate in compliance with State law at all times.

7 5.92.1435 Chain of custody controls.

8 A Laboratory shall establish standard operating procedures that provide for
9 adequate chain of custody controls for samples transferred to the Laboratory for
10 testing.

11 5.92.1440 Certificate of Analysis.

12 A Laboratory shall generate a Certificate of Analysis (COA) for all
13 representative samples analyzed by the Laboratory in compliance with State law
14 and any regulations implemented and enforced by the Bureau of Cannabis
15 Control.

16 5.92.1445 Annual audit.

17 A Laboratory shall conduct an internal audit at least once per year or
18 according to the ISO Accrediting Body and the State's requirements, whichever is
19 more frequent.

20 5.92.1450 Transportation and storage of testing samples.

21 Every Laboratory shall ensure samples are transferred, transported, and
22 securely stored in a manner that prevents degradation, contamination, and
23 tampering, and in compliance with labeling on the cannabis product pursuant to a
24 specified chain of custody protocol.

25 5.92.1455 Destruction of samples.

26 A Laboratory shall destroy the remains of samples of any cannabis goods
27 upon completion of analyses, and after the expiration of any post-testing sample
28 retention period, in compliance with State law and any regulations implemented

1 and enforced by the Bureau of Cannabis Control.

2 5.92.1460 Additional ventilation requirements.

3 In additional to the general odor control and ventilation requirements in
4 Section 5.92.540, the Laboratory shall implement adequate ventilation or control
5 equipment to minimize dust, odors, and vapors (including steam and noxious
6 fumes) in areas where they may cause allergen cross-contact or contamination of
7 cannabis products. Fans and other air-blowing equipment used at a Laboratory
8 premises shall be used in a manner that minimizes the potential for allergen cross-
9 contact and contamination of cannabis goods.

10 5.92.1465 Hazardous material requirements.

11 Laboratories that use and generate hazardous materials or hazardous
12 waste shall comply with all applicable hazardous material regulations for
13 hazardous waste generators, and hazardous materials handling requirements and
14 shall maintain any applicable permits for these programs from the Certified Unified
15 Program Agency (CUPA) of Long Beach.

16 5.92.1470 Records.

17 A Laboratory shall ensure the transport, handling, storage, and destruction
18 of samples are accurately documented. All documentation and the results of all
19 testing shall be maintained as a part of the required records of the Laboratory.

20
21 DIVISION XI - ENFORCEMENT AND PENALTIES

22
23 5.92.1510 Violations generally.

24 A. It is unlawful for any person to violate any provision, or to fail
25 to comply with any of the conditions or requirements of this Chapter, or any
26 regulation adopted pursuant to it.

27 B. Separate violation. Every day, during any portion of which,
28 any violation of this Chapter is committed, continued, or allowed to continue

1 is a separate offense and is subject to all remedies and enforcement
2 measures authorized by this Code.

3 C. Every cannabis plant, including both immature and mature
4 plants, cultivated in violation of this Chapter by an illegal cannabis operation
5 constitutes a separate violation subject to the penalties of this Chapter.

6 D. Paying a fine or serving a jail sentence does not relieve any
7 person from responsibility for correcting any condition that violates any
8 provision of this Chapter.

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

12 F. Violation of any provision of this Chapter shall be considered
13 a strict liability; accordingly, the City shall not be required to prove
14 knowledge, criminal intent, or any other mental state to establish a violation
15 of this Chapter.

16 5.92.1515 Remedies cumulative.

17 A. The remedies provided for in this Chapter are not mutually
18 exclusive. Pursuit of any one remedy does not preclude the City from
19 availing itself of any or all available administrative, civil, or criminal
20 remedies, at law or equity. The remedies provided by this Chapter are
21 cumulative and in addition to any other remedies available at law or in
22 equity.

23 B. This Chapter does not limit the City's additional remedies for
24 recovering taxes or damages in accordance with any applicable law
25 including, without limitation, cannabis business taxes owed by an unlawful
26 Commercial Cannabis Business pursuant to Chapter 3.80 of this Code.

27 5.92.1520 Declaration of public nuisance.

28 A. Any violation of the provisions of this Chapter is hereby

1 deemed unlawful and a public nuisance.

2 B. As a nuisance per se, any violation of this Chapter is subject
3 to any of the following remedies, including, without limitation: injunctive
4 relief, revocation of applicable permits or licenses, revocation of the
5 certificate of occupancy for the real property where the violation occurred,
6 disgorgement and payment to the City of all monies unlawfully obtained,
7 costs of abatement, costs of investigation, attorney fees, and any other
8 relief or remedy available at law or equity.

9 C. For purposes of notification of nuisance and abatement
10 pursuant to Section 9.37.100 of this Code, a reasonable time limit for a
11 property owner or person to correct or abate the nuisance of an illegal
12 cannabis operation is no less than five (5) calendar days.

13 5.92.1525 Liability of employees and agents.

14 Liability of employees and agents. In construing and enforcing the
15 provisions of this Chapter, the act, omission, or failure of an agent, officer,
16 representative, or other person acting for or employed by an Adult-Use Cannabis
17 Business, within the scope of his or her employment or office, will be in every case
18 be deemed the act, omission, or failure of the Adult-Use Cannabis Business.

19 5.92.1530 Liability of property owners.

20 A. No property owner in charge of, or in possession of, any real
21 property within the City shall cause, permit, maintain, conduct, or otherwise
22 suffer or allow a public nuisance as defined in this Chapter to exist.

23 B. It is the duty of every property owner, and person that controls
24 any real property or interest therein, within the City to remove, abate, and
25 prevent the reoccurrence of the public nuisance upon such real property.
26 Such duty of the property owner exists regardless of whether the property
27 owner is in actual possession of his or her real property, and includes an
28 obligation to act to evict or otherwise remove an illegal cannabis operation

1 who illegally exists or creates a public nuisance upon the property owner's
2 real property.

3 C. In addition to any abatement costs incurred by the City for
4 closing or removing an illegal cannabis operation from private real property,
5 failure of a property owner to voluntarily abate an illegal cannabis operation
6 after notification by the City shall result in the penalties set forth in this
7 Chapter.

