

**DRAFT - ORDINANCE NO. \_\_\_\_\_****AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, ADDING CHAPTER 5.XX (“CANNABIS BUSINESS ACTIVITIES”) TO TITLE 5 (“BUSINESS REGULATION”) OF THE CLAREMONT MUNICIPAL CODE TO REGULATE CANNABIS BUSINESSES**

**WHEREAS**, Section 7 of Article XI of the California Constitution and Section 26200 of the California Business and Professions Code authorize cities to regulate cannabis businesses; and

**WHEREAS**, Chapter 9.72 of the Claremont Municipal Code and the City’s Zoning Ordinance currently prohibit all cannabis businesses in the City of Claremont (except that the City allows the retail delivery of cannabis from licensed cannabis businesses outside of Claremont pursuant to State law); and

**WHEREAS**, the City Council desires to amend the Claremont Municipal Code and Zoning Ordinance to allow and establish a regulatory framework for cannabis storefront retailers in certain commercial and industrial zoning districts; and

**WHEREAS**, the City conducted extensive community outreach on whether to allow and regulate cannabis storefront retailers, which includes, without limitation: two “Community Cannabis Workshop Meetings” (on March 26 and 30, 2022); three “Listen and Learn Sessions” (on June 21, July 20, and September 21, 2023); and a Planning Commission “Informational Session and Regulatory Review” (on February 6, 2024); and

**WHEREAS**, the City’s professional planning staff used input from the Planning Commission, the City Council, and members of the community to draft proposed code amendments to allow and regulate cannabis storefront retailers, and those code amendments are set forth in Section 3 of this Ordinance (“Code Amendments”); and

**WHEREAS**, even though amendments to the Municipal Code do not require review by the Planning Commission, because these Code Amendments are being proposed in conjunction with amendments to the City’s Zoning Ordinance, on June 3, 2024, the Planning Commission was given the opportunity to review these Code Amendments in connection with its duly-noticed public hearing to consider the proposed amendments to the Zoning Ordinance, and after reviewing the staff report, staff presentation, and public testimony (both written and verbal), the Planning Commission voted [INSERT VOTE] to recommend the City Council [INSERT RECOMMENDATION]; and

**WHEREAS**, on [INSERT DATE], the City Council held a duly-noticed public hearing to consider the amendments to the Zoning Ordinance and these proposed Code Amendments, and after reviewing the staff report, staff presentation, the Planning Commission’s recommendation, and public testimony (both written and verbal), the City Council voted [INSERT VOTE] to approve a first reading and introduction of this Ordinance; and

**WHEREAS**, on [INSERT DATE], the City Council considered a second reading and adoption of this Ordinance.

**THE CITY COUNCIL OF THE CITY OF CLAREMONT DOES ORDAIN AS FOLLOWS:**

**SECTION 1. Incorporation of Recitals.** The City Council hereby finds that all the facts set forth in the recitals are true and correct and are incorporated as substantive findings of this Ordinance.

**SECTION 2. CEQA.** Based upon substantial evidence presented to the Planning Commission and City Council, the City Council finds and determines the proposed Code Amendments are not subject to environmental review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and section 15060(c)(3) (the activity is not a "project" as defined in Section 15378). CEQA Guidelines section 15378(b)(2) and (5) exclude "[c]ontinuing administrative ... activities" and "administrative activities of governments that will not result in direct or indirect physical changes to the environment" from its definition of "project." In the absence of any pending application for any cannabis storefront retailer, any specific environmental effects would be speculative. The environmental effects of prospective future cannabis storefront retailers will be evaluated on a project-by-project basis by the City during application and permitting processes.

Based upon substantial evidence presented to the Planning Commission and City Council, the City Council further finds and determines that, even if the Code Amendments were a "project" (as that term is defined in CEQA), they would be exempt from environmental review under CEQA Guidelines Section 15183(a) because they are consistent with the development density established by existing zoning and general plan policies for which an Environmental Impact Report (EIR) was certified. The Code Amendments would also be exempt from environmental review under CEQA Guidelines Section 15061(b)(3)'s "general rule" that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Here, it can be seen with certainty that there is no possibility that this item, in and of itself, will have a significant effect on the environment. On its own, this item merely establishes a regulatory framework; it will not directly result in any physical changes to the environment.

**SECTION 3. Code Amendment.** Based upon substantial evidence presented to the Planning Commission and City Council, the City Council hereby adopts and approves an amendment to Title 5 (Business Regulations) of the Claremont Municipal Code to add a new Chapter 5.XX, entitled "Cannabis Business Activities" to read as follows:

**Chapter 5.XX Cannabis Business Activities**

**5.XX.010 Purpose, intent, and legal authority**

**5.XX.020 Definitions**

**5.XX.030 Cannabis businesses prohibited unless specifically authorized by this chapter**

**5.XX.040 Compliance with state and local laws and regulations**

**5.XX.050 Criminal background checks**

**5.XX.060 Persons prohibited from being an owner, operator, or employee of a cannabis business**

**5.XX.070 Cap on maximum number of cannabis businesses**

**5.XX.080 Procedural Guidelines and Review Criteria for applications for Cannabis Business Permits**

**5.XX.090 Preapplication screening process**

**5.XX.100 Approval of Cannabis Business Permit**

**5.XX.110 Sequence and timing of approval of conditional use permit**

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**5.XX.220 Effect of suspension, revocation, or termination of State license**

**5.XX.230 Appeals**

**5.XX.240 Change in location of cannabis business**

**5.XX.250 Transfer of Cannabis Business Permit to new owner**

**5.XX.260 City business tax certificate**

**5.XX.270 Building permits and inspection**

**5.XX.280 Authorization from the City Manager**

**5.XX.290 Right to occupy and to use premises**

**5.XX.300 Location and design of cannabis businesses**

**5.XX.310 Limitations on City's liability**

**5.XX.320 Records and recordkeeping**

**5.XX.330 Security measures**

**5.XX.340 Operating requirements for all cannabis businesses**

**5.XX.350 Operating requirements for cannabis storefront retailers**

**5.XX.360 Operating requirements for cannabis storefront retailers that provide delivery services**

**5.XX.370 Promulgation of administrative regulations and standards**

**5.XX.380 Fees and charges**  
**5.XX.390 Fees deemed debt to the City**  
**5.XX.400 Permittee responsible for violations**  
**5.XX.410 Inspection and enforcement**  
**5.XX.420 Enforcement and remedies**  
**5.XX.430 No Vested Rights**

**5.XX.010 Purpose, intent, and legal authority**

The purpose of this chapter is to establish business permit regulations for operators of cannabis businesses that are reasonable and necessary to protect public health and safety and reduce the potential for illegal and illicit activity within the City of Claremont. This chapter is not intended to be exclusive and compliance with its provisions shall not excuse noncompliance with any federal, state, or other local laws.

