

OFFICE OF THE CITY ATTORNEY

Long Beach, California

ORD-22

ROBERT E. SHANNON City Attorney

HEATHER A. MAHOOD Chief Assistant City Attorney

MICHAEL J. MAIS Assistant City Attorney

> HONORABLE MAYOR AND CITY COUNCIL City of Long Beach California

RECOMMENDATION:

Declare ordinance amending and restating Chapter 5.87 relating to Medical Marijuana Collectives read and adopted as read. (Citywide)

January 18, 2011

DISCUSSION

On December 14, 2010, City Council gave first reading to the amended and restated Medical Marijuana Collectives ordinance (LBMC Chapter 5.87) with changes made on the floor to Section 5.87.070 to reflect a limit in times of operation from 9:00 A.M. to 7:00 P.M. and to eliminate all City beaches from the definition of "Park" or "Public Park" in Section 5.87.015.L. The attached Ordinance is submitted for second reading.

SUGGESTED ACTION:

Approve recommendation.

Very truly yours,

Βv

ROBERT E. SHANNON, City Attorney

MICHAEL J. MAIS

Assistant City Attorney

MJM:kjm A09-03725 Dominic Holzhaus Anne C. Lattime Monte H. Machit J. Charles Parkin DEPOTIES

PRINCIPAL DEPUTIES

C. Geoffrey Allred Gary J. Anderson Richard F. Anthony Amy R. Burton Christina L. Checel Randall C. Fudge Charles M. Gale Barbara J. McTigue Barry M. Meyers Cristyl Meyers Howard D. Russell Tiffani L. Shin Linda Trang Theodore B. Zinger

REDLINED VERSION 2nd reading 1 ORDINANCE NO. 2 3 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE LONG BEACH 4 5 MUNICIPAL CODE BY AMENDING AND RESTATING 6 CHAPTER 5.87 RELATING TO MEDICAL MARIJUANA 7 **COLLECTIVES** 8 9 WHEREAS, California voters approved the Compassionate Use Act ("CUA") in 1996 to exempt seriously ill patients and their primary caregivers from 10 11 criminal liability for possession and cultivation of marijuana for medical purposes; and 12 WHEREAS, the Medical Marijuana Program Act of 2003 ("MMPA") provides for the association of primary caregivers and qualified patients to cultivate 13 14 marijuana for specified medical purposes and also authorizes local governing bodies to 15 adopt and enforce laws consistent with its provisions; and WHEREAS, there have been recent reports from the Long Beach Police 16 Department and the media of increasing numbers of medical marijuana dispensaries 17 operating in the City of Long Beach; and 18 19 WHEREAS, medical marijuana that has not been collectively or personally grown may constitute a unique health hazard to the public because, unlike 20 21 all other ingestibles, marijuana is not regulated, inspected, or analyzed for contamination by state or federal government and may contain harmful chemicals that 22 could further endanger the health of persons already seriously ill; and 23 WHEREAS, the City of Long Beach has a compelling interest in protecting 24 the public health, safety and welfare of its residents and businesses, in preserving the 25 26 peace and quiet of the neighborhoods in which medical marijuana collectives operate, 27 and in providing compassionate access to medical marijuana to its seriously ill 28 residents;

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

Section 1. Chapter 5.87 is added to the Long Beach Municipal Code to read as follows:

Chapter 5.87 MEDICAL MARIJUANA COLLECTIVES

5.87.010 Purpose and intent.

It is the purpose and intent of this Chapter to regulate the Α. collective cultivation of medical marijuana in order to ensure the health, safety and welfare of the residents of the City of Long Beach. The regulations in this Chapter, in compliance with the State Compassionate Use Act and the State Medical Marijuana Program Act ("State Law"), do not interfere with a patient's right to use medical marijuana as authorized under State Law, nor do they criminalize the possession or cultivation of Medical Marijuana by specifically defined classifications of persons, as authorized under State Law. Under State Law, only qualified patients, persons with identification cards, and primary caregivers may legally cultivate medical marijuana collectively. Medical marijuana collectives shall comply with all provisions of the Long Beach City Municipal Code ("LBMC"), State Law, and all other applicable local and state laws. Nothing in this Chapter purports to permit activities that are otherwise illegal under federal, state, or local law.

5.87.015 Definitions.

Unless the particular provision or the context otherwise requires, the definitions and provisions contained in this Section shall govern the construction, meaning, and application of words and phrases as used in this Chapter:

A. "Attending Physician" shall have the same definition as given such term in California Health and Safety Code Section 11362.7, as may be amended, and which defines "Attending Physician" as an individual who possesses a license in good standing to practice medicine or osteopathy issued by the Medical Board of California or the Osteopathic Medical Board of California and who has taken responsibility for an aspect of the medical care, treatment, diagnosis, counseling, or referral of a patient and who has conducted a medical examination of that patient before recording in the patient's medical record the physician's assessment of whether the patient has a serious medical condition and whether the medical use of marijuana is appropriate.

B. "Chief of Police" as used in this Chapter is defined to mean the Chief of the Long Beach Police Department or her/his designee.

C. "Concentrated Cannabis" shall have the same definition as given such term in California Health and Safety Code Section 11006.5, as may be amended, and which defines "Concentrated Cannabis" as the separated resin, whether crude or purified, obtained from marijuana.

D. "Director of Financial Management" as used in this Chapter
 is defined to mean the Director of Financial Management for the City of
 Long Beach or her/his designee.

E. "Edible Medical Marijuana" as used in this Chapter is
defined to mean any article used for food, drink, confectionery, condiment
or chewing gum by human beings whether such article is simple, mixed or
compound, which contains physician recommended quantities of Medical
Marijuana, and is produced on-site at a Collective permitted pursuant to
this Chapter within the City of Long Beach.

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F. "Identification Card" shall have the same definition as given such term in California Health and Safety Code Section 11362.7, as may be amended, and which defines "Identification Card" as a document issued by the State Department of Health Services which identifies a person authorized to engage in the medical use of marijuana, and identifies the person's designated primary caregiver, if any.

G. "Management Member" means a Medical Marijuana Collective member with responsibility for the establishment, organization, registration, supervision, or oversight of the operation of a Collective, including but not limited to members who perform the functions of president, vice president, director, operating officer, financial officer, secretary, treasurer, or manager of the Collective.

H. "Marijuana" shall have the same definition as given such term in California Health and Safety Code Section 11018, as may be amended, and which defines "Marijuana" as all parts of the plant
Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the plant, of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the plant, any other stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

I. "Medical Marijuana" means Marijuana used for medical purposes in accordance with California Health and Safety Code Sections 11362.5, *et seq.*

J. "Medical Marijuana Collective" ("Collective") means an incorporated or unincorporated association, composed of four (4) or more

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Qualified Patients and their designated Primary Caregivers who associate at a particular location or Property within the boundaries of the City of Long Beach to collectively or cooperatively cultivate Marijuana for medical purposes or distribute said Medical Marijuana to Collective members and Management Members, in accordance with California Health and Safety Code Sections 11362.5, *et seq.* For purposes of this Chapter, the term Medical Marijuana "cooperative" shall have the same meaning as Medical Marijuana Collective.

K. "Medical Marijuana Collective Permit" as used in this Chapter is defined to mean the permit issued by the Director of Financial Management following a public hearing to allow a Medical Marijuana Collective operation.

L. "Park" or "Public Park" shall mean publicly owned natural or open areas owned or maintained by the City of Long Beach and set aside for active and passive public use for recreational, cultural or community service activities. For purposes of this Chapter only, all beaches in the City, including but not limited to, all ocean facing beaches, Alamitos Bay, Marine Stadium, Colorado Lagoon, and Marina Park, are excluded from the definition of "Park" or "Public Park." Included in the definition of "Parks" are all of those areas in the City that have been dedicated, designated, or zoned as "Park" in Chapter 21.35 of the Long Beach Municipal Code.

M, "Primary Caregiver" shall have the same definition as given such term in California Health and Safety Code Sections 11362.5 and 11362.7 (as set forth in Appendix A of this Chapter), as may be amended, and which define "Primary Caregiver" as an individual, designated by a Qualified Patient, who has consistently assumed responsibility for the housing, health, or safety of that Qualified Patient.

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N. "Property" as used in this Chapter means the location or locations within the boundaries of the City of Long Beach at which the Medical Marijuana Collective members and Management Members associate to collectively or cooperatively cultivate or distribute Medical Marijuana exclusively for the Collective members and Management Members.

O. "Qualified Patient" means a person who is entitled to the protections of Health and Safety Code Section 11362.5 for patients who obtain and use marijuana for medical purposes upon the recommendation of an Attending Physician, whether or not that person applied for and received a valid Identification Card issued pursuant to State Law.

P. "Reasonable Compensation" means compensation commensurate with reasonable wages and benefits paid to employees of IRS-qualified non-profit organizations who have similar job descriptions and duties, required level of education and experience, prior individual earnings history, and number of hours worked. The payment of a bonus shall not be considered "Reasonable Compensation."

