

## **Municipal Code Article III, Chapter 18. Commercial Cannabis Activity**

*Adopted May 15, 2017 by Ordinance 17-06*

*Amended January 8, 2018 by Ordinance 17-10*

*Amended March 19, 2018 by Ordinance 18-03*

*Amended May 21, 2018, 2018 by Ordinance 18-05*

4000.10	Purpose and Intent.
4000.20	Definitions
4000.30	Non-commercial Cannabis Activity prohibited in any zone.
4000.40	Licenses and Permits
4000.50	Security Measures
4000.60	Employees; Employee Work Permits; Identification
4000.70	Right to Occupy and to Use Property
4000.80	Location of Commercial Cannabis Business; 100 Foot Setback from Residential Zones
4000.90	Restriction on Alcohol Sales
4000.100	Concurrent Regulation with State
4000.110	Compliance with Laws
4000.120	Inspection and Enforcement
4000.130	Fees and Charges
4000.140	Violation and Enforcement
4000.150	Limitations on City's Liability
4000.160	Commercial Cannabis Permit Application Procedures and Application Requirements
4000.170	Records and Reporting
4000.180	Prohibition on Transfer of Commercial Cannabis Permits
4000.190	Packaging and Labelling
4000.200	Operating Requirements for All Commercial Cannabis Uses
4000.210	Operating Requirements for Cultivation, Manufacturing, Waste, and Storage Requirements
4000.220	Operating Requirements for Cultivation and Nurseries
4000.230	Operating Requirements for Cannabis Manufacturing; Edibles and Other Cannabis Products; Sale or Distribution of Edible and Other Cannabis Products
4000.240	Operating Requirements for Cannabis Manufacturing (Level one and two): Extraction, etc.
4000.250	Establishment of Regulations and Standards
4000.260	Fees Deemed Debt to City of Grover Beach
4000.270	Permit Holder Responsible for Violations

### **4000.10 Purpose and Intent.**

(A) It is the primary purpose and intent of this Chapter to establish regulations on the use of cannabis and cannabis products to protect City of Grover Beach's neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this Chapter to regulate the cultivation, nursery, manufacturing, testing laboratories, transportation, delivery, distribution (includes storage) retailers and microbusinesses of cannabis and cannabis-related products in a manner which is responsible and which protects the health, safety, and welfare of the residents of the City of Grover Beach; to enforce rules and regulations consistent with State law. In part to meet these objectives, an annual permit shall be required to own and to operate a Commercial Cannabis Business within the City of Grover Beach as authorized under this ordinance and within the City of Grover Beach Development Code.

(B) Pursuant to Section 7 of Article XI of the California Constitution, the City of Grover Beach is authorized to adopt ordinances that establish standards, requirements, and regulations for local licenses and permits for Commercial Cannabis Activity. Any standards, requirements, and regulations regarding health and safety, testing, laboratory operations and safety, security, and worker protections

established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City of Grover Beach to Commercial Cannabis Activity.

4000.20       **Definitions.**

When used in this Chapter, the following words shall have the meanings ascribed to them in this section. Any reference to California statutes includes any regulations established thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

(A)       “Accrediting body” means a nonprofit organization that requires conformation to ISO/IEC 17025 requirements and is a signatory to the International Laboratory Accreditation Cooperative Mutual Recognition Arrangement for Testing.

(B)       “Applicant” for purposes of this ordinance means an Owner applying or renewing a local Commercial Cannabis Permit.

(C)       “Cannabis” means all parts of the 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 by Section 11018 of the California Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. “Cannabis” 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, manufacturing, 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 germination. For the purpose of this Chapter, “Cannabis” does not mean industrial hemp as that term is defined in Section 11018.5 of the California Health and Safety Code.

(D)       “Cannabis concentrate” means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product’s potency. An edible cannabis product is not considered food, as defined by Section 109935 of the California Health and Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.

(E)       “Cannabis Product” as used in this Chapter means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, edible, topical or other product containing cannabis or concentrate cannabis and other ingredients.

(F)       “Certificate of Accreditation” means a certificate issued by an accrediting body to a licensed testing laboratory, entity, or site to be registered in the state and permitted by the City.

(G)       “Commercial Cannabis Activity” or “Commercial Cannabis Use” include cultivation, nursery, possession, manufacture (Level one and two), processing, storing, laboratory testing, labeling, retailers and microbusinesses including wholesale and retail sale of cannabis or a cannabis products, distribution, transportation and approved licenses enumerated and defined within Division 10, Chapter 1 (commencing with Section 26000) of the California Business and Professions Code, and ultimately issued a “A-Type” or “M-Type” license consistent with Section 26050 (b), of the California Business and Professions Code, as amended.

(H)       “Commercial Cannabis Business” means any business or operation which engages in Commercial Cannabis Activity.

(I)       “Commercial Cannabis Permit or Permit” means a permit issued by the City of Grover Beach pursuant to this Chapter to a Commercial Cannabis Business that authorizes a Person to conduct Commercial Cannabis Activity within the City.

(J) "Cultivation" means any activity involving the propagation, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

(K) "Cultivation site" means a facility where cannabis is propagated, 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 the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

(L) "Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer.

(M) "Dispensing" means any activity involving the retail sale of cannabis or cannabis products from a licensed retailer (State license Type 10) or a microbusiness with a retail use (State license type 12).

(N) "Distribution" means the procurement, sale, and transport of cannabis or cannabis products between entities licensed pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act or as amended.

(O) "Distributor" means a Person licensed under the Medicinal and Adult-Use Cannabis Regulation and Safety Act to engage in the business of purchasing cannabis from a licensed cultivator, or cannabis products from a license manufacturer, for sale to a licensed retailer or microbusiness.

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

(Q) "Edible cannabis product" means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.

