

ORDINANCE NO. 2994

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD, CALIFORNIA REPEALING AND READOPTING ARTICLE XVII OF CHAPTER 11 OF THE OXNARD CITY CODE (OXNARD CITY CODE SECTIONS 11-450 TO 11-496) REGARDING COMMERCIAL CANNABIS ACTIVITY, REPEALING CHAPTER 7, ARTICLE XVI OF THE OXNARD CITY CODE (OXNARD CITY CODE SECTION 7-280 TO 7-285) REGARDING CANNABIS AND MEDICAL CANNABIS MEDICAL ACTIVITIES, AND REPEALING ARTICLE XV OF CHAPTER 11 OF THE OXNARD CITY CODE (OXNARD CITY CODE SECTIONS 11-390 TO 11-403) REGARDING MEDICAL CANNABIS DELIVERY

The City Council of the City of Oxnard does hereby ordain as follows:

Section 1. Article XVII of Chapter 11 of the Oxnard City Code regarding Commercial Cannabis Activity is hereby repealed and readopted to read as follows:

“ARTICLE XVII. COMMERCIAL CANNABIS ACTIVITY

SEC. 11-450. PURPOSE AND INTENT.

It is the purpose and intent of this article to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”) to accommodate the needs of medically-ill persons in need of and provide access to cannabis for medicinal purposes as recommended by their health care provider(s), and to provide access to adult-use for persons over the age of 21 as authorized by the Control, Regulate and Tax Adult Use of Cannabis Act (“AUMA” or “Proposition 64” enacted by California voters in 2016), while imposing sensible regulations on the use of land to protect the city’s residents, neighborhoods, and businesses from disproportionately negative impacts. As such, it is the purpose and intent of this article to regulate the Cultivation, Processing, manufacturing, testing, Sale, Delivery, Distribution, and transportation of Cannabis and Cannabis Products in a responsible manner to protect the health, safety, and welfare of the residents of the city and to enforce rules and regulations consistent with state law. It is the further purpose and intent of this article to require all commercial cannabis operators to obtain and renew annually a permit to operate within the city. Nothing in this article is intended to authorize the possession, use, or provision of Cannabis for purposes that violate state or federal law. The provisions of this article are in addition to any other permits, licenses and approvals which may be required to conduct business in the city, and are in addition to any permits, licenses and approval required under state, city, or other law.

SEC. 11-451. LEGAL AUTHORITY.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the MAUCRSA, any subsequent state legislation and/or regulations regarding same, the city is authorized to adopt ordinances that establish standards, requirements and regulations for the

licensing and permitting of Commercial Cannabis Activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the state, or any of its departments or divisions, shall be the minimum standards applicable in the city to all Commercial Cannabis Activity.

SEC. 11-452. CANNABIS CULTIVATION AND COMMERCIAL CANNABIS ACTIVITIES PROHIBITED UNLESS SPECIFICALLY AUTHORIZED BY THIS ARTICLE.

Except as specifically authorized in this article, the commercial Cultivation, Manufacture, Processing, storing, laboratory testing, Labeling, Sale, Delivery, Distribution or transportation (other than as provided under Cal. Bus. and Prof. Code Section 26090(e)), of Cannabis or Cannabis Product is expressly prohibited in the city.

SEC. 11-453. COMPLIANCE WITH STATE AND LOCAL LAWS.

It is the responsibility of the Owners and operators of a Commercial Cannabis Business to ensure that it is always operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this article shall be construed as authorizing any actions that violate federal, state or local law with respect to the operation of a Commercial Cannabis Business. It shall be the responsibility of the owners and the operators of a Commercial Cannabis Business to ensure that the Commercial Cannabis Business is, at all times, operating in a manner compliant with all applicable federal, state and local laws, including the MAUCRSA, and 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 local Commercial Cannabis Business Permit. Nothing in this article shall be construed as authorizing any actions that violate federal or state law regarding the operation of a Commercial Cannabis Business.

