

ORDINANCE NO. 23-944

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARTESIA, CALIFORNIA, AMENDING AND RESTATING ARTICLE 8 OF CHAPTER 2 OF TITLE 3 OF THE ARTESIA MUNICIPAL CODE RELATING TO ADULT CANNABIS BUSINESS AND ACTIVITIES AND MAKING A DETERMINATION OF EXEMPTION FROM CEQA PURSUANT TO STATE CEQA GUIDELINES 15060(c)(2) and 15061(b)(3)

THE CITY COUNCIL OF THE CITY OF ARTESIA FINDS AND DECLARES:

WHEREAS, pursuant to the authority granted to the City of Artesia ("City") by Article XI, Section 7 of the California Constitution, the City has the police power to regulate the use of land and property within the City in a manner designed to promote public convenience and general prosperity, as well as public health, welfare, and safety; and,

WHEREAS, adoption and enforcement of business regulations lies within the City's police power; and,

WHEREAS, on November 8, 2016, California voters passed Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA"), legalizing the use and possession of cannabis and cannabis products by adults aged 21 years and older; and,

WHEREAS, on June 27, 2017, Governor Brown signed into law Senate Bill 94, which repealed the Medical Cannabis Regulation and Safety Act ("MCRSA"), included certain provisions of MCRSA in the licensing provisions of AUMA, and created a single regulatory scheme for both medicinal and non-medicinal cannabis known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA" or "Act"); and,

WHEREAS, MAUCRSA retains the provisions in the MCRSA and the AUMA that granted local jurisdictions control over whether non-commercial and commercial cannabis activities could occur in a particular jurisdiction. Specifically, California Business and Professions Code section 26200 provides that MAUCRSA shall not be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances that completely prohibit the establishment or operation of one or more businesses licensed under the state licensing authority and shall not approve an application for a state license for a business to engage in commercial cannabis activity if approval by the state license will violate the provisions of any local ordinance or regulation. State licensing authorities began issuing licenses to cannabis businesses beginning January 1, 2018; and,

WHEREAS, MAUCRSA establishes a regulatory structure for cultivation, processing, manufacturing, tracking, quality control, testing, inspection, distribution, and retail sale of commercial cannabis, including medicinal and adult-use cannabis. The Act designates applicable responsibilities for oversight of cannabis commerce to several State agencies; and,

WHEREAS, in November 2020, Artesia voters approved Measure Q, a ballot measure that would allow for certain taxes to be collected from the cultivation and sale of cannabis in Artesia if the City Council were to lift the current prohibitions on medical and commercial cannabis activities in the City; and

WHEREAS, the Artesia City Council has adopted various ordinances and resolutions to govern the zoning, regulation, and administration of commercial cannabis uses within the City, including Ordinance Nos. 22-929, 22-930, 22-938, 23-940, and Resolution Nos. 23-2920 and 23-2919; and

WHEREAS, the City Council wishes to amend and restate Article 8 of Chapter 2 of Title 3 of the Artesia Municipal Code to, among other things, to clarify portions of the language, streamline the commercial cannabis permitting program, and strengthen the City's ability to select applicants that are in compliance with the law and to enforce its Code against applicants and permittees that are out of compliance; and

WHEREAS, the City Council conducted a hearing on June 5, 2023 at which members of the public were afforded an opportunity to comment on this Ordinance, the recommendations of staff, and other public testimony.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARTESIA DOES ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The City Council hereby finds that the foregoing recitals are true and correct and incorporated herein as substantive findings of this Ordinance.

SECTION 2. CEQA. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to sections 15060(c)(2) and 15061(b)(3). The activity is not subject to CEQA because it will not result in a direct or reasonably foreseeable indirect physical change in the environment; and the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment, the activity is not subject to CEQA. This Ordinance does not authorize any commercial cannabis businesses to locate or operate on any particular property. Commercial cannabis uses developed pursuant to the regulatory program would be independently reviewed and evaluated pursuant to CEQA. City staff shall cause a Notice of Exemption to be filed as authorized by CEQA and the State CEQA Guidelines.

SECTION 3. Amendment. Article 8 (Adult Cannabis Businesses and Activities) of Chapter 2 (Business Permits and Business Permit Fees) of Title 3 (Finance) of the of the Artesia Municipal Code is hereby amended and restated in its entirety as follows:

"Article 8. Adult Cannabis Businesses and Activities

"Chapter 3-2 Adult Cannabis Businesses and Activities

- 3-2.801 Definitions.
- 3-2.802 Application Period, Scoring, and Review.
- 3-2.802.5 Reservation of Rights.
- 3-2.803 Application Information.
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- 3-2.813 Adoption of Rules and Regulations – Violations.
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- 3-2.817 Indoor Cultivation.

3-2.801 Definitions.

The definitions for cannabis uses in this Article shall be as defined in Section 3-5.504 of the Municipal Code. Additionally, the following definitions apply:

"Applicant" means a person or entity who has submitted a screening application and/or an application for a Commercial Cannabis Permit pursuant to this Article, including any individual, officer, director, partner, or other duly authorized representative applying on behalf of an entity.

"City Manager" means the City Manager of the City of Artesia and their designees, unless otherwise noted.

"Continual operation" shall mean the Cannabis Business operates continuously and does not have a closure of operations for more than sixty (60) consecutive days, except for closures that result from mandatory government closures, earthquakes, weather, civil unrest, global pandemics, and other factors beyond the business's control.

"Delivery" means the commercial transfer of cannabis goods by a Cannabis Business to a customer at a physical address where delivery of cannabis is allowed by the state and local laws in which the address for delivery is located. "Delivery" also includes the use of any technology platform by a Cannabis Business that is also owned, leased, or controlled by the Cannabis Business, where that Cannabis Business and use of such technology by that Cannabis Business is allowed by state and local laws.

"Manager" means any person(s) designated by a Cannabis Business to act as the representative or agent of the Cannabis Business in managing day-to-day operations with corresponding liabilities and responsibilities, and/or the individual in apparent charge of the permitted premises of the Cannabis Business. Evidence of management includes, but is not limited to, evidence that the individual has the power to direct, supervise, or hire and dismiss employees, control hours of operation, creates policy rules, or purchases supplies.

"Owner" means any of the following:

(a) Any person with an ownership interest of ten percent (10%) or more in the Cannabis Business applying for a Permit pursuant to this Article;

(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 Cannabis Business, including but not limited to:

(1) A general partner of a Cannabis Business that is organized as a partnership;

(2) A non-member manager or managing member of a Cannabis Business 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 a Cannabis Business 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.

"Permit" shall mean a Commercial Cannabis Permit as defined in Section 3-5.504.

"Permittee" means a person issued a Commercial Cannabis Permit pursuant to this Article.

