



**Beverly Hills City Council Liaison / Planning Commission Committee will conduct a Special Meeting, at the following time and place, and will address the agenda listed below:**

**CITY OF BEVERLY HILLS  
455 N. Rexford Drive  
Municipal Gallery  
Beverly Hills, CA 90210**

**IN-PERSON / TELEPHONIC / VIDEO CONFERENCE MEETING**

**Beverly Hills Liaison Meeting  
<https://beverlyhills-org.zoom.us/my/committee>  
Meeting ID: 516 191 2424  
**Passcode: 90210****

**You can also dial in by phone:  
+1 669 900 9128 US  
+1 833 548 0282 (Toll-Free)**

**One tap mobile  
+16699009128,,5161912424# US  
+18335480282,,5161912424# US (Toll-Free)**

**Monday, June 26, 2023  
3:00 PM**

***Please be advised that pre-entry metal detector screening requirements are now in place in City Hall. Members of the public are requested to plan visits accordingly.***

*In the interest of maintaining appropriate social distancing, members of the public can view this meeting through live webcast at [www.beverlyhills.org/live](http://www.beverlyhills.org/live) and on BH Channel 10 or Channel 35 on Spectrum Cable, and can participate in the teleconference/video conference by using the link above. Written comments may be emailed to [mayorandcitycouncil@beverlyhills.org](mailto:mayorandcitycouncil@beverlyhills.org) and will also be taken during the meeting when the topic is being reviewed by the Beverly Hills City Council Liaison / Planning Commission Committee. Beverly Hills Liaison meetings will be in-person at City Hall.*

**AGENDA**

- 1) Public Comment
  - a. Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.
  
- 2) Request for Direction on Implementing Senate Bill 1186 (Wiener) - Medicinal Cannabis Patients' Right of Access Act

This item seeks direction from the Planning Commission Council Liaisons (Vice Mayor Friedman and Councilmember Bosse) on modifying the City's municipal code related to the requirements of SB 1186.

3) Adjournment



**Huma Ahmed**  
**City Clerk**

**Posted: June 22, 2023**

**A DETAILED LIAISON AGENDA PACKET IS AVAILABLE FOR REVIEW AT  
[WWW.BEVERLYHILLS.ORG](http://WWW.BEVERLYHILLS.ORG)**



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**CITY OF BEVERLY HILLS**  
**POLICY & MANAGEMENT DEPARTMENT**

**MEMORANDUM**

**TO:** Planning Commission Liaison Committee

**FROM:** Cynthia Owens, Municipal Affairs Program Manager

**DATE:** June 26, 2023

**SUBJECT:** Request for Direction on Implementing Senate Bill 1186 (Wiener) - Medicinal Cannabis Patients' Right of Access Act

**ATTACHMENTS:**

1. BHMC §10-3-47 Cannabis Prohibitions and Regulations
2. Ordinance 17-O-2734
3. Senate Bill 1186 - Bill Text
4. Business and Professions Code § 26200
5. BHMC, Title 10, Chapter 3, Article 16 Commercial Zones
6. BHMC, Title 10, Chapter 3, Article 16.5 Restricted Uses in Pedestrian Oriented Areas
7. Seed to Sale, Page 41-42
8. California Code of Regs Title 4 Section 15141
9. Business and Professions Code 26070
10. Bureau of Cannabis Control, California Code of Regulations, Title 16, Division 42, § 5400-5427
11. Bureau of Cannabis Control, California Code of Regulations, Title 16, Division 42, § 5002
12. Bureau of Cannabis Control, California Code of Regulations, Title 16, Division 42, § 5000
13. Bureau of Cannabis Control, California Code of Regulations, Title 16, Division 42, § 5042-5047

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**INTRODUCTION**

Existing regulations within Article 47 of Chapter 3 of Title 10 of the Beverly Hills Municipal Code ("BHMC") commencing with §10-3-4700 (Cannabis Prohibitions and Regulations) (Attachment 1) expressly prohibit the establishment of commercial cannabis uses in the City of Beverly Hills.

In September 2017, the City Council made findings that prohibitions on commercial cannabis activity were necessary for the preservation and protection of the public health, safety, and welfare of the City when Ordinance 17-O-2734 (Attachment 2) was adopted. The Ordinance does specifically allow for the delivery of medical cannabis from a state licensed business legally operating from another jurisdiction.

In 2022, State Senator Scott Wiener introduced Senate Bill 1186 ("SB 1186"), the Medicinal Cannabis Patients' Right of Access Act (Attachment 3). This bill prohibits local governments, beginning January 1, 2024, from adopting or enforcing any regulation that prohibits or effectively prohibits, the delivery of medicinal cannabis to patients or primary caregivers within their jurisdictions. This bill passed through both state legislative houses and was signed by Governor Newsom on September 18, 2022.

This item seeks direction from the Planning Commission Council Liaisons (Vice Mayor Friedman and Councilmember Bosse) on modifying the City's municipal code in response to SB 1186 which, as described more fully below, prohibits the City from adopting or enforcing any regulation that prohibits, or that otherwise has the effect of prohibiting, the retail sale by delivery of medicinal cannabis to medicinal cannabis patients or their primary caregivers, and requires the City allow for the establishment of physical premises from which retail sale by delivery of medicinal cannabis may be conducted by a state licensed non-storefront retailer.

## **DISCUSSION**

### **History of Medicinal Cannabis in California**

California was the first state in the nation to allow for the medical use of marijuana with the passage of Proposition 215 in 1996. Proposition 215 protected qualified patients and primary caregivers from prosecution related to the possession and cultivation of cannabis for medicinal purposes. Since then, according to the National Conference of State Legislatures, 36 more states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands have enacted similar laws. After passage of Proposition 215, the City Council prohibited medical cannabis from being sold in the City.

In 2015, the Legislature passed the Medical Cannabis Regulation and Safety Act (MCRSA). For the first time, MCRSA established a comprehensive, statewide licensing and regulatory framework for the cultivation, manufacture, transportation, testing, distribution, and sale of medicinal cannabis

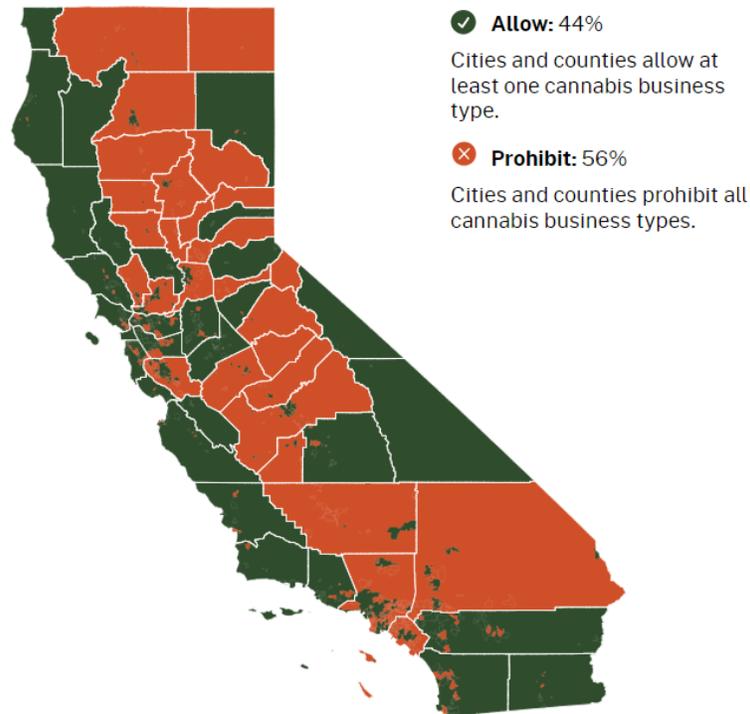
In November 2016, California voters passed Proposition 64, the "Control, Regulate and Tax Adult Use of Marijuana Act" (Proposition 64), by 57 percent, with 64 percent of voters in Beverly Hills approving this proposition. Proposition 64 legalized marijuana under state law, for use and personal cultivation by adults 21 or older, which would begin January 1, 2018. It also imposed state taxes on cannabis sales and commercial cultivation; provided for industry licensing and established standards for cannabis products; and allowed local regulation and taxation of cannabis businesses. Proposition 64 specifically provided that local jurisdictions may still adopt and enforce ordinances to regulate cannabis activities/businesses through local zoning, land use, and police powers.

In June 2017, the California State Legislature passed a budget trailer bill, SB 94 (Committee on Budget and Fiscal Review, Chapter 27, Statutes of 2017), that integrated MCRSA with Proposition 64 to create the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA"), the current regulatory structure for both medicinal and adult-use cannabis.

In 2019, the County of Santa Cruz and 24 other California cities (*County of Santa Cruz, et. al. v. BCC*) filed a lawsuit against the Bureau of Cannabis Control ("BCC") as the BCC promulgated California Code of Regulations ("CCR") § 15416(d) which permits statewide cannabis delivery even if a local jurisdiction had prohibited the delivery of cannabis. The plaintiff and local jurisdictions claimed the regulation directly conflicts with BPC §26200 (Attachment 4), which gives authority to local jurisdictions to regulate cannabis in their county or city. In 2021, the courts decided the delivery of cannabis is permitted statewide. However, it also affirmed that cities and counties can ban operations and choose to enforce their own ordinances.

## Background for the Introduction of SB 1186

As the cannabis industry has evolved over the past two decades, Senator Wiener reports that access to medicinal cannabis has been adversely impacted given that Proposition 64 gives cities the authority to ban cannabis activity, including medical cannabis. Approximately 53 percent of counties in California have permitted cannabis business operations. This leaves, geographically, almost half of the state without access to legal cannabis in a local county or city. Because the regulatory framework for adult-use and medicinal were consolidated, local jurisdictions are permitted to make the same regulatory decision for all use of cannabis.



**Figure 1: Where Cannabis Business are Allowed in California**

According to the sponsor (California Cannabis Industry Association) of SB 1186, there are about 18 local jurisdictions that have limited their licensing to only certain medicinal activities. In addition, there are 17 jurisdictions that have prohibited all commercial cannabis activities from being established within their jurisdictions, but have explicit ordinances allowing medicinal cannabis delivery into their jurisdiction as long as it originates outside of their jurisdiction (this would include Beverly Hills). As of August 2022, there are 979 brick and mortar storefronts and 391 delivery operators statewide.

According to Senator Wiener:

*SB 1186 prioritizes patient health by requiring local jurisdictions to provide patients access to purchase medicinal cannabis products within their jurisdiction through either licensed retail stores or licensed deliveries, and by prohibiting jurisdictions from enacting unreasonable restrictions on these businesses. Eliminating barriers to medicinal cannabis access is essential to promoting and preserving the health of Californians for whom physicians have recommended the use of cannabis or cannabis products. Requiring jurisdictions to create*

*pathways for medicinal cannabis access would restore patient access to legal, tested cannabis.*

### **What Limits does SB 1186 Impose on Local Authority?**

Beginning January 1, 2024, SB 1186 prohibits a city from adopting or enforcing any regulation that directly or indirectly prohibit the retail delivery of medicinal cannabis to patients or caregivers in a local jurisdiction.

Specifically a city cannot adopt or enforce regulations, which prohibit the “retail sale by delivery” of medicinal cannabis. This includes any regulation which has the effect of prohibiting patients within the city or their caregivers from purchasing, by delivery, sufficient medicinal cannabis to meet their demands in a timely and readily accessible manner. Examples of prohibited regulations include those that:

1. Limit the number of businesses authorized to deliver medicinal cannabis in the city.
2. Limit the operating hours of medicinal cannabis businesses.
3. Limit the number or frequency of medicinal cannabis sales by delivery.
4. Limit the types or quantities of medicinal cannabis.
5. Require the establishment of physical premises within the city.
6. Prohibit the establishment of physical premises from which retail sale by delivery of medicinal cannabis within the city is conducted by a licensed nonstorefront retailer.

SB 1186 does allow for reasonable regulation on the retail sale by delivery only of medicinal cannabis via local government police powers, meaning local governments can still engage in implementing regulations for zoning, local licensing, public health and safety restrictions, and taxes. Therefore, the City can adopt or enforce reasonable regulations on the non-storefront retail delivery of medicinal cannabis related to:

1. Zoning requirements;
2. Security or public health and safety requirements;
3. Licensing requirements;
4. Imposing or collecting applicable state or local taxes on retail sales of medicinal cannabis occurring within the city; and
5. Regulations consistent with requirements or restrictions imposed on cannabis businesses by state law or regulations issued by the BCC.

### **Enforcement in SB 1186**

SB 1186 empowers the following persons/entities to take civil action (e.g. file a writ of mandate) should they believe the City’s regulations are not reasonable:

1. Qualified patients and their primary caregivers (as defined under the Compassionate Use Act) that seek to purchase medical cannabis in the local jurisdiction;
2. The State Attorney General; and
3. Medical cannabis businesses “that seek to offer medical cannabis for sale in the local jurisdiction.” Specifically, this would be Type 9 or 10 M-licensees (i.e., brick and mortar retailer that can deliver or non-storefront retailer that only delivers) that are issued by the BCC.

### **Existing Municipal Code Provisions**

Through the adoption of Ordinance 17-O-2734 the City added Article 47 to Chapter 3 of Title 10 of BHMC, commencing with § 10-3-4700. BHMC § 10-3-4702 generally prohibits all forms of commercial cannabis activity and uses in Beverly Hills with the exception of allowing for the

delivery of medical cannabis from a state licensed business located in another jurisdiction and § 10-3-4703 (C) states “any commercial cannabis activity that the City is required by state law to permit within its jurisdiction pursuant to the MAUCRSA.”

As discussed above, SB 1186 prevents the City from adopting or enforcing regulations that prohibit the “retail sale by delivery” of medicinal cannabis, including prohibiting the establishment of physical premises from which retail sale by delivery of medicinal cannabis within the city is conducted by a licensed non-storefront retailer.

While BHM § 10-3-4703 © allows for the sale of commercial cannabis that is required by state law, the City may wish to consider amending the BHM regarding the reasonable regulation of time, manner and place for non-storefront retail sale of medical cannabis only.