(R) "Good Cause" for purposes of refusing or denying an initial application for a Commercial Cannabis Permit, for revoking a Commercial Cannabis Permit or for refusing or denying renewal or reinstatement of a Permit, or for Rating Applicants for purposes of issuance of a Permit means;

- (1) The Applicant has violated any of the terms, conditions or provisions of this Chapter, of State Law, or any regulations and rules established pursuant to State Law, any applicable rules and regulations, or any special terms or conditions placed upon its Use Permit, State License or Local Permit;
- (2) Failure to provide information required by the City of Grover Beach;
- (3) The Permitted Premises have been operated in a manner that adversely affects the public health, safety or welfare or the safety of the immediate neighborhood in which the establishment is located;
- (4) The Applicant has knowingly made false or misleading statements, misrepresentations or material omissions as part of an interview process, on an application form to request issuance of a Permit or renewal, or any other document submitted to the City;
- (5) The Commercial Cannabis Business is not created, organized or operated in strict compliance with all applicable laws and regulations;
- (6) The Applicant fails to meet the requirements of this Chapter, or the conditions of the Use Permit;
- (7) The operation of the proposed Commercial Cannabis Business at the proposed location is prohibited by a state or local law or regulation;
- (8) The Council has found consistent with Section 4000.160 that the Applicant's criminal history reflects a conviction of an offense that is substantially related to the

qualifications, functions or duties of the business or profession for which the application is made and has found the Applicant is not suitable for issuance of a Permit;

- (9) The Applicant was found, to have a felony or misdemeanor conviction involving fraud, deceit, embezzlement, dishonesty, violent behavior, moral turpitude or committed crimes serving as a basis for denial of a Permit consistent with Section 4000.160. A conviction within the meaning of this section means a plea or a guilty verdict, a conviction or diversion following a plea of nolo contendere or a conviction later expunged by the court;
- (10) The Applicant was found to have a felony or misdemeanor conviction for hiring, employing, or using a minor in transportation, 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.
- (11) The Applicant was found to have a felony or misdemeanor conviction for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety code.
- (12) The Applicant is employing or being financed in whole or in part by any Person whose criminal history indicates that Person would not be issued a Permit consistent with Section 4000.160 of this Chapter;
- (13) The Applicant or his/her employees fails to allow inspection of the business facilities, security recordings, activity logs, or business records of the Permitted Premise by City Officials;
- (14) The Applicant's business is owned by, or has an officer or director who is a licensed physician making recommendations for Medical Cannabis;
- (15) The Applicant has had a local Permit or State Cannabis License revoked or has had more than one suspension on its local Permit by the City; or
- (16) The Applicant operated a Commercial Cannabis Business in violation of Section 4000.40 of this Chapter;
- (17) The Applicant or the operator listed in the application is less than twenty-one (21) years of age.

(S) "Greenhouse" means a structure with walls and roof made primarily of transparent material, such as glass, in which plants requiring regulated climatic conditions are grown.

(T) "License" means the issuing of a license by the State of California, or one of its departments or divisions, under the Medicinal and Adult-Use Cannabis Regulation and Safety Act to engage in Commercial Cannabis Activity.

(U) "Live plants" means living cannabis flowers and plants, including seeds, sprouts, immature plants (including unrooted clones), and vegetative stage plants.

(V) "Manufacturer" means a Person that conducts the production, preparation, propagation, or compounding of manufactured cannabis, as defined in this section, or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container, that holds a valid state license pursuant to the Medicinal Adult-Use Cannabis Regulation and Safety Act.

(W) "Manufactured cannabis" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate or manufactured product intended for internal consumption or topical application.

(X) "Manufacturing site" means a location that produces, prepares, propagates, or compounds cannabis or 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 Person issued a license by the State of California, or one of its departments or divisions, for these activities.

(Y) “Medical cannabis”, “medical cannabis product,” or “cannabis product” means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California Health and Safety Code (as the same may be amended from time-to-time). For purposes of this Chapter, “medical cannabis” does not include industrial hemp as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

(Z) “Microbusiness” (State license Type 12) shall mean a use for the cultivation of cannabis on an area less than 10,000 square feet and to act as a licensed distributor, Level 1 manufacturer, and retailer under state and local law, or any combination of at least three (3) uses listed herein provided such licensee can demonstrate compliance with all requirements imposed by the Medicinal and Adult-Use Cannabis Regulation and Safety Act on licensed cultivators, distributors Level 1 manufacturers, and retailers to the extent the licensee engages in such activities.

(AA) “Mixed-Light Building” shall mean the cultivation of cannabis using light deprivation and/or artificial lighting below a rate of 25 watts per square foot.

(BB) “Moral Turpitude,” crimes are defined as acts of baseness, vileness or depravity in the private and social duties, they are contrary to the accepted and customary rule of moral, right and duty between people. Crimes involving moral turpitude require the criminal intent of the offender to cause great bodily injury, defraud, deceive, deprive an owner of property, or to act in a lewd manner or recklessness.

(CC) “Nursery” means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

(DD) “Owner” means any of the following:

- (1) Owner or owners of a proposed facility, includes all Persons or entities having ownership interest of 5 percent or more, other than a security interest, lien, or encumbrance on property that will be used by the facility.
- (2) If the owner is an entity, “owner” includes within the entity each Person participating in the direction, control, or management of, or having a financial interest in the proposed facility.
- (3) If the applicant is a publicly traded company, “owner” means the chief executive officer or any Person or entity with an aggregate ownership interest of 5 percent or more.
- (4) Owner, will also include any consultants, agents, or contractors hired for the purpose of assisting in the preparation and submittal of an application for a Commercial Cannabis Permit or in the operations and management of a Commercial Cannabis Business.

(EE) “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.

(FF) “Rating” means a process wherein the City Council considers numerous applications for a Commercial Cannabis Permit that are greater than the number of permits allocated or authorized by ordinance. The City will implement a process as established by Council wherein they rate the applicants based upon information submitted by the applicant, criminal history defined as a component of Good Cause, and oral interviews. Staff will rate the applicants and submit recommendations to Council for consideration. Council may use their sole discretion in using the information submitted by staff or other factors in considering issuance of permits when the applications are greater in number than the number of allowable permits by ordinance. Wherein a total number of Commercial Cannabis Permits are established by ordinance, nothing in this section nor in Section 4.10.045 of the Grover Beach Municipal

Code obligates the Council to issue the total number of authorized permits. Council at their discretion may issue any number of permits up to the maximum number of permits authorized by ordinance.

(GG) “Retailer” (State license Type 10) means a use for the retail sale and delivery of cannabis or cannabis products to customers. This use is for operations within a fixed location and may consist of a facility open to the general public or may be for delivery only with a facility.