Q. "State Law" means the state regulations set forth in the Compassionate Use Act and the Medical Marijuana Program Act, codified in California Health and Safety Code Sections 11362.5, *et seq.*

R. "Surrounding properties" as used in this Chapter is defined to mean all owners of real property as shown on the latest equalized assessment roll within seven hundred and fifty feet (750') of the proposed site(s), and all tenant households or commercial tenants of real property that are located within seven hundred and fifty feet (750') of the proposed site(s). Measurement of the distance for notification pursuant to this Chapter shall begin at the property boundary of the real property that is the subject of the hearing.

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5.87.020 Medical Marijuana Collective – Permit required.

It shall be unlawful for any person or entity to engage in, operate, conduct or carry on, in or upon any premises, a Medical Marijuana Collective as that term is defined in this Ordinance unless that person or entity first obtains and continues to maintain in full force and effect a Medical Marijuana Collective Permit issued by the City as required by this Chapter.

Medical Marijuana Collective – Permit application process. 5.87.030

Any Medical Marijuana Collective desiring a Permit required by this Chapter shall, prior to initiating operations, complete and file an application on a form supplied by the Department of Financial Management, and shall submit with the completed application payment of a nonrefundable processing and notification fee, as established by the City Council by resolution. The Medical Marijuana Collective Permit application is established to provide a review process for each proposed Medical Marijuana Collective operation within the City.

Filing. The Medical Marijuana Collective shall provide the Α. following information:

1. The address of the Property or Properties where the proposed Medical Marijuana Collective will operate.

A site plan describing the Property with fully 2. dimensioned interior and exterior floor plans including electrical, mechanical, plumbing, and disabled access compliance pursuant to Title 24 of the State of California Code of Regulations and the federally mandated Americans with Disabilities Act.

Exterior photographs of the entrance(s), exit(s), street 3. frontage(s), parking, front, rear and side(s) of the proposed Property.

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Photographs depicting the entire interior of the proposed
 Property.

5. If the Property is being rented or leased or is being purchased under contract, a copy of such lease or contract.

6. If the Property is being rented or leased, written proof that the Property owner, and landlord if applicable, were given notice that the Property will be used as a Medical Marijuana Collective, and that the Property owner, and landlord if applicable, agree(s) to said operations.

7. The name, address, telephone number, title and function(s) of each Management Member.

8. For each Management Member, a fully legible copy of one (1) valid government issued form of photo identification, such as a State Driver's License or Identification Card. Acceptable forms of government issued identification include, but are not limited to: Drivers licenses or photo identity cards issued by state Department of Motor vehicles (or equivalent) that meet REAL ID benchmarks, a passport issued by the United States or by a foreign government, U.S. Military ID cards (active duty or retired military and their dependents), or a Permanent Resident card.

Written confirmation as to whether the Medical
 Marijuana Collective previously operated in this or any other county, city or state under a similar license/permit, and whether the Collective applicant ever had such a license/permit revoked or suspended and the reason(s) therefore.

10. If the Medical Marijuana Collective is a corporation, a certified copy of the Collective's Secretary of State Articles of Incorporation, Certificate(s) of Amendment, Statement(s) of Information and a copy of the Collective's Bylaws.

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11. If the Medical Marijuana Collective is an unincorporated association, a copy of the Articles of Association.

12. The name and address of the applicant's current Agent for Service of Process.

13. A copy of the Medical Marijuana Collective Operating Conditions, listed in Section 5.87.040, containing a statement dated and signed by each Management Member, under penalty of perjury, that they read, understand and shall ensure compliance with the aforementioned operating conditions.

14. A copy of the Prohibited Activity, listed in Section 5.87.090, containing a statement dated and signed by each Management Member, under penalty of perjury, that they read, understand and shall ensure that neither the Collective nor its members and Management Members shall engage in the aforementioned prohibited activity.

15. A statement dated and signed by each Management Member, under penalty of perjury, that the Management Member has personal knowledge of the information contained in the application, that the information contained therein is true and correct, and that the application has been completed under the supervision of the Management Member(s).

16. Whether Edible Medical Marijuana will be prepared at the proposed Property.

17. The Property address where any and all Medical Marijuanawill be collectively cultivated by the Collective members and ManagementMembers within the City of Long Beach.

18. The Property address where any and all collectively cultivated Medical Marijuana will be distributed to the Collective members and Management Members.

B. The Director of Financial Management shall ensure that the

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application is complete as follows:

1. Within ten (10) business days of receipt of a Medical Marijuana Collective Permit application, except where circumstances beyond the control of the City justifiably delay such response, the Director of Financial Management shall determine whether the application is complete.

2. If it is determined the application is incomplete, the applicant shall be notified in writing within ten (10) business days of the date the application is determined to be incomplete, except where circumstances beyond the control of the City justifiably delay such response, that the application is not complete and the reasons therefore, including any additional information necessary to render the application complete.

3. The Collective shall have thirty (30) business days from the date of notice set forth above in Subsection 5.87.030(B), Subsection (2) to complete the application. Failure to do so within the time allotted shall render the application null and void.

4. Within ten (10) business days following the receipt of an amended application or supplemental information, except where circumstances beyond the control of the City justifiably delay such response, the Director of Financial Management shall again determine whether the application is complete in accordance with the procedures set forth above. Evaluation and notification shall occur as provided above until such time as the application is found to be complete or in the alternative null and void.

5. Once the application is found to be complete, the applicant shall be notified within ten (10) business days, except where circumstances beyond the control of the City justifiably delay such

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OFFICE OF THE CITY ATTORNEY ROBERT E. SHANNON, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach, CA 90802-4664 6. All notices required by this Chapter shall be deemed issued upon the date they are either deposited in the United States mail or the date upon which personal service of such notice is provided.

C. Upon receipt of the completed Medical Marijuana Collective Permit application, the Director of Financial Management shall:

1. Refer the application to all concerned City departments, including, but not limited to, Police, Fire, Health, Development Services and Code Enforcement for investigation. Such departments shall file a report providing recommendations regarding the approval or denial of the permit with the Director of Financial Management within forty-five (45) business days after the completed application is filed, except where good cause exists to extend this period.

2. Post the application to the City's website for public review and comment for a period of forty-five (45) business days. During the formal comment process, the City will receive comments from the public via the City's website, email, or regular mail, and by a form that will be available for download for the duration of the formal comment process from the City's website.

3. Notice of the formal comment process shall also be mailed or delivered to all surrounding properties. The notice shall include instructions for said property owners to provide written comments via the City's website, email, or regular mail. The public noticing mailer will also include a form that may be filled in and submitted as public comment.

D. The Director of Financial Management shall review and assemble all public input received during the formal comment process and shall prepare a report for the City Council providing a summary of the public commentary and findings of fact, including, but not limited to, each

operating condition set forth in Section 5.87.040, a summary of the relevant evidence, a statement of the issues, and a recommended decision. A copy of the report shall be available to all parties at least ten (10) business days prior to a hearing.

E. The City Council shall conduct a hearing on the application or refer the matter to a hearing officer, pursuant to Chapter 2.93 of this Code, within sixty (60) business days from close of the formal comment process, except where good cause exists to extend this period. The Director of Financial Management shall cause notice to be mailed or delivered to the applicant and shall also be mailed or delivered to surrounding properties. The applicant shall be given written notice at least ten (10) business days prior to such hearing. The hearing and rules of evidence shall be conducted pursuant to Chapter 2.93 of this Code. The determination of the City Council shall be final.

5.87.040 Medical Marijuana Collective Permit approval and operating conditions.

The City Council shall approve and issue a Medical Marijuana Collective Permit if the application and evidence submitted in the hearing, conducted pursuant to Section 5.87.030, Subdivisions (D) and (E) as set forth above, sufficiently demonstrate that:

A. The Property is not located in an area zoned in the City for exclusive residential use. Medical Marijuana Collectives are not permitted to operate in exclusive residential zones as established pursuant to Title 21 of this Code.

B. The Medical Marijuana Collective is not located within a one thousand five hundred foot (1,500') radius of a public or private high school or Educational Partnership High School ("EPHS") or within a one

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thousand foot (1,000') radius of a public park or a public or private kindergarten, elementary, middle or junior high school. The distances specified in this subdivision shall be determined by the horizontal distance measured in a straight line from the property line of the school to the closest property line of the lot on which the Medical Marijuana Collective is located, without regard to intervening structures.

C. The Medical Marijuana Collective is not located within a one thousand foot (1,000') radius of any other Medical Marijuana Collective. The distance specified in this subdivision shall be determined by the horizontal distance measured in a straight line from the property line of any other Medical Marijuana Collective, to the closest property line of the lot on which the permitted Medical Marijuana Collective is located, without regard to intervening structures.

D. Exterior building and parking area lighting at the Property are in compliance with all applicable provisions of this Code.

E. Any exterior or interior sign visible from the exterior of the Property shall be unlighted.

F. Windows and roof hatches at the Property shall be secured so as to prevent unauthorized entry, and are equipped with latches that may be released quickly from the inside to allow exit in the event of emergency and are in compliance with all applicable building code provisions.