3-2.802 Application Period, Scoring, and Review.

(a) During open application periods for a Commercial Cannabis Permit, as determined by the City Council in accordance with this Article, the following procedure shall be followed:

(1) An Applicant seeking to obtain a Commercial Cannabis Permit must submit their complete written application, signed under penalty of perjury, in accordance with this Article. The City Manager may establish administrative rules and regulations governing the application, scoring, and review process.

(2) At the time of submitting an application, each Applicant must pay (1) a nonrefundable application fee established by resolution of the City Council to defray the costs incurred by the City in the application, scoring, and review process. The application and fee required under this Section shall be in addition to any other license, permit, or fee required by any other Section or Chapter of this Code); and (2) a refundable deposit as established by resolution of the City Council to allow the City access to additional funds, as necessary, to recover administrative fees and costs associated with processing the application.

(3) After receipt of an application, City staff or designee shall review applications for completeness of the application requirements and general compliance with the City's Municipal Code, including a preliminary zone check to ensure the proposed location of the Cannabis Business is located in an authorized zone, or any other applicable laws and any adopted resolutions or regulations, and shall reject any application that does not meet such requirements. Rejected applications shall not be scored. Notwithstanding the foregoing, in accordance with this Article and any adopted resolutions or regulations, the City may allow Applicants to cure insubstantial defects in a defective application.

(i) Applicants are required to complete and pass a comprehensive background check as set forth in this Article.

(ii) The Applicant must apply for and obtain a zone clearance (as set forth in this Article) from the Artesia Planning and Community Development Department.

(4) Once an application has been deemed complete, the application shall be reviewed, analyzed, and scored.

(i) The City or designee may conduct a quality assurance review of the application prior to the application being scored, pursuant to subsection (ii), below. The reviewer shall be a subject matter expert in cannabis regulation matters with no pecuniary interest in any application. The reviewer or reviewers shall be appointed by the City Manager to review and score each application based on the general criteria defined in this Article.

(ii) All applications will then be scored in accordance with processes and procedures established by the City Manager. Any person(s) who score an application shall have no pecuniary interest in any application.

(A) The specific criteria and weighting (points per criteria) for each Permit type will be determined by the City Council prior to the commencement of the application period and posted publicly.

(B) Each application will be independently scored in accordance with the processes and procedures established by the City Manager.

(b) The City Manager shall be responsible for developing and proposing objective review criteria, which, at a minimum, demonstrates an applicant's ability to operate safely and in a responsible manner that reflects the needs of the community and needs of the City, and demonstrates an applicant's financial longevity and profitability. The objective review criteria shall be submitted to and approved by the City Council through the adoption of a resolution. The following general criteria shall be used to rank applications, including, without limited to the following:

(1) Previous adult-use retail experience that was subject to state cannabis regulation, or experience in a similarly state-regulated activity (by way of example and not limitation, alcohol sales).

(2) Longevity and profitability in other jurisdictions in which the Applicant operates a Cannabis Business, if applicable.

(3) Community engagement in terms of provision of providing meaningful community benefits.

(4) Incorporating social equity into the Cannabis Business, such as, including, without limitation, providing a living wage, collective bargaining rights, comprehensive employee benefits and trainings, hiring practices ensuring promotion of diversity of employees, inclusionary programs which support a diverse work force, and compliance with local, state, and federal employee non-discrimination policies.

(c) Scores are awarded in accordance with the processes and procedures promulgated by the City Manager and are not cumulative through each review phase. Scores shall be totaled at each review phase for each Applicant to determine if they move on to any subsequent review phase. Scores at any stage of review are final and may only be appealed as set forth in this Article.

(d) The top three Applicants that have passed the comprehensive background checks are required to be reviewed and approved for the issuance of a Permit by the City Manager (in this specific instance, the term "City Manager" does not include their designees and is limited to the individual who is actually appointed as the City Manager). However, nothing herein requires the City to approve any Permits or to approve the maximum number of Permits. The decision of the City Manager is final, unless appealed as set forth in this Article.

(e) Applicants that have received a Permit shall also obtain a license or permit from the State, as well as any other required local licenses or permits from the City (e.g., building permits) or other local agencies (e.g., Los Angeles County Fire Department, Sheriff's Office, or Health Department) prior to operating a Cannabis Business in the City.

(f) Issuance of a Permit under this Article is subject to compliance with the California Environmental Quality Act ("CEQA"). Applicants shall be responsible for all costs associated with CEQA compliance, including but not limited to environmental analysis and studies, preparation of the appropriate CEQA document, and City review time of the environmental document.

(g) As a condition to being issued a Permit, within thirty (30) days of being issued a Permit, the Permittee shall enter into a community benefit agreement with the City contractually memorializing the community benefits they shall provide to the City, as noted in their applications. However, Permittees may provide a greater level of community benefit than noted in their applications; whether the benefit is a "greater level" shall be determined by the City in its sole and absolute satisfaction. Implementation of such community benefits shall be required within sixty (60) days of being issued a Permit and shall continue throughout the term of the Permit and any renewal thereof. Such implementation shall be required notwithstanding whether an Applicant is operating or not. An Applicant's or Permittee's failure to abide by the terms of the community benefit agreement shall constitute grounds for suspension or revocation of the Permit, within the City's sole and absolute discretion.

(h) As a condition of being issued a Permit, within thirty (30) days of being issued a Permit, the Permittee shall provide a copy of a recorded memorandum of lease related to the premises where the Cannabis Business will be located. The memorandum of lease shall include the property's address and assessor's parcel number, the name of the property owner and tenant, and the

duration of the term, which shall be, at a minimum, as long as the duration of the Permit and any renewal(s) thereof. The City may grant one thirty (30) day extension to this requirement, and in no case shall the total amount of time to comply with this condition exceed sixty (60) days. A permittee's failure to abide by this requirement shall constitute grounds for suspension or revocation of the Permit, within the City's sole and absolute discretion.

(i) If a Permittee has not opened their respective Cannabis Business and become operational within 12 months of securing City Manager approval of their Permit, all rights to the Permit shall terminate and shall be forfeited. In the sole discretion of the City, upon a showing by Permittee of significant and diligent progress towards opening the Cannabis Business (e.g., evidence demonstrating substantial funds invested into the Cannabis Business opening, applications submitted for any necessary licenses or permits, and/or substantial steps taken towards obtaining all necessary approvals), the City may provide up to two, six-month extensions of time to become operational. Additionally, the City may also provide up to two, six-month extensions of time to become operational, provided that the total time shall not exceed a maximum of two years after the City Manager original approve of the Permit, if there is an ongoing local emergency or *force majeure* that results in substantial delay in processing any of the necessary approvals for the Permit. For purposes of this Article, "force majeure" is an unforeseeable circumstance that was outside of the Permittee's control that the Permittee could not reasonably anticipate, including, without limitation, acts of God, war, pandemics, and strikes. It does not include issues such as, without limitation, problems with financing. The total time of any extension provided pursuant to this subsection shall not exceed a maximum of two years after the City Manager original approval of the Permit.

