## **ORD-19**

## ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE LONG BEACH MUNICIPAL CODE BY ADDING CHAPTER 21.66; AND BY REPEALING CHAPTER 5.89, ALL RELATING TO MEDICAL MARIJUANA; DECLARING THE URGENCY THEREOF AND DECLARING THAT THIS ORDINANCE SHALL TAKE EFFECT IMMEDIATELY

WHEREAS, the people of the State of California have enacted Proposition 215, the Compassionate Use Act of 1996 ("CUA") (codified in Health and Safety Code Section 11362.5, et seq.), which allows for the possession and cultivation of marijuana for medical use by certain qualified persons; and

WHEREAS, the CUA creates a limited exception from criminal liability for
seriously ill persons who are in need of medical marijuana for specified medical
purposes and who obtain and use medical marijuana under limited circumstances; and

WHEREAS, in 2004, the State of California ("State") enacted Senate Bill
420, the Medical Marijuana Program Act ("MMPA") (codified in California Health and
Safety Code Section 11362.7 et seq.), which purports to clarify the scope of the CUA,
and also which recognizes the right of cities and other governing bodies to adopt and
enforce rules and regulations consistent with the MMPA; and

WHEREAS, in 2015, the State of California passed the Medical Marijuana Regulation and Safety Act ("MMRSA") to provide a State framework for licensure and regulation of medical marijuana within the State, while continuing to recognize the authority of local governments to regulate or ban medical marijuana related activity within their respective jurisdictions; and

WHEREAS, notwithstanding the passage of the CUA and MMPA, and the

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MMRSA, the cultivation, possession, and distribution of marijuana is prohibited by
 federal law and specifically by the Controlled Substances Act ("CSA") (codified in 21
 U.S.C. Section 841); and Section 841 of the CSA makes it unlawful for a person to
 manufacture, distribute, dispense, or possess with intent to manufacture, distribute, or
 dispense marijuana; and

WHEREAS, the regulations for medical marijuana uses are not yet
adequate at the State level to address the impacts on the City of medical marijuana,
making it appropriate for local regulation of the impacts of medical marijuana uses; and

9 WHEREAS, pursuant to the City's police powers authorized in Article XI,
10 Section 7, of the California Constitution, the Long Beach Municipal Code, and other
11 provisions of California law including, but not limited to California Government Code
12 Section 38771, the City has the power through its City Council to determine, for
13 purposes of the public health, safety, and welfare, the appropriate uses of land within a
14 local jurisdiction's borders; and

WHEREAS, nothing in this Chapter is intended to promote or condone the
production, distribution, delivery, or possession of marijuana in violation of any
applicable law; and

18 WHEREAS, this Chapter is to be construed to protect the general public's
19 health, safety and welfare over medical marijuana related interests; and

WHEREAS, operation of a medical marijuana dispensary is a revocable privilege and not a right in the City. There is no property or vested right for an individual or entity to have a medical marijuana business in the City; and

WHEREAS, the City has a zero tolerance policy for violations of this
Chapter or provisions of the State's MMRSA; and

WHEREAS, the City Council wishes to repeal Chapter 5.89 of the Municipal Code ("Medical Marijuana Dispensary Ban") in its entirety and at the same time adopt regulations allowing for the limited existence of medical marijuana businesses and related activities in the City of Long Beach in accordance with this

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Chapter and the State's MMRSA.

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

Section 1. Chapter 21.66 is added to the Long Beach Municipal Code 4 5 to read as follows:

Chapter 21.66

## MEDICAL MARIJUANA

21.66.010 Purpose.

The primary purpose of this Chapter is to protect the public health, safety, and welfare of the residents and patients of the City by prescribing the manner in which medical marijuana businesses and related activities can operate in the City.

Protection of the public shall be the highest priority for the City in exercising its regulatory and discretionary functions under this Chapter. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount. The City intends that both this Chapter and the relevant provisions of the State "MMRSA" shall apply in the regulation of medical marijuana businesses in the City.

This Chapter regulates the use, acquisition, cultivation, production, delivery, and distribution of medical marijuana in a manner that is consistent with the State Compassionate Use Act ("CUA"), the State Medical Marijuana Program Act ("MMPA"), and the State Medical Marijuana Regulation and Safety Act ("MMRSA"). The following regulations are intended to apply to all medical marijuana business operations in the City whether by a patient or primary caregiver, or a collective of patients, or any medical marijuana related entity allowed under the State law. Medical marijuana delivery, distribution, cultivation, and production can have an impact on health, safety and

community resources, and this Chapter is intended to allow medical marijuana distribution and cultivation only where it will have a minimal impact. To do so, the following regulations:

A. Provide for a means for cultivation, production, delivery and distribution of marijuana to patients who qualify to obtain, possess, and use marijuana for medical purposes under the CUA, MMPA, and MMRSA;

B. Protect public health and safety through reasonable limitations on medical marijuana business operations as they relate to noise, air, and water quality, food safety, neighborhood and patient safety, security for the dispensary location and its personnel, nuisance conditions, and other health and safety concerns;

C. Promote lively street life and high quality neighborhoods by limiting the concentration of medical marijuana businesses in the City;

D. Impose fees to recover the cost to the City of regulating medical marijuana related operations;

E. Adopt a mechanism to monitor compliance with the provisions of this Chapter and State law;

F. Create regulations that address the particular needs of the residents and patients of the City and coordinate with laws and regulations that have been or may be enacted by the State regarding the same;

G. Facilitate the implementation of the CUA, MMPA, and MMRSA without going beyond the authority granted to the City by them;

H. Allow medical marijuana related business operations only by individuals and entities that have demonstrated an intent and ability to comply with this Chapter and State law;

I. Protect public safety and residential uses by limiting the locations and manner by which medical marijuana businesses may operate.

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21.66.020 Definitions.

"Accrediting body" means a nonprofit organization that Α. requires conformance to ISO/IEC 17025 requirements and is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement for Testing.

"Advertise" means the act of drawing the public's attention, B whether in print or on the television, internet, cellular network, or radio, or any and all media now known or hereafter devised, to a medical marijuana business in order to promote the sale of medical marijuana by the business.

> C. "Applicant" means the following:

The owner or owners of a proposed medical marijuana 1. business, including all persons or entities having an ownership interest in the business;

If the owner is an entity, "owner" includes within the entity 2 each person participating in the direction, control, or management of, or having a financial interest in, the proposed business;

If the Applicant is a publicly traded company, "owner" 3. means the chief executive officer or any person or entity with an aggregate ownership of five percent or more.

"Batch" means a specific quantity of medical marijuana or D. medical marijuana product that is intended to have uniform character and quality, within specified limits, and is produced according to a single manufacturing order during the same cycle of manufacture.

E. "Bureau" means the State Bureau of Medical Marijuana Regulation within the State Department of Consumer Affairs.

F. "Business manager" means the individual designated by the owner of the medical marijuana business as the person responsible for all operations of the business in the absence of the owner from the business

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property. Business manager shall include any person with managerial authority in the business, and any person that has access to lock or unlock the safe, to unlock or lock the business, or set or disarm the alarm.

G. "Cannabinoid" or "phytocannabinoid" means a chemical compound that is unique to and derived from cannabis.

Η. "Cannabis" means all parts of the plant cannabis sativa, Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin; whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from marijuana. "Cannabis" also means marijuana as defined in California Health and Safety Code Section 11018. 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 mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of dermination, "Cannabis" does not mean "industrial hemp" as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

I. "Cannabis concentrate" means the separated resin, whether crude or purified, obtained from marijuana.

J. "Caregiver" or "primary caregiver" means the individual, designated by a qualified patient or by a person possessing a valid physician's written recommendation for medical marijuana, who has consistently assumed responsibility for the housing, health, or safety of that patient or person.

K. "Commercial cannabis activity" means cultivation, possession,

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manufacture, processing, storing, laboratory testing, labeling, transporting, delivery, distribution, or sale of medical cannabis or a medical cannabis product to qualifying patients and primary caregivers.

L. "Cultivation" or "cultivate" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

M. "Cultivation site" means a facility where medical cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, that holds a valid State license pursuant to this chapter, and that holds a valid local license or permit.

N. "Delivery" means the commercial transfer of medical marijuana or permitted medical marijuana edible products from a medical marijuana business, to a primary caregiver or qualified patient's residence.

O. "Dispensary" means a facility where medical marijuana, medical marijuana products, or devices for the use of medical marijuana are offered, either individually or in any combination, for retail sale, including an establishment that delivers medical marijuana and medical marijuana products as part of retail sale.

P. "Dispensing" means any activity involving the transfer of title
or possession, exchange or barter, conditional or otherwise, in any means
whatsoever, of tangible personal property for a consideration including any
monetary consideration of medical marijuana or medical marijuana products
from a dispensary, including but not limited to, membership dues,
reimbursements or total amount of cash or in-kind contributions.

Q. "Distribute" or "distribution" means the procurement, sale, delivery, and transport of medical marijuana and medical marijuana products between entities licensed by the State and permitted by the City in accordance with this Chapter.

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R. "Distributor" means a person licensed by the State to engage in the business of purchasing medical marijuana from a licensed cultivator, or medical marijuana products from a licensed manufacturer, for sale to a licensed or permitted dispensary.

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

T. "Edible cannabis product" or "edible" means an edible manufactured product that contains medical cannabis which is intended to be used, in whole or in part, for human consumption.

U. "Financier" means any person or entity who lends money, grants, donates, or otherwise provides assets to any person applying for a permit or who has been issued a permit under this Chapter. Financier shall not include a bank, savings and loan association, credit union, or industrial bank supervised and regulated by an agency of the State or federal government.

V. "Labor peace agreement" means an agreement between a licensee or permittee and a bona fide labor organization that, at a minimum, prohibits labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with the Applicant's business. This agreement means that the Applicant has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the Applicant's employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the Applicant's employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under State law, and terms and conditions of employment. This type of agreement shall not mandate a particular method

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of election or certification of the bona fide labor organization.

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OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney W. "Licensee" means a person issued a State and/or City license or permit under this Chapter to engage in commercial cannabis activity.

X. "Licensing authority" means the City of Long Beach or the State agency responsible for the issuance, renewal, or reinstatement of the license or permit, or the State agency authorized to take disciplinary action against the license.

Y. "Live plants" means living medical cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.

Z. "Lot" means a batch, or a specifically identified portion of a batch, having uniform character and quality within specified limits. In the case of medical cannabis or a medical cannabis product produced by a continuous process, "lot" means a specifically identified amount produced in a unit of time or a quantity in a manner that ensures its having uniform character and quality within specified limits.

AA. "Manufactured cannabis" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product.

BB. "Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of manufactured medical cannabis, or medical cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages medical cannabis or medical cannabis products or labels or relabels its container, that holds a valid State license, and that holds a valid local license or permit.

27 CC. "Manufacturing site" means a location that produces,
 28 prepares, propagates, or compounds manufactured medical cannabis or

medical cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a licensee for these activities.

