

ORDINANCE NO. 1933

~~AN ORDINANCE~~ NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, ~~AMENDING CHAPTER 5.45 OF THE PALM SPRINGS MUNICIPAL CODE REGARDING MEDICAL CANNABIS RELATED BUSINESSES AND ACTIVITIES AND ADDING CHAPTER 5.55 OF THE PALM SPRINGS MUNICIPAL CODE REGARDING ADULT-USE CANNABIS RELATED BUSINESSES AND ACTIVITIES.~~ ORDAINS:

City Attorney's Summary

~~This Ordinance, in accord with the Medical and Adult-Use Cannabis Regulation and Safety Act, adopted by the State of California on June 27, 2017, updates the City's medical cannabis related businesses and activities ordinance, and provides for a new~~ SECTION 1. Chapter 5.35 of the Palm Springs Municipal Code ~~regulating adult-use cannabis businesses including dispensaries, transportation and distribution services, manufacturing, cultivation, and testing, to operate in the City subject to compliance with all applicable city and state laws.~~ is deleted in its entirety.

SECTION 2. Chapter 5.45 of the Palm Springs Municipal Code is deleted in its entirety.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS FINDS:

A. ~~The City of Palm Springs is a charter city organized pursuant to Article XI of the California Constitution and pursuant to the authority granted the City by Sections 5 and 7 of Article XI, the City has the power to make and enforce within its limits all ordinances and regulations in respect to municipal affairs not in conflict with general laws and its own charter. Such police powers include without limitation the ability to adopt comprehensive zoning regulations and regulations upon the use of land and property within the City.~~

B. ~~Pursuant to Article XI, Section 7 of the California Constitution, the City of Palm Springs may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its citizens.~~

C. ~~The Federal Controlled Substances Act (21 U.S.C. § 801 et seq.) prohibits, except for certain research purposes, the possession, distribution, and manufacture of cannabis, and there is no medical necessity exception to prosecution and conviction under the Controlled Substances Act.~~

D. ~~The Federal Government has issued guidelines for states and local governments that have enacted laws authorizing cannabis related conduct, requiring them to implement strong and effective regulatory and enforcement systems that will address the threat that medical and adult-use cannabis activity could pose to public safety, public health, and other law enforcement interests.~~

~~E. California statutes specify that, except as authorized by law, the possession, cultivation, possession for sale, transportation, administration, or furnishing of cannabis are State criminal violations. State law further punishes one who maintains a place for the purpose of unlawfully selling, using, or furnishing, or who knowingly makes available a place for storing, manufacturing, or distributing cannabis.~~

~~F. On November 5, 1996, California voters approved Proposition 215, the Compassionate Use Act of 1996 (CUA), codified at California Health and Safety Code section 11362.5, the intent of which was to enable persons with a demonstrated need for marijuana for medical/therapeutic purposes, as recommended by a health care provider, to obtain and to use marijuana, or marijuana-derived compounds, under limited and specified circumstances. On January 1, 2004, Senate Bill 420 codified as California Health and Safety Code section 11362.7 *et seq.* and entitled the "Medical Marijuana Program Act" (MMPA) became law to clarify the scope of the CUA.~~

~~G. The CUA is limited in scope in that it only provides a defense from criminal prosecution for possession and cultivation of medical cannabis to qualified patients and their primary caregivers. The MMPA also is limited in scope in that it establishes a statewide identification program and affords qualified patients, persons with recommendation cards, and their primary caregivers, an affirmative defense to certain enumerated criminal sanctions that would otherwise apply to transporting, processing, administering, or distributing cannabis. On November 5, 1996, California voters approved Proposition 215, the Compassionate Use Act of 1996 (Health and Safety Code Section 11362.5, "CUA"), an initiative that exempted certain patients and their primary caregivers from criminal liability under State law for the possession and cultivation of cannabis for medical purposes. One of the stated purposes of the CUA is to ensure that seriously ill Californians have the right to obtain and use cannabis for medical purposes where that medical use has been recommended by a physician.~~

~~H. On January 1, 2004, Senate Bill 420, the Medical Marijuana Program Act (Health and Safety Code Sections 11362.7–11362.83, "MMP"), became law to clarify the scope of the CUA and to facilitate the prompt identification of qualified patients and their primary caregivers.~~

~~I. The California Attorney General's 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use ("Guidelines") recognizes that cultivation or other concentration of cannabis in any location or premises without adequate security increases the risk that nearby homes or businesses may be impacted negatively by nuisance activity such as loitering, or more significant levels of crime; and~~

~~J. The California Supreme Court has made clear that neither the CUA nor the MMPA expressly or impliedly preempts the authority of cities or counties, under their traditional land use and police powers, to allow, restrict, limit, or entirely exclude facilities that distribute medical cannabis. The MMPA allowed cities and counties to adopt local ordinances that regulate the location, operation, or establishment of medical cannabis collectives and to enforce such ordinances. (*City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal.4th 729; Health and Safety Code section 11362.83). The same authority encompasses the regulation, operation, or~~

~~2. Expressly provide that the Act does not supersede or limit local authority for local law enforcement activity, enforcement of local ordinances or enforcement of local permit or licensing requirements regarding cannabis per California Business and Professions Code section 19315(a);~~

~~3. Expressly provide that the Act does not limit the civil or administrative authority or remedies of a local government provision of law regarding cannabis including, but not limited to, a local government's right to make and to enforce within its limits all regulations not in conflict with general laws per California Business and Professions Code section 19316(c);~~

~~4. Specifically requires, as a condition of state licensure, compliance with any and all local requirements for all cannabis-related operations.~~

~~N. It is the purpose and intent of Chapter 5.55 to accommodate businesses allowing adult use of cannabis while protecting the health, safety, and general welfare of the residents and businesses within the unincorporated areas of City of Palm Springs and comply with State law and Federal guidelines.~~

~~O. It is the intent of the City Council to have a strong and effective regulatory and enforcement system with regard to adult use cannabis that addresses threats to public safety, health and other law enforcement interests through robust controls and procedures that are effective in practice.~~

~~P. This Ordinance provides regulations for the local permitting of adult-use marijuana operations under specified conditions in the unincorporated areas of the City.~~

~~Q. Chapter 5.55 is intended to establish criteria for issuing local permits pursuant to the MAUCRSA and to establish an effective regulatory and enforcement system consistent with the guidance issued by the United States Department of Justice.~~

~~R. Marijuana remains an illegal substance under the Federal Controlled Substances Act, 21 USC 801 et seq., which makes it unlawful for any person to cultivate, manufacture, distribute, dispense, or possess with intent to manufacture, distribute, or dispense cannabis. The Federal Controlled Substances Act contains no statutory exemption for the cultivation of cannabis for medical purposes. Federal law lists cannabis as a Schedule I drug, meaning that the federal government contends cannabis has a high potential for abuse, cannabis has no currently accepted medical use in treatment, and there is a lack of accepted safety for use under medical supervision.~~

~~S. Despite this classification and treatment under federal law, federal executive and law enforcement agencies have issued memoranda and other guidelines allowing for the development of state-specific regulatory schemes that include the provision of cannabis and cannabis-derived products, as long as the administration of those schemes is consistent with the aims of federal law.~~

~~T. The City Council recognizes, upon consultation with law enforcement, that supply chains for medical and adult-use cannabis and cannabis-related products as they currently exist, in the absence of state and local regulatory schemes, can and do~~

~~benefit criminal elements to the detriment of residents of the State of California, the County of Riverside, and very likely the City of Palm Springs, without full regard for public safety, health, and welfare issues.~~

~~U. The City Council recognizes the individual freedom and privacy interests that surround the choice of what to take into one's body, following consultation with one's chosen health care provider(s), and for one's own health-related purposes, and in a manner that is responsible in its impacts on others in the community, including children.~~

~~V. The City Council also recognizes its obligation to provide guidance on appropriate community standards of health, safety, and welfare, and, where appropriate, to protect residents especially residents of particularly vulnerable populations including children and senior citizens from violation and abuse of those community standards.~~

~~W. The City Council desires to establish reasonable regulations on the operation of adult-use cannabis related businesses which are intended to operate in conjunction with the zoning and land use regulations of the City of Palm Springs, and which are intended to address the negative impacts, nuisance impacts, and criminal impacts of unregulated cannabis-related businesses.~~

~~X. Cannabis related businesses will be subject to the zoning and land use regulations of the zoning district in which such business establish and operate, as set forth in the Palm Springs Zoning Ordinance, and as otherwise established by the City; and~~

~~Y. The City Council finds that the activities permitted under this ordinance are consistent with and implement the goals and policies of the Palm Springs General Plan.~~

~~Z. The City Council finds that the adoption of this ordinance is exempt from environmental review under the California Environmental Quality Act ("CEQA") pursuant to the following provisions of the CEQA Guidelines, 14 Cal. Code of Regulations, Chapter 3:~~

~~1. The ordinance is exempt under Section 15061(b) (3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The number of medical and adult-use cannabis businesses within the various categories provided under State Law and this Ordinance will be limited and the medical and adult-use cannabis businesses will have impacts that are similar to the farming, manufacturing, distribution, laboratory, and transportation and distribution activities already authorized within the City. Furthermore, the Ordinance contains requirements that prevent any potential impacts on the environment that may be unique to businesses involving adult use or medical cannabis. For example, the Ordinance establishes prohibitions on nuisance odors, glare, excess energy usage, and establishes safety protections to prevent crime or deterioration of the business area into blight, prohibition on usages of hazardous chemicals, and a prohibition on usage of excess water in violation of drought laws etc. Further, there is no~~

~~possibility that this Ordinance would create cumulative impacts that are significant because this Ordinance does not authorize a total number of businesses in the City than would have been otherwise authorized, does not authorize construction or other related activities or any other activities that are not already permitted, except that the Ordinance allows the same activities but with a different material (adult-use or medical cannabis) that is being grown, sold, transported, or otherwise utilized in some form; there are no other significant impacts that could occur as a result of this ordinance, and there are no unusual circumstances that would cause any such significant impacts;~~

~~2. The Ordinance is also exempt under Section 15183 (projects consistent with a community plan, general plan, or zoning) since the types of businesses permitted by the Ordinance are consistent with those contemplated by general plan and zoning, such as farming, manufacture, and distribution of other agriculture products and/or products to be used as pharmaceuticals;~~

~~3. The Ordinance is also exempt under CEQA Guidelines Section 15301 (existing facilities) since permitted medical cannabis business under the Ordinance may locate in existing facilities, and any additions to structures would be expected to be also exempt under 15301; and~~

~~4. The Ordinance is exempt under Section 15303 (new construction or conversion of small structures). The businesses will be established in an urban area, and given the build out of the existing city, and sufficient existing leasable property, the amount of construction that would occur is minimal to non-existent, and any such construction would be less than the thresholds established in Section 15303.~~

~~NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM SPRINGS ORDAINS:~~

SECTION 23. Chapter 5.55 ~~is hereby added to~~of the Palm Springs Municipal Code is hereby amended to read:

Chapter 5.55

COMMERCIAL ADULT-USE CANNABIS RELATED BUSINESSES AND ACTIVITIES

Section 5.55.010. Purpose and Intent.

Section 5.55.020. Legal Authority.

Section 5.55.030. Prohibition on Cultivation and Business Unless Authorized.

Section 5.55.040. Compliance with Laws.

Section 5.55.050. Definitions.

~~Section 5.55.055. Adult-Use Cannabis Business Permit Approvals Subject to Approval of Ballot Initiative.~~

Section 5.55.060. Adult-Use Cannabis Business Permit Required to Engage in Adult-Use Cannabis Business.

Section 5.55.070. Adult-Use Cannabis Permit Required, ~~No Effective Date Prior to January 1, 2018.~~

Section 5.55.075. Ineligibility for Commercial Adult-Use Cannabis Permit.

Section 5.55.080. Commercial Adult-Use Cannabis Permit Application Process.

Section 5.55.085. Commercial Adult-Use Cannabis Permit Application Priority for Current Adult-Use Cannabis Business Permittees.

Section 5.55.090. Review of Application for Commercial Adult-Use Cannabis Permit.

Section 5.55.095. Required Findings and Conditions for Dispensaries.

Section 5.55.096. Required Findings and Conditions for Cultivation.

Section 5.55.097. Required Findings and Conditions for Manufacturing.

Section 5.55.098. Required Findings and Conditions for Testing Facilities.

Section 5.55.099. Required Findings and Conditions for Transportation and Distribution Facilities.

Section 5.55.100. Temporary Cannabis Event Permit

Section 5.55.101. Cannabis Medical Use Dispensary Permit

Section 5.55.102. Recordkeeping.

Section ~~5.55.100~~5.55.105. Commercial Adult-Use Cannabis Permit Renewals.

Section 5.55.110. Compliance with Laws.

Section 5.55.120. Fees and Charges.

Section 5.55.125. Tax Incentives

Section 5.55.130. Transfers of Commercial Adult-Use Cannabis Permits.

Section 5.55.140. Requirements Before Permittee May Commence Operations.

Section 5.55.200. Commercial Adult-Use Cannabis Operating Requirements.

Section 5.55.205. Miscellaneous Operating Requirements.

Section 5.55.210. Security Measures

Section 5.55.220. Packaging and Labeling Requirements.

Section 5.55.400. General Authority of City Manager

Section 5.55.410. Suspension or Revocation of Commercial Adult-Use Cannabis Permit.

Section 5.55.420. Service.

Section 5.55.430. ~~Enforcement and Penalties.~~ Violations Generally

~~Section 5.55.010. Purpose and Intent.~~

~~Chapter 5.55 ADULT-USE CANNABIS RELATED BUSINESSES AND ACTIVITIES~~

Section 5.55.440 Remedies Cumulative

Section 5.55.450 Declaration of Public Nuisance

Section 5.55.460 Liability of Employees and Agents

Section 5.55.070 Liability of Property Owners

Chapter 5.55 ADULT-USE CANNABIS RELATED BUSINESSES AND ACTIVITIES

5.55.010 Purpose and Intent.

A. ~~**A.**~~—It is the purpose and intent of this Chapter to regulate the Cultivation, manufacturing, processing, testing, transportation, and distribution, of Cannabis and Cannabis-related products in a manner which is responsible, which protects the health, safety, and welfare of the residents of Palm Springs, and to enforce rules and regulations consistent with State Law under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). In part to meet these objectives, an annual permit shall be required in order to own and/or to operate an Adult-Use Cannabis Business within Palm Springs. Nothing in this Chapter is intended to authorize the possession, use, or provision of Cannabis for purposes that violate state or federal

law. The provisions of this Chapter are in addition to any other permits, licenses, and approvals that may be required to conduct business in the City, and are in addition to any permits, licenses and approval required under state, county, or other law.

B. ~~B.~~—It is the stated intent of this Chapter to regulate Adult-Use Cannabis Activity in the City of Palm Springs concurrently with the State of California.

C. ~~C.~~—All Applications, proposals, requests for Adult-Use Cannabis related businesses and activity, and any permits or approvals related to such Adult-Use Cannabis Businesses and activity, shall be processed, reviewed, and administered pursuant to the provisions of this Chapter.

D. ~~D.~~—Each Adult-Use Cannabis related business or activity allowed under the provisions of this Chapter constitutes an activity or business that involves planting, cultivating, harvesting, transporting, dispensing, delivering, providing, manufacturing, compounding, converting, processing, preparing, storing, packaging, or testing any part of the Cannabis plant under the provisions of the state’s Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

5.55.020 Legal Authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, and the provisions of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), the City of Palm Springs is authorized to adopt ordinances that establish standards, requirements and regulations for local licenses and permits for Cannabis and Cannabis-related activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City of Palm Springs to Cannabis, and/or Cannabis-related activity.

5.55.030 Prohibition on Cultivation and Business Unless Authorized.

Except as specifically authorized in this Chapter ~~or Chapter 5.45~~, the Cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, dispensing, distribution, delivery, or sale of Cannabis or a Cannabis Product is expressly prohibited in the City of Palm Springs.

5.55.040 Compliance with Laws.

It shall be the responsibility of the owners and the operators of the Adult-Use Cannabis Business to ensure that the Adult-Use Cannabis Business is, at all times, operating in a manner compliant with all applicable federal, state, and local laws, any regulations promulgated thereunder, the Guidelines, any subsequently enacted State Law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements that may be imposed as conditions of approval of the Adult-Use Cannabis Business Permit. Nothing in this Chapter shall be construed as

authorizing any actions that violate federal or State Law with regard to the operation of an Adult-Use Cannabis Business.

5.55.050 Definitions. ~~(ADD ADDITIONAL DEFINITIONS)~~

The following definitions of terms shall apply to this Chapter, unless the context requires otherwise. Any reference to California statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

“Abatement” or “Abate” means the removal and destruction of all cannabis plants or products creating the condition(s) constituting a violation of this Chapter as identified in a notice of violation issued by the Enforcing Officer.

“Abatement costs” means any cost or expenses, including City staff time reasonably related to the Abatement of a violation under this Chapter, and shall include, but shall not be limited to, enforcement, investigation, summaries, reports, notices, telephonic contact, correspondence, mailing expense, title search costs, costs incurred in obtaining an administrative warrant, administrative costs, including total direct and indirect costs of enforcement established by generally accepted accounting principles that are reasonably and necessarily incurred by the City to investigate, inspect, or cure any violation or monitor the recurrence of any violation that is the subject of a notice issued by the Enforcing officer, including, but not limited to, scheduling and participation at hearings, expenses incurred by the City, and any other costs associated with the removal, abatement or correction of a violation.

“ Administrative Cannabis Permit” means the regulatory permit issued by the City pursuant to the provisions of this Chapter authorizing the holder thereof to operate an Adult-Use Cannabis Business and to conduct adult-use commercial cannabis activity.

“Administrative Hold” means an order by the City Manager prohibiting the movement, removal, transport, use, treatment or disposal of material that is, or is suspected of being, adulterated, misbranded, or hazardous waste that is being mismanaged or that the City Manager has reason to suspect is, or will be managed in violation of the Chapter.

“Adult-Use” means the lawful use of Cannabis or Cannabis Products under the provisions of MAUCRSA by a person twenty-one (21) years of age who does not possess a physician’s recommendation for Cannabis or Cannabis Products.