(HH) “Stacking” means the practice of growing marijuana plants on platforms or tables and stacking them in multiple layers on top of each other.

(II) “State License” or “license” means a state license issued pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

(JJ) “Testing Laboratory” means a facility, entity, or site in the state that offers or performs tests of cannabis or cannabis products and that is both of the following:

- (1) Holds a valid Certificate of Accreditation by an Accrediting Body that is independent from all other Persons involved in the cannabis industry in the state.
- (2) Registered with the State Department of Public Health.

(KK) “Topical cannabis” means a product intended for external use. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.

(LL) “Transport” means the transfer of cannabis or 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 authorized by the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

(MM) “Transporter” means a Person issued a state license by the State of California, or one of its departments or divisions, to transport cannabis or cannabis products in an amount above a threshold determined by the State of California, or one of its departments or divisions, that have been issued a State license pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

**4000.30 Cannabis Activity prohibited in any zone other than authorized in Chapter 4 of Article IX of the Grover Beach Municipal Code and personal possession and cultivation.**

(A) Notwithstanding anything to the contrary contained in the Grover Beach City Municipal Code, Commercial Cannabis Activity shall not be a permitted use in any zone of the city other than authorized in Chapter 4 of Article IX of the Grover Beach Municipal Code. Further notwithstanding anything contrary contained in the Grover Beach Municipal Code, a violation of this Chapter and or any provision thereof shall not be subject to criminal penalties but may only be enforced by civil and or administrative proceedings.

(B) Notwithstanding subsection (a) above, this section shall not be intended to preclude or limit personal possession or use of six living marijuana plants and possession of the marijuana produced by the plants consistent with paragraph (3) of subdivision (a) of Health and Safety Code Section 11362.1. Moreover, in accordance with Health and Safety Code section 11362.2, not more than six living plants may be planted, cultivated, harvested, dried, or processed within a single private residence, or upon the grounds of that private residence, at one time. The limitation of six living plants per residence is a maximum number of plants allowed at any residence no matter how many Persons reside within that residence. No person owning, leasing, occupying or having charge or possession of any premises within a residential zone or used for residential purposes shall cause, allow or permit the indoor cultivation for personal use of cannabis on the premises, unless it is conducted in accordance with the following provisions:

- (1) All cultivation of cannabis must take place within a single room of a residential structure or within a detached accessory building wherein the City has issued a building permit for construction of the building. No cultivation of cannabis shall be allowed within a garage of a residential structure.
- (2) Indoor grow lighting system must not exceed 3,800 watts; be shielded to confine light and glare to the interior of the structure; and complies with the City's Building and Fire Code.
- (3) Odors shall not be detectable from adjacent properties, residences, or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, patios, balconies, or any other areas available for use by common tenants, or the visiting public or within any other residential unit.
- (4) Cannabis cultivation must be concealed from public view at all stages of growth and there shall be no exterior evidence of cultivation occurring at the premises from a public right-of-way or from an adjacent parcel.
- (5) The cannabis cultivation must not create offensive odors; create excessive dust, heat, noise, smoke, traffic, or other impacts that are disturbing to people of normal sensitivity residing or present on adjacent or nearby property or areas open to the public; or be hazardous due to the use or storage of materials, processes, products or wastes.
- (6) Cannabis cultivation areas, inside a residence, must be kept locked when not occupied.

4000.40        **Licenses and Permits.**

(A) In addition to the requirements which may be imposed pursuant to this Chapter, no Person shall engage in Commercial Cannabis Activity or open or operate a Commercial Cannabis Business without possessing both a Commercial Cannabis Permit issued by the City Council and a license issued by the State of California or one of its departments or divisions. Commercial Cannabis Activity shall be permitted in the City of Grover Beach only as expressly provided in this Chapter and Article IX and if not expressly permitted by this Chapter and Article IX shall be prohibited.

(1) An application for a Commercial Cannabis Business permit shall be consistent with this chapter, section and regulations adopted by Council. Each Commercial Cannabis Business permit issued pursuant to this Chapter shall expire twelve (12) months after the date of its issuance unless otherwise defined on the Permit.

(2) In the event of an application for renewal of a Commercial Cannabis Permit, it shall be filed at least sixty (60) calendar days prior to the expiration date of the permit with the City Manager or his/her designee. The permit's term will be extended until such time the City takes action.

(3) An application for renewal of a Commercial Cannabis Permit shall be rejected if any of the following exists:

- a. The application is filed less than sixty (60) days before its expiration.
- b. The Commercial Cannabis Permit is suspended or revoked at the time of the application.
- c. The City Council or City Manager finds Good Cause to reject the permit as defined with the application process resolution approved by Council.
- d. Any other Commercial Cannabis Permit held by the applicant is suspended or revoked at the time of the application for the subject Permit being considered by the City.
- e. The Commercial Cannabis Business has not been in regular and continuous operation in the four (4) months prior to the renewal application.
- f. The Commercial Cannabis Business fails to conform to the requirements of this Chapter, any regulations adopted pursuant to this Chapter or the conditions imposed as part of any Use Permit or zoning requirements.
- g. The permittee fails to renew its State of California license.

(4) If a renewal application is rejected for reasons other than Good Cause, a Person may file a new application pursuant to this Chapter.

(B) Prior to commencing operation, a Commercial Cannabis Business shall be subject to a mandatory building inspection and must obtain all required permits or approvals which would otherwise be required including, but not limited to, a Commercial Cannabis Permit, building permit(s), and a valid Use Permit, required by the Grover Beach Municipal Code.

(C) Revocation, termination, non-issuance or suspension of a license issued by the State of California, or any of its departments or divisions, shall immediately terminate the ability of a Cannabis Business to operate within the City of Grover Beach until the State of California, or its respective department or division, reinstates or issues the State license.

(D) Any Person prior to possessing, planting, cultivating, harvesting, drying or processing marijuana plants or possessing the marijuana produced from those plants consistent with paragraph (3) of subdivision (a) of Health and Safety Code Section 11362.1, shall contact the City of Grover Beach Police Department and Register consistent with the procedures established by the Department. There shall be a processing fee as established in the City of Grover Beach's Master Fee Schedule.