DD. "Medical marijuana," "medical cannabis," "medical cannabis product," or "cannabis product" means a product, including edible cannabis products, intended to be sold and consumed or used by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this Chapter, "medical cannabis" does not include "industrial hemp" as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

EE. "Medical marijuana business" means:

1. Any association of four (4) or more individuals that cultivates, produces, manufactures, sells, distributes, possesses, transports, delivers, or makes available medical marijuana to 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 cultivate, deliver, or distribute medical marijuana in accordance with California Health and Safety Code Sections 11362.5, *et seq.*, the State MMRSA, or this Chapter. For purposes of this Chapter, the term medical marijuana cooperative, collective, facility, or dispensary shall have the same meaning as medical marijuana business. Medical marijuana business includes, but is not limited to, dispensary storefront locations, delivery services, cultivation facilities, and edible cannabis product and permitted concentrate product manufacturers;

2. Any person that cultivates, produces, sells, distributes, possesses, transports or delivers more than six (6) mature marijuana plants

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or twelve (12) immature marijuana plants, or eight (8) ounces of a useable form of marijuana for medical use, pursuant to California Health and Safety Code Section 11362.5, *et seq.*;

3. The term medical marijuana business shall not include personal use cultivation of medical marijuana at the private residence of either a qualified patient or the qualified patient's primary caregiver for use by the qualified patient if such cultivation is conducted pursuant to Health and Safety Code Sections 11362.765 through 11362.775 and is conducted in strict compliance with the following:

a. A qualified patient and primary caregiver shall be allowed to cultivate medical marijuana within the private residence of either the qualified patient or the qualified patient's primary caregiver for the qualified patient's personal use;

b. The building being used for the cultivation shall remain at all times a residence with legal and functioning cooking, sleeping and sanitation facilities;

c. Medical marijuana cultivation shall remain at all times incidental to the residential use of the property;

 d. The qualified patient or the primary caregiver shall reside in the residence where the medical marijuana cultivation occurs;

e. The medical marijuana cultivation area shall be in compliance with all current Building and Fire Codes, including without limitation, the current adopted edition of the California Building Code Section 1203.4 - National Ventilation; or Section 402.3 - Mechanical Ventilation;

f. The cultivation shall not adversely affect public health or safety through the creation of mold, mildew, dust, glare, heat,

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noise, noxious gasses, odor, smoke, traffic, vibration, or other impacts; or be hazardous because of the use or storage of materials, processes, products or wastes, or for any other reason;

g. All electrical equipment used in the cultivation of medical marijuana shall be plugged directly into a wall outlet or otherwise hardwired. The use of extension cords to supply power to electrical equipment used in the personal cultivation of medical marijuana is prohibited;

h. From a public right-of-way, there shall be no
exterior evidence of medical marijuana cultivation occurring at the property;

Medical marijuana cultivated for personal use as

provided herein shall not be distributed to anyone other than the qualified patient;

j. All water used in the cultivation of medical marijuana shall be legally obtained and shall be applied in accordance with State and local laws;

k. Notwithstanding the number of qualified patients
or primary caregivers residing at the private residence, medical marijuana
cultivation shall be limited to a single space within a single room that is not
a garage. The single space in the single room shall be no larger than fifty
(50) square feet and all medical marijuana plants shall be arranged in a
single layer;

I. Medical marijuana cultivated for personal use by a qualified patient shall be exclusively for his or her personal medical use and shall not be provided, donated, sold, or distributed to any other person or entity;

m. Medical marijuana cultivated for personal use by a primary caregiver shall be exclusively for the personal medical use of that

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primary caregiver's designated qualified patient(s) and shall not be provided, donated, sold, or distributed to any other person or entity;

n. The area used for medical marijuana cultivation, processing, manufacturing or storage shall be secured in a manner so as to prevent access by anyone other than a qualified patient or primary caregiver; and

o. The extraction or refinement of chemical compounds from medical marijuana by way of a solvent-based extraction method utilizing compressed flammable gasses or alcohol is prohibited.

FF. "Permit," "local license," or "local permit" means an official document granted by the City that specifically authorizes a person to conduct commercial cannabis activity in the City.

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

HH. "Permittee" means the medical marijuana business named on the Conditional Use Permit and business license, and all individuals named in the Conditional Use Permit application or later reported to the City, including without limitation, owners, business managers, financiers, and individuals owning any part of an entity that holds a financial or ownership interest in a medical marijuana business.

II. "Place open to the general public" means any property owned, leased, or used by a public entity, and any place on private property open to the public, common areas of buildings, private clubs, vehicles, those portions of any private property upon which the public has an express or implied license to enter or remain, and any place visible from such places. "Place open to the general public" shall not include any fenced area of a

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private residence regardless of whether it can be seen from a place open to the public.

JJ. "Possess" or "possession" means having physical control of an object, or control of the property in which an object is located, or having the power and intent to control an object, without regard to whether the one in possession has ownership of the object. Possession may be held by more than one (1) person at a time. Use of the object is not required for possession. The owner of a medical marijuana business shall be considered in possession of the medical marijuana business at all times. The business manager of a medical marijuana business shall be considered in possession of the medical marijuana business at all times that the business manager is on the property of the business or has been designated by the owner as the business manager in the absence of the owner in accordance with this Chapter.

KK. "Property" means a distinct and definite location, which may include a building, a part of a building, a room or any other defined contiguous area.

LL. "Produce" or "production" means:

 Preparing, compounding, processing, encapsulating, packaging or repackaging, labeling or relabeling of marijuana or its derivatives, whether alone or mixed with any amount of any other substance; or

2. Combining marijuana with any other substance for distribution, including storage and packaging for resale.

MM. "Responsible person" means any individual who is the owner, partial owner, or occupant of real property, last registered owner and/or legal owner of a vehicle, the holder, business manager, or the agent of the holder of any permit, or the party or agent of a party to any agreement

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covered by this Chapter; or the owner or authorized agent of any business, company or entity subject to this Chapter.

NN. "Restricted area" means the portion of a medical marijuana business location within which the licensee defines on its application it intends to cultivate, distribute, possess or produce medical marijuana and which area is clearly identified as the restricted area on the floor plan submitted with the medical marijuana business CUP application for the business.

OO. "State license," "license," or "registration" means a State license issued by the State of California pursuant to the State's MMRSA for the purpose of engaging in any form of commercial cannabis activity.

PP. "Testing laboratory" means a facility, entity, or site in the State that offers or performs tests of medical cannabis or medical cannabis products and that is both of the following:

1. Accredited by an accrediting body that is independent from all other persons involved in the medical cannabis industry in the State;

2. Registered or licensed by the State pursuant to the State's MMRSA.

QQ. "Transport" means the transfer of medical cannabis or medical cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity as authorized by State law and this Chapter.

RR. "Transporter" means a person issued a State license to transport medical cannabis or medical cannabis products in an amount above a threshold determined by the State between facilities that have been issued a State license.

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SS. "Violation of any law" means a conviction, whether by verdict or finding of a violation of any law in a criminal, civil, or administrative proceeding, whether part of a plea agreement, settlement agreement, or determination by an arbitrator, hearing officer, court, or jury.

21.66.030 Permit required.

A. It shall be unlawful for any person or entity to operate, in or upon any property, a medical marijuana business without first obtaining all required State licenses and a Conditional Use Permit and business license issued by the City. Although State issued licenses or permits are not available at the time of the adoption of this Chapter, it is incumbent upon the Applicant to apply for, and obtain, all necessary or relevant State licenses or permits when they become available for issuance by the State. Failure to obtain required State licenses or permits shall be grounds for suspension or revocation of any permit or license issued by the City and for the imposition of any other penalty provided for in this Chapter.

The permit requirement set forth in this Chapter shall be in addition to, and not in lieu of any other licensing and permitting requirements imposed by any other federal, State or local law, including, but not limited to, building and occupancy permits, California seller's permit or other State issued permits or licenses issued for the purpose of engaging in commercial cannabis activities.

B. The issuance of any permit or business license pursuant to this Chapter does not create an exception, defense, or immunity to any person or entity from criminal liability for the cultivation, production, distribution, transportation, or possession of marijuana.

C. A single Conditional Use Permit shall be required for each property from which an individual medical marijuana business operates.

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D. A Conditional Use Permit issued pursuant to this Chapter shall become null and void upon the closure of the business for more than thirty (30) days, and/or the relocation of the business to a different location.

The following shall be deemed a change in location:

 a. Any relocation or expansion that includes a

 separate parcel of property, building suite, or parcel of land from the initially permitted Property;

b. Any expansion of the initially permitted Property which represents a greater than fifty percent (50%) increase in the square footage of space devoted to the medical marijuana business operations, including the restricted areas, unless the medical marijuana business was first permitted as a delivery only facility. In that case, the square footage of the permitted property may be increased beyond fifty percent (50%), provided the square footage limits set forth in Section 21.66.080 are not exceeded.

E. The lawful conduct of activity regulated by this Chapter shall
 be limited to those activities expressly indicated on the medical marijuana
 Conditional Use Permit or business license.

F. The Permittees of a medical marijuana business are only those persons disclosed in the Conditional Use Permit application or subsequently disclosed to the City in accordance with this Chapter. A transfer of a Conditional Use Permit is prohibited. Anytime the transfer of stock, assets, capital contribution and the like results in a change of ownership of a medical marijuana business, a new Conditional Use Permit and business license must be applied for and granted. Upon the date of implementation of regulations by a State licensing authority, no person shall engage in commercial cannabis activity or in the activities of a medical marijuana business without possessing all applicable State licenses and all applicable City permits and licenses. No person shall commence activity

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under the authority of a State license until the person has obtained, in addition to all applicable State licenses, a Conditional Use Permit and business license from the City in accordance with the requirements of this Chapter. Revocation of a State license shall constitute grounds for the City to suspend or revoke any permit or license issued by the City.

G. A medical marijuana business that is operating in compliance with this Chapter and other State and local requirements on or before January 1, 2018, may continue its operations until its application for State licensure is approved or denied pursuant to Business and Professions Code Section 19321(c), or six (6) months from the time licensing procedures are adopted by the State, whichever is first, unless good cause is established by the medical marijuana business that the time periods set forth herein should be extended.

21.66.040 General permit provisions.

A. The general procedures and requirements set forth in Chapter
21.25, "Conditional Use Permits," shall apply to Conditional Use Permits
issued pursuant to this Chapter. To the extent there is any conflict between
the provisions of this Chapter and Chapter 21.25, the provisions of this
Chapter shall control for Conditional Use Permits related to medical
marijuana businesses.

B. Insurance required.

The medical marijuana business shall provide proof of insurance to the City as follows:

1. Workers' Compensation Insurance. A medical marijuana business must at all times maintain workers' compensation insurance as required by the California Labor Code and employers liability insurance in an amount not less than one million dollars (\$1,000,000). This policy shall be

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endorsed to state that the insurer waives its right of subrogation against the City, its boards and commission, and its officials, employees, and agents;

2. Public Liability Insurance. Public liability insurance with minimum limits of two hundred fifty thousand dollars (\$250,000) for any one person and one million dollars (\$1,000,000) for any one accident, and public property damage insurance with a minimum limit of five hundred thousand (\$500,000) for any one accident, must be maintained at all times;

3. Vehicle Insurance. Any vehicle used for the transportation or delivery of medical marijuana must be covered by a liability insurance policy that specifically covers liabilities arising from a driver's use of a vehicle in connection with the transportation or delivery of medical marijuana product. Insurance shall be required in the amount of one million dollars (\$1,000,000) for death, personal injury, and property damage. The requirements for the coverage required herein may be satisfied by any of the following:

a. insurance maintained by the driver of the vehicle;

b. insurance maintained by the medical marijuana

business; or

any combination of (a) and (b) above.