“Adult-Use Cannabis Activity” includes Cultivation, manufacture, processing, laboratory testing, transporting, transportation and distribution, distribution, consumption on-site, or sale of Adult-Use Cannabis or an Adult-Use Cannabis Product, within the meaning of California Business and Professions Code 26000 et seq.

“Adult-Use Cannabis Business” means any business or operation which engages in Adult-Use Cannabis Activity.

“Adult-Use Cannabis Business Permit” means a regulatory permit issued by the City of Palm Springs pursuant to this Chapter to an Adult-Use Cannabis Business, and is required before any Adult-Use Cannabis Activity may be conducted in the City. The initial permit and annual renewal of an Adult-Use Cannabis Business Permit is made expressly contingent upon the business’ ongoing compliance with all of the requirements of this Chapter and any regulations adopted by the City governing the Adult-Use Cannabis Activity at issue.

“Adulterated” shall have the same meaning as California Business and Professions Code Section 26131.

“Applicant” means a person twenty-one (21) years of age or older who has submitted an Application for a permit or renewal of a permit issued pursuant to this Chapter. If the Applicant is an entity and not a natural person, Applicant shall include all persons having a twenty (20) percent or more financial interest in the entity.

“Application” means that form provided by the City Manager in accordance with this Chapter for the purpose of seeking a commercial Adult-Use Cannabis Permit.

“Batch” means a specific quantity of homogenous cannabis or cannabis product that is either a harvest batch or a manufactured cannabis batch.

“Batch number” or “lot number” means a distinctive group of numbers, letters, or symbols or any combination of these that is unique to a group of cannabis goods from which the complete history of the commercial cannabis activity involving the cannabis goods can be determined.

“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.

“Cannabinoid” or “phytocannabinoid” means a chemical compound that is unique to and derived from Cannabis.

“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” also means marijuana as defined by Section 11018 of the California Health and Safety Code. “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. For the purpose of this Chapter, “Cannabis” does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

“Cannabis Concentrate” 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 for purposes of this chapter. A Cannabis Concentrate is not considered food, as defined by Section 109935 of the California Health and Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.

“Cannabis goods” means cannabis, including dried flower, and products containing cannabis.

“Canopy” means all of the following:

1. ~~(1)~~—The designated area(s) at a licensed premises that will contain mature plants at any point in time;
2. ~~(2)~~—Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries;
- ~~(3)~~—Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least 10 feet of open space;
3. and
4. ~~(4)~~—If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.

“Cannabis Lounge” means a discrete facility where Cannabis and Cannabis products or goods may be smoked or ingested within the confines of the facility.

“Cannabis Medical Use Dispensary” means an establishment wherein cannabis is sold for medicinal purposes by a medicinal cannabis cooperative, collective, dispensary, operator, or retailer who cultivates, distributes, or sells medicinal cannabis to qualified patients, or primary caregivers of qualified patients, pursuant to Health and Safety Code Section 11362.5 and qualifies for an M-license under Division 10 of the Business and Professions Code.

“Cannabis Testing Facility” means a facility, entity, or site in the City that offers or performs testing of Adult-Use Cannabis or Adult-Use Cannabis Products and that is both of the following:

1. Accredited by an accrediting body that is independent from all other persons involved in the Adult-Use Cannabis industry in the state; and
2. Registered with the California State Department of Public Health.

“Caregiver” or “Primary Caregiver” has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.

“Certificate of Accreditation” means a certificate issued by an accrediting body to a licensed Cannabis Testing Laboratory Facility, entity, or site to be registered in the state.

“Commercial Adult-Use Cannabis Activity” means the Cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of Adult-Use Cannabis or an Adult-Use Cannabis Product.

“Commercial Adult-Use Cannabis Permit” means a permit issued by the City to an Applicant to perform commercial Adult-Use Cannabis activities under this Chapter.

“Commercial Adult-Use Cannabis Operation” means an entity that engages in commercial Adult-Use Cannabis Activities.

“Conditional Cannabis Permit” means the temporary permit issued by the City to an Applicant to initiate and obtain any applicable State applications and other preliminary activities. A Conditional Cannabis Permit does not permit the Applicant to commence actual operations of any Adult-Use Cannabis Activity.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of Adult-Use Cannabis. Within the definition of Cultivation, the following specific license types, corresponding to state cultivator license types set forth in California Business and Professions Code Section 26050, apply:

1. ~~4.~~ Type 1 or “specialty outdoor” means outdoor Cultivation using no artificial lighting and having no more than fifty (50) mature plants or five thousand (5,000) square feet of total canopy size whichever is less;

2. ~~2.~~ Type 1A or “specialty indoor” means Cultivation using exclusively artificial lighting, is entirely contained within a structure, and having no more than five thousand (5,000) square feet of total canopy size;

3. ~~3.~~ Type 1B or “specialty mixed-light” means Cultivation using a combination of natural and supplemental artificial lighting and having no more than five thousand (5,000) square feet of total canopy size;

4. ~~4.~~ Type 2 or “small outdoor” means outdoor Cultivation using no artificial lighting and having a total canopy size between five thousand one (5,001) and ten thousand (10,000) square feet;

5. ~~5.~~ Type 2A or “small indoor” means indoor Cultivation exclusively using artificial lighting and having a total canopy size between five thousand one (5,001) and ten thousand (10,000) square feet;

6. ~~6.~~ Type 2B or “small mixed-light” means Cultivation using a combination of natural and supplemental artificial lighting and having a total canopy size between five thousand one (5,001) and ten thousand (10,000) square feet;

7. ~~7.~~ Type 3 or “outdoor” means outdoor Cultivation using no artificial lighting and having a total canopy area between ten thousand one (10,001) square feet and one acre;

8. ~~8.~~ Type 3A or “indoor” means indoor Cultivation using exclusively artificial lighting and having a total canopy area between ten thousand one (10,001) and twenty-two thousand (22,000) square feet;

9. ~~9.~~ Type 3B or “mixed-light” means Cultivation using a combination of natural and supplemental artificial lighting and having a total canopy area of between ten thousand one (10,001) and twenty-two thousand (22,000) square feet; and

10. ~~10.~~ Type 4 or “nursery” means Cultivation of Adult-Use Cannabis solely as a nursery.

“Cultivation site” means a location where Adult-Use Cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or where all or any combination of those activities occurs, and where the operator holds a valid Adult-Use Cannabis Business Permit for Cultivation from the City of Palm Springs and a valid state license to cultivate Cannabis as required by State Law.

“Delivery” means the commercial transfer of Adult-Use Cannabis or Adult-Use Cannabis Products from a dispensary, up to an amount determined to be authorized by the State of California, or any of its departments or divisions, to an individual of 21 years age or older legally allowed to purchase Cannabis Products, ~~or a Testing Laboratory.~~ “Delivery” also includes the use by a dispensary of any technology platform owned and controlled by the dispensary, or independently licensed by the State of California under MAUCRSA that enables anyone to arrange for or facilitate the commercial transfer by a licensed dispensary of Adult-Use Cannabis or Adult-Use Cannabis Products.

“Dispensary” means any person, entity, or operation, in whole or in part, whether operating for profit or not-for-profit, and all associated owners, employees, managers or agents engaged in both medicinal and adult use commercial cannabis activity from the

permitted premises for the retail sale and delivery of cannabis goods to customers. A “Dispensary,” as that term is used in this Code, is a “Retailer” under the MAUCRSA. “Dispensing” means any activity involving the retail sale of Adult-Use Cannabis or Adult-Use Cannabis Products from a dispensary.

“Distribution” means the procurement, sale, and transport of Adult-Use Cannabis and Adult-Use Cannabis Products between entities licensed pursuant to this chapter.

“Distributor” means a person holding a valid Adult-Use Cannabis Business Permit for distribution issued by the City of Palm Springs, and, a valid state license for distribution, required by State Law to engage in the procurement, sale, and transport of Cannabis and Cannabis Products between licensees.

“Dried flower” means all dead Cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

“Edible Cannabis Product” means manufactured Cannabis that is intended to be used, in whole or in part, for human consumption including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An Edible Cannabis Product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.

“Enforcement officer” means a code compliance officer, police officer, building inspector, or any other city employee designated by the city manager to enforce the provisions of the Palm Springs Municipal Code and granted authority to issue notices and orders, citations, notices to comply, or initiate any other administrative remedy pursuant to this code. The term “enforcement officer” also includes any city employee or official expressly provided enforcement authority pursuant to the provisions of this code.

“Equity Interest” means any profit sharing arrangement or entitlement to profits from cannabis licensees.

“Financial Interest” means an investment into a commercial cannabis business, a loan provided to a commercial cannabis business, or any other ‘equity interest’ in a commercial cannabis business

“Fully enclosed and secure structure” or “greenhouse” means a space within a building or other structure which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which is secure against unauthorized entry, provides complete visual screening, and which is accessible only through one or more lockable doors and is inaccessible to minors and provided such “greenhouse” is constructed to usual and customary standards and approved by the Building Official.

“Good Standing” means that an operation is regarded as having complied with all explicit obligations, while not being subject to any form of sanction, suspension, or disciplinary censure by the City, State, or any of the State’s departments or divisions.

“Cannabis Overlay Zone” means a geographic area of the City defined by separate ordinance in the City’s Zoning Code.

“Health Officer” means the County of Riverside Health Officer or the designee of the County of Riverside Health Officer or any other person exercising the duties of health officer for the City.

“Identification card” has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.

“Labor Peace Agreement” shall have the same meaning as California Business and Professions Code 26001(x).

“Licensee” means a person issued a state license under Division 10 (commencing with Section 26000) of the California Business and Professions Code, to engage in a Commercial Adult-Use Cannabis Activity.

“Licensing authority” means the state agency responsible for the issuance, renewal, or reinstatement of a license for commercial Adult-Use Cannabis activities, or the state agency authorized to take disciplinary action against the license.

“Live plants” means living Adult-Use Cannabis flowers and plants, including seeds, sprouts, immature plants (including unrooted clones), and vegetative stage plants.

“Manufactured Cannabis” or “Cannabis Product” means raw Cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product intended for internal consumption or topical Application.

“Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of manufactured Adult-Use Cannabis, as defined in this section, or Adult-Use Cannabis Products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages Adult-Use Cannabis or Adult-Use Cannabis Products or labels or re-labels its container, where the operator holds (1) a valid Adult-Use Cannabis Business Permit for manufacturing from the City of Palm Springs and (2) after January 1, 2018 or as soon as permitted by the state granting agency, department or division, a valid state license for manufacturing pursuant to MAUCRSA.

Manufacturing License Types as defined by the California Department of Public Health:

“Type 7” for manufacturers using volatile solvents, such as butane, hexane, or propane.

“Type 6” for manufacturers using nonvolatile solvents, such as carbon dioxide, ethanol, water, butter or oil, or performing extractions using mechanical methods.

“Type N” for manufacturers performing infusion.

“Type P” For manufacturers only packaging or labeling cannabis products.

“Type S” For manufacturers operating on a registered shared-use facility.

“Marijuana” means “Cannabis,” as that term is defined in this Section.

“MAUCRSA” means the Medical and Adult-Use Cannabis Regulation and Safety Act, ~~consisting of the legislation in SB94, designed to repeal and partially incorporate the existing Medical Cannabis Regulation and Safety Act (MCRSA) with the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA),~~ and as may be amended from time to time, a comprehensive regulatory framework for the licensing, control, and taxation of medical and Adult-Use Cannabis related businesses in California.

“Adult-Use Cannabis,” “Adult-Use Cannabis Product,” or “Cannabis Product” means a product containing Cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use to adults over twenty-one years of age in the state of California. For the purposes of this Chapter, “Adult-Use Cannabis” does not include “industrial hemp” as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

[“Misbranded” shall have the same meaning as California Business and Professions Code 26121](#)

“Nursery” means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and Cultivation of Adult-Use Cannabis.

~~“Owner” means the person, firm, corporation, or partnership that owns property or is in possession thereof under a contract to purchase or under a lease, by a person or persons, firm, corporation, or partnership, individually, jointly, in common, or in any other manner whereby such property is under single or unified control. The term “Owner” does not include a lessor of real property subject to a ground lease of ten or more years where the Owner as lessor does not retain any interest or right of control in any building constructed on the real property subject to such ground lease.~~

[“Odor control equipment” means any equipment utilized to counteract the distinguishable odor of the cannabis plant.](#)

“Odor Control Plan” means a written plan which describes specific odor mitigation technologies and techniques incorporated to ensure that odors are not detected off-site.

“Odor detection threshold” means the threshold for the detection of odorous contaminants when one volume of the odorous air has been diluted with seven or more volumes of odor-free air as measured by any instrument, device, or method designated by the City.

“Owner” means any of the following:

A. Any person with an ownership interest of ten percent (10%) or more in the Adult-Use Cannabis Business or Cannabis Medical Use Dispensary applying for a permit pursuant to this Chapter;

B. The chief executive officer of an entity, including nonprofits;

C. A member of the board of directors of a for-profit or non-profit entity;

D. All persons within an entity that have a financial interest of ten percent (10%) or more in the proposed Adult-Use Cannabis Business or Cannabis Medical Use Dispensary, including but not limited to: 1. A general partner of an Adult-Use Cannabis Business or Cannabis Medical Use Dispensary that is organized as a partnership; 2. A non-member manager or managing member of an Adult-Use Cannabis Business or Cannabis Medical Use Dispensary that is organized as a limited liability company; 3. Any person holding a voting interest in a partnership, association, or limited liability company; 4. All officers or directors of an Adult-Use Cannabis Business or Cannabis Medical Use Dispensary that is organized as a corporation and all shareholders who individually own more than ten percent (10%) of the issued and outstanding stock of the corporation.

“Patient” or “qualified patient” shall have the same definition as California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health & Safety Code Section 11362.5. For purposes of this ordinance, qualified patient shall include a person with an identification card, as that term is defined by California Health and Safety Code Section 11362.7 et seq.

“Permittee” means a person issued a City permit under this Chapter.

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

“Premises” means the building or greenhouse in which commercial Adult-Use Cannabis activities are operated and, in addition, any accessory structures and appurtenant areas.

“Primary caregiver” has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.

“Property Owner” means the individual or entity who is the record owner of the subject property where commercial Adult-Use Cannabis activities are located or are proposed to be located. The term “Property Owner” does not include a lessor of real property subject to a ground lease of ten or more years where the Owner as lessor does not retain any interest or right of control in any building constructed on the real property subject to such ground lease.

“State Law” means all statutes, rules, and regulations relating to the Cultivation, manufacture, dispensing, sale, distribution, and transportation of Adult-Use Cannabis, as such statutes, rules, and regulations as may be amended from time to time.

“State license,” “license,” or “registration” means a state license issued by the State of California, or one of its departments or divisions, under MAUCRSA to engage in Adult-Use Cannabis Activity.

“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.

“Temporary Cannabis Event” means a one (1) to four (4) day temporary event where the onsite sale and consumption of cannabis goods is authorized at the location requested.

~~————“Testing Laboratory” means a facility, entity, or site in the City that offers or performs testing of Adult-Use Cannabis or Adult-Use Cannabis Products and that is both of the following:~~

- ~~1. ——— Accredited by an accrediting body that is independent from all other persons involved in the Adult-Use Cannabis industry in the state; and~~
- ~~2. ——— Registered with the California State Department of Public Health.~~

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

~~————“Transport” means the transfer of Adult-Use Cannabis or Adult-Use Cannabis Products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting Commercial Adult-Use Cannabis Activity authorized pursuant to the California Business and Professions Code Section 26000, as may be amended from time to time.~~

Track and Trace System” means a system as described in Section 26067 of the California Business and Professions Code which reports the movement of cannabis products throughout the distribution chain, using a unique identifier

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

“Unique Identifier” means an alphanumeric code or designation used for reference to a specific cannabis plant on a permitted premises and any cannabis goods derived or manufactured from said cannabis plant.

5.55.060 Adult-Use Cannabis Business Permit Required to Engage in Adult-Use Cannabis Business.

No person may engage in any Adult-Use Cannabis Business or in any Adult-Use Cannabis Activity within the City of Palm Springs including Cultivation, manufacture, processing, laboratory testing, transporting, dispensing, distribution, or sale of Adult-Use Cannabis or an Adult-Use Cannabis Product unless the person (1) has a valid Adult-Use Cannabis Permit from the City of Palm Springs and (2) is currently in compliance with all applicable state and local laws and regulations pertaining to the Adult-Use Cannabis Business and the Adult-Use Cannabis Business activities, including the duty to obtain any required state licenses. ~~Medical Cannabis Collectives or Cooperatives previously approved under the provisions of Chapter 5.35 of this Code may continue to operate as a collective or cooperative as provided previously under the provisions of Section 5.35.100 of this Code and are hereby granted permits for Cultivation, dispensing, manufacturing, and transportation and distribution under the provisions of this Chapter for calendar year 2017 subject to providing all information, documentation, submissions, and evidence required pursuant to Sections 5.55.080 and otherwise complying with the operational requirements of this Chapter and the provisions of State Law.~~ Persons with a valid Adult-Use Cannabis Permit shall only operate under the name and/or “doing business as” or “DBA” provided in the permit application.

5.55.070 Adult-Use Cannabis Permit Required, ~~No Effective Date Prior to January 1, 2018.~~

A. ~~A.~~—Any person who intends to engage in a Commercial Adult-Use Cannabis Activity shall obtain a commercial Adult-Use Cannabis Permit for the fixed location in which the Commercial Adult-Use Cannabis Activity is to occur.

B. ~~B.~~—It is unlawful for any person to conduct, engage in or allow to be conducted or engaged in a Commercial Adult-Use Cannabis Activity within the corporate limits of City of Palm Springs, unless the City has issued such person a permit under this Chapter and the permit is in effect. Notwithstanding the above, the permits issued under this Chapter do not provide any protection or immunity for any person from state or federal laws, or from prosecution pursuant to any applicable state or federal laws.

~~C. C.—Upon implementation of state regulations~~ Pursuant to state law, a valid license from the State shall be required to operate any Commercial Adult-Use Cannabis Activity.

~~D. D.—~~The fact that an Applicant possesses other types of state or City permits or licenses, shall not exempt the Applicant from obtaining a commercial Adult-Use Cannabis Permit under this Chapter, nor shall the terms and conditions of any other such permit or license modify the requirements of a permit granted under this Chapter, except that the commercial Adult-Use Cannabis Permit must be consistent with the land use entitlement issued by the City pursuant to Title 20 or Title 21 of the Palm Springs Municipal Code.