G. The Property provides sufficient sound absorbing insulation so that noise generated inside the premises is not audible anywhere on the adjacent property or public rights-of-way, or within any other building or other separate unit within the same building as the Medical Marijuana Collective.

H. The Property provides a sufficient odor absorbing ventilation

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and exhaust system so that odor generated inside the Property is not detected outside the Property, anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the Medical Marijuana Collective.

I. The Medical Marijuana Collective shall install and maintain a video surveillance system that monitors no less than the front and rear of the Property. The surveillance system shall:

1. Capture a full view of the public right-of-ways and any parking lot under the control of the Medical Marijuana Collective.

2. Be of adequate quality, color rendition and resolution to allow the ready identification of any individual committing a crime anywhere on or adjacent to the exterior of the Property.

Record and maintain video for a minimum of thirty
 (30) days and be accessible via the Internet by the Long Beach Police
 Department. A Public Internet Protocol (IP) address and user
 name/password is also required to allow the Long Beach Police
 Department to view live and recorded video from these cameras over the Internet.

4. Be installed to the satisfaction of the Chief of Police,
Director of Technology Services, and Director of Development Services.
At the discretion of the Chief of Police, the Medical Marijuana Collective
may be required to add additional video cameras. Consent is given by
the Medical Marijuana Collective under this subsection to the provision of
said recordings or live video feed to the Police Department without
requirement for a search warrant, subpoena or court order.

J. The Property has a centrally-monitored fire and burglar alarm system.

K. A sign is posted in a conspicuous location inside the

Property advising:

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 "The diversion of marijuana for non-medical purposes is a violation of State law.

2. The use of marijuana may impair a person's ability to drive a motor vehicle or operate heavy machinery.

Loitering at the location of a Medical Marijuana
 Collective for an illegal purpose is prohibited by California Penal Code
 Section 647(h).

4. This Medical Marijuana Collective is permitted in accordance with the laws of the City of Long Beach.

5. The sale of marijuana and the diversion of marijuana for non-medical purposes are violations of State Law."

L. Each applicant electing to manufacture Edible Medical Marijuana shall manufacture the Edible products for the sole consumption by Qualified Patient members and Qualified Patient Management Members of the Collective, in compliance with all applicable state and local laws.

M. The Medical Marijuana Collective meets all applicable state and local laws to ensure that the operations of the Collective are consistent with the protection of the health, safety and welfare of the community, Qualified Patients and their Primary Caregivers, and will not adversely affect surrounding uses.

N. No Collective shall operate for profit. Cash and in-kind contributions, reimbursements, and reasonable compensation provided by Management Members and members towards the Collective's actual expenses of the growth, cultivation, and provision of Medical Marijuana shall be allowed provided that they are in strict compliance with State Law. All such cash and in-kind amounts and items shall be fully documented in

accordance with Section 5.87.060 of this Chapter.

O. Collective cultivation of Medical Marijuana shall be limited to the Medical Marijuana Collective members and Management Members.

P. Cultivation of Medical Marijuana by the Medical Marijuana Collective members and Management Members shall occur exclusively within the boundaries of the City of Long Beach and only at the Property identified on the Medical Marijuana Permit application.

Q. Distribution of the Medical Marijuana collectively cultivated by the Medical Marijuana Collective members and Management Members to Collective members and Management Members shall occur exclusively within the boundaries of the City of Long Beach and only at the Property identified on the Medical Marijuana Permit application.

R. If the cultivation of Medical Marijuana by the Medical Marijuana Collective located within the City of Long Beach is to take place at a location other than the location where the Medical Marijuana is distributed to Medical Marijuana Collective members and Management Members, then the location of cultivation shall likewise fully comply with the provisions of Section 5.87.040 and all of its subsections.

S. Every Medical Marijuana Collective shall maintain, on-site at the Property, cultivation records, signed under penalty of perjury by each Management Member, identifying the location within the City of Long Beach at which the Medical Marijuana was cultivated, and the total number of said plants cultivated at each location.

T. Representative samples of Medical Marijuana distributed by the Collective shall be analyzed by an independent laboratory to ensure it is free of harmful pesticides and other contaminants regulated by local, state or federal regulatory or statutory standards.

U. Any Medical Marijuana from which the representative

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V. Any Medical Marijuana provided to Collective members shall be properly labeled in strict compliance with state and local laws.

<u>W.</u> The operation of Medical Marijuana Collectives shall be limited to the hours between nine o'clock (9:00) A.M. and seven o'clock (7:00) P.M.

X. The property meets the off-street parking and loading requirements set forth in Chapter 21.41. For the purpose of determining required parking, a Medical Marijuana Collective shall be deemed to be a "personal services" type use.

Y. That any and all business identification signs comply with the provisions of Chapter 21.44 "On Premises Signs" as set forth in this Code.

5.87.045 Notice of permit issuance.

Upon conclusion of the City Council's hearing on the application, notice of permit issuance shall be mailed or delivered to all surrounding properties and published on the City's website. This notice will include information for residents and property owners to submit complaints or report violations to the City.

5.87.050 Medical Marijuana Collective Permit – Non transferable.

A Medical Marijuana Collective Permit issued pursuant to this Chapter shall become null and void upon the cessation of the Collective and/or the relocation of the Collective to a different Property

A. The following shall be deemed a change in location:

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1. Any relocation or expansion that includes a separate piece of property or parcel of land from the initially permitted Property.

2. Any expansion of the initially permitted Property which represents a greater than fifty percent (50%) increase in the square footage of space devoted to public access or occupancy.

B. The lawful conduct of activity regulated by this Chapter by a permittee shall be limited to those activities expressly indicated on the Medical Marijuana Collective Permit application.

C. The holder of a Medical Marijuana Collective Permit shall not allow others to use or rent the permitted Property. An exception shall be made for persons who are not Collective members or Management Members and who possess a valid City issued business license which authorizes the "place to place" sale of soil and nutrients to the Collective members or Management Members for the collective cultivation of Medical Marijuana by members and/or Management Members of the Collective.

5.87.060 Maintenance of records.

A. A Medical Marijuana Collective shall maintain the following accurate and truthful records on the Property:

1. The full name, address, and telephone number(s) of the owner, landlord and/or lessee of the Property.

2. The full name, address, and telephone number(s) and a fully legible copy of a government issued form of identification of each Collective member engaged in the management of the Collective and a description of the exact nature of the participation in the management of the Collective. Acceptable forms of government issued identification include, but are not limited to: Drivers licenses or photo

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REDLINED VERSION 2nd reading

identity cards issued by state Department of Motor Vehicles (or equivalent) that meets REAL ID benchmarks, a passport issued by the United States or by a foreign government, U.S. Military ID cards (active duty or retired military and their dependents), or a Permanent Resident Card.

3. The full name, address, and telephone number(s) of each Collective member and Management Member who participates in the Collective cultivation of Medical Marijuana.

4. The full name, date of birth, residential address, and telephone number(s) of each Collective member and Management Member; the date each member and Management Member joined the Collective; the exact nature of each member's and Management Member's participation in the Collective; and the status of each member and Management Member as a Qualified Patient or Primary Caregiver.

5. A written accounting of all cash and in-kind contributions, reimbursements, and reasonable compensation provided by the Collective Management Members and members to the Collective, and all expenditures and costs incurred by the Collective.

6. An inventory record documenting the dates and amounts of Medical Marijuana cultivated at the Property, and the daily amounts of Medical Marijuana stored on the Property.

7. Proof of a valid Medical Marijuana Collective Permit issued by the Department of Financial Management in conformance with this Chapter.

8. A list of Prohibited Activity, set forth in Section 5.87.090, containing a statement dated and signed by each Collective member and Management Member, under penalty of perjury, that they read, understand and shall not engage in the aforementioned prohibited activity.

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9. Any and all records described in Section 5.87.060.A shall be maintained by the Medical Marijuana Collective for a period of five (5) years and shall be made available by the Collective to the City upon request, subject to the authority set forth in Section 5.87.070.

B. Annual reports – Report requirements/Content of reports.
 Each Medical Marijuana Collective operating in the City shall, on
 an annual basis, submit to the City Manager or designee an audited
 financial report prepared by an independent Certified Public Accountant
 ("CPA") that meet the following criteria:

1. Reports shall be on a calendar year basis and shall be submitted no later than April 30th following the calendar year to which the report pertains (for example, a collective's 2010 annual report will be submitted to the City Manager no later than April 30, 2011);

2. The audited financial report shall contain an accounting of all cash, receipts, credit card transactions, reimbursements (including any in-kind contributions), and any and all reasonable compensation paid by the collective for services provided by management members or other members of the collective, as well as records of all operational expenditures and costs incurred by the medical marijuana collective in accordance with generally accepted accounting practices and standards typically applicable to business records.

3. The report shall document the number of medical marijuana product transactions that took place during the reporting year, including cost and quantity for each transaction, where medical marijuana was transferred to a qualified patient or management member for cash, credit, or in kind contributions.

4. Appended to the report shall be a copy of any and all documents, records or forms submitted to the State Board of Equalization

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5. Appended to the required report shall also be an accounting of the number of marijuana plants or clones cultivated by the dispensary during the reporting year.