C. Costs to regulate medical marijuana activities.

C.

1. The City will incur costs in the administration of medical marijuana activities including the issuance of a permit or license, inspection, enforcement, tax collection, auditing, and costs of litigation, including attorney's fees and related costs to regulate licensed and permitted medical marijuana businesses. One or more regulatory fees in order to recoup said costs from licensed and permitted medical marijuana businesses may be established by the City Council by resolution;

2. In the event of failure to pay an established regulatory

OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Lond Beach. CA 90802-4664 fee, a Conditional Use Permit or business license may be revoked or suspended.

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D. Costs of inspection, enforcement, and abatement.

1. In the event the City incurs costs in the inspection, enforcement, revocation, abatement, or any other requirements to remove a medical marijuana business or related equipment, the medical marijuana business and all responsible persons shall reimburse the City for all actual costs incurred by the City for such inspection, enforcement, or abatement, including costs of litigation and attorney's fees.

2. All actual costs required by this Section shall constitute a lien upon the property upon which the medical marijuana business is situated. The lien for any inspection, enforcement, or abatement costs shall attach thirty (30) days after the responsible parties are notified of the costs, and shall remain until the costs are paid or the property is sold in payment thereof.

E. Landlord duty.

It shall be unlawful for the owner of a building to lease space or allow the use of any portion of a building by a medical marijuana business unless the tenant has a valid Conditional Use Permit and a valid business license, or has applied for and not been denied, a Conditional Use Permit and/or business license and no marijuana is located on the property until all applicable permits and licenses have been issued by the City.

21.66.050 Conditional Use Permit application.

A. Application requirements.

In addition to the general Conditional Use Permit application requirements of Chapter 21.25, an application for a Conditional Use Permit to operate a medical marijuana business shall be submitted to the Department

of Development Services (DDS) and shall include completed forms provided by the City for that purpose. During the open application period, an applicant must undergo LiveScan at a location authorized by the State Department of Justice. The request for LiveScan must be filed so that the City is designated as the agency authorized to receive criminal history information from the LiveScan report. The Applicant shall use the application to demonstrate its compliance with this Chapter and any other applicable law, rule, or regulation. The application shall include the following information:

1. Name and address of the owner or owners of the medical marijuana business in whose name the permit is proposed to be issued;

2. If an owner is a corporation, the name and address of all officers or directors of the corporation and of any person holding issued and outstanding capital stock of the corporation;

3. If an owner is a partnership, association, or company, the name and address of any person holding an interest therein and the managing members. If a managing member is an entity rather than an individual, the same disclosure shall be required for each entity with an ownership interest until a managing member that is a natural person is identified;

4. If an owner is not a natural person, the organizational documents for all entities identified in the application, identification of the natural person that is authorized to speak for the entity and contact information for that person.

5. Name and address of:

 Any business managers of the medical marijuana business, if the business manager is proposed to be someone other than the owner;

b. All financiers of the medical marijuana business;

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Lona Beach. CA 90802-4664

1 and All agents of the medical marijuana business who 2 C. 3 either: (i) act with managerial authority, 4 provide advice to the medical marijuana 5 (ii)6 business for compensation, or 7 receive periodic compensation totaling (iii) one thousand dollars (\$1,000.00) or more in a single year for services related 8 9 to the medical marijuana business; 10 A statement indicating whether any of the named owners, 6. 11 members, business managers, financiers, primary caregivers, or persons 12 named on the application have been: Denied an application for a Conditional Use Permit 13 a. 14 pursuant to this Chapter, or any similar State or local licensing or permitting law, rule, or regulation, or had such a license or permit suspended or 15 16 revoked: Convicted of violating any law, other than a traffic 17 b. 18 violation infraction, or completed any portion of a sentence due to a violation 19 of any law; Convicted of driving or operating other machinery 20 C. under the influence of alcohol, drugs, or medication, driving while impaired, or 21 22 any comparable law, or a misdemeanor related to abuse of alcohol or a 23 controlled substance; Owners, members, business managers, or 24 d. 25 financiers of any other medical marijuana business in any location, Long Beach or otherwise, at any time, and the status of the other business(es) as 26 27 of the date the application is submitted; 28 Proof of ownership or legal possession of the Property at 7. 22 MJM:kjm A15-03026 1/14/16 :\apps\ctylaw32\wpdocs\d028\p026\00589978.docx;

OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach. CA 90802-4664 which the medical marijuana business will be located. If the medical marijuana business is not the owner of the property of the business, the Applicant shall provide written authorization to the City from the property owner to enter the property for inspection of the property on a form approved by the City as well as an acknowledgement from the owner that the Applicant has the owner's permission and consent to operate a medical marijuana business at the subject property;

8. Proof that the Applicant has met the insurance requirements set forth in Section 21.66.040;

9. An operating plan for the proposed medical marijuana business, including the following information:

a. A description of all the products and services to be provided by the medical marijuana business.

b. A schedule depicting the hours of operation;

c. A description of the procedures for cash

handling and audits;

d. A dimensioned floor plan, clearly labeled, showing:

(i) The layout of the facility and the floor plan

in which the medical marijuana business is to be located,

 (ii) The principal uses of the floor area depicted on the floor plan, including but not limited to the areas where non-patients will be permitted, private consulting areas, storage areas, retail areas, areas for cash handling and storage, and restricted areas where medical marijuana will be located,

(iii) Electrical, mechanical, plumbing, disabled access compliance pursuant to Title 24 of the State of California Code of Regulations and the federally mandated Americans with Disabilities Act,

(iv) The separation of the areas that are open

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to persons who are not patients from those areas open to patients, and

Any other information required by the City (v)in its review of the application;

A neighborhood safety and responsibility plan e, that demonstrates how the Applicant will comply with the requirements of this Chapter and abate associated crime and nuisance conditions in the immediate vicinity of the marijuana business, and how the business will fulfill its responsibilities to the neighborhood including outreach and dispute resolution;

f. For cultivation facilities, and medical marijuana businesses that produce edible cannabis products or concentrates, a plan that specifies:

The methods to be used to prevent the (i) growth of harmful mold and compliance with limitations on discharge into the wastewater system of the City as set forth in Long Beach Municipal Code Chapter 15.16, "Industrial Waste and Wastewater,"

A minimum of a one-hour fire separation (ii) wall between a cultivation facility and any adjacent business,

All ventilation systems used to control the (iii) environment for the plants that describes how such systems operate with the systems preventing any odor leaving the property. Such plan shall also include all ventilation systems used to mitigate noxious gases or other fumes used or created as part of the production process,

In addition to the above, the Applicant 24 (iv)shall also submit a Hazardous Materials Business Emergency Plan 25 (HMPEP) in accordance with State and Federal law and to the satisfaction 26 of the Long Beach Fire and Health Departments, which departments share 27 the oversight of the local Certified Unified Program Agency (CUPA); 28

1	g. A business plan which must include, but is not
2	limited to, the following information:
3	(i) Information that demonstrates the
4	prospective owner or owners' thorough understanding of medical marijuana
5	business operations, local market conditions, and inherent financial and
6	non-financial risks in operating a medical marijuana business in the City,
7	(ii) Information regarding revenue
8	projections, sales forecast, inventory and timeline for breaking even from
9	initial capital contribution,
10	(iii) Information regarding verifiable capital
11	reserve levels, lines of credit, bank statements showing adequate resources
12	for start-up costs, as well as on- going operations until a break -even point
13	is achieved, and
14	(iv) Information regarding the owner(s) or
15	business manager(s) resume demonstrating skills, knowledge and
16	experience owning and/or managing prior businesses;
17	10. A State seller's permit issued to the Applicant pursuant
18	to Part 1 (commencing with Section 6001) of Division 2 of the Revenue and
19	Taxation Code;
20	11. A lighting plan showing the lighting outside of the
21	marijuana business and compliance with applicable City requirements;
22	12. Color images and a site plan indicating locations of
23	proposed signage;
24	13. A fully legible copy of one valid government issued form
25	of photo identification, such as a State Driver's License or Identification Card.
26	This requirement shall apply to all owners, business managers, financiers,
27	and caregivers employed by, or under contract to provide services to, the
28	medical marijuana business, including all individuals who have an interest as
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described herein of any portion of the medical marijuana business, directly or as an agent, or a member, partner or officer of a corporation, partnership, association or company;

14. A plan for disposal of any medical marijuana or medical marijuana-infused product that is not sold to a patient or primary caregiver in a manner that protects any portion thereof from being possessed or ingested by any person or animal;

15. A plan for ventilation of the medical marijuana business that describes the ventilation systems that will be used to prevent any odor of medical marijuana off the property of the business;

16. A description of all toxic, flammable, or other materials regulated by a federal, State, or local government that would have authority over the business if it was not a marijuana business, that will be used or kept at the medical marijuana business, the location of such materials, and how such materials will be stored, subject to review and approval by the Long Beach Fire Department or designee;

17. A statement of the amount of the projected daily average and peak electric load anticipated to be used by the business and certification from the landlord and utility provider that the property is equipped to provide the required electric load, or necessary upgrades that will be performed prior to final inspection of the property;

 A description of the point of sale software the medical marijuana business will utilize to track sales tax, gross receipts, inventory, and sales of medical marijuana;

19. A statement signed under penalty of perjury by each owner or business manager that they have read, understand, and shall ensure compliance with the terms of this Chapter;

20. Proof that the Applicant(s) has undergone a LiveScan

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criminal history check in accordance with Section 21.66.050;

Fee required. Any application for a Conditional Use 21. Permit shall be accompanied by the Conditional Use Permit application fee, and any other applicable fees established by the City Council by resolution.

Β. Investigation.

For purposes of this Chapter, the investigation of the application by the City is not complete until the DDS has:

> Determined the application is complete; 1.

Determined the medical marijuana business is prepared 2. and able to operate in compliance with all applicable laws;

Obtained all other information the Director determines 3. necessary to make a recommendation whether to approve the permit application with conditions, or deny the permit application; and

Prepared the documentation necessary to support the 4. recommended action to the City's Planning Commission and City Council.

> C. Approval requirements.

Once the DDS deems an application complete, the 1. matter will be set for hearing in accordance with Chapter 21.21 of the Long Beach Municipal Code.

The Director will deny any application that does not meet 2. the requirements of this Chapter or any other applicable law, rule, or regulation or that contains any false or incomplete information.

3. The conditions of an approval issued as part of the Conditional Use Permit process shall include, at a minimum, operation of the business in compliance with all of the plans and information made part of the application.