This chapter is adopted and established pursuant to the specific authority granted to cities in Section 7 of Article XI of the California Constitution and California Business and Professions Code Section 26200.

**5.XX.020 Definitions**

The following are definitions of terms used in this chapter:

The terms "cannabis," "cannabis business," "cannabis product," "cultivation," "medicinal cannabis" "medicinal cannabis product," "person," and "testing laboratory" shall have the same meaning as the terms are defined in the Section 4.20.040 of this Code, as amended from time to time.

"Cannabis business applicant" or "applicant" means a person or entity that submits an application for a Cannabis Business Permit under this chapter.

"Cannabis Business Permit" or "CBP" means a regulatory permit issued by the City pursuant to this chapter to a cannabis business and is required before any commercial cannabis activity may be conducted in the City.

"Cannabis business permittee" or "permittee" means a person or entity that holds a valid, non-expired Cannabis Business Permit from the City.

"Cannabis storefront retailer" or "retailer" shall have the same meaning as the term is defined in Section 26001 of the California Business and Professions Code, as amended from time to time and shall include any establishment which engages in the retail sale of cannabis for medicinal and/or adult-use purposes consistent with the MAUCRSA.

"Cannabis retailer" shall mean either a cannabis storefront retailer or a non-storefront retailer.

"City" means the City of Claremont, California.

"City Manager" means the City Manager for the City of Claremont or the City Manager's designee, which may include City staff or a third-party consultant.

"Commercial cannabis activity" shall have the same meaning as the term is defined in Section 26001 of the California Business and Professions Code, as amended from time to time. "Commercial cannabis activity" includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of cannabis and cannabis products.

"Delivery" and "retail cannabis delivery" shall have the same meaning as the term "delivery" is defined in Business and Professions Code Section 26001, as amended from time to time. "Delivery" includes the commercial transfer of cannabis or cannabis products to a customer.

"Director" means the Community Development Director for the City of Claremont or the Community Development Director's designee.

"Dispensing" means any activity involving the retail sale of cannabis or cannabis products from a retailer.

"Distribution" shall have the same meaning as the term is defined in Section 26001 of the Business and Professions Code, as amended from time to time. "Distribution" includes the procurement, sale, and transport of cannabis and cannabis products between licensees.

"Distributor" shall have the same meaning as the term defined in Section 26001 of the Business and Professions Code, as amended from time to time. "Distributor" includes a cannabis business that is authorized to engage in the distribution of cannabis and cannabis products.

"Employee" shall mean a person who works for a cannabis business, whether for a salary or wages under the direct control of the business or pursuant to a contract as an independent contractor.

"Limited-access area" means an area in which cannabis is stored or held and is only accessible to a permittee and permittee's authorized personnel.

"Local agency" includes a county, city, or city and county.

"Manufacture" shall have the same meaning as the term is defined in Section 26001 of the Business and Professions Code, as amended from time to time. "Manufacture" includes compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product.

"Manufacturer" shall have the same meaning as the term is defined in Section 26001 of the Business and Professions Code, as amended from time to time. "Manufacturer" includes a cannabis business that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.

"MAUCRSA" shall mean the Medicinal and Adult Use Cannabis Regulation and Safety Act, Senate Bill 94 (2017-2018), codified in Division 10 of the California Business and Professions Code (starting at Section 26000), as amended from time to time or replaced by a successor statute.

"Microbusiness" shall have the same meaning as the term is defined in Section 26001 of the Business and Professions Code, as amended from time to time. "Microbusiness" includes a cannabis business comprised of at least three out of the following four uses on the same premises: (1) a cannabis retailer, (2) a manufacturer, (3) a cultivation site with canopy space of less than 10,000 square feet, and (4) a cannabis distributor. To qualify as a cannabis microbusiness, the cannabis business must engage in a minimum of three out of the four above referenced uses.

"Non-Storefront retailer" means a cannabis business that is closed to the public and provides cannabis and cannabis products to customers solely by means of a delivery service which the retailer owns and controls.

"Operator" means the person or people responsible for the operation of a cannabis business.

"Owner" means any of the following: a person with an aggregate ownership interest of twenty percent (20%) or more in the cannabis business, unless the interest is solely a security, lien, or encumbrance; or an individual who manages, directs, or controls the operations of the commercial cannabis business, including but not limited to:

- A. A member of the board of directors of a nonprofit.
- B. A general partner of a cannabis business that is organized as a partnership.

- C. A nonmember manager or manager of a cannabis business that is organized as a limited liability company.
- D. The trustee(s) and all persons who have control of the trust and/or the cannabis business that is held in trust.
- E. An individual with the authority to provide strategic direction and oversight for the overall operations of the commercial cannabis business, such as the chief executive officer, president, or their equivalent, or an officer, director, vice president, general manager, or their equivalent.
- F. An individual with the authority to execute contracts on behalf of the cannabis business.
- G. When an entity is an owner in a cannabis business, all entities and individuals with a financial interest in the entity shall be disclosed to the city and may be considered owners of the cannabis business. For example, this includes all entities in a multi-layer business structure, as well as the chief executive officer, members of the board of directors, partners, trustees, and all persons who have control of a trust and managing members or nonmember managers of the entity. Each entity disclosed as having a financial interest must disclose the identities of persons holding financial interests until only individuals remain.

"Permittee" shall mean a cannabis business that has an approved Cannabis Business Permit from the City.

"Physician's recommendation" shall have the same meaning as the term is defined Section 26001 of the Business and Professions Code, as amended from time to time. "Physician's recommendation" means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.

"Premises" shall have the same meaning as the term is Section 26001 of the Business and Professions Code, as amended from time to time. "Premises" includes the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

"State agency" includes every state office, officer, department, division, bureau, board, and commission.

“State license” means any license required by the State of California for the operation of a cannabis business, including but not limited to licenses issued under Division 10 of the Business and Professions Code.

**5.XX.030 Cannabis businesses prohibited unless specifically authorized by this chapter**

A. The establishment or operation of a cannabis storefront retailer is prohibited without:

1. A valid Cannabis Business Permit from the City pursuant to this chapter;
2. A valid conditional use permit from the City pursuant to Chapters 16.0XX and 16.303 of the City’s Zoning Ordinance;
3. A valid Business Tax Certificate (sometimes referred to as a business license) from the City pursuant to Title 4 of this Code;
4. A valid state license issued by the California Department of Cannabis Control, or successor agency, pursuant to Division 10 of the California Business and Professions Code, and all other applicable state laws, required for operating a cannabis business; and
5. A valid State of California Seller’s Permit issued by the California Department of Tax and Fee Administration, or successor agency.