In order to pursue updating Article 47 of Chapter 3 of Title 10 of BHM, staff examined what may already exist in the BHM which could be updated to allow for the non-storefront retail sale of medical cannabis only (Attachments 5 and 6). The following is what staff found:

1) 10-3-1606: STORAGE WAREHOUSES; RESTRICTIONS:

*No furniture storage warehouse or wholesale storage warehouse shall be erected, constructed, established, maintained, used, or occupied in zones R-1, R-1.5, and R-4, and any and all such uses, occupancies, establishments, and buildings, and any combinations thereof, are hereby expressly excluded from zones R-1, R-1.5, and R-4. No furniture storage warehouse, wholesale warehouse, or combination warehouse shall be permitted in zone C-3 unless the front portion of the ground floor of any building along and adjoining the public street to be used for either of such purposes is constructed, designed, and used as an office or for such other retail business as is provided for in zone C-3 in section 10-3-1601 of this article. (1962 Code § 10-405).*

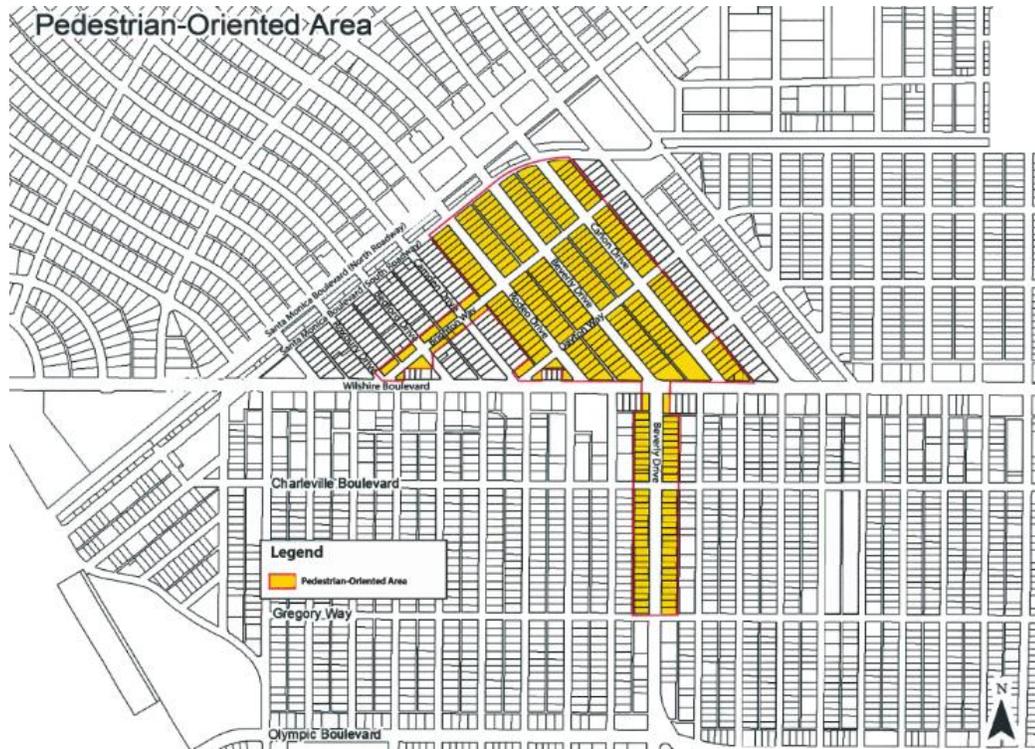
This section of the City’s municipal code is generally applicable throughout Beverly Hills. This section of the BHM could be updated to include the non-storefront retail sale of medical cannabis only as restricted from being licensed in the R-1, R-1.5, and R-4 zones as well in zone C-3 unless the business is not located on the ground floor and is not street facing.

2) 10-3-1652: DEFINITIONS RETAIL USE:

*A use which carries on as its principal business the selling of tangible commodities, goods, merchandise or wares, including the selling of food and beverages, directly to the ultimate consumers. For the purposes of this article, notwithstanding and without limiting the foregoing definition, “retail use” shall include restaurants, bars, nightclubs, theaters, beauty shops, nail salons, and spas with a retail component, and retail businesses as defined in section 10-3-100 of this chapter, but shall exclude car dealers. (Ord. 81-O-1784, eff. 3-18-1981; amd. Ord. 02-O-2391, eff. 3-8-2002; Ord. 11-O-2602, eff. 2-11-2011)*

The City could consider including the non-storefront retail sale of medical cannabis only as an exclusion to the definition of retail use, similar to what is shown above for car dealers.

The map below shows the defined pedestrian oriented areas of the City and should be referenced when making considerations for both BHM §10-3-1652 (mentioned above) and 10-3-1654 (discussed below).



**Figure 2: Map of Pedestrian Oriented Area**

- 3) 10-3-1654: USES PERMITTED AND PROHIBITED:
- A. *No use other than a retail use or a hotel shall occupy a space with more than twenty five feet (25') of street frontage on the ground floor of any building or structure located in a pedestrian oriented area.*
  - B. *Notwithstanding subsection A of this section, for any building or structure situated at the corner of two (2) streets located in a pedestrian oriented area and with frontage on both streets, a use other than a retail use or a hotel may occupy a space with up to twenty five feet (25') of ground floor street frontage on each street for a total ground floor street frontage of up to fifty feet (50').*
  - C. *Medical uses shall be prohibited in a pedestrian oriented area except as allowed pursuant to section [10-3-1620.1](#) of this chapter.*
  - D. *Those portions of licensed pharmacies devoted to dispensing prescription medicine shall be prohibited on the ground floor of buildings within the first thirty feet (30') behind the storefront facing a street. (Ord. 11-O-2602, eff. 2-11-2011)*

Pedestrian oriented areas that are referenced above are defined in § BHM 10-3-1653, which is a part of Attachment 6. If a definition is added to § BHM 10-3-1652, then the City could add either to BHM § 10-3-1654 © the non-storefront retail sale of medical cannabis only or add another prohibited use for this type of business to this section of the BHM.

## Considerations for the Planning Commission Liaison Committee

The League of California Cities (Cal Cities) has generated an informative guide titled "[Seed to Sale: A Guide to Regulating Cannabis in California Cities](#)", which was published in September 2021, almost a full year prior to the passage of SB 1186. On page 41 of the *Seed to Sale* guide (Attachment 7) is the following description of "non-storefront retail":

*A non-storefront retailer licensee is authorized to conduct retail sales exclusively by delivery. A non-storefront retailer is required to comply with all regulations relating to retail storefronts, except for those provisions relating to public access to the licensed premises and the retail area, as the non-storefront retail facility is closed to the public. (See Attachment 8, California Code of Regulations Title 4 Section 15141 for further definitions)*

Additionally, the *Seed to Sale* guide further reviews cannabis deliveries which are included as a type of cannabis activity under the Business and Professions Code § 26070.5 (Attachment 9) and within the BCC, California Code of Regulations, Title 16, Division 42, 5400-5427 (Attachment 10). Some general requirements relating to the delivery vehicle include, but are not limited to:

- The vehicle cannot have any markings or other indications on the exterior that can indicate it is used for cannabis delivery
- Cannabis items need to be in a fully enclosed box or container that is separate in the vehicle and secured in the vehicle
- The delivery driver cannot carry cannabis goods with a value in excess of \$5,000 at any time
- The delivery driver must be at least 21 years old and must deliver the items to a physical address in California
- The deliver cannot be to an address on publicly owned land or in a building leased or owned by a public agency

As noted previously, the City may reasonable regulate the non-storefront retail sale of medical cannabis for zoning, local licensing, public health and safety restrictions, and taxes, provided the regulations don't conflict with the express requirements of SB 1186 or have the effect of prohibiting the retail sale by delivery of medicinal cannabis to medicinal cannabis patients or their primary caregivers in a timely and readily accessible manner and in types and quantities that are sufficient to meet demand from medicinal cannabis patients within the city. The City can be subject to a writ of mandate should one of three types of persons/entities decide to take civil action. As such, the following are considerations are presented for the Planning Commission Liaison Committee ("Committee") to provide direction to City Staff:

- 1) What type of business(es) does the Committee want to include in the update to the City's Municipal Code regarding SB 1186:
  - a. Allow only the non-storefront retail sale by delivery of medical cannabis only (minimally required by SB 1186)
  - b. In addition to implementing the state mandate, which requires the City to allow for the non-storefront retail sale by delivery of medical cannabis only, does the Committee want to consider allowing other forms of commercial cannabis activity to occur in Beverly Hills such as:
    - i. Sale of medical cannabis from a storefront (both in person sales and delivery ); OR

- ii. Sale of cannabis for recreation and medical use (both in person and delivery)
  - iii. Any other recommendation of the Committee
- 2) Does the Committee want staff to look at modifying BHMC § 10-3-1606: *Storage Warehouses; Restrictions* to include prohibiting the non-storefront retail sale of medical cannabis only in zones R-1, R-1.5, and R-4 as well as prohibiting it in zone C-3 unless the business is not located on the ground floor and is not street facing?
  - 3) Does the Committee want staff to look at modifying BHMC § 10-3-1652: *Definition Retail Use*. This could include adding the non-storefront retail sale of medical cannabis only as an exclusion to the definition of retail use, similar to what is already in existence for car dealers?
  - 4) Does the Committee want staff to look at modifying BHMC §10-3-1654: *Uses Permitted and Prohibited* such that non-storefront retail sale of medical cannabis only is prohibited in a pedestrian oriented area to be consistent with BHMC § 10-6-1654 (C) of that section of the code?
  - 5) Does the Committee want to include non-storefront retail of medical cannabis in the City's business tax structure ? For reference, staff believes this would be included in the Class B portion of the City's schedule of fees and charges; however, the Committee could consider exempting medical cannabis from the schedule of fees and charges.
  - 6) Does the Committee want to require business application fee for non-storefront retail of medical cannabis in the City?
  - 7) What process does the Committee want to include in the application for opening a non-storefront retail sale of medical cannabis only in the City? (Attachment 11)
  - 8) Does the Committee want to place an explicit prohibition on the delivery of "cannabis accessories", branded merchandise (Attachment 12) of the licensee, or promotional materials?
  - 9) Does the Committee want to consider public health and safety concerns related to security of the business that would require more security than currently listed in CCR § 5405 (b) (Attachment 13)?

It is also recommended the City include a statement that the ordinance shall not be interpreted as prohibiting patients within Beverly Hills or their caregivers from purchasing by delivery sufficient medical cannabis to meet their demands in a timely and readily accessible manner.

### **RECOMMENDATION**

Staff recommends the Committee provide direction to staff regarding implementing Senate Bill 1186 (Wiener) - Medicinal Cannabis Patients' Right of Access Act as specifically outlined in this report. The Committee may provide any direction it wishes on this subject.

# **Attachment 1**

## ARTICLE 47. CANNABIS PROHIBITIONS AND REGULATIONS

### **10-3-4700: PURPOSE:**

A. The purpose of this article is to expressly prohibit the establishment of commercial cannabis uses in the City.

B. The City Council finds that prohibitions on commercial cannabis activity are necessary for the preservation and protection of the public health, safety, and welfare of the City. The prohibition of such uses is within the authority conferred upon the City Council by State law and is an exercise of its police powers to enact and enforce regulations for the public health, safety and welfare of the City. (Ord. 17-O-2734, eff. 9-8-2017)

### **10-3-4701: DEFINITIONS:**

For purposes of this chapter, the following definitions shall apply.

**CANNABIS:** All parts of the plant *Cannabis sativa* linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin.

"Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" includes cannabis that is used for medical, non- medical, or other purposes.

"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, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. "Cannabis" also does not include industrial hemp, as defined in California Health and Safety Code section 11018.5.

**CANNABIS ACCESSORIES:** Any equipment, products or materials of any kind which is intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.

**CANNABIS PRODUCT:** Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

**COMMERCIAL CANNABIS ACTIVITY:** The cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis product for medical, non-medical, or any other purpose and includes the activities of any business licensed by the State or other government entity under division 10 of the California Business and Professions Code, or any provision of State law that regulates the licensing of cannabis businesses.

**CONCENTRATED CANNABIS:** Manufactured cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate.

**CULTIVATION:** Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

**DELIVERY:** 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.

**DISTRIBUTION:** The procurement, sale, and transport of cannabis and cannabis products between entities licensed under division 10 of the California Business and Professions Code, as they may be amended from time to time.

**MAUCRSA:** The Medicinal and Adult-Use Cannabis Regulation and Safety Act as codified in division 10 of the Business and Professions Code, as the same may be amended from time to time.

**MANUFACTURE:** To compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

PRIVATE RESIDENCE: A house, an apartment unit, condominium, or other similar dwelling that is lawfully used as a residence. (Ord. 17-O-2734, eff. 9-8-2017)

### **10-3-4702: PROHIBITED USES AND ACTIVITIES:**

A. Commercial cannabis activity, whether or not for profit, is prohibited in all zones, specific plan areas, and overlay zones of the City. No person shall establish, operate, maintain, conduct, allow, or engage in commercial cannabis activity anywhere within the City. To the extent that this prohibition conflicts with any other provision of this Code, this prohibition will control.

B. A property owner shall not rent, lease or otherwise permit any person or business that engages in commercial cannabis activity to occupy real property in the City. A property owner shall not allow any person or business to establish, operate, maintain, conduct, or engage in commercial cannabis activity on any real property owned or controlled by that property owner that is located in the City.

C. Subsection A of this section shall prohibit all activities for which a State license is required pursuant to the MAUCRSA, as the same may be amended from time to time. Accordingly, the City shall not issue any permit, license or other entitlement for any activity for which a State license is required under the MAUCRSA, as the same may be amended from time to time. The City shall also not issue any local license to a non-profit entity pursuant to California Business and Professions Code section 26070.5.

D. To the extent not already prohibited by subsection A of this section, all deliveries of cannabis or cannabis products for non- medical purposes, to or from any location are expressly prohibited. No person shall conduct or perform any delivery of any cannabis or cannabis products for a non-medical purpose, which delivery either originates or terminates within the City. This subsection shall not prohibit any person from transporting cannabis through the jurisdictional limits of the City for delivery or distribution to a person located outside the City, where such transport does not involve delivery or distribution within the jurisdictional limits of the City. (Ord. 17-O-2734, eff. 9-8-2017)

### **10-3-4703: EXCEPTIONS:**

A. Notwithstanding section 10-3-4702 of this article, the delivery of medical cannabis from a business located outside the City and licensed under the MAUCRSA, or any other provision of law that permits State licenses for medical cannabis businesses, shall be permitted into the City.

B. To the extent that the following activities are permitted by State law, nothing in this article shall prohibit a person twenty one (21) years of age or older from:

1. Possessing, processing, purchasing, transporting, obtaining or giving away to persons twenty one (21) years of age or older, without compensation whatsoever, not more than 28.5 grams of cannabis not in the form of concentrated cannabis;

2. Possessing, processing, purchasing, transporting, obtaining or giving away to persons twenty one (21) years of age or older, without compensation whatsoever, up to eight grams (8 g) of cannabis in the form of concentrated cannabis;

3. Smoking or ingesting cannabis or cannabis products except as prohibited by California Health and Safety Code section 11362.3;

4. Possessing, transporting, purchasing, obtaining, using, manufacturing, or giving away cannabis accessories to persons twenty one (21) years of age or older without compensation whatsoever; or

5. Engaging in the cultivation of six (6) or fewer live cannabis plants within a single private residence, inside an accessory structure located upon the grounds of a private residence, or if grown outdoors within a locked space that is not visible by normal, unaided vision from a public place.

C. This article shall also not prohibit any commercial cannabis activity that the City is required by State law to permit within its jurisdiction pursuant to the MAUCRSA. (Ord. 17-O-2734, eff. 9-8-2017)

### **10-3-4704: VIOLATION, PENALTY:**

In addition to any other enforcement permitted by section 10-3-205 of this chapter, the City Attorney or City Prosecutor may bring a civil action for injunctive relief and civil penalties against any person or entity that violates this chapter. In any civil action brought pursuant to this article, a court of competent jurisdiction may award reasonable attorneys' fees and costs to the prevailing party. Notwithstanding the penalties set forth in section 10-3-205 of this chapter, no provision of section 10-3-205 of this chapter or this article authorizes a criminal prosecution, arrest or penalty inconsistent with or prohibited by Health and Safety Code section

11362.71, et seq., or section 11362.1, et seq., as the same may be amended from time to time. In the event of any conflict between the penalties enumerated under section 10-3-205 of this chapter and any penalties set forth in State law, the maximum penalties allowable under State law shall govern. (Ord. 17-O-2734, eff. 9-8-2017)

# **Attachment 2**

**ORDINANCE NO. 17-O- 2734**

**AN ORDINANCE OF THE CITY OF BEVERLY HILLS  
PROHIBITING ALL COMMERCIAL CANNABIS  
ACTIVITY (BOTH MEDICAL AND NON-MEDICAL)  
EXCEPT FOR DELIVERIES OF MEDICAL CANNABIS,  
MAKING RELATED MUNICIPAL CODE AMENDMENTS,  
AND FINDING THE ORDINANCE EXEMPT FROM THE  
CALIFORNIA ENVIRONMENTAL QUALITY ACT**

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS DOES ORDAIN AS FOLLOWS:**

**SECTION 1.     Findings and Purpose.**

A.     The City of Beverly Hills, California (the “City”) is a municipal corporation, duly organized under the constitution and laws of the State of California.