Prior to accepting applications, DDS shall cause to be posted D. on its website a public notice of availability. The notice will appear on the

DDS website for thirty (30) consecutive days, immediately prior to the opening of the application period. The notice shall specify, at a minimum, the period of time that applications will be received by the DDS for further processing and consideration.

E. DDS shall review each application and ensure that the application is complete. Incomplete applications will be rejected and will not be further processed or considered unless the applicant submits a complete application during the period specified by the DDS as the time period to submit applications. Determinations made by DDS as to whether or not an application is complete are final and shall not be appealable to any other person or body.

F. Any notices required by this Chapter shall be deemed issued upon the date they appear on the DDS website, they are deposited in the United States mail, or the date upon which personal service of such notice is provided.

G. At the conclusion of the application period, DDS shall
complete a review of the applications and shall assign points to each
Applicant in accordance with Section 21.66.070. No more than sixty (60)
days from the date the application period closes, DDS will post the point
priority rankings on the its website and mail written notification to each
Applicant indicating the total points assigned, and the Applicant's rank.

H. Each Applicant will have ten (10) calendar days from the date the notice of point priority ranking is mailed to contact DDS and confirm the Applicant will continue in the CUP process. Should an Applicant fail to contact DDS during this time, the application will be considered null and void. Should and Applicant wish to withdraw its application at this time, the Applicant shall be eligible for a partial refund in accordance with procedures established by DDS.

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I. Once DDS receives confirmation to proceed with the CUP process from an Applicant, the application for CUP will be set for hearing in accordance with Chapter 21.21 of the Long Beach Municipal Code.

21.66.060 Persons prohibited as Permittees and business managers.

It shall be unlawful for any of the following persons to have an ownership or a financial interest in a medical marijuana business, and no permit provided by this Chapter shall be issued to or held by, and no medical marijuana business shall be managed by:

A. Any person until all required fees have been paid;

B. Any person who has been convicted within the previous ten(10) years of a felony or a crime of moral turpitude, or who is currently onparole or probation for the sale or distribution of a controlled substance;

C. Any person who is under twenty-one (21) years of age;

D. Any person who operates or manages or has operated or managed a medical marijuana business contrary to the provisions of this Chapter, any other applicable law, rule or regulation or conditions imposed on land use or license approvals, or contrary to the terms of the plans submitted with the permit application, or amended as permitted by this Chapter;

E. A licensed physician making patient recommendations;

F. A person permitted to operate pursuant to this Chapter who, while lawfully operating, or who, at the time of application, has failed to remedy an outstanding delinquency for taxes or fees owed, or an outstanding delinquent judgment owed to the City;

G. A sheriff, deputy, police officer, prosecuting officer, or an officer or employee of the State or City of Long Beach;

H. Any person applying for a Conditional Use Permit to operate a

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medical marijuana business who is currently permitted to operate another medical marijuana business in the City pursuant to this Chapter.

21.66.070 Location of medical marijuana businesses.

> Α. Fixed location required.

It shall be unlawful to operate a medical marijuana business or to grow medical marijuana outside of an enclosed building. All Conditional Use Permits shall be issued for a specific fixed location in the City of Long Beach within an enclosed building.

> Β. Location – Permitted use in zoning district.

No Conditional Use Permit may be issued for a medical marijuana business located in an area zoned exclusively for residential use.

> Conditional Use Permit numerical limits. C.

No more than four (4) medical marijuana business Conditional Use Permits may operate within the City at any one time unless the City Council exercises its discretionary authority to allow the issuance of additional Conditional Use Permits. Initially, the four (4) Conditional Use Permits available pursuant to this Chapter shall be limited to home delivery service only, with no on-site retail type sales, displays of medical marijuana product, or cultivation activities. One hundred eighty (180) days after the first medical marijuana business to obtain a Conditional Use Permit for home delivery services becomes operational, City staff shall report back to the City Council on the tax revenues collected from all permitted medical marijuana businesses in the City, the fiscal impact to the City in terms of enforcement costs, and any public safety issues related to the permitted medical marijuana businesses. At the time City staff presents its report to the City Council, the Council shall consider allowing any holder of a Conditional Use Permit for a home delivery service to apply for a modification of its Conditional Use Permit

in accordance with Section 21.21.405 to permit other types of medical marijuana business activities such as retail storefront operations by the permit holder as specified by the City Council, provided the permit holder is able to comply with all of the other provisions of this Chapter. One hundred eighty (180) days after the first retail storefront or other City Council approved medical marijuana business becomes operational, provided the City Council permits such activity, City staff shall once again report back to the City Council based on the criteria set forth herein. At the time City staff presents this report, the City Council shall consider allowing the issuance of up to three (3) additional medical marijuana Conditional Use Permits in the City for a total of seven (7). No more than one (1) medical marijuana business Conditional Use Permit may be issued per City Council District at any given time.

D. Priority of medical marijuana business location.

1. Each Application submitted and deemed complete by the DDS during the specified application period will be evaluated for priority for processing based on certain criteria set forth in a Priority Point System established pursuant to this Section. All applications so evaluated and scored will be ranked from the most to the least points. Applications for any available Conditional Use Permit will be processed based upon this ranking:

a. Suitability of the proposed property:

(i) Applicant demonstrates proposed

location exceeds all buffer zones established in Subsection (F) by at least five hundred (500) feet (1 point),

Proposed property possesses air scrubbers
 or a filtration system capable of eliminating odors from escaping the building
 or commitment to do so before operating (1 point),

(iii) Proposed property is located within one thousand (1000) feet of a public transportation hub, stop, or station (1 point),

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(iv) Proposed property is located at least three hundred (300) feet from any residential zones. (1 point);

b. Suitability of security plan:

(i) The Applicant's security plan includes the presence of security personnel on premises twenty-four (24) hours per day (1 point),

(ii) The Applicant's security plan demonstrates a method to track and monitor inventory so as to prevent theft or diversion of marijuana (1 point),

(iii) The Applicant's security plan describes the enclosed, locked facility that will be used to secure or store marijuana when the location is both open and closed for business, and the steps taken to ensure marijuana is not visible to the public (1 point),

(iv) The Applicant's security plan includes measures to prevent the diversion of marijuana to persons under the age of twenty-one (21) (1 point),

(v) Applicant demonstrates security measures
 exceeding the requirements of this Chapter, including but not limited to brick
 or concrete construction or additional fire and/or security alarms (1 point);
 c. Suitability of business plan and financial record

keeping:

(i) The Applicant describes a staffing plan
 that will provide and ensure safe delivery, dispensing, adequate security,
 theft prevention, and the maintenance of confidential information (1 point),
 (ii) Applicant provides an operations manual
 that demonstrates compliance with this Chapter (1 point),

(iii) The Applicant provides a business plan that demonstrates a strong financial plan, industry knowledge and

experience and adequate resources for start-up costs and ongoing 1 2 operations (1 point). 3 d. Criminal history: Applicants without any felony 4 (i) 5 conviction(s) (1 point), 6 Applicants without any misdemeanor (ii) 7 conviction(s) (1 point), Applicants without any pending criminal 8 (iii) 9 complaint(s) (1 point), Applicants certify as a condition of 10 (iv)maintaining the revocable Conditional Use Permit that they will not employ 11 OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach. CA 90802-4664 12 any person with any type of felony conviction (1 point), 13 (v)Applicants certify as a condition of 14 maintaining the revocable Conditional Use Permit that they will not employ as managers or employees any person with any narcotics related misdemeanor 15 16 conviction (1 point). 17 Regulatory compliance history: e. 18 Applicants and financiers have not had a (i) 19 permit or license revoked by the City of Long Beach (1 point); 20 Applicants have not had administrative (ii) 21 penalties assessed by the City against a business or the location of their 22 business (1 point); Applicants were successful lottery 23 (iii) 24 entrants in the City's September 10, 2010 application process (1 point); 25 f. Community service: Applicants demonstrate involvement in the community, 26 27 other non-profit association, or neighborhood association (1 point); 28 2. In the event review of the applications of two (2) or 33 MJM:kim A15-03026 1/14/16

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more eligible medical marijuana business applicants results in the same total number of points assigned, the City will utilize a lottery to determine which Applicant receives priority.

E. It shall be unlawful to operate a medical marijuana business in a dwelling unit within any zoning district.

F. Separation from schools, parks, and other medical marijuana businesses.

The property identified in the Conditional Use Permit application must be located in accordance with the following:

1. The medical marijuana business is not located within one thousand five hundred (1,500) feet of a public or private high school or Educational Partnership High School ("EPHS"), even if said high school is physically located outside the boundaries of the City of Long Beach; or within one thousand (1,000) feet of a public or private kindergarten, elementary, middle, or junior high school, even if said school is located outside the boundaries of the City of Long Beach; or within one thousand (1,000) feet of a public park; or within one thousand (1,000) feet of State licensed child care facilities located on commercial corridors; or within one thousand (1,000) feet of a public library; or within one thousand (1,000) feet of a location identified by the Police Department to be a human trafficking high crime corridor; or the medical marijuana business is not located within one thousand (1,000) feet of any other medical marijuana business;

2. The distances specified in this Subsection shall be determined by the horizontal distance measured in a straight line from the property line of the school, park, medical marijuana business or other buffered use, to the closest property line of the lot on which the medical marijuana business is located, without regard to intervening structures.

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21.66.080 Limitations on medical marijuana businesses.

The following shall be the minimum requirements for a medical marijuana business:

A. The area of a medical marijuana business dispensary is two thousand (2,000) square feet or less and at least five hundred (500) square feet are dedicated to a lobby and/or waiting area, unless said business is permitted as a delivery service only, in which case, a lobby or waiting area is not required;

B. The area of a medical marijuana business cultivation site is five thousand (5,000) square feet or less;

C. The business distributes, dispenses, delivers or transports medical marijuana only in accordance with this Chapter and State law; and

D. Unless said business is permitted as a delivery service only, or cultivation site only, the business includes a secured and locked medical marijuana dispensary room, one or more private rooms for consultation on the medical use of marijuana, and a separate reception area for screening of patients and waiting for non-patients.

21.66.090 Requirements related to operation of medical marijuana businesses.

A. Onsite use prohibited.

No marijuana shall be smoked, eaten, or otherwise consumed or ingested upon the medical marijuana business premises.

B. Restriction on access to restricted area.

25 No person, other than a patient, caregiver, licensee, employee, or a 26 contractor shall be in the medical marijuana dispensary room. No patient or 27 caregiver shall be allowed entry into the medical marijuana dispensary 28 room without showing a valid physician's recommendation and a State

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issued picture Driver License or Identification.

C. Display of permits required.

The name and contact information for the owner or owners and any business manager of the medical marijuana business, the Conditional Use Permit, the business license, and the sales tax seller's permit shall be conspicuously posted in the business.

D. Business conducted within building.

 Unless the medical marijuana business is permitted as a delivery service only, any and all cultivation, production, distribution, possession, storage, display, sales or other distribution of marijuana shall occur only within an enclosed area of a medical marijuana business and shall not be visible from the exterior of the business;

2. Consultations by medical professionals shall not be permitted at a medical marijuana business nor as a permitted accessory use at a medical marijuana business.