Any and all records or documents that serve as the 6. basis for preparing the annual report shall be maintained by the medical marijuana collective for a period of five (5) years and shall be made available to the City upon request, subject to the authority set forth in Section 5.87.070.

5.87.070 Inspection authority.

City representatives may enter and inspect the Property of every Medical Marijuana Collective between the hours of ten o'clock (10:00) A.M. and eight o'clock (8:00) P.M., nine o'clock (9:00) A.M. and seven o'clock (7:00) P.M., or at any reasonable time to ensure compliance and enforcement of the provisions of this Chapter, except that the inspection and copying of private medical records shall be made available to the Police Department only pursuant to a properly executed search warrant, subpoena, or court order. It is unlawful for any Property owner, landlord, lessee, Medical Marijuana Collective member or Management Member or any other person having any responsibility over the operation of the Medical Marijuana Collective to refuse to allow, impede, obstruct or interfere with an inspection.

5.87.080 Existing Medical Marijuana operations.

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Any existing Medical Marijuana Collective, dispensary, operator, establishment, or provider that does not comply with the requirements of this Chapter must immediately cease operation until such time, if any, when it complies fully with the requirements of this Chapter. No Medical Marijuana Collective, dispensary, operator, establishment, or provider that existed prior to the enactment of this Chapter shall be deemed to be a legally established use or a legal non-conforming use under the provisions of this Chapter or the Code.

5.87.090 Prohibited activity.

A. It is unlawful for any person to cause, permit or engage in the cultivation, possession, distribution, exchange or giving away of
Marijuana for medical or non medical purposes except as provided in this
Chapter, and pursuant to any and all other applicable local and state law.

B. It is unlawful for any person to cause, permit or engage in any activity related to Medical Marijuana except as provided in this Chapter and in Health and Safety Code Sections 11362.5 *et seq.*, and pursuant to any and all other applicable local and state law.

C. It is unlawful for any person to knowingly make any false,
misleading or inaccurate statement or representation in any form, record,
filing or documentation required to be maintained, filed or provided to the
City under this Chapter.

D. No Medical Marijuana Collective, Management Member or member shall cause or permit the sale, distribution or exchange of Medical Marijuana or of any Edible Medical Marijuana product to any non Collective Management Member or member.

E. No Medical Marijuana Collective, Management Member or member shall allow or permit the commercial sale of any product, good or

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service, including but not limited to drug paraphernalia identified in Health and Safety Code Section 11364, on or at the Medical Marijuana Collective, in the parking area of the Property. An exception shall be made for persons who are not Collective members or Management Members and who possess a valid City issued business license which authorizes the "place to place" sale of soil and nutrients to the Collective, Management Members or members for the collective cultivation of Medical Marijuana by Management Members and members of the Collective.

F. No cultivation of Medical Marijuana at the Property shall be visible with the naked eye from any public or other private property, nor shall cultivated Medical Marijuana or dried Medical Marijuana be visible from the building exterior. No cultivation shall occur at the Property unless the area devoted to the cultivation is secured from public access by means of a locked gate and any other security measures necessary to prevent unauthorized entry.

G. No manufacture of Concentrated Cannabis in violation of California Health and Safety Code Section 11379.6 is allowed.

H. No Medical Marijuana Collective shall be open to or provide Medical Marijuana to its members or Management Members between the hours of <u>seven o'clock (7:00) P.M. and nine o'clock (9:00) A.M.</u>

I. No person under the age of eighteen (18) shall be allowed at the Property, unless that minor is a Qualified Patient and is accompanied by his or her licensed Attending Physician, parent(s) or documented legal guardian.

J. No Medical Marijuana Collective shall possess Medical Marijuana that was not collectively cultivated by its Management Members or members at the Property location permitted in accordance with this Chapter.

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K. No Medical Marijuana Collective, Management Member or member shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on the Property or in the parking area of the Property.

L. No dried Medical Marijuana shall be stored at the Property in structures that are not completely enclosed, in an unlocked vault or safe, in any other unsecured storage structure, or in a safe or vault that is not bolted to the floor of the Property.

M. Medical Marijuana may not be inhaled, smoked, eaten, ingested, or otherwise consumed on the Property, in the parking areas of the Property, or in those areas restricted under the provisions of California Health and Safety Code Section 11362.79, which include:

1. Any place where smoking is prohibited by law;

2. Within one thousand feet (1,000') of the grounds of a school, recreation center, or youth center;

3. While on a school bus;

4. While in a motor vehicle that is being operated; or

5. While operating a boat.

N. Medical Marijuana Collective membership and Management
 Membership, established pursuant to this Chapter, shall be limited to one
 Collective fully permitted in accordance with this Chapter.

O. No person who has been convicted within the previous ten (10) years of a felony or a crime of moral turpitude, or who is currently on parole or probation for the sale or distribution of a controlled substance, shall be engaged directly or indirectly in the management of the Medical Marijuana Collective nor, further, shall manage or handle the receipts and expenses of the Collective.

5.87.100 Violation and enforcement.

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A. Any person violating any provision of this Chapter or knowingly or intentionally misrepresenting any material fact in procuring the permit herein provided for, shall be deemed guilty of a misdemeanor punishable by a fine of not more than one thousand dollars (\$1,000.00) or by imprisonment for not more than twelve (12) months, or by both such fine and imprisonment.

B. Any person who engages in any Medical Marijuana
Collective operations after a Medical Marijuana Collective Permit
application has been denied, or a Medical Marijuana Collective Permit has
been suspended or revoked, and before a new permit is issued, shall be
guilty of a misdemeanor.

C. As a nuisance *per se*, any violation of this Chapter shall be subject to injunctive relief, revocation of the certificate of occupancy for the property, disgorgement and payment to the City of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The City may also pursue any and all remedies and actions available and applicable under local and state law for any violations committed by the Medical Marijuana Collective, its Management Members, members or any person related or associated with the Collective.

D. Any violation of the terms and conditions of the Medical Marijuana Collective permit, of this Chapter, or of applicable local or state regulations and laws shall be grounds for permit suspension or revocation.

5.87.110 Appeal process.

A. If a City department determines that the permittee failed to comply with any provision of this Chapter, or with any other provision or

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requirement of law, the Director of Financial Management shall revoke or suspend the Medical Marijuana Collective Permit in accordance with the provisions set forth in Section 5.06.020, Subsection A, of this Code.

Β. The Director of Financial Management shall notify the permittee of the permit revocation or suspension by dated written notice. Said notice shall advise the permittee of the right to appeal the decision to the City Council. The request for appeal shall be in writing, shall set forth the specific ground(s) on which it is based and shall be submitted to the Director of Financial Management within ten (10) calendar days from the date the notice was mailed along with an appeal deposit in an amount determined by the City Council by resolution.

C. The City Council shall conduct a hearing on the appeal or refer the matter to a hearing officer, pursuant to Chapter 2.93 of this Code, within thirty (30) business days from the date the completed request for appeal was received by the Director of Financial Management, except where good cause exists to extend this period. The appellant shall be given at least ten (10) business days written notice of such hearing. The hearing and rules of evidence shall be conducted pursuant to Chapter 2.93 of this Code. The determination of the City Council on the appeal shall be final.

D. Whenever a Medical Marijuana Collective Permit has been revoked or suspended, no other such permit application shall be considered for a period of one (1) year from either the date notice of the revocation or suspension was mailed, or the date of the final decision of the City Council, whichever is later.

5.87.120 Operative date of cultivation requirement.

Each Medical Marijuana Collective issued a Medical Marijuana

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REDLINED VERSION 2nd reading

Collective Permit, pursuant to this Chapter, shall have one-hundred-andtwenty (120) days from the date the permit is issued to comply with the Medical Marijuana cultivation requirements set forth in Section 5.87.040, Subsection (P) and Section 5.87.090, Subsection (J) of this Chapter.

5.87.130 Severability.

If any provision of this Chapter, or the application thereof to any person or circumstance, is held invalid, that invalidity shall not affect any other provision or application of this Chapter that can be given effect without the invalid provision or application; and to this end, the provisions or applications of this Chapter are severable.

5.87.135

The City Manager or designee is hereby authorized to develop procedures necessary to implement this Ordinance in a fair and reasonable manner.

5.87.140 Review of Regulations.

On or before the first anniversary of the effective date of this Chapter, the City Council shall review the effectiveness of these regulations, and shall enact modifications, if necessary.

23 Section 2. The City Clerk shall certify to the passage of this Ordinance 24 by the City Council and cause it to be posted in three conspicuous places in the City of 25 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by 26 the Mayor.