(j) Waitlist rule. If any of the issued Permits have terminated and become forfeited as provided in subsection (i) above, the City has the sole and absolute discretion to invite the next ranked Applicant from the most recent screening application process to complete the process (e.g., a background check) toward obtaining a requisite Permit; however, once the maximum number of Permits has been issued by the City, the waitlist shall expire two years thereafter. Once the waitlist Applicant is notified of the right to go through a background check for a vacant Permit, the Applicant shall secure a Permit from the City Manager (in this specific instance, the term "City Manager" does not include their designees and is limited to the individual who is actually appointed as the City Manager) within six (6) months. If the waitlist Applicant fails to secure a Permit within that timeframe, the ability to obtain a Permit shall terminate. Nothing herein requires the City to draw from a waitlist; the City has the sole and absolute discretion to forego a waitlist and re-open the application period to accept new applications at any time.

3-2.802.5 Reservation of Rights.

The City Manager may modify, postpone, or cancel an application period for a Commercial Cannabis Permit with or without cause or reason. In addition, the City reserves the right to request and obtain additional information from any Applicant in order to conduct a complete review of an application or an investigation into the truthfulness of the statements set forth in the application or provided at any stage of the application process.

3-2.803 Application Information.

(a) *Commercial Cannabis Permit Application.* The City Manager may adopt regulations governing applications for Permits, including requiring certain information and documentation. At minimum, the application for a Commercial Cannabis Permit must contain or be accompanied by the following information:

(1) The name and address for each Owner and copies of government-issued identification for each Owner. An explanation of the legal form of business ownership (e.g., individual, partnership, corporation, limited liability

company, etc.). If the Applicant is not a natural person, its operative governing documents and any fictitious business statement. If there is more than one Owner, the percentage share of financial Ownership interest of the entity by each person and/or entity.

(2) The proposed address for the commercial cannabis business.

(i) Applicant must submit a notarized Letter of Intent or other written authorization from the owner of the proposed property for the Cannabis Business demonstrating the property owner's (1) acknowledgement that a Cannabis Business is being proposed as the business for the property; (2) consent for a Cannabis Business to operate at the property if awarded a Permit; and (3) acknowledgement that the property owner accepts any and all risks and liabilities, including but not limited to any Federal law enforcement action, associated with permitting a Cannabis Business to operate at the property.

(ii) In addition to furnishing such notarized statement, the Applicant shall furnish the name and address of the owner of record of the property where the Cannabis Business will be located.

(iii) The Applicant must apply for and obtain a zone clearance (as set forth in this Article) from the Artesia Planning and Community Development Department.

(3) The proposed hours of operation.

(4) A description of any specific state cannabis license or permit that the Applicant either has obtained or plans to obtain. The Applicant must describe how it will meet the state licensing requirements, and provide supporting documentation as required by the City.

(5) Whether the Applicant or any Owner has had any license or permit denied, suspended, or revoked by any agency, board, city, county, territory or state.

(6) Authorization for the City, its agents, and employees to seek verification of the information contained in the application.

(7) Each Owner, as well as each Employee, who makes or will make operational or management decisions that directly impact the Cannabis Business, must complete comprehensive background check, required for the purpose of obtaining information as to the existence and content of a record of state or federal convictions and arrests to be considered as set forth in this Article.

(8) Applicant shall submit a comprehensive and robust report containing information related to the following categories that include but are not limited to, which may be amended and detailed from time to time by the City Manager through administrative regulations:

- (i) Business plan;
- (ii) Profitability;
- (iii) Physical design and concept;
- (iv) Security plan;
- (v) Experience;
- (vi) Community Engagement Plan;

(vii) Social equity, such as providing a living wage, collective bargaining rights, comprehensive employee benefits and trainings, hiring practices ensuring promotion of diversity of employees, inclusionary

programs which support a diverse work force, and compliance with local, state, and federal employee non-discrimination policies.

(9) An executed release of liability and hold harmless in the form as approved by the City Attorney, which shall include, but not limited to, the following;

(i) To the fullest extent permitted by law, the City shall not assume any liability whatsoever, with respect to approving any Commercial Cannabis Permit pursuant to this Article or the operation of any property on which a Cannabis Business is located pursuant to this Article. Before obtaining a Commercial Cannabis Permit and as a condition to the Permit, the Applicant or its legal representative shall execute an agreement:

(A) Indemnifying the City from any claims, damages, injuries or liabilities of any kind associated with the operation of the Cannabis Business or the prosecution of the Applicant or Permittee or its Managers or Employees for violation of Federal or State laws;

(B) Agreeing to defend, at its sole expense and with legal representation selected by the City, any action against the City, its elected officials, agents, officers, and employees in any way related to or in connection with the processing or approval of Commercial Cannabis Permit;

(C) Agreeing to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of any legal challenge related to or in connection with the City's approval of a Commercial Cannabis Permit. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the Applicant or Permittee of its obligation hereunder; and,

(D) Acknowledging that the application, scoring, and potential awarding of a Permit may be subject to challenge by other Applicants based upon the administrative appeal procedure, as set forth in this Article. Acknowledging that by nature of the City having administrative appeals, the appeal procedure may necessarily affect the Permittee's licensing process, including, but not limited to, scoring, ranking, and ultimate ability to obtain a Permit, and that the Permittee acknowledges and accepts the risks with accepting a Permit. Further acknowledging that by being selected and qualifying as a top Applicant for a Permit in no way creates any rights in or entitlement to the Permit, which is subject to suspension or revocation as provided in this Article.

(E) Acknowledging that submitting an application does not create any right or entitlement to a Permit; there is no guarantee Applicant will be selected for and/or awarded a Permit; and submittal of an application does not create any reliance upon the City to award Applicant a Permit.

(10) A description of the procedure for documenting the source of the cannabis to be dispensed by the cannabis use. If the cannabis is cultivated or manufactured off-site, documentation that the off-site location is compliant with the zoning regulations of the jurisdiction in which it is located;

(11) Text and graphic materials showing the site in the context of the immediate neighborhood and floor plan of the facility;

(12) A description of the process for tracking cannabis quantities and inventory controls, including processing and cannabis products received from outside sources;

(13) A description of chemicals stored or used on-site and any effluent proposed to be discharged into the City's wastewater or storm water systems;

(14) If applicable, a description of any cannabis delivery service, including number of delivery vehicles, location of vehicle storage, and extent of delivery area. Proposed, standalone Cannabis Business shall also require a separation application for a separate Permit;

(15) If retail sales, dispensing, or storage is a planned part of the business, a description and plan of the odor control system to be utilized, such as roof ventilation and/or carbon air filtration, or other applicable odor control as required for compliance with Section 3-2.806(p);

(16) Any additional information deemed relevant by the City.