E. Owner or business manager required on property.

No medical marijuana business shall be managed by any person other than the Permittee or the business manager listed on the application for the permit or a renewal thereof. Such Permittee or business manager shall be on the property and responsible for all activities within the licensed business as well as all delivery service related activities during all times when the business is operating.

F. Hours of operation.

A medical marijuana business shall be closed to the public, and no sale or other distribution of marijuana shall occur upon the property between the hours of seven o'clock (7:00) p.m. and eight o'clock (8:00) a.m.

G. Use of pesticides.

No pesticides or insecticides which are prohibited by federal, State,

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or local law for fertilization or production of edible produce shall be used on any marijuana cultivated, produced or distributed by a medical marijuana business. A medical marijuana business shall comply with all applicable federal, State, and local laws regarding use and disposal of pesticides.

Η. Ventilation required.

A medical marijuana business shall be ventilated so that the odor of marijuana cannot be detected at the exterior of the medical marijuana business or at any adjoining use or property.

> Use of carbon dioxide generators prohibited. 1.

The medical marijuana business shall not use carbon dioxide generators, burners, or converters of any kind. Medical marijuana businesses are prohibited from altering normal air composition in any manner.

> J. Limitations on inventory.

The medical marijuana business shall not maintain any more marijuana within the property than is permitted under applicable State law. The medical marijuana business shall maintain current records evidencing the status and number of patients for whom they cultivate, dispense, or deliver medical marijuana. The medical marijuana business shall maintain current records evidencing the strains of marijuana cultivated or sold.

> K. Reporting requirements.

A medical marijuana business shall report to the City each of the following within the time specified, and if no time is specified, the report shall be provided within twenty-four (24) hours of the event:

1. Transfer or change of financial interest, business manager, financier, or primary caregiver in the permit application at least thirty (30) days before the transfer or change (Report to the Director of Development Services or designee);

333 West Ocean Boulevard, 11th Floor OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney Lona Beach. CA 90802-4664 14 15 16 17 18

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 Sales and taxable transactions and file sales and use tax reports to the City monthly (Report to the Director of Financial Management or designee);

A violation of any law by any Permittee or Applicant of
 a medical marijuana business (Report to the Director of Development
 Services or designee);

4. Diversion, theft, loss, or any criminal activity involving the dispensary or any agent or employee of the dispensary (Report to the Chief of Police or designee);

5. The loss or unauthorized alteration of records related to cannabis, registered qualifying patients, primary caregivers, or dispensary employees or agents (Report to the Director of Development Services or designee);

6. Any other breach of security (Report to the Director of Development Services or designee).

L. Cultivation.

 All medical marijuana distributed from a medical marijuana business must be cultivated in accordance with this Chapter as well as State law;

Unless otherwise exempt from the provisions of this
 Chapter, cultivation in the City of Long Beach is permitted subject to the
 relevant provisions of this Chapter and only if a person or entity is operating a
 medical marijuana business as defined in this Chapter and a Conditional Use
 Permit and business license authorizing such activity have first been obtained.
 At such time that the State issues cultivation licenses pursuant to the State's
 MMRSA, a permittee must also apply for and obtain all applicable State
 cultivation licenses. Failure to obtain a State cultivation license shall be
 grounds for suspending or revoking a Conditional Use Permit issued pursuant

to this Chapter.

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M. Transportation and delivery of medical marijuana.

It shall be unlawful for any person to transport medical marijuana, except as specifically permitted by this Chapter and State law. Transport or delivery activities shall comply with all of the following:

 All edible cannabis or concentrates are packaged, sealed and labeled, and the products stored in closed containers that are labeled as provided in this Chapter;

2. All medical marijuana in a usable form for medicinal use must be packaged and stored in closed containers that are labeled as provided in this Chapter;

3. Each container used to transport or deliver medical marijuana is labeled with the amount of medical marijuana or medical marijuana-infused products, or the number and size of the plants, in the container. The label shall include the name and address of the medical marijuana business that the medical marijuana is being transported or delivered from and the name and address of the medical marijuana business or individual that the medical marijuana is being transported to. The label shall be shown to any law enforcement officer who requests to see the label;

4. An individual transporting medical marijuana items must have a valid California Driver's License and shall at all times during any delivery service activities have on his or her person or in the delivery service vehicle, a copy of the medical marijuana business' City issued business license and a copy of the Conditional Use Permit issued in accordance with this Chapter. The business license and or Conditional Use Permit shall be shown to any law enforcement officer upon request;

A permitted medical marijuana dispensary may deliver

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medical marijuana only to a residence in Long Beach or to a City outside of the City of Long Beach that does not specifically prohibit, by ordinance, the delivery of medical marijuana to that City by an outside vendor or outside medical marijuana business. For purposes of this rule, "residence" means a dwelling such as a house or apartment but does not include a dormitory, hotel, motel, bed and breakfast or similar commercial business;

6. Delivery Approval. The medical marijuana dispensary must specify home delivery services in its application for a Conditional Use Permit and the Conditional Use Permit shall set forth conditions related to the home delivery service;

7. Bona Fide Orders.

a. A bona fide order must be received by a permitted medical marijuana business from an individual who has been pre-verified as a qualified patient, or person possessing a valid physician's recommendation, or a caregiver for such person, requesting delivery before 4:00 p.m. on the day the delivery is requested. For pre-verification purposes, the preverification can be accomplished at the medical marijuana business provided that no medical marijuana product is displayed or transferred at the location, or the pre-qualification can be accomplished via United States mail or by means of electronic transmission;

b. The bona fide order must contain:
 (i) The individual requestor's name, date of birth, the date delivery is requested and the address of the residence where the individual would like the items delivered;

(ii) A document that describes the marijuana proposed for delivery and the amounts; and

(iii) A written statement that the marijuana is for medical use only and not for the purpose of resale;

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8. Delivery Requirements.

a. Deliveries must be made before 9:00 p.m. local time and may not be made between the hours of 9:00 p.m. and 8:00 a.m. local time;

b. The medical marijuana business may only deliver to the individual who placed the bona fide order and only to individuals who are twenty-one (21) years of age or older, and who are able to provide to the delivery service a valid medical marijuana recommendation from a licensed medical doctor authorized by State law to issue recommendations;

c. At the time of delivery the individual performing delivery must check the identification of the individual to whom delivery is being made in order to determine that it is the same individual who submitted the bona fide order, that the individual is twenty-one (21) years of age or older, and must require the individual to sign a document indicating the medical marijuana products were received;

d. A medical marijuana dispensary may not deliver
medical marijuana to an individual who is visibly intoxicated at the time of
delivery, or who cannot provide a valid medical marijuana recommendation
from a licensed medical doctor authorized by State law to issue
recommendations, or to an individual who fails to provide a valid State issued
identification verifying that the person is twenty-one (21) years of age or older;
e. Deliveries may not be made more than once per

day to, or on behalf of, the same individual;

f. Marijuana items delivered to an individual's residence must:

 Comply with all packaging and labeling regulations established by this Chapter or the State of California.

(ii) Be placed in a larger delivery receptacle

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that has a label that reads: "Contains marijuana: Signature of person 21 years of age or older required for delivery;"

g. A retailer may not carry or transport at any one time more than a total of one thousand dollars (\$1,000) in retail value worth of marijuana items designated for retail delivery;

h. During transport, all marijuana items must be kept in a lock-box securely affixed and locked inside the delivery vehicle;

i. A manifest must be created for each delivery or series of deliveries and unless the dispensary is able to monitor the individual performing the delivery service in real time via global positioning system (CPS) or similar technology, the individual doing the delivery may not make any unnecessary stops between deliveries or deviate substantially from the manifest route.

9. Documentation Requirements. A medical marijuana dispensary must document the following regarding deliveries:

a. The bona fide order and the date and time it was received by the retailer;

b. The date and time the medical marijuana items were delivered;

c. A description of the medical marijuana that was delivered, including the weight or volume and price paid by the consumer;

d. Who delivered the medical marijuana items;

e. The name or unique identifier of the individual to whom the delivery was made and the delivery address;

f. A dispensary is required to maintain the name or unique identifier of an individual to whom a delivery was made for eighteen (18) months from the date of delivery.

10. Prohibitions. A medical marijuana business may not

deliver medical marijuana items to a residence on publicly owned land or to any federally owned property. Home delivery or transportation services originating from within Long Beach city limits, but not from a person having a valid Conditional Use Permit are strictly prohibited. Home delivery or transportation services from outside the City of Long Beach city limits, or from a person or entity who does not have a valid Conditional Use Permit issued by the City of Long Beach are strictly prohibited.

N. Disposal of medical marijuana and marijuana byproducts.

All medical marijuana and any product containing a usable form of marijuana must be made unusable and unrecognizable prior to removal from the business for disposal purposes in compliance with all applicable laws. This provision shall not apply to law enforcement acting in the course of their duties.

O. Advertisement.

A medical marijuana business may not advertise in a manner that is inconsistent with the medicinal use of medical marijuana. A medical marijuana business may not advertise in a manner that is misleading, deceptive, false, or is designed to appeal to minors. Advertisement that promotes medical marijuana for recreational or any use other than for medicinal purposes shall be a violation of this Chapter. The following conditions shall apply:

1. Except as otherwise provided in this paragraph, it shall be unlawful for any person permitted under this Chapter or any other person to advertise any medical marijuana or medical marijuana product anywhere in the city where the advertisement is in plain view of or in a place open to the general public, including advertising utilizing any of the following media: illuminated signs, signs incorporating green crosses or other marijuana related symbol, any billboard or other outdoor general advertising device as

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defined by the zoning regulations of the City; any sign mounted on a vehicle; any hand-held or other portable sign; or any handbill, leaflet or flier directly handed to any person in a public place, left upon a motor vehicle, or posted upon any public or private property. The prohibition set forth in this paragraph shall not apply to:

Any sign located on the same lot as a medical а. marijuana business which exists solely for the purpose of identifying the location of the medical marijuana business and which otherwise complies with this Chapter and any other applicable city laws and regulations;

b. Any advertisement contained within a newspaper, magazine, or other periodical of general circulation or on the Internet;

Advertising which is purely incidental to C. sponsorship of a charitable event by a medical marijuana business or a medical marijuana products manufacturer;

No medical marijuana business shall deliver, d. distribute, or allow the distribution of any marijuana without charge;

No medical marijuana business shall distribute or e. allow the distribution of any coupon or similar writing, electronically or on paper, which purports to allow the bearer to exchange the same for any marijuana product, either free or at a discount.

2. No medical marijuana business shall sell, distribute, or provide, or allow the sale, distribution, or providing of, products marked with its name or logo, other than packaging in which medical marijuana is sold or on medical marijuana products. This prohibition shall not prevent employees of the business from wearing uniforms with the name or logo of the medical marijuana business while working for the business on the business property or during delivery service activities. A person shall not distribute any form of advertising for physician recommendations for medical cannabis in the City

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unless the advertisement bears the following notice to consumers:

NOTICE TO CONSUMERS: The Compassionate Use Act of 1996 ensures that seriously ill Californians have the right to obtain and use cannabis for medical purposes where medical use is deemed appropriate and has been recommended by a physician who has determined that the person's health would benefit from the use of medical cannabis. Recommendations must come from an attending physician as defined in Section 11362.7 of the Health and Safety Code. Cannabis is a Schedule I drug according to the federal Controlled Substances Act. Activity related to cannabis use is subject to federal prosecution, regardless of the protections provided by State law.