I hereby certify that the foregoing Ordinance was adopted by the City

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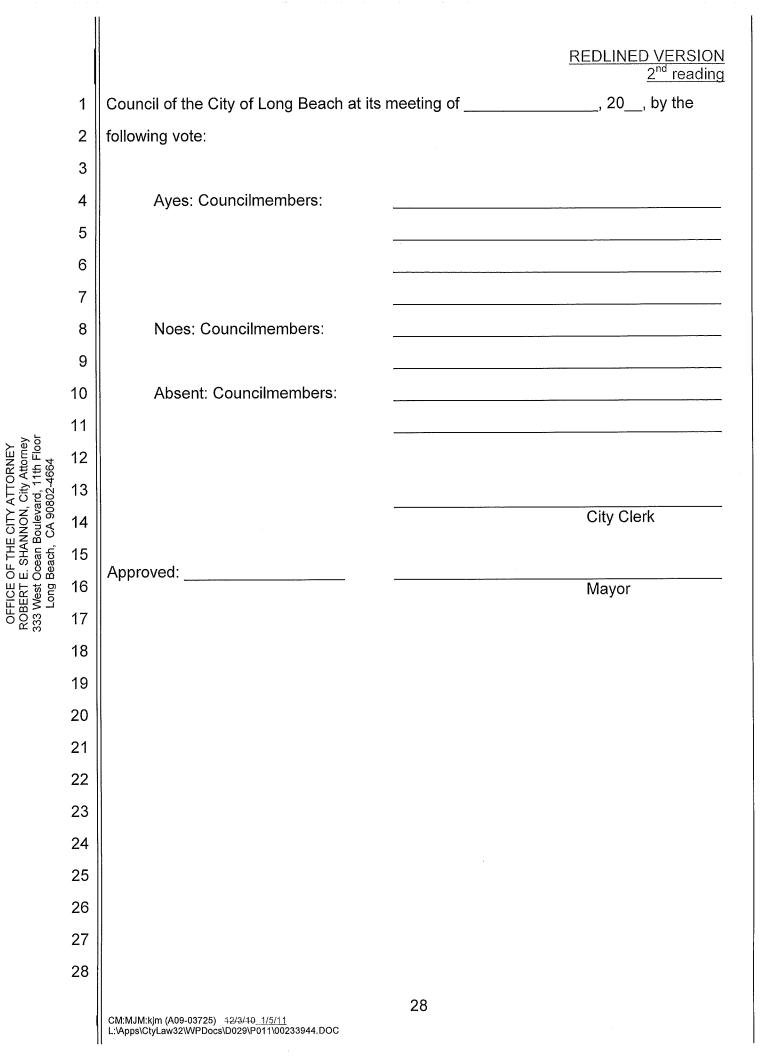
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AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE LONG BEACH MUNICIPAL CODE BY AMENDING AND RESTATING CHAPTER 5.87 RELATING TO MEDICAL MARIJUANA COLLECTIVES

ORDINANCE NO.

WHEREAS, California voters approved the Compassionate Use Act ("CUA") in 1996 to exempt seriously ill patients and their primary caregivers from criminal liability for possession and cultivation of marijuana for medical purposes; and

WHEREAS, the Medical Marijuana Program Act of 2003 ("MMPA")
provides for the association of primary caregivers and qualified patients to cultivate
marijuana for specified medical purposes and also authorizes local governing bodies to
adopt and enforce laws consistent with its provisions; and

WHEREAS, there have been recent reports from the Long Beach Police
Department and the media of increasing numbers of medical marijuana dispensaries
operating in the City of Long Beach; and

WHEREAS, medical marijuana that has not been collectively or
personally grown may constitute a unique health hazard to the public because, unlike
all other ingestibles, marijuana is not regulated, inspected, or analyzed for
contamination by state or federal government and may contain harmful chemicals that
could further endanger the health of persons already seriously ill; and

WHEREAS, the City of Long Beach has a compelling interest in protecting
the public health, safety and welfare of its residents and businesses, in preserving the
peace and quiet of the neighborhoods in which medical marijuana collectives operate,
and in providing compassionate access to medical marijuana to its seriously ill
residents;

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

Section 1. Chapter 5.87 of the Long Beach Municipal Code is amended and restated to read as follows:

Chapter 5.87 MEDICAL MARIJUANA COLLECTIVES

5.87.010 Purpose and intent.

It is the purpose and intent of this Chapter to regulate the Α. collective cultivation of medical marijuana in order to ensure the health, safety and welfare of the residents of the City of Long Beach. The regulations in this Chapter, in compliance with the State Compassionate Use Act and the State Medical Marijuana Program Act ("State Law"), do not interfere with a patient's right to use medical marijuana as authorized under State Law, nor do they criminalize the possession or cultivation of Medical Marijuana by specifically defined classifications of persons, as authorized under State Law. Under State Law, only qualified patients, persons with identification cards, and primary caregivers may legally cultivate medical marijuana collectively. Medical marijuana collectives shall comply with all provisions of the Long Beach City Municipal Code ("LBMC"), State Law, and all other applicable local and state laws. Nothing in this Chapter purports to permit activities that are otherwise illegal under federal, state, or local law.

5.87.015 Definitions.

Unless the particular provision or the context otherwise requires, the definitions and provisions contained in this Section shall govern the

construction, meaning, and application of words and phrases as used in this Chapter:

A. "Attending Physician" shall have the same definition as given such term in California Health and Safety Code Section 11362.7, as may be amended, and which defines "Attending Physician" as an individual who possesses a license in good standing to practice medicine or osteopathy issued by the Medical Board of California or the Osteopathic Medical Board of California and who has taken responsibility for an aspect of the medical care, treatment, diagnosis, counseling, or referral of a patient and who has conducted a medical examination of that patient before recording in the patient's medical record the physician's assessment of whether the patient has a serious medical condition and whether the medical use of marijuana is appropriate.

B. "Chief of Police" as used in this Chapter is defined to mean the Chief of the Long Beach Police Department or her/his designee.

C. "Concentrated Cannabis" shall have the same definition as given such term in California Health and Safety Code Section 11006.5, as may be amended, and which defines "Concentrated Cannabis" as the separated resin, whether crude or purified, obtained from marijuana.

D. "Director of Financial Management" as used in this Chapter is defined to mean the Director of Financial Management for the City of Long Beach or her/his designee.

E. "Edible Medical Marijuana" as used in this Chapter is defined to mean any article used for food, drink, confectionery, condiment or chewing gum by human beings whether such article is simple, mixed or compound, which contains physician recommended quantities of Medical Marijuana, and is produced on-site at a Collective permitted pursuant to this Chapter within the City of Long Beach.

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F. "Identification Card" shall have the same definition as given such term in California Health and Safety Code Section 11362.7, as may be amended, and which defines "Identification Card" as a document issued by the State Department of Health Services which identifies a person authorized to engage in the medical use of marijuana, and identifies the person's designated primary caregiver, if any.

G. "Management Member" means a Medical Marijuana Collective member with responsibility for the establishment, organization, registration, supervision, or oversight of the operation of a Collective, including but not limited to members who perform the functions of president, vice president, director, operating officer, financial officer, secretary, treasurer, or manager of the Collective.

H. "Marijuana" shall have the same definition as given such term in California Health and Safety Code Section 11018, as may be amended, and which defines "Marijuana" as all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the plant, any other stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

I. "Medical Marijuana" means Marijuana used for medical purposes in accordance with California Health and Safety Code Sections 11362.5, *et seq.*

J. "Medical Marijuana Collective" ("Collective") means an incorporated or unincorporated association, composed of four (4) or more

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Qualified Patients and their designated Primary Caregivers who associate at a particular location or Property within the boundaries of the City of Long Beach to collectively or cooperatively cultivate Marijuana for medical purposes or distribute said Medical Marijuana to Collective members and Management Members, in accordance with California Health and Safety Code Sections 11362.5, *et seq.* For purposes of this Chapter, the term Medical Marijuana "cooperative" shall have the same meaning as Medical Marijuana Collective.

K. "Medical Marijuana Collective Permit" as used in this Chapter is defined to mean the permit issued by the Director of Financial Management following a public hearing to allow a Medical Marijuana Collective operation.

L. "Park" or "Public Park" shall mean publicly owned natural or open areas set aside for active and passive public use for recreational, cultural or community service activities. For purposes of this Chapter only, all beaches in the City, including but not limited to, all ocean facing beaches, Alamitos Bay, Marine Stadium, Colorado Lagoon, and Marina Park, are excluded from the definition of "Park" or "Public Park."

M. "Primary Caregiver" shall have the same definition as given such term in California Health and Safety Code Sections 11362.5 and 11362.7 (as set forth in Appendix A of this Chapter), as may be amended, and which define "Primary Caregiver" as an individual, designated by a Qualified Patient, who has consistently assumed responsibility for the housing, health, or safety of that Qualified Patient.

N. "Property" as used in this Chapter means the location or locations within the boundaries of the City of Long Beach at which the Medical Marijuana Collective members and Management Members associate to collectively or cooperatively cultivate or distribute Medical

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Marijuana exclusively for the Collective members and Management Members.

O. "Qualified Patient" means a person who is entitled to the protections of Health and Safety Code Section 11362.5 for patients who obtain and use marijuana for medical purposes upon the recommendation of an Attending Physician, whether or not that person applied for and received a valid Identification Card issued pursuant to State Law.