B.     On November 8, 2016, California voters approved the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”). The AUMA added Division 10 to the California Business and Professions Code, sections 26000, *et seq.*, which grants State agencies the authority to create, issue, renew, discipline, suspend, or revoke licenses for cannabis businesses. The AUMA provides that the State shall begin issuing licenses to cannabis businesses under Division 10 of the California Business and Professions Code by January 1, 2018. California Business and Professions Code section 26055(e) provides that a State licensing authority shall not approve an application for a State license for commercial non-medical cannabis activity if approval of the State license will violate the provisions of any local ordinance.

C.     On October 9, 2015, Governor Brown signed Assembly Bill No. 243, Assembly Bill No. 266, and Senate Bill 643 into law, which were collectively known as the Medical Cannabis Regulation and Safety Act (hereinafter “MCRSA”). The MCRSA established a State licensing scheme for commercial medical cannabis uses, while protecting local control by requiring that all such businesses have a local license or permit to operate in addition to a State license. The MCRSA allowed the City to completely prohibit commercial medical cannabis activities.

D.     On June 22, 2017, the Planning Commission of the City of Beverly Hills held a public hearing on this proposed Ordinance, at which time all persons interested in the proposed Ordinance had the opportunity and did address the Planning Commission on these matters. Following the receipt of public testimony the Planning Commission closed the public hearing.

E.     At the conclusion of the Planning Commission hearing and after due consideration of the testimony, the Planning Commission adopted Resolution No. 1813 recommending that the City Council adopt the proposed Ordinance, to prohibit all commercial cannabis activity except for the delivery of medical cannabis.

F.     On June 27, 2017, the Governor signed into law Senate Bill 94 which repealed the MCRSA, included certain provisions of the MCRSA in the licensing provisions of the AUMA,

and created a single regulatory scheme for both medical and non-medical cannabis known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”). The MAUCRSA retains the provisions in the MCRSA and the AUMA that granted local jurisdictions control over whether commercial cannabis activity could occur in a particular jurisdiction. Specifically, California Business and Professions Code section 26200 provides that the MAUCRSA shall not be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances that completely prohibit the establishment or operation of one or more businesses licensed under the State, within that local jurisdiction. Furthermore, the MAUCRSA provides that a State licensing authority shall not approve an application for a State license for a business to engage in commercial cannabis activity if approval of the State license will violate the provisions of any local ordinance or regulation. The MAUCRSA requires that a State licensing authority begin issuing licenses to marijuana businesses beginning January 1, 2018.

G. On July 18, 2017, the City Council of the City of Beverly Hills held a public hearing on the proposed Ordinance, at which time all persons interested in the proposed Ordinance had the opportunity and did address the City Council on these matters. Following the receipt of public testimony the City Council closed the public hearing.

H. All legal prerequisites to the adoption of this Ordinance have occurred.

**SECTION 2.** The definition of “Person” contained in Section 1-2-1 (Application of Definitions) of Chapter 2 (Definitions) of Title 1 (General Provisions) is hereby amended to read as follows:

“PERSON: A natural person, joint venture, joint stock company, partnership, association, club, company, corporation, business trust, organization, cooperative, and collective, and any manager, lessee, agent, servant, officer or employee thereof.”

**SECTION 3.** The definition of Marijuana Dispensary, Store, Co-Op, or Cultivation Operation from Section 10-3-100 (Words Defined) of Article 1 (Definitions) of Chapter 3 (Zoning) of Title 10 (Planning and Zoning) is hereby deleted, with all other definitions remaining in effect without amendment.

**SECTION 4.** The City Council of the City of Beverly Hills hereby deletes Section 10-3-2761 (Marijuana Dispensary, Store, Co-Op, or Cultivation Operation Prohibited) from Article 27 (Other Uses and Building Restrictions) of Chapter 3 (Zoning) of Title 10 (Planning and Zoning).

**SECTION 5.** The City Council of the City of Beverly Hills hereby adds Article 47 (Cannabis Prohibitions and Regulations) to Chapter 3 (Zoning) of Title 10 (Planning and Zoning) to read as follows:

**“ARTICLE 47 CANNABIS PROHIBITIONS AND REGULATIONS**

**Section 10-3-4700: Purpose.**

**Section 10-3-4701: Definitions.**

**Section 10-3-4702: Prohibited uses and activities.**

**Section 10-3-4703: Exceptions.**

**Section 10-3-4704: Violation, penalty.**

**10-3-4700 Purpose.**

A. The purpose of this article is to expressly prohibit the establishment of commercial cannabis uses in the city.

B. The city council finds that prohibitions on commercial cannabis activity are necessary for the preservation and protection of the public health, safety, and welfare of the city. The prohibition of such uses is within the authority conferred upon the city council by State law and is an exercise of its police powers to enact and enforce regulations for the public health, safety and welfare of the city.

**10-3-4701 Definitions.**

For purposes of this chapter, the following definitions shall apply.

A. "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" includes cannabis that is used for medical, non-medical, or other purposes.

"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, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. "Cannabis" also does not include industrial hemp, as defined in California Health and Safety Code section 11018.5.

B. "Cannabis accessories" means any equipment, products or materials of any kind which is intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.

C. "Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

D. "Commercial cannabis activity" means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis product for medical, non-medical, or any other purpose and includes the activities of any business licensed by the State or other government entity under

Division 10 of the California Business and Professions Code, or any provision of State law that regulates the licensing of cannabis businesses.

E. “Concentrated cannabis” means manufactured cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product’s potency. Resin from granular trichomes from a cannabis plant is a concentrate.

F. “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

G. “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.

H. “Distribution” means the procurement, sale, and transport of cannabis and cannabis products between entities licensed under Division 10 of the California Business and Professions Code, as they may be amended from time to time.

I. “Manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

J. “MAUCRSA” means the Medicinal and Adult-Use Cannabis Regulation and Safety Act as codified in Division 10 of the Business and Professions Code, as the same may be amended from time to time.

K. “Private residence” means a house, an apartment unit, condominium, or other similar dwelling that is lawfully used as a residence.

**10-3-4702 Prohibited uses and activities.**

A. Commercial cannabis activity, whether or not for profit, is prohibited in all zones, specific plan areas, and overlay zones of the city. No person shall establish, operate, maintain, conduct, allow, or engage in commercial cannabis activity anywhere within the city. To the extent that this prohibition conflicts with any other provision of this Municipal Code, this prohibition will control.

B. A property owner shall not rent, lease or otherwise permit any person or business that engages in commercial cannabis activity to occupy real property in the city. A property owner shall not allow any person or business to establish, operate, maintain, conduct, or engage in commercial cannabis activity on any real property owned or controlled by that property owner that is located in the city.

C. Subsection A above shall prohibit all activities for which a State license is required pursuant to the MAUCRSA, as the same may be amended from time to time. Accordingly, the city shall not issue any permit, license or other entitlement for any activity for which a State license is required under the MAUCRSA, as the same may be amended from time to time. The city shall also not issue any local license to a non-profit entity pursuant to California Business and Professions Code section 26070.5.

D. To the extent not already prohibited by subsection A above, all deliveries of cannabis or cannabis products for non-medical purposes, to or from any location are expressly prohibited. No person shall conduct or perform any delivery of any cannabis or cannabis products for a non-medical purpose, which delivery either originates or terminates within the city. This subsection shall not prohibit any person from transporting cannabis through the jurisdictional limits of the city for delivery or distribution to a person located outside the city, where such transport does not involve delivery or distribution within the jurisdictional limits of the city.

**10-3-4703 Exceptions.**

A. Notwithstanding Subsection 10-3-4702 above, the delivery of medical cannabis from a business located outside the city and licensed under the MAUCRSA, or any other provision of law that permits State licenses for medical cannabis businesses, shall be permitted into the city.

B. To the extent that the following activities are permitted by State law, nothing in this article shall prohibit a person 21 years of age or older from:

1. Possessing, processing, purchasing, transporting, obtaining or giving away to persons 21 years of age or older, without compensation whatsoever, not more than 28.5 grams of cannabis not in the form of concentrated cannabis;

2. Possessing, processing, purchasing, transporting, obtaining or giving away to persons 21 years of age or older, without compensation whatsoever, up to eight grams of cannabis in the form of concentrated cannabis;

3. Smoking or ingesting cannabis or cannabis products except as prohibited by California Health and Safety Code section 11362.3;

4. Possessing, transporting, purchasing, obtaining, using, manufacturing, or giving away cannabis accessories to persons 21 years of age or older without compensation whatsoever; or

5. Engaging in the cultivation of six or fewer live cannabis plants within a single private residence, inside an accessory structure located upon the grounds of a private residence, or if grown outdoors within a locked space that is not visible by normal, unaided vision from a public place.

C. This article shall also not prohibit any commercial cannabis activity that the city is required by State law to permit within its jurisdiction pursuant to the MAUCRSA.

**10-3-4705 Violation, penalty.**

In addition to any other enforcement permitted by this Section 10-3-205 of the Beverly Hills Municipal Code, the city attorney or city prosecutor may bring a civil action for injunctive relief and civil penalties against any person or entity that violates this chapter. In any civil action

brought pursuant to this article, a court of competent jurisdiction may award reasonable attorneys' fees and costs to the prevailing party. Notwithstanding the penalties set forth in Section 10-3-205 of the Beverly Hills Municipal Code, no provision of Section 10-3-205 or this Article 47 authorizes a criminal prosecution, arrest or penalty inconsistent with or prohibited by Health and Safety Code section 11362.71, *et seq.* or section 11362.1, *et seq.*, as the same may be amended from time to time. In the event of any conflict between the penalties enumerated under Section 10-3-205 of the Beverly Hills Municipal Code and any penalties set forth in State law, the maximum penalties allowable under State law shall govern.”

**SECTION 6.** The Ordinance has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines, and the environmental regulations of the City. Planning Division staff has determined that the adoption and implementation of the Ordinance is eligible for a class 5 categorical exemption for minor changes in land use limitations and will not have a significant environmental impact. The Ordinance is exempt from the environmental review requirements of CEQA pursuant to Section 15305 of Title 14 of the California Code of Regulations. Planning Division Staff has also determined that the Ordinance is exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the adoption and implementation of the Ordinance to prohibit commercial cannabis activity except for the delivery of medical cannabis will have a significant effect on the environment. The adoption and implementation of the Ordinance will not result in a permanent alteration of property nor the construction of any new or expanded structures. The City Council has reviewed Planning Division Staff’s determination of exemption, and based on its own independent judgment, concurs with Staff’s determination of exemption. The City Council, therefore, directs that a Notice of Exemption be filed with the County Clerk of the County of Los Angeles in accordance with CEQA Guidelines.

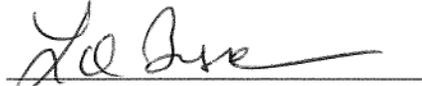
**SECTION 7.** Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

**SECTION 8.** Restatement of Existing Law. Neither the adoption of this Ordinance nor the repeal of any other Ordinance of this City shall in any manner affect the prosecution for violations of ordinances, which violations were committed prior to the effective date hereof, nor be construed as a waiver of any penalty or the penal provisions applicable to any violation thereof.

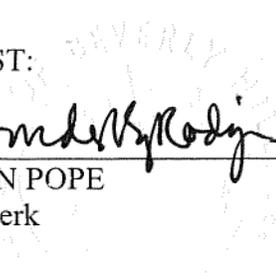
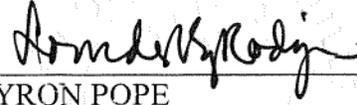
**SECTION 9.** Publication. The City Clerk shall cause this Ordinance to be published at least once in a newspaper of general circulation published and circulated in the city within fifteen (15) days after its passage in accordance with Section 36933 of the Government Code, shall certify to the adoption of this Ordinance and shall cause this Ordinance and the City Clerk’s certification, together with proof of publication, to be entered in the Book of Ordinances of the Council of this city.

**SECTION 10. Effective Date.** This Ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the thirty-first (31st) day after its passage.

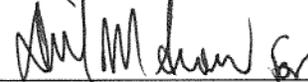
Adopted: August 8, 2017  
Effective: September 8, 2017

  
\_\_\_\_\_  
ELI BOSSE  
Mayor of the City of Beverly Hills

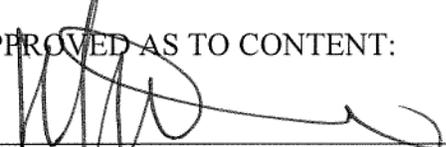
ATTEST:

  
*for*  \_\_\_\_\_ (SEAL)  
BYRON POPE  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
MAHDI ALUZRI  
City Manager

# **Attachment 3**


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## SB-1186 Medicinal Cannabis Patients' Right of Access Act. (2021-2022)

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Date Published: 09/20/2022 02:00 PM

### Senate Bill No. 1186

#### CHAPTER 395

An act to amend Section 26200 of, and to add Chapter 26 (commencing with Section 26320) to Division 10 of, the Business and Professions Code, relating to cannabis.

[ Approved by Governor September 18, 2022. Filed with Secretary of State September 18, 2022. ]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1186, Wiener. Medicinal Cannabis Patients' Right of Access Act.

Existing law, the Compassionate Use Act of 1996, an initiative measure enacted by Proposition 215 at the November 6, 1996, statewide general election, declares that its purpose is, among other things, to ensure that seriously ill Californians have the right to obtain and use marijuana for medical purposes, as specified, and exempts from state criminal liability certain patients and their primary caregivers who possess or cultivate marijuana for the personal medical purposes of the patient. Existing law, known as the Medical Marijuana Program, establishes a voluntary registration program for qualified medicinal cannabis patients and their primary caregivers through a statewide identification card system maintained by the State Department of Public Health and sets forth guidelines for the possession of medicinal cannabis.

The Control, Regulate and Tax Adult-Use of Marijuana Act of 2016 (AUMA), an initiative measure approved as Proposition 64 at the November 8, 2016, statewide general election, established a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical marijuana. AUMA reserved to a local jurisdiction specified powers regarding commercial adult-use cannabis activity, including adopting and enforcing local ordinances regulating commercial adult-use cannabis activity. Existing law, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities, including the retail sale of medicinal cannabis.