This is not an exhaustive list of permitting, licensing, and certificate requirements for cannabis storefront retailers. At all times, a cannabis storefront retailer must be in full compliance with all applicable state and local laws and regulations pertaining to the cannabis business and cannabis activities.

B. Is currently in compliance with all applicable state and local laws and regulations pertaining to the cannabis business and the cannabis activities, including the duty to obtain any required State licenses.

C. All other cannabis businesses are expressly prohibited in the City, provided, however:

1. This chapter shall not prohibit retail delivery of cannabis to customers in the City by licensed cannabis retailers located outside the City in accordance with State law.



2. It shall not be a violation of this Code for an agent of a state agency, as defined in Section 1100 of the Government Code, or a local agency, as defined in Section 50001 of the Government Code, to possess, transport, or obtain cannabis or cannabis products as necessary to conduct activities reasonably related to the duties of the state or local agency.

#### **5.XX.040 Compliance with state and local laws and regulations**

It is the responsibility of the owners and operators of any cannabis business to ensure that they operate in a manner compliant with this chapter, all applicable state and local laws, and any regulations promulgated thereunder, including but not limited to the MAUCRSA. A violation of any state or local law is a nuisance and is grounds for revocation of a Cannabis Business Permit.

#### **5.XX.050 Criminal background checks**

- A. Any person who is an owner, operator, or is employed by a cannabis business must be legally authorized to do so under applicable state law.
- B. Cannabis business owners, operators, and employees shall be required to submit to a criminal background check prior to issuance or transfer of a Cannabis Business Permit and before a new operator or employee commences employment with the cannabis business.
- C. If an owner, operator, or employee of a cannabis business has a conviction for any of the crimes listed below, the cannabis business is not eligible for a Cannabis Business Permit:
  1. A violent felony as defined by California Penal Code 667.5 or equivalent offense in other states;
  2. A serious felony, as defined by California Penal Code 1192.7 or equivalent offense in other states;
  3. A felony for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor;
  4. A felony for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety Code; or
  5. A felony involving fraud, deceit, or embezzlement.

- D. Evidence of a conviction of any the offenses enumerated in this section shall be grounds for denial or revocation of a Cannabis Business Permit.

**5.XX.060 Persons prohibited from being an owner, operator, or employee of a cannabis business**

Any person is prohibited from obtaining or maintaining a Cannabis Business Permit or from being employed at a Cannabis Business, if any of the following apply:

- A. A criminal background check demonstrates the owner, operator, or employee has been convicted of any of the crimes identified in Section 5.XX.050(C);
- B. The owner, operator, or employee has been denied a state cannabis license or permit, or has had a cannabis license or permit suspended or revoked by any city, county, city and county, or any other state cannabis licensing authority, except if a license or permit was denied due to the fact that a limited number of licenses or permits was issued by a local jurisdiction, or the denial was based on a cannabis-related criminal offense that is no longer a criminal offense under California State law;
- C. In the past five years, the owner, applicant, or employee was notified by the state, a county, or a city that it was conducting commercial cannabis activity in violation of city ordinances, codes, and requirements and the violation has not been cured;
- D. Evidence that the owner or operator is delinquent in payment of federal, state, or local taxes and/or fees, and took no steps to cure the delinquency when notified by the appropriate agencies; and
- E. The owner, operator, or employee is under 21 years of age.

**5.XX.070 Cap on maximum number of cannabis businesses**

The maximum number of Cannabis Business Permits that the City may issue to cannabis storefront retailers is two (2) Cannabis Business Permits City-wide.

No other cannabis businesses are permitted in the City.

At any time in the City Council's discretion, the City Council may reassess this cap and make any changes by ordinance amending this section.

#### **5.XX.080 Procedural Guidelines and Review Criteria for Applications for Cannabis Business Permits**

- A. By resolution, the City Council shall adopt Procedural Guidelines and Review Criteria for the City's evaluation of applications for Cannabis Business Permits. The Procedural Guidelines and Review Criteria shall be published on the City's website and available upon request at City Hall.
- B. The Procedure Guidelines shall provide the process for soliciting applications including time frames, limitations, requirements, forms, and rules for completing applications.
- C. The Review Criteria shall include the methodology to be used to evaluate applications on a point system or other system based on the Review Criteria.
- D. The City Manager shall use the Review Criteria to determine which applicants will be eligible to participate in the interview or other selection process, as determined by City Council resolution.
- E. The City Manager shall be authorized to prepare forms and adopt rules to implement the Procedure Guidelines and Review Criteria.

#### **5.XX.090 Preapplication screening process**

The City Manager shall establish and administer a preapplication process to screen potential applicants to determine if they are eligible to apply for a Cannabis Business Permit. The prescreening will include a background check of all owners and operators of the cannabis business and a zoning clearance to confirm that any proposed location of the cannabis business complies with the City's Zoning Ordinance (Title 16). The City Council shall adopt a fee by resolution for the City's costs of administering the preapplication screening process.

To be eligible to submit an application for a Cannabis Business Permit, potential applicants must complete the preapplication screening process. Potential applicants that are determined eligible in the prescreening process will have the opportunity to apply for a Cannabis Business Permit.

#### **5.XX.100 Approval of Cannabis Business Permit**

- A. Applications for a Cannabis Business Permit will be reviewed in accordance with this chapter and the Procedure Guidelines and Review Criteria adopted by resolution by the City Council.
- B. The City Manager shall determine when the City will accept applications for

Cannabis Business Permits. The City Manager shall post notice on the City's website of any time period(s) when the City will accept requests for prescreening of potential applicants in accordance with 5.XX.090 of this chapter and any time period(s) when the City will accept applications for Cannabis Business Permits from applicants the City Manager determined are eligible.

- C. Based on the Procedural Guidelines and Review Criteria adopted by resolution by the City Council, the preapplication screening process outlined in Section 5.XX.090 of this chapter, and any other applicable requirements of this Code and the City's Zoning Ordinance, the City Manager shall determine which potential applicants are eligible to submit an application for a Cannabis Business Permit. The City Manager shall provide written notice to potential applicants regarding whether they are eligible to submit an application for a Cannabis Business Permit.
- D. If the Procedural Guidelines and Review Criteria adopted by resolution by the City Council require applications to undergo more than one phase of review, the City Manager shall select which applicants advance to each phase of review. The City Manager shall provide written notice to applicants regarding whether their application has been selected for the next phase of review.
- E. The City Manager shall prepare a report for the City Council on the applications the City Manager selected for the City Council's consideration.
- F. The City Council has the authority to approve, conditionally approve, or disapprove an application for a Cannabis Business Permit. A Cannabis Business Permit shall not be approved unless the cannabis business complies with all of the requirements of this chapter, the Procedural Guidelines and Review Criteria adopted by resolution by the City Council, and any other applicable requirements of this Code and the City's Zoning Ordinance.