~~E. E.—~~The Applicant must receive all necessary land use entitlements as required by the Palm Springs Zoning Ordinance before the City Manager will issue a commercial Adult-Use Cannabis Permit under this Chapter.

~~F. F.—~~The following persons are exempt from the requirements of this Chapter:

~~1. 1.—~~A qualified medical Cannabis patient who cultivates one hundred (100) square feet total canopy area or less of Cannabis exclusively for personal medical use but who does not provide, donate, sell, or distribute Cannabis to any other person; and

~~2. 2.—~~A primary medical Cannabis caregiver who cultivates one hundred (100) square feet of total canopy area or less exclusively for the personal medical purposes for each specified qualified patient for whom he or she is the Primary Caregiver, up to five hundred (500) square feet, but who does not receive remuneration for these activities except for compensation in full compliance with State Law.

~~3. 3.—~~Qualified patients and/or Primary Caregivers shall, upon request, provide appropriate documentation to law enforcement demonstrating that they have a valid doctor's recommendation to use Cannabis for medical purposes.

~~G. No Commercial Adult-Use Cannabis Permit shall have an effective date prior to January 1, 2018.~~

5.55.075 Ineligibility for Commercial Adult-Use Cannabis Permit.

A. Any person who the City determines or discovers to have previously engaged in any adult-use cannabis activity; or ~~in any "commercial operated a cannabis medical cannabis activity" as that term is defined in Chapter 5.45,~~ use dispensary without any required state of local permit, license or registration, whether within or outside the City, shall be ineligible for approval as a Permittee under this Chapter.

B. In the event that the City determines or discovers that a Permittee, prior to issuance of their Permit by the City, engaged in any adult-use cannabis activity or in any ~~“commercial medical adult-use~~ cannabis activity, ~~” as that term is defined in Chapter 5.45 or operated a cannabis medical use dispensary~~, without any required state or local permit, license or registration, whether within or outside the City, the City shall revoke each and every City cannabis-related permit held by the Permittee in question.

5.55.080 Commercial Adult-Use Cannabis Permit Application Process. (Add current permitting process – issuance of administrative permit first and use entitlements after)

~~A.~~ ~~A.~~ It is unlawful for any person to engage in, operate, conduct, carry on, or allow to be carried on, ~~the business of commercial medical adult-use~~ cannabis activity in the City without having first met all of the following requirements:

1. The person holds a valid ~~administrative~~ Commercial Adult-Use Cannabis Permit pursuant to the requirements of this chapter;
2. The person holds all necessary land use entitlements pursuant to the requirements of the Zoning ordinance;
3. The person has paid any business tax license pursuant to 3.56 of this Code; and
4. The person holds a State license in accordance with ~~California Business and Professions Code Section 26000 et seq.~~ the MAUCRSA and any applicable regulations implemented by the state or any of its departments or divisions.

Exception. Any Administrative Cannabis Permit previously issued by the City shall expire thirty-six (36) months from the date of issuance. Conditional Cannabis Permits issued for commercial cannabis activity at newly constructed buildings shall expire twenty-four (24) months from the date of issuance if the Commercial Adult-Use Cannabis Business is not operational. Conditional Cannabis Permits issued for commercial cannabis activity at existing buildings shall expire twelve (12) months from issuance if the Commercial Adult-Use Cannabis Business is not operational. Permittees may appeal the expiration of a Conditional Cannabis Permit and be granted a twelve (12) month extension based on a showing of substantial progress toward becoming operational and no unreasonable delay (i.e., Permittee should demonstrate measurable progress to becoming operational and identify unique factors that impeded the Permittee from becoming operational) to the City Council. Permittees may apply for a second twelve (12) month extension based on the same findings; however, if granted, the Permittee shall pay a penalty determined by the City Council and not to exceed ten thousand dollars (\$10,000.00). Permittees who have Conditional Cannabis Permits expire shall be prohibited from applying for a Conditional Cannabis Permit or a Commercial Adult-Use Cannabis Permit for a period of twelve (12) months.

~~B.~~ ~~B.~~ Each Application for the establishment of a Commercial Adult-Use Cannabis Permit shall be filed with the City Clerk on the form and in the manner prescribed by the City Manager. The City Manager shall be responsible for administering the Application process as set forth in this Chapter. All Applications for permits required pursuant to this Chapter shall be made upon current forms prescribed by the City Manager and shall only be for one location per application. Applicants may submit multiple application for multiple locations subject to applicable fees. Applications submitted to the City Manager may include, but not be limited to, new business premises, transfers of ownership, change of locations, premises modifications, and changes in trade name.

~~C.~~ ~~C.~~ All Applications must include Application and permitting fees as established by resolution adopted by the City Council as amended from time to time. No refunds shall be given for any incomplete or abandoned applications.

~~D.~~ ~~D.~~ A permit issued by the City Manager constitutes a revocable privilege. The burden of proving an Applicant's qualifications for a permit rests at all times with the Applicant.

~~E.~~ ~~E.~~ The Applicant or its authorized agent must provide a ~~surety bond, if applicable, and prove that all tax returns related to the business have been timely filed.~~ if, in the sole discretion of the City Manager, one is required based on the proposed adult-use cannabis activity and any particular facts or circumstances related to the application or applicant. .

~~F.~~ ~~F.~~ In all cases, the Application must be complete in every material detail and shall contain, without limitation, the following documentation:

~~1.~~ ~~1.~~ All Applicants' names, mailing addresses, and if available, e-mail addresses.

~~2.~~ ~~2.~~ A twenty-four (24) hour ~~or nighttime~~ contact phone number, email address and the names of the dedicated person(s) to contact.

~~3.~~ ~~3.~~ The physical address and assessor's parcel number(s) (APN or APNs) of the property upon which the proposed Commercial Adult-Use Cannabis Operation will be located.

~~4.~~ ~~4.~~ Proof of ownership of premises, or if the premises on which the Commercial Adult-Use Cannabis Operation is to occur is rented or leased, written permission from the property owner containing the property owner's notarized signature that authorizes the tenant or lessee to engage in commercial Adult-Use Cannabis activities at the site.

~~5.~~ ~~5.~~ A "to scale" diagram of the premises, showing, without limitation, a site plan, building layout, all entry ways and exits to the facility, loading

zones and all areas in which Adult-Use Cannabis and Adult-Use Cannabis Products will be stored, grown, or dispensed. Detailed architectural renderings showing the design and appearance of the building, entry way, façade, landscaping, and any other public right-of-way facing features shall also be submitted. Compliance with these submitted design and appearance renderings shall be a condition of any City issued permit. Applications for a Dispensary or a Commercial Adult-Use Cannabis Operation that proposes consumption outside of the City's Cannabis Overlay Zone must obtain approval of architectural renderings from the City Council.

6. ~~6.~~—If the Applicant is a business entity or any form of entity, information regarding the entity, including, without limitation, the name and address of the entity, its legal status, and proof of registration with, or a certificate of good standing from, the California Secretary of State, as applicable.

7. ~~7.~~—The full name, date of birth, ~~social security number,~~ present address and telephone number for all owners, supervisors, employees, and ~~persons having a twenty (20) percent or more~~ those with a financial interest in the Commercial Adult-Use Cannabis Activity that is the subject of the application ~~or, if, in the event an applicant is an entity, having a twenty (20) percent or more~~ each entity must disclose the owners or those with a financial interest in the entity until individual persons are named.

8. ~~8.~~—All land ~~all~~ owners, supervisors, employees, and persons having a twenty (20) percent or more financial interest must submit fingerprints and other necessary information for a criminal background check.

9. ~~9.~~—Written proof (i.e., California driver's license, California identification card, or certified birth certificate) that all Applicants, property owners, supervisors, and employees are twenty-one (21) years of age or older.

10. ~~10.~~—The names and addresses of any other Commercial Adult-Use Cannabis Operations currently being operated by the Applicant, or that had previously been operated by the Applicant and a statement of whether the authorization for any such operation had been revoked or suspended and, if so, the reason therefor.

11. ~~11.~~—A full description of the proposed activities and products of the Commercial Adult-Use Cannabis Operation.

12. ~~12.~~—A description of the type of state license(s) that will be required for the proposed operations pursuant to California Business and Professions Code Section 26000 et seq., including a description of the proposed total canopy area of any Cultivation or nursery operation.

13. ~~13.~~—A detail of the procedures to be utilized at the premises including a description of how chemicals, pesticides and fertilizers will be stored,

handled, used, and disposed of; and if applicable, manufacturing methods, the transportation process, inventory procedures, and quality control procedures.

14. ~~14.~~—Proposed hours of operation. In no event shall delivery or sale of cannabis or cannabis products occur outside of the hours of 6:00 a.m. Pacific Time and 10:00 p.m. Pacific Time.

15. ~~15.~~—A waste disposal plan.

16. ~~16.~~ Odor control plan.

17. Documentation showing seed to sale compatible software.

18. Compliance with all applicable labor peace agreement requirements as set forth by State law and any additional requirements promulgated by the City via ordinance, resolution, or policy.

19. ~~17.~~—If applicable, provide the Applicant's seller's permit number issued pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code or indicate that the Applicant is currently applying for a seller's permit.

20. ~~18.~~—A statement by the Applicant that it has the ability to comply with all laws regulating businesses in the State of California and that it shall maintain compliance during the term of the permit.

21. ~~19.~~—Authorization for the City, its agents and employees to seek verification of the information contained in the Application.

22. ~~20.~~—Certification, under penalty of perjury, that all the information contained in the Application is true and correct.

23. ~~21.~~ Applicants that are not a natural person or group of natural people that will be identified on the application must submit a Public Integrity Disclosure. Disclosing:

a. The names of all natural persons who are officers, directors, members, managers, trustees, and other fiduciaries serving trusts or other types of organizations (attorneys, accountants, etc.)

~~b.~~ The name of persons owning a ~~beneficial~~financial interest of five percent (5%) or more in ~~your~~the entity. Owners/investors who have such an interest hold either investment power or vote power, i.e., they can (i) sell or transfer their interest, or (i) vote their interest in management decisions.

G. ~~G.~~—Nothing in this Section is intended to limit the City Manager's ability to request additional information the City Manager deems necessary or relevant to

determining an Applicant's suitability for a permit or a renewal of a permit under this Chapter. Each Applicant shall provide any additional information required that the City Manager may request to process and fully investigate the Application. The additional information must be provided to the City Manager no later than seven days of the request unless otherwise specified by the City Manager. Failure to provide such additional information by the requested deadline may result in denial of the Application or renewal or revocation or suspension of a permit.

H. ~~H.~~ Based on the type of commercial Adult-Use Cannabis activities proposed, the City Manager may require the following additional information:

1. ~~1.~~ Adult-Use Cannabis Dispensary. In reviewing an Application to dispense Adult-Use Cannabis or Adult-Use Cannabis Products, the City Manager may request operational plans detailing how operations will comply with federal enforcement priorities.

2. ~~2.~~ Adult-Use Cannabis Cultivation. In reviewing an Application to cultivate Adult-Use Cannabis, the City Manager may request the following additional information:

- a. ~~a.~~ Water conservation measures;
- b. ~~b.~~ Projected energy demand and proposed renewable energy generation facilities;
- c. ~~c.~~ Unique identifier, inventory, and quality control procedures; and
- d. ~~d.~~ A floor plan identifying the location, dimensions, and boundaries of all proposed canopy areas taking into account space needed for ongoing care of plants and a description of the proposed method of physically delineating those boundaries at the site.

3. ~~3.~~ Adult-Use Cannabis Manufacturing. In reviewing an Application to operate a Cannabis manufacturing facility, the City Manager may request the following additional information:

- a. ~~a.~~ Information on products used in the manufacturing process including the Cannabis supply chain, liquids, solvents, agents, and processes. Cannabis shall be obtained from a licensed cultivator or licensed distributor operating in compliance with all local and State Laws;
- b. ~~b.~~ Storage protocol and hazard response plan;
- c. ~~c.~~ Quality control measures; and
- d. ~~d.~~ Any other information requested by the City Manager.

4. ~~4.~~ Adult-Use Cannabis Testing Facilities. In reviewing an Application to operate a Cannabis testing facility, the City Manager may request the following additional information:

- a. ~~a.~~ An operations plan detailing how Cannabis will be received, secured, tested, and destroyed upon completion;
- b. ~~b.~~ Certificate of Accreditation;
- c. ~~c.~~ Proposed procedures for record keeping including chain of custody control and certificate issuance; and
- d. ~~d.~~ Any other information requested by the City Manager.

5. ~~5.~~ Adult-Use Cannabis Transportation and Distribution Facility. In reviewing an Application to operate a Cannabis transportation and/or distribution facility, the City Manager may request any following additional information:

- a. ~~a.~~ An operations plan detailing how, and from where, Cannabis and Cannabis Products will be received, how any storage, distribution, and transportation operations will be secured to prevent theft and trespass, and to whom the product will be distributed;
- b. ~~b.~~ Quality control inspections and requirements plan;
- c. ~~c.~~ Truck parking and loading areas;
- d. ~~d.~~ Storage and handling plans; and
- e. ~~e.~~ Any other information requested by the City Manager.

I. ~~I.~~ All required Application materials shall be prepared by the Applicant and submitted at the time of Application.

J. ~~J.~~ All Applicants shall submit information to the City Manager in a full, faithful, truthful, and fair manner. The City Manager may deny an Application where the Applicant made intentional or purposeful misstatements, omissions, misrepresentations, or untruths in the Application or in connection with the Applicant's background investigation. This type of conduct may be considered as the basis for additional administrative action against the Applicant and it may also be the basis for criminal charges against the Applicant.

K. ~~K.~~ All Application forms supplied by the City Manager and filed by an Applicant for a permit, including attachments and any other documents associated with the investigation, shall be accessible by the City Manager and any state or local law enforcement agency for a purpose authorized by this Chapter or for any other state or local law enforcement purpose.

L. ~~L.~~—Any Applicant who operated any Cannabis business activity in the City without a permit issued from the City for such activity shall be deemed unqualified to receive any Cannabis permit for a business or activity under this Chapter and shall not be issued a permit.

5.45.085 Commercial Adult Use Cannabis Application Withdrawal.

A. An applicant may withdraw an application any time prior to the issuance or denial of a permit by submitting a signed and dated request to withdraw, on a form provided by the City for that purpose.

B. Upon the City's receipt of the request to withdraw, the application is deemed withdrawn, void, and of no further force and effect.

C. Withdrawal of an application submitted under this Chapter does not deprive the City of their authority to institute or continue any proceeding against the applicant for the denial of an application for a permit upon any ground provided by law or to enter an order denying an application for a permit upon any such ground.

5.55.090 Review of Application for Commercial Adult-Use Cannabis Permit.

A. ~~A.~~—The City Manager shall review the Application for a commercial Adult-Use Cannabis Permit and associated documents and shall require, if he or she deems necessary, additional information to complete the Application. The City Manager may deem the Application incomplete if it does not contain all required information and documents.

B. ~~B.~~—An Application shall not be deemed complete unless all required Application fees have been paid.

~~C.—Each commercial Adult-Use Cannabis Permit shall automatically renew on an annual basis. At the time of each renewal, a Permittee shall have the duty to ensure that all City records generated pursuant to this Chapter and reflecting information as to the operation and ownership of that Permittee's commercial adult-use cannabis operation are accurate and up-to-date.~~

C. ~~D.~~—Upon review of a complete Application for a commercial Adult-Use Cannabis Permit, the City Manager may grant the Application if:

1. ~~1.~~—The proposed commercial Adult-Use Cannabis activities will comply with all the requirements of the State and the Palm Springs Municipal Code;

2. ~~2.~~—The Applicant has received all necessary land use entitlements as required by the Zoning Ordinance;

3. ~~3.~~—The proposed commercial Adult-Use Cannabis activities will comply with all provisions of this Chapter; and

4. ~~4.~~—If applicable, the Applicant has obtained a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code.

D. ~~E.~~—The City Manager shall deny any Application that meets any of the following criteria:

1. ~~1.~~—The Applicant has knowingly made a false statement of material fact or has knowingly omitted a material fact from the Application;

2. ~~2.~~—Any Applicant, supervisor, employee, or persons having a twenty (20) percent or more financial interest in the Commercial Adult-Use Cannabis Activity has been convicted of:

a. ~~(A)~~—A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the California Penal Code.

b. ~~(B)~~—A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.

c. ~~(C)~~—A felony conviction involving fraud, deceit, or embezzlement.

d. ~~(D)~~—A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.

e. ~~(E)~~—A felony conviction for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety Code.

[A conviction within the meaning of this Section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.](#)

3. [The applicant's suitability to operate an adult-use cannabis business per the terms of this Chapter based on the applicant's previous civil, administrative or legal judgment or other activities of a fraudulent nature.](#)

4. ~~3.~~—If applicable, the Applicant failed to obtain or maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code;

5. ~~4.~~ Any person who is listed on the Application is less than twenty-one (21) years of age;

6. ~~5.~~ The proposed Commercial Adult-Use Cannabis Operation does not comply with the provisions of this Chapter or State Law; or

7. ~~6.~~ The Applicant has not received all necessary land use entitlements as required by Palm Springs Zoning Code.

E. ~~F.~~ In the event the City Manager denies any Application, the City Manager shall specify in writing the reasons for the denial and notify the Applicant that the decision shall become final unless the permittee seeks an appeal pursuant to Chapter 2.05 of this Code within ten (10) calendar days of the date of service of the City Manager's decision. Service of the decision shall be provided in accordance with the requirements set forth in Chapter 2.05 of this Code.

5.55.095 Required Findings and Conditions for Dispensaries.

A. ~~A.~~ A permit for an Adult-Use Cannabis dispensary shall not be granted by the City Manager unless all of the following findings are made based on substantial evidence:

1. ~~1.~~ The dispensary, as proposed, has demonstrated that it can and will comply with all of the requirements of the State and City to operate an Adult-Use Cannabis dispensary.

2. ~~2.~~ The dispensary complies with the locational requirements of the City's Zoning Ordinance. ~~The location of any medical Cannabis collective or cooperative previously approved pursuant to Chapter 5.35 shall be deemed an existing location subject to the provisions of this Chapter.~~

3. ~~3.~~ The dispensary, as approved and conditioned, will not result in significant unavoidable impacts on the environment.