4000.50 **Security Measures.**

The City Chief of Police or his/her designee is authorized to establish all regulations necessary to implement the requirements and fulfill the policies of this Chapter related to Commercial Cannabis Businesses including, but not limited to, the following subjects:

(A) A permitted Commercial Cannabis Business shall implement security measures to both deter and to prevent unauthorized entrance into areas containing cannabis or cannabis products and theft of cannabis or cannabis products at the Commercial Cannabis Business. Except as may otherwise be determined by the City Manager or his/her designee, these security measures shall include, but shall not be limited to, all of the following:

(1) All public access to the facility must be through a secured single point of entry. Entry into a facility with a M-Type State license from the outside must be completed through a secured vestibule area that is designed to allow for identification confirmation prior to entry into the main lobby area.

(2) Preventing Persons from remaining on the premises of the Commercial Cannabis Business if they are not engaging in the activity expressly related to the operations of the Commercial Cannabis Business.

(3) Establishing limited access areas accessible only to authorized Commercial Cannabis Business personnel.

(4) Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault, except for limited amounts of cannabis used for display purposes or immediate sale at a retailer or microbusiness with a retail use. All cannabis and cannabis products, including live plants which are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.

(5) Installing 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from a secure area and to monitor all interior spaces within the Commercial Cannabis Business which are open and accessible to the public. The security surveillance cameras shall be remotely accessible to the Grover Beach Police Department and shall be compatible with the Grover Beach Police Department's software and hardware and remote real-time, live access to the video footage from the cameras shall be provided to the Grover Beach Police Department. Video recordings shall be maintained by the business for a minimum of ninety (90) days.

(6) Sensors shall be installed to detect entry and exit from all secure areas.

(7) Panic buttons shall be installed in all Commercial Cannabis Businesses.



- (8) Having a professionally installed, maintained, and monitored alarm system.
- (9) Any bars installed on the windows or the doors of the Commercial Cannabis Business shall be installed on the interior or exterior of the building if allowed by the California Building Code.
- (10) All Security personnel, whether employed by the Commercial Cannabis Business or contracted by the Commercial Cannabis Business, shall be subject to the prior review and approval of the Chief of Police or his/her designee.
- (11) Each Commercial Cannabis Business shall have the capability to remain secure and operational 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.
- (12) All deliveries of cannabis products shall be made within an enclosed area not open to the public.

(B) Each Commercial Cannabis Business shall identify a liaison to the Grover Beach Police Department who shall be reasonably available to meet with the Chief of Police or his designees regarding security measures and operational issues.

(C) As part of the application and permitting process, each Commercial Cannabis Business shall have a transportation plan describing the procedures for safely and securely transporting cannabis and cannabis products and currency.

(D) A Commercial Cannabis Business shall notify the Chief of Police or his/her designee 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 established by the Chief of Police or his/her designee.
- (2) Diversion, theft, loss, or any criminal activity involving the Commercial Cannabis Business or any agent or employee of the Commercial Cannabis Business.
- (3) The loss or unauthorized alteration of records related to cannabis, or employees or agents of the Commercial Cannabis Business.
- (4) Any other breach of security.

4000.60 **Employees; Employee Work Permits; Identification.**

(A) Work permit required. Any Person who is an employee or who otherwise works or volunteers within a Commercial Cannabis Business must obtain a work permit from the City Manager or his/her designee. The City Manager or his/her designee is hereby authorized to establish all regulations necessary to implement the work permit process contemplated in this section including, but not limited to, the reasons for denial of a work permit to any Person. A work permit shall be valid for a twelve (12) month period and must be renewed on an annual basis. Applications for work permits shall be submitted under oath and shall contain a statement of the past criminal record, if any, of the applicant and such information as may be deemed necessary by the City Manager or his/her designee to determine whether the applicant is a Person to be issued a work permit. The Applicant will be required to submit to Live Scan fingerprinting and a photograph for the purpose of the City performing a background investigation and issuance of a Work Permit. In the event a Person changes employment from one Commercial Cannabis Business within the city to another, the work permit holder shall notify Chief of Police or his/her designee(s) in writing of the change of employment within ten (10) days of such change or the work permit shall be suspended or revoked and such Person shall not be permitted to work within any Commercial Cannabis Business within the City.

(B) Identification. Each Person to whom a personal identification card is issued shall wear his or her card, issued by the City of Grover Beach, at a prominent and readily-visible location on the outermost garment. Such identification card shall at all times be in good and readable condition. In the event a personal identification card is lost or stolen, the City shall be notified within twenty-four hours of

when the Person owning the card realized it was missing. The issuance of a personal identification card shall constitute for purposes of this section a work permit.

(C) Employee Records. Each owner or operator of a Commercial Cannabis Business shall maintain on-site a current register of all the employees currently employed by the Commercial Cannabis Business and shall produce such register to the Chief of Police or his/her designee or any other City of Grover Beach official authorized to enforce the Grover Beach Municipal Code for purposes of determining compliance with this Chapter.

(D) Fees. Each application for a work permit and renewal of an existing work permit shall be accompanied by a fee set by resolution of the City Council and shall be valid for a period of twelve (12) months from the date of issuance, unless terminated, suspended, or revoked sooner. The fee is non-refundable and shall not be returned in the event the work permit is denied, revoked, or suspended.

**4000.70 Right to Occupy and to Use Property.**

As a condition precedent to the City's issuance of a Commercial Cannabis Permit pursuant to this Chapter, any Person intending to open and to operate a Commercial Cannabis Business shall provide evidence of the legal right to occupy and to use the proposed location. In the event the proposed location is leased from another Person, the applicant for a permit under this Chapter shall provide a signed and notarized statement from the owner of the property to demonstrate the property owner has acknowledged and has consented to the operation of a Commercial Cannabis Business on the property. Evidence of lawful possession consists of properly executed deeds of trust, leases, evidence of ownership of the premises, or other written documents acceptable to the City Manager.

**4000.80 Location of Commercial Cannabis Business.**

(A) Commercial Cannabis Businesses shall be required to comply with all zoning, land use, and development regulations applicable to the underlying zone in which they are permitted to establish and operate as set forth in Article IX, Development Code of the Grover Beach Municipal Code.

**4000.90 Restriction on Alcohol Sales.**

No Person shall cause or permit the sale or retail dispensing of alcoholic beverages on or about the premises of any Commercial Cannabis Business. No Commercial Cannabis Business may operate as a licensed retailer of alcohol.