SEC. 11-454. DEFINITIONS.

When used in this article, the following words shall have the meanings ascribed to them as set forth herein. 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.

(A) A-LICENSE - A state license issued by the Bureau of Cannabis Control for Cannabis or Cannabis Products that are intended for adults 21 years of age and over and who do not possess physician's recommendations.

(B) A-LICENSEE - Any person holding a license for Cannabis or Cannabis Products that are intended for adults 21 years of age and over and who do not possess physician's recommendations.

(C) APPLICANT - An Owner applying for a Commercial Cannabis Business Permit pursuant to this article.

(D) BATCH - A specific quantity of homogeneous Cannabis or Cannabis Product that is one of the following types:

(1) HARVEST BATCH - A specifically identified quantity of dried flower or trim, leaves,

and other Cannabis plant matter that is uniform in strain, harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals and harvested at the same time.

(2) MANUFACTURED CANNABIS BATCH - Either of the following:

(a) An amount of Cannabis concentrates or extract that is produced in one production cycle using the same extraction methods and standard operating procedures.

(b) An amount of a type of manufactured Cannabis produced in one production cycle using the same formulation and standard operating procedures.

(E) BUREAU - The Bureau of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Marijuana Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation, or its successor.

(F) CANNABIS - All parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. Cannabis also means the separated resin, whether crude or purified, obtained from cannabis. 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 article, Cannabis does not mean “industrial hemp” as defined by Cal. Health and Safety Code Section 11018.5 or Cal. Food and Agricultural Code Section 81000.

(G) CANNABIS ACCESSORIES - The same meaning as in Cal. Health and Safety Code Section 11018.2.

(H) CANNABIS INNOVATION ZONE - A park or campus which is one contiguous commercial area of land which has many Cannabis related businesses grouped together. Each individual business would be clearly defined, which has a unique entrance and immovable physical barriers between uniquely licensed premises.

(I) CANNABIS CONCENTRATE - 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 article. A Cannabis concentrate is not considered food, as defined by Cal. Health and Safety Code Section 109935, or drug, as defined by Cal. Health and Safety Code Section 109925.

(J) CANNABIS PRODUCT - A product containing Cannabis, including, but not limited to, manufactured Cannabis, - intended to be sold for use by Cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Cal. Health and Safety Code Section 11362.5 (as the same may be amended from time-to-time) or pursuant to the Adult Use of Cannabis Act. For purposes of this article, Cannabis does not include industrial hemp as defined by Cal. Food and Agricultural Code Section 81000, or Cal. Health and Safety Code Section 11018.5.

(K) CANNABIS PRODUCTS - The same meaning as in Cal. Health and Safety Code Section 11018.1.

(L) CANOPY - The designated area(s) at a licensed premise, except nurseries that will contain mature plants at any point in time.

(1) Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain mature plants at any point in time, including all of the

space(s) within the boundaries; and

(2) Canopy may be non contiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary which include, but are not limited to: interior walls, shelves, greenhouse walls, hoop house walls, garden benches, hedgerows, fencing, garden beds or garden plots; and

(3) If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total Canopy calculation.

(M) CAREGIVER or PRIMARY CAREGIVER - The same meaning as that term is defined in Cal. Health and Safety Code Section 11362.7.

(N) CHILD RESISTANT - Designed or constructed to be significantly difficult for children under five years of age to open, and not difficult for normal adults to use properly.

(O) CITY - The City of Oxnard including the area within the territorial city limits of the city and such territory outside of the city over which the city council has jurisdiction or control by virtue of any provision of law.

(P) COMMERCIAL CANNABIS ACTIVITY - Includes the possession, Manufacture, Distribution, Processing, storing, Sale, laboratory testing, packaging, Labeling or transportation of Cannabis and Cannabis Products as provided for in this division.