This bill would enact the Medicinal Cannabis Patients' Right of Access Act, which, on and after January 1, 2024, would prohibit a local jurisdiction from adopting or enforcing any regulation that prohibits the retail sale by delivery within the local jurisdiction of medicinal cannabis to medicinal cannabis patients or their primary caregivers by medicinal cannabis businesses, as defined, or that has the effect of prohibiting the retail sale by delivery within the local jurisdiction of medicinal cannabis to medicinal cannabis patients or their primary caregivers in a timely and readily accessible manner and in types and quantities that are sufficient to meet demand from medicinal cannabis patients within the local jurisdiction, as specified. The bill, on and after January 1, 2024, would provide that the act may be enforced by an action for writ of mandate brought by a medicinal cannabis patient or their primary caregiver, a medicinal cannabis business, the Attorney General, or any other party otherwise authorized by law.

This bill would incorporate additional changes to Section 26200 of the Business and Professions Code proposed by AB 2210 to be operative only if this bill and AB 2210 are enacted and this bill is enacted last.

To the extent this bill would impose additional duties on local jurisdictions, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 26200 of the Business and Professions Code is amended to read:

**26200.** (a) (1) Except as set forth in the Medicinal Cannabis Patients' Right of Access Act (Chapter 26 (commencing with Section 26320)), this division shall not be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances to regulate businesses licensed under this division, including, but not limited to, local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to secondhand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed under this division within the local jurisdiction.

(2) Except as set forth in the Medicinal Cannabis Patients' Right of Access Act (Chapter 26 (commencing with Section 26320)), this division shall not be interpreted to supersede or limit existing local authority for law enforcement activity, enforcement of local zoning requirements or local ordinances, or enforcement of local license, permit, or other authorization requirements.

(b) This division shall not be interpreted to require the department to undertake local law enforcement responsibilities, enforce local zoning requirements, or enforce local licensing, permitting, or other authorization requirements.

(c) A local jurisdiction shall notify the department upon revocation of any local license, permit, or authorization for a licensee to engage in commercial cannabis activity within the local jurisdiction. Within 60 days of being so informed, the department shall begin the process to determine whether a license issued to the licensee should be suspended or revoked pursuant to Chapter 3 (commencing with Section 26030).

(d) For facilities issued a state license that are located within the incorporated area of a city, the city shall have full power and authority to enforce this division and the regulations promulgated by the department, if delegated by the state. Notwithstanding Sections 101375, 101400, and 101405 of the Health and Safety Code or any contract entered into pursuant thereto, or any other law, the city shall assume complete responsibility for any regulatory function pursuant to this division within the city limits that would otherwise be performed by the county or any county officer or employee, including a county health officer, without liability, cost, or expense to the county.

(e) (1) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair event, district agricultural association event, or at another venue expressly approved by a local jurisdiction for the purpose of holding temporary events of this nature, provided that the activities, at a minimum, comply with all the following:

(A) The requirements of paragraphs (1) to (3), inclusive, of subdivision (g).

(B) All participants who are engaged in the onsite retail sale of cannabis or cannabis products at the event are licensed under this division to engage in that activity.

(C) The activities are otherwise consistent with regulations promulgated and adopted by the department governing state temporary event licenses.

(D) A state temporary event license shall only be issued in local jurisdictions that authorize such events.

(E) A licensee who submits an application for a state temporary event license shall, 60 days before the event, provide to the department a list of all licensees that will be providing onsite sales of cannabis or cannabis products at the event. If any changes occur in that list, the licensee shall provide the department with a final updated list to reflect those changes. A person shall not engage in the onsite retail sale of cannabis or cannabis products, or in any way participate in the event, who is not included in the list, including any updates, provided to the department.

(2) The department may impose a civil penalty on any person who violates this subdivision, or any regulations adopted by the department governing state temporary event licenses, in an amount up to three times the amount of the license fee for each violation, consistent with Sections 26018 and 26038.

(3) The department may require the event and all participants to cease operations without delay if in the opinion of the department or local law enforcement it is necessary to protect the immediate public health and safety of the people of the state. The department may also require the event organizer to immediately expel from the event any participant selling cannabis or cannabis products without a license from the department that authorizes the participant to sell cannabis or cannabis products. If the unlicensed participant does not leave the event, the department may require the event and all participants to cease operations immediately.

(4) The order by the department for the event to cease operations pursuant to paragraph (3) does not entitle the event organizer or any participant in the event to a hearing or an appeal of the decision. Chapter 3 (commencing with Section 490) of Division 1.5 and Chapter 4 (commencing with Section 26040) of this division shall not apply to the order by the department for the event to cease operations pursuant to paragraph (3).

(5) The smoking of cannabis or cannabis products at temporary events authorized pursuant to this subdivision is prohibited in locations where smoking is prohibited. For purposes of this section, "smoking" has the same meaning as defined in subdivision (c) of Section 22950.5.

(f) This division, or any regulations promulgated thereunder, shall not be deemed to limit the authority or remedies of a city, county, or city and county under any provision of law, including, but not limited to, Section 7 of Article XI of the California Constitution.

(g) Notwithstanding paragraph (1) of subdivision (a) of Section 11362.3 of the Health and Safety Code, a local jurisdiction may allow for the smoking, vaporizing, and ingesting of cannabis or cannabis products on the premises of a retailer or microbusiness licensed under this division if all of the following are met:

(1) Access to the area where cannabis consumption is allowed is restricted to persons 21 years of age or older.

(2) Cannabis consumption is not visible from any public place or nonage-restricted area.

(3) Sale or consumption of alcohol or tobacco is not allowed on the premises.

(h) This division shall not be interpreted to supersede Section 6404.5 of the Labor Code.

**SEC. 1.5.** Section 26200 of the Business and Professions Code is amended to read:

**26200.** (a) (1) Except as set forth in the Medicinal Cannabis Patients' Right of Access Act (Chapter 26 (commencing with Section 26320)), this division shall not be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances to regulate businesses licensed under this division, including, but not limited to, local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to secondhand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed under this division within the local jurisdiction.

(2) Except as set forth in the Medicinal Cannabis Patients' Right of Access Act (Chapter 26 (commencing with Section 26320)), this division shall not be interpreted to supersede or limit existing local authority for law enforcement activity, enforcement of local zoning requirements or local ordinances, or enforcement of local license, permit, or other authorization requirements.

(b) This division shall not be interpreted to require the department to undertake local law enforcement responsibilities, enforce local zoning requirements, or enforce local licensing, permitting, or other authorization requirements.

(c) A local jurisdiction shall notify the department upon revocation of any local license, permit, or authorization for a licensee to engage in commercial cannabis activity within the local jurisdiction. Within 60 days of being so

informed, the department shall begin the process to determine whether a license issued to the licensee should be suspended or revoked pursuant to Chapter 3 (commencing with Section 26030).

(d) For facilities issued a state license that are located within the incorporated area of a city, the city shall have full power and authority to enforce this division and the regulations promulgated by the department, if delegated by the state. Notwithstanding Sections 101375, 101400, and 101405 of the Health and Safety Code or any contract entered into pursuant thereto, or any other law, the city shall assume complete responsibility for any regulatory function pursuant to this division within the city limits that would otherwise be performed by the county or any county officer or employee, including a county health officer, without liability, cost, or expense to the county.

(e) (1) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair event, district agricultural association event, or at another venue expressly approved by a local jurisdiction for the purpose of holding temporary events of this nature, provided that the activities, at a minimum, comply with all the following:

(A) The requirements of paragraphs (1) to (3), inclusive, of subdivision (g).

(B) All participants who are engaged in the onsite retail sale of cannabis or cannabis products at the event are licensed under this division to engage in that activity.

(C) The activities are otherwise consistent with regulations promulgated and adopted by the department governing state temporary event licenses, except as otherwise provided in paragraphs (6), (7), and (8).

(D) A state temporary event license shall only be issued in local jurisdictions that authorize such events.

(E) A licensee who submits an application for a state temporary event license shall, 60 days before the event, provide to the department a list of all licensees that will be providing onsite sales of cannabis or cannabis products at the event. If any changes occur in that list, the licensee shall provide the department with a final updated list to reflect those changes. A person shall not engage in the onsite retail sale of cannabis or cannabis products, or in any way participate in the event, who is not included in the list, including any updates, provided to the department.

(2) The department may impose a civil penalty on any person who violates this subdivision, or any regulations adopted by the department governing state temporary event licenses, in an amount up to three times the amount of the license fee for each violation, consistent with Sections 26018 and 26038.

(3) The department may require the event and all participants to cease operations without delay if in the opinion of the department or local law enforcement it is necessary to protect the immediate public health and safety of the people of the state. The department may also require the event organizer to immediately expel from the event any participant selling cannabis or cannabis products without a license from the department that authorizes the participant to sell cannabis or cannabis products. If the unlicensed participant does not leave the event, the department may require the event and all participants to cease operations immediately.

(4) The order by the department for the event to cease operations pursuant to paragraph (3) does not entitle the event organizer or any participant in the event to a hearing or an appeal of the decision. Chapter 3 (commencing with Section 490) of Division 1.5 and Chapter 4 (commencing with Section 26040) of this division shall not apply to the order by the department for the event to cease operations pursuant to paragraph (3).

(5) The smoking of cannabis or cannabis products at temporary events authorized pursuant to this subdivision is prohibited in locations where smoking is prohibited. For purposes of this section, "smoking" has the same meaning as defined in subdivision (c) of Section 22950.5.

(6) (A) All licensees who are issued a state temporary event license allowed pursuant to this subdivision may, upon completion or cessation of the temporary event, reconcile unsold inventory of cannabis or cannabis products and return it to the licensee's retail premises.

(B) All unsold inventory of cannabis or cannabis products from the temporary event shall be noted in track and trace prior to transport.

(C) All unsold inventory of cannabis or cannabis products from the temporary event shall be in its original packaging in which it was placed pursuant to Chapter 12 (commencing with Section 26120).

(7) The inventory of cannabis or cannabis products authorized to be sold by a state temporary event license pursuant to this subdivision shall only be transported to and from the temporary event by a licensed distributor or licensed microbusiness.

(8) The department shall not deny an application for a state temporary event license pursuant to this subdivision solely on the basis that there is a license issued pursuant to the Alcoholic Beverage Control Act (Division 9 (commencing with Section 23000)) for the proposed premises of the event. Furthermore, the Department of Alcoholic Beverage Control shall not take any disciplinary action against a person licensed pursuant to the Alcoholic Beverage Control Act on the basis of a state temporary event license issued by the department to a licensee pursuant to this subdivision that utilizes the same premises as the person licensed pursuant to the Alcoholic Beverage Control Act.

(A) All on- and off-sale privileges of alcoholic beverages at the venue shall be suspended for the day of the event and shall not resume until 6 a.m. on the day after the event has ended.

(B) Alcohol consumption on the venue premises shall be strictly prohibited for the day of the event and shall not resume until 6 a.m. on the day after the event has ended.

(f) This division, or any regulations promulgated thereunder, shall not be deemed to limit the authority or remedies of a city, county, or city and county under any provision of law, including, but not limited to, Section 7 of Article XI of the California Constitution.

(g) Notwithstanding paragraph (1) of subdivision (a) of Section 11362.3 of the Health and Safety Code, a local jurisdiction may allow for the smoking, vaporizing, and ingesting of cannabis or cannabis products on the premises of a retailer or microbusiness licensed under this division if all of the following are met:

(1) Access to the area where cannabis consumption is allowed is restricted to persons 21 years of age or older.

(2) Cannabis consumption is not visible from any public place or nonage-restricted area.

(3) Sale or consumption of alcohol or tobacco is not allowed on the premises.

(h) This division shall not be interpreted to supersede Section 6404.5 of the Labor Code.

(i) This section does not alter or affect the prohibition on the sale of alcoholic beverages by a licensee, as provided in Section 26054, on or at a venue premises licensed under this division.

**SEC. 2.** Chapter 26 (commencing with Section 26320) is added to Division 10 of the Business and Professions Code, to read:

**CHAPTER 26. Medicinal Cannabis Patients' Right of Access Act**

**26320.** The Legislature finds and declares as follows:

(a) Access to medicinal cannabis is an integral aspect of access to health care, and eliminating barriers to medicinal cannabis access is essential to promoting and preserving the health of Californians for whom physicians have recommended the use of cannabis or cannabis products.

(b) It is the policy of the state and the intent of the Legislature to ensure that Californians throughout the state have timely and convenient access to safe, effective, and affordable medicinal cannabis.

**26321.** (a) This act shall be known, and may be cited, as the Medicinal Cannabis Patients' Right of Access Act.

(b) For purposes of this chapter:

(1) "Medicinal cannabis" means medicinal cannabis or medicinal cannabis products, as those terms are defined in paragraph (1) of subdivision (ai) of Section 26001.

(2) "Medicinal cannabis business" means a retailer authorized to engage in the retail sale by delivery of medicinal cannabis to medicinal cannabis patients pursuant to an M-license.

(3) "Medicinal cannabis patient" means a qualified patient, as defined in Section 11362.7 of the Health and Safety Code, who possesses a physician's recommendation that complies with Article 25 (commencing with Section 2525) of Chapter 5 of Division 2, or a qualified patient or primary caregiver for a qualified patient issued a valid identification card pursuant to Section 11362.71 of the Health and Safety Code.

(4) "Regulation" means a local ordinance, regulation, policy, or practice.

**26322.** (a) A local jurisdiction shall not adopt or enforce any regulation that prohibits the retail sale by delivery within the local jurisdiction of medicinal cannabis to medicinal cannabis patients or their primary caregivers, or that otherwise has the effect of prohibiting the retail sale by delivery within the local jurisdiction of medicinal cannabis to medicinal cannabis patients or their primary caregivers by licensed medicinal cannabis businesses in a timely and readily accessible manner, and in types and quantities that are sufficient to meet demand from medicinal cannabis patients within the local jurisdiction, including, but not limited to, regulation of any of the following that has the effect of prohibiting the retail sale by delivery of medicinal cannabis:

(1) The number of medicinal cannabis businesses authorized to deliver medicinal cannabis in the local jurisdiction.

(2) The operating hours of medicinal cannabis businesses.

(3) The number or frequency of sales by delivery of medicinal cannabis.

(4) The types or quantities of medicinal cannabis authorized to be sold by delivery.

(5) The establishment of physical premises from which retail sale by delivery of medicinal cannabis within the jurisdiction is conducted by a licensed nonstorefront retailer, except that this paragraph shall not be construed to require the establishment of additional physical premises in a local jurisdiction that allowed medicinal cannabis retail as of January 1, 2022, and in which at least one physical premises engaged in the retail sale of medicinal cannabis, whether storefront or delivery, is already established.

(b) Nothing in this chapter shall be construed to prohibit the adoption or enforcement of reasonable regulations on retail sale by delivery of medicinal cannabis, including, but not limited to, reasonable regulations related to:

(1) Zoning requirements that are not inconsistent with subdivision (a). If compliance with subdivision (a) would otherwise require a local jurisdiction to authorize a physical premises from which retail sale by delivery of medicinal cannabis within the jurisdiction is conducted, this paragraph shall not be construed to alter that requirement.

(2) Security or public health and safety requirements.

(3) Licensing requirements.

(4) The imposition, collection, and remittance of any applicable state or local taxes upon retail sales occurring within the local jurisdiction.

(5) Regulations consistent with requirements or restrictions imposed on cannabis businesses by this division or regulations issued under this division.

(c) Nothing in this chapter shall be construed to limit or otherwise affect the ability of a local jurisdiction to adopt or enforce any regulations on commercial cannabis operations other than retail sale by delivery of medicinal cannabis in the local jurisdiction.