8 5.92.1535 Liability of costs, fines, and fees.

9 A. Liability of costs. In any enforcement action brought pursuant
10 to this Chapter, whether by administrative proceedings, judicial
11 proceedings, or summary abatement, every person who causes, suffers,
12 maintains, or permits any illegal cannabis operation and/or operation to
13 exist, or remain in violation of this Chapter, is liable for all actual costs
14 incurred by the City, including, but not limited to: all actual costs for
15 inspection, enforcement, revocation, suspension, abatement, or any other
16 actual costs incurred to undertake, or to cause or compel any responsible
17 party to undertake, any abatement action in compliance with the
18 requirements of this Chapter, including costs of litigation and reasonable
19 attorney's fees, whether those costs are incurred prior to, during, or
20 following enactment of this Chapter.

21 B. Any person may abate an illegal cannabis operation or cause
22 it to be abated at any time prior to commencement of abatement by, or at
23 the direction of, the City Manager. Abatement prior to the hearing does not
24 absolve any person from paying costs, fees, and administrative penalties
25 that accrued up to the date of abatement. Proof of Abatement shall be
26 provided to the Hearing Officer(s) at the time of hearing.

27 C. Liability for cost of destruction. If required by State law,
28 regulation, or court order to destroy any cannabis goods associated with a

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violation of this Chapter, a violator is responsible for the cost of the destruction of cannabis goods associated with said violation.

D. Failure to pay fines and fees. Failure to pay a fine or penalty within thirty (30) calendar days of the date of assessment may result in penalties, suspension, or revocation of the permit, unless the citation is being appealed. The full amount of any assessed fine or penalty may be added to the fee for renewal of the permit.

5.92.1540 Permit suspension, revocation, or denials.

A. Noncompliance. Failure to comply with any of the provisions of this Chapter will constitute grounds for suspension, denial, or revocation of the permit. The noticing and hearing requirements for suspension or revocation of the permit shall be governed by the provisions of Chapter 5.06 of this Code.

B. Cease activity. No person may conduct any business or activity regulated by this Chapter while an application for a permit is pending, at any time after a permit denial or revocation, or while a permit is suspended.

C. Grounds for denial, revocation, or suspension of permit. In addition to the provisions of Chapter 5.06 of this Code, the Director of Financial Management may deny any application for a permit, or revoke or suspend any permit, on the following grounds:

1. A permit application does not satisfy the minimum qualifications or fails to comply with the applicable requirements of this Chapter.
2. Failure to comply with any of the terms and conditions attached to the permit at the time of approval.
3. Any act or omission that violates the requirements of this Code, including any rule, regulation, condition, or standard adopted

1 pursuant to this Chapter, or any other applicable State or local rule, law, or
2 regulation.

3 4. Any act or omission that results in the denial,
4 revocation, or suspension of the permittee's State license.

5 5. Failure to renew the permittee's State license.

6 6. The permit was granted, in whole or in part, based on
7 any written or oral misrepresentation or omission of a material statement in
8 the permit application.

9 7. Conducting a commercial cannabis activity in a manner
10 that constitutes a nuisance, where the permittee has failed to comply with
11 reasonable conditions to abate the nuisance.

12 8. Conviction for any controlled substance felony by an
13 owner after a permit has been issued.

14 9. A person has been, or is, prohibited from having an
15 ownership interest in an Adult-Use Cannabis Business pursuant to Section
16 5.92.265.

17 10. A person has committed a deliberate or willful violation
18 of an applicable law, or applicable rule and regulation related to commercial
19 cannabis activity.

20 5.92.1545 Appeal of permit denial.

21 A. Any applicant pursuant to this Chapter whose application for
22 an Adult-Use Cannabis Business Permit, whose application for such permit
23 has been denied, shall be notified in writing of the denial and their right to
24 file an appeal, pursuant to Section 5.06.030 of this Code, within ten (10)
25 calendar days after the date of mailing of the Notice of such denial.

26 B. Any written request for an appeal of a permit denial pursuant
27 to this Chapter shall include details regarding the denial and the specific
28 ground(s) on which the dispute of the denial is based. At the time of filing

1 the notice of appeal, the applicant shall pay to the Director of Financial
2 Management the fee set by resolution of the City Council for appeals
3 hereunder.

4 C. If the written request is filed within the time period specified,
5 within thirty (30) days following the filing of said written request, the City
6 shall set a hearing to be held not less than ten (10) days nor not more than
7 thirty (30) days thereafter, and such hearing may for good cause be
8 continued by the City.

9 D. The hearing shall be held in accordance with Chapter 2.93 of
10 this Code, except that the matter shall be automatically referred to the City
11 Clerk for selection of a Hearing Officer, without the City Council's referral, in
12 accordance with Subsection 2.93.050.B of this Code.

13 E. Failure to file the written request within the time period
14 specified shall result in waiver of any right to dispute the denial of an
15 application for an Adult-Use Cannabis Business Permit pursuant to this
16 Chapter. Failure of an appellant or their authorized representative to appear
17 at any noticed hearing shall constitute an abandonment of the hearing
18 appeal and shall constitute a failure to exhaust administrative remedies.

19 F. Right to recover costs. In the event a civil action is initiated by
20 the City to enforce any decision under this Section, and a judgment is
21 entered to enforce said decision, any person against whom the order of
22 enforcement has been entered shall be liable to pay the City's total costs of
23 enforcement, including reasonable attorney fees.

24 5.92.1550 Factors for suspension or revocation.

25 A. The City Manager may consider the following factors in
26 deciding whether a permit should be suspended or revoked in accordance
27 with this Chapter, as applicable:

28 1. The nature and severity of the acts, offense, or crimes

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under consideration.

2. Any corrective action taken by the permittee.
3. Prior violations at the permitted premises by the permittee and the effectiveness of prior corrective action.
4. Previous sanctions imposed against the permittee.
5. The number and/or variety of current violations.
6. The likelihood of recurrence.
7. All circumstances surrounding the violation.
8. Whether the violation was willful.
9. Any actual or potential harm to the public.
10. The length of time the permit has been held by the permittee.
11. Evidence of expungement proceedings under Penal Code Section 1203.4.
12. Any other factor that makes the situation unique or the violation of greater concern, with respect to the permittee or the permitted premises.