**4000.100 Concurrent Regulation with State.**

It is the stated intent of this Chapter to regulate Commercial Cannabis Activity in the City of Grover Beach concurrently with the State of California.

**4000.110 Compliance with Laws.**

It is the responsibility of the owners and operators of the Commercial Cannabis Business to ensure that it is, at all times, operating in a manner compliant with all applicable state and local laws and any regulations established thereunder. Nothing in this Chapter shall be construed as authorizing any actions which violate state law or local law with respect to the operation of a Commercial Cannabis Business. It shall be the responsibility of the owners and the operators of the Commercial Cannabis Business to ensure that the Commercial Cannabis Business is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the Commercial Cannabis Permit. Nothing in this Chapter shall be construed as authorizing any actions which violate State law with regard to the operation of a Commercial Cannabis Business.

**4000.120 Inspection and Enforcement.**

(A) The Chief of Police or his/her designee and any other City of Grover Beach official charged with enforcing the provisions of the City of Grover Beach Municipal Code, or any provision thereof, may enter the location of a Commercial Cannabis Business at any time during the hours of operation without notice and inspect the location of any Commercial Cannabis Business as well as the recordings and records maintained pursuant to this Chapter or the applicable provisions of State law.

(B) It is unlawful for any Person having any responsibility over the operation of a Commercial Cannabis Business to refuse to allow, impede, obstruct, or interfere with an inspection, or the review of the copying of records and monitoring (including recordings) including, but not limited to, the concealment, destruction, and falsification of any recordings or records.

(C) The Chief of Police or his/her designee or any other Person charged with enforcing the provisions of this Chapter may enter the location of a Commercial Cannabis Business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for law enforcement and/or public safety purposes. Any samples obtained by the City of Grover Beach shall be logged, recorded, and maintained in accordance with City of Grover Beach Police Department standards for evidence. At all other times, the Chief of Police or his/her designee may enter the location of a Commercial Cannabis Business to obtain samples of cannabis upon reasonable notice.

**4000.130 Fees and Charges.**

(A) No Person may commence or continue any Commercial Cannabis Activity in the City of Grover Beach without timely paying in full all fees and charges associated with the operation of a Commercial Cannabis Activity. Fees and charges associated with the operation of a Commercial Cannabis Activity shall be established by resolution of the City Council and contained within the City's Master Fee Schedule.

(B) All Commercial Cannabis Businesses operating pursuant to this Chapter shall pay any and all applicable sales, use, business or other taxes, and all license, registration, or other fees pursuant to federal, state, and local law.

**4000.140 Violation and Enforcement.**

(A) Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.

(B) Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City of Grover Beach Municipal Code. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, any permit issued pursuant to this Chapter being deemed null and void, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The City of Grover Beach may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the Commercial Cannabis Activity or Persons related thereto, or associated with, the Commercial Cannabis Activity. Additionally, when the Chief of Police or his/her designee determines there is an imminent threat to public health, safety or welfare, the Commercial Cannabis Permit, issued by the City of Grover Beach pursuant to this Chapter, shall immediately become suspended, pending an administrative hearing pursuant to GBMC Chapter 4 of Article I.

(C) Notwithstanding an initial verification of compliance by the Commercial Cannabis Activity with the provisions of this Chapter, any Commercial Cannabis Business later found to be in violation of any of the requirements of this Chapter at any time is subject to the enforcement provisions provided in this section.

(D) The remedies provided herein are not to be construed as exclusive remedies and in the event of a violation the City may pursue any proceedings or remedies otherwise provided by law.

**4000.150 Limitations on City's Liability.**

To the fullest extent permitted by law, the City of Grover Beach shall not assume any liability whatsoever with respect to having issued a Commercial Cannabis Permit pursuant to this Chapter or otherwise approving the operation of any Commercial Cannabis Business pursuant to this Chapter. As a condition of approval of any Commercial Cannabis Permit issued pursuant to this Chapter, the Person to which a Commercial Cannabis Permit is issued shall be required to meet all of the following conditions:

(A) Execute an agreement indemnifying, defending (at its sole cost and expense), and holding the City of Grover Beach and its officers, employees, attorneys, representatives, and agents harmless from any and all claims, losses, damages, injuries, or liabilities associated with the permitting or approving the operation of a Commercial Cannabis Activity or the operation thereof or associated with the Commercial Cannabis Business or its members' violation of any federal, state or local laws.

(B) Maintain insurance at coverages, limits, and with conditions thereon determined necessary by the City Attorney and City's Administrative Services Director.

(C) Reimburse the City of Grover Beach for any and all costs and expenses, including attorney fees and costs and court costs that the City of Grover Beach may be required to pay as a result of any legal challenge related to the City's approval of a Commercial Cannabis Permit pursuant to this Chapter or the City of Grover Beach's approval of the operation of a Commercial Cannabis Activity. The City of Grover Beach may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the obligations imposed under this section.

**4000.160 Commercial Cannabis Permit Application Procedures and Application Requirements.**

Permittee Selection Process; Criteria for Review; Renewal, Suspension, or Revocation of a Permit: In addition to those requirements set forth in this section and elsewhere in this Chapter, the City Council shall by resolution or ordinance adopt such forms, fees, and procedures as are necessary to implement this Chapter with respect to the initial selection, future selection, investigation process, renewal, rating of applicants, revocation, and suspension of Commercial Cannabis Permits.

(A) At a minimum, the application shall contain the following requirements:

- (1) The printed full name, signature, date of birth and present address and telephone number of all Persons and entities responsible for the operation of the Commercial Cannabis Business including managers, corporate officers, investors, any Person with an ownership interest, any member of a board of directors, any general or limited partner, and/or any member of a decision-making body for the Commercial Cannabis Business.
- (2) The address to which correspondence from the City of Grover Beach is to be sent.
- (3) The names and addresses of all businesses operated by and the employment of the applicant(s) for the five (5) years immediately preceding the date of the application.
- (4) Any litigation in which the applicant(s) has been involved within the five (5) years immediately preceding the date of the application and a statement of whether any business currently operated by the applicant(s) or operated by the applicant(s) within the five (5) years immediately preceding the date of the application has been investigated or the permit or license authorizing the operation of such business has been revoked or suspended within the five (5) years immediately preceding the date of the application.
- (5) The address of any Commercial Cannabis Business currently being operated by the applicant(s), or any of them, or which have been previously operated by them within the last five (5) years.