#### **5.XX.110 Sequence and timing of approval of conditional use permit**

The City Council may, in the City Council's sole discretion, approve or conditionally approve a Cannabis Business Permit before the permittee has secured a location for the cannabis business or before the permittee has obtained City approval of a conditional use permit for the location of the cannabis business. Under these circumstances, approval of the Cannabis Business Permit is deemed a condition of approval for the Cannabis Business Permit. Permittee shall submit a complete application for a conditional use permit within six (6) months of the City Council's approval a Cannabis Business Permit. Failure to meet this deadline shall be grounds for revocation of the Cannabis Business Permit.

#### **5.XX.120 Community benefits**

Any community benefit(s) that a cannabis business agrees to provide in exchange for a Cannabis Business Permit shall be deemed a condition of approval for the Cannabis Business Permit. Failure to provide the community benefit shall be grounds for revocation of the Cannabis Business Permit.

#### **5.XX.130 Labor peace agreements**

For cannabis businesses with twenty (20) or more employees, the applicant shall attest that the cannabis business will enter into a labor peace agreement, as defined in Business and Professions Code Section 26001, and will abide by the terms of the agreement, and the applicant shall provide a copy thereof to the City. For applicants with twenty (20) or more employees that have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating that within thirty (30) days of issuance of a Cannabis Business Permit from the City, the applicant will enter into a labor peace agreement and will abide by that agreement.

#### **5.XX.140 City's reservation of rights**

The City reserves the right to reject any or all applications for a Cannabis Business Permit. Prior to issuance of a Cannabis Business Permit, the City may modify, postpone, or cancel its review of applications for Cannabis Business Permits at any time without liability, obligation, or commitment to any applicant to the extent permitted under California law. Applicants assume the risk that the City will suspend or terminate its review of applications for Cannabis Business Permits. The City further reserves the right to request and obtain additional information from any applicant at any time during the application review process.

#### **5.XX.150 Grounds for rejection or disapproval of application for Cannabis Business Permit**

In addition to a failure to comply with other requirements in this chapter, the City Manager may reject an application for a Cannabis Business Permit for any of the following reasons:

- A. The application is untimely.
- B. The application is incomplete.
- C. The application is not in the required format.
- D. The applicant did not pay the application fee established by resolution of the

City Council.

- E. The applicant did not participate in the prescreening process required by this chapter.
- F. Through the prescreening process, the City determined the applicant is not eligible to apply for a Cannabis Business Permit.
- G. The applicant otherwise did not comply with the requirements of this chapter.

The City Council may disapprove an application for a Cannabis Business Permit based on any of the criteria in this chapter and the Review Criteria adopted by resolution by the City Council or because the proposed cannabis business would have an adverse impact on the public health, safety and welfare.

If an application is not selected in a competitive process where the number of applications exceed the number of available Cannabis Business Permits, it is not a rejection nor a disapproval of the application.

#### **5.XX.160 Expiration of Cannabis Business Permit**

- A. Use of a Cannabis Business Permit shall be initiated within twelve (12) months of final approval. Use of a Cannabis Business Permit is initiated when the permitted use(s) has (have) lawfully commenced on the premises.
- B. Failure to initiate use of a Cannabis Business Permit within the timeframe established in subsection (A) above shall result in automatic expiration of the Cannabis Business Permit.
- C. Upon written request of the permittee, the City Manager, in the City Manager's sole discretion, may extend the timeframe to initiate use of the Cannabis Business Permit for up to a maximum of six (6) months if the City Manager determines that the permittee has made a good faith effort to initiate use of the Cannabis Business Permit. The City Manager may grant more than one extension.

#### **5.XX.170 Abandonment of Cannabis Business Permit**

- A. If, after initiation of use, a cannabis business has not been in regular and continuous operation for four (4) or more months at the permitted location, the Cannabis Business Permit shall be deemed abandoned.
- B. If the interruption in use is a result of mitigating circumstances beyond the control of the permittee and the permittee intends to resume use, the

permittee may request an extension from the City Manager before the Cannabis Business Permit is deemed abandoned. The City Manager, in the City Manager's sole discretion, may extend the timeframe to resume use of the Cannabis Business Permit for up to a maximum of six (6) months if the City Manager determines that the permittee is working diligently to resume use of the Cannabis Business Permit. The City Manager may grant more than one extension.

#### **5.XX.180 Reapplying for a Cannabis Business Permit**

If the City rejects or disapproves an application for a Cannabis Business Permit due to a disqualifying factor including, but not limited to, the applicant failing a background check or submitting an application with false information, the applicant shall not be eligible to submit a new application for one (1) year from the date of the rejection or disapproval. This section shall not apply to an application that is not selected in a competitive process where the number of applications exceed the number of available Cannabis Business Permits.

#### **5.XX.190 Term of a Cannabis Business Permit**

A Cannabis Business Permit approved under this chapter shall be effective for a period not to exceed one (1) year from the date of approval. The City Manager may renew a Cannabis Business Permit through the procedures identified in Section 5.XX.180 of this chapter.

#### **5.XX.200 Renewal of Cannabis Business Permits**

- A. An application for renewal of a Cannabis Business Permit shall be filed by the permittee at least sixty (60) calendar days prior to the expiration date of the current Permit.
- B. The City Manager, in the City Manager's sole discretion, may extend the renewal period for up to a maximum of sixty (60) days if the permittee was operating in good standing as of the renewal deadline specified in subsection (A) above.
- C. The City Manager shall be authorized to prepare forms and adopt rules to process, review, and approve, conditionally approve, or disapprove applications for renewal of Cannabis Business Permits.
- D. The City Manager may reject an application for renewal of a Cannabis Business Permit for any of the following reasons:
  1. The renewal application is untimely.



2. The applicant did not pay the renewal application fee established by resolution of the City Council.
  3. The Cannabis Business Permit is suspended or revoked.
  4. The Cannabis Business Permit has been deemed abandoned under Section 5.XX.160 of this chapter.
  5. The permittee fails to or is unable to renew its State license.
- E. The City Manager may disapprove an application for renewal of a Cannabis Business Permit for any of the following reasons:
1. The cannabis business has failed to comply with any condition of the Cannabis Business Permit, any condition of the conditional use permit, any requirement of this chapter, or any administrative regulation adopted pursuant to this chapter.
  2. If the state has determined, based on substantial evidence, that the permittee is in violation of the requirements of the state's rules and regulations, and the state has determined that the violation is grounds for termination or revocation of the Cannabis Business Permit.
- F. The City Manager is authorized to make all decisions concerning the approval, conditional approval, or disapproval of the renewal of a Cannabis Business Permit. The City Manager is authorized to impose additional conditions to renewal of a Cannabis Business Permit if the City Manager determines the conditions are necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety, or welfare.
- G. If a renewal application is rejected or disapproved, a permittee is not eligible to submit a new application pursuant to this chapter for one (1) year from the date of the rejection or disapproval.