3-2.804 Zone Clearance.

(a) Zone Clearance for Applicants. Applicants shall submit a zone clearance application in accordance with the following procedure: Community Development Director Action. The Community Development Director may issue a zone clearance only after determining that the request complies with all applicable standards and provisions for the category of use in the zoning district of the subject parcel.

(b) Zone Clearance for Permittees.

(1) All interior and exterior building improvements, including façade improvements, shall be reviewed for substantial conformance with the Permittee's application and proposal. Minor deviations may be approved by the City Manager.

(2) All interior and exterior building improvements, including façade improvements, shall be reviewed for substantial conformance with the City's design standards prior to issuance of a zone clearance. The zone clearance for the location does not excuse compliance with any other requirement in the Zoning Ordinance or Building Code and any additional permits required may be obtained after the Permit is issued but before operation of a business. Any required design review shall be in accordance with Section 9-2.2002.

3-2.805 Minimum Criteria for Issuance of a Permit.

To be issued a commercial cannabis permit, the following shall be required:

(a) Compliance with all relevant provisions of this Article.

(b) The Applicant, each Owner, and any existing or prospective Manager, must be at least twenty-one years of age.

(c) The Applicant, each Owner, or any existing or prospective Manager, must not have had a similar type of license or permit previously revoked, denied, or not renewed by the permitting agency for good cause within the immediately preceding seven (7) years prior to the Permit application in the City or any other jurisdiction. Good cause may include, without limitation, that the Applicant, any owner, or any existing or prospective Manager possessed, cultivated, manufactured, sold, or distributed cannabis that was illegal under State or local law, as applicable, failed to collect, report or timely report and/or remit cannabis-related taxes to the State or any other local jurisdiction, as applicable, made any fraudulent or misleading statement or omission relating to cannabis-related taxes to the State or any other local jurisdiction, as applicable, or caused or contributed to a public nuisance in any other local jurisdiction.

(d) The Applicant, each Owner, and proposed Manager shall undergo a comprehensive background investigation and must submit any and all information and documentation, required for the purpose of obtaining information as to the existence and content of a record of state or federal convictions and arrests to be considered as set forth in this Article. No person may be issued a commercial

cannabis permit unless they have first cleared the background check. Neither the Applicant, any Owner, nor any proposed or prospective Manager, in the last seven (7) years, shall have been convicted of:

(1) Any offense relating to possession, cultivation, manufacture, sale, or distribution of a controlled substance, with the exception of cannabis related offenses when the cannabis was possessed, cultivated, manufactured, sold, or distributed in compliance with State and/or the relevant local jurisdiction, as applicable;

(2) Any offense relating to possession, cultivation, manufacture, sale, or distribution of cannabis that is illegal under State and/or a local jurisdiction, as applicable;

(3) Any offense involving the use of force or violence upon the person of another;

(4) Any offense involving theft, fraud, dishonesty or deceit;

(5) Sales of cannabis to a minor or use of a minor to distribute cannabis;

(6) Any offense relating to the physical or sexual abuse of a minor.

(7) Any offense relating to a failure to collect (any portion of), report, timely report, and/or remit (any portion of) a cannabis-related tax to the State or any other local jurisdiction.

For purposes of this Subsection, a conviction includes a plea or verdict of guilty or a conviction following a plea of nolo contendere.

(e) The criteria identified in subsection (d) are in addition to the following requirements (also found in Section 3-1.317 (Grounds for Denial)). The following are also grounds for denial of an application:

(1) The building, structure, premises, or the equipment used to conduct the business activity fails to comply with all applicable health, zoning, fire, building and safety laws and regulations;

(2) The Applicant or any Owner has made any false, misleading, or fraudulent statement or omission of material fact in the application for a commercial cannabis permit, in the application for renewal of a commercial cannabis permit, or in any report or statement required to be filed with the Tax Collector, whether or not it relates to cannabis;

(3) The business is prohibited by any State or local law or regulation, or prohibited in the particular location or zone by any law or regulation;

(4) The Applicant or any Owner is found to have committed a crime involving moral turpitude that is substantially related to the business activity for which the permit is being sought;

(5) The Applicant or any Owner is in violation of a provision of the Artesia Municipal Code or owes taxes, fees or penalties pursuant to this Article or any other provision of the Artesia Municipal Code; or

(6) The Applicant, their agent or employee, or any person connected or associated with the Applicant as Owner, partner, director, officer, stockholder, associate or manager, has committed, assisted in, or incited the commission of any act, or act of omission, which would be grounds for disciplinary action under this Section if committed by a Permittee.

(f) The location for which the Permit is sought shall not be located within six hundred feet of a day care center, youth center or school. For purposes of this section, youth center shall mean any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities as defined by state law; day care center means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school age child care centers as defined by state law; and school shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels kindergarten through 12.

(g) There shall be no more three (3) adult-use retail Permits (with the option for a delivery service). There shall be no limit on the amount of business licenses or permits issued for cannabis delivery services that are located outside the City limits and deliver cannabis to customers with the City.

(h) An Applicant or Owner may not apply for, or possess, more than one of the same type of Commercial Cannabis Permit.

3-2.806 Adult-Use Retail – Operating Requirements.

All permitted Cannabis Business retailers in the City shall operate in conformance with the following operating requirements:

(a) All Cannabis Businesses, including, but not limited to its physical layout, design, operations, and management must substantially comply with the contents, plans, features, standards, materials, layouts, operations, proposals, and any other matters of substance as submitted with the Permittee's application. Any material deviation from the application requires written approval from the City Manager, in their sole discretion. Failure to obtain City approval is grounds for revocation or suspension of the Permit.

(b) Security shall comply with the following minimum standards:

(1) Permittee 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 Permittee's application.

(2) All security guards employed by the Permittee shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times. Permittee's security guards shall not possess firearms or tasers.

(3) Permittee shall provide a neighborhood security guard patrol for a two-block radius surrounding the business during all hours of operation.

(c) Entrances into any area where cannabis products are displayed or offered for sale shall be locked at all time with entry strictly controlled.

(d) All restrooms shall remain locked and under management's control.