P. "Reasonable Compensation" means compensation commensurate with reasonable wages and benefits paid to employees of IRS-qualified non-profit organizations who have similar job descriptions and duties, required level of education and experience, prior individual earnings history, and number of hours worked. The payment of a bonus shall not be considered "Reasonable Compensation."

Q. "State Law" means the state regulations set forth in the Compassionate Use Act and the Medical Marijuana Program Act, codified in California Health and Safety Code Sections 11362.5, *et seq.*

R. "Surrounding properties" as used in this Chapter is defined to mean all owners of real property as shown on the latest equalized assessment roll within seven hundred and fifty feet (750') of the proposed site(s), and all tenant households or commercial tenants of real property that are located within seven hundred and fifty feet (750') of the proposed site(s). Measurement of the distance for notification pursuant to this Chapter shall begin at the property boundary of the real property that is the subject of the hearing.

5.87.020 Medical Marijuana Collective – Permit required. It shall be unlawful for any person or entity to engage in, operate, conduct or carry on, in or upon any premises, a Medical Marijuana

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Collective as that term is defined in this Ordinance unless that person or entity first obtains and continues to maintain in full force and effect a Medical Marijuana Collective Permit issued by the City as required by this Chapter.

5.87.030 Medical Marijuana Collective – Permit application process.

Any Medical Marijuana Collective desiring a Permit required by this Chapter shall, prior to initiating operations, complete and file an application on a form supplied by the Department of Financial Management, and shall submit with the completed application payment of a nonrefundable processing and notification fee, as established by the City Council by resolution. The Medical Marijuana Collective Permit application is established to provide a review process for each proposed Medical Marijuana Collective operation within the City.

A. Filing. The Medical Marijuana Collective shall provide the following information:

1. The address of the Property or Properties where the proposed Medical Marijuana Collective will operate;

 A site plan describing the Property with fully dimensioned interior and exterior floor plans including electrical, mechanical, plumbing, and disabled access compliance pursuant to Title
 24 of the State of California Code of Regulations and the federally mandated Americans with Disabilities Act;

3. Exterior photographs of the entrance(s), exit(s), street frontage(s), parking, front, rear and side(s) of the proposed Property;

 Photographs depicting the entire interior of the proposed Property;

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5. If the Property is being rented or leased or is being purchased under contract, a copy of such lease or contract;

If the Property is being rented or leased, written proof 6. that the Property owner, and landlord if applicable, were given notice that the Property will be used as a Medical Marijuana Collective, and that the Property owner, and landlord if applicable, agree(s) to said operations;

7. The name, address, telephone number, title and function(s) of each Management Member;

For each Management Member, a fully legible copy 8. of one (1) valid government issued form of photo identification, such as a State Driver's License or Identification Card. Acceptable forms of government issued identification include, but are not limited to: Drivers licenses or photo identity cards issued by state Department of Motor vehicles (or equivalent) that meet REAL ID benchmarks, a passport issued by the United States or by a foreign government, U.S. Military ID cards (active duty or retired military and their dependents), or a Permanent Resident card;

9. Written confirmation as to whether the Medical Marijuana Collective previously operated in this or any other county, city or state under a similar license/permit, and whether the Collective applicant ever had such a license/permit revoked or suspended and the reason(s) therefore;

10. If the Medical Marijuana Collective is a corporation, a certified copy of the Collective's Secretary of State Articles of Incorporation, Certificate(s) of Amendment, Statement(s) of Information and a copy of the Collective's Bylaws;

11. If the Medical Marijuana Collective is an unincorporated association, a copy of the Articles of Association;

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12. The name and address of the applicant's current Agent for Service of Process;

13. A copy of the Medical Marijuana Collective Operating Conditions, listed in Section 5.87.040, containing a statement dated and signed by each Management Member, under penalty of perjury, that they read, understand and shall ensure compliance with the aforementioned operating conditions;

14. A copy of the Prohibited Activity, listed in Section 5.87.090, containing a statement dated and signed by each Management Member, under penalty of perjury, that they read, understand and shall ensure that neither the Collective nor its members and Management Members shall engage in the aforementioned prohibited activity;

15. A statement dated and signed by each Management Member, under penalty of perjury, that the Management Member has personal knowledge of the information contained in the application, that the information contained therein is true and correct, and that the application has been completed under the supervision of the Management Member(s);

16. Whether Edible Medical Marijuana will be prepared at the proposed Property;

17. The Property address where any and all Medical Marijuana will be collectively cultivated by the Collective members and Management Members within the City of Long Beach;

18. The Property address where any and all collectively cultivated Medical Marijuana will be distributed to the Collective members and Management Members.

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B. The Director of Financial Management shall ensure that the application is complete as follows:

Within ten (10) business days of receipt of a Medical

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Marijuana Collective Permit application, except where circumstances beyond the control of the City justifiably delay such response, the Director of Financial Management shall determine whether the application is complete;

2. If it is determined the application is incomplete, the applicant shall be notified in writing within ten (10) business days of the date the application is determined to be incomplete, except where circumstances beyond the control of the City justifiably delay such response, that the application is not complete and the reasons therefore, including any additional information necessary to render the application complete;

3. The Collective shall have thirty (30) business days from the date of notice set forth above in Subsection 5.87.030(B), Subsection (2) to complete the application. Failure to do so within the time allotted shall render the application null and void;

Within ten (10) business days following the receipt of 4. an amended application or supplemental information, except where circumstances beyond the control of the City justifiably delay such response, the Director of Financial Management shall again determine whether the application is complete in accordance with the procedures set forth above. Evaluation and notification shall occur as provided above until such time as the application is found to be complete or in the alternative null and void;

Once the application is found to be complete, the 5. applicant shall be notified within ten (10) business days, except where circumstances beyond the control of the City justifiably delay such response, of that fact;

> All notices required by this Chapter shall be deemed 6.

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issued upon the date they are either deposited in the United States mail or the date upon which personal service of such notice is provided.

C. Upon receipt of the completed Medical Marijuana Collective Permit application, the Director of Financial Management shall:

 Refer the application to all concerned City departments, including, but not limited to, Police, Fire, Health, Development Services and Code Enforcement for investigation. Such departments shall file a report providing recommendations regarding the approval or denial of the permit with the Director of Financial Management within forty-five (45) business days after the completed application is filed, except where good cause exists to extend this period;

2. Post the application to the City's website for public review and comment for a period of forty-five (45) business days. During the formal comment process, the City will receive comments from the public via the City's website, email, or regular mail, and by a form that will be available for download for the duration of the formal comment process from the City's website;

3. Notice of the formal comment process shall also be mailed or delivered to all surrounding properties. The notice shall include instructions for said property owners to provide written comments via the City's website, email, or regular mail. The public noticing mailer will also include a form that may be filled in and submitted as public comment.

D. The Director of Financial Management shall review and assemble all public input received during the formal comment process and shall prepare a report for the City Council providing a summary of the public commentary and findings of fact, including, but not limited to, each operating condition set forth in Section 5.87.040, a summary of the relevant evidence, a statement of the issues, and a recommended

decision. A copy of the report shall be available to all parties at least ten (10) business days prior to a hearing.

E. The City Council shall conduct a hearing on the application or refer the matter to a hearing officer, pursuant to Chapter 2.93 of this Code, within sixty (60) business days from close of the formal comment process, except where good cause exists to extend this period. The Director of Financial Management shall cause notice to be mailed or delivered to the applicant and shall also be mailed or delivered to surrounding properties. The applicant shall be given written notice at least ten (10) business days prior to such hearing. The hearing and rules of evidence shall be conducted pursuant to Chapter 2.93 of this Code. The determination of the City Council shall be final.

5.87.040 Medical Marijuana Collective Permit approval and operating conditions.

The City Council shall approve and issue a Medical Marijuana Collective Permit if the application and evidence submitted in the hearing, conducted pursuant to Section 5.87.030, Subsections (D) and (E) as set forth above, sufficiently demonstrate that:

A. The Property is not located in an area zoned in the City for exclusive residential use. Medical Marijuana Collectives are not permitted to operate in exclusive residential zones as established pursuant to Title 21 of this Code.

B. The Medical Marijuana Collective is not located within a one thousand five hundred foot (1,500') radius of a public or private high school or Educational Partnership High School ("EPHS") or within a one thousand foot (1,000') radius of a public park or a public or private kindergarten, elementary, middle or junior high school. The distances

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specified in this subdivision shall be determined by the horizontal distance measured in a straight line from the property line of the school to the closest property line of the lot on which the Medical Marijuana Collective is located, without regard to intervening structures.

C. The Medical Marijuana Collective is not located within a one thousand foot (1,000') radius of any other Medical Marijuana Collective. The distance specified in this subdivision shall be determined by the horizontal distance measured in a straight line from the property line of any other Medical Marijuana Collective, to the closest property line of the lot on which the permitted Medical Marijuana Collective is located, without regard to intervening structures.

D. Exterior building and parking area lighting at the Property are in compliance with all applicable provisions of this Code.

E. Any exterior or interior sign visible from the exterior of the Property shall be unlighted.

F. Windows and roof hatches at the Property shall be secured so as to prevent unauthorized entry, and are equipped with latches that may be released quickly from the inside to allow exit in the event of emergency and are in compliance with all applicable building code provisions.