**5.XX.210 Suspension, revocation, or modification of Cannabis Business Permits**

- A. Upon thirty (30) days written notice, the City Manager may suspend, revoke, or modify a Cannabis Business Permit for any violation of the Permit's conditions of approval, this chapter, any state or local laws, rules, and/or any standards, policies, procedures, or regulations adopted pursuant to this chapter relating to Cannabis Businesses.



- B. The City Manager may take immediate action to temporarily suspend a Cannabis Business Permit if the City Manager determines the cannabis business poses an imminent threat to public health, safety or welfare.

**5.XX.220 Effect of suspension, revocation, or termination of State license**

- A. Suspension or revocation of a State license shall immediately and automatically suspend the City's Cannabis Business Permit for the cannabis business. A permittee shall immediately cease operation of the cannabis business and shall not resume operations until the City Manager reinstates the Cannabis Business Permit.
- B. If the State of California or its respective department or division reinstates or reissues the State license, the Cannabis Business may seek reinstatement of its Cannabis Business Permit if the business can demonstrate that the grounds for suspension or revocation of the State license no longer exist or that the underlying deficiency has otherwise been cured.
- C. A permittee shall inform the City Manager of any suspension or revocation of Permittee's State license within twenty-four (24) hours of receiving notice of the suspension or revocation.

**5.XX.230 Appeals**

- A. An applicant or permittee may appeal a decision the City Manager makes regarding a Cannabis Business Permit to the City Council. Decisions the City Council makes regarding a Cannabis Business Permit are final.
- B. An appeal regarding a Cannabis Business Permit shall be filed no later than close of business on the tenth (10<sup>th</sup>) calendar day following the date of the decision from which the appeal is made, or on the first (1<sup>st</sup>) business day thereafter. If the City Clerk does not receive a timely appeal, then the City Manager's decision shall be final after the time to appeal has expired.
- C. An appeal regarding a Cannabis Business Permit shall be writing and shall be signed by the person submitting the appeal ("appellant") or their legal representative. An appeal shall contain all of the following information and documents:
  - 1. Name, address, and telephone number of the appellant.
  - 2. The decision(s) that is (are) the subject of the appeal.
  - 3. A true and correct copy of any written decision from the City Manager

that is the subject of the appeal.

4. State with specificity the reasons and grounds for making the appeal, including, but not limited to, a statement of facts upon which the appeal is based in sufficient detail to enable the City Council to understand the nature of the controversy, the basis of the appeal, and the relief requested.
  5. All documents or other evidence pertinent to the appeal that the appellant requests the City Council to consider at the hearing.
  6. An appeal fee as established by resolution of the City Council.
- D. Upon receipt by the City Clerk of a timely written appeal, the City Clerk shall schedule an appeal hearing at a meeting of the City Council within sixty (60) days, or as soon thereafter as is available based on the City Council's meeting schedule and workload, and shall notify the appellant of the date, time, and location of the hearing. The appeal hearing need not be a noticed public hearing.
- E. At the appeal hearing, the applicant may provide written or documentary evidence to the City Council and may make a short presentation for the City Council. In the absence of a different time limit established by the City Council, the appellant's presentation shall not exceed ten (10) minutes.
- F. The City Council may affirm or reverse, wholly or partly, or may modify the decision, conditions of approval, or determination of the City Manager by a majority vote of the Councilmembers present and qualified to vote at the hearing. The City Council's action shall be final and is subject to the time limits set forth in California Code of Civil Procedure Section 1094.6 for judicial review.
- G. Absent a threat to health, safety, or welfare, a timely appeal of a City Manager's decision of nonrenewal, suspension, or revocation of a Cannabis Business Permit shall stay the City Manager's decision until the City Council decides the appeal.

#### **5.XX.240 Change in location of cannabis business**

- A. A permittee shall not move the cannabis business to another location within the City unless and until the City Manager approves an amendment to the Cannabis Business Permit. An amendment to a Cannabis Business Permit shall be processed in the same manner as the application for the original Cannabis Business Permit, except that the City Manager may approve the

amendment to the Cannabis Business Permit.

- B. A permittee shall not request City approval to relocate a cannabis business unless and until the City has approved a conditional use permit for the
- C. The application to amend the Cannabis Business Permit shall be accompanied by a fee set by resolution of the City Council.
- D. A cannabis business shall not be relocated within the City when the City has notified the permittee in writing that the Cannabis Business Permit has been suspended or revoked.
- E. A cannabis business shall not be relocated within the City until the City has approved a conditional use permit allowing the cannabis business at its new location.
- F. Any attempt to relocate a cannabis business either directly or indirectly in violation of this section is grounds for revocation of the Cannabis Business Permit.

#### **5.XX.250 Transfer of Cannabis Business Permit to new owner**

- A. A permittee shall not request City approval to transfer ownership or control of the cannabis business subject to the City's Cannabis Business Permit to another person or entity until at least twenty-four (24) months after the permittee has opened and continuously operated its cannabis business.
- B. A permittee shall not transfer ownership or control of the cannabis business to another person or entity unless and until the City Manager approves an amendment to the Cannabis Business Permit. An amendment to a Cannabis Business Permit shall be processed in the same manner as the application for the original Cannabis Business Permit, except that the City Manager may approve the amendment to the Cannabis Business Permit.
- C. The application to amend the Cannabis Business Permit shall be accompanied by a fee set by resolution of the City Council.
- D. A Cannabis Business Permit shall not be transferred when the City has notified the permittee in writing that the Cannabis Business Permit has been suspended or revoked.
- E. Any attempt to transfer a Cannabis Business Permit either directly or indirectly in violation of this section is grounds for revocation of the Cannabis Business Permit.

#### **5.XX.260 City business tax certificate**

Prior to commencing operations, a cannabis business shall obtain a City of Claremont business tax certificate.

#### **5.XX.270 Building permits and inspection**

Prior to commencing operations, a cannabis business permittee shall be subject to a mandatory building inspection and shall obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes but is not limited to obtaining any required building permit(s), Fire Department approvals, Police Department approvals, Community Development approvals (Code Enforcement, Planning, and Engineering), County Health Department approvals, and any other applicable zoning and land use permit(s) and approvals.