5.92.1555 Permit reapplications.

A. Whenever an application for a permit is denied, no other application by such permittee will be considered for a period of one (1) year from the date of the denial of an application, with an exception granted to any applicant whose Adult-Use Business License Application was denied solely because the applicant’s proposed premises does not comply with the sensitive use buffers in subsection (1) through (4) of Section 5.92.420.A.

B. Whenever a permit has been revoked, no other similar application by such permittee for an Adult-Use Cannabis Business Permit shall be considered for a period of five (5) years from either the date the notice of the permit revocation was mailed or the date of the final decision

1 of the City Council to revoke the permit, whichever is later.

2 C. The provisions of subsections (A) and (B), above, apply to all
3 of the following:

4 1. Any individual whose permit was revoked or whose
5 application was denied who later becomes a director or officer of a
6 corporation, profit or nonprofit, or a member of a partnership or a person
7 owning or possessing any portion of the shares of a corporation seeking to
8 obtain a new permit.

9 2. A corporation, profit or nonprofit, whose permit was
10 revoked or application was denied, to any of its directors or officers or to
11 any person who owned any portion of its shares, who attempts by way of a
12 new corporation or using their individual names or becoming a member of a
13 partnership or a director or officer or a person owning or possessing any
14 portion of the shares in another corporation seeking to obtain a new permit.

15 D. Effect of suspension, revocation, or denial on Co-Located
16 Cannabis Business Permits.

17 1. Suspension of a permittee's co-located Adult-Use
18 Cannabis Business Permit or Medical Marijuana Business Permit, shall
19 immediately suspend the permittee's other co-located permit for the same
20 premises and permittee's ability to operate a Commercial Cannabis
21 Business within the City, until the City reinstates or reissues permittee's
22 Adult-Use Cannabis Business Permit and Medical Marijuana Business
23 Permit.

24 2. Revocation or termination of a permittee's co-located
25 Adult-Use Cannabis Business Permit or Medical Marijuana Business
26 Permit, shall also immediately revoke, terminate, or surrender permittee's
27 co-located permit for the same premises, and permittee's ability to operate
28 a Commercial Cannabis Business from that premises.

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3. Surrender of the permittee’s co-located Medical Marijuana Dispensary permit shall also immediately revoke, terminate, or surrender the permittee’s co-located Adult-Use Cannabis Dispensary Permit for the same premises, and permittee’s ability to operate a Commercial Cannabis Business from that premises.

E. Effect of suspension, revocation, or denial on State licenses.

1. Suspension of a permittee’s State license shall immediately suspend the permittee’s Adult-Use Cannabis Business Permit, any co-located Medical Marijuana Business Permits for the same premises, and permittee’s ability to operate a Commercial Cannabis Business within the City, until the State, or its respective department or division, reinstates or reissues permittee’s State license.

2. Revocation, termination, or surrender of a permittee’s State license shall immediately suspend the permittee’s Adult-Use Cannabis Business Permit, any co-located Medical Marijuana Business Permits for the same premises, and permittee’s ability to operate a Commercial Cannabis Business within the City.

5.92.1560 Criminal penalty.

Any person who violates any provision of this Chapter is guilty of a misdemeanor, and upon conviction thereof, may be punished by a fine of not more than one thousand dollars (\$1,000.00), or by imprisonment in the City or county jail for a period not exceeding six (6) months, or by both such fine and imprisonment.

5.92.1565 Administrative civil penalties.

A. Administrative citations. In addition to all other legal remedies at law, violations of this Chapter and building, health, and safety violations caused as a result of a violation of this Chapter are enforceable using the administrative citation procedures set forth in Chapter 9.65 of this Code.

1. Administrative citations for violations of this Chapter

1 shall be set by resolution of the City Council pursuant to Chapter 9.65 of
2 this Code for any violation of the Long Beach Municipal Code that could
3 potentially be criminally cited as an infraction.

4 2. Fines for illegal cannabis operations shall be set by
5 resolution of the City Council pursuant to Chapter 9.65 of this Code.

6 B. Administrative penalties imposed pursuant to this Section also
7 constitute a personal obligation on each person who causes, permits,
8 maintains, conducts, or otherwise suffers or allows the nuisance to exist. In
9 the event administrative penalties are imposed pursuant to this Section on
10 two (2) or more persons for the same violation, all such persons are jointly
11 and severally liable for the full amount of the penalties imposed.

12 C. In addition to any other remedy, the City may prosecute a civil
13 action through the City Attorney to collect any administrative penalty
14 imposed pursuant to this Chapter.

15 5.92.1570 Actions for injunctive relief and civil penalties.

16 A. As an alternative, or in addition to any other remedy, the City
17 Attorney may enforce the provisions of this Chapter against any illegal
18 cannabis operation and/or property owner in any court of competent
19 jurisdiction. The City Attorney may apply to such court for an order seeking
20 injunctive relief to abate or remove any nuisance caused, maintained, or
21 permitted by an illegal cannabis operation and/or property owner, to restrain
22 any illegal cannabis operation and/or property owner from taking any action
23 contrary to the provisions of this Chapter or other applicable law; and/or to
24 require any illegal cannabis operation and/or property owner to take any
25 action to comply with this Chapter or other applicable law.

26 B. In any civil court action brought by the City Attorney pursuant
27 to this Section in which the City succeeds in obtaining an order from the
28 court, the City shall be entitled to recover from an illegal cannabis operation

1 and/or property owner all of the City's costs of investigation, enforcement,
2 abatement, destruction, and litigation, including but not limited to attorneys'
3 fees.

4 C. Civil penalties.

5 1. The City is entitled to recover civil penalties against an
6 illegal cannabis operation and/or property owner a maximum amount of five
7 thousand dollars (\$5,000.00) per violation for each day an illegal cannabis
8 operation is operated, permitted, or maintained on the subject property, and
9 the court may order the destruction of cannabis associated with that
10 violation in accordance with California Health and Safety Code Section
11 11479.