G. The Property provides sufficient sound absorbing insulation so that noise generated inside the premises is not audible anywhere on the adjacent property or public rights-of-way, or within any other building or other separate unit within the same building as the Medical Marijuana Collective.

H. The Property provides a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the Property is not detected outside the Property, anywhere on adjacent property or public

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OFFICE OF THE CITY ATTORNEY ROBERT E. SHANNON, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach, CA 90802-4664 rights-of-way, or within any other unit located within the same building as the Medical Marijuana Collective.

I. The Medical Marijuana Collective shall install and maintain a video surveillance system that monitors no less than the front and rear of the Property. The surveillance system shall:

1. Capture a full view of the public right-of-ways and any parking lot under the control of the Medical Marijuana Collective;

Be of adequate quality, color rendition and resolution
 to allow the ready identification of any individual committing a crime
 anywhere on or adjacent to the exterior of the Property;

3. Record and maintain video for a minimum of thirty (30) days and be accessible via the Internet by the Long Beach Police Department. A Public Internet Protocol (IP) address and user name/password is also required to allow the Long Beach Police Department to view live and recorded video from these cameras over the Internet;

4. Be installed to the satisfaction of the Chief of Police,
Director of Technology Services, and Director of Development Services.
At the discretion of the Chief of Police, the Medical Marijuana Collective
may be required to add additional video cameras. Consent is given by
the Medical Marijuana Collective under this subsection to the provision of
said recordings or live video feed to the Police Department without
requirement for a search warrant, subpoena or court order.

J. The Property has a centrally-monitored fire and burglar alarm system.

K. A sign is posted in a conspicuous location inside the Property advising:

1. "The diversion of marijuana for non-medical purposes

is a violation of State law;

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2. The use of marijuana may impair a person's ability to drive a motor vehicle or operate heavy machinery;

Loitering at the location of a Medical Marijuana
 Collective for an illegal purpose is prohibited by California Penal Code
 Section 647(h);

4. This Medical Marijuana Collective is permitted in accordance with the laws of the City of Long Beach;

5. The sale of marijuana and the diversion of marijuana for non-medical purposes are violations of State Law."

L. Each applicant electing to manufacture Edible Medical Marijuana shall manufacture the Edible products for the sole consumption by Qualified Patient members and Qualified Patient Management Members of the Collective, in compliance with all applicable state and local laws.

M. The Medical Marijuana Collective meets all applicable state and local laws to ensure that the operations of the Collective are consistent with the protection of the health, safety and welfare of the community, Qualified Patients and their Primary Caregivers, and will not adversely affect surrounding uses.

N. No Collective shall operate for profit. Cash and in-kind contributions, reimbursements, and reasonable compensation provided by Management Members and members towards the Collective's actual expenses of the growth, cultivation, and provision of Medical Marijuana shall be allowed provided that they are in strict compliance with State Law. All such cash and in-kind amounts and items shall be fully documented in accordance with Section 5.87.060 of this Chapter.

O. Collective cultivation of Medical Marijuana shall be limited to

the Medical Marijuana Collective members and Management Members.

P. Cultivation of Medical Marijuana by the Medical Marijuana Collective members and Management Members shall occur exclusively within the boundaries of the City of Long Beach and only at the Property identified on the Medical Marijuana Permit application.

Q. Distribution of the Medical Marijuana collectively cultivated by the Medical Marijuana Collective members and Management Members to Collective members and Management Members shall occur exclusively within the boundaries of the City of Long Beach and only at the Property identified on the Medical Marijuana Permit application.

R. If the cultivation of Medical Marijuana by the Medical . Marijuana Collective located within the City of Long Beach is to take place at a location other than the location where the Medical Marijuana is distributed to Medical Marijuana Collective members and Management Members, then the location of cultivation shall likewise fully comply with the provisions of Section 5.87.040 and all of its subsections.

S. Every Medical Marijuana Collective shall maintain, on-site at the Property, cultivation records, signed under penalty of perjury by each Management Member, identifying the location within the City of Long Beach at which the Medical Marijuana was cultivated, and the total number of said plants cultivated at each location.

T. Representative samples of Medical Marijuana distributed by the Collective shall be analyzed by an independent laboratory to ensure it is free of harmful pesticides and other contaminants regulated by local, state or federal regulatory or statutory standards.

U. Any Medical Marijuana from which the representative sample tested positive for a harmful pesticide or other contaminant at a level which exceeds the local, state, or federal regulatory or statutory

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standards shall be destroyed forthwith; and

V. Any Medical Marijuana provided to Collective members shall be properly labeled in strict compliance with state and local laws. W.

W. The operation of Medical Marijuana Collectives shall be limited to the hours between nine o'clock (9:00) A.M. and seven o'clock (7:00) P.M.

X. The property meets the off-street parking and loading requirements set forth in Chapter 21.41. For the purpose of determining required parking, a Medical Marijuana Collective shall be deemed to be a "personal services" type use.

Y. That any and all business identification signs comply with the provisions of Chapter 21.44 "On Premises Signs" as set forth in this Code.

5.87.045 Notice of permit issuance.

Upon conclusion of the City Council's hearing on the application, notice of permit issuance shall be mailed or delivered to all surrounding properties and published on the City's website. This notice will include information for residents and property owners to submit complaints or report violations to the City.

5.87.050 Medical Marijuana Collective Permit – Non transferable.

A Medical Marijuana Collective Permit issued pursuant to this Chapter shall become null and void upon the cessation of the Collective and/or the relocation of the Collective to a different Property

A. The following shall be deemed a change in location:

1. Any relocation or expansion that includes a separate piece of property or parcel of land from the initially permitted Property;

2. Any expansion of the initially permitted Property which represents a greater than fifty percent (50%) increase in the square footage of space devoted to public access or occupancy;

B. The lawful conduct of activity regulated by this Chapter by a permittee shall be limited to those activities expressly indicated on the Medical Marijuana Collective Permit application.

C. The holder of a Medical Marijuana Collective Permit shall not allow others to use or rent the permitted Property. An exception shall be made for persons who are not Collective members or Management Members and who possess a valid City issued business license which authorizes the "place to place" sale of soil and nutrients to the Collective members or Management Members for the collective cultivation of Medical Marijuana by members and/or Management Members of the Collective.

5.87.060 Maintenance of records.

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A. A Medical Marijuana Collective shall maintain the following accurate and truthful records on the Property:

1. The full name, address, and telephone number(s) of the owner, landlord and/or lessee of the Property;

2. The full name, address, and telephone number(s) and a fully legible copy of a government issued form of identification of each Collective member engaged in the management of the Collective and a description of the exact nature of the participation in the management of the Collective. Acceptable forms of government issued identification include, but are not limited to: Drivers licenses or photo identity cards issued by state Department of Motor Vehicles (or equivalent) that meets REAL ID benchmarks, a passport issued by the

United States or by a foreign government, U.S. Military ID cards (active duty or retired military and their dependents), or a Permanent Resident Card;

3. The full name, address, and telephone number(s) of each Collective member and Management Member who participates in the Collective cultivation of Medical Marijuana;

4. The full name, date of birth, residential address, and telephone number(s) of each Collective member and Management Member; the date each member and Management Member joined the Collective; the exact nature of each member's and Management Member's participation in the Collective; and the status of each member and Management Member as a Qualified Patient or Primary Caregiver;

5. A written accounting of all cash and in-kind contributions, reimbursements, and reasonable compensation provided by the Collective Management Members and members to the Collective, and all expenditures and costs incurred by the Collective;

6. An inventory record documenting the dates and amounts of Medical Marijuana cultivated at the Property, and the daily amounts of Medical Marijuana stored on the Property;

7. Proof of a valid Medical Marijuana Collective Permit issued by the Department of Financial Management in conformance with this Chapter;

8. A list of Prohibited Activity set forth in Section 5.87.090 containing a statement dated and signed by each Collective member and Management Member, under penalty of perjury that they read, understand and shall not engage in the aforementioned prohibited activity;

9. Any and all records described in Section 5.87.060.A shall be maintained by the Medical Marijuana Collective for a period of

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five (5) years and shall be made available by the Collective to the City upon request, subject to the authority set forth in Section 5.87.070;

B. Annual reports – Report requirements/Content of reports.
 Each Medical Marijuana Collective operating in the City shall, on
 an annual basis, submit to the City Manager or designee an audited
 financial report prepared by an independent Certified Public Accountant
 ("CPA") that meet the following criteria:

1. Reports shall be on a calendar year basis and shall be submitted no later than April 30th following the calendar year to which the report pertains (for example, a collective's 2010 annual report will be submitted to the City Manager no later than April 30, 2011);

2. The audited financial report shall contain an accounting of all cash, receipts, credit card transactions, reimbursements (including any in-kind contributions), and any and all reasonable compensation paid by the collective for services provided by management members or other members of the collective, as well as records of all operational expenditures and costs incurred by the medical marijuana collective in accordance with generally accepted accounting practices and standards typically applicable to business records;

 The report shall document the number of medical marijuana product transactions that took place during the reporting year, including cost and quantity for each transaction, where Medical Marijuana was transferred to a qualified patient or management member for cash, credit, or in kind contributions;

 Appended to the report shall be a copy of any and all documents, records or forms submitted to the State Board of Equalization for the reporting year, including, but not limited to, Board of Equalization Form 401 (or its electronic equivalent) which in any manner documents

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transaction activities related to the operation of the Medical Marijuana Collective;

5. Appended to the required report shall also be an accounting of the number of marijuana plants or clones cultivated by the dispensary during the reporting year;

6. Any and all records or documents that serve as the basis for preparing the annual report shall be maintained by the medical marijuana collective for a period of five (5) years and shall be made available to the City upon request, subject to the authority set forth in Section 5.87.070.