(Q) COMMERCIAL CANNABIS BUSINESS - Any business or operation which engages in medicinal or adult-use Commercial Cannabis Activity.

(R) COMMERCIAL CANNABIS BUSINESS PERMIT - A regulatory permit issued by the city pursuant to this article to a Commercial Cannabis Business and is required before any Commercial Cannabis Activity may be conducted in the city. The initial permit and annual renewal of a Commercial Cannabis Business Permit is made expressly contingent upon the business's ongoing compliance with all of the requirements of this article and any regulations adopted by the city governing the Commercial Cannabis Activity at issue.

(S) CULTIVATION - Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of Cannabis.

(T) CULTIVATION SITE - A location where Cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.

(U) CUSTOMER - A natural person 21 years of age or over, or a natural person 18 years of age or older who possesses a physician's recommendation or a medical marijuana identification card.

(V) DAY CARE CENTER - The same meaning as in Cal. Health and Safety Code Section 1596.76.

(W) DELIVERY - The commercial transfer of Cannabis or Cannabis Products to a Customer. Delivery also includes the use by a retailer of any technology platform owned and controlled by the Retailer.

(X) DIRECTOR - The director of the California Department of Consumer Affairs. .

(Y) DISTRIBUTION - The procurement, sale, and transport of Cannabis and Cannabis Products between licensees.

(Z) DISTRIBUTOR - A person holding a valid Commercial Cannabis Business Permit for Distribution issued by the city, and, a valid state license for Distribution, required by state law to engage in the business of purchasing Cannabis from a licensed cultivator, or Cannabis Products from a licensed Manufacturer, for sale to a licensed Retailer.

(AA) DRIED FLOWER - All dead Cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

(BB) **EDIBLE CANNABIS PRODUCT** - Cannabis Product 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 Cal. Food and Agricultural Code Division 15 (commencing with Section 32501). An Edible Cannabis Product is not considered food, as defined by Cal. Health and Safety Code Section 109935, or a drug, as defined by Cal Health and Safety Code Section 109925.

(CC) **FUND** - The Cannabis Control Fund established pursuant to Cal. Bus. and Prof. Code Section 26210.

(DD) **GREENHOUSE** - A fully enclosed permanent structure that is clad in transparent material with climate control, such as heating and ventilation capabilities and supplemental artificial lighting, and that uses a combination of natural and supplemental lighting for Cultivation.

(EE) **KIND** - Applicable type or designation regarding a particular Cannabis variant or Cannabis Product type, including, but not limited to, strain name or other grower trademark, or growing area designation.

(FF) **LABELING** - Any label or other written, printed, or graphic matter upon a Cannabis Product, upon its container.

(GG) **LICENSE** - A state license issued by the state and includes both an A-license and an M-license, as well as a Testing Laboratory license.

(HH) **LICENSEE** - Any person holding a license under this article, regardless of whether the license held is an A-license or an M-license, and includes the holder of a Testing Laboratory license.

(II) **LICENSING AUTHORITY** - The city and/or state agency responsible for the issuance, renewal, or reinstatement of the license, or the city and/or state agency authorized to take disciplinary action against the licensee.

(JJ) **LIMITED-ACCESS AREA** - An area in which cannabis is stored or held and is only accessible to a licensee or permittee and authorized personnel.

(KK) **LIVE PLANTS** - Living Cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.

(LL) **LOCAL JURISDICTION** - A city, county or city and county.

(MM) **LOCAL EQUITY APPLICANT** – Applicant with at least forty percent (40%) Local Ownership. To remain a Local Equity Applicant, a minimum of 40% Local Ownership must be maintained for the entire period of time in which a Local Equity Applicant has a Commercial Cannabis Business Permit. If an applicant does not obtain a Commercial Cannabis Business Permit based upon the local equity status, then that applicant shall not be deemed a Local Equity Applicant.