#### **5.XX.280 Director authorization**

Prior to commencing operations, a cannabis business must obtain authorization from the Director certifying that the cannabis business is located on a premises that meets all of the requirements of this Code and the applicable conditional use permit.

#### **5.XX.290 Right to occupy and to use premises**

Prior to the City's approval of a Cannabis Business Permit, the applicant shall provide sufficient evidence that the applicant will have the legal right to occupy and to use the proposed location of the cannabis business prior to expiration of the Cannabis Business Permit. If the proposed location will be leased from the owner of the property, the applicant shall provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this chapter and consents to the operation of the cannabis business at the premises.

#### **5.XX.300 Location and design of cannabis businesses**

- A. A cannabis business must meet land use and building standards pursuant to Title 15, Title 16, and Title 17 of this Code.
- B. A cannabis business must be consistent with the City's general plan, and any applicable specific plan or master plan
- C. A cannabis business must comply with any applicable design standards.
- D. A cannabis business must comply with all applicable zoning and development standards.

- E. A cannabis business must be constructed in a manner that minimizes odors to surrounding uses. The City Manager or City Council, as applicable, may impose one or more conditions of approval on a Cannabis Business Permit to ensure odors do not disturb surrounding uses.
- F. At the time a cannabis business is initially established, the cannabis business must comply with the buffering requirements in Chapter 16.0XX of the City's Zoning Ordinance.

#### **5.XX.310 Limitations on City's liability**

To the fullest extent permitted by law, the City of Claremont shall not assume any liability whatsoever with respect to issuance of a Cannabis Business Permit pursuant to this chapter or any other approval relating to a cannabis business. As a condition of approval of any Cannabis Business Permit, the applicant shall be required to meet all of the following conditions prior to receiving authorization to commence operations:

- A. Execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at permittee's sole cost and expense), and hold the City of Claremont, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of the Cannabis Business Permit, the City's decision to approve the operation of the Cannabis Business or activity, the process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the Cannabis Business or any of its officers, employees or agents.
- B. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate by the City Manager.
- C. Reimburse the City for all costs and expenses, including but not limited to legal fees and court costs, which the City may be required to pay as a result of any legal challenge related to the City's approval of the applicant's Cannabis Business Permit or related to the City's approval of a cannabis activity. The City, at its sole discretion, may participate at its own expense in the defense of any such action, but such participation shall not relieve the applicant of any of the obligations imposed hereunder.

#### **5.XX.320 Records and recordkeeping**

- A. Each owner and operator of a cannabis business shall maintain accurate books and records in an electronic format, detailing all of the revenues and

expenses of the business, and all of its assets and liabilities for a period not less than seven (7) years.

- B. On no less than an annual basis (at or before the time of the renewal of a Cannabis Business Permit issued pursuant to this chapter), or at any time upon reasonable request of the City, each cannabis business shall file a sworn statement detailing the number and amount of sales by the cannabis business during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes and/or fees paid or due to be paid.
- C. On an annual basis, each owner and operator shall submit to the City a financial audit of the cannabis business's operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and a gross receipts financial audit, where applicable, as determined by the City.
- D. Each owner and operator of a cannabis business shall maintain a current register of the names and contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business, and separately of all the officers, managers, employees, agents, and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this subsection shall be provided to the City Manager upon request.
- E. All cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the production process until purchased as set forth in State law, including without limitation, the MAUCRSA.

#### **5.XX.330 Security measures**

- A. A cannabis business permittee shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis or cannabis products at the cannabis business. Except as may otherwise be determined by the Director, these security measures shall include, but shall not be limited to, all the following:
  - 1. Exterior lighting systems for after-hours security as approved by the Chief of Police and/or the Director where applicable.

2. Signage and personnel preventing individuals from remaining on the premises of the cannabis business if they are not engaging in an activity directly related to the permitted operations of the cannabis business. In cases in which the individual will not voluntarily leave the premises, the cannabis employee shall contact the Police Department.
3. Establishing limited access areas accessible only to authorized cannabis business personnel.
4. Installation of cameras that meet the following:
  - a. 24-hour security surveillance cameras of at least high-definition (HD) quality to monitor all entrances and exits to and from the premises, all interior spaces within the cannabis business that are open and accessible to the public, all interior spaces where cannabis, cash, or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color.
  - b. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the Chief of Police upon request.
  - c. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the cannabis business and shall be capable of enlargement via projection or other means.
  - d. Internet Protocol address information shall be provided to the Police Department by the cannabis business, to facilitate remote monitoring of security cameras by the Police Department or its designee.
  - e. Each cannabis business shall have network security protocols that are certified by Underwriters Laboratories.
5. Sensors shall be installed to detect entry and exit from all secure areas and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.

6. Panic buttons shall be installed in all cannabis businesses with direct notification to the Police Department dispatch and shall be configured to immediately alert dispatch for the Police Department.
7. A professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services is required. The permittee shall be required to obtain an alarm permit from the Police Department.
8. Any security measures, such as bars, installed on the windows or the doors of the cannabis business shall be installed only on the interior of the building and shall not be visible from streets or sidewalks.
9. Security personnel shall be on-site 24 hours a day or alternative security as authorized by the City Manager and must have a security patrol when closed. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager, with such approval not to be unreasonably withheld.
10. Each cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
11. Each cannabis business shall have an accounting software system in place to provide point of sale data as well as audit trails of both product and cash, where applicable.
12. Each cannabis business shall demonstrate to the Chief of Police, City Manager or their designees, compliance with the state's track and trace system for cannabis and cannabis products.
13. Each cannabis business shall have a professionally installed video surveillance system, access control and intrusion alarm systems designed to protect the inventory, facility, and employees. Each business shall have network security protocols that are certified by Underwriters Laboratories.
14. Exterior vegetation shall be planted, altered and maintained in a fashion that precludes its use as a hiding place for persons on the premises.



15. Emergency access and emergency evacuation plans that are in compliance with state and local fire safety standards.

B. Security Representative/Liaison

1. Each cannabis business shall identify a designated security representative/liaison to the City who shall be reasonably available to meet with the City Manager regarding any security related measures and/or operational issues.
2. The security representative/liaison shall be capable of operating the cannabis business security surveillance system and providing video recordings to the Police Department upon request, pursuant to Section 5.XX.330(A)(4) of this chapter.
3. The designated security representative/liaison shall, on behalf of the cannabis business, annually maintain a copy of the current security plan on the premises of the business, to present to the City Manager upon request that meets the following requirements:
  - a. Confirms that a designated manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.
  - b. Identifies all managers of the cannabis business and their contact phone numbers.
  - c. Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the manager's office.
  - d. Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.
  - e. Identifies a sufficient number of licensed, interior, and exterior security personnel who will monitor individuals inside and outside the cannabis business, the parking lot, any adjacent property under the business' control, and ensure that the parking lot is cleared of employees and their vehicles one-half hour after closing.