Advertising for attending physician recommendations for medical cannabis shall meet all of the requirements in Business and Professions Code Section 651. Price advertising shall not be fraudulent, deceitful, or misleading, including statements or advertisements of bait, discounts, premiums, gifts, or statements of a similar nature.

P. Medical marijuana business response time.

The owner or manager is required to respond by phone or email within twenty-four hours of contact by a city official concerning their medical marijuana business at the phone number or email address provided to the City as the contact for the business. Each twenty-four (24) hour period during which an owner or manager does not respond to the city official shall be considered a separate violation.

Q. Prohibited marijuana.

 Marijuana products produced by means of chemical processing are prohibited unless the medical marijuana business has an approved hazardous materials permit issued by the Long Beach Fire Department or the Long Beach Certified Unified Program Agency (CUPA);

2. No medical marijuana business may produce, deliver, or distribute any form of synthetic or artificial cannabis;

3. No medical marijuana business may use metals,
 butane, propane or other highly flammable product, or produce flammable
 vapors to process marijuana;

4. Edible cannabis products are not prohibited under this Section provided all of the other provisions of this Chapter are adhered to.

Requirements for packaging, labeling and public health.

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All dispensed medical marijuana must be packaged in a manner which clearly shows the name of the dispensary providing the medical marijuana, name of the patient or unique identifier of the person receiving the medical marijuana, date the marijuana is dispensed, amount of marijuana dispensed, and amount paid by the patient to obtain the marijuana.

The production of any medical marijuana-infused product shall be at a medical marijuana-infused product manufacturer that meets all requirements of a retail food establishment as set forth in Chapter 8.44 of this Code. Edible cannabis products must be produced by a State certified food handler with a valid certificate, a copy of which must be kept on-site where the edible product is distributed, or which must be made available during inspections. The Permittee shall comply with all applicable existing and future State and local health regulations related to the production, testing, preparation, labeling, and sale of prepared food items, and must complete a plan review process through the Long Beach Department of Health and Human Services (Health Department) prior to dispensing any medical marijuana infused edible product.

1. Labeling and packaging requirements.

a. All medical marijuana sold or otherwise distributed by the Permittee shall be packaged in tamper-proof, singleserving sizes and labeled in a manner that advises the purchaser that it contains marijuana and specifies the amount of marijuana in the product, that the marijuana is intended for medical use solely by the patient to whom it is sold, and that any resale or redistribution of the medical marijuana to a

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third person is prohibited. In addition, the label shall be in print large enough to be readable and shall include:

(i) Potential food allergy ingredients,
 including but not limited to milk, eggs, fish, shellfish, tree nuts, peanuts,
 wheat, and soybeans;

(ii) All additives used to extract THC,including, without limitation, pesticides, herbicides and fertilizers that wereused in the cultivation of the medical marijuana used in the product.

(iii) The following warning:

THIS PRODUCT CONTAINS MARIJUANA. THIS PRODUCT HAS NOT BEEN TESTED BY LOCAL, STATE OR FEDERAL GOVERNMENTAL AGENCIES FOR HEALTH, SAFETY, OR EFFICACY. THERE MAY BE HEALTH RISKS ASSOCIATED WITH THE INGESTION OR USE OF THIS PRODUCT.

2. The product shall be packaged in a single-serving sized, sealed container that cannot be opened without obvious damage to the packaging.

S. Drive through operations prohibited.

No medical marijuana business shall have a drive through lane or drive up window and no medical marijuana shall be dispensed from a drive through lane or drive up window.

T. Regulatory inspection required.

All medical marijuana businesses shall be subject to an annual regulatory inspection by the City to insure compliance with all of the applicable provisions of this Chapter and to confirm compliance with the Conditional Use Permit and business license issued by the City.

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21.66.100 Lab testing of medical marijuana required.

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OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach. CA 90802-4664 A. A medical marijuana business must ensure that usable marijuana and plants are tested for pesticides, mold and mildew, and for an analysis of the levels of Tetrahydrocannabinol (THC) and Cannabidiol (CBD) in accordance with this Section prior to the transfer or delivery of marijuana to a consumer. The requirements of this Section remain in full force and effect until the State Department of Public Health issues and enforces testing regulations that supersede this Section.

B. As part of the cultivation process, medical marijuana
businesses must ensure marijuana is segregated into batches, that each
batch is placed in an individual container or bag, and that a label is attached
to the container or bag that includes at least the following information:

1. A unique identifier;

2. The name of the person who transferred it; and

3. The dates the marijuana batch was cultivated and made available for delivery or sale at the dispensary storefront.

C. Sampling.

The medical marijuana business must ensure that random samples from each batch are separated in an amount necessary to conduct the applicable test, that the samples are labeled with the batch's unique identifier, and are properly submitted for testing.

D. Testing.

The medical marijuana business must ensure that each sample is tested for pesticides, mold, and mildew and for an analysis of the levels of THC and CBD.

E. Immature Plants.

27 An immature plant may be tested for pesticides, mold, or mildew by 28 conducting a macroscopic or microscopic screening to determine if the plant

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has visible pesticide residue, mold, or mildew.

F. Flowers or other usable marijuana plant material.

Medical marijuana in the form of flowers or other plant material must be:

Tested for pesticides, mold, and mildew using valid 1. testing methodologies and macroscopic or microscopic screening may not be used:

> 2. Tested for pesticides by testing for the following

analytes:

Chlorinated Hydrocarbons; a.

Organophosphates; b.

Carbamates; C.

d. Pyrethroids;

3. Analyzed, using valid testing methodologies, to determine the levels of THC and CBD.

> G. Edible cannabis products.

If medical marijuana used in the edible or cannabis product has been tested in accordance with this Section and tested negative for pesticides, mold, or mildew, the edible or liquid does not need to be tested for pesticides, mold, and mildew but must be tested for an analysis of the levels of THC and CBD. If the medical marijuana used in the edible or liquid was not tested in accordance with this Section, the edible or liquid must be tested for pesticides, mold or mildew, and for an analysis of the levels of THC and CBD, in accordance with this Section.

> Η. Laboratory requirements.

A medical marijuana business must ensure that all testing, except for testing of immature plants, is done by a third party or laboratory that:

> Is properly licensed by the State, when such licensing 1.

becomes available;

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OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 2. Uses valid testing methodologies; and

3. Has a Quality System for testing of pesticides, mold, and mildew that is compliant with the:

a. 2005 International Organization for Standardization 17025 Standard; or

b. 2009 National Environmental Laboratory Accreditation Conference Institute TNI Standards.

c. Macroscopic or microscopic screening of immature plants must be conducted by a person who has a minimum of a bachelor's degree in horticulture, botany, plant pathology, microbiology, or an equivalent degree but is not required to be done by a laboratory.

I. Testing results.

A laboratory must provide testing results to the medical marijuana business signed by an official of the laboratory who can attest to the accuracy of the results, and that includes the levels of pesticides, mold, or mildew detected and the levels of THC and CBD. The medical marijuana business must maintain these records for a minimum of forty-eight (48) months and must make the same records available to the City upon request.

1. If an immature plant has visible pesticide residue, mold, or mildew it must be deemed to test positive and must be destroyed.

2. A sample of marijuana shall be deemed to test positive for mold and mildew if the sample has levels that exceed the maximum acceptable counts in the Pharmacopeia, Section 1111 (May 1, 2009).

 A sample of usable marijuana shall be deemed to test positive for pesticides with a detection of more than 0.1 parts per million of any pesticide;

b. If an immature plant or sample of marijuana

tests positive for pesticides, mold, or mildew based on the standards in this Section, the medical marijuana business must ensure the entire batch from which the sample was taken is destroyed and must document how many or how much was destroyed, and the date of destruction.

J. The medical marijuana business may permit laboratory personnel or other persons authorized to test to have access to secure or restricted access areas of the facility where marijuana or immature plants are stored. The medical marijuana business must log the date and time in and out of all such persons.

21.66.110 Right of entry – records to be maintained.

A. Records to be maintained.

Each Permittee shall utilize point of sale software to track inventory, delivery, and sales, as well as keep a complete set of books of account, invoices, copies of orders and sales, shipping instructions, bills of lading, weigh bills, correspondence, bank statements including cancelled checks and deposit slips and all other records necessary to show fully the business transactions of such Permittee. Receipts shall be maintained in a computer program or by pre-numbered receipts and used for each sale. All records related to commercial cannabis activity shall be maintained for a minimum of seven years. The records of the business shall clearly track medical marijuana product inventory purchased and/or grown and sales and disposal thereof to clearly track revenue from sales of any medical marijuana from other paraphernalia or services offered by the medical marijuana business. The Permittee shall also maintain inventory records evidencing that no more medical marijuana was within the medical marijuana business than allowed by applicable law for the number of patients who designated the medical marijuana business owners as their primary caregiver. All such records shall

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be open at all times during business hours for the inspection and examination of the City, or its duly authorized representatives. The City may require any Permittee to furnish such information as it considers necessary for the proper administration of this Chapter. The records shall clearly show the source, amount, price and dates of all marijuana received or purchased, and the amount, price, dates and patient or caregiver (or unique identifier) for all medical marijuana sold or delivered.

B. Separate bank accounts.

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Lona Beach. CA 90802-4664

The revenues and expenses of the medical marijuana business shall not be commingled in a checking account or any other bank account with any other business or individual person's deposits or disbursements.

C. Disclosure of records.

By applying for a Conditional Use Permit, the Permittee provides consent to disclose the information required by this Chapter, including information about patients and caregivers. Any records provided by the Permittee that include patient or caregiver confidential information may be submitted in a manner that maintains the confidentiality of the documents. Any document that the Applicant considers eligible for protection shall be clearly marked as confidential, and the reasons for such confidentiality shall be stated on the document. The City shall not disclose confidential information to other parties who are not agents of the City, except law enforcement agencies who present a lawfully issued search warrant or other court order.

D. Audits.

The City may require an audit of the books of account and records of a medical marijuana business on such occasions as it may consider necessary, including but not limited to ensuring compliance with LBMC Section 3.80.261(H). Such audit may be made by an auditor selected by the City

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Manager that shall likewise have access to all books and records of the medical marijuana business. The expense of any audit determined necessary by the City shall be paid by the medical marijuana business.