4. ~~4.~~ The dispensary includes adequate measures that minimize, to the extent feasible, nuisances to the immediate neighborhood and community including minimizing the detection of odor from offsite, minimizing the effects of loitering, providing adequate security measures, and not exceeding the Land Use Permit's limits on hours of operation.

5. ~~5.~~ The dispensary will provide adequate measures that address the federal enforcement priorities for Cannabis activities including restricting drugged driving, restricting access to minors, ~~prohibiting use or possession of firearms for security purposes at the premises,~~ and ensuring that Adult-Use Cannabis and Adult-Use Cannabis Products are supplied from permitted and licensed sources.

B. ~~B.~~—In addition to any other required conditions and mitigation measures approved by the City Manager, all of the following conditions shall apply to all permits for an Adult-Use Cannabis dispensary:

1. ~~1.~~—The Adult-Use Cannabis dispensary shall allow access to dispensary facilities and records if requested by the City, its officers, or agents, and shall pay for an annual inspection in an amount to be determined by City Council resolution and submit to inspections from the City or its officers to verify compliance with all relevant rules, regulations, and conditions.

2. ~~2.~~—The Applicant, owner, and all permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter by any enforcement officer of the City or their designee.

3. ~~3.~~—The Applicant and the permittee for the dispensary facility and property owner (if the property owner has a financial interest in the dispensary facility) shall indemnify, defend, and hold the City harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the Commercial Adult-Use Cannabis Activity.

4. ~~4.~~—The owner shall be responsible for ensuring that all commercial Adult-Use Cannabis activities at the site operate in good standing with all permits and licenses required by the City of Palm Springs Code and State Law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial Adult-Use Cannabis activities at the site who do not maintain permits or licenses in good standing with the City or State shall be grounds for the suspension or revocation of a permit pursuant to this Chapter.

5. ~~5.~~—The dispensary shall operate only in accordance with the operating plans reviewed and approved by the City Manager.

6. [If consumption of cannabis or cannabis products is proposed at the Cannabis Lounge or dispensary, the following conditions shall apply:](#)

a. [Concurrent Commercial Uses. In the event that a Cannabis Lounge operates concurrently in a single premises with another commercial use, the Cannabis Lounge Facility shall be a permitted use in accordance with Chapter 92.](#)

b. [Separate Premises. Cannabis Lounges shall be located on a separate parcel or within a tenant space that is segregated and apart from any other use. A Cannabis Lounge shall have a dedicated entrance from the street or public sidewalk, and shall have no internal connections or passage to any other tenant space or use except that a Cannabis Lounge may have an internal connection or passage to a Cannabis Dispensary.](#)

c. Sale of Cannabis Goods. Cannabis goods may be sold on the premises of a Cannabis Lounge, subject to the following:

(i) The Permittee must hold an Adult-Use Dispensary permit.

(ii) Permittees shall not permit patrons to bring their own personal cannabis or cannabis goods to the Cannabis Lounge Facility.

(iii) All cannabis or cannabis goods purchased and opened at the facility must be smoked, inhaled, consumed or ingested on site, and shall not be permitted to leave the facility unless repackaged in a container that is compliant with all applicable state law and regulation.

(iv) Permittees shall only permit patrons to leave the Cannabis Lounge Facility with cannabis and cannabis goods that remain in originally sealed and unopened packaging, or have been transferred by the Operator for repackaging in a container that is compliant with all applicable state law and regulation.

d. Smoking of Cannabis. The smoking of cannabis may be permitted at a Cannabis Lounge Facility, as may be allowable under state law.

e. Alcohol and Tobacco Products. The sale or consumption of alcohol or tobacco products is not allowed on the premises.

f. Minors. Access to the Cannabis Lounge Facility shall be restricted to persons twenty-one (21) years of age and older.

g. Visibility. The smoking, inhalation, consumption or ingestion of cannabis or cannabis goods shall not be visible from any public place or any area where minors may be present. The Cannabis Lounge shall be located within a completely enclosed building.

h. Odor Control.

(i) Permittee shall provide an adequate odor control plan so as to prevent any detectable odor at the exterior of the premises. Within twenty-four (24) hours of any complaint concerning odors emanating from or originating within the facility, the permittee shall respond to the complaint in question, and shall timely file a written disclosure to the City documenting any and all actions taken and planned to address the odor complaints.

i. Areas where cannabis consumption is permitted shall provide adequate security and lighting on-site to ensure the safety of persons

and protect the premises from theft at all times in conformance with the security plan submitted with the application. All security guards employed by shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times. A neighborhood security guard patrol for a two-block radius surrounding the business during all hours of operation shall be provided.

j. Cannabis or cannabis product shall only be provided to an individual in an amount reasonable for on-site consumption and consistent with personal possession and use limits allowed by the state.

k. Permittee shall provide law enforcement and all neighbors within one hundred feet of the business with the name and phone number of an on-site community relations employee to notify if there are operational problems with the establishment.

l. Permittee shall place and properly maintain solid waste receptacles and recycling bins, in sufficient numbers and locations to service the needs of the proposed use at peak business periods and shall ensure all areas at least one hundred feet from the consumption area are free of any waste or litter generated by the use.

5.55.096 Required Findings and Conditions for Cultivation.

A. ~~A.~~—A permit for Adult-Use Cannabis Cultivation shall not be granted by the City Manager unless all of the following findings are made based on substantial evidence:

1. ~~1.~~—The Cultivation, as proposed, will comply with all of the requirements of the State and City for the Cultivation of Adult-Use Cannabis.

2. ~~2.~~—The Cultivation complies with the locational requirements of the City's Zoning Ordinance. ~~The location of any medical Cannabis collective or cooperative previously approved pursuant to Chapter 5.35 shall be deemed an existing location subject to the provisions of this Chapter.~~

3. ~~3.~~—The Cultivation, as approved and conditioned, will not result in significant unavoidable impacts on the environment.

4. ~~4.~~—The Cultivation includes adequate measures that minimize use of water for Adult-Use Cannabis Cultivation at the site.

5. ~~5.~~—The Cultivation includes adequate measures to address the projected energy demand for Adult-Use Cannabis Cultivation at the site.

6. ~~6.~~—The Cultivation includes adequate quality control measures to ensure Adult-Use Cannabis cultivated at the site meets industry standards.

7. ~~7.~~—The Cultivation includes adequate measures that address the federal enforcement priorities for Cannabis activities including restricting access to minors, ~~prohibiting use or possession of firearms for security purposes at the premises,~~ and ensuring that Adult-Use Cannabis and Adult-Use Cannabis Products are not supplied to unlicensed and unpermitted persons within the State and not distributed out of state.

8. Sufficient power availability to meet the requirements of the proposed use.

B. ~~B.~~—In addition to any other conditions and mitigation measures required by the City Manager, all of the following conditions shall apply to all permits for Adult-Use Cannabis Cultivation:

1. ~~1.~~—The owner and permittees shall allow access to Cultivation sites and access to records if requested by the City, its officers, or agents, and shall pay for an annual inspection in an amount to be determined by City Council resolution and submit to inspections from the City or its officers to verify compliance with all relevant rules, regulations, and conditions.

2. ~~2.~~—The Applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter by any enforcement officer of the City or their designee.

3. ~~3.~~—The Applicant and the permittee for the cultivation ~~and the owner facility and property owner (if the property owner has a financial interest in the dispensary facility)~~ shall indemnify, defend, and hold the City harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the Commercial Adult-Use Cannabis Activity.

4. ~~4.~~—The owner shall be responsible for ensuring that all commercial Adult-Use Cannabis activities at the site operate in good standing with all permits and licenses required by the City of Palm Springs Code and State Law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial Adult-Use Cannabis activities at the site who do not maintain permits or licenses in good standing with the City or State shall be grounds for the suspension or revocation of the permit pursuant to this Chapter.

5. ~~5.~~—The Cultivation activities shall be maintained in accordance with the operating plans as approved by the City.

6. All cannabis packaged and/or labeled by a Cultivator shall meet the provisions of packaging and labeling requirements specified by State law, including but not limited to, California Business and Professions Code Division 5

("Weights and Measures") and Division 10 ("Cannabis") and any regulations implemented and enforced by the Bureau of Cannabis Control, the State Department of Public Health, or State Department of Food and Agriculture.

7. Prior to distribution and transportation, a Cultivator shall package and seal all cannabis in tamper-evident packaging and use a unique identifier of the harvest batch to identify and track said cannabis.

8. All labels for cannabis shall include all of the following: all required government warnings; the net weight of cannabis in the package; source and the date of cultivation; the type of cannabis; the date of packaging; and the product's unique identifier for the harvest batch.

9. Packaging that makes cannabis attractive to children or imitates candy is prohibited.

5.55.097 Required Findings and Conditions for Manufacturing.

A. ~~A.~~ A permit for Adult-Use Cannabis manufacturing shall not be granted by the City Manager unless all of the following findings are made based on substantial evidence:

1. ~~1.~~ The manufacturing facility, as proposed, will comply with all of the requirements of the State and City for the Adult-Use Cannabis manufacturing.

2. ~~2.~~ The manufacturing facility complies with the locational requirements of the City's Zoning Ordinance. ~~The location of any medical Cannabis collective or cooperative previously approved pursuant to Chapter 5.35 shall be deemed an existing location subject to the provisions of this Chapter.~~

3. ~~3.~~ The manufacturing, as approved and conditioned, will not result in significant unavoidable impacts on the environment.

4. ~~4.~~ The manufacturing includes adequate quality control measures to ensure Adult-Use Cannabis manufactured at the site meets industry standards.

5. ~~5.~~ The manufacturing facility does not pose a significant threat to the public or to neighboring uses from explosion or from the release of harmful gases, liquids, or substances and will be conducted in a manner to ensure the operation does not pose a significant threat to the health, safety, and welfare of the public or to neighboring properties.

6. ~~6.~~ The manufacturing operations plan includes adequate measures that address the federal enforcement priorities for Cannabis activities including providing restrictions on access to minors, ~~prohibiting use or possession of~~

~~firearms for security purposes at the premises,~~ and ensuring that Adult-Use Cannabis and Adult-Use Cannabis Products are obtained from and supplied only to other permitted licensed sources within the State.

~~B.~~ B.—In addition to any other conditions and mitigation measures required by the City Manager, all of the following conditions shall apply to all permits for Adult-Use Cannabis manufacturing:

1. ~~1.~~—The owner and permittees shall allow access to the facility and access to records if requested by the City, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the City or its officers to verify compliance with all relevant rules, regulations, and conditions.

2. ~~2.~~—The Applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the City or their designee.

3. ~~3.~~—The Applicant and ~~permittees~~the permittee for the manufacturing facility and ~~the owner~~property owner (if the property owner has a financial interest in the dispensary facility) shall indemnify, defend, and hold the City harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the Commercial Adult-Use Cannabis Activity.

4. ~~4.~~—The owner shall be responsible for ensuring that all commercial Adult-Use Cannabis activities at the site operate in good standing with all permits and licenses required by the City of Palm Springs Code and State Law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial Adult-Use Cannabis activities at the site who do not maintain permits or licenses in good standing with the City or State shall be grounds for the suspension or revocation of a permit pursuant to this Chapter.

5. ~~5.~~—The manufacturing facilities and activities shall be maintained in accordance with the operating plans approved by the City.

6. The manufacture of cannabis products shall comply with the standards set by State and local law, including but not limited to those related to volatile and nonvolatile extractions; labeling, packaging, repackaging, and relabeling; infusions; safety; discharges; waste disposal; processing, handling, and storage of solvents or gases; and food handling.

7. Manufacturers shall only be allowed to engage in the manufacture of cannabis authorized by State law and in the Adult-Use Cannabis Business Permit issued for the premises. No additional manufacturing activities may be conducted

without applying for, and receiving written permission, from the City for said additional activity.

8. All manufactured cannabis products packaged and/or labeled by a Manufacturer shall meet the provisions of packaging and labeling requirements specified by State law, including but not limited to, California Business and Professions Code Division 5 ("Weights and Measures") and Division 10 ("Cannabis"), and any regulations implemented and enforced by the Bureau of Cannabis Control or the State Department of Public Health.

9. Packaging that makes cannabis products attractive to children or imitates candy is prohibited.

10. Prior to release of a product to a Distributor, Manufacturers shall package and seal all cannabis products in tamper-evident packaging and use a unique identifier for the manufactured cannabis batch to identify and track the cannabis products.

11. Edible cannabis products shall not exceed 10 milligrams of tetrahydrocannabinol (THC) per serving. The THC content for the edible cannabis product in its entirety shall be printed on the edible cannabis product packaging.

12. The manufacture of cannabis products shall be conducted in a manner to ensure the operation does not pose a significant threat to the health, safety, and welfare of the public or to neighboring properties.

5.55.098 Required Findings and Conditions for Testing Facilities.

A. ~~A.~~ A permit for an Adult-Use Cannabis testing facility shall not be granted by the City Manager unless all of the following findings are made based on substantial evidence:

1. ~~1.~~ The testing facility, as proposed, will comply with all of the requirements of the State and City for Cannabis manufacturing.

2. ~~2.~~ The testing facility complies with the locational requirements of the City's Zoning Ordinance.

3. ~~3.~~ The Adult-Use Cannabis testing, as approved and conditioned, will not result in significant unavoidable impacts on the environment.

4. ~~4.~~ The owners, permittees, operators, and employees of the testing or laboratory facility will not be associated or cross-licensed with any other form of commercial Adult-Use or medical Cannabis activity.

5. ~~5.~~ The testing facility is accredited by an appropriate accrediting agency.

6. ~~6.~~ Plans for the testing facility demonstrate proper protocols and procedures for statistically valid sampling methods and accurate certification of Adult-Use Cannabis and Adult-Use Cannabis Products for potency, purity, pesticide residual levels, mold, and other contaminants according to adopted industry standards.

B. ~~B.~~ In addition to any other conditions and mitigation measures required by the City Manager, all of the following conditions shall apply to all permits for an Adult-Use Cannabis testing facility:

1. ~~1.~~ The owner and permittees of the testing facility shall allow access to the facility and access to records if requested by the City, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the City or its officers to verify compliance with all relevant rules, regulations, and conditions.

2. ~~2.~~ The Applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the City or their designee.

3. ~~3.~~ The Applicant and the permittee for the testing facility and ~~the owner~~ property owner (if the property owner has a financial interest in the dispensary facility) shall indemnify, defend, and hold the City harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the Commercial Adult-Use Cannabis Activity.

4. ~~4.~~ The owner shall be responsible for ensuring that all commercial Adult-Use Cannabis activities at the site operate in good standing with all permits and licenses required by the City of Palm Springs Code and State Law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial Adult-Use Cannabis activities at the site who do not maintain permits or licenses in good standing with the City or State shall be grounds for the suspension or revocation of a permit pursuant to this Chapter.

5. ~~5.~~ The testing facilities and related activities shall be maintained in accordance with the operating plans approved by the City.

C. ~~C.~~ Notwithstanding any of the provisions of this Section 5.55.098, a permitted Adult-Use Cannabis Business may conduct internal testing of Adult-Use Cannabis or Adult-Use Cannabis products. However, this provision shall not be interpreted to authorize or permit cross-licensing of a Cannabis Testing laboratory Facility with any other type of permit or license hereunder, or with respect to State law. Further, it shall be a violation of this ordinance for any Adult-Use Cannabis business to publish or share with any third party any result of any internal testing.

5.55.099 Required Findings and Conditions for Transportation and Distribution Facilities.

A. ~~A.~~—A permit for an Adult-Use Cannabis transportation and distribution facility shall not be granted by the City Manager unless all of the following findings are made based on substantial evidence:

1. ~~1.~~—The transportation and distribution facility, as proposed, will comply with all of the requirements of the State and City for the Adult-Use Cannabis transportation and distribution and all health protection operating criteria for the distribution of cannabis goods as required by State law and regulations implemented and enforced by the Bureau of Cannabis Control.

2. ~~2.~~—The transportation and distribution facility complies with the locational requirements of the City's Zoning Ordinance. ~~The location of any medical Cannabis collective or cooperative previously approved pursuant to Chapter 5.35 shall be deemed an existing location subject to the provisions of this Chapter.~~

3. ~~3.~~—The Adult-Use Cannabis transportation and distribution as approved and conditioned, will not result in significant unavoidable impacts on the environment.

4. Distributors shall transfer cannabis goods only between State licensees.

5. ~~4.~~—Plans for the distribution facility demonstrate proper protocols and procedures that address the federal enforcement priorities for Cannabis activities including providing restrictions on access to minors, ~~prohibiting use or possession of firearms for security purposes at the premises,~~ and ensuring that Adult-Use Cannabis and Adult-Use Cannabis Products are obtained from and supplied only to other permitted licensed sources within the State.

B. ~~B.~~—In addition to any other conditions and mitigation measures required by the City Manager, all of the following conditions shall apply to all permits for an Adult-Use Cannabis transportation and distribution facility:

1. ~~1.~~—The owner and permittees of the transportation and distribution facility shall allow access to the facility and access to records if requested by the City, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the City or its officers to verify compliance with all relevant rules, regulations, and conditions.

2. ~~2.~~—The Applicant, owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the City or their designee.

3. ~~3.~~—The Applicant and the permittee for the transportation and distribution facility and ~~the owner~~property owner (if the property owner has a financial interest in the dispensary facility) shall indemnify, defend, and hold the City harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the Commercial Adult-Use Cannabis Activity.

4. ~~4.~~—The owner shall be responsible for ensuring that all commercial Adult-Use Cannabis activities at the site operate in good standing with permits and licenses required by the City of Palm Springs Code and State Law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial Adult-Use Cannabis activities at the site who do not maintain permits or licenses in good standing with the City or State shall be grounds for the modification or revocation of a permit pursuant to this Chapter.

5. ~~5.~~—The transportation and distribution facilities and activities shall be maintained in accordance with the operating plans approved by the City.