(d) This section shall become operative on January 1, 2024.

**26323.** (a) This chapter may be enforced by an action brought pursuant to Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure by any of the following parties, who shall be beneficially interested within the meaning of Section 1086 of the Code of Civil Procedure:

(1) A medicinal cannabis patient or their primary caregiver who seeks to purchase medicinal cannabis or medicinal cannabis products within the local jurisdiction.

(2) A medicinal cannabis business that seeks to offer medicinal cannabis for sale within the local jurisdiction.

(3) The Attorney General.

(4) Any other party otherwise authorized by law.

(b) This section shall not be construed to limit the availability of any other remedy otherwise available to enforce this chapter. The existence of any other remedy shall not restrict the availability of relief to enforce this chapter under Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure.

(c) This section shall become operative on January 1, 2024.

**26324.** Nothing in this chapter shall be construed to limit or otherwise affect the ability or right of a local jurisdiction to regulate adult-use cannabis pursuant to Section 26200.

**26325.** This chapter addresses a matter of statewide concern and not a municipal affair, as that term is used in Section 5 of Article XI of the California Constitution.

**SEC. 3.** Section 1.5 of this bill incorporates amendments to Section 26200 of the Business and Professions Code proposed by both this bill and Assembly Bill 2210. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2023, (2) each bill amends Section 26200 of the Business and Professions Code, and (3) this bill is enacted after Assembly Bill 2210, in which case Section 1 of this bill shall not become operative.

**SEC. 4.** If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

# **Attachment 4**


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## BUSINESS AND PROFESSIONS CODE - BPC

**DIVISION 10. Cannabis [26000 - 26325]** ( *Heading of Division 10 amended by Stats. 2017, Ch. 27, Sec. 3.* )

### CHAPTER 20. Local Control [26200 - 26203]

( *Chapter 20 added November 8, 2016, by initiative Proposition 64, Sec. 6.1.* )

**26200.** (a) (1) Except as set forth in the Medicinal Cannabis Patients' Right of Access Act (Chapter 26 (commencing with Section 26320)), this division shall not be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances to regulate businesses licensed under this division, including, but not limited to, local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to secondhand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed under this division within the local jurisdiction.

(2) Except as set forth in the Medicinal Cannabis Patients' Right of Access Act (Chapter 26 (commencing with Section 26320)), this division shall not be interpreted to supersede or limit existing local authority for law enforcement activity, enforcement of local zoning requirements or local ordinances, or enforcement of local license, permit, or other authorization requirements.

(b) This division shall not be interpreted to require the department to undertake local law enforcement responsibilities, enforce local zoning requirements, or enforce local licensing, permitting, or other authorization requirements.

(c) A local jurisdiction shall notify the department upon revocation of any local license, permit, or authorization for a licensee to engage in commercial cannabis activity within the local jurisdiction. Within 60 days of being so informed, the department shall begin the process to determine whether a license issued to the licensee should be suspended or revoked pursuant to Chapter 3 (commencing with Section 26030).

(d) For facilities issued a state license that are located within the incorporated area of a city, the city shall have full power and authority to enforce this division and the regulations promulgated by the department, if delegated by the state. Notwithstanding Sections 101375, 101400, and 101405 of the Health and Safety Code or any contract entered into pursuant thereto, or any other law, the city shall assume complete responsibility for any regulatory function pursuant to this division within the city limits that would otherwise be performed by the county or any county officer or employee, including a county health officer, without liability, cost, or expense to the county.

(e) (1) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair event, district agricultural association event, or at another venue expressly approved by a local jurisdiction for the purpose of holding temporary events of this nature, provided that the activities, at a minimum, comply with all the following:

(A) The requirements of paragraphs (1) to (3), inclusive, of subdivision (g).

(B) All participants who are engaged in the onsite retail sale of cannabis or cannabis products at the event are licensed under this division to engage in that activity.

(C) The activities are otherwise consistent with regulations promulgated and adopted by the department governing state temporary event licenses, except as otherwise provided in paragraphs (6), (7), and (8).

(D) A state temporary event license shall only be issued in local jurisdictions that authorize such events.

(E) A licensee who submits an application for a state temporary event license shall, 60 days before the event, provide to the department a list of all licensees that will be providing onsite sales of cannabis or cannabis products at the event. If any changes occur in that list, the licensee shall provide the department with a final updated list to reflect those changes. A person shall not engage in the onsite retail sale of cannabis or

cannabis products, or in any way participate in the event, who is not included in the list, including any updates, provided to the department.

(2) The department may impose a civil penalty on any person who violates this subdivision, or any regulations adopted by the department governing state temporary event licenses, in an amount up to three times the amount of the license fee for each violation, consistent with Sections 26018 and 26038.

(3) The department may require the event and all participants to cease operations without delay if in the opinion of the department or local law enforcement it is necessary to protect the immediate public health and safety of the people of the state. The department may also require the event organizer to immediately expel from the event any participant selling cannabis or cannabis products without a license from the department that authorizes the participant to sell cannabis or cannabis products. If the unlicensed participant does not leave the event, the department may require the event and all participants to cease operations immediately.

(4) The order by the department for the event to cease operations pursuant to paragraph (3) does not entitle the event organizer or any participant in the event to a hearing or an appeal of the decision. Chapter 3 (commencing with Section 490) of Division 1.5 and Chapter 4 (commencing with Section 26040) of this division shall not apply to the order by the department for the event to cease operations pursuant to paragraph (3).

(5) The smoking of cannabis or cannabis products at temporary events authorized pursuant to this subdivision is prohibited in locations where smoking is prohibited. For purposes of this section, "smoking" has the same meaning as defined in subdivision (c) of Section 22950.5.

(6) (A) All licensees who are issued a state temporary event license allowed pursuant to this subdivision may, upon completion or cessation of the temporary event, reconcile unsold inventory of cannabis or cannabis products and return it to the licensee's retail premises.

(B) All unsold inventory of cannabis or cannabis products from the temporary event shall be noted in track and trace prior to transport.

(C) All unsold inventory of cannabis or cannabis products from the temporary event shall be in its original packaging in which it was placed pursuant to Chapter 12 (commencing with Section 26120).

(7) The inventory of cannabis or cannabis products authorized to be sold by a state temporary event license pursuant to this subdivision shall only be transported to and from the temporary event by a licensed distributor or licensed microbusiness.

(8) The department shall not deny an application for a state temporary event license pursuant to this subdivision solely on the basis that there is a license issued pursuant to the Alcoholic Beverage Control Act (Division 9 (commencing with Section 23000)) for the proposed premises of the event. Furthermore, the Department of Alcoholic Beverage Control shall not take any disciplinary action against a person licensed pursuant to the Alcoholic Beverage Control Act on the basis of a state temporary event license issued by the department to a licensee pursuant to this subdivision that utilizes the same premises as the person licensed pursuant to the Alcoholic Beverage Control Act.

(A) All on- and off-sale privileges of alcoholic beverages at the venue shall be suspended for the day of the event and shall not resume until 6 a.m. on the day after the event has ended.

(B) Alcohol consumption on the venue premises shall be strictly prohibited for the day of the event and shall not resume until 6 a.m. on the day after the event has ended.

(f) This division, or any regulations promulgated thereunder, shall not be deemed to limit the authority or remedies of a city, county, or city and county under any provision of law, including, but not limited to, Section 7 of Article XI of the California Constitution.

(g) Notwithstanding paragraph (1) of subdivision (a) of Section 11362.3 of the Health and Safety Code, a local jurisdiction may allow for the smoking, vaporizing, and ingesting of cannabis or cannabis products on the premises of a retailer or microbusiness licensed under this division if all of the following are met:

(1) Access to the area where cannabis consumption is allowed is restricted to persons 21 years of age or older.

(2) Cannabis consumption is not visible from any public place or nonage-restricted area.

(3) Sale or consumption of alcohol or tobacco is not allowed on the premises.

(h) This division shall not be interpreted to supersede Section 6404.5 of the Labor Code.

(i) This section does not alter or affect the prohibition on the sale of alcoholic beverages by a licensee, as provided in Section 26054, on or at a venue premises licensed under this division.  
*(Amended by Stats. 2022, Ch. 395, Sec. 1.5. (SB 1186) Effective January 1, 2023. Note: This section was added on Nov. 8, 2016, by initiative Prop. 64.)*

# **Attachment 5**

**10-3-1606: STORAGE WAREHOUSES; RESTRICTIONS:**

No furniture storage warehouse or wholesale storage warehouse shall be erected, constructed, established, maintained, used, or occupied in zones R-1, R-1.5, and R-4, and any and all such uses, occupancies, establishments, and buildings, and any combinations thereof, are hereby expressly excluded from zones R-1, R-1.5, and R-4. No furniture storage warehouse, wholesale warehouse, or combination warehouse shall be permitted in zone C-3 unless the front portion of the ground floor of any building along and adjoining the public street to be used for either of such purposes is constructed, designed, and used as an office or for such other retail business as is provided for in zone C-3 in section 10-3-1601 of this article. (1962 Code § 10-405)

# **Attachment 6**

## ARTICLE 16.5. RESTRICTED USES IN PEDESTRIAN ORIENTED AREAS

### 10-3-1651: PURPOSE AND INTENT:

The city's urban design policies call for an urban village design in certain retail areas to promote pedestrian usage. The city council finds that it is necessary to restrict the uses within these areas in order to preserve the urban village atmosphere and promote pedestrian friendly development. The city council further finds that it is necessary and desirable to protect the public health, safety and general welfare to prevent the commercial spaces in these areas from being dominated by nonretail uses in order to preserve the city's retail tax base and ensure the city's continued ability to provide essential services to its residents. (Ord. 81-O-1784, eff. 3-18-1981; amd. Ord. 02-O-2391, eff. 3-8-2002)

### 10-3-1652: DEFINITIONS:

For the purposes of this article, the following words and phrases shall have the following meanings:

**GROUND FLOOR:** Any floor level located within a vertical distance of eight feet (8') above the curb level or five feet (5') below the curb level of the adjacent street.

**NONRETAIL USE:** Any use not defined as a "retail use" pursuant to this article, including, without limiting the foregoing definition, banks, financial lending institutions, real estate offices, title companies, escrow companies, professional offices (e.g., accountants, architects, lawyers or travel agents), manufacturing uses, medical laboratories and offices, hospitals, dry cleaners, veterinary clinics, tailors, spas without a retail component, exercise or health clubs and private training centers, and motion picture plants or studios, but excluding hotels.

**RESTRICTED USE:** Any nonretail use or car dealer.

**RETAIL USE:** A use which carries on as its principal business the selling of tangible commodities, goods, merchandise or wares, including the selling of food and beverages, directly to the ultimate consumers. For the purposes of this article, notwithstanding and without limiting the foregoing definition, "retail use" shall include restaurants, bars, nightclubs, theaters, beauty shops, nail salons, and spas with a retail component, and retail businesses as defined in section 10-3-100 of this chapter, but shall exclude car dealers. (Ord. 81-O-1784, eff. 3-18-1981; amd. Ord. 02-O-2391, eff. 3-8-2002; Ord. 11-O-2602, eff. 2-11-2011)

### 10-3-1653: PEDESTRIAN ORIENTED AREAS DESIGNATED:

The following areas, as shown on the pedestrian oriented areas map on file in the department of planning and community development, are hereby designated as "pedestrian oriented areas":

A. South Beverly Drive To Gregory Way: All those parcels east of the first alley running parallel to and west of South Beverly Drive, and all those parcels west of the first alley running parallel to and east of South Beverly Drive from Wilshire Boulevard to Gregory Way, including those parcels having frontage on Wilshire Boulevard and located on the southeast and southwest corners of the intersection of Beverly Drive and Wilshire Boulevard and those parcels having frontage on Gregory Way and located on the northeast and northwest corners of the intersection of South Beverly Drive and Gregory Way.

B. North Beverly Drive To Santa Monica Boulevard: All those parcels east of the first alley running parallel to and west of North Beverly Drive, and all those parcels west of the first alley running parallel to and east of North Beverly Drive, from Wilshire Boulevard to Santa Monica Boulevard, including those parcels having frontage on Wilshire Boulevard and located on the northeast and northwest corners of the intersection of Beverly Drive and Wilshire Boulevard and those parcels having frontage on the south side of the south roadway of Santa Monica Boulevard and located on the southeast and southwest corners of the intersection of North Beverly Drive and Santa Monica Boulevard (south roadway).

C. North Cañon Drive To Santa Monica Boulevard: All those parcels east of the first alley running parallel to and west of North Cañon Drive, and all those parcels west of the first alley running parallel to and east of North Cañon Drive, from Wilshire Boulevard to Santa Monica Boulevard, including those parcels having frontage on Wilshire Boulevard and located on the northeast and northwest corners of the intersection of Cañon Drive and Wilshire Boulevard and those parcels having frontage on the south side of the south roadway of Santa Monica Boulevard and located on the southeast and southwest corners of the intersection of North Cañon Drive and Santa Monica Boulevard (south roadway).

D. North Rodeo Drive To Santa Monica Boulevard: All those parcels east of the first alley running parallel to and west of North Rodeo Drive, and all those parcels west of the first alley running parallel to and east of North Rodeo Drive, from Wilshire Boulevard to Santa Monica Boulevard, including those parcels having frontage on Wilshire Boulevard and located on the northeast and northwest corners of the intersection of Rodeo Drive and Wilshire Boulevard and those parcels having frontage on the south side of the south roadway of Santa Monica Boulevard and located on the southeast and southwest corners of the intersection of North Rodeo Drive and Santa Monica Boulevard (south roadway).

E. Brighton Way: All those parcels having frontage on Brighton Way from Cañon Drive to Wilshire Boulevard, including those parcels having frontage on Wilshire Boulevard and located on the northeast and northwest corners of the intersection of Brighton Way and Wilshire Boulevard.

F. Dayton Way: All those parcels having frontage on Dayton Way from Cañon Drive to Wilshire Boulevard, including those parcels having frontage on Wilshire Boulevard and located on the northeast and southeast corners of the intersection of Dayton Way and Wilshire Boulevard. (Ord. 81-O-1784, eff. 3-18-1981; amd. Ord. 02-O-2391, eff. 3-8-2002)

### **10-3-1654: USES PERMITTED AND PROHIBITED:**

A. No use other than a retail use or a hotel shall occupy a space with more than twenty five feet (25') of street frontage on the ground floor of any building or structure located in a pedestrian oriented area.

B. Notwithstanding subsection A of this section, for any building or structure situated at the corner of two (2) streets located in a pedestrian oriented area and with frontage on both streets, a use other than a retail use or a hotel may occupy a space with up to twenty five feet (25') of ground floor street frontage on each street for a total ground floor street frontage of up to fifty feet (50').

C. Medical uses shall be prohibited in a pedestrian oriented area except as allowed pursuant to section 10-3-1620.1 of this chapter.