- (6) The supply sources for all cannabis and cannabis products sold at the Commercial Cannabis Business. Product supply chain including the site(s) where cultivation occurs, the product is processed or manufactured, any required testing of cannabis or cannabis products, transportation, and packaging and labelling criteria.
- (7) The names and telephone numbers of the Person(s) to be regularly engaged in the operation of the proposed Commercial Cannabis Business, whether an employee, volunteer or contractor. The application shall also have the names and telephone numbers of those Persons having management and supervisory responsibilities for the proposed Commercial Cannabis Business.
- (8) Odor control devices and techniques to prevent odors from marijuana from being detectable off-site.
- (9) Procedures for identifying, managing, and disposing of contaminated, adulterated, deteriorated or excess cannabis product.
- (10) Procedures for inventory control to prevent diversion of cannabis and cannabis product, employee screening, storage of cannabis and cannabis product, personnel policies, and record-keeping procedures.
- (11) A detail of the procedures to be utilized at the facility including a description of how chemicals and fertilizers will be stored, handled, used and disposed of; manufacturing methods, the transportation process, inventory procedures, and quality control procedures.
- (12) A site plan and floor plan of the Commercial Cannabis Business denoting the property lines and the layout of all areas of the Commercial Cannabis Business including storage, cultivation, manufacturing, testing, distributing, reception/waiting, and all ancillary support spaces, and the relationship of the facility to adjacent properties and land uses.
- (13) An operations and security plan in conformance with Section 4000.50.
- (14) Standard operating procedures detailing how operations will comply with state and local regulations, how safety and quality of products will be ensured, record-keeping procedures for financing, testing, and adverse event recording, and product recall procedures.
- (15) Proposed hours of operation.
- (16) Recycling and Waste disposal information.
- (17) Medical recommendation verification and youth access restriction procedures.
- (18) A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.
- (19) Detailed description of energy and water usage plan enumerating best practices and leading industry practices in efficient utilization of both resources.

(B) The City Council or City Manager may deny an application for a Commercial Cannabis Permit for Good Cause or if the applicant has been convicted of an offense that is substantially related to the qualifications, functions or duties of the business or profession for which the application is made, except that if the City Council determines that the applicant is otherwise suitable to be issued a Permit and granting the Permit would not compromise public safety, the City Council may conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, and shall evaluate the suitability of the applicant to be issued a license based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the City Council will include, but not be limited to, the following:

- (1) A felony or misdemeanor conviction for the illegal use, possession, distribution, manufacture, transportation, cultivation or similar activity related to a controlled substance as defined in the Federal Controlled Substances Act.
- (2) A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.
- (3) A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.

(C) The Chief of Police or his/her designee shall review each application to determine whether it contains all the required information. If the application does not contain all of the required information, it

shall be returned to the applicant for completion. The Chief of Police or his/her designee will endeavor to conclude their review within thirty (30) days of the filing of the application. If additional time is necessary, the Chief of Police or his/her designee will advise the applicant of an estimated review time.

(D) In reviewing an application for a Permit pursuant to this Chapter or in reviewing the proposed Commercial Cannabis Business, the Chief of Police or his/her designee may request whatever additional information is deemed necessary to carry out the purposes of this Chapter.

(E) The City Council shall have the authority to either grant or deny the application consistent with this Chapter 18 for a Commercial Cannabis Permit when submitted to Council along with a Use Permit issued in accordance with Article IX of the Municipal Code. The City Manager shall have the authority to either grant or deny the application consistent with this Chapter 18 for a Commercial Cannabis Permit when submitted for consideration without a Use Permit, except all Commercial Cannabis Permits for Level Two Manufacturing shall be approved by the City Council. Notwithstanding what is otherwise provided in this Chapter, the City Council or City Manager, when approving a Commercial Cannabis Permit, may place any additional limitations and conditions on the operation of a Commercial Cannabis Business the Council or City Manager deems necessary, consistent with the public interest and with this Chapter 18.

(F) In the event the City Manager shall consider the application for a Commercial Cannabis Permit, as proposed in this section, a mailed notice of an application for a Commercial Cannabis Permit shall be provided at least ten (10) calendar days prior to the City Manager taking action on the Permit to all property owners and occupants within 300 feet of the proposed Commercial Cannabis Business. The notice shall contain the following:

- (1) A description of the proposed Commercial Cannabis Business and its location;
- (2) The date the application will be acted upon by the City Manager;
- (3) The general procedure for submitting comments prior to the City Manager taking action on the proposed Commercial Cannabis Permit;
- (4) A statement that any comments must be received within ten (10) calendar days of the notice date.
- (5) A statement that an administrative hearing may be scheduled upon request by any member of the public to allow the City Manager to receive public input prior to making a decision.

If an administrative hearing is requested by the public, the City Manager shall conduct an administrative hearing and make a decision.

(G) When a Permit is approved or denied, the City Council or City Manager shall prepare and file a statement of decision giving the reasons for the approval or denial and the findings of fact upon which the decision is based. The City Clerk shall mail a copy of the statement of decision to the applicant upon filing and shall post the statement of decision on the City's Website and the City Hall bulletin board. In the event the City Manager shall review and approve or deny the Permit, the applicant or any aggrieved person, may within ten (10) days of the mailing of written notice of the filing of the statement of decision or posting of the statement of decision, whichever is later, appeal the decision to the City Council. All appeals shall be in writing and submitted to the City Clerk. An appeal fee must accompany the written appeal in an amount as indicated in the Master Fee Schedule.

#### 4000.170 **Records and Reporting.**

(A) Subject to the Health Insurance Portability and Accountability Act (HIPAA) regulations, each Commercial Cannabis Business shall allow City of Grover Beach officials to have access to the Commercial Cannabis Business's books, records, accounts, and any and all data relevant to its permitted activities for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data will be produced no later than twenty-four (24) hours after receipt of the City's request or within a reasonable time as authorized in writing by the City.