12 2. In assessing the amount of a civil penalty, the court
13 shall consider any one or more of the relevant circumstances presented by
14 any of the parties to the case, including, but not limited to, the following:

- 15 a. The nature and seriousness of the violation;
- 16 b. Any economic benefit gained through the
17 violation;
- 18 c. The number of violations;
- 19 d. The length of time over which the violation
20 occurred;
- 21 e. The willfulness of the defendant's violation; and
- 22 f. The defendant's assets, liabilities, and net worth.

23 D. The City Attorney is authorized, without further direction from
24 the City Council, to institute any civil actions permitted pursuant to this
25 Section.

26 5.92.1575 Liens and special assessments.

27 A. Notwithstanding any other provision of this Chapter to the
28 contrary, the costs incurred by the City in the abatement of a violation or

1 nuisance may be placed against any privately owned and affected property
2 as either a nuisance abatement lien or a special assessment lien pursuant
3 to California Government Code Section 38771 et seq., as amended from
4 time-to-time, or a lien pursuant to California Government Code Section
5 54988, as amended from time to time.

6 B. Liens. All actual costs required by this Section constitute a lien
7 upon the property upon which the Adult-Use Cannabis Business is situated.
8 The lien for any inspection, enforcement, or abatement costs may attach
9 thirty (30) days after the responsible parties are notified of the costs, and
10 will remain until the costs are paid or the premises is sold in payment
11 thereof.

12 C. Lien enforcement. The City may enforce a lien under this
13 Chapter in any manner permitted by law, including filing a civil action either
14 to foreclose on its liens or to obtain a money judgment or both, or pursuing
15 non-judicial foreclosure.

16 D. Conversion of liens. The City may elect, upon thirty (30)
17 calendar days written notice to all known and record owners of the privately
18 owned and affected property, to convert any nuisance abatement lien
19 authorized by this Chapter to a special assessment lien, or vice versa.
20 Costs recoverable under this Chapter may include those categories of costs
21 and fees set forth in Civil Code Section 3496, regardless of the type of
22 nuisance involved.

23 E. Special Assessment. If the property is specially assessed,
24 said assessment may be collected at the same time and in the same
25 manner as ordinary real property taxes are collected and will be subject to
26 the same penalties and the same procedure and sale in case of
27 delinquency as provided for ordinary real property taxes. All laws applicable
28 to the levy, collection, and enforcement of real property taxes are applicable

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to the special assessment.

5.92.1580 Prohibited premises sites due to prior illegal cannabis operations.

A. The City may, in its sole discretion, take any action as specified in this subsection.

B. If the City discovers an illegal cannabis operation is currently and/or was operating within the previous sixty (60) days at or on a property, or any portion thereof, without valid State or City permits or licenses the City may take action as specified herein. The City shall notify the property owner in writing of their right to file, within fifteen (15) days after the date of mailing of the Notice, written request of a hearing to the City disputing the alleged illegal cannabis operation. Such written request shall set forth the specific ground(s) on which the dispute is based and the property owner shall pay to the City at the time of filing said written request a filing fee in an amount to be set by resolution of the City Council.

C. Failure to file the written request within the time period specified shall result in waiver of any right to dispute the allegation of operation of an illegal cannabis operation at the subject property. In the event of such waiver, no Commercial Cannabis Business, whether licensed or non-licensed, shall be permitted to operate at the subject property for a period of one (1) year from the 16th day after the date of mailing of the Notice.

D. The illegal cannabis operation and/or property owner shall have the right of appeal as set forth in Section 5.92.1445.

E. Whenever it has been determined that an illegal cannabis operation was and/or is in operation, no Commercial Cannabis Business, whether licensed or non-licensed, shall be permitted to operate at the subject property for a period of one (1) year from the effective date of such determination.

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F. The prohibitions contained in this Section are sufficient grounds to deny any application for operation of a Commercial Cannabis Business or cannabis operation at the subject property received within the one (1) year time.

G. In the event the City revokes a Property Owner's Non-Residential Rental Business License for violating this Chapter, no Commercial Cannabis Business or cannabis operation, whether licensed or non-licensed, is permitted to operate at the subject property for a period of five (5) years from the effective date of revocation of the Non-Residential Rental Business License. Such revocation is sufficient grounds to deny any application for operation of a Commercial Cannabis Business or cannabis operation at the subject property received within the five (5) year period. This prohibition shall also remain in effect in the event a property owner (or an entity owned by or affiliated with such property owner) obtains another Non-Residential Rental Business License anytime within the five (5) year period for the subject property.

5.92.1585 Disconnection of utilities.

A. To the maximum extent permitted by law, and in accordance with the processes thereof, the City may discontinue utility services to any premises upon which an illegal cannabis operation is operating.

B. Prior to the disconnection of utility services, the City must notify, wherever possible, the property owner and occupant of the building, structure, or premises upon which the illegal cannabis operation is operating, of the decision to disconnect the utility service(s) and the reason(s) for service suspension at least seven (7) calendar days before taking such action, unless a different period of notification is mandated by law; provided that the City's Building Official may dispense with any attempt at prior notification if, in the sole discretion of the Building Official, the

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nature or severity of any apparent dangerous hazard justifies such disconnection in accordance with other provisions of this Code.

C. In the event utilities are disconnected, the Building Official must notify the owner or occupant of the building, structure, or premises in writing of the disconnection as soon as practical thereafter.

D. Disconnected utilities shall not be re-established until an inspection has been made by the City's Building Official and the Building Official has determined that the unlawful illegal cannabis operation has ceased operations; that any imminent hazard has been abated or eliminated (if applicable); that the building complies with applicable law; and that any applicable fees for disconnection, reconnection, penalties, and/or other related services have been paid.

E. Removing or defacing a notice posted in relation to this provision shall constitute a separate and distinct violation of this Chapter.