E. Consent to inspection.

1. Application for a Conditional Use Permit or operation of a medical marijuana business, or leasing property to a medical marijuana business, constitutes consent by the Applicant, and all owners, managers and employees of the business and the owner of the property to permit the City Manager or designee to conduct routine inspections of the medical marijuana business to ensure compliance with this Chapter or any other applicable law, rule, or regulation;

2. The owner or business manager on duty shall retrieve and provide the records of the business pertaining to the inspection. For purposes of this Chapter, inspections of medical marijuana businesses and recordings from security cameras in such businesses are required to be produced as part of the routine policy of inspection and enforcement of this Chapter for the purpose of protecting the public safety, individuals operating and using the services of the medical marijuana business, and the adjoining properties and neighborhood;

3. Application for a Conditional Use Permit constitutes consent to inspection of the business as a public property without a search warrant, and consent to seizure of any surveillance records, camera recordings, reports or other materials required as a condition of a medical marijuana permit without a search warrant. Should the owner or business manager refuse to comply with this Section, the City may obtain a search warrant or administrative search warrant.

F. Reporting of source, quantity and sales.

The records to be maintained by each medical marijuana business

shall include the source and quantity of any marijuana distributed, produced, delivered, or possessed within the property. Such reports shall include, without limitation, for both cultivation, acquisitions from wholesalers and transactions to patients or caregivers, the following:

1. Name and address of grower, seller and purchaser;

2. Date, weight, type of marijuana and dollar amount or other consideration of transaction; and

3. For wholesale transactions, the State and City, if any, sales and use tax license number of the seller.

G. Privacy.

1. Information identifying the names of patients, their medical conditions, or the names of their primary caregivers received and contained in records kept by the City for the purposes of administering this Chapter are confidential and shall not be disclosed pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), except as necessary for authorized employees of the State of California or any city, county, or city and county to perform official duties pursuant to this Chapter;

2. Information identifying the names of patients, their medical conditions, or the names of their primary caregivers received and contained in records kept by the City for the purposes of administering this Chapter shall be maintained in accordance with Chapter 1 (commencing with Section 123100) of Part 1 of Division 106 of the Health and Safety Code, Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code, and other State and federal laws relating to confidential patient information;

3. Nothing in this Section precludes the following:

a. Employees of the City notifying State or local

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agencies about information submitted to the City that the employee suspects is falsified or fraudulent;

b. Notifications from the City or any licensing
 authorities to State or local agencies about apparent violations of this
 Chapter or other local, State or federal law;

c. Verification of requests by State or local agencies to confirm licenses and certificates issued by the City or other agency;

d. Provision of information requested pursuant to a court order or subpoena issued by a court or an administrative agency or local governing body authorized by law to issue subpoenas;

4. Information shall not be disclosed by the City beyond what is necessary to achieve the goals of a specific investigation, notification, or the parameters of a specific court order or subpoena;

5. To the extent possible, a medical marijuana business should use unique identifiers in place of patient or caregiver names.

21.66.120 Requirements related to monitoring and security of medical marijuana businesses.

All components of the security plan submitted with the application, as it may be amended, shall be in good working order, monitored and secured twenty-four (24) hours per day. A separate security system is required for each business.

A licensed dispensary shall implement sufficient security measures to both deter and prevent unauthorized entrance into areas containing medical cannabis or medical cannabis products and theft of medical cannabis or medical cannabis products at the dispensary. These security measures shall include, but not be limited to, all of the following:

A. Preventing individuals from remaining on the premises of the dispensary if they are not engaging in activity expressly related to the operations of the dispensary.

B. Establishing limited access areas accessible only to authorized dispensary personnel.

C. Storing all finished medical cannabis and medical cannabis products in a secured and locked room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes, samples, or immediate sale.

D. Video cameras.

Prior to exercising the privileges of a Conditional Use Permit or business license issued for a medical marijuana business, such business shall install and maintain a fully operational digital video surveillance and camera recording system that monitors no less than the front and rear of the Property, all points of ingress and egress at the business, all points of sale within the business, all areas within the business where medical marijuana products are displayed for sale, and all limited access areas within the facility. The video and surveillance system shall, at a minimum, meet the following requirements:

1. Capture a full view of the public right-of-ways and any parking lot under the control of the medical marijuana business;

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;

3. Record and maintain video for a minimum of ninety (90) days, except as otherwise provided in this Section, and be accessible via the Internet by the Long Beach Police Department and the Director of Financial Management or designee. A Public Internet Protocol (IP) address and user

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Long Beach. CA 90802-4664

name/password is also required to allow the Long Beach Police Department or the Director of Financial Management or designee to view live and recorded video from these cameras over the Internet. Consent is given by the Medical Marijuana business under this Subsection to the provision of said recordings or live video feed to the Police Department or the Director of Financial Management or designee, without requirement for a search warrant, subpoena or court order. Video surveillance and recording records shall be held in confidence by all employees and representatives of the City, except the City may use said records for the purpose of conducting financial audits of the activities of the facility, and for legitimate law enforcement activity or the prevention of crime;

4. Licensees are responsible for ensuring that all video or surveillance equipment is properly functioning and maintained, so that playback quality is suitable for viewing and the equipment is capturing the identity of all individuals and activities in the monitored areas;

5. At each point of sale location, camera coverage must enable recording of the customer(s) and employees facial features with sufficient clarity to determine identity;

6. The system shall be capable of recording all monitored areas in any lighting conditions and must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees. Licensees must keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or room on the licensed premises;

7. A sign shall be posted in a conspicuous place near each monitored location on the interior or exterior of the premises which shall be not less than twelve (12) inches wide and twelve (12) inches long, composed of letters not less than one (1) inch in height, stating "All Activities Monitored

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by Video Camera" or "These Premises are Being Digitally Recorded", or otherwise advising all persons entering the premises that a video surveillance and camera recording system is in operation at the facility and recording all activity as provided in this Section;

All exterior camera views must be continuously recorded
 hours a day and all interior cameras views shall be recorded during all
 hours that the facility is open for business;

9. All video surveillance systems must be equipped with a failure notification system that provides prompt notification to the Permittee of any prolonged surveillance interruption and/or complete failure of the surveillance system;

10. All point of sale areas shall record video with such clarity and resolution that all sales transactions are clearly recorded. Video or surveillance equipment must be positioned over the cash register or similar device to provide a clear view over the area where the tender type (cash, credit, checks) are exchanged between the Licensee and the medical marijuana patient as well as the register or computer keys utilized to enter sales information. Video records of all sales transactions shall be maintained for a period of eighteen (18) months.

E. Use of safe for storage.

The medical marijuana business shall install and use a safe for storage of any processed marijuana and cash on the property when the business is closed to the public. The safe shall be incorporated into the building structure or securely attached thereto. For medical marijuana-infused edible products that must be kept refrigerated or frozen, the business shall lock the refrigerated container or freezer in place of using a safe so long as the container is affixed to the building structure.

F. Alarm system.

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The medical marijuana business shall install and use a fire and burglar alarm system that is monitored by a company that is staffed twenty-four (24) hours a day, seven (7) days a week. The security plan submitted to the City shall identify the company monitoring the alarm, including contact information, and the City shall be updated within seventy-two (72) hours of any change of monitoring company.

G. Security guard.

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OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney The medical marijuana business shall hire and maintain an armed guard, licensed by the State of California, generally located at an indoor guard station, during all hours of operation. The security guard should only be engaged in activities related to providing security for the facility.

21.66.130 Vacant medical marijuana business application allocation.

A. The Director of Development Services shall determine, at the end of the fourth (4th) calendar quarter following adoption of this Chapter, and each year thereafter, whether additional medical marijuana businesses may be allowed within the City based on the total number of medical marijuana businesses authorized by the City Council pursuant to this Chapter. Additional Conditional Use Permit applications shall be accepted only to the extent the Director of Development Services determines that initiation of the Conditional Use Permit application process will not lead the medical marijuana businesses, as a group, to exceed the restrictions established pursuant to Section 21.66.070.

B. Should the Director of Development Services determine the City can accommodate additional medical marijuana businesses within the restrictions set forth in this Chapter, DDS shall cause to be posted on its website a public notice of availability and the potential number of Conditional Use Permits available. The notice will appear on the DDS

website for thirty (30) consecutive days, immediately prior to the opening of the application period. The application process will then proceed in accordance with this Chapter.

21.66.140 Compliance with other applicable law.

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OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Lond Beach. CA 90802-4664 A. Application of state and federal law.

Except as may be provided otherwise in this Chapter, or rules adopted pursuant to this Chapter or interpretations by the City, any law or regulation adopted by the State governing the cultivation, production, possession or distribution of marijuana for medical use shall also apply to medical marijuana businesses in the City. However, if a State law or regulation permits what this Chapter prohibits, this Chapter shall prevail. Noncompliance with any applicable State law or regulation is unlawful and shall be grounds for revocation or suspension of any license or permit issued under this Chapter. No medical marijuana business shall continue operations in violation of an additional State law or regulation applicable within the City after the effective date of the State law or regulation.

B. Revocation of permit upon applicable State or federal prohibition.

If the State prohibits the cultivation, production, possession or other distribution of marijuana through a medical marijuana businesses, or if a court of competent jurisdiction determines that the federal government's prohibition of the cultivation, production, possession or other distribution of marijuana through medical marijuana businesses supersedes State law, any permit or license issued pursuant to this Chapter shall be deemed to be immediately revoked by operation of law, with no ground for appeal or other redress on behalf of the Permittee.

C. Revocable privilege.

A Conditional Use Permit is a revocable privilege, and no Applicant therefor or holder thereof shall be deemed to have acquired any property or vested interest therein.

21.66.150 Drug and alcohol free workplace.

This Chapter shall not interfere with an employer's rights and obligations to maintain a drug and alcohol free workplace or require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growth of cannabis in the workplace or affect the ability of employers to have policies prohibiting the use of cannabis by employees and prospective employees, or prevent employers from complying with local, State, or federal law.

21.66.160 Prohibited acts.

A. It shall be unlawful for any person to:

1. Cultivate, distribute, possess, or produce marijuana in plain view of, or in a place open to the general public.

2. Smoke, use or ingest on the property of the medical marijuana business:

a. Marijuana;

b. Alcoholic beverage; or

c. A controlled substance, except in compliance with the directions of a legal prescription for the person from a doctor with prescription writing privileges;

 Operate or be in physical control of any medical marijuana business while under the influence of alcohol, medical marijuana, or other intoxicant;

Possess medical marijuana that is not in a sealed

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package in a location where the possessor is not authorized to possess or consume medical marijuana;

5. Obtain marijuana from a person who is not permitted as a medical marijuana business;

Possess or operate a medical marijuana business in violation of this Chapter;

7. Distribute medical marijuana without a Conditional Use Permit or City issued business license or outside of the restricted area of the medical marijuana business;

8. Permit any other person to violate any provision of this Chapter or any condition of an approval granted pursuant to this Chapter, or any law, rule or regulation applicable to the use of medical marijuana or the operation of a medical marijuana business;

9. Lease any property to a medical marijuana business that has marijuana on the property without a Conditional Use Permit from the City.

21.66.170 Suspension or revocation of permit.

A. A Conditional Use Permit or business license may be suspended or revoked for any violation of this Chapter in accordance with the procedures provided in the Long Beach Municipal Code. In the event a Conditional Use Permit is suspended or revoked in accordance with the procedures established by Title 21 of this Code, then the Business License shall automatically be deemed to have been revoked or suspended until such time as the Conditional Use Permit has been reinstated.