D. Those portions of licensed pharmacies devoted to dispensing prescription medicine shall be prohibited on the ground floor of buildings within the first thirty feet (30') behind the storefront facing a street. (Ord. 11-O-2602, eff. 2-11-2011)

### **10-3-1655: EXCEPTIONS:**

A. Notwithstanding any other provision of this article, the director of planning and community development may issue a minor accommodation pursuant to the provisions of article 36 of this chapter to authorize a restricted use to occupy a space in a pedestrian oriented area with a width of up to thirty feet (30') provided that the director makes the following findings:

1. The proposed restricted use is compatible with and will not result in any substantial adverse impacts to surrounding uses;

2. Granting the request for a minor accommodation will leave ample space available for future retail uses and will not result in an overconcentration of nonpedestrian oriented uses in the block in which the proposed restricted use will be located;

3. The architectural style of the facade for the proposed restricted use is compatible with adjacent development and is consistent with the city's urban design policies;

4. A restricted use is appropriate for the proposed space because:

a. Structural constraints imposed by the design of the building are unduly restrictive on the use of the subject lease space thereby limiting the opportunity for retail or hotel uses in the proposed space; or

b. The configuration of the building in which the proposed space is located is not suited to pedestrian oriented retail uses and does not contribute to the pedestrian experience.

B. Notwithstanding any other provision of this article, the planning commission may issue a conditional use permit pursuant to the provisions of article 38 of this chapter to allow a restricted use to occupy any space subject to the provisions of this article. In addition to considering the criteria for conditional use permits set forth in article 38 of this chapter, the planning commission shall make the following findings:

1. The proposed restricted use is compatible with and will not result in any substantial adverse impacts to surrounding uses;

2. Granting the request for a conditional use permit will not result in an overconcentration of nonpedestrian oriented uses in the block in which the proposed restricted use will be located;

3. Granting the request for a conditional use permit will not adversely impact the public health, safety or general welfare and will leave ample space available for future retail growth in designated pedestrian oriented areas;

4. The configuration of the building in which the proposed space is located is not suited to pedestrian oriented retail uses and does not contribute to the pedestrian experience. (Ord. 81-O-1784, eff. 3-18-1981; amd. Ord. 02-O-2391, eff. 3-8-2002)

# **Attachment 7**

between licensees may be permitted under new regulations.<sup>284</sup>

#### 4. Non-Storefront Retail

A non-storefront retailer licensee is authorized to conduct retail sales exclusively by delivery.<sup>285</sup> A non-storefront retailer is required to comply with all regulations relating to retail storefronts, except for those provisions relating to public access to the licensed premises and the retail area, as the non-storefront retail facility is closed to the public.<sup>286</sup>

#### 5. Cannabis Deliveries

Licensed store-front retailers, non-storefront retailers, and microbusinesses can engage in delivery of cannabis and cannabis products.<sup>287</sup> Deliveries are included as a type of commercial cannabis activity under Business and Professions Code section 26070.5.

The Bureau adopted minimum security and transportation safety requirements for the commercial delivery of cannabis and cannabis products.<sup>288</sup> These regulations specify, among other things, requirements for delivery employees, technological platforms for delivery, authorized delivery locations, delivery vehicle requirements, allowed cannabis goods carried during delivery, delivery request receipts, and delivery routes.

Some general requirements relating to the delivery vehicle include, but are not limited to, the following: the vehicle cannot have any markings or other indications on the exterior that can indicate it is used for cannabis delivery;<sup>289</sup> the cannabis goods need to be locked in a fully enclosed box or container that is separate from the vehicle and secured to the vehicle;<sup>290</sup> the delivery vehicle needs to have a dedicated Global Positioning System (GPS) used for the delivery vehicle only;<sup>291</sup> and any vehicle used by a licensed retailer for delivery is subject to inspection by the state.<sup>292</sup> Other regulations provide that the delivery driver cannot carry cannabis goods in the delivery vehicle with a value in excess of \$5,000 at any time.<sup>293</sup> Additionally, the delivery driver must be at least 21 years of age, must deliver to a physical address in California, and cannot deliver cannabis goods to an address on publicly owned land or in a building leased or owned by a public agency.<sup>294</sup>

Under AUMA, cities can ban or regulate deliveries within their borders.<sup>295</sup> However, cities cannot prevent a delivery service from using public roads to pass through their jurisdiction.<sup>296</sup>

On January 25, 2019, the Bureau promulgated Regulation 5416 (d), which provides that a delivery employee may deliver to any jurisdiction within California provided that such delivery is conducted in compliance with all regulations in Division 42

284 Cal. Bus. & Prof. Code, § 26153.1.

285 Cal. Code Regs., tit. 16, § 5414.

286 Cal. Code Regs., tit. 16, § 5414; Bus. & Prof. Code, §§ 26012, 26070.

287 Bus. & Prof. Code, § 26090, subd. (a).

288 Bus. & Prof. Code, § 26070; 16 Cal. Code Regs. §§ 5400-5427.

289 Cal. Code Regs., tit. 16, § 5417, subd. (a).

290 Cal. Code Regs., tit. 16, § 5417, subd. (b).

291 Cal. Code Regs., tit. 16, § 5417, subd. (d).

292 Cal. Code Regs., tit. 16, § 5417, subd. (f).

293 Cal. Code Regs., tit. 16, § 5418, subd. (a).

294 Cal. Code Regs., tit. 16, §§ 5415, subd. (b); 5416, subds. (a) and (c).

295 Bus. & Prof. Code, § 26200.

296 Bus. & Prof. Code, § 26090, subd. (e).

of Title 16 of the California Code of Regulations.<sup>297</sup> Regulation 5416 (d) can arguably be interpreted to mean that delivery of cannabis goods is authorized in any city within California, regardless of whether the city regulates or bans deliveries within its borders.

However, in April 2019, a number of cities and the County of Santa Cruz filed a complaint against the Bureau challenging Regulation 5416 (d) and seeking judicial declarations that, among other things, the Bureau exceeded its authority in promulgating Regulation 5416 (d) and has no authority to preempt local control over commercial cannabis activities.<sup>298</sup> In an order dated November 17, 2020, the trial court concluded that the issue was not ripe for decision because Regulation 5416(d) does not command local jurisdictions to do anything or preclude them from doing anything. Although the Bureau had taken a contrary position in a separate lawsuit, in this case the Bureau argued that Regulation 5416 (d) did not preempt local ordinances regulating deliveries. Concluding that the Bureau was not judicially estopped from arguing such a contrary position, the trial court agreed with the Bureau that Regulation 5416 (d) does not preempt or conflict with any local ordinances regulating or banning deliveries, nor does it preclude the plaintiffs from enforcing such ordinances. As such, the matter was not ripe for adjudication.

## H. Cannabis Microbusinesses

A microbusiness is a business that engages in multiple areas of commercial cannabis activity.

In order to hold a microbusiness license, a licensee must engage in at least three of the following commercial cannabis activities: cultivation, manufacturing, distribution, and retail sale.<sup>299</sup> A microbusiness (Type 12 License) can be issued for a microbusiness that conducts 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 this division, provided such licensee can demonstrate compliance with all requirements imposed by this division on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the licensee engages in such activities.<sup>300</sup>

There were two different licensing authorities for a microbusiness prior to July 2021: the Bureau and the CDFA. With the passage of AB 141, all cannabis licensing authority rests with the DCC. The Bureau and the CDFA had each established a process by which an applicant for a microbusiness license can demonstrate compliance with all the requirements for the activities that will be conducted under the license.

A holder of a microbusiness license shall comply with the following:

- a. A holder of a microbusiness license engaged in cultivation shall comply with all the rules and requirements applicable to the cultivation license type suitable for the cultivation activities of the licensee.
- b. A holder of a microbusiness license engaged in manufacturing shall comply with all the rules

297 Cal. Code Regs., tit. 16, § 5416, subd. (d).

298 Order, *County of Santa Cruz v. Bureau of Cannabis Control* (Super. Ct. Fresno County, 2019, No. 19CECG01224) (Nov. 17, 2020) (“With judicial estoppel principles in mind, the court wishes to make clear that it is persuaded by, agrees with and adopts the BCC’s argument that Regulation 5416(d) is not inconsistent with and does not preempt plaintiffs’ local ordinances regarding adult-use cannabis delivery, nor does it preclude plaintiffs from enforcing such ordinances. On the basis of that conclusion, the court finds that this matter is not ripe for adjudication, and dismisses the action as to all plaintiffs.”)

299 Cal. Code Regs., tit. 16, § 5500, subd. (a).

300 Bus. & Prof. Code, §§ 26001 subd. (a); 26050, subd. (a)(20).

# **Attachment 8**

# Cal. Code Regs. tit. 4 § 15414

## Section 15414 - Non-Storefront Retailer

- (a) A non-storefront retailer licensee shall be authorized to conduct retail sales exclusively by delivery as defined in Business and Professions Code section 26001(o).
- (b) A complete application for a non-storefront retailer license shall include all the information required in an application for a retailer license.
- (c) A non-storefront retailer licensee shall comply with all the requirements applicable to retailer licensees, except for those provisions related to public access to the licensed premises and the retail area.
- (d) The licensed premises of a non-storefront retailer licensee shall be closed to the public.

*Cal. Code Regs. Tit. 4, § 15414*

*Note: Authority cited: Section 26013, Business and Professions Code. Reference: Sections 26012 and 26070, Business and Professions Code.*

1. Change without regulatory effect renumbering former title 16, section 5414 to new title 4, section 15414 filed 7-14-2021 pursuant to section 100, title 1, California Code of Regulations (Register 2021, No. 29). For prior history of title 16, division 42, see Register 2019, No. 3.
  2. Amendment of subsection (a) filed 9-27-2021 as an emergency; operative 9/27/2021 (Register 2021, No. 40). This filing is a deemed emergency pursuant to Business and Professions Code sections 26013(b)(3) and 26153.1(k). A Certificate of Compliance must be transmitted to OAL by 3-28-2022 or emergency language will be repealed by operation of law on the following day.
  3. Amendment of subsection (a) refiled 3-28-2022 as an emergency; operative 3/28/2022 (Register 2022, No. 13). This filing is a deemed emergency pursuant to Business and Professions Code sections 26013(b)(3) and 26153.1(k). A Certificate of Compliance must be transmitted to OAL by 9-26-2022 or emergency language will be repealed by operation of law on the following day.
  4. Certificate of Compliance as to 3-28-2022 order transmitted to OAL 9-26-2022 and filed 11/7/2022 (Register 2022, No. 45).
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# **Attachment 9**

## State of California

### BUSINESS AND PROFESSIONS CODE

#### Section 26070

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26070. Retailers, Distributors, and Microbusinesses.

(a) State licenses to be issued by the department related to the sale and distribution of cannabis and cannabis products are as follows:

(1) A retailer shall have a licensed premises which is a physical location from which commercial cannabis activities are conducted. A retailer's premises may be closed to the public. A retailer may conduct sales exclusively by delivery.

(2) A distributor licensee shall be bonded and insured at a minimum level established by the department.

(3) (A) Microbusiness licenses that authorize cultivation of cannabis shall include the license conditions described in subdivision (b) of Section 26060.1.

(B) The department shall establish a process by which an applicant for a microbusiness license can demonstrate compliance with all the requirements under this division for the activities that will be conducted under the license.

(b) The department shall establish minimum security and transportation safety requirements for the commercial distribution and delivery of cannabis and cannabis products. Except as provided in subdivision (d) of Section 26110, the transportation of cannabis and cannabis products shall only be conducted by persons holding a distributor license under this division or employees of those persons. Transportation safety standards established by the department shall include, but not be limited to, minimum standards governing the types of vehicles in which cannabis and cannabis products may be distributed and delivered and minimum qualifications for persons eligible to operate such vehicles.

(c) The driver of a vehicle transporting or transferring cannabis or cannabis products shall be directly employed by a licensee authorized to transport or transfer cannabis or cannabis products.

(d) Notwithstanding any other law, all vehicles transporting cannabis and cannabis products for hire shall be required to have a valid motor carrier permit pursuant to Chapter 2 (commencing with Section 34620) of Division 14.85 of the Vehicle Code. The Department of the California Highway Patrol shall have authority over the safe operation of these vehicles, including, but not limited to, requiring licensees engaged in the transportation of cannabis or cannabis products to participate in the Basic Inspection of Terminals (BIT) program pursuant to Section 34501.12 of the Vehicle Code.

(e) Prior to transporting cannabis or cannabis products, a licensed distributor shall do both of the following:

(1) Complete an electronic shipping manifest as prescribed by the department. The shipping manifest shall include the unique identifier, pursuant to Section 26067, issued by the department for the cannabis product.

(2) Securely transmit the manifest to the department and the licensee that will receive the cannabis product.

(f) During transportation, the licensed distributor shall maintain a physical copy of the shipping manifest and make it available upon request to agents of the department and law enforcement officers.

(g) The licensee receiving the shipment shall maintain each electronic shipping manifest and shall make it available upon request to the department and any law enforcement officers.

(h) Upon receipt of the transported shipment, the licensee receiving the shipment shall submit to the department a record verifying receipt of the shipment and the details of the shipment.

(i) Transporting, or arranging for or facilitating the transport of, cannabis or cannabis products in violation of this chapter is grounds for disciplinary action against the licensee.

(j) Licensed retailers and microbusinesses, and licensed nonprofits under Section 26070.5, shall implement security measures reasonably designed to prevent unauthorized entrance into areas containing cannabis or cannabis products and theft of cannabis or cannabis products from the premises. These security measures shall include, but not be limited to, all of the following:

(1) Prohibiting individuals from remaining on the licensee's premises if they are not engaging in activity expressly related to the operations of the retailer.

(2) Establishing limited access areas accessible only to authorized personnel.

(3) Other than limited amounts of cannabis used for display purposes, samples, or immediate sale, storing all finished cannabis and cannabis products in a secured and locked room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss.

(k) A retailer shall notify the department and the appropriate law enforcement authorities within 24 hours after discovering any of the following:

(1) Significant discrepancies identified during inventory. The level of significance shall be determined by the department.

(2) Diversion, theft, loss, or any criminal activity pertaining to the operation of the retailer.

(3) Diversion, theft, loss, or any criminal activity by any agent or employee of the retailer pertaining to the operation of the retailer.

(4) The loss or unauthorized alteration of records related to cannabis or cannabis products, registered qualifying patients, primary caregivers, or retailer employees or agents.

(5) Any other breach of security.

(Amended by Stats. 2021, Ch. 70, Sec. 57. (AB 141) Effective July 12, 2021. Note: This section was added on Nov. 8, 2016, by initiative Prop. 64. )

# **Attachment 10**

license.

(f) Holding a distributor transport only license shall not authorize a licensee to:

(1) Engage in the delivery of cannabis goods as defined in Business and Professions Code section 26001(p);

(2) Engage in the wholesale, destruction, packaging, labeling, or storing of cannabis goods; or

(3) Arrange for the testing of cannabis goods by a testing laboratory.

(g) Notwithstanding subsection (e) of this section, a distributor transport only licensee who is licensed to engage in self-distribution and whose licensed premises will be on the same property as their licensed cultivation or licensed manufacturing premises shall not be required to comply with the security provisions contained in Chapter 1, Article 5 of this division.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26012 and 26070, Business and Professions Code.

### **Chapter 3. RETAILERS**

#### **§ 5400. Access to Retailer Premises.**

(a) Access to the licensed premises of a retailer with only an A-designation shall be limited to individuals who are at least 21 years of age.

(b) Access to the licensed premises of a retailer with only an M-designation shall be limited to individuals who are at least 18 years of age and have a valid physician's recommendation for medicinal cannabis, and individuals who are at least 21 years of age.