5.92.1590 Medical Marijuana Task Force.

The authority, powers, and duties of the Medical Marijuana Task Force, established pursuant to Section 5.90.260 of this Code, are limited exclusively to the provisions in Chapter 5.90 and shall not extend to any applicant, permittee, Adult-Use Cannabis Business, and/or Medical Marijuana Business electing to engage in commercial cannabis activity pursuant to this Chapter.

5.92.1595 Severability.

In the event, any provision in this Chapter is deemed invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision is ineffective only to the extent of such invalidity, illegality, or unenforceability.

DIVISION XII - EQUITY PROGRAM

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- 5.92.1610 Equity employee eligibility
- A. To be eligible for the Equity Program as an equity employee, an individual shall satisfy the following criteria:
1. Be a natural person; and
 2. In the last year, have had an annual family income at or below eighty percent (80%) Los Angeles – Long Beach – Glendale (Los Angeles County) Area Median Income (AMI) adjusted for family size, and a net worth below \$250,000; and
 3. The individual satisfies at least one of the following criteria:
 - a. Has lived in a Long Beach census tract for a minimum of three (3) years where at least fifty-one percent (51%) of current residents have a household income at or below eighty percent (80%) of the Los Angeles County Area Median Income; or
 - b. Was arrested or convicted for a crime relating to the sale, possession, use, or cultivation of cannabis in the City of Long Beach prior to November 8, 2016 that could have been prosecuted as a misdemeanor or citation under current California law; or
 - c. Is a Long Beach resident currently receiving unemployment benefits.

- 5.92.1615 Equity applicant eligibility.
- A. To be eligible for the Equity Program as an equity applicant, an individual shall satisfy the following criteria:
1. Be a natural person; and
 2. In the last year, have had an annual family income at or below eighty percent (80%) Los Angeles – Long Beach – Glendale (Los Angeles County) Area Median Income (AMI) adjusted for family size, and a net worth below \$250,000; and

1 3. Has lived in a Long Beach census tract for a minimum
2 of five (5) years, either consecutively or in total, where at least fifty-one
3 percent (51%) of current residents have a household income at or below
4 eighty percent (80%) of the Los Angeles County Area Median Income; and

5 4. Meets at least one of the following criteria:

6 a. During the period 1971-2016, was arrested for,
7 convicted of, or adjudged to be a ward of the juvenile court for any crime
8 under the laws of California or any other jurisdiction relating to the sale,
9 possession, use, manufacture, or cultivation of cannabis; or

10 b. Has a parent, sibling, or child who, during the
11 period of 1971-2016, was arrested for, convicted of, or adjudged to be a
12 ward of the juvenile court for any crime under the laws of California or any
13 other jurisdiction relating to the sale, possession, use, manufacture, or
14 cultivation of cannabis.

15 5.92.1620 Equity business eligibility.

16 To be eligible for the Equity Program as an Equity Business, majority
17 ownership of the business must be held by equity applicant(s). If the cannabis
18 business has one equity applicant listed as an owner, a minimum of fifty-one
19 percent (51%) ownership in the cannabis business must be held by the equity
20 applicant. If the cannabis business will have multiple equity applicants listed as
21 owners of the cannabis business, any one (1) of the equity applicants must hold
22 majority ownership interest in the cannabis business.

23 5.92.1625 Application required.

24 A. Any person seeking to be qualified as a Verified Equity
25 Applicant or Verified Equity Employee shall submit a written application to
26 the City, signed under penalty of perjury, using the form approved by the
27 City for that purpose and in the manner required by the Director of
28 Economic Development. All applications shall contain, at a minimum, the

1 following information and documents:

2 1. Applicant Information

- 3 a. The legal name of the applicant.
4 b. The applicant's mailing address, e-mail address,
5 and telephone number.

6 2. Proof of income

7 a. All income documents must list the first and last
8 name of the equity applicant and be effective within the last year.

9 b. A minimum of last year's federal tax return and
10 at least one (1) of the following approved documents listed below shall be
11 considered acceptable proof of residency:

12 (i) Wage and tax statement (W-2, 1099, or
13 other Federal income reporting document)

14 (ii) Two (2) months of most recent pay stubs,
15 or

16 (iii) Proof of current eligibility for General
17 Relief (GR), CalFresh (Food Stamps), Medical/CalWORKs, Supplemental
18 Security Income (SSI), or Social Security Disability (SSDI).

19 3. Proof of Residency

20 a. A minimum of two (2) of the supporting
21 documents listed below, evidencing a minimum of five (5) years of
22 residency, whether consecutive or in total, shall be considered acceptable
23 proof of residency. All residency documents must list the first and last name
24 of the equity applicant and the Long Beach residence address in a
25 qualifying Long Beach census tract pursuant to Section 5.92.1620.A.3:

26 (i) California Driver's record or permanent
27 Driver's License or AB 60 Driver's License; or

28 (ii) California identification card record; or

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(iii) Property tax billing and payments from the LA County Assessor; or

(iv) Verified copies of State or Federal income tax returns where a Long Beach address within a qualifying Long Beach census tracts pursuant to Section 5.92.1620.A.3 is listed as a primary address; or

(v) School records; or

(vi) Medical records; or

(vii) Banking records; or

(viii) Long Beach Housing Authority records; or

(ix) Utility, cable, or internet company billing and payment covering any month in each of the five (5) years.

4. Proof of Cannabis Criminalization

a. Proof of cannabis arrest or conviction should be demonstrated through court documents, probation documents, Department of Corrections or Federal Bureau of Prisons documentation. Documentation needs to include the following:

(i) Date of the offense or arrest

(ii) Charges filed

(iii) Name of defendant

(iv) Exact location of offense or arrest that occurred in Long Beach, CA.

5.92.1630 Incomplete applications.

A. Upon review of an application, if an application is determined to be incomplete, the City shall provide notice to the applicant, who shall have ninety (90) calendar days to correct all deficiencies in the application.

B. If the applicant fails to correct said deficiencies within the ninety (90) day period, the application shall be deemed abandoned, void,

1 and of no further force and effect. The applicant may reapply at any time
2 following an abandoned application.