(e) Artesia City Code Compliance Officers, Los Angeles Sheriff's Deputies, Los Angeles Fire Department staff, or other agents or employees of the City ("Inspecting Authorities) requesting admission for the purpose of determining compliance with this Article shall be given unrestricted access and allowed entry during all business hours. These Inspecting Authorities shall also have unimpeded access to inspect all on-site locations, records, reports, documents, points of sale, product, surveillance footage, and any other access deemed necessary to ensure compliance with this Article.

(f) A video surveillance system, as approved by police services, shall continuously surveil the immediate exterior of the site as well as all areas of the interior (excepting the restroom(s)), including all locations where points of sale

occur, twenty-four (24) hours. Footage from such surveillance shall be retained for at least forty-five (45) days.

(g) There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of alcohol, tobacco products, or cannabis products by patrons or employees.

(h) Hours of operation shall be limited to: Monday through Sunday, 6:00 a.m. to 10:00 p.m., or as further limited by state or City law.

(i) Permittee shall notify patrons of the following verbally and through posting of a sign in a conspicuous location readily visible to persons entering the premises:

(1) Patrons must leave the site and not consume cannabis until at home or in an equivalent private location. Permittee's employees shall monitor the site and vicinity to ensure compliance.

(2) Entry into the premises by persons under the age of twenty-one is prohibited.

(j) Permittee shall only provide cannabis to an individual in an amount consistent with personal possession and use limits allowed by the state.

(k) Permittee shall provide law enforcement and all neighbors within three hundred (300) feet of the business with the name and phone number of an on-site Community Relations Liaison (as set forth in this Article) to notify if there are operational problems with the establishment.

(l) Permittee shall attend regular meetings with the Los Angeles County Sheriff's Department, Los Angeles Fire Department, and City Public Safety Department staff to review public safety issues associated with the operations.

(m) Permittee shall only dispense cannabis that is cultivated and/or manufactured at an off-site location in accordance with applicable state law and zoning regulations in the jurisdiction where it is cultivated and/or manufactured, as applicable.

(n) Permittee shall comply with the provisions of state and local laws, including other city laws governing the regulation and/or prohibition of Cannabis Businesses.

(o) Permittee shall have a responsible person on the premises to act as Manager and supervise employees at all times during business hours.

(p) An odor absorbing ventilation and exhaust system shall be installed so that odor generated inside the business is not detected outside the property or lease area boundaries, or anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the cannabis use.

(q) Delivery of cannabis from Permittee to customers in Artesia and surrounding areas is permitted, in accordance with operating requirements in Section 3-2.807 Cannabis Delivery Services – Operating Requirements, and only in accordance with state and local laws where delivery of cannabis is authorized.

(r) A Permittee shall not make a physical change, alteration, or modification of the permitted premises without the prior written approval of the City Manager. If a permitted premises is to be changed, modified, or altered, the Permittee is responsible for applying for and securing all necessary City approvals, project plan approvals, and permits.

(s) Community Relations Liaisons.

(1) Permittee shall have a Community Relations Liaison designated at all times, who shall be twenty-one (21) years of age or older.

(2) The Liaison shall be responsible for receiving and responding to all concerns and complaints made to the City regarding the Cannabis Business and for making a good faith attempt to promptly address all concerns and resolve all complaints.

(3) The Liaison shall respond by phone or e-mail within forty-eight (48) hours of any complaint(s) or concern(s) reported by a City official.

(4) The Liaison's name and contact information shall be:

(i) Publicly available to any individual upon request, and on the Cannabis Business's website, marketing material, or the technology platform used by the Cannabis Business.

(ii) Provided to the City Manager prior to operation of the business and within forty-eight (48) hours of a designation of a new Liaison.

(iii) Provided to all neighboring businesses located within one hundred feet (100') of the permitted premises, as measured in a straight line without regard to intervening structures, between the front doors of each establishment prior to opening.

(iv) Posted conspicuously, and in a conspicuously visible font size, on the main entry doors to the business.

(t) Marketing and Advertising.

(1) All advertisements and marketing, including off-site advertising signs, on-premises signs, labels, and billboards by Permittee shall comply with this Article and any regulations implemented by the State or any of its divisions or departments, and California Business and Professions Code Chapter 15 of Division 10, as may be amended from time to time.

(2) Not attractive to children. Advertisements and marketing may not be designed to appeal to children or encourage children to consume cannabis goods, contain any false or misleading statements, or make any misrepresentations.

(u) Background Checks.

(1) Employees. Prior to hiring, all potential employees must submit to a comprehensive background check by Permittee. Permittee must ensure that each potential employee meets the requirements of subsection (d) of section 3-2.805. For each potential employee, before beginning employment, Permittee must submit a sworn affidavit attesting (1) that a comprehensive background check was conducted in conformance with this Article and (2) the potential employee is in compliance with subsection (d) of section 3-2.805.

(2) Owner and Manager. Prior to the addition of a new or additional Manager or Owner (when permitted by this Article), Permittee must conduct a comprehensive background check demonstrating compliance with the requirements of subsection (d) of section 3-2.805. For each new or additional potential Manager and Owner, Permittee must submit the results of the comprehensive background check to the City. The City will have twenty-one (21) days to review and approve the background check for compliance with this Article.

3-2.807 Cannabis Delivery Services – Operating Requirements.

Delivery of cannabis is permitted in accordance with the following requirements:

(a) All cannabis delivery services, including those physically located outside the City but deliver to customers within the City, shall have an approved Commercial Cannabis Permit from the City of Artesia and be able to show compliance with the regulations of the originating jurisdiction, if applicable.

(b) Every Permittee shall obtain and maintain in full force and effect automotive liability insurance policy with coverages as determined by the City Manager

(c) The Permittee shall maintain in force and effect at all times while the permit is in effect workers' compensation insurance as required by law.

(d) Prior to the issuance of a Permit under this Article, and at all times while the Permit is in effect, the Permittee shall maintain on file with the City proof of the insurance required hereunder.

(e) If the insurance policies issued to the Permittee pursuant to this Article are canceled for any reason, the Permit issued under this Article, as it relates to delivery services, is automatically suspended. In order to reinstate delivery services for the Permit, the Permittee shall file a new certificate of insurance and provide proof of such to the City.

(f) Only delivery to persons twenty-one years of age or over shall be allowed.

(g) All drivers and anyone accompanying the driver must be at least twenty-one years of age or over.

(h) No signage on the exterior of the vehicle identifying the vehicle as a cannabis delivery vehicle shall be allowed.

(i) The amount of cannabis allowed in each delivery vehicle shall be in compliance with state law.

(j) All customers are required to be preregistered with the Permittee prior to receiving deliveries of cannabis.

(k) All deliveries of cannabis to customers shall be completed by 10:00 p.m.

3-2.808 Discourage illegal, criminal, or nuisance activities.