(c) Access to the licensed premises of a retailer with both an A- designation and an M-designation may include persons identified in subsections (a) and (b) of this section.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26070 and 26140, Business and Professions Code.

#### **§ 5402. Customer Access to the Retail Area.**

(a) Individuals shall be granted access to the retail area to purchase cannabis goods only after the retailer or an employee of the retailer has confirmed the individual's age and identity pursuant to section 5404 of this division.

(b) The licensed retailer or at least one employee shall be physically present in the retail area at all times when individuals who are not employees of the licensed retailer are in the retail area.

(c) All sales of cannabis goods must take place within the retail area of the retailer's licensed premises, except for cannabis goods sold through delivery, or a drive-in or drive-through window as authorized by section 5025(g) of this division.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26070 and 26140, Business and Professions Code.

#### **§ 5403. Hours of Operation.**

A licensed retailer shall sell and deliver cannabis goods only between the hours of 6:00 a.m. Pacific Time and 10:00 p.m. Pacific Time.

Authority: Section 26013, Business and Professions Code. Reference: Section 26070, Business and Professions Code.

#### **§ 5403.1 Requirements While Not Open for Business.**

At any time the licensed premises is not open for retail sales, a licensed retailer shall ensure that:

(a) The licensed premises is securely locked with commercial-grade, nonresidential door locks as required in section 5046 of this division;

(b) The licensed premises is equipped with an active alarm system pursuant to section 5047 of this division, which shall be activated when the licensed retailer or its employees are not on the licensed premises; and

(c) Only employees of the licensee and other authorized individuals are allowed access to the licensed premises. For the purposes of this section, authorized individuals include individuals employed by the licensee as well as any outside vendors, contractors, or other individuals conducting business that requires access to the licensed premises.

Authority: Section 26013, Business and Professions Code. Reference: Section 26070, Business and Professions Code.

#### **§ 5404. Retail Customers.**

(a) A licensed retailer shall only sell adult-use cannabis goods to individuals who are at least 21 years of age after confirming the customer's age and identity by inspecting a valid form of identification provided by the customer as required by subsection (c) of this section.

(b) A licensed retailer shall only sell medicinal cannabis goods to individuals who are at least 18 years of age and possesses a valid physician's recommendation after confirming the customer's age, identity, and physician's recommendation as required by subsection (c) of this section.

(c) Acceptable forms of identification include the following:

(1) A document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, height, gender, and photo of the person;

(2) A valid identification card issued to a member of the Armed Forces that includes the person's name, date of birth, and photo; or

(3) A valid passport issued by the United States or by a foreign government.

Authority: Section 26013, Business and Professions Code. Reference: Section 26140, Business and Professions Code.

#### **§ 5405. Cannabis Goods Display.**

- (a) Cannabis goods for inspection and sale shall only be displayed in the retail area.
- (b) Cannabis goods may be removed from their packaging and placed in containers to allow for customer inspection. The containers shall not be readily accessible to customers without assistance of retailer personnel. A container must be provided to the customer by the licensed retailer or its employees, who shall remain with the customer at all times that the container is being inspected by the customer.
- (c) Cannabis goods removed from their packaging for display shall not be sold, shall not be consumed, and shall be destroyed pursuant to section 5054 of this division when the cannabis goods are no longer used for display.

Authority: Section 26013, Business and Professions Code. Reference: Section 26070, Business and Professions Code.

#### **§ 5406. Cannabis Goods for Sale.**

A licensed retailer shall not make any cannabis goods available for sale or delivery to a customer unless:

- (a) The cannabis goods were received by the retail licensee from a licensed distributor or licensed microbusiness authorized to engage in distribution;
- (b) The licensed retailer has verified that the cannabis goods have not exceeded their best-by, sell-by, or expiration date if one is provided;
- (c) In the case of manufactured cannabis products, the product complies with all requirements of Business and Professions Code section 26130 and California Code of Regulations, Title 3, Division 8 and Title 17, Division 1, Chapter 13;
- (d) The cannabis goods have undergone laboratory testing as required by the Act and Chapter 6 of this division;
- (e) The batch number is labeled on the package of cannabis goods and matches the batch number on the corresponding certificate of analysis for regulatory compliance testing;
- (f) The packaging and labeling of the cannabis goods complies with Business and Professions Code Section 26120 and all applicable regulations within this division as well as California Code of Regulations, Title 3, Division 8 and Title 17, Division 1, Chapter 13; and
- (g) The cannabis goods comply with all applicable requirements found in the Act and applicable regulations.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26070 and 26120, Business and Professions Code.

#### **§ 5407. Sale of Non-Cannabis Goods.**

In addition to cannabis goods, a licensed retailer may sell only cannabis accessories and licensee's branded merchandise. Licensed retailers may provide customers with promotional materials.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26070, 26151 and 26152, Business and Professions Code.

# **Attachment 11**

## **§ 5002. Annual License Application Requirements.**

- (a) Applications may be completed and submitted online at [www.bcc.ca.gov](http://www.bcc.ca.gov) or completed in hard copy and submitted by delivering a printed copy to the Bureau's office(s).
- (b) Applicants who submit their applications online shall first register for a user account. To register for a user account, the applicant shall do all of the following:
- (1) Create a user name, password, and security question and answer;
  - (2) Provide an email address; and
  - (3) Provide the owner's first and last name, primary phone number, social security number or individual taxpayer identification number, date of birth, and mailing address.
- (c) An application must be completed by an owner as defined by section 5003 of this division. An application must be submitted to the Bureau for each location and each license type. An application for an annual cannabis license includes the following:
- (1) The name of the applicant. For applicants who are individuals, the applicant shall provide both the first and last name of the individual. For applicants who are business entities, the applicant shall provide the legal business name of the applicant.
  - (2) If applicable, the business trade name ("DBA") of the applicant.
  - (3) The commercial cannabis license that the applicant is applying for, and whether the applicant is requesting that the license be designated as medicinal, adult-use, or both. Testing laboratory applicants do not have to designate medicinal or adult-use, as testing laboratory licenses allow the holder to test both medicinal and adult-use cannabis.
  - (4) Payment of an application fee pursuant to section 5014 of this division.
  - (5) Whether the owner is serving or has previously served in the military. Disclosure of military service is voluntary. An applicant who has served as an active duty member of the Armed Forces of the United States and was honorably discharged and who can provide evidence of such honorable discharge shall have his or her application expedited pursuant to Business and Professions Code section 115.4.
  - (6) A list of the license types and the license numbers issued from the Bureau and all other state cannabis licensing authorities that the applicant holds, including the date the license was issued and the licensing authority that issued the license.
  - (7) Whether the applicant has been denied a license or has had a license suspended or revoked by the Bureau or any other state cannabis licensing authority. The applicant shall provide the type of license applied for, the name of the licensing authority that denied the application, and the date of denial.
  - (8) The physical address of the premises. If the Bureau is unable to confirm that the address provided is valid, then the applicant shall provide a document that confirms the physical address of the premises. Such a document may include a utility bill, printed information from the county assessor, deed, or title.
  - (9) The mailing address for the applicant, if different from the premises address.

- (10) The telephone number for the premises.
- (11) The website address and email address of the applicant's business.
- (12) The business' federal employer identification number.
- (13) Contact information for the applicant's designated primary contact person including the name, title, phone number, and email address of the individual.
- (14) A description of the business organizational structure of the applicant, such as partnership or corporation.
- (15) All business-formation documents, which may include, but are not limited to, articles of incorporation, bylaws, operating agreements, partnership agreements, and fictitious business name statements. The applicant shall also provide all documents filed with the California Secretary of State, which may include, but are not limited to, articles of incorporation, certificates of stock, articles of organization, certificates of limited partnership, and statements of partnership authority. If the commercial cannabis business is held in trust, the applicant shall provide a copy of the certificate of trust establishing trustee authority.
- (16) A list of every fictitious business name the applicant is operating under including the address where the business is located.
- (17) A commercial cannabis business that is a foreign corporation or foreign limited liability company shall include in its application a certificate of qualification, certificate of registration, or certificate of status issued by the California Secretary of State.
- (18) The applicant shall supply the following financial information:
  - (A) A list of funds belonging to the applicant held in savings, checking, or other accounts maintained by a financial institution. The applicant shall provide, for each account, the financial institution's name, the financial institution's address, account type, account number, and the amount of money in the account.
  - (B) A list of loans made to the applicant. For each loan, the applicant shall provide the amount of the loan, the date of the loan, term(s) of the loan, security provided for the loan, and the name, address, and phone number of the lender.
  - (C) A list of investments made into the applicant's commercial cannabis business. For each investment, the applicant shall provide the amount of the investment, the date of the investment, term(s) of the investment, and the name, address, and phone number of the investor.
  - (D) A list of all gifts of any kind given to the applicant for its use in conducting commercial cannabis activity. For each gift, the applicant shall provide the value of the gift or description of the gift, and the name, address, and phone number of the provider of the gift.
- (19) A complete list of every individual who has a financial interest in the commercial cannabis business as defined in section 5004 of this division, who is not an owner as defined in section 5003 of this division.
- (20) A complete list of every owner of the applicant as defined in section 5003 of this division. Each individual named on this list shall submit the following information:
  - (A) The full name of the owner.

- (B) The owner's title within the applicant entity.
- (C) The owner's date of birth and place of birth.
- (D) The owner's social security number or individual taxpayer identification number.
- (E) The owner's mailing address.
- (F) The owner's telephone number. This may include a number for the owner's home, business, or mobile telephone.
- (G) The owner's email address.
- (H) The owner's current employer.
- (I) The percentage of the ownership interest held in the applicant entity by the owner.
- (J) Whether the owner has an ownership or a financial interest as defined in sections 5003 and 5004, respectively, of this division in any other commercial cannabis business licensed under the Act.
- (K) A copy of the owner's government-issued identification. Acceptable forms of identification are a document issued by a federal, state, county, or municipal government that includes the name, date of birth, height, gender, and picture of the person, such as a driver license.
- (L) A detailed description of the owner's convictions. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Convictions dismissed under Penal Code section 1203.4 or equivalent non-California law must be disclosed. Convictions dismissed under Health and Safety Code section 11361.8 or equivalent non-California law must be disclosed. Juvenile adjudications and traffic infractions under \$300 that did not involve alcohol, dangerous drugs, or controlled substances do not need to be included. For each conviction, the owner shall provide the following:
  - (i) The date of conviction.
  - (ii) Dates of incarceration, if applicable.
  - (iii) Dates of probation, if applicable.
  - (iv) Dates of parole, if applicable.
  - (v) A detailed description of the offense for which the owner was convicted.
  - (vi) A statement of rehabilitation for each conviction. The statement of rehabilitation is to be written by the owner and may contain evidence that the owner would like the Bureau to consider that demonstrates the owner's fitness for licensure. Supporting evidence may be attached to the statement of rehabilitation and may include, but is not limited to, a certificate of rehabilitation under Penal Code section 4852.01, and dated letters of reference from employers, instructors, or professional counselors that contain valid contact information for the individual providing the reference.
- (M) If applicable, a detailed description of any administrative orders or civil judgments for violations of labor standards, any suspension of a commercial cannabis license, revocation of a

commercial cannabis license, or sanctions for unlicensed commercial cannabis activity by a licensing authority, local agency, or state agency against the applicant or a business entity in which the applicant was an owner or officer within the three years immediately preceding the date of the application.

(N) Attestation to the following statement: Under penalty of perjury, I hereby declare that the information contained within and submitted with the application is complete, true, and accurate. I understand that a misrepresentation of fact is cause for rejection of this application, denial of the license, or revocation of a license issued.

(21) Evidence that the applicant has the legal right to occupy and use the proposed location that complies with section 5007 of this division.

(22) Evidence that the proposed premises is in compliance with Business and Professions Code section 26054(b) and section 5026 of this division.

(23) For an applicant with 20 or more employees, the applicant shall attest that the applicant has entered into a labor peace agreement and will abide by the terms of the agreement. The applicant shall submit a copy of the page of the labor peace agreement that contains the signatures of the union representative and the applicant. For applicants who have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement as soon as reasonably practicable after licensure.

(24) The applicant shall provide a valid seller's permit number issued by the California Department of Tax and Fee Administration, if applicable. If the applicant has not yet received a seller's permit, the applicant shall attest that the applicant is currently applying for a seller's permit.

(25) A diagram of the premises as required by section 5006 of this division.

(26) Proof of a bond as required by section 5008 of this division.

(27) For testing laboratory applications, the certificate(s) of accreditation as required by section 5702 of this division, or the information required for an interim license as required by section 5703 of this division.

(28) When an applicant provides a license, permit, or other authorization from the local jurisdiction where the licensed premises will be or is located, the Bureau will notify the applicable local jurisdiction to confirm the validity of the authorization. If the local jurisdiction does not respond within 10 calendar days, the Bureau shall consider the authorization valid.

(29) All license applications shall include a detailed description of the applicant's operating procedures. Applicants shall use and submit to the Bureau the following forms, which are incorporated by reference:

(A) Transportation Procedures, Form BCC-LIC-015 (New 10/18)

(B) Inventory Procedures, Form BCC-LIC-016 (New 7/18)

(C) Non-Laboratory Quality Control Procedures, Form BCC-LIC-017 (New 10/18)

(D) Security Procedures, Form BCC-LIC-018 (New 10/18)

(E) Delivery Procedures, Form BCC-LIC-020 (New 10/18)

(30) For applicants applying for a microbusiness license, the application shall include a detailed description of the applicant's operating procedures required by this section for each cannabis activity the applicant intends to engage in.

(31) For applicants applying for a testing laboratory license, in addition to the operating procedures required under subsection (c)(29) of this section, the standard application shall include the operating procedures required by Chapter 6 of this division.

(32) The limited waiver of sovereign immunity required by section 5009 of this division, if applicable.

(33) Evidence of exemption from, or compliance with, the California Environmental Quality Act as required by sections 5010-5010.3 of this division.

(34) The applicant's State Employer Identification Number (SEIN) issued by the California Employment Development Department.

(35) For an applicant with more than one employee, the applicant shall attest that the applicant employs, or will employ within one year of receiving a license, one supervisor and one employee who have successfully completed a Cal-OSHA 30-hour general industry outreach course offered by a training provider that is authorized by an OSHA Training Institute Education Center to provide the course.

Authority: Sections 115.4 and 26013, Business and Professions Code. Reference: Sections 115.4, 144, 26012, 26050, 26051.5 and 26055, Business and Professions Code.

### **§ 5003. Designation of Owner.**

(a) All applicants for a commercial cannabis license shall have at a minimum one individual who meets the definition of "owner" under Business and Professions Code section 26001(a) and who will submit the information required of owners under section 5002 of this division.

(b) "Owner" means any of the following:

(1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.

(2) The chief executive officer of a nonprofit or other entity.

(3) A member of the board of directors of a nonprofit.

(4) The trustee(s) and all persons who have control of the trust and/or the commercial cannabis business that is held in trust.

(5) An individual entitled to a share of at least 20 percent of the profits of the commercial cannabis business.

(6) An individual who will be participating in the direction, control, or management of the person applying for a license. Such an individual includes any of the following:

(A) A general partner of a commercial cannabis business that is organized as a partnership.