3 C. The Director of Economic Development may extend the
4 deadline upon showing of good cause by the applicant for the inability to
5 provide all required information by the deadline, if a written request for an
6 extension is received no later than ten (10) calendar days prior to the
7 deadline. For purposes of this subsection, the term "good cause" shall
8 mean the applicant's failure to complete the application process occurred
9 due to circumstances outside of the applicant's control.

10 5.92.1635 Application rejection.

11 Upon review of an application, if an application is determined to not meet
12 the criteria to be verified as an equity applicant or equity employee, the City shall
13 have the right to reject said application. All rejections are final and may not be
14 appealed. An equity applicant may reapply at any time after having an application
15 rejected.

16 5.92.1640 Assistance available to equity applicants.

17 A sole equity applicant that intends to apply for an Adult-Use Cannabis
18 Business Permit as an equity business, shall be eligible to receive direct technical
19 assistance prior to the application process to acquire the knowledge and/or skills
20 necessary in order to gain entry to, and to successfully operate in, the regulated
21 cannabis marketplace. Direct technical assistance includes:

22 A. One-on-one consulting and training, including direct
23 interactions in group settings, to provide equity applicants and licensees the
24 technical knowledge and expertise necessary to facilitate business
25 ownership and employment in the cannabis industry.

26 B. Small business support services, professional mentorship
27 services, training and education regarding state cannabis licensing and
28 regulatory requirements, manufacturing assistance, financial management,

1 and business resilience such as emergency preparedness.

2 5.92.1645 Assistance available to equity businesses.

3 A sole equity applicant or group of equity applicants applying for an Adult-
4 Use Cannabis Business Permit as an equity business, shall be eligible to receive
5 the following assistance during the application process: expedited Adult-Use
6 Cannabis Business Permit application review; Adult-Use Cannabis Business
7 Permit application and compliance assistance; cultivation business license tax
8 deferrals during the first year; expedited building plan check review; waivers of
9 City permitting fees; and direct grants as provided by the State of California.

10 5.92.1650 Assistance per household.

11 Assistance as part of the Equity Program will only be provided to one (1)
12 verified equity applicant per household. Assistance will not be provided to multiple
13 equity applicants living within the same household and/or the equity applicant is
14 listed as a dependent on another equity applicants tax filings.

15 5.92.1655 Equity business transfer of ownership requirements.

16 Equity Businesses are prohibited from transferring majority ownership
17 interest to a non-equity applicant, for ten years after the issuance of the Adult-Use
18 Cannabis Business License for that cannabis business. Exceptions may be
19 granted by the City Manager, or their designee, for an extenuating circumstance
20 preventing an equity applicant(s) from continuing to hold ownership in the
21 Cannabis Business.

22 5.92.1660 Requirements for all Adult-Use Cannabis Businesses.

23 Adult-Use Cannabis Businesses that do not qualify for the Equity Program
24 shall comply with the following requirements:

25 A. Employment.

26 1. Adult-Use Cannabis Businesses that do not qualify for
27 the Equity Program shall employ equity employees for a minimum of forty
28 percent (40%) of total annual work hours performed at the business. Upon

1 a showing of good cause by an Adult-Use Cannabis Business, the City
2 Manager may waive the employment requirement.

3 2. Compliance. To ensure compliance with this
4 requirement, Adult-Use Cannabis Businesses shall submit certified payroll
5 records to the City Manager at such frequency as determined by the City
6 Manager. Adult-Use Cannabis Businesses that fail to meet this requirement
7 may be subject to penalties pursuant to this Chapter, including but not
8 limited to, suspension or revocation of the Adult-Use Cannabis Business
9 Permit pursuant to Section 5.92.1540. To avoid penalties for
10 noncompliance, a business may demonstrate that it utilized its best efforts
11 to hire and employ individuals that meet the criteria in Section 5.92.1620.A
12 by detailing all efforts made and affixing documents to support such efforts.

13 B. Support for equity businesses. Adult-Use Cannabis Business
14 shall submit a Community Reinvestment and Small Business Incubation
15 Plan to the City describing how they intend to support equity businesses,
16 adjacent neighborhoods, and communities within the eligible social equity
17 program census tracts. Support for equity businesses may include, but shall
18 not be limited to, business plan guidance at the time of application,
19 business operations consulting, and industry specific technical assistance,
20 shelf space for cannabis goods cultivated or manufactured by equity
21 businesses, or any other form of support by an Adult-Use Cannabis
22 Business consistent with the intent and spirit of this Division.

23 C. Labor peace agreement. Any Adult-Use Cannabis Business
24 with two (2) or more employees (as defined by California Business and
25 Professions Code 26051.5(a)(5)) shall provide a statement at the time of
26 application that the applicant will enter into, or demonstrate that it has
27 already entered into, and abide by the terms of a labor peace agreement.

28 5.92.1665 Authority to develop and implement Equity Program.

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 W. Ocean Boulevard, 9th Floor
Long Beach, CA 90802

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I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Long Beach at its meeting of _____, 2022, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk

Approved: _____
(Date)

Mayor

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH AUTHORIZING THE CITY
MANAGER TO ESTABLISH A REQUEST FOR PROPOSALS
FOR CANNABIS RETAIL STOREFRONT (DISPENSARY)
BUSINESS LICENSES FOR THE CANNABIS SOCIAL
EQUITY PROGRAM

WHEREAS, on July 10, 2018, the City Council adopted the Cannabis Social
Equity Program (Equity Program) to support equal opportunity in the cannabis industry by
making legal cannabis business ownership and employment opportunities more
accessible to low-income individuals and communities most impacted by the
criminalization of cannabis, also known as the War on Drugs; and

WHEREAS, on March 16, 2021, the City Council directed staff to prepare a
feasibility analysis on licensing and regulating up to eight additional cannabis dispensary
business licenses in Long Beach to be made available exclusively to verified equity
applicants in the Equity Program; and

WHEREAS, on October 12, 2021, the City Council directed staff to prepare
an ordinance to allocate eight new cannabis dispensary business licenses to be made
exclusive to verified equity applicants using a merit-based application process that
includes a Request for Proposals (“RFP”) in the selection of the equity dispensaries; and

WHEREAS, a fair and equitable way to allocate eight new cannabis
dispensary business licenses and ensure that the best qualified Equity Program
participants are selected, is through a Request for Proposals (“RFP”) process that utilizes
criteria to evaluate the ability for an equity applicant or group of equity applicants in the
Equity Program to successfully apply for and operate a retail storefront dispensary.