B. If the City revokes or suspends a Conditional Use Permit or business license, the business may not move any marijuana from the property except under the direction of the City.

21.66.180 Term of permit – renewals – expiration of permit.

A. Term of permit.

A Conditional Use Permit shall be valid for five (5) years. The permit shall expire on the last day of the month in which the permit is issued five (5) years following issuance or renewal of the permit.

B. Renewal of permit.

1. The Permittee shall apply for renewal of the Conditional Use Permit at least forty-five (45) days before the expiration of the permit. The Permittee shall apply for renewal using forms provided by the City. If the Applicant fails to apply for renewal at least forty-five days before the expiration of the permit but does apply for renewal prior to expiration of the permit, the City may process the renewal application if the Applicant submits a late filing fee of Five Thousand Dollars (\$5,000) at the time of submittal of the renewal application;

2. The renewal permit fee, and late fee if applicable, shall accompany the renewal application. Such fee is nonrefundable;

3. In the event there has been a change to any of the plans identified in the permit application which were submitted to and approved by the City with the application or an earlier renewal, the renewal application shall include specifics of the changes or proposed changes in any of such plans;

4. In the event any person who has an interest as described in the disclosures made to the City pursuant to this Chapter, or any business manager, financier, agent, or employee has been charged with or accused of violations of any law since such disclosure, the renewal application shall include the name of the violator, the date of the violation, the court and case number where the violation was filed and the disposition of the violation with the renewal application;

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5. In the event the a Conditional Use Permit has been suspended or revoked or a Permittee has received any notice of violation of any law, the renewal application shall include a copy of the notice, suspension or revocation;

6. The renewal application shall include proof of payment of all applicable taxes and fees required by the Long Beach Municipal Code and verification that the business has a valid State seller's permit in good standing;

7. The renewal application shall include a summary report for the previous twelve (12) months showing the amount of marijuana purchased, the amount of marijuana sold, the forms in which marijuana was sold, the number of patients and the number of primary caregivers who received marijuana, the police report numbers or case numbers of all police calls to the medical marijuana business and for calls resulting in a charge of a violation of any law, the charge, case number and disposition of any of the charges;

8. The City shall not accept renewal applications after the expiration of the permit, but instead shall require the Applicant to file a new permit application;

9. In the event there have been allegations of violations of this Chapter by any of the Permittees or the business submitting a renewal application, the City may hold a hearing prior to approving the renewal application. The hearing shall be to determine whether the application and proposed Permittees comply with this Chapter and whether the operation of the business has been in compliance with this Code.

C. Nonpayment of tax.

In the event a medical marijuana business that has been open and operating, and submitting monthly business license tax returns and taxes

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to the City, ceases providing business license returns and taxes to the City for a period of ninety (90) days or longer, the Conditional Use Permit shall be deemed to have expired and the permittee shall cease doing business at the location.

21.66.190 City Manager authorized to issue rules.

The City Manager or designee may adopt reasonable rules and regulations that the City Manager determines are necessary to implement the requirements and administration of this Chapter.

21.66.200 Violation and enforcement.

A. Any person violating any provision of this Chapter or knowingly or intentionally misrepresenting any material fact in procuring a Conditional Use Permit or business license, including a Permittee's agent or employee while acting on behalf of the Permittee shall be deemed guilty of a misdemeanor punishable by a fine of not more than one thousand dollars (\$1,000) 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 business
in the City without a business license or Conditional Use Permit shall be
guilty of a misdemeanor punishable by a fine of not more than one
thousand dollars (\$1,000) or by imprisonment for not more than twelve (12)
months, or by both such fine and imprisonment.

C. Any person engaging in a medical marijuana business activity without a State or City license or permit shall be subject to civil penalties for each day of violation in accordance with Business and Professions Code Section 19318, and a court may order the destruction of all medical cannabis associated with that violation in accordance with Section 11479 of

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the Health and Safety Code.

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D. Each and every violation of this Chapter is hereby deemed unlawful and a public nuisance. 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, Federal and State law for any violations related to the operation of a medical marijuana business.

E. Any violation of the terms or conditions of the Conditional Use
 Permit or business license shall be grounds for the suspension or
 revocation of said permit or license.

F. Any person violating any provision of this Chapter may be issued an administrative citation in accordance with the procedures set forth in Chapter 9.65 of this Code. Each day of operation in violation of this Chapter shall constitute a separate violation of this Chapter.

G. All remedies set forth in this Chapter are cumulative and may be pursued alternatively or in combination. Provisions of this Chapter are to be supplementary and complementary to all of the City ordinances, the Municipal Code, State law, and any law cognizable at common law or in equity, and nothing herein shall be read, interpreted or construed in any manner so as to limit any existing right or power of the City to enforce the provisions of this Chapter.

H. Any violation of this Chapter shall be deemed a public nuisance and is subject to any enforcement process authorized by law or as set forth in this Code. Nothing herein shall be read, interpreted or construed in any manner so as to limit any existing right or power of the City

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or any other governmental entity to enforce City ordinances, to abate any and all nuisances, or employ any remedy available at law or equity.

I. It is unlawful and a violation of this Chapter for any person to permit a public nuisance to exist upon real property in which such person has an ownership or possessory interest. It shall be unlawful and a violation of this Chapter to do anything in contrary to the provisions set forth in this Chapter. Each person violating this Chapter shall be guilty of a separate offense for each and every day, or portion thereof, which any violation of any provision of this Chapter is committed, continued, or permitted by any such person. Any violation which persists for more than one (1) day is deemed a continuing violation.

J. A code enforcement official is authorized to enter upon any property or premises, and into any buildings or structures located thereon, to ascertain whether the provisions of this Chapter or applicable State codes are being obeyed, and to make any examinations and surveys as may be necessary in the performance of their enforcement duties. These may include the taking of photographs, samples, or other physical evidence. All inspections, entries, examinations and surveys shall be done in a reasonable manner. If an owner, occupant or agent refuses permission to enter or inspect, the code enforcement official may seek an administrative inspection warrant pursuant to the procedures provided in State law, including California Code of Civil Procedure Section 1822.50 et seq., as it may be amended from time to time.

K. In addition to or in the alternative to any other penalties for violation of this Chapter, a person who violates the provisions of this Chapter may be assessed an administrative penalty for each day that a violation exists. For the first five (5) days that a violation exists, a person shall be subject to a fine of one hundred dollars (\$100) per day. Should a

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violation continue beyond five (5) days, the violator shall be subject to a fine of five hundred dollars (\$500) per day from the sixth (6th) through tenth (10th) days of a violation. Should a violation persist beyond ten (10) days, the violator shall be subject to a fine of one thousand dollars (\$1,000) for each day that the violation continues. The administrative penalties specified above may be enforced either by way of judicial action or by way of administrative action. The due process provisions of Chapter 9.65 of this Code shall be followed if City elects to impose an administrative penalty in accordance with this provision.

L. Costs and damages. Any person violating any provisions of this Chapter or any permit or license issued in compliance with this Chapter, shall be liable to the City for the costs incurred and the damages suffered by the City, its agents, and agencies as a direct result of the violation(s) in compliance with this Chapter.

21.66.210 Establishment of a Medical Marijuana Task Force.

A. A Long Beach Medical Marijuana Task Force ("Task Force") may be established. If established, the Task Force shall consist of nine (9) members. Appointments to the Task Force shall be made and vacancies on the Task Force shall be filled by the Mayor and City Council in accordance with the provisions in Chapter 2.18 of this Code. Services of the members of the Task Force shall be voluntary and members will serve without compensation.

B. All members of the Task Force shall be residents of the City.The Task Force shall be comprised of the following members:

Three (3) Task Force members shall be representatives
 from three separate medical marijuana businesses operating in the City;
 Five (5) Task Force members shall be representatives of

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recognized neighborhood organizations which have at least one (1) medical marijuana business operating within its boundaries; and 3. One (1) Task Force member shall be a representative of

a local patient advocacy organization with a background in working to protect the interests of medical marijuana patients.

C. The Medical Marijuana Task Force shall have the power and duty to:

1. Recommend to the City operational and safety standards for medical marijuana businesses operating in the City; and

2. Develop and make recommendations for a mediation process to be used by operators of medical dispensaries, patients, and neighbors of dispensaries to address community concerns and nuisance issues and resolve conflicts and disputes.

21.66.220 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.

Section 2. Chapter 5.89 of the Long Beach Municipal Code is hereby
 repealed effective on the first (1st) day after this Chapter becomes effective by operation
 of law.

Section 3. Declaration of Urgency. This ordinance is an emergency ordinance within the meaning of Long Beach City Charter Section 211, and it is urgently required for the long term preservation of the public peace, health and welfare of the

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citizens of Long Beach for the reason that the recently enacted MMRSA currently 1 contains a provision requiring local jurisdictions to adopt their own land use regulations 2 3 for medical cannabis cultivation by March 1, 2016, or failing that deadline, ceding that responsibility to the State. Although the author of Assembly Bill 243, Assemblyperson 4 Jim Wood, has termed said deadline to be a result of an "inadvertent drafting error," and 5 has disseminated an "open letter" to County and City government officials indicating his 6 intent to pass urgency legislation repealing said provision, the City desires to insure that 7 the regulations set forth in this Chapter are in fact adopted prior to March 1, 2016, in the 8 event the urgency legislation described by Assemblyperson Wood does not come to 9 10 pass.

Section 4. This ordinance is an emergency ordinance duly adopted by the City Council in accordance with Long Beach City Charter Section 211 by a vote of at least five (5) of its members and shall take effect immediately. The City Clerk shall certify to a separate roll call and vote on the question of the emergency of this ordinance and to its passage by the vote of five (5) members of the City Council of the City of Long Beach, and shall cause the same to be posted in three (3) conspicuous places in the City of Long Beach.

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333 West Ocean Boulevard, 11th Floor Long Beach. CA 90802-4664

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> Section 5. This ordinance shall also be adopted by the City Council as a regular ordinance, to the end that in the event of any defect or invalidity in connection with the adoption of this ordinance as an emergency ordinance, the same shall, nevertheless, be and become effective on the thirty-first day after it is approved by the Mayor.

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26 Section 6. The City Clerk shall certify to the passage of this ordinance by 27 the City Council of the City of Long Beach and shall cause the same to be posted in three 28 conspicuous places in the City of Long Beach.

1	I hereby certify that on a separate roll call and vote which was taken by the City		
2	Council of the City of Long Beach upon the question of the emergency of this ordinance		
3	at its meeting of, 2016, the ordinance was declared to be an		
4	emergency by the following vote:		
5	Ayes:	Councilmembers:	
6			
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8	Noes:	Councilmembers:	
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10	Absent:	Councilmembers:	
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13	I further certify that thereafter, at the same meeting on, 2016,		
14	upon a roll call and vote on adoption of the ordinance, it was adopted by the City Counci		
15	of the City of Long Beach by the following vote:		
16	Ayes:	Councilmembers:	
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19	Noes:	Councilmembers:	
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21	Absent:	Councilmembers:	
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