6. Records

a. In addition to records generally required of all Adult-Use Cannabis Businesses, every distribution facility shall maintain records specific to the operation, including but not limited to: records relating to branding, packaging and labeling; inventory logs and records; transportation bills of lading and shipping manifests for completed transports and for cannabis goods in transit; vehicle and trailer ownership records; quality-assurance records; records relating to destruction of cannabis goods; laboratory-testing records; warehouse receipts; records relating to tax payments collected and paid. All records shall be made available to the City upon request.

b. Every distribution facility shall maintain a written contract with other State licensees storing cannabis goods on the Distributor's premises. A separate storage inventory log for every State licensee storing cannabis goods on the premises shall be maintained. The storage inventory logs and written contracts shall be provided to the City upon request. All inventory documents shall contain the identity and State license number of all contracting parties.

c. Every distribution facility shall maintain a database, and provide to the City upon request, a list of the individuals and vehicles authorized to conduct transportation on behalf of the Distributor.

C. ~~C.~~ Notwithstanding any of the provisions of this Section 5.55.098, a permitted Adult-Use Cannabis Business may conduct internal testing of Adult-Use Cannabis or Adult-Use Cannabis products. However, this provision shall not be interpreted to authorize or permit cross-licensing of a Cannabis Testing

Laboratory Facility with any other type of permit of license hereunder, or with respect to State law.

Section 5.55.100. Temporary Cannabis Event Permit

A. A permit for Temporary Cannabis Event shall not be granted by the City Manager unless all of the following findings are made based on substantial evidence:

1. The applicant has demonstrated that it can and will comply with all of the requirements of the State and City to hold a temporary cannabis event permit.

2. The Temporary Cannabis Event complies with the locational requirements of the City's Zoning Ordinance.

3. The Temporary Cannabis Event, as approved and conditioned, will not result in significant unavoidable impacts on the environment.

4. The Temporary Cannabis Event includes adequate measures that minimize, to the extent feasible, nuisances to the immediate neighborhood and community including minimizing the detection of odor from offsite, minimizing the effects of loitering, providing adequate security measures, and not exceeding the Land Use Permit's limits on hours of operation.

5. The Temporary Cannabis Event will provide adequate measures that address the federal enforcement priorities for Cannabis activities including restricting drugged driving, restricting access to minors, and ensuring that Adult-Use Cannabis and Adult-Use Cannabis Products are supplied from permitted and licensed sources.

B. In addition to any other required conditions and mitigation measures approved by the City Manager, all of the following conditions shall apply to all permits for a Temporary Cannabis Event:

1. The name of the temporary cannabis event.

2. A diagram of the physical layout of the temporary cannabis event. The diagram shall clearly indicate where the temporary cannabis event will be taking place on the location grounds, all entrances and exits that will be used by participants during the event, all cannabis consumption areas, and all retail areas where cannabis goods will be sold. The hours during which cannabis goods will be sold shall be noted on the diagram. The diagram shall also clearly indicate the area where cannabis waste will be stored, all areas where cannabis goods will be stored, and the specific location of each cannabis licensee who will be participating in the event. Each cannabis licensee participating in the event shall be identified with an assigned

temporary cannabis event location number. The diagram shall not contain highlighting and the markings on the diagram shall be in black-and-white print.

3. The dates and hours of operation for which the temporary cannabis event license is being sought. A temporary event license is required for any date in which the applicant engages in onsite cannabis sales or allows onsite cannabis consumption.

4. Contact information for a designated contact person(s) who shall be onsite at the event and reachable by telephone at all times that the event is occurring.

5. A list of all licensees and employees that will be providing onsite sales of cannabis goods at the temporary cannabis event.

6. An Odor Control Plan demonstrating that no cannabis odor will be present outside of the perimeter of the event.

Section 5.55.101. Cannabis Medical Use Dispensary Permit

A. A cannabis medical use dispensary permit shall not be granted by the City Manager unless all of the following findings are made based on substantial evidence:

1. The dispensary, as proposed, has demonstrated that it can and will comply with all of the requirements of the State and City to operate a medical cannabis dispensary.

2. The dispensary complies with the locational requirements of the City's Zoning Ordinance.

3. The dispensary, as approved and conditioned, will not result in significant unavoidable impacts on the environment.

4. The dispensary includes adequate measures that minimize, to the extent feasible, nuisances to the immediate neighborhood and community including minimizing the detection of odor from offsite, minimizing the effects of loitering, providing adequate security measures, and not exceeding the Land Use Permit's limits on hours of operation.

5. The dispensary will provide adequate measures that address the federal enforcement priorities for cannabis activities including restricting drugged driving, restricting access to minors, and ensuring that the cannabis goods are supplied from permitted and licensed sources.

B. In addition to any other required conditions and mitigation measures approved by the City Manager, all of the following conditions shall apply to all permits for a medical cannabis dispensary:

1. The medical cannabis dispensary shall allow access to dispensary facilities and records if requested by the City, its officers, or agents, and shall pay for an annual inspection in an amount to be determined by City Council resolution and submit to inspections from the City or its officers to verify compliance with all relevant rules, regulations, and conditions.

2. The applicant, owner, and all permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter by any enforcement officer of the City or their designee.

3. The applicant and the permittee for the dispensary facility and property owner (if the property owner has a financial interest in the dispensary facility) shall indemnify, defend, and hold the City harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the commercial medical cannabis activity.

4. The owner shall be responsible for ensuring that all commercial medical cannabis activities at the site operate in good standing with all permits and licenses required by the City of Palm Springs Code and State Law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial medical cannabis activities at the site who do not maintain permits or licenses in good standing with the City or State shall be grounds for the suspension or revocation of a permit pursuant to this Chapter.

5. The dispensary shall operate only in accordance with the operating plans reviewed and approved by the City Manager.

C. Except as provided for in this section all other provisions of this Chapter applicable to commercial adult-use cannabis permits shall apply to cannabis medical use dispensary permits

Section 5.55.102 Recordkeeping.

A. Adult-Use Cannabis Businesses shall comply with all recordkeeping requirements, as set forth in this Chapter, California Business and Professions Code Section 26000 et seq., and all applicable regulations implemented and enforced by the State or any of its departments and divisions.

B. Every owner and operator of an Adult-Use Cannabis Business shall maintain legible, clear, adequate, and accurate books, records, and documentation, demonstrating that all cannabis goods have been obtained from, and are provided to, other State licensees, and shall detail all of the revenues and expenses of the business, and all of its assets and liabilities on the premises. All records shall be in English.

C. All required records shall be stored, preserved, and maintain on the premises for a minimum of (7) years. Mandatory records shall be stored in a secured area where the records remain protected from debris, moisture, contamination, hazardous waste, fire, or theft. Electronic records shall be secured and backed up in a manner that prevents unauthorized access and that ensures the integrity of the records is maintained.

D. Adult-Use Cannabis Businesses shall maintain a current register of the names and the contact information (including the address, e-mail address and telephone number) of anyone owning or holding an interest in the Adult-Use Cannabis Business, and separately a register of all the officers, managers, employees, responsible persons, and volunteers currently employed or otherwise engaged by the Adult-Use Cannabis Business. The register required by this subsection shall be provided to the City Manager upon a verbal or written request.

E. Point-of-sale inventory control and reporting system.

1. Adult-Use Cannabis Businesses shall employ the use of track-and-trace software. All transactions, business expenses, and operations must be tracked in compliance with State Track-and-Trace regulations. The software must provide documentation and information that meets State compliance requirements and have the ability to integrate with the California Cannabis Authority (CCA) track-and-trace system.

2. Specific Requirements:

a. Retail. Ability to provide inventory management and Point of Sale documentation and records to manage cannabis retails from seed to sale. Generate monthly sales report that provide total gross monthly sales and tax liabilities. Reports must be submitted with monthly tax remittance.

b. Cultivation. Ability to track and control operations from planting through harvesting, to curing and packaging.

c. Manufacturing. Ability to manage each stage of the manufacturing process from extraction and refinement to finished product. Inventory management, electronic batch records, specification management, equipment control and document management for compliance with state cannabis regulation should be provided. Generate monthly report that demonstrates all gross monthly sales and tax liabilities. Reports must be submitted with monthly tax remittance.

d. Distribution. Ability to manage vendor, facilities and wholesaler partner. Ability to automatically generate purchase orders, invoices, and manifests. Generate monthly report that demonstrates all gross monthly sales and tax liabilities. Reports must be submitted with monthly tax remittance.

5.55.105.55.105 Commercial Adult-Use Cannabis Permit Renewals.

A. ~~A.~~ An application for permit renewal shall be submitted to the City Clerk's Office at least ~~sixty~~thirty (~~60~~30) business days prior to the expiration date of the current cannabis permit, but no more than one-hundred twenty (120) days prior to the expiration of the current Adult-Use Cannabis Business Permit.

B. ~~B.~~ ~~A-commercial~~An Adult-Use Cannabis Business that does not obtain a renewed Adult-Use Cannabis Business Permit by the end of the business day of the expiration date shall discontinue operation of the Adult-Use Cannabis businessActivity until a new permit is issued.

C. ~~C.~~ ~~Any-commercial~~Adult-Use Cannabis Business Permit that has not been renewed by the annual renewal date will not be deemed valid and is deemed ~~inactive~~void.

D. ~~D.~~ Any Application for renewal shall be denied if:

1. ~~1.~~ The Application is filed fewer than thirty (30) calendar days before its expiration;

2. ~~2.~~ The permittee fails to conform to the criteria set forth in this Chapter;

3. ~~3.~~ The permittee is delinquent in payment of any City taxes on commercial Cannabis activity; or

4. ~~4.~~ The permit is suspended or revoked at the time of the Application.

E. ~~E.~~ An Application for renewal shall be not be deemed complete until all Application fees have been paid.

F. ~~F.~~ If the City Manager intends to deny the renewal, the City Manager shall specify in writing the reasons for the denial of the renewal, and notify the permittee that the decision shall become final unless the permittee seeks an appeal pursuant to Chapter 2.05 of this Code within ten (10) calendar days of the date of service of the City Manager's decision. Service of the decision shall be provided in accordance with the requirements set forth in Chapter 2.05 of this Code.

5.55.110 Compliance with Laws.

It is the responsibility of the owners and operators of the Adult-Use Cannabis Business to ensure that it is, at all times, operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions which violate state law or local law with respect to the operation of an Adult-Use Cannabis Business. It shall be

the responsibility of the owners and the operators of the Adult-Use Cannabis Business to ensure that the Adult-Use Cannabis Business is, at all times, operating in a manner compliant with MAUCRSA, all applicable state and local laws, the 2008 Attorney General Guidelines, any subsequently enacted State Law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the Adult-Use Cannabis Business Permit. Nothing in this Chapter shall be construed as authorizing any actions which violate State Law with regard to the operation of an Adult-Use Cannabis Business.

5.55.120 Fees and Charges.

A. ~~A.~~—No person may commence or continue any Adult-Use Cannabis Activity in the City, without timely paying in full all fees and charges required for the operation of an Adult-Use Cannabis Activity. Fees and charges associated with the operation of an Adult-Use Cannabis Activity shall be established by resolution of the City Council to recover the cost of administration of this Chapter and may be amended from time to time. Permit Applicants and permittees are responsible for the costs of inspections, investigations, and any other fee-associated activity established pursuant to this Chapter.

B. ~~B.~~—All Adult-Use Cannabis Businesses authorized to operate under this Chapter shall pay all sales, use, business, gross receipts, Cultivation, and other applicable taxes, and all license, registration, and other fees required under federal, state, and local law. Each Adult-Use Cannabis Businesses shall cooperate with City with respect to any reasonable request to audit the Adult-Use Cannabis Business' books and records for the purpose of verifying compliance with this section as well as any ~~of the provisions of Section 5.45.120 and any~~ subsequent regulations adopted by the City, including but not limited to a verification of the amount of taxes required to be paid during any period.

Section 5.55.125 Tax Incentives

A. Notwithstanding any other provisions of this Code, the following tax incentives shall apply:

1. An Adult-Use Cannabis dispensary located in the Cannabis Overlay Zoneshall pay gross receipts tax equal to fifty percent (50%) of the applicable gross receipts tax.

2. An Adult Use Cannabis cultivation operation located in the Cannabis Overlay Zone shall pay a cultivation tax equal to fifty percent (50%) of the applicable cultivation tax.

3. An Adult-Use Cannabis manufacturing operation located in the Grow Zone shall pay a gross receipts tax equal to fifty percent (50%) of the applicable gross receipts tax.

5.55.130 Transfers of Commercial Adult-Use Cannabis Permits.

A. ~~A.~~—No person shall operate an Adult-Use Cannabis Business at any location other than the location specifically authorized and identified on the City issued Adult-Use Cannabis Business Permit.

B. ~~B.~~—Transfer, conveyance, or sale of any or all ownership interests or control of an Adult-Use Cannabis Business or transfer of any Adult-Use Cannabis Business Permit issued under this Chapter may only be made to a person who has applied for and has been issued an Adult-Use Cannabis Permit or permits pursuant to the provisions of this Chapter and is otherwise fully qualified to operate an Adult-Use business in the City and approved by the City Manager. Any attempt to transfer Adult-Use Cannabis Business Permit or an ownership interest in an Adult-Use Cannabis Business in violation of this Section shall render the Adult-Use Cannabis Business Permit for the Adult-Use Cannabis Business and all rights to operate such business in the City void.

C. ~~C.~~—A commercial Adult-Use Cannabis Permit is issued to and covers only the permittee identified on the permit with respect to the premises identified on the permit. The commercial Adult-Use Cannabis Permit does not run with the land.

D. ~~D.~~—In any situation where a permit has been lost as a result of an attempted transfer of the Adult-Use Cannabis Business Permit or of the Adult-Use Cannabis Business, or as a result of the abandonment or revocation of the permit, any new permit shall be issued using the standard process for the issuance of permits in the first instance. No preference shall be given to any person proposed as new owner or assignee by the former permit holder.

5.55.140 Requirements Before Permittee May Commence Operations.

A. ~~A.~~—Prior to commencing operations an Adult-Use Cannabis Business shall obtain a City of Palm Springs business license.

B. ~~B.~~—Prior to commencing operations, an Adult-Use Cannabis Business shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes but is not limited to obtaining any required building permit(s), fire department approvals, ~~County of Riverside Health Department approvals.~~ and other zoning and land use permit(s) and approvals.

C. ~~C.~~—Certification from Director of Planning Services. Prior to commencing operations, an Adult-Use Cannabis Business must obtain a certification

from the Director of Planning Services certifying that the business is located on a site that meets all of the requirements of the City's Zoning Ordinance.

D. ~~D.~~—As a condition precedent to the City's issuance of an Adult-Use Cannabis Business Permit pursuant to this Chapter, any person intending to open and operate an Adult-Use Cannabis Business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from another person, the Applicant shall provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this Chapter and consents to the operation of the Adult-Use Cannabis Business on the owner's property. Should any change in ownership of the property/location occur during the lease term the applicant/permittee shall provide to the City Manager written notice of the change which should reflect the specifics of who or what entity will be acting as the landlord, provide landlord's contact details, and indicate the effective date when the new or newly organized landlord will own the property/location in question within seven (7) days after any change. Within thirty (30) days of the change of landlord or landlord status, an applicant or permittee shall provide to the City Manager a new and superseding signed and notarized statement from the new landlord (owner) of the property acknowledging that the new or newly organized property owners has read this Chapter and consents to the operation of the Adult-Use Cannabis Business on the property.

E. ~~E.~~—To the fullest extent permitted by law, the City of Palm Springs shall not assume any liability whatsoever with respect to having issued an Adult-Use Cannabis Business Permit pursuant to this Chapter or otherwise approving the operation of any Adult-Use Cannabis Business. As a condition to the approval of any Adult-Use Cannabis Business Permit, the Applicant shall enter into a written agreement or agreements, in a form approved by the City Attorney before any Adult-Use Cannabis Business Permit regarding the following:

1. ~~1.~~—Applicant shall agree to indemnify, defend (at Applicant's sole cost and expense), and hold the City of Palm Springs, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of the Adult-Use Cannabis Business Permit, the City's decision to approve the operation of the Adult-Use Cannabis Business or activity, to process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the Adult-Use Cannabis Business or any of its officers, employees or agents.

2. ~~2.~~—Maintain insurance at coverage limits, and with conditions thereon as determined necessary and appropriate from time to time by the City Manager. In no event shall the insurance required aggregate less than \$2 million dollars and no less than \$1 million dollars for each loss.

3. ~~3.~~ Reimburse the City of Palm Springs for all costs and expenses, including but not limited to attorney fees and costs and court costs, which the City of Palm Springs may be required to pay as a result of any legal action of any kind related to the Applicant's Adult-Use Cannabis Business Permit, or related in any way any activity of the Applicant in conjunction with the operation of the any Adult-Use Cannabis Activity. The City of Palm Springs may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

4. ~~4.~~ Applicant shall keep the City and law enforcement updated with the names, addresses, and relevant criminal histories of all employees, facility managers, and other relevant parties for the Adult-Use Cannabis Business at all times. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.

~~5. Permits issued pursuant to this Chapter are not transferable to any third parties except as provided in Section 5.55.120.~~

F. ~~F.~~ Before any Permittee may commence operation of any Adult-Use Cannabis Business or be granted a business license as to same, that Permittee shall secure and provide satisfactory proof to the City that the Permittee in question is ~~an "a"~~ type proper Licensee of the State of California, authorized by State Law to engage in the specific Commercial Adult-Use Cannabis Operation to be undertaken in the City by the Permittee in question.

5.55.200 Commercial Adult-Use Cannabis Operating Requirements.

A. ~~A.~~ Throughout the term of the commercial Adult-Use Cannabis Permit, each permittee shall not violate this Chapter and shall comply with all of the following:

1. ~~1.~~ It shall be a violation of this Chapter for a permittee to cultivate, process, manufacture, test, distribute, transport, deliver, provide, or allow to be provided Cannabis to any person under twenty-one years of age.

2. ~~2.~~ Each permittee of an Adult-Use Cannabis Business shall maintain accurate books and records, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of an Adult-Use Cannabis Business Permit issued pursuant to this Chapter), or at any time upon reasonable request of the City, each Adult-Use Cannabis Business shall file a sworn statement detailing the number of sales by the Adult-Use Cannabis Business during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid.