NOW, THEREFORE, the City Council of the City of Long Beach resolves as

1 follows:

2 Section 1. The above recitals are true and correct and are incorporated
3 herein by this reference.

4 Section 2. The City Manager shall issue the maximum number of
5 cannabis dispensary business licenses permitted by the City Council as set forth in the
6 provisions of the Long Beach Municipal Code Chapter 5.90.

7 Section 3. The City Manager is authorized to make reasonable rules,
8 policies, and procedures as may be necessary to administer and enforce the provisions
9 of Long Beach Municipal Code Chapter 5.90 and 5.92 and any other ordinances,
10 regulations or laws relating to and affecting the permitting and operations of Commercial
11 Cannabis Businesses.

12 Section 4. The Request for Proposals (“RFP”) Process for issuing
13 cannabis dispensary business licenses to individuals or groups in the Cannabis Social
14 Equity Program is hereby adopted. (Exhibit A).

15 Section 5. Exhibit A is a part of this Resolution.

16 Section 6. This resolution shall take effect immediately upon its adoption
17 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 W. Ocean Boulevard, 9th Floor
Long Beach, CA 90802

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2022, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk

CITY OF LONG BEACH

REQUEST FOR PROPOSALS (“RFP”) FOR CANNABIS RETAIL STOREFRONT (DISPENSARY) BUSINESS LICENSES FOR THE CANNABIS SOCIAL EQUITY PROGRAM

The following RFP process is established pursuant to Long Beach Municipal Code (LBMC) Section 5.90.060, which states that the City Manager shall issue the maximum number of cannabis retail storefront (dispensary) business licenses permitted by the City Council, and is authorized to make reasonable rules, policies, and procedures as may be necessary to administer and enforce the provisions of LBMC Chapter 5.90 and 5.92 and any other ordinances, regulations or laws relating to and affecting the permitting and operations of commercial cannabis businesses.

A. Definitions.

The following definitions apply to this process:

1. “Applicant” means an equity applicant or group of equity applicants in the Cannabis Social Equity Program (Equity Program) who submits a proposal in response to the City’s RFP for issuance of a retail storefront cannabis (dispensary) business license.
2. “Cannabis Retail Storefront Dispensary” has the same meaning as “Medical Marijuana Dispensary” and “Adult-Use Cannabis Dispensary” in LBMC Chapter 5.90 and 5.92.
3. “City Attorney” means the City Attorney or the City Attorney’s designee.
4. “City Manager” means the City Manager or the City Manager’s designee.
5. “Director of Economic Development” means the Director of Economic Development or the Director of Economic Development’s designee.
6. “Director of Financial Management” means the Director of Financial Management or the Director of Financial Management’s designee.
7. “Individual” means a sole, natural person.
8. “LBMC” means the Long Beach Municipal Code.
9. “OCO” means the Office of Cannabis Oversight.
10. “Permit” means a business license issued by the City to operate a cannabis retail storefront dispensary.
11. “Permit application process” means the City’s process for an applicant to obtain a business license in accordance with applicable state law and local ordinances. It

includes, at a minimum, applicant information, owner information, property information, and details of business operation.

12. "Proposal" means the written document submitted in response to an RFP.
13. "Request for Proposals" or "RFP" means a written request for the submission of qualifications to successfully apply for and operate a cannabis retail storefront dispensary.
14. "War on Drugs" means the effort to criminalize cannabis and its use in the United States from the period of 1976 to 2016 through increased penalties, enforcement, and incarceration.

B. Process.

1. Eligibility

- a. The RFP will be open to individuals previously verified as equity applicants by the Office of Cannabis Oversight (OCO) on or before May 10, 2022.
2. Advertising. The RFP will be advertised for a period of 30 calendar days on the City's procurement portal and the OCO will advertise the RFP for 14 calendar days on the City's website and through other industry appropriate means.

3. RFP Requirements.

- a. The RFP will be used solely to identify individuals in the Equity Program or individuals that meet the qualifications for the Equity Program with the highest scoring proposals to successfully apply for and operate a cannabis retail storefront dispensary.
- b. Individuals awarded the opportunity to apply for the dispensary business license must obtain a business license within three years from the date they are notified of their eligibility to apply for the business license. Individuals may request an extension of the three-year period by submitting a request in writing to the OCO detailing the extenuating circumstances preventing them from obtaining a license within the three-year period.
- c. OCO will prepare the RFP. The RFP must be in the City's standard RFP format.

4. RFP Evaluation Criteria.

- a. The RFP shall utilize criteria that comply with the LBMC and all applicable City procurement policies and procedures; are reasonably necessary to protect the public health, safety, and welfare; and evaluate the experience and training of applicants to determine which applicants

will be the most successful at applying for and operating a cannabis retail storefront dispensary including but not limited to:

1. A description of the applicant's background and impact from the War on Drugs.
 2. A description of experience, training, and education completed to prepare the applicant for operating a successful cannabis business in the City of Long Beach.
 3. A business plan that details a plan to achieve success and sustainability.
- b. In developing the RFP criteria, OCO must consider input of individuals in the Equity Program.
 - c. The criteria for the RFP are subject to the approval of the City Manager, City Attorney, Director of Financial Management, and Director of Economic Development.

5. Proposals.

1. To respond to the RFP, individuals in the Equity Program or individuals that meet the qualifications of the Equity Program must submit a proposal in writing through the procurement portal by the due date indicated in the advertisement.
2. A proposal may be submitted by one equity applicant or a group of equity applicants in the Equity Program. No individual may be identified in any capacity in more than one proposal. Such a duplicate submission will result in the subject proposals being deemed nonresponsive and disqualified from review.
3. A proposal may only be submitted by one equity applicant per household, as defined in LBMC Chapter 5.92.