C. As part of the application and licensing process each cannabis business shall

have a storage and transportation plan that describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, any hazardous materials that may be used by the business, and any currency.

- D. The cannabis business shall cooperate with the City whenever the City Manager makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter.
- E. A cannabis business shall notify the City Manager within twenty-four (24) hours after discovering any of the following:
  - 1. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager.
  - 2. Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business.
    - a. The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the cannabis business.
    - b. Any other breach of security.
- F. Compliance with the foregoing requirements shall be verified by the City Manager prior to commencing business operations. The City Manager may supplement these security requirements once operations begin, subject to review by the City Manager if requested by the business owner.

#### **5.XX.340 Operating requirements for all cannabis businesses**

- A. Cannabis businesses shall operate in compliance with Division 10 of the Business and Professions Code, as may be amended under State law.
- B. Cannabis businesses may operate only during the hours specified in the Cannabis Business Permit issued by the City.
- C. Restriction on Sales and Consumption. Cannabis shall not be consumed by any person on the premises of any cannabis business. No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco on or about the premises of the cannabis business.
- D. No cannabis or cannabis products or graphics depicting cannabis or cannabis

products shall be visible from the exterior of any property issued a Cannabis Business Permit, or on any of the vehicles owned or used as part of the cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

- E. Reporting and Tracking of Product and of Gross Sales. Each cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the City. The cannabis business shall provide this information to the City upon request, in the format defined by the City. In addition, the system must have the capability to produce historical transactional data for review.
- F. All cannabis and cannabis products sold, distributed, or held shall be cultivated, manufactured, and transported by state licensed facilities that maintain operations in full conformance with the State and local regulations.
- G. Emergency Contact. Each cannabis business shall provide the City Manager with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.
- H. Signage and Notices.
  - 1. In addition to the requirements otherwise set forth in this section, business identification signage for a cannabis business shall conform to the requirements Title 18 Signs and are required to obtain all sign permits as required.
  - 2. Each entrance to a cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the cannabis business is prohibited.
- I. Minors.
  - 1. Persons under the age of twenty-one (21) years shall not be allowed on the premises of a cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this chapter for any person to employ any person at a cannabis business who is not at least twenty-one (21) years of age.

2. The entrance to the cannabis business shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the cannabis business.
3. Notwithstanding Section 5.XX.340(I)(1), persons aged 18 to 20 years shall be allowed on the premises of a cannabis business if they can produce a physician's recommendation. In that event, such persons can lawfully purchase cannabis for the sole purpose of addressing the medical need that is the subject of the physician's recommendation.

J. Odor Control.

1. Odor control devices and techniques shall be incorporated in all cannabis businesses to ensure that odors from cannabis are not detectable off-site.
  - a. Cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis business.
  - b. Cannabis businesses must install and maintain the following equipment, or any other equipment which the City Manager or his/her designee(s) determine is a more effective method or technology:
    - i. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
    - ii. An air system that creates negative air pressure between the cannabis business's interior and exterior, so that the odors generated inside the cannabis business are not detectable on the outside of the cannabis business.

- K. Display of Permit and City Business Tax Certificate. The original copy of the Cannabis Business Permit issued by the City pursuant to this chapter and the City issued Business Tax Certificate shall be posted inside the cannabis

business in a location readily visible to the public.

L. Loitering.

1. The owner and/or operator of a cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.
2. The cannabis business shall notify the Police Department if anyone continues to loiter around the building or premises after all reasonable action has been taken to remove the individual(s) and the action has failed to do so in a timely manner.

M. Permits and other Approvals. Prior to the establishment of any cannabis business or the operation of any such business, the person intending to establish a cannabis business must first obtain all applicable planning entitlements, building permits, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such cannabis business intends to establish and to operate pursuant to this chapter and the City's Zoning Ordinance.

**5.XX.350 Operating requirements for cannabis storefront retailers**

- A. Cannabis storefront retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of eighteen (18) years. If the potential customer is 18 to 20 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and/or Health and Safety Code Section 11362.71 identification card (Medical Marijuana Card). For adult-use purchases, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.
- B. Individuals must show their government-issued identification, their physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71 to gain access into the retailer. The government-issued identification and, if applicable, doctor's recommendation or cannabis card must also be shown at the point-of-sale station at the time of purchase. Doctor recommendations are not to be obtained or provided at the retail location.
- C. Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and serve as a visual deterrent to unlawful activities. Security personnel may be allowed to carry firearms if authorized by the Chief of Police.

- D. Retailers may have only the quantity of cannabis and cannabis products needed to meet the daily demand readily available for sale on-site in the retailer's retail sales area. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.
- E. All restroom facilities shall remain locked and under the control of management.
- F. Permitted cannabis storefront retailers are authorized to conduct cannabis sales by delivery, pursuant to the requirements set forth in Section 5.XX.360.
- G. Retailers authorized to conduct retail activities shall only serve customers who are within the permitted premises, or at a delivery address that meets the requirements of this chapter.
  - 1. The sale and delivery of cannabis goods shall not occur through a pass-through window or a slide-out tray to the exterior of the premises.
  - 2. Retailers shall not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle.
  - 3. No cannabis goods shall be sold and/or delivered by any means or method to any person within a motor vehicle.
  - 4. All cannabis goods sold by a retail business shall be contained in child-resistant packaging.
  - 5. Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.
  - 6. A retail permittee who is engaged in retail sale shall hire or contract for security personnel who are at least 21 years of age to provide security services for the permitted retail premises. All security personnel hired or contracted for by the permittee shall be licensed by the Bureau of Security and Investigative Services and shall comply with Division 3 of the Business and Professions Code.
- H. Authorized Sales.

1. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age.
  2. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid physician's recommendation.
  3. Medicinal cannabis sales to individuals 21 years of age and older are unrestricted.
- I. Limited Access Areas.
1. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas.
  2. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area.
  3. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the permittee.
  4. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the City Manager, Chief of Police, or their designees upon request.
- J. Operating hours of the Store Front Retailer Permit shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.

**5.XX.360 Operating requirements for cannabis storefront retailers that provide delivery services**

- A. Prior to providing cannabis goods to a delivery customer, operators are required to verify the age and the necessary documentation of each customer. They must ensure that medical customers are at least eighteen (18) years of age and verify that the customer has a valid doctor's recommendation. In the case of adult-use customers, they must verify that the customer is at least twenty-one (21) years of age. Sales shall only be made to persons matching these criteria.