# **Attachment 12**

**BUREAU OF CANNABIS CONTROL  
TEXT OF REGULATIONS**

**CALIFORNIA CODE OF REGULATIONS  
TITLE 16  
DIVISION 42. BUREAU OF CANNABIS  
CONTROL**

**ORDER OF ADOPTION**

Adopt Sections 5000, 5001, 5002, 5003, 5004, 5005, 5006, 5007, 5007.1, 5007.2, 5008, 5009, 5010, 5010.1, 5010.2, 5010.3, 5011, 5012, 5013, 5014, 5015, 5016, 5017, 5018, 5019, 5020, 5021, 5022, 5023, 5024, 5024.1, 5025, 5026, 5027, 5028, 5030, 5031, 5032, 5033, 5034, 5035, 5036, 5037, 5038, 5039, 5040, 5040.1, 5041, 5041.1, 5042, 5043, 5044, 5045, 5046, 5047, 5048, 5049, 5050, 5051, 5052, 5052.1, 5053, 5054, 5300, 5301, 5302, 5303, 5303.1, 5304, 5305, 5305.1, 5306, 5307, 5307.1, 5307.2, 5308, 5309, 5310, 5311, 5312, 5313, 5314, 5315, 5400, 5402, 5403, 5403.1, 5404, 5405, 5406, 5407, 5408, 5409, 5410, 5411, 5412, 5413, 5414, 5415, 5415.1, 5416, 5417, 5418, 5419, 5420, 5421, 5422, 5423, 5424, 5426, 5427, 5500, 5501, 5502, 5503, 5504, 5505, 5506, 5506.1, 5507, 5600, 5601, 5602, 5603, 5604, 5700, 5701, 5702, 5703, 5704, 5705, 5706, 5707, 5708, 5709, 5710, 5711, 5712, 5713, 5714, 5715, 5717, 5718, 5719, 5720, 5721, 5722, 5723, 5724, 5725, 5726, 5727, 5728, 5729, 5730, 5731, 5732, 5733, 5734, 5735, 5736, 5737, 5738, 5739, 5800, 5801, 5802, 5803, 5804, 5805, 5806, 5807, 5808, 5809, 5810, 5811, 5812, 5813, 5814, 5815, 5900, 5901, 5902, 5903, 5904, and 5905 of Title 16 of the California Code of Regulations to read as follows:

**Chapter 1. ALL BUREAU LICENSEES**

**Article 1. Division Definitions**

**§ 5000. Definitions.**

For the purposes of this division, the definitions in this section shall govern the construction of this division unless otherwise indicated.

- (a) “Act” means the Medicinal and Adult-Use Cannabis Regulation and Safety Act.
- (b) “Branded merchandise” means clothing, hats, pencils, pens, keychains, mugs, water bottles, beverage glasses, notepads, lanyards, cannabis accessories, or other types of merchandise approved by the Bureau with the name or logo of a commercial cannabis business licensed pursuant to the Act. Branded merchandise does not include items containing cannabis or any items that are considered food as defined by Health and Safety Code section 109935.
- (c) “Bureau” means the Bureau of Cannabis Control, previously named the Bureau of Marijuana Control, Bureau of Medical Cannabis Regulation, and Bureau of Medical Marijuana Regulation.
- (d) “Business day” is a day Monday through Friday from 8:00 a.m. to 5:00 p.m. Pacific Time, excluding state holidays, during which the Bureau is closed for business.

- (e) “Cannabis accessories” has the same meaning as in Health and Safety Code section 11018.2.
- (f) “Cannabis goods” means cannabis, including dried flower, and products containing cannabis.
- (g) “Cannabis waste” means waste that contains cannabis and that has been made unusable and unrecognizable in the manner prescribed in section 5054 of this division.
- (h) “Canopy” means the designated area(s) at a licensed premises that will contain mature plants at any point in time.
- (i) “Delivery employee” means an individual employed by a licensed retailer or licensed microbusiness authorized to engage in retail sales who delivers cannabis goods from the licensed retailer or licensed microbusiness premises to a customer at a physical address.
- (j) “Free cannabis goods” means any amount of cannabis goods provided to any person without cost or payment or exchange of any other thing of value.
- (k) “Immature cannabis plant” or “immature plant” means a plant that is nonflowering and is shorter and narrower than 18 inches. For purposes of this division, this definition is applicable to retail activities.
- (l) “Kief” means the resinous trichomes of cannabis that have been separated from the cannabis plant.
- (m) “Limited-access area” means an area in which cannabis goods are stored or held and is only accessible to a licensee and its employees and authorized individuals.
- (n) “Lot number” or “batch number” means a distinctive group of numbers, letters, or symbols or any combination of these that is unique to a group of cannabis goods.
- (o) “Medicinal cannabis patient” includes both a qualified patient as defined in Health and Safety Code section 11362.7 and a person in possession of a valid identification card issued under Health and Safety Code section 11362.71.
- (p) “Package” and “Packaging” means any container or wrapper that may be used for enclosing or containing any cannabis goods for final retail sale. “Package” and “packaging” does not include a shipping container or outer wrapping used solely for the transport of cannabis goods in bulk quantity to a licensee.
- (q) “Pre-roll” means any combination of the following rolled in paper: flower, shake, leaf, or kief that is obtained from accumulation in containers or sifted from loose, dry cannabis flower or leaf with a mesh screen or sieve.
- (r) “Promotional materials” means any form, letter, circular, pamphlet, publication, or other written material directed to a customer or prospective customer to induce retail sales. Promotional material does not include permitted signs, displays, decorations, cannabis accessories, or cannabis goods furnished by a licensed cultivator, licensed manufacturer, licensed distributor, licensed microbusiness, or licensed cannabis event organizer to a retail licensee for advertising purposes. Promotional materials shall have no intrinsic or secondary value.
- (s) “Publicly owned land” means any building or real property that is owned, leased, or occupied by a city, county, state, federal, or other government entity.

(t) “Residential area” is an area that is within 600 feet of any single-family or multifamily residence, other than commercial hotels, motels, and similar establishments for temporary lodging.

(u) “Retail area” means a building, room, or other area that is open to the public, upon the licensed retailer or licensed microbusiness premises authorized to engage in retail sales in which cannabis goods are sold or displayed.

(v) “Sublet” means to lease or rent all or part of a leased or rented property.

(w) “Tamper-evident” means that the cannabis goods packaging is sealed in a manner that prevents the packaging from being opened without obvious destruction of the seal.

(x) “Transport” means the physical movement of cannabis goods from one licensed premises to another licensed premises.

(y) “Vehicle alarm system” is a device or series of devices installed to discourage theft of the vehicle or its contents and is intended to summon general attention or to summon law enforcement as a result of an indication of an attempted breach of the vehicle.

(z) “Wholesale cost” has the same meaning as in regulation adopted by the California Department of Tax and Fee Administration for cannabis taxes.

Authority: Section 26013, Business and Professions Code. Reference: Section 26013, Business and Professions Code.

## **Article 2. Applications**

### **§ 5001. Temporary Licenses.**

(a) A temporary license is a conditional license that authorizes the licensee to engage in commercial cannabis activity as would be permitted under the privileges of a non-temporary license of the same type. A temporary licensee shall follow all applicable rules and regulations as would be required if the licensee held a non-temporary license of the same type.

(b) A temporary license does not obligate the Bureau to issue a non-temporary license nor does the temporary license create a vested right in the holder to either an extension of the temporary license or to the granting of a subsequent non-temporary license.

(c) A temporary license issued under this section shall be valid for 120 days from the effective date. No temporary license shall be effective prior to January 1, 2018.

(d) A temporary license may be extended by the Bureau for additional 90-day periods if a complete application for an annual license has been submitted to the Bureau pursuant to section 5002 of this division prior to the initial expiration date of the temporary license.

(e) The Bureau shall not issue any temporary licenses or extensions after December 31, 2018. Any temporary license issued or extended with an expiration date after December 31, 2018, will be valid until it expires, but shall not be extended beyond the expiration date.

Authority: Section 26013, Business and Professions Code. Reference: Section 26012, Business and Professions Code.

# **Attachment 13**

(d) A licensee shall use a method of age affirmation before having a potential customer added to a mailing list, subscribe, or otherwise consent to receiving direct, individualized communication or dialogue controlled by a licensee.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26151 and 26152, Business and Professions Code.

### **§ 5041.1 Branded Merchandise Approval.**

(a) If a licensed distributor, licensed retailer, or licensed microbusiness authorized to engage in distribution or retail sales wishes to sell branded merchandise that is not listed in section 5000, subsection (b), of this division, the licensee must receive written approval from the Bureau.

(b) To obtain approval, a licensee must submit a written request to the Bureau for approval to sell a specific item of branded merchandise and provide a photograph of the branded merchandise.

Requests may be submitted by mail to the Bureau office or by email to [bcc@dca.ca.gov](mailto:bcc@dca.ca.gov).

(c) The licensee shall not sell the merchandise until receiving written approval from the Bureau for the specific item of branded merchandise.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26013 and 26152, Business and Professions Code.

## **Article 5. Security Measures**

### **§ 5042. Limited-Access Areas.**

(a) Licensees shall ensure that only employees of the licensee and other authorized individuals access the limited-access areas of the licensed premises.

(b) For the purpose of this section, authorized individuals include outside vendors, contractors, or other individuals conducting business that requires access to the limited-access areas.

(c) An individual who enters the limited-access area and is not employed by the licensee shall be escorted by an employee of the licensee at all times while within the limited-access area.

(d) A licensee shall maintain a record of all authorized individuals who are not employees of the licensee who enter the limited-access areas. The record shall include the name of the individual, the company the individual works for, the reason the individual entered the limited-access area, the date, and the times the individual entered and exited the limited-access area. These records shall be made available to the Bureau immediately upon request.

(e) A licensee shall not receive consideration or compensation for permitting an individual to enter the limited-access areas.

(f) Entrances to all limited-access areas shall have a solid door and a lock meeting the requirements of section 5046 of this division. The door shall remain closed when not in use during regular business hours.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26070 and 26160, Business and Professions Code.

### **§ 5043. Licensee Employee Badge Requirement.**

All agents, officers, or other persons acting for or employed by a licensee shall display a laminated or plastic-coated identification badge issued by the licensee at all times while engaging in commercial cannabis activity. The identification badge shall, at a minimum, include the licensee's "doing business as" name and license number, the employee's first name, an employee number exclusively assigned to that employee for identification purposes, and a color photograph of the employee that clearly shows the full front of the employee's face and that is at least 1 inch in width and 1.5 inches in height.

Authority: Section 26013, Business and Professions Code. Reference: Section 26070, Business and Professions Code.

### **§ 5044. Video Surveillance System.**

(a) Each licensed premises shall have a digital video surveillance system with a minimum camera resolution of  $1280 \times 720$  pixels.

(b) The video surveillance system shall at all times be able to effectively and clearly record images of the area under surveillance.

(c) Each camera shall be permanently mounted and in a fixed location. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the licensed premises, and allows for the clear and certain identification of any person and activities in all areas required to be filmed under subsection (d) of this section.

(d) Areas that shall be recorded on the video surveillance system include the following:

(1) Areas where cannabis goods are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the licensed premises;

(2) Limited-access areas;

(3) Security rooms;

(4) Areas storing a surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area; and

(5) Entrances and exits to the licensed premises, which shall be recorded from both indoor and outdoor vantage points.

(e) Licensed retailers and licensed microbusinesses authorized to engage in retail sales shall also 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.

(f) Cameras shall record continuously 24 hours per day and at a minimum of 15 frames per second (FPS).

(g) The physical media or storage device on which surveillance recordings are stored shall be secured in a manner to protect the recording from tampering or theft.

- (h) Surveillance recordings shall be kept for a minimum of 90 calendar days.
- (i) Surveillance recordings are subject to inspection by the Bureau, and shall be kept in a manner that allows the Bureau to view and obtain copies of the recordings at the licensed premises immediately upon request. The licensee shall also send or otherwise provide copies of the recordings to the Bureau upon request within the time specified by the Bureau.
- (j) Recorded images shall clearly and accurately display the time and date. Time is to be measured in accordance with the standards issued by the United States National Institute of Standards and Technology.
- (k) The video surveillance system shall be equipped with a failure notification system that provides notification to the licensee of any interruption or failure of the video surveillance system or video surveillance-system storage device.
- (l) If multiple licensed premises are contained within the same building, a single video surveillance system covering the entire building may be used by all of the licensees under the following conditions:
- (1) Each applicant or licensee shall disclose on their premises diagram where the surveillance recordings are stored.
  - (2) Each applicant or licensee shall include in their security operating procedures, submitted with the application pursuant to section 5002(c)(29)(D) of this division, an explanation of how the video surveillance system will be shared, including who is responsible for monitoring the video footage and storing any video recordings.
  - (3) All licensees shall have immediate access to the surveillance recordings to produce them pursuant to subsection (i) of this section.
  - (4) All licensees shall be held responsible and subject to discipline for any violations of the video surveillance requirements.

Authority: Section 26013, Business and Professions Code. Reference: Section 26070, Business and Professions Code.

#### **§ 5045. Security Personnel.**

- (a) A licensed retailer or licensed microbusiness authorized to engage in retail sales shall hire or contract for security personnel who are at least 21 years of age to provide on-site security services for the licensed retail premises during the hours of operation. All security personnel hired or contracted for by the licensee shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.
- (b) Notwithstanding subsection (a) of this section, a licensed non-storefront retailer or licensed microbusiness who is not engaged in storefront retail sale is not required to hire or contract for security personnel.
- (c) If multiple licensed premises are contained within the same building, security personnel may be shared by all of the licensees to cover the entire building under the following conditions:

(1) Each licensee shall include in their security operating procedures, submitted with the application pursuant to section 5002(c)(29)(D) of this division, an explanation of how security personnel will be shared, including who is responsible for employing or contracting the security personnel.

(2) All licensees shall be held responsible and subject to discipline for any violations of the security personnel requirements.

Authority: Section 26013, Business and Professions Code. Reference: Section 26070, Business and Professions Code.

#### **§ 5046. Locks.**

A licensee shall ensure that the limited-access areas described in section 5042 of this division can be securely locked using commercial-grade, nonresidential door locks. A licensee shall also use commercial-grade, nonresidential door locks on all points of entry and exit to the licensed premises.

Authority: Section 26013, Business and Professions Code. Reference: Section 26070, Business and Professions Code.

#### **§ 5047. Alarm System.**

(a) A licensee shall maintain an alarm system as defined in Business and Professions Code section 7590.1(n) at the licensed premises.

(b) A licensee shall ensure a licensed alarm company operator or one or more of its registered alarm agents installs, maintains, monitors, and responds to the alarm system.

(c) Upon request, a licensee shall make available to the Bureau all information related to the alarm system, monitoring, and alarm activity.

(d) If multiple licensed premises are contained within the same building, a single alarm system covering the entire building may be used by all of the licensees under the following conditions:

(1) Each licensee shall include in their security operating procedures, submitted with the application pursuant to section 5002(c)(29)(D) of this division, an explanation of how the alarm system will be shared, including who is responsible for contracting with the alarm company.

(2) All licensees shall have access to and be able to provide the information under subsection (c) of this section.

(3) All licensees shall be held responsible and subject to discipline for any violations of the alarm system requirements.

Authority: Section 26013, Business and Professions Code. Reference: Section 26070, Business and Professions Code.

### **Article 6. Track and Trace Requirements**

#### **§ 5048. Track and Trace System.**