6. Required Certifications in Proposals.

- a. Applicants must certify in their proposals that for a period of 10 years from the issuance of the permit that:
 - i. A minimum of fifty-one percent (51%) ownership in the cannabis retail storefront dispensary will be held by one equity applicant or, if the cannabis retail storefront dispensary permit will be held by a group of applicants in the Equity Program, any one (1) of the equity applicants must hold majority ownership interest in the cannabis retail storefront dispensary.

- ii. Once the cannabis retail storefront dispensary permit is issued, the business may transfer ownership to another equity business at any time pursuant to LBMC Chapter 5.92.340.

- b. The certification of ownership will be a condition on the permit.

7. Proposal Acceptance and Evaluation.

- a. Proposals shall not be altered after opening.

- b. No criteria may be used in evaluating a proposal that are not specified in the RFP or in the LBMC or other applicable laws or regulations.

- c. All responsive proposals shall be redacted for personal identifying information prior to being reviewed and scored by an unbiased and neutral review panel who possess the relevant knowledge or experience to evaluate the proposals. Members of the review panel may consist of individuals who:

- i. Have some level of expertise in economic or business development;

- ii. Have an active involvement in social equity matters; or

- iii. Are cannabis business regulators from another jurisdiction.

- d. Under no circumstances will a member of the review panel be an employee or a contractor of the City or affiliated in any way with the cannabis industry in the City of Long Beach.

- e. No member of the review panel may discuss the proposal with applicants for any purpose other than administrative clarification after the submission of proposal, except during the interview phase, if any.

- f. Verified equity applicants that were awarded to move forward with obtaining a dispensary license in a previous lottery process on September 10, 2010 and/or September 28, 2017 will be allocated an additional 10 percent of points out of the total available added to their total score. In order to be eligible to receive additional points in the RFP process, an equity applicant must have received their verification letter on or before May 10, 2022 and be listed on the original business license application(s) as an owner/managing member.

- g. Once OCO has received and calculated all the reviewing panels' scores, the top scoring proposals shall be awarded the opportunity to interview with the reviewing panel. The interview panel shall then select the top eight (8) individuals via a forced ranking process.

- h. The top scoring proposals shall be awarded the opportunity to apply for a cannabis retail storefront dispensary permit, until all available permits have been issued.
- i. All applicants will be notified of the status of their proposals through award announcements on the City's procurement portal and OCO will publish the scores for all proposals on its website as soon as reasonably possible.

8. Protest Procedures

- a. Only an applicant who has actually submitted a Proposal is eligible to protest a license opportunity awarded through a Request for Proposals (RFP). An applicant may not rely on the protest submitted by another applicant but must pursue its own protest.
- b. The City will post a notice of the intent to award a license opportunity at least ten (10) business days before an award is made. The notice will be available to all applicants who submitted a proposal via the City's electronic bid notification system at <http://www.longbeach.gov/purchasing>. An applicant desiring to submit a protest for a proposal must do so within five (5) business days of the electronic notification of intent to award. The City Purchasing Agent must receive the protest by the close of business on the fifth (5th) business day following posting of notification of intent to award the contract. Applicants are responsible for registering with the City's electronic bid notification system and maintaining an updated profile. The City is not responsible for Applicants' failure to obtain notification for any reason, including but not limited to failure to maintain updated email addresses, failure to open/read electronic messages and failure of their own computer/technology equipment. The City's RFP justification memo will be available for review by protestors once the notification of intent to award has been posted via the City's electronic bid notification system.
- c. The protest must be in writing and signed by the individual who signed the proposal and addressed to the City Purchasing Agent. Protests must be submitted via email to the City Purchasing Agent. They must include a valid email address and phone number. Protests must set forth a complete and detailed statement of the grounds for the protest and include all relevant information to support the grounds stated, and must refer to specific portions of the RFP and attachments upon which the protest is based. Once the protest is received by the City Purchasing Agent, the City will not accept additional information on the protest unless the City requests it.
- d. The City Purchasing Agent or designee will respond with a decision regarding the protest within five (5) business days of receipt of protest to the email address provided in the protest. This decision shall be final.

- e. The procedure and time limits set forth herein are mandatory and are the applicant's sole and exclusive remedy in the event of a protest. The applicant's failure to comply with these procedures shall constitute a waiver of any right to further pursue a protest, including filing a Government Code Claim or initiation of legal proceedings.

9. Late and Nonresponsive Proposals.

- a. A Proposal is late if it is received at the location designated in the RFP after the deadline specified in the RFP. A late Proposal shall be rejected and not considered, regardless of the reason for the lateness, including circumstances beyond the control of the individual or group that submits the Proposal. A late Proposal may only be opened for identification purposes.
- b. A Proposal is nonresponsive if it does not comply with requirements of the RFP or if it is submitted in accordance with section B.5.ii or B.5.iii.
- c. Late and nonresponsive Proposals will be rejected.
- d. The City shall have the authority to reject proposals that are late or nonresponsive.

C. Public Disclosure. Proposals submitted in response to the RFP will be made available in response to a request for public records in accordance with the California Public Records Act once the protest period has concluded.

D. Timeframe for Opportunity to Apply for a Permit. It is imperative that permits are actually issued to businesses that will successfully operate within a reasonable period of time. Therefore, any opportunity to apply for a permit shall become void and of no effect if the awarded applicant surrenders the opportunity to apply for the permit or the storefront cannabis dispensary is not operating after a period of three years from the date of the applicant's award announcement, unless an exception is granted by the City Manager pursuant to section 3(b).

E. Conditions on Permits. By responding to the RFP, applicants understand and agree that in addition to all other applicable permit conditions, the City will place the following conditions on their permit for 5 years starting from its issuance: A minimum of fifty-one percent (51%) ownership in the cannabis retail storefront dispensary will be held by one equity applicant or, if the cannabis retail storefront dispensary permit will be held by a group of applicants in the Equity Program, any one (1) of the equity applicants must hold majority ownership interest in the cannabis retail storefront dispensary.