(a) For purposes of this Section, "illegal, criminal, or nuisance activities" includes, but is not limited to, disturbances of the peace, public intoxication, drinking alcoholic beverages in public or on the site of the permitted premises, smoking or ingesting cannabis goods in public or on the site of the permitted premises, illegal drug activity, vandalism, obstruction of the operation of a another business, harassment of passersby, gambling, prostitution, public urination, lewd conduct, drug trafficking, excessive loud noise, or any other behavior that adversely affects or detracts from the quality of life for adjoining residents, property owners, or businesses.

(b) Every Permittee shall take reasonable steps to discourage persons on the site of the Cannabis Business, and within any parking areas under the control of the Permittee, from engaging in illegal, criminal, or nuisance activities.

(c) Property maintenance. The Cannabis Business site, premises, and all associated parking areas, including the adjacent area under the control of the Permittee and any sidewalk or alley, shall be maintained in an attractive condition and shall be kept free of obstruction, trash, litter, and debris.

(d) Graffiti. Permittee shall remove graffiti from the premises within forty-eight (48) hours of its occurrence.

(e) Nuisances. Commercial cannabis activity shall not adversely affect the health or safety of the nearby residents by creating dust, glare, heat, noise, smoke, vibration, or other negative impacts, and shall not be hazardous due to use or storage of materials, processes, products, chemicals, or wastes. Commercial Cannabis Activity shall not adversely affect health, safety, or welfare of any persons engaged in the operation of the Cannabis Business.

3-2.809 Appeals.

Any appeal right provided for in this Article must be conducted as set forth in this section. This appeal section does not govern appeals subject to Section 3-5.515 of the Municipal Code.

(a) Submission of Appeal.

(1) An Applicant or Permittee may appeal the decision to suspend, revoke, or deny, or impose conditions upon a Permit, by filing with the City Clerk a written appeal within ten (10) calendar days from the date of service of the notice.

(2) The appeal shall be in writing and signed by the person making the appeal, or the person's legal representative, and shall contain the following:

(i) The name, address, telephone number of the appellant;

(ii) A statement of whether the appellant is an Applicant, Owner or Permittee of a Cannabis Business;

(iii) A true and correct copy of the notice of the decision or action issued that the appellant is appealing.

(iv) A specific statement of all of the reasons and grounds for making the appeal in sufficient detail to enable the hearing officer to understand the nature of the controversy and the basis of the appeal; and

(v) All documents or other evidence pertinent to the appeal that the appellant requests the hearing officer to consider at the hearing.

(3) At the time of filing, the appellant must pay the designated appeal fee, which may be established by resolution of the City Council.

(4) In the event a written appeal is timely filed, the suspension, revocation, denial, or nonrenewal is not effective until a final order has been rendered and issued by the hearing officer.

(5) If no timely, proper written appeal is filed in the event of a decision of denial (i.e. relating to a new application or renewal application), the decision is final. In the event the renewal is denied and no timely, proper written appeal is filed, the Permit, and any associated rights, terminates at the end of the Permit's term.

(6) If no timely, proper written appeal is filed in the event of a suspension or revocation, the decision is final. The suspension or revocation is effective upon the date of the expiration of the period for filing a written notice of appeal.

(7) Failure of the Applicant or Permittee to file a timely and proper appeal, or pay the requisite fee, is a waiver of the right to appeal the decision and a failure to exhaust all administrative remedies. In this event, the decision is final and binding.

(b) Hearing Procedure.

(1) Administrative hearing officers must be selected in a manner that avoids the potential for pecuniary or other bias.

(2) Upon receipt of the written appeal, the City Clerk, in their sole discretion, shall choose the date and set the matter for a hearing before a hearing officer. Once set, the hearing date shall only be continued upon a written showing for good cause by the requestor. For purposes of this subsection, the term "good cause" shall mean the hearing date must be continued due to circumstances outside of the requestor's control. The appeal must be held within a reasonable time after date of filing. The City must notify the appellant of the date, time, and location of the hearing at least ten calendar days before the date of the hearing.

(3) Upon selection of a hearing officer and date, the City Clerk will submit to the hearing officer the appellant's appeal and documentation, if any. This shall constitute appellant's written submittal to the hearing officer. The City may submit its own written response to the appeal along with any evidence it wishes the hearing officer to consider, if any, at least three (3) calendar days before the hearing.

(4) The hearing officer will preside over the appeal in accordance with the rules of this Article. The hearing officer conducts their review of the decision to determine whether there was an abuse of discretion. Abuse of discretion is established if the City has not proceeded in a manner required by law, the decision is not supported by the findings, or the findings are not supported by the evidence. The hearing officer reviews the decision to make sure there is no abuse of discretion. The hearing officer does not substitute their judgment for that of any application reviewer, evaluator, or scorer, nor re-weigh the evidence or rescore an application. If the hearing officer determines that there was an abuse of discretion, the decision shall be deemed cancelled.

(5) The hearing shall be conducted as follows:

(i) No new matter or evidence shall be received or considered by the hearing officer that was not addressed or identified in the appeal unless the appellant can show why such new matter or evidence could not with due diligence have been argued or produced at the time of filing the appeal.

(ii) Appellant bears the burden of proof to establish that the City abused its discretion by issuing the decision.

(iii) At the hearing, the parties may present argument, witnesses and evidence relevant to the decision appealed. Formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing. However, rules of privilege are applicable to the extent they are permitted by law; and irrelevant, collateral, and repetitious evidence may be excluded.

(c) Hearing Officer's Decision.

(1) No later than fifteen calendar days following conclusion of the appeal hearing, and after considering all of the testimony and evidence submitted at the hearing, the hearing officer will determine whether the issuance of the decision constituted an abuse of discretion.

(2) The hearing officer must issue a written decision containing findings and analysis supporting their decision to uphold or reverse the decision, and any other finding that is relevant or necessary to the subject matter of the appeal.

(3) The decision of the hearing officer is final. The decision must contain the following statement: "The decision of the hearing officer is final. Judicial review of this decision is subject to the time limits set forth in California Code of Civil Procedure Section 1094.6."

(4) A copy of the hearing officer's decision must be served by first class mail on the appellant. Failure of a person to receive a properly addressed hearing officer's decision does not invalidate any action or proceeding by the city pursuant to this Article.

3-2.810 Duration of Cannabis Use Permit – Renewal.

(a) All Permits issued pursuant to this Article shall expire one year after the date of issuance. The City may as a courtesy send a renewal notice to the Cannabis Business; however, the City is not required to send a renewal notice to any person subject to the provisions of this Section. Failure to send such notice shall not relieve nor excuse the Cannabis Business from complying with its obligations under this Section.

(b) A Permit may be renewed for additional one-year periods upon approval of an application for renewal that complies with all provisions of this Section.