(B) Each Commercial Cannabis Business shall file with the Chief of Police or his/her designee an audit of its financial operations for the previous year of operation, complete and certified by an independent certified public accountant in accordance with generally accepted auditing and accounting principles. Each Owner and/or operator of a Commercial Cannabis Business shall annually file the audit of its financial operations on the anniversary of the first day of its operations after the initial issuance of a Commercial Cannabis Permit. The audit shall include but not be limited to a discussion, analysis, and verification of each of the records required to be maintained pursuant to this Chapter. The information contained in the audit shall be made available in standard electronic format which shall be compatible with Microsoft Office programs and software and which can easily be imported into either Excel, Access or any other contemporary software designated by the Chief of Police.

(C) All Commercial 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 growing and production or manufacturing, laboratory testing and distribution processes until sold or distributed.

(D) Each owner and/or operator of a Commercial Cannabis Business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of all employees currently employed by the Commercial Cannabis Business and shall disclose such register to any City of Grover Beach official upon request.

All records required by this Chapter shall be maintained by the Commercial Cannabis Business for a period of not less than seven (7) years and shall otherwise keep accurate records of all Commercial Cannabis Business activity and provide such records for inspection consistent with state law and any additional rules established by state licensing authorities or the City Council by resolution or ordinance.

**4000.180 Prohibition on Transfer of Commercial Cannabis Permits.**

(A) No Person shall operate a Commercial Cannabis Business under a Commercial Cannabis Permit issued pursuant to this Chapter at any place or location other than that identified on the permit.

(B) No Person shall transfer ownership or control of a Commercial Cannabis Permit issued pursuant to this Chapter unless and until that Person first obtains the consent of the City Manager or his/her designee and the proposed transferee submits all required application materials and pays all applicable fees and charges and independently meets the requirements of this Chapter such as to be entitled to the issuance of an original Commercial Cannabis Permit pursuant to this Chapter.

(C) Any attempt to transfer or any transfer of a Commercial Cannabis Permit issued pursuant to this Chapter is hereby declared void and the Commercial Cannabis Permit deemed immediately revoked and no longer of any force or effect.

(D) The Chief of Police or their designee(s) shall be notified within five (5) calendar days when an employee terminates employment with a licensee and the employee identification badge shall be surrendered to the Police Department at this time.

**4000.190 Packaging and Labelling.**

Prior to the sale or the delivery of any edible cannabis or edible cannabis product the same shall be labelled and in tamper-evident packaging which at least meets the requirements of California Business and Professions Code sections 26120 et. seq. and similar state statutes, as the same may be amended from time-to-time or superseded or replaced by subsequent State legislation or by any department or division of the State of California. The City Council may impose additional packaging and labelling requirements on cannabis or cannabis products by resolution.

4000.200 **Operating Requirements for All Commercial Cannabis Uses.**

In addition to those operating requirements specifically set forth elsewhere in this Chapter and except as may otherwise be expressly set forth in this Chapter, the following operating requirements shall apply to all Commercial Cannabis Businesses operating in the City of Grover Beach.

(A) **Restriction on Consumption.** Cannabis shall not be consumed on the premises of any Commercial Cannabis Businesses unless medically necessary or elsewhere in the City of Grover Beach other than within private residences.

(B) **No cannabis or cannabis products shall be visible from the exterior of the property or building.** No outdoor storage of cannabis or cannabis products is permitted at any time.

(C) **Reporting and Tracking of Product and of Gross Sales.** Each Commercial Cannabis Business shall have in place a point-of-sale tracking system to track and to report on all aspects of the Commercial Cannabis Business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale) and shall ensure that such information is compatible with the City's record-keeping systems. The system must have the capability to produce historical transactional data for review by the City of Grover Beach. All information provided to the City pursuant to this subsection shall be confidential and shall not be disclosed, except as may otherwise be required under law.

(D) **All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the State and local regulations.**

(E) **Emergency Contact.** Each Commercial Cannabis Business shall provide the City Chief of Police or his/her designee with the name, telephone number (mobile preferred, if available) of an on-site employee or owner to whom emergency notice can be provided.

(F) **Signage and Notices.**

(1) In addition to the requirements otherwise set forth in this section, business identification signage for a Commercial Cannabis Business shall conform to the requirements of Article IX of the Grover Beach Municipal Code, including, but not limited to, an issuance of a City of Grover Beach sign permit.

(2) No signs placed on the premises of a Commercial Cannabis Business shall obstruct any entrance or exit to the building or any window.

(3) Each entrance to a Commercial 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 Commercial Cannabis Business is prohibited.

(G) **Minors.** Persons under the age of twenty-one (21) years shall not be allowed on the premises of a Commercial Cannabis Business and shall not be allowed to purchase any Cannabis or Cannabis Concentrate products, except anyone under twenty-one years of age but at least eighteen (18) years of age or older shall only be allowed within a Commercial Cannabis Business if the business holds a state issued M-Type license and entry is authorized in accordance with the Medicinal and Adult Use Cannabis Regulation and Safety Act..

It shall be unlawful and a violation of this Chapter for any Person to employ any other Person at a Commercial Cannabis Business who is not at least twenty-one (21) years of age.

The entrance to the Commercial 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 Commercial Cannabis Business unless the Commercial Cannabis Business is a M-Type



license issued by the state wherein it shall be posted that no Person under the age of eighteen (18) is permitted to enter upon the premises. Persons 18, but under 21, must be in possession of a valid medical marijuana identification card or valid doctor's recommendation.

(H) Odor Control. Odor control devices and techniques shall be incorporated in all Commercial Cannabis Businesses and apply to personal growth, cultivation or processing of marijuana, to the extent necessary, to ensure that odors from marijuana are not detectable off-site. Commercial Cannabis Businesses shall provide an odor absorbing ventilation and exhaust system so that odor generated inside the Commercial 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 Commercial Cannabis Business. As such, Commercial Cannabis Businesses must install and maintain the following equipment or any other equipment which the Chief of Police or his designee determines has the same or better effectiveness:

(1) An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;

(2) An air system that creates negative air pressure between the Commercial Cannabis Business's interior and exterior so that the odors generated inside the Commercial Cannabis Business are not detectable on the outside of the Commercial Cannabis Business.

(I) Display of Commercial Cannabis Permit. The original copy of the permit issued by the City of Grover Beach pursuant to this Chapter shall be posted inside the Commercial Cannabis Business in a location readily-visible to the public.