- B. Retail delivery services shall be limited to the hours of 9:00 a.m. through 10:00 p.m., seven days a week.
- C. Prior to commencing delivery operations, a cannabis storefront retailer shall provide the following information to the City:
  - 1. Proof of ownership of the vehicle or a valid lease for any and all vehicles that will be used to deliver cannabis or cannabis products.
  - 2. The year, make, model, color, license plate number, and numerical Vehicle Identification Number (VIN) for any and all vehicles that will be used to deliver cannabis goods.
  - 3. Proof of insurance as required in Section 5.XX.290B) for any and all vehicles being used to deliver cannabis goods.
  - 4. The permittee shall provide the City with the information required by this section in writing for any new vehicle that will be used to deliver cannabis goods prior to using the vehicle to deliver cannabis goods.
  - 5. The permittee shall provide the City with any changes to the information required by this section in writing within thirty (30) calendar days.
- D. Permissible Delivery Locations and Customers.
  - 1. A permitted cannabis business shall not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.
  - 2. A permitted cannabis business shall comply with all requirements of state and local law pertaining to the Cannabis Business Permit and all subsequent policies, procedures and regulations which may be amended by the City Manager from time to time in order to enforce this chapter.

#### **5.XX.370 Promulgation of administrative regulations and standards**

- A. In addition to any regulations adopted by the City Council, the City Manager is authorized to establish administratively any additional rules, regulations and standards governing the issuance, denial or renewal of Cannabis Business Permits, the ongoing operation of cannabis businesses, and any other subject determined to be necessary to carry out the purposes of this chapter.



- B. Administrative regulations shall be published on the City's website.
- C. Regulations promulgated by the City Manager shall become effective upon the date of publication. Cannabis businesses shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager.

#### **5.XX.380 Fees and charges**

- A. No person may commence or continue any cannabis activity in the City, without timely paying in full all fees and charges required for the operation of a cannabis business. Fees and charges associated with the operation of a cannabis activity shall be established by resolution of the City Council which may be amended from time to time.
- B. All cannabis businesses authorized to operate under this chapter shall pay all sales, use, business and other applicable taxes, and all license, permit, registration, and other fees required under federal, state, and local law. Each cannabis business shall cooperate with the City with respect to any request to audit the cannabis business' books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes or fees required to be paid during any period.
- C. Prior to operating in the City and as a condition of issuance of a Cannabis Business Permit, the operator of each cannabis business shall enter into an operational and/or community benefit agreement with the City setting forth the terms and conditions under which the cannabis facility will operate that are in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety and welfare.

#### **5.XX.390 Fees deemed debt to the City**

The amount of any fee, cost, or charge imposed pursuant to this chapter shall be deemed a debt to the City that is recoverable via an authorized administrative process as set forth in State law, the City's Municipal Code or in any court of competent jurisdiction.

#### **5.XX.400 Permittee responsible for violations**

The person or entity to whom a Cannabis Business Permit is issued pursuant to this chapter shall be responsible for all violations of the laws of the conditions of the Cannabis Business Permit, the related conditional use permit, this chapter, or the

City's Municipal Code and Zoning Ordinance, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the cannabis business whether or not said violations occur within the permit holder's presence. The permittee shall include all owners and operators of the cannabis business.

#### **5.XX.410 Inspection and enforcement**

- A. The City Manager may enter the location of a cannabis business at any time, without notice, and inspect the location of any cannabis business as well as any recordings and records which may include access to Point-of-Sale and/or METRC data required to be maintained pursuant to this chapter or under applicable provisions of State law.
- B. It is unlawful for any person having responsibility over the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis business under this chapter or under state or local law.
- C. The City Manager may enter the location of a cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City shall be logged, recorded, and maintained in accordance with established procedures by the City Manager or these regulations.

#### **5.XX.420 Enforcement and remedies**

##### **A. Criminal Fines and Penalties**

Any person responsible for violating any provision of this chapter is guilty of an infraction or a misdemeanor at the discretion of the City Attorney and/or district attorney. Upon conviction, the person shall be punished as prescribed in Chapter 1.12

##### **B. Administrative Fines and Penalties**

Whenever an officer charged with the enforcement of any provision of this Municipal Code determines that a violation of this chapter has occurred, the officer shall have the authority to issue an administrative citation to any person

responsible for the violation in accordance with Chapter 1.14.

C. Public Nuisance and Lien on Property

Any use or condition caused, or permitted to exist, in violation of any provision of this chapter shall be, and is hereby declared to be, a public nuisance and may be summarily abated by the City pursuant to California Code of Civil Procedure Section 731 or any other remedy available at law. In accordance with Chapter 1.15, the City may also collect any fee, cost, or charge incurred in the abatement of such nuisance by making the amount of any unpaid fee, cost or charge a lien against the property that is the subject of the enforcement activity.

D. Civil Action

In addition to any other enforcement permitted by the City's Zoning and/or Municipal Codes, the City Attorney may bring a civil action for injunctive relief and civil penalties against any person who violates any provision of this chapter. In any civil action that is brought pursuant to this chapter, a court of competent jurisdiction may award civil penalties and costs to the prevailing party.

E. Permit Revocation

Any violation of this chapter may result in revocation a Cannabis Business Permit or the cannabis business' conditional use permit.

Use of any one or more of these remedies shall be at the sole discretion of the City and nothing in this section shall prevent the City from initiating civil, criminal or other legal or equitable proceedings as an alternative to any of the proceedings set forth above..

**5.XX.430 No Vested Rights**

No person(s) (including any applicant, owner, operator, and/or permittee) shall have any vested rights to any permit, right, and/or interest under this chapter, regardless of whether such person(s) sold, distributed, and/or otherwise engaged in acts related to the use of cannabis prior to the adoption of the ordinance codified in this chapter.

**SECTION 3.** If any provision of this Ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this Ordinance which can be implemented without the invalid provisions, and to this end, the provisions of this Ordinance are declared to be severable. The City Council hereby declares that it would have adopted this Ordinance and each

provision thereof irrespective of whether any one or more provisions are found invalid, unconstitutional or otherwise unenforceable.

**SECTION 4.** The mayor shall sign this ordinance and the city clerk shall attest and certify to the passage and adoption of it, and within fifteen (15) days, publish in the Claremont Courier, a weekly newspaper of general circulation, printed, published, and circulated in the City of Claremont and thirty (30) days thereafter it shall take effect and be in force.

**PASSED, APPROVED, AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Mayor, City of Claremont

ATTEST:

\_\_\_\_\_  
City Clerk, City of Claremont

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney, City of Claremont