3. ~~3.~~—Each permittee of an Adult-Use Cannabis Business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the Adult-Use Cannabis Business, and separately of all the officers, managers, employees, agents, and volunteers currently employed or otherwise engaged by the Adult-Use Cannabis Business. The register required by this paragraph shall be provided to the City Manager or his/her designee(s) upon a reasonable request.

4. ~~4.~~—The permittee shall post or cause to be posted on site all required city and state permits and licenses required to operate. Such posting shall be in a central location, visible to the patrons, at the operating site, and in all vehicles that deliver or transport Adult-Use Cannabis.

5. ~~5.~~—Each permittee of an Adult-Use Cannabis Business shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all Cannabis and Cannabis Products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes ~~until purchase by or distribution to a qualified patient or Primary Caregiver.~~

6. ~~6.~~—Each Adult-Use Cannabis Business shall allow City of Palm Springs officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted Adult-Use Cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City.

7. ~~7.~~—The permittee shall maintain clear and adequate records and documentation demonstrating that all Cannabis or Cannabis Products have been obtained from and are provided to other permitted and licensed Cannabis operations. The City shall have the right to examine, monitor, and audit such records and documentation, which shall be made available to the City upon request.

8. ~~8.~~—All Adult-Use Cannabis manufacturing facilities shall operate within a legal structure that is compliant with all applicable State and local laws.

9. ~~9.~~—All Adult-Use Cannabis Businesses must pay all applicable sales taxes and fees pursuant to all federal, State, and local laws and the owner and/or operator shall not be delinquent in the payment of such taxes and fees.

10. ~~10.~~—On-site smoking, ingestion, or consumption of Cannabis or alcohol shall be prohibited on the premises of all Adult-Use Cannabis manufacturing/cultivation/testing facilities. The term "premises" as used in this Subsection includes the actual Adult-Use Cannabis manufacturing building, as well as

any accessory structures and parking areas. The Adult-Use Cannabis manufacturing facility building entrance shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming Cannabis or alcohol on the premises or in the vicinity of the facility is prohibited.

11. ~~41.~~—Signage for any Adult-Use Cannabis Business facility and/or location shall include the name of the business, and shall be in compliance with the City’s sign ordinance and any applicable City design standards.

12. ~~42.~~—Alcoholic beverages shall not be sold, stored, distributed, or consumed on the premises. Adult-Use Cannabis manufacturing facilities shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. In addition, alcoholic beverages shall not be provided, stored, kept, located, sold, dispensed, or used on the premises of any Adult-Use Cannabis manufacturing facility.

13. ~~43.~~—Physician services shall not be provided on the premises. “Physician services” includes without limitation the evaluation of patients for the issuance of a medical Cannabis recommendation or card. “Physician services” does not include social services, including counseling, help with housing and meals, hospice, and other care referrals which may be provided on site.

14. ~~44.~~—The building in which any Adult-Use Cannabis Business facility is located, as well as the operations as conducted therein, shall fully comply with all applicable rules, regulations, and laws including, but not limited to, zoning and building codes, the City’s business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, and MAUCRSA. Compliance with all requirements of State Law pertaining to Adult-Use Cannabis manufacturing is also required.

15. ~~45.~~—The canopy area of Adult-Use Cannabis located at any premises shall not exceed the maximum canopy limits set by State Law and the limits set forth in City’s use permit issued pursuant to Title 20 or Title 21 of the Palm Springs Municipal Code. The commercial Adult-Use Cannabis Permit shall specify the canopy limit allowed by the permit.

16. ~~46.~~—No person who is less than twenty-one (21) years of age may be employed or otherwise engaged in the operation of the permittee. No person under the age of twenty-one (21) shall be allowed on the premises.

~~17.—Odor prevention devices and techniques, such as a ventilation system with a carbon filter, shall be incorporated to ensure that odors from Cannabis are not detectable off site.~~

17. Odor control plan and odor control equipment that satisfies the odor requirements of this Chapter. .

18. ~~18.~~—No Adult-Use Cannabis or Adult-Use Cannabis Products, or graphics depicting Cannabis or Cannabis Products shall be visible from the exterior of the premises.

19. ~~19.~~—All Adult-Use Cannabis and Adult-Use Cannabis Products shall be stored in a secured and locked safe room, safe or vault, and in a manner to prevent diversion, theft, and loss, except for limited amounts of Cannabis used for display purposes, samples, or immediate sale.

20. ~~20.~~—Each permittee shall be responsible and liable for safety and security in and around the Commercial Adult-Use Cannabis Operation, and shall provide adequate security on the premises, including lighting and alarms, to ensure the safety of persons and to protect the premises from theft and other crimes. Each permittee shall install and maintain in proper working order, video monitoring equipment capable of providing surveillance of both interior and exterior areas of the permitted establishment. Each permittee shall maintain such surveillance video tapes for a period of at least thirty (30) days and shall make such videotapes available to the City upon demand.

21. ~~21.~~—Each permittee shall provide the City Manager with the name, telephone number, facsimile number, and e-mail address of a community relations contact to whom the public can provide notice of problems associated with the Commercial Adult-Use Cannabis Operation. The permittee shall make a good faith effort to resolve problems without the need for intervention by the City.

22. ~~22.~~—Any new supervisors, employees or other persons otherwise engaged in the operation of the Commercial Adult-Use Cannabis Operation must submit their information to the City Manager within ten (10) days prior to their new ownership, employment, or engagement, including fingerprints and other necessary information for a criminal background check.

23. ~~0.~~—No permittee supervisor, employee, or other persons otherwise engaged in the operation of the Commercial Adult-Use Cannabis Operation may have been convicted of a:

a. ~~(A)~~ A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.

b. ~~(B)~~ A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.

c. ~~(C)~~ A felony conviction involving fraud, deceit, or embezzlement.

d. ~~(D)~~ A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or

peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.

e. ~~(E)~~ A felony conviction for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety Code.

A conviction within the meaning of this Section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.

24. ~~24.~~—The property owner(s) who own(s) the premises where the commercial Cannabis operation is located must at all times have all necessary land use entitlements that run with the land as required by this Code and the land use entitlements must be operative.

25. ~~25.~~—When applicable, the permittee must legally hold all required State licenses under MAUCRSA (Business and Professions Code Section 26000 et seq.), as it may be amended, and under all other applicable State Laws.

26. ~~26.~~—The permittee shall comply with all required city permits, state licenses, city regulations, and State Laws and regulations, including without limitation, City building, zoning, and health codes. The owner shall be responsible for the payment of all required inspection fees, permit fees, and taxes with all applicable Federal, State, and local laws, ordinances, and regulations.

27. ~~27.~~—No permittee shall display upon or in proximity to, or referring to the location or premises of the Adult-Use Cannabis facility, use, publish, or exhibit, or permit to be used, or published, any sign, advertisement, display, notice, symbol, or other device which uses misleading, deceptive, or false advertising. No permittee shall falsely represent, claim, or advertise the content, nature, quality, attributes, or effects of any product or service provided by, or on the premises of, the commercial Cannabis operation.

28. [The permittee shall fully comply with California Labor Code section 1102.5.](#)

B. ~~B.~~—A permittee shall comply with the following Cultivation, manufacture, waste, and storage requirements:

1. ~~1.~~—Each permittee must follow all pesticide use requirements of local, State, and Federal law.

2. ~~2.~~—Each permittee must maintain all weighing devices in compliance with local, State, or Federal law and comply with Chapter 7.60 of the Palm Springs Municipal Code regarding device registration with the City.

3. ~~3.~~ Each permittee must follow all local, State, and Federal requirements for waste disposal.

4. ~~4.~~ In no case shall any hazardous, flammable, or explosive substances be used to process or manufacture Cannabis Products on site.

5. ~~5.~~ Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.

6. ~~6.~~ All food products, food storage facilities, food-related utensils, equipment, and materials shall be approved, used, managed, and handled in accordance with Sections 113700—114437 of the California Health and Safety Code, and California Retail Food Code. All food products shall be protected from contamination at all times, and all food handlers must be clean, in good health and free from communicable diseases.

7. ~~7.~~ Baked products (e.g., brownies, bars, cookies, etc.), tinctures, and other non-refrigerated type items may be sold or distributed at an Adult-Use Cannabis Business.

C. ~~C.~~ At any time and without notice, City officials may enter the premises for the purpose of observing compliance of the Commercial Adult-Use Cannabis Operation with this Section, including access to and inspection of the Commercial Adult-Use Cannabis Operation's records, books, accounts, financial data, and any and all data relevant to its permitted activities for the purpose of conducting an audit or examination.

D. ~~D.~~ It is unlawful for any person having any responsibility over a Commercial Adult-Use Cannabis Operation to refuse to allow, impede, obstruct, or interfere with an inspection, or the review of the copying of records and monitoring (including recordings) including, but not limited to, the concealment, destruction, and falsification of any recordings or records.

5.55.205 Miscellaneous Operating Requirements.

A. ~~A.~~ Additional Requirements for Dispensaries.

1. ~~1.~~ Dispensaries shall be located only in zoning districts that specifically provide for this use.

2. ~~2.~~ Dispensaries shall implement and maintain sufficient security measures to both deter and prevent unauthorized entrance into areas containing Cannabis or Cannabis Products in compliance with Section 26070 (j) of the California Business and Professions Code and any rules promulgated by the [State](#)

licensing authority. Security measures shall include, but are not limited to, the following:

a. ~~a.~~ Prevent individuals from loitering on the premises of the dispensary if they are not engaging in activity expressly related to the operations of the dispensary;

b. ~~b.~~ Establish limited access areas accessible only to authorized dispensary personnel;

c. ~~c.~~ Store all Cannabis and Cannabis Products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of Cannabis and Cannabis Products used for display purposes, samples, or immediate sale;

d. ~~d.~~ Install security cameras on site; and

e. ~~e.~~ Provide for on-site security personnel meeting the requirements and standards contained within ~~Chapter 5.52 of the Palm Springs Municipal Code. On-site security shall not carry firearms or other lethal weapons~~ applicable State regulations and applicable City requirements.

3. ~~3.~~ If the dispensary operations are proposed to include transportation and distribution, all employees of a dispensary delivering Adult-Use Cannabis or Adult-Use Cannabis Products shall carry a copy of the documentation listed below when making deliveries. This information shall be provided upon request to law enforcement officers and to employees of state and local agencies enforcing this Chapter.

a. ~~a.~~ A copy of the dispensary's current permits, licenses, and entitlements authorizing them to provide transportation and distribution services;

b. ~~b.~~ The employee's government-issued identification;

c. ~~c.~~ A copy of the transportation and distribution request;

and

d. ~~d.~~ Chain of custody records for all goods being delivered.

4. ~~4.~~ Dispensaries shall ensure that all Cannabis and Cannabis Products at the dispensary are cultivated, manufactured, transported, distributed, and tested by licensed and permitted facilities that maintain operations in full conformance with state and local regulations.

5. ~~5.~~ Dispensaries shall not distribute any Adult-Use Cannabis or Adult-Use Cannabis Product unless the Adult-Use Cannabis and Adult-Use Cannabis

Products are labeled and in a tamper-evident package in compliance with Section 26120 (a) of the California Business and Professions Code and any additional rules promulgated by the licensing authority and such label shall include the name and contact information of the dispensary that dispensed the Adult-Use Cannabis.

6. ~~6.~~ Possession or transportation and distribution of any other form of illegal drugs without proper legal authorization shall be grounds for revocation of permits.

7. Dispensary shall facilitate the dispensing, making available, sale, and delivery of cannabis goods with a technology platform that uses point-of-sale technology to track, and database technology to record and store, the following information for each transaction involving the exchange of cannabis goods between the Dispensary and customer:

a. The first name and employee number of the Dispensary employee who processed the sale of cannabis goods on behalf of the Dispensary.

b. A list of all the cannabis goods purchased, including the quantity purchased

c. A list of all the cannabis goods purchased, including the quantity purchased

d. The total amount paid for the sale, including the individual prices paid for cannabis or cannabis products purchased, and any amounts paid for tax.

B. ~~B.~~ Additional Requirements for Adult-Use Cannabis Cultivation.

1. ~~1.~~ Adult-Use Cannabis Cultivation shall be located only in zoning districts that specifically provide for this use.

2. ~~2.~~ Adult-Use Cannabis Cultivation shall comply with all of the following regulations:

a. ~~a.~~ All Cultivation activities permitted under this Chapter shall comply with the state requirements for unique identifiers and the trace and track program.

b. ~~b.~~ Security measures sufficient to restrict access only to authorized personnel and to deter trespass and theft of Adult-Use Cannabis or Adult-Use Cannabis Products shall be provided and maintained. ~~If on-site security is utilized, such on-site security shall not use or possess firearms or other lethal weapons.~~

c. ~~e.~~ Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.

d. ~~d.~~ Water conservation measures, water capture systems, or grey water systems shall be incorporated in Adult-Use Cannabis Cultivation operations in order to minimize use of water where feasible.

e. ~~e.~~ On-site renewable energy generation shall be required for all indoor Adult-Use Cannabis Cultivation activities, if feasible. Renewable energy systems shall be designed to have a generation potential equal to or greater than one-half of the anticipated energy demand.

f. ~~f.~~ Cannabis plants shall not be visible from offsite. No visual markers indicating that Cannabis is cultivated on the site shall be visible from offsite.

g. ~~g.~~ The owner shall ensure that the total canopy size of Adult-Use Cannabis cultivated at the site does not exceed the cumulative canopy size authorized by State Law or regulation. The owner and its licensees and permittees, operating on a site permitted pursuant to this Chapter, and with a commercial Adult-Use Cannabis Permit required pursuant to this Chapter, shall ensure that the total canopy size of Cannabis Cultivation does not individually exceed the amounts authorized by City permits and State Law.

C. ~~C.~~ Additional Requirements for Adult-Use Cannabis Manufacturing.

1. ~~1.~~ Adult-Use Cannabis manufacturing shall be located only in zoning districts that specifically provide for this use.

~~2. Regulations.~~

2. Adult-Use Cannabis manufacturing shall comply with all of the following regulations:

a. ~~a.~~ The manufacturing of food or other products infused with or which otherwise contain Cannabis may be manufactured within the appropriate manufacturing zoning districts subject to the regulations set forth in this Chapter, and subject to whatever additional regulations may be promulgated hereunder by an ordinance or resolution of the City Council. Except as otherwise provided in this Chapter, all Cannabis manufacturing within the City is prohibited.

b. ~~b.~~ Adult-Use Cannabis manufacturing is a use permitted ~~subject to a land use permit~~ only on properties within specific zone districts as expressly provided in the City's Zoning Code.

c. ~~e.~~—Adult-Use Cannabis manufacturing facilities may be located within the same building or structure as an indoor Adult-Use Cannabis Cultivation facility only if the Adult-Use Cannabis manufacturing facility is located in separate rooms of the building or structure, and only if the Adult-Use Cannabis manufacturing facility has its own separate entrance into the building or structure.

d. ~~d.~~—Subject to the further requirements of this Section, only State manufacturer license classification type 6 ~~level 1~~ or type 7 will be allowed to operate in the City using nonvolatile solvents in accordance with MAUCRSA and Business and Professions Code Sections 26130 (a) and (b). ~~The Health Official shall determine if manufacturing operations are “volatile.”~~

e. ~~e.~~—All Cannabis manufacturing operations shall ensure that Cannabis is obtained from permitted and licensed Cultivation sources and shall implement best practices to ensure that all manufactured Cannabis Products are properly stored, labeled, transported, and inspected prior to distribution at a legally permitted and licensed dispensary.

f. ~~f.~~—Security measures sufficient to restrict access to only authorized personnel and to deter trespass and theft of Adult-Use Cannabis or Adult-Use Cannabis Products shall be provided and maintained. Security measures shall include, but are not limited to, the following:

(i) ~~i.~~—Prevent individuals from loitering on the premises of the manufacturing facility if they are not engaging in activity expressly related to the operations of the manufacturing facility;

(ii) ~~ii.~~—Store all Cannabis and Cannabis Products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss;

(iii) ~~iii.~~—Install security cameras on site; and

(iv) ~~iv.~~—Provide for on-site security personnel meeting the requirements and standards contained within Chapter 5.52 of the Palm Springs Municipal Code. ~~On-site security shall not use or possess firearms or other lethal weapons.~~

g. ~~g.~~—Any employees of an Adult-Use Cannabis manufacturing facility operating potentially hazardous equipment shall be trained on the proper use of equipment and on the proper hazard response protocols in the event of equipment failure. In addition, employees handling Edible Cannabis Products or ingredients shall be trained on proper food safety practices.

h. ~~h.~~—Adult-Use Cannabis manufacturing is allowed only within Fully Enclosed and Secure Structures that are inaccessible to minors.

i. ~~i.~~—Adult-Use Cannabis manufacturing shall not exceed the square footage authorized pursuant to ~~the any applicable~~ land ~~Use-Permit~~uses entitlement.

j. ~~j.~~—From any public right-of-way, there shall be no visible exterior evidence of any Adult-Use Cannabis manufacturing activity.

k. ~~k.~~—Adult-Use Cannabis manufacturing shall not adversely affect the health or safety of the nearby residents by creating dust, glare, heat, noise, smoke, traffic, vibration, or other impacts, and shall not be hazardous due to use or storage of materials, processes, products, or wastes.

l. ~~l.~~—All Adult-Use Cannabis manufacturing facilities shall fully comply with all of the applicable restrictions and mandates set forth in State Law. All Adult-Use Cannabis manufacturing facilities shall comply with all size requirements for such facilities as imposed by State Law. Adult-Use Cannabis manufacturing facilities shall not engage in any activities not allowed by Adult-Use Cannabis manufacturing facilities pursuant to State Law. All Adult-Use Cannabis manufacturing facilities shall comply with all horticultural, labeling, processing, and other standards required by State Law.

m. ~~m.~~—There is no set restriction on the hours of operation of Adult-Use Cannabis manufacturing facilities; however, restricted hours of operation may be established as a condition of approval of the manufacturing permit or the applicable land use ~~Permit~~entitlement.

n. ~~n.~~—Adult-Use Cannabis manufacturing facilities shall not distribute, sell, dispense, or administer Cannabis from the facility to the public. Adult-Use Cannabis manufacturing facilities shall not be operated as Adult-Use Cannabis dispensaries.

o. ~~o.~~—The operators of all Adult-Use Cannabis manufacturing facilities shall provide the City Manager with the name, phone number, facsimile number, and email address of an on-site representative to whom the City and the public can provide notice if there are any operational problems associated with the Adult-Use Cannabis manufacturing facility. All Adult-Use Cannabis manufacturing facilities shall make every good faith effort to encourage residents and the public to call this representative to resolve any operational problems before any calls or complaints are made to the City or law enforcement.

p. ~~p.~~—All finished products produced by an Adult-Use Cannabis manufacturing facility must be labeled in compliance with MAUCRSA, Business and Profession Code Section 26120, and the labeling requirements outlined by the State Department of Public Health.

q. ~~q.~~—All finished products produced by an Adult-Use Cannabis manufacturing facility must be packaged in child resistant containers prior to leaving the facility or becoming commercially available in accordance with MAUCRSA, Business and Profession Code Section 26120, the State Department of Public Health regulations, and other applicable State Laws.

r. ~~r.~~—All batches of final Cannabis Products must be tested by a qualified third-party testing facility prior to distribution to a dispensary as required by MAUCRSA, Business and Professions Code Sections 26101, 26102, and 26104, and the State Department of Public Health regulations.

s. ~~s.~~—Adult-Use Cannabis manufacturing facilities shall only use nonvolatile solvents that have been approved by the State Department of Public Health for Adult-Use Cannabis level 1 manufacturing. Until such time as any such nonvolatile solvents are approved by the State Department of Public Health for Adult-Use Cannabis level 1 manufacturing, Adult-Use Cannabis manufacturing facilities shall only use nonvolatile solvents that have been approved by the Food and Drug Administration for the processing and preparation of botanical dietary supplements or food grade products.

t. ~~t.~~—All processing and analytical testing devices used for Adult-Use Cannabis manufacturing facilities must be UL listed, or otherwise approved for the intended use by the City's Building Official or the Fire Department. Any processing devices using only non-pressurized water are exempt from such approval.

u. ~~u.~~—Unless otherwise prohibited, all processing devices used by an Adult-Use Cannabis manufacturing facility that utilize hydrocarbons or otherwise flammable solvents must operate in a closed loop, or in such a way that all solvent material is recovered in the process. All hazardous material must be disposed of in a manner which is compliant with all local, State, and federal guidelines for the disposal of hazardous materials.