(J) Background Check. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes city authorities to access state and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every Person listed as an owner, manager, supervisor, employee or volunteer, of the Commercial Cannabis Business must submit fingerprints and other information deemed necessary by the Chief of Police or his/her designee(s) for a background check by the Grover Beach Police Department. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which requires that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject of the record, no Person shall be issued a permit to operate a commercial cannabis business or a related work permit unless they have first cleared the background check, as determined by the Chief of Police, as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City of Grover Beach to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a Commercial Cannabis Business permit is submitted. If this amount is not sufficient, the applicant shall provide additional amounts that are necessary and if the applicant is unable to provide the additional amounts necessary to complete the investigation, the investigation shall cease and shall not continue until such additional amounts are paid. Upon completion of the investigation or in the event the applicant withdraws their application, any fees paid for this process will be deemed non-refundable.

(K) Loitering. The owner and/or operator of a Commercial Cannabis Business shall prevent Persons from remaining on the premises of the facility or business if they are not engaged in activity expressly related to the operations of the business.

(L) Permits and other Approvals. Prior to the establishment of any Commercial Cannabis Business or the operation of any such business, the Person intending to establish a Commercial Cannabis Business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zone in which such Commercial Cannabis Business intends to establish and to operate.

(M) Each Commercial Cannabis Business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the Commercial Cannabis Business can be provided. Each Commercial Cannabis Business shall also provide the above information to all businesses and residences located within one hundred (100) feet of the Commercial Cannabis Business as measured from the property line.

**4000.210 Operation Requirements for Cultivation, Manufacture, Waste, and Storage Requirements.**

(A) Any Person issued a permit pursuant to this Chapter must follow all pesticide use requirements of local, state and federal law. The City may inspect the Commercial Cannabis Business at any time during business hours to ensure compliance with this Section.

(B) All weighing devices must be maintained in compliance with local, state or federal law and comply with applicable regulations regarding device registration with the Agricultural Commissioner.

(C) Any Person issued a permit pursuant to this Chapter must follow all local, state and federal requirements for solid waste and hazardous waste disposal. The City may inspect the Commercial Cannabis Business at any time during business hours to ensure compliance with this Section.

(D) In no case, shall any hazardous, flammable, or explosive substances be used to process or manufacture cannabis products on site other than approved by this Chapter. The City of Grover Beach may inspect the Commercial Cannabis Business at any time during business hours to ensure compliance with this Section.

(E) Stacking shall be allowed in a given structure but only to the point that measuring the total canopy of each level of stacking is cumulatively no greater than the maximum canopy size allowed under state licensing.

**4000.220 Operating Requirements for Cultivation and Nurseries.**

(A) Outdoor Cultivation and Nursery Activity Prohibited. All outdoor cultivation and nursery activity, is prohibited. The use of greenhouses will be prohibited in all zones of the City.

(B) In no case, shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area.

(C) If a parcel or lot includes cultivation or nursery activities, the parcel or lot may have only one cultivation license or nursery license located on the parcel or lot and the cultivation and nursery activity must be permitted pursuant to this Chapter and state law.

(D) Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents, or other wildlife.

(E) In no case, shall any hazardous, flammable or explosive substances be used to process or manufacture cannabis products on site unless approved by resolution of the City Council.

(F) The cultivation of cannabis and any nursery activity shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the Commercial Cannabis Business, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; and to ensure the security of the cannabis being cultivated.

(G) All applicants for a cannabis cultivation or nursery permit shall submit the following in addition to the information generally otherwise required for a Commercial Cannabis Business:

(1) An operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the nursery or cultivation activities and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting.

(2) A description of a legal water source, irrigation plan, and projected water use plan.

(3) Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.

(4) Energy efficient lighting systems shall be used.

(5) Mixed light buildings shall include in the Operations Plan the hours that grow lights will be operational. No grow lights shall be operational between the hours of dusk and dawn unless it can be demonstrated that there is no light visible through the roof and windows of grow areas.

(6) The use shall operate in compliance with the approved Water Recycling Management Plan at all times.

**4000.230 Operating Requirements for Cannabis Manufacturing; Edibles and Other Cannabis Products; Sale or Distribution of Edible and Other Cannabis Products.**

The manufacturing of food or other products infused with or which otherwise contain cannabis shall be manufactured within the appropriate zones as defined in Article IX, Development Code, of the City of Grover Beach Municipal Code, subject to the regulations set forth in this section and subject to whatever additional regulations may be established hereunder by an ordinance or resolution of the City Council or otherwise pursuant to this Chapter.

(A) No edible cannabis products shall be sold or distributed on a retail basis at a Commercial Cannabis Business operating unless operating under a permit issued pursuant to this Chapter and consistent with a license issued by the State of California.

(B) All items to be sold or distributed retail shall be individually wrapped at the original point of preparation. Labeling must include any labeling requirements as required under State licensing for cannabis products.

(C) Any edible cannabis product that is made to resemble a typical food product must be in a properly labeled opaque (non-see-through) package before it leaves the Commercial Cannabis Business. Deliveries must be in a properly labeled opaque package when delivered.

**4000.240 Operating Requirements for Cannabis Manufacturing (Level One and Two): Extraction, etc.**

Cannabis manufacturing facilities requiring a Type-6 state license (using non-volatile solvents) or Type-07 state license (using volatile solvents), shall be subject to the operational requirements determined and approved by Council. Council shall establish operational requirements by resolution.

**4000.250 Establishment of Regulations and Standards.**

(A) The City Council or their designee is authorized to establish all regulations necessary to implement the requirements and fulfill the policies of this Chapter related to cannabis and cannabis products.

(B) Regulations shall be published on the City's website.

(C) Regulations promulgated by the City Council or their designee shall have the same force and effect of law and become effective upon date of approval.

**4000.260 Fees Deemed Debt to City of Grover Beach.**

The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to the City of Grover Beach that is recoverable in any court of competent jurisdiction.

**4000.270 Permit Holder Responsible for Violations.**

The Person to whom a permit is issued pursuant to this Chapter shall be responsible for all violations of the laws of the State of California or of the regulations and the ordinances of the City of Grover Beach, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the Commercial Cannabis Business whether or not said violations occur within the permit holder's presence.