5.87.070 Inspection authority.

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City representatives may enter and inspect the Property of every Medical Marijuana Collective between the hours of nine o'clock (9:00) A.M. and seven o'clock (7:00) P.M., or at any reasonable time to ensure compliance and enforcement of the provisions of this Chapter, except that the inspection and copying of private medical records shall be made available to the Police Department only pursuant to a properly executed search warrant, subpoena, or court order. It is unlawful for any Property owner, landlord, lessee, Medical Marijuana Collective member or Management Member or any other person having any responsibility over the operation of the Medical Marijuana Collective to refuse to allow, impede, obstruct or interfere with an inspection.

5.87.080 Existing Medical Marijuana operations.

Any existing Medical Marijuana Collective, dispensary, operator,
establishment, or provider that does not comply with the requirements of
this Chapter must immediately cease operation until such time, if any,

when it complies fully with the requirements of this Chapter. No Medical Marijuana Collective, dispensary, operator, establishment, or provider that existed prior to the enactment of this Chapter shall be deemed to be a legally established use or a legal non-conforming use under the provisions of this Chapter or the Code.

5.87.090 Prohibited activity.

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A. It is unlawful for any person to cause, permit or engage in the cultivation, possession, distribution, exchange or giving away of
Marijuana for medical or non medical purposes except as provided in this
Chapter, and pursuant to any and all other applicable local and state law.

B. It is unlawful for any person to cause, permit or engage in any activity related to Medical Marijuana except as provided in this Chapter and in Health and Safety Code Sections 11362.5 *et seq.*, and pursuant to any and all other applicable local and state law.

C. It is unlawful for any person to knowingly make any false, misleading or inaccurate statement or representation in any form, record, filing or documentation required to be maintained, filed or provided to the City under this Chapter.

D. No Medical Marijuana Collective, Management Member or member shall cause or permit the sale, distribution or exchange of Medical Marijuana or of any Edible Medical Marijuana product to any non Collective Management Member or member.

E. No Medical Marijuana Collective, Management Member or member shall allow or permit the commercial sale of any product, good or service, including but not limited to drug paraphernalia identified in Health and Safety Code Section 11364, on or at the Medical Marijuana Collective, in the parking area of the Property. An exception shall be

made for persons who are not Collective members or Management
Members and who possess a valid City issued business license which
authorizes the "place to place" sale of soil and nutrients to the Collective,
Management Members or members for the collective cultivation of
Medical Marijuana by Management Members and members of the
Collective.

F. No cultivation of Medical Marijuana at the Property shall be visible with the naked eye from any public or other private property, nor shall cultivated Medical Marijuana or dried Medical Marijuana be visible from the building exterior. No cultivation shall occur at the Property unless the area devoted to the cultivation is secured from public access by means of a locked gate and any other security measures necessary to prevent unauthorized entry.

G. No manufacture of Concentrated Cannabis in violation of California Health and Safety Code Section 11379.6 is allowed.

H. No Medical Marijuana Collective shall be open to or provide Medical Marijuana to its members or Management Members between the hours of seven o'clock (7:00) P.M. and nine o'clock (9:00) A.M.

I. No person under the age of eighteen (18) shall be allowed at the Property, unless that minor is a Qualified Patient and is accompanied by his or her licensed Attending Physician, parent(s) or documented legal guardian.

J. No Medical Marijuana Collective shall possess Medical Marijuana that was not collectively cultivated by its Management Members or members at the Property location permitted in accordance with this Chapter.

K. No Medical Marijuana Collective, Management Member or member shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on the Property or in the parking area of the Property.

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L. No dried Medical Marijuana shall be stored at the Property in structures that are not completely enclosed, in an unlocked vault or safe, in any other unsecured storage structure, or in a safe or vault that is not bolted to the floor of the Property.

M. Medical Marijuana may not be inhaled, smoked, eaten, ingested, or otherwise consumed on the Property, in the parking areas of the Property, or in those areas restricted under the provisions of California Health and Safety Code Section 11362.79, which include:

1. Any place where smoking is prohibited by law;

2. Within one thousand feet (1,000') of the grounds of a school, recreation center, or youth center;

3. While on a school bus;

4. While in a motor vehicle that is being operated; or

5. While operating a boat.

N. Medical Marijuana Collective membership and Management
 Membership, established pursuant to this Chapter, shall be limited to one
 Collective fully permitted in accordance with this Chapter.

O. No person who has been convicted within the previous ten
(10) years of a felony or a crime of moral turpitude, or who is currently on parole or probation for the sale or distribution of a controlled substance, shall be engaged directly or indirectly in the management of the Medical Marijuana Collective nor, further, shall manage or handle the receipts and expenses of the Collective.

5.87.100 Violation and enforcement.

A. Any person violating any provision of this Chapter or
 knowingly or intentionally misrepresenting any material fact in procuring
 the permit herein provided for, shall be deemed guilty of a misdemeanor

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punishable by a fine of not more than one thousand dollars (\$1,000.00) or by imprisonment for not more than twelve (12) months, or by both such fine and imprisonment.

Β. Any person who engages in any Medical Marijuana Collective operations after a Medical Marijuana Collective Permit application has been denied, or a Medical Marijuana Collective Permit has been suspended or revoked, and before a new permit is issued, shall be guilty of a misdemeanor.

As a nuisance *per se*, any violation of this Chapter shall be C. subject to injunctive relief, revocation of the certificate of occupancy for the property, disgorgement and payment to the City of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The City may also pursue any and all remedies and actions available and applicable under local and state law for any violations committed by the Medical Marijuana Collective, its Management Members, members or any person related or associated with the Collective.

D. Any violation of the terms and conditions of the Medical Marijuana Collective permit, of this Chapter, or of applicable local or state regulations and laws shall be grounds for permit suspension or revocation.

5.87.110 Appeal process.

If a City department determines that the permittee failed to Α. comply with any provision of this Chapter, or with any other provision or requirement of law, the Director of Financial Management shall revoke or suspend the Medical Marijuana Collective Permit in accordance with the provisions set forth in Section 5.06.020, Subsection A, of this Code.

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Β. The Director of Financial Management shall notify the permittee of the permit revocation or suspension by dated written notice. Said notice shall advise the permittee of the right to appeal the decision to the City Council. The request for appeal shall be in writing, shall set forth the specific ground(s) on which it is based and shall be submitted to the Director of Financial Management within ten (10) calendar days from the date the notice was mailed along with an appeal deposit in an amount determined by the City Council by resolution.

C. The City Council shall conduct a hearing on the appeal or refer the matter to a hearing officer, pursuant to Chapter 2.93 of this Code, within thirty (30) business days from the date the completed request for appeal was received by the Director of Financial Management, except where good cause exists to extend this period. The appellant shall be given at least ten (10) business days written notice of such hearing. The hearing and rules of evidence shall be conducted pursuant to Chapter 2.93 of this Code. The determination of the City Council on the appeal shall be final.

D. Whenever a Medical Marijuana Collective Permit has been revoked or suspended, no other such permit application shall be considered for a period of one (1) year from either the date notice of the revocation or suspension was mailed, or the date of the final decision of the City Council, whichever is later.

5.87.120 Operative date of cultivation requirement.

25 Each Medical Marijuana Collective issued a Medical Marijuana 26 Collective Permit, pursuant to this Chapter, shall have one-hundred-and-27 twenty (120) days from the date the permit is issued to comply with the 28 Medical Marijuana cultivation requirements set forth in Section 5.87.040,

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Subsection (P) and Section 5.87.090, Subsection (J) of this Chapter.

5.87.130 Severability.

If any provision of this Chapter, or the application thereof to any person or circumstance, is held invalid, that invalidity shall not affect any other provision or application of this Chapter that can be given effect without the invalid provision or application; and to this end, the provisions or applications of this Chapter are severable.

5.87.135 Designee.

The City Manager or designee is hereby authorized to develop procedures necessary to implement this Ordinance in a fair and reasonable manner.

5.87.140 Review of Regulations.

On or before the first anniversary of the effective date of this Chapter, the City Council shall review the effectiveness of these regulations, and shall enact modifications, if necessary.

20 Section 2. The City Clerk shall certify to the passage of this Ordinance 21 by the City Council and cause it to be posted in three conspicuous places in the City of 22 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by 23 the Mayor.

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