D. ~~D.~~—Additional Requirements for Adult-Use Cannabis Testing Facilities.

1. ~~1.~~—Adult-Use Cannabis testing facilities shall be located only in zoning districts that specifically provide for this use.

2. ~~2.~~—Adult-Use Cannabis testing facilities shall comply with all of the following regulations:

a. ~~a.~~—Adult-Use Cannabis testing facilities shall be independent from all other persons and entities involved in the Adult-Use Cannabis industry.

b. ~~b.~~—Security measures sufficient to restrict access to only authorized personnel and to deter trespass and theft of Adult-Use Cannabis or Adult-Use Cannabis Products shall be provided and maintained. Security measures shall include, but are not limited to, the following:

(i) ~~i.~~—Prevent individuals from loitering on the premises of the testing facility if they are not engaging in activity expressly related to the operations of the testing facility;

(ii) ~~ii.~~—Store all Cannabis and Cannabis Products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss;

(iii) ~~iii.~~—Install security cameras on site; and

(iv) ~~iv.~~—Provide for on-site security personnel meeting the requirements and standards contained within Chapter 5.52 of the City of Palm Springs Code. ~~On-site security shall not use or possess firearms or other lethal weapons.~~

(v) c. Adult-Use Cannabis testing facilities shall adopt standard operating procedures using methods consistent with general requirements for the competence of testing and calibration activities, including sampling, using standard methods established by the International Organization for Standardization, specifically ISO/IEC 17020 and ISO/IEC 17025 to test Adult-Use Cannabis and Adult-Use Cannabis Products that are approved by an accrediting body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement.

c. ~~d.~~—Adult-Use Cannabis testing facilities shall obtain samples for testing according to a statistically valid sampling method.

d. ~~e.~~—Adult-Use Cannabis testing facilities shall analyze samples according to either the most current version of the Cannabis inflorescence monograph published by the American Herbal Pharmacopoeia or a scientifically valid methodology that is demonstrably equal or superior to the most recent Cannabis inflorescence monograph.

e. ~~f.~~—If a test result falls outside the specifications authorized by law or regulation, the Adult-Use Cannabis testing facility shall follow a standard operating procedure to confirm or refute the original result.

f. ~~g.~~—Adult-Use Cannabis testing facilities shall destroy the remains of any samples of Adult-Use Cannabis or Adult-Use Cannabis Product tested upon completion of the analysis.

g. ~~h.~~—A licensed Cannabis Testing ~~Laboratory~~Facility shall issue a certificate of analysis for each lot, with supporting data, to report both of the following:

(i) ~~i.~~—Whether the chemical profile of the lot conforms to the specifications of the lot for compounds, including, but not limited to, all of the following:

(1) ~~(1)~~—Tetrahydrocannabinol (THC).

(2) ~~(2)~~—Tetrahydrocannabinolic Acid (THCA).

(3) ~~(3)~~—Cannabidiol (CBD).

(4) ~~(4)~~—Cannabidiolic Acid (CBDA).

(5) ~~(5)~~—The terpenes described in the most current version of the Cannabis inflorescence monograph published by the American Herbal Pharmacopoeia.

(6) ~~(6)~~—Cannabigerol (CBG).

(7) ~~(7)~~—Cannabinol (CBN).

(8) ~~(8)~~—Any other compounds required by the Department of Public Health.

(ii) ~~ii.~~—That the presence of contaminants does not exceed the levels that are the lesser of either the most current version of the American Herbal Pharmacopoeia monograph or those set by the California Department of Public Health. For purposes of this paragraph, contaminants include, but are not limited to, all of the following:

(1) ~~(1)~~—Residual solvent or processing chemicals.

(2) ~~(2)~~—Foreign material, including, but not limited to, hair, insects, or similar or related adulterant.

(3) ~~(3)~~—Microbiological impurity, including total aerobic microbial count, total yeast mold count, *P. aeruginosa*, *aspergillus* spp., *s. aureus*, aflatoxin B1, B2, G1, or G2, or ochratoxin A.

(4) ~~(4)~~—Whether the batch is within specifications for odor and appearance.

E. ~~E.~~ Additional Requirements for Adult-Use Cannabis Transportation and Distribution.

1. ~~1.~~ Adult-Use Cannabis transportation and distribution facilities shall be located only in zoning districts that specifically provide for this use.

2. ~~2.~~ Adult-Use Cannabis transportation and distribution facilities shall comply with all of the following requirements.

a. ~~a.~~ Adult-Use Cannabis and Adult-Use Cannabis Products shall only be transported between permitted and licensed Commercial Adult-Use Cannabis Operations.

b. ~~b.~~ Prior to transporting Adult-Use Cannabis or Adult-Use Cannabis Products, the transporter shall complete an electronic shipping manifest. The shipping manifest shall include the unique identifier information from the Cultivation source.

c. ~~c.~~ A physical copy of the shipping manifest shall be maintained during transportation and shall be made available upon request to law enforcement or any agents of the State or City charged with enforcement of this Chapter.

d. ~~d.~~ Distribution facilities shall maintain appropriate records of transactions and shipping manifests. An organized and clean method of storing and transporting Adult-Use Cannabis and Adult-Use Cannabis Products shall be provided to maintain a clear chain of custody.

e. ~~e.~~ Security measures sufficient to restrict access to only authorized personnel and to deter trespass and theft of Adult-Use Cannabis or Adult-Use Cannabis Products shall be provided and maintained. Security measures at distribution facilities shall include, but are not limited to, the following:

(i) ~~i.~~ Prevent individuals from loitering on the premises of the distribution facility if they are not engaging in activity expressly related to the operations of the distribution facility;

(ii) ~~ii.~~ Store all Cannabis and Cannabis Products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss;

(iii) ~~iii.~~ Install security cameras on site; and

(iv) ~~iv.~~ Provide for on-site security personnel meeting the requirements and standards contained within Chapter 5.52 of the City

of Palm Springs Code. ~~On-site security shall not use or possess firearms or other lethal weapons.~~

~~f.~~ ~~f.~~—Distributors shall ensure that appropriate samples of Adult-Use Cannabis or Adult-Use Cannabis Products are tested by a licensed testing facility prior to distribution.

~~g.~~ ~~g.~~—Prior to distribution, the distributor shall inspect Adult-Use Cannabis or Adult-Use Cannabis Products for quality assurance.

~~h.~~ ~~h.~~—Adult-Use Cannabis and Adult-Use Cannabis Products shall be packaged and labeled in accordance with the requirements of State Law.

~~i.~~ ~~i.~~—Alternative fuel vehicles shall be provided as part of an Adult-Use Cannabis transportation fleet.

5.55.210 Security Measures.

~~A.~~ ~~A.~~—A permitted Adult-Use Cannabis Business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing Adult-Use Cannabis or Adult-Use Cannabis Products, and to deter and prevent the theft of Adult-Use Cannabis or Adult-Use Cannabis Products at the Adult-Use Cannabis Business. Except as may otherwise be determined by the City Manager or their designee(s), these security measures shall include, but shall not be limited to, all of the following:

~~1.~~ ~~1.~~—Preventing individuals from remaining on the premises of the Adult-Use Cannabis Business if they are not engaging in an activity directly related to the permitted operations of the Adult-Use Cannabis Business.

~~2.~~ ~~2.~~—Establishing limited access areas accessible only to authorized Adult-Use Cannabis Business personnel.

~~3.~~ ~~3.~~—Except for live growing plants which are being cultivated at a Cultivation facility, all Adult-Use Cannabis and Adult-Use Cannabis Products shall be stored in a secured and locked room, safe, or vault. All Adult-Use Cannabis and Adult-Use Cannabis Products, including live plants which are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss, except for limited amounts of Cannabis used for display purposes or for immediate sale at a dispensary.

~~4.~~ ~~4.~~—Installing 24-hour security surveillance cameras and used in an on-going manner with at least two hundred forty (240) concurrent hours of digitally recorded documentation of at least HD-quality in a format approved by the City Manager to monitor all entrances and exits to and from the premises, all interior spaces within the Adult-Use Cannabis Business which are open and accessible to the

public, and all interior spaces where Cannabis, cash or currency, is being stored for any period of time on a regular basis, including Cultivation areas and any other areas as determined by the City Manager. The Adult-Use Cannabis Business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager or his/her designee(s), and the City's Police Department, and that it is compatible with the City's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the City Manager or their designee(s) and to the City's police department. Video recordings shall be maintained for a minimum of ninety (90) days, and shall be made available to the City Manager or law enforcement upon verbal request. No search warrant or subpoena shall be required to view recorded materials. Any disruption in security camera images shall be cured expeditiously in good faith.

5. ~~5.~~—Panic buttons shall be installed in all Adult-Use Cannabis Businesses.

6. ~~6.~~—Alarmed with an alarm system that is operated, maintained, and operated by a reputable security company.

7. ~~7.~~—Any bars installed on the windows or the doors of the Adult-Use Cannabis Business shall be installed only on the interior of the building.

8. ~~8.~~—Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager or their designee(s), with such approval not to be unreasonably withheld. Security personnel may be permitted to carry a firearm while providing security for any Adult-Use Cannabis Business provided written authorization from the City Manager or designee is obtained.

9. ~~9.~~—Each Adult-Use Cannabis Business shall have the capability to remain secure and operational during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

10. ~~10.~~—The entrances and all window areas shall be illuminated during evening hours. The facility shall comply with the City's lighting standards regarding fixture type, wattage, illumination levels, shielding, etcetera, and shall secure the necessary lighting approvals and permits as needed.

11. ~~11.~~—The City Manager and law enforcement shall have the right to enter the indoor Adult-Use Cannabis Cultivation facility at any time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this Section and all laws of the City and the State.

B. ~~B.~~—Each Adult-Use Cannabis Business shall identify a designated security representative or liaison to the City of Palm Springs, who shall be reasonably

available to meet with the City Manager or their designee regarding any security related measures or and operational issues.

~~C.~~ ~~C.~~—As part of the Application and permitting process each Adult-Use Cannabis Business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all Cannabis, Cannabis Products, and any currency.

~~D.~~ ~~D.~~—The Adult-Use Cannabis Business shall cooperate with the City whenever the City Manager or their designee makes a request, upon reasonable notice to the Adult-Use Cannabis Business, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter.

~~E.~~ ~~E.~~—An Adult-Use Cannabis Business shall notify the City Manager or his/her designee(s) within twenty-four (24) hours after discovering any of the following:

~~1.~~ ~~1.~~—Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager or his/her designee.

~~2.~~ ~~2.~~—Diversion, theft, loss, or any criminal activity involving the Adult-Use Cannabis Business or any agent or employee of the Adult-Use Cannabis Business.

~~3.~~ ~~3.~~—The loss or unauthorized alteration of records related to Cannabis, registering qualifying patients, Primary Caregivers, or employees or agents of the Adult-Use Cannabis Business.

~~4.~~ ~~4.~~—Any other breach of security.

5.55.220 **Packaging and Labeling Requirements.**

~~A.~~ Prior to the sale or the transportation and distribution of Adult-Use Cannabis or Adult-Use Cannabis Product the same shall be labeled and in a tamper-evident packaging. Labels and ~~packages shall at least meet all of the following minimum requirements:~~ packaging must comply with all applicable state laws and regulations.

~~A.—Packages and labels shall not be made to be attractive to children.~~

~~B.—Product labels shall include the following information displayed in a clear and legible font:~~

~~1.—Manufacture date and source;~~

~~2.—The statement “SCHEDULE I CONTROLLED SUBSTANCE”;~~

~~3.—The statement “KEEP OUT OF REACH OF CHILDREN AND ANIMALS” in bold typeface;~~

~~4. The statement “THE INTOXICATING EFFECTS OF THIS PRODUCT MAY BE DELAYED BY UP TO TWO HOURS”; and~~

~~5. The statement “THIS PRODUCT MAY IMPAIR THE ABILITY TO DRIVE OR OPERATE MACHINERY. PLEASE USE EXTREME CAUTION.”~~

~~C. For packages containing only dried flowers, the net weight of the Cannabis in the package.~~

~~D. A warning if nuts or other known allergens are used.~~

~~E. List of pharmacologically active ingredients including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total.~~

~~F. Clear indication, in bold typeface, that the product contains Cannabis.~~

~~G. Identification of the source and date of Cultivation and manufacture and the name and business phone number of the permittee seller of the product.~~

~~H. Only generic food names may be used to describe Edible Cannabis Products.~~

B. Any Adult-Use Cannabis Business with the word “organic” in its name must place signage in its place of business visible upon entry and at the point-of-sale, in a location and size acceptable to the City Manager, that states, “Product Being Sold Is Not Organic Unless Explicitly Labeled.” In no event will the sign be smaller than 8 1/2 by 11.

5.55.400 General Authority of City Manager.

A. ~~A.~~—The City Manager may delegate an act required to be performed pursuant to this Chapter to any Code Enforcement Officer or Official of the City, including without limitation the Chief of Police, the Fire Chief, the Building Official, the Finance Director, the City Attorney, or any designee of such officers or officials, including day-to-day operations.

B. ~~B.~~—The City Manager or the City Manager’s designees as provided in Subsection A above shall have all the powers of any peace officer to:

1. ~~1.~~—Investigate violations or suspected violations of this Chapter, Chapter 5.45, Chapter 3.35, and Section 93.23.15, and any other laws or regulations pertaining to Adult-Use Cannabis in this City, and any resolutions or regulations promulgated pursuant to such provisions, and make arrests, with or without warrant, for any violation thereof, if, during an officer’s exercise of powers or performance of duties pursuant to such laws, probable cause exists that a crime related to such laws has been or is being committed.

2. ~~2.~~—View, duplicate, and/or take possession of recordings made by the security cameras shall be made available to the City Manager upon verbal request; no search warrant or subpoena shall be needed to view the recorded materials.

3. ~~3.~~—The City Manager shall have the right to enter an Adult-Use Cannabis Business or facility from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this Chapter and all laws of the City and State of California.

4. ~~4.~~—Serve all warrants, summonses, subpoenas, administrative citations, notices, or other processes relating to the enforcement of laws regulating Adult-Use Cannabis and Cannabis-infused product.

5. ~~5.~~—Assist or aid any law enforcement officer in the performance of ~~the duties~~the duties upon such law enforcement officer's request or the request of other local officials having jurisdiction.

6. ~~6.~~—Inspect, examine, or investigate any Adult-Use Cannabis Business and/or facility or any property where Adult-Use Cannabis or Cannabis-infused product are grown, stored, cultivated, manufactured, tested, distributed, or sold, and any books and records in any way connected with any permitted activity.

7. ~~7.~~—Require any Permittee, upon demand, to permit an inspection of any Adult-Use Cannabis Business or facility during business hours or at any time of apparent operation, including without limitation any Cannabis equipment, and Cannabis accessories, or books and records; and, to permit the testing of or examination of Adult-Use Cannabis or Cannabis-infused product.

8. ~~8.~~—Require Applicants to submit complete and current Applications and fees and other information the City Manager deems necessary to make permitting decisions and approve material changes made by any Applicant or permittee;

9. ~~9.~~—Conduct investigations into the character, criminal history, and all other relevant factors related to suitability of all Applicants and permittees for Adult-Use Cannabis Permits and such other persons with a direct or indirect interest in an Applicant or permittee, as the City Manager may require; and

10. ~~10.~~—Promulgate such administrative regulations as deemed necessary and appropriate, provided that said regulations are consistent herewith and with all applicable State Law.

11. ~~11.~~ Exercise any other power or duty authorized by law.

C. ~~C.~~ Applicants and Permittees Shall Cooperate with City Manager Employees.

1. ~~1.~~ Applicants and Permittees must cooperate with employees and investigators of the City Manager who are conducting inspections or investigations relevant to the enforcement of laws and regulations related to this Chapter.