(c) Thirty (30) calendar days before the expiration of the Permit, Permittee must submit an application on a form approved and provided by the City, and must include the following:

- (1) All information required on the renewal application form;
- (2) Documentation evidencing that the Permittee has paid all applicable taxes and fees, including any taxes and fees set forth in Title 3;
- (3) The renewal fee as established by the City Council through adoption by resolution; and,
- (4) Sign a declaration, in a form provided by the Tax Collector, which declaration complies with the requirements of Section 3700 of the Labor Code.

(d) The renewal application may be denied if any of the following circumstances exists:

- (1) The renewal application is not filed at least thirty (30) days before the expiration of the Permit;
- (2) Permittee did not properly submit a renewal fee;
- (3) Permittee has failed to conform to the requirements of this Article or any regulations adopted pursuant to this Article;
- (4) Permittee has failed to collect, report, timely report, and/or remit any or all portions of cannabis-related taxes to the City;
- (5) Permittee does not possess a valid license or permit from the State of California, if required by law; or
- (6) There is evidence that Permittee and/or any of the Owner(s), and/or any of the existing or former Managers have possessed, cultivated, manufactured, sold, or distributed cannabis that is not lawful pursuant to applicable State or City laws or regulations.

(e) The City Manager is authorized to make all decisions concerning applications for renewal. The City Manager may impose additional conditions on a renewed Permit if the City Manager determines it is necessary to ensure compliance with (1) State laws; (2) the City's Municipal Code and regulations; or (3) to preserve and protect the public health, safety, or welfare.

(f) If the City Manager denies a renewal application, the City Manager must make written findings which set forth the reasons supporting a denial.

(g) The decision of the City Manager is final, unless appealed as set forth in this Article.

3-2.810.5 Suspension or Revocation.

(a) The City Manager shall have the authority to suspend or revoke a Permit pursuant to the grounds provided throughout this Article. Additional grounds for the City to suspend or revoke a Permit shall include:

1. The Permittee and/or any Owner has made any false, misleading, or fraudulent statement of fact or omission in the application for a commercial cannabis permit, in the application for renewal of a commercial cannabis permit, or in any report or statement required to be filed with the Tax Collector, whether or not it relates to cannabis; and

2. The Permittee and/or any Owner, and/or any Manager, employee, or agent of the Permittee has violated any provision of this Article.

(a) Notice shall be provided to the Permittee prior to any suspension or revocation, and afford a Permittee a minimum of 30 (thirty) days to submit a writing and any supporting evidence as to why the Permit shall not be suspended or revoked. The City Manager shall take into consideration any writing or evidence submitted by the Permittee as to why a Permit should not be suspended or revoked. Within sixty (60) days of providing notice to a Permittee regarding a proposed suspension or revocation, the City Manager shall notify the Permittee about their final decision. If the decision is to suspend or revoke a Permit, written findings shall be provided to the Permittee as to why the Permit was suspended or revoked. The City Manager shall have the sole discretion on determining how long a suspension should be, taking into consideration, among other things, the seriousness of the violation.

(b) Notwithstanding subsection (a), the City Manager shall have the authority to immediately suspend a Permit if there is an immediate threat to the public health, welfare, or safety.

(c) During a suspension, the commercial cannabis business shall cease all operations. After any revocation, the Permit shall be null and void.

(d) A suspension or revocation is appealable pursuant to the appeal provisions of this Article. Except for suspensions under subsection (b), an appeal of a suspension or revocation shall stay the City Manager's decision pending the final decision of a hearing officer pursuant to the appeals provisions of this Article. The City shall not be liable for any claims, liabilities, damages, or lost profits that a Permittee may incur during any suspension or during the pendency of an appeal, even if an appeal is decided in the Permittee's favor.

3-2.811 Assignment of Permit.

(a) The assignment of or attempt to assign any Permit issued pursuant to this Article is unlawful until a Permittee has been in continual operation for four years, and any such assignment or attempt to assign a Permit before that time shall render the Permit null and void, unless approved by the City Manager, or by variance as outlined in subsections (b) and (c) below. Assignment shall be defined as a cumulative sale or transfer of fifty-one percent or more equity interest in the Permit. For permissible transfers of ownership before or during the four-year period, the Owners shall maintain a comparable level of cannabis experience as conveyed in the Permittee's application. The City Manager shall review changes in the level of the Owners' cannabis experience, and may approve the changes. After the four years of continual operation, assignment is permitted; provided however that any such assignment that exceeds ninety percent of interest in the permitted entity shall require review by the City Manager to ensure maintenance of the same standard of operation.

(b) Assignments prior to compliance with the required four years of continual operation may be approved by the City Manager in the event of the death, disability, marriage, divorce, or domestic partnership of one of the Owners named on the Permittee's application. The City Manager shall review these requested assignments to ensure maintenance of the same standard of operation and may approve the changes.

(c) Variance Process. Notwithstanding the above, a Permittee may apply to the Planning Department for approval of a prohibited assignment not to exceed a cumulative assignment or transfer of up to eighty-five percent of interest in the Permit for the first two years of continual operation, and one hundred percent cumulative assignment or transfer after two years of continual operation, or as otherwise allowed by this Article. Following a public hearing on the proposed assignment or transfer, the City Manager may approve the request if it finds that:

- (1) The same standard of business operation will be maintained;
- (2) The ownership shall maintain a comparable level of cannabis experience as conveyed in the Permittee's application;
- (3) The assignment would promote the public interest and maintain the integrity of the City's Commercial Cannabis Permit application scoring and licensing process; and
- (4) The findings that supported issuance of the Permit can still be made, including requiring any new Owner to pass the comprehensive background check as set forth in this Article.

(d) The decisions of the City Manager are final.

(e) Merger or Consolidation with Publicly Traded Companies. With the understanding that publicly traded companies have notably different regulations, operational structure, and ownership structure, compared to privately held companies, the merger into, consolidation with, or transfer of ownership to a publicly traded company shall not be considered a prohibited assignment of a Permit under this section as long as the following conditions are met:

(1) At the time the merger, consolidation, or transfer occurs, the Permit Owners listed on the Permit or application, whichever is most recent ("Permit Owners"), prior to the merger, consolidation, or transfer shall be required to hold at least three and one-half percent of the shares of the publicly traded company.

(2) The Permit Owners prior to the merger, consolidation, or transfer shall be substantially involved in the operations of the company for the first four years of continual operation, unless authorized through the variance process above in subsection (c).

(3) At the time the merger, consolidation, or transfer occurs, at least one of the Permit Owners prior to the merger, consolidation, or transfer shall hold a seat on the board of directors of the publicly traded company. If that board member steps down or is no longer a member of the board of directors, the company shall notify the City Manager of this change, and to the extent possible, one of the other Permit Owners prior to the merger, consolidation, or transfer shall be appointed to the board of directors.