2. ~~2.~~ No Applicant or Permittee shall by any means interfere with, obstruct, or impede the City Manager or employee or investigator of the City Manager from exercising their duties under the provisions of this Chapter and all rules promulgated pursuant to it. This would include, but is not limited to:

a. ~~a.~~ Threatening force or violence against an employee or investigator of the City Manager, or otherwise endeavoring to intimidate, obstruct, or impede employees or investigators of the City Manager, their supervisors, or any peace officers from exercising their duties. The term “threatening force” includes the threat of bodily harm to such individual or to a member of their family;

b. ~~b.~~ Denying employees or investigators of the City Manager access to an Adult-Use Cannabis Business or facility during business hours or times of apparent activity;

c. ~~c.~~ Providing false or misleading statements;

d. ~~d.~~ Providing false or misleading documents and records;

e. ~~e.~~ Failing to timely produce requested books and records required to be maintained by the Permittee; or

f. ~~f.~~ Failing to timely respond to any other request for information made by the City Manager in connection with an investigation of the qualifications, conduct or compliance of an Applicant or permittee.

D. ~~D.~~ Administrative Hold. To prevent destruction of evidence, diversion, or other threats to public safety, while permitting a Permittee to retain its inventory pending further investigation, a City Manager investigator may order an administrative hold of Adult-Use Cannabis or Cannabis-infused product pursuant to the following procedure:

1. ~~1.~~ If during an investigation or inspection of a permittee, the City Manager develops reasonable grounds to believe certain Adult-Use Cannabis or Cannabis-infused product constitute evidence of acts in violation of this Chapter or rules promulgated pursuant to it, or otherwise constitute a threat to the public safety, the City Manager may issue a notice of administrative hold of any such Adult-Use

Cannabis or Cannabis-infused product. The notice of administrative hold shall provide a documented description of the Adult-Use Cannabis or Cannabis-infused product to be subject to the administrative hold.

2. ~~2.~~—The Permittee shall completely and physically segregate the Adult-Use Cannabis or Cannabis-infused product subject to the administrative hold in a separate area of the Location under investigation, where it shall be safeguarded by the Permittee. Pending the outcome of the investigation and any related disciplinary proceeding, the Permittee is prohibited from selling, giving away, transferring, transporting, or destroying the Adult-Use Cannabis or Cannabis-infused product subject to the administrative hold.

3. ~~3.~~—Following an investigation, the City Manager may lift the administrative hold, order the continuation of the administrative hold, or seek a Final Agency Order for the destruction of the Cannabis.

4. ~~4.~~—Any decision or action of the City Manager pursuant to this Subsection is subject to appeal pursuant to Section 2.05 of this Code.

E. ~~E.~~—Voluntary Surrender of Adult-Use Cannabis or Cannabis-Infused Product. A Permittee, prior to a Final Order and upon mutual agreement with the City Manager, may elect to waive a right to a hearing and any associated rights, and voluntarily surrender any Adult-Use Cannabis or Cannabis-infused product to the City Manager. Such voluntary surrender may require destruction of any Adult-Use Cannabis or Cannabis-infused product in the presence of a City Manager.

5.55.410 Suspension or Revocation of Commercial Adult-Use Cannabis Permit.

~~A. Any of the following shall be grounds for suspension or revocation of a commercial Adult-Use Cannabis Permit,~~

A. Noncompliance. Failure to comply with any of the provisions of this Chapter will constitute grounds for suspension, denial, or revocation of the permit. The noticing and hearing requirements for suspension or revocation of the permit shall be governed by the provisions of Chapter 2.05 of this Code.

B. Cease activity. No person may conduct any business or activity regulated by this Chapter while an application for a permit is pending, at any time after a permit denial or revocation, or while a permit is suspended.

C. The City Manager may deny any application for a permit, or revoke or suspend any permit, on the following grounds:

1. A permit application does not satisfy the minimum qualifications or fails to comply with the applicable requirements of this Chapter.

~~1. Failure to comply with one or more~~ 2. any of the terms and conditions ~~of the commercial Adult-Use Cannabis Permit or applicable land use entitlement;~~ attached to the permit at the time of approval.

3. Any act or omission that violates the requirements of this Code, including any rule, regulation, condition, or standard adopted pursuant to this Chapter, or any other applicable State or local rule, law, or regulation.

~~2. The commercial Adult-Use Cannabis Permit was granted on the basis of false material information, written or oral, given willfully or negligently by the Applicant;~~

~~3. Any act or omission by an owner or permittee in contravention of the provisions of this Chapter or any regulation adopted hereunder;~~

~~4. Any act or omission by a permittee in contravention of State Law or the Palm Springs Municipal Code;~~

~~5. Any act or omission by a permittee that results in the suspension or revocation of the applicable land use permit issued under the Zoning Ordinance for the commercial Adult-Use Cannabis activities;~~

~~6. Any act or omission by a permittee that results in the denial, revocation,~~ 4. ~~or suspension of the owner's or permittee's~~ permittee's State license;

5. Failure to renew the permittee's State license.

6. The permit was granted, in whole or in part, based on any written or oral misrepresentation or omission of a material statement in the permit application.

~~7. An owner's or permittee's failure to take appropriate action to evict or otherwise remove persons conducting commercial Adult-Use Cannabis activities who do not maintain the necessary permits or licenses in good standing with the City or State;~~

~~8. Possession or transportation and distribution of any other form of illegal drugs without proper legal authorization;~~

~~9. Failure to pay applicable State or City taxes on commercial Cannabis activity; or~~

~~10. Conduct of the~~ 7. Conducting a commercial Adult-Use cannabis ~~Operations~~ activity in a manner that constitutes a nuisance, where the ~~owner or~~ permittee has failed to comply with reasonable conditions to abate the nuisance.

~~B. The City Manager shall specify in writing the reasons for the suspension or revocation and notify the permittee that the decision shall become final unless the permittee seeks an appeal pursuant to Chapter 2.05 of this Code within ten (10) calendar days of the date of service of the City Manager's decision. Service of the decision shall be provided in accordance with the requirements set forth in Chapter 2.05 of this Code.~~

~~C. In the event a civil action is initiated to obtain enforcement of the decision of the City Manager or the City Council, and judgment is entered to enforce the decision, the person against whom the order of enforcement has been entered shall be liable to pay the City's total costs of enforcement, including reasonable attorney fees.~~

~~D. If neither permittee nor owner, nor their authorized representatives, appear at any noticed hearing, such failure to appear shall constitute an abandonment of the hearing request and a failure to exhaust administrative remedies.~~

8. Conviction for any felony by an owner after a permit has been issued.

9. A person has committed a deliberate or willful violation of an applicable law, or applicable rule and regulation related to commercial cannabis activity.

D. The City Manager may consider the following factors in deciding whether a permit should be suspended or revoked in accordance with this Chapter, as applicable:

1. A permit application does not satisfy the minimum qualifications or fails to comply with the applicable requirements of this Chapter.

2. Any corrective action taken by the permittee.

3. Prior violations at the permitted premises by the permittee and the effectiveness of prior corrective action.

4. Previous sanctions imposed against the permittee.

5. The number and/or variety of current violations.

6. The likelihood of recurrence.

7. All circumstances surrounding the violation.

8. Whether the violation was willful.

9. Any actual or potential harm to the public.

10. The length of time the permit has been held by the permittee.

11. Evidence of expungement proceedings under Penal Code Section 1203.4.

12. Any other factor that makes the situation unique or the violation of greater concern, with respect to the permittee or the permitted premises.

5.55.420 Service.

Wherever this Chapter requires the City to serve notice to an Applicant, permittee, or property owner such notice shall be given by the City Manager, in writing, and shall be delivered either by personal delivery or by certified U.S. mail, postage prepaid, return receipt requested. In addition, any such notice may be posted at the physical address of the premises on the date of the mailing of notice.

5.55.430 Enforcement and Penalties. ~~5.55.430 Violations generally.~~

A. It is unlawful for any person to violate any provision, or to fail to comply with any of the conditions or requirements of this Chapter, or any regulation adopted pursuant to it.

B. Separate violation. Every day, during any portion of which, any violation of this Chapter is committed, continued, or allowed to continue is a separate offense and is subject to the penalties of this Chapter.

~~C. Every cannabis plant, including both immature and mature plants, cultivated in violation of this Chapter by an illegal cannabis operation constitutes a separate violation subject to the penalties of this Chapter.~~

~~D. Pay a fine or serving a jail sentence does not relieve any person from responsibility for correcting any condition that violates any provision of this Chapter.~~

~~E. Whenever in this Chapter any act or omission is made unlawful, it shall include causing, permitting, aiding, abetting suffering, or concealing the fact of such act or omission.~~

~~F. Violation of any provision of this Chapter shall be considered a strict liability; accordingly, the City shall not be required to prove knowledge, criminal intent, or any other mental state to establish a violation of this Chapter.~~

C. In addition to all other legal remedies at law, violations of this Chapter and building, health, and safety violations caused as a result of a violation of this Chapter are enforceable using the administrative citation procedures set forth in this Code. An administrative citation issued for the first violation of this Chapter may not exceed five thousand dollars (\$5,000.00). An administrative citation issued for a second violation may not exceed ten thousand dollars (\$10,000.00) and may result in a six (6) month permit suspension. An administrative citation issued for a third violation may not exceed twenty five thousand dollars (\$25,000.00) and may result in revocation of all permits.

1. Administrative penalties imposed pursuant to this Section also constitute a personal obligation on each person who causes, permits, maintains, conducts, or otherwise suffers or allows the nuisance to exist. In the event

administrative penalties are imposed pursuant to this Section on two (2) or more persons for the same violation, all such persons are jointly and severally liable for the full amount of the penalties imposed.

2. In addition to any other remedy, the City may prosecute a civil action through the City Attorney to collect any administrative penalty imposed pursuant to this Chapter.

D. As an alternative, or in addition to any other remedy, the City Attorney may enforce the provisions of this Chapter against any illegal cannabis operation and/or property owner in any court of competent jurisdiction. The City Attorney may apply to such court for an order seeking injunctive relief to abate or remove any nuisance caused, maintained, or permitted by an illegal cannabis operation and/or property owner, to restrain any illegal cannabis operation and/or property owner from taking any action contrary to the provisions of this Chapter or other applicable law; and/or to require any illegal cannabis operation and/or property owner to take any action to comply with this Chapter or other applicable law. In any civil court action brought by the City Attorney pursuant to this Section in which the City succeeds in obtaining an order from the court, the City shall be entitled to recover from an illegal cannabis operation and/or property owner all of the City's costs of investigation, enforcement, abatement, destruction, and litigation, including but not limited to attorneys' fees.

E. The City is entitled to recover civil penalties against an illegal cannabis operation and/or property owner of three times per violation for each day an illegal cannabis operation is operated, permitted, or maintained on the subject property, and the court may order the destruction of cannabis associated with that violation in accordance with California Health and Safety Code Section 11479. In assessing the amount of a civil penalty, the court shall consider anyone or more of the relevant circumstances presented by any of the parties to the case, including, but not limited to, the following:

1. The nature and seriousness of the violation;
2. Any economic benefit gained through the violation;
3. The number of violations;
4. The length of time over which the violation occurred;
5. The willfulness of the defendant's violation; and
6. The defendant's assets, liabilities, and net worth.

F. Liens and Special Assessments

1. Notwithstanding any other provision of this Chapter to the contrary, the costs incurred by the City in the abatement of a violation or nuisance may be placed against any privately owned and affected property as either a nuisance abatement lien or a special assessment lien pursuant to California Government Code Section 38771 et seq., as amended from time-to-time, or a lien pursuant to California Government Code Section 54988, as amended from time to time.

2. All actual costs required by this Section constitute a lien upon the property upon which the Adult-Use Cannabis Business is situated. The lien for any inspection, enforcement, or abatement costs may attach thirty (30) days after the responsible parties are notified of the costs, and will remain until the costs are paid or the premises is sold in payment thereof.

3. The City may enforce a lien under this Chapter in any manner permitted by law, including filing a civil action either to foreclose on its liens or to obtain a money judgment or both, or pursuing non-judicial foreclosure.

4. The City may elect, upon thirty (30) calendar days written notice to all known and record owners of the privately owned and affected property, to convert any nuisance abatement lien authorized by this Chapter to a special assessment lien, or vice versa. Costs recoverable under this Chapter may include those categories of costs and fees set forth in Civil Code Section 3496, regardless of the type of nuisance involved.

5. If the property is specially assessed, said assessment may be collected at the same time and in the same manner as ordinary real property taxes are collected and will be subject to the same penalties and the same procedure and sale in case of delinquency as provided for ordinary real property taxes. All laws applicable to the levy, collection, and enforcement of real property taxes are applicable to the special assessment.

G. Prohibited Properties Due to Prior Unpermitted Adult-Use Cannabis Activity

1. If the City discovers unpermitted adult-use cannabis activity is currently and/or was operating within the previous sixty (60) days at or on a property, or any portion thereof, without valid State or City permits or licenses the City may take action as specified herein. The City shall notify the property owner in writing of their right to file, within fifteen (15) days after the date of mailing of the Notice, written request of a hearing to the City disputing the alleged unpermitted adult-use cannabis activity. Such written request shall set forth the specific ground(s) on which the dispute is based and the property owner shall pay to the City at the time of filing said written request a filing fee in an amount to be set by resolution of the City Council.

2. Failure to file the written request within the time period specified shall result in waiver of any right to dispute the allegation of operation of unpermitted

adult-use cannabis activity at the subject property. In the event of such waiver, no Commercial Cannabis Business, whether licensed or non-licensed, shall be permitted to operate at the subject property for a period of one (1) year from the 16th day after the date of mailing of the Notice.

5.55.435 Odor Violations

A. Notwithstanding any other provision of this Chapter, in the event any adult-use cannabis activity surpasses the odor detection threshold while complying with an approved Odor Protection Plan, the permittee will be issued a written warning and the permittee shall work with the City to modify any existing odor control plan to mitigate odor issues within seven (7) days. If the permittee cannot mitigate the odor issues within seven (7) days, then Commercial Adult-Use Cannabis Activity causing the odor issues must cease until effective odor control measures are in place.

B. In the event any adult-use cannabis activity surpasses the odor detection threshold while not complying with an approved Odor Protection Plan, the permittee shall be issued an administrative citation for ten thousand dollars (\$10,000.00). The permittee shall have one thirty (30) days to remedy any odor issues. The permittee shall be issued an administrative citation for ten thousand dollars (\$10,000.00) for each subsequent month the permittee fails to remedy the odor issue and comply with the approved Odor Control Plan. If a permittee receive three (3) administrative citations pursuant to this subsection, the permit shall automatically be revoked upon issuance of the third citation.

5.55.440 Remedies Cumulative

A. The remedies provided for in this Chapter are not mutually exclusive. Pursuit of any one remedy does not preclude the City from availing itself of any or all available administrative, civil, or criminal remedies, at law or equity. The remedies provided by this Chapter are cumulative and in addition to any other remedies available at law or in equity.

B. This Chapter does not limit the City's additional remedies for recovering taxes or damages in accordance with any applicable law including, without limitation, cannabis business taxes owed by an unlawful Cannabis Business pursuant to Chapter 3.42 of this Code.

5.55.450 Declaration of Public Nuisance

A. Any violation of provisions of this Chapter is hereby deemed unlawful and a public nuisance.

B. As a nuisance per se, any violation of the Chapter is subject to any of the following remedies, including, without limitation: injunctive relief, revocation of applicable permits or licenses, revocation of applicable permits or licenses, revocation of the

certificate of occupancy for the real property where the violation occurred, disgorgement and payment to the City of all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity.

C. For purposes of notification of nuisance and abatement ~~pursuant to 94.05 of the Zoning Code~~, a reasonable time limit for a property owner or person to correct or abate the nuisance of an illegal cannabis operation is no less than five (5) calendar days.

5.55.460 Liability of Employees and Agents

Liability of employees and agents. In construing and enforcing the provisions of this Chapter, the act, omission, or failure of an agent, officer, representative, or other person acting for or employed by a Cannabis Business, within the scope of their employment or office, will be in every case be deemed the act, omission or failure of the Adult-Use Cannabis Business.

5.55.070 Liability of Property Owners

A. No property owner in charge of, or in possession of, any real property within the City shall cause, permit, maintain, conduct, or otherwise suffer or allow a public nuisance as defined in this Chapter to exist.

B. It is duty of every property owner, and person that controls any real property or interest therein, within the City to remove, abate, and prevent the reoccurrence of the public nuisance upon such real property. Such duty of the property owner exists regardless of whether the property owner is in actual possession of their real property, and includes an obligation to act to evict or otherwise remove an illegal cannabis operation who illegally exists or creates a public nuisance upon the property owner's real property.

In addition to any abatement costs incurred by the City or closing or removing an illegal cannabis operation from private real property, failure of a property owner to voluntarily abate an illegal cannabis operation after notification by the City shall result ~~in the penalties set forth in this Chapter.~~

SECTION 3. The provisions above are adopted based upon the true and correct recited findings reflected above and incorporated by this reference herein.

SECTION 4. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this ordinance. The City Council declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 5. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after passage.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS ~~26th~~ XX DAY OF ~~JULY~~ XXXX, ~~2017~~ 2019.

≡

ROBERT MOON, MAYOR

ATTEST:

KATHLEEN D. HART, MMC
INTERIM CITY CLERK

CERTIFICATION

~~STATE OF CALIFORNIA)~~
~~COUNTY OF RIVERSIDE) ss.~~
~~CITY OF PALM SPRINGS)~~

~~I, KATHLEEN D. HART, Interim City Clerk of the City of Palm Springs, hereby certify that Ordinance No. 1933 is a full, true and correct copy, and was introduced at a regular meeting of the Palm Springs City Council on the 19th day of July, 2017, and adopted at an adjourned regular and special meeting of the City Council held on the 26TH day of July, 2017, by the following vote:—~~

~~AYES:— Councilmembers Kors, Mills, Roberts, Mayor Pro Tem Foat, and Mayor Moon~~

~~NOES: None~~

~~ABSENT: None~~

~~ABSTAIN: None~~

~~RECUSED: None~~

KATHLEEN D. HART, MMC
INTERIM CITY CLERK

Summary report:	
Litéra® Change-Pro 7.5.0.135 Document comparison done on 10/21/2019	
1:18:30 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: Palm Springs Original Adult Use Ordinance.docx	
Modified filename: Palm Springs Cannabis Ordinance Draft.docx	
Changes:	
<u>Add</u>	811
Delete	586
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	1397