(4) After merger, consolidation, or transfer, the Cannabis Business shall continue to adhere to the business plan, security plan, and design concept sections included in the applicable application for the Permit.

(5) After merger, consolidation, or transfer, the branding of the Cannabis Business, including the name of the business as it operates in the City, shall be required to be the same as identified in the applicable application for the Permit. At no time, unless after four years of continual operation, and unless

approved by City Manager, shall the branding, including the name of the Cannabis Business, be allowed to deviate from what was identified in the application for the Permit.

(6) Documentation of the satisfaction of the above-referenced conditions shall be provided to the City when the change occurs. If the change occurs prior to the issuance of a Permit, documentation of the satisfaction of the above-referenced conditions shall be provided at the time a Permit is applied for.

(7) No Permittee shall operate, conduct, manage, engage in, or carry on a Cannabis Business under any name other than the name of the Cannabis Business specified in the permit and/or any "doing business as" or "DBA" provided in the permit application, unless specified in this Article.

(f) All assignments under this Section shall be subject to a non-refundable assignment fee adopted by the City Council by resolution. The fee shall be sufficient to defray the costs incurred by the City for the application and reviewing process.

3-2.812 Noncompliance Prohibited.

(a) No person or entity shall dispense, distribute, sell, convey, exchange or give away cannabis in the City except in compliance with the provisions of State law and/or this Article, as applicable. Dispensing, distributing, selling, conveying, exchanging or giving away cannabis in the City without a Commercial Cannabis Permit is a misdemeanor punishable as provided in Section 1-02.01 of this Code. Nothing in this Article shall be interpreted to conflict with state law, including, without limitation, the Compassionate Use Act, the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA) and the Medicinal and Adult Use Cannabis Regulation Safety Act (MAUCRSA), as may be amended, and the rights granted to individuals for the adult-use and medical-use of cannabis under these state laws.

(b) Failure of a Permittee to pay applicable taxes and fees and comply with all applicable procedures and requirements as set forth in this Article and Article 3 of the Municipal Code, including but not limited to the Cannabis Business Tax set forth in Article 5 of Chapter 5 of Title 3, shall be grounds for revocation of the Permit.

(c) A person twenty-one (21) years of age or older is not prohibited from (1) possessing, processing, purchasing, transporting, obtaining or giving away to persons twenty-one (21) years of age or older, without compensation whatsoever, not more than twenty-eight and one-half (28.5) grams of marijuana not in the form of concentrated cannabis or up to eight (8) grams in the form of concentrated cannabis; (2) smoking or ingesting marijuana or marijuana products; or (3) possessing, transporting, purchasing, obtaining, using, manufacturing or giving away marijuana accessories to persons twenty-one (21) years of age or older, without compensation whatsoever, to the extent that such activities are authorized by Health and Safety Code Sections 11362.1 and 11362.2.

3-2.813 Adoption of Rules and Regulations – Violations.

The City Manager has the authority to administer and enforce the provisions of this Article and may administratively establish rules and guidelines implement and interpret this Article. Violation of rules and regulations shall, in addition to any other remedies contained in this Code, constitute a misdemeanor and shall be punishable as set forth in subsection (a) of Section 1-2.01 of this Code. Any person violating any of the rules and regulations adopted by the City shall be deemed guilty of a separate offense for each and every day or portion thereof during which any violation of the rules and regulations is committed, continued, or permitted. Any reference in this Article to a decision made by the "City" refers to the City Manager, or designee, unless otherwise noted.

3-2.814 State Licenses and Permits Required.

A Permittee operating under this Article shall at all times while operating have a current, valid state license or permit for any and all activity which requires a state license or permit under state law, including, without limitation, a seller's license or permit from the State Board of Equalization. The Permittee shall post its state license or permit in a conspicuous place. Failure to maintain and post a current, valid state license or permit is grounds for revocation of a Permit under this Article.

3-2.815 City Fees.

The City Council may adopt fees related to Permits via resolution.

3-2.816 Service Requirements.

Except as otherwise provided, any notice required to be served on an Applicant or Permittee under this Article must be completed by either personal delivery or first class mail. Service by mail is deemed complete at the time of deposit in the mail. Any notice issued to an Applicant or Permittee may be sent to the mailing address as listed on the Application submitted to the city. Failure of any Applicant or Permittee to receive a properly-addressed notice by mail shall not invalidate any action, decision, determination, or proceeding under this Article.

3-2.817 Indoor Cultivation.

(a) The indoor cultivation of six (6) or fewer live marijuana plants within a single private residence or inside an accessory structure located upon the grounds of a private residence that is fully enclosed and secured is permissible, to the extent such cultivation is authorized by Health and Safety Code Sections 11362.1 and 11362.2.

(b) It is hereby declared to be a public nuisance for any person owning, leasing, occupying or having charge or possession of any real property in the City to cause or allow such real property to be used for the cultivation of marijuana indoors, except in strict compliance with Health and Safety Code Sections 11362.1 and 11362.2, as the same may be amended from time to time. Cultivation of marijuana outdoors is expressly prohibited everywhere in the City."

SECTION 4. Effective Date. This Ordinance shall become effective 30 days after the Council adopts this Ordinance.

SECTION 5. Severability. Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance, and, to that end, the provisions hereof are severable. The City Council of the City of Artesia declares that it would have adopted all the provisions of this Ordinance that remain valid if any provisions of this ordinance are declared invalid.

SECTION 6. Adoption, Certification, and Publication. The City Clerk of the City of Artesia shall certify the passage and adoption of this Ordinance and shall cause the same, or a summary thereof, to be published and/or posted in the manner required by law.

SECTION 7. Record of Proceedings. The documents and materials associated with this ordinance that constitute the record of proceedings on which these findings are based are located at 18747 Clarkdale Avenue, Artesia, California, 90701. The City Clerk is the custodian of the record of proceedings.

PASSED, APPROVED AND ADOPTED this 12th day of June, 2023.



MONICA MANALO, MAYOR

ATTEST:



JENNIFER ALDERETE, ACTING CITY CLERK
APPROVED TO FORM:



BEST BEST & KRIEGER, CITY ATTORNEY

I, Jennifer Alderete, Acting City Clerk of the City of Artesia, do hereby certify that the foregoing Ordinance was adopted at the Regular City Council Meeting held on the 12th day of June 2023, by the following roll call vote:

AYES: COUNCILMEMBERS: RAMOSO, TREVINO, TAJ, LIMA, MANALO

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE



JENNIFER ALDERETE, ACTING CITY CLERK