(NN) **LOCAL OWNERSHIP** -- Ownership interest(s) held by one or more natural persons who are a resident within the city's corporate boundaries as of the date the application is submitted and who maintain local residency at all times while their ownership interest(s) are used for qualifying as a Local Equity Applicant for one or more Commercial Cannabis Business Permits. Factors used to determine local residency shall include (as applicable) but are not limited to the following: ownership or rental of dwelling unit within the city's corporate boundaries that is the primary residence; California driver's license with a residential address within the city's corporate boundaries that is the primary residence; voter registration at a residential address within the city's corporate boundaries that is the primary residence; residential address within the city's corporate boundaries used for filing state and federal income

tax returns that is the primary residence; and the natural person does not have a homestead exemption in any jurisdiction other than within the city's corporate boundaries. Local Ownership" is subject to ongoing verification under penalty of perjury.

(OO) LOT - A Batch or a specifically identified portion of a Batch.

(PP) M-LICENSE - A state license issued by the state for Commercial Cannabis Activity involving medicinal Cannabis.

(QQ) M-LICENSEE - Any person holding a license by the state for Commercial Cannabis Activity involving medicinal cannabis.

(RR) MANUFACTURE - To compound, blend, extract, infuse, or otherwise make or prepare a Cannabis Product.

(SS) MANUFACTURED CANNABIS - Raw Cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.

(TT) MANUFACTURER - A licensee that conducts the production, preparation, propagation, or compounding of Cannabis or Cannabis Products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages Cannabis or Cannabis Products or labels or container.

(UU) MANUFACTURING SITE - A location that produces, prepares, propagates, or compounds Cannabis or Cannabis Products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid Commercial Cannabis Business Permit for Manufacturing from the city and, a valid state license as required for Manufacturing of Cannabis Products.

(VV) MEDICINAL CANNABIS or MEDICINAL CANNABIS PRODUCT - Cannabis or a Cannabis Product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Cal. Health and Safety Code Section 11362.5, by a medicinal Cannabis patient in California who possesses a physician's recommendation.

(WW) NONVOLATILE SOLVENT - Any solvent used in the extraction process that is not a volatile solvent. For purposes of this article, a nonvolatile solvent includes carbon dioxide (CO₂) used for extraction and ethanol used for extraction or post-extraction processing.

(XX) NURSERY - A Licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically, for the propagation and Cultivation of Cannabis.

(YY) OPERATION - Any act for which a license is required under the provisions of this article, or any commercial transfer of Cannabis or Cannabis Products.

(ZZ) OWNER - Any of the following:

(1) A Person with an aggregate ownership interest of 20% or more in the Person applying for a license, Commercial Cannabis Business Permit or a Licensee, unless the interest is solely a security, lien, or encumbrance.

(2) The manager of a nonprofit or other entity.

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

(4) An individual who will be participating in the direction, control, or management of the business applying for a license, or who has a financial interest in the business other than a fixed lease of real property.

(AAA) PACKAGE - Any container or receptacle used for holding Cannabis or Cannabis

Products.

(BBB) **PATIENT or QUALIFIED PATIENT** - The same definition as Cal. Health and Safety Code Sections 11362.7 *et seq.*, as it may be amended, and which means a person who is entitled to the protections of Cal. Health and Safety Code Section 11362.5.10.

(CCC) **PERSON** - Includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

(DDD) **PERSON WITH AN IDENTIFICATION CARD** - The meaning given that term by Cal. Health and Safety Code Section 11362.7.

(EEE) **PHYSICIAN'S RECOMMENDATION** - A recommendation by a physician that a patient use Cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Cal. Health and Safety Code Section 11362.5.

(FFF) **PREMISES** - The designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or Licensee where the Commercial Cannabis Activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee unless the operator is granted a M-license and an A-license for the same type of activity and such operation is lawful under state and local laws, rules and regulations.

(GGG) **PROCESSING** - A Cultivation Site that conducts only trimming, drying, curing, grading, packaging, or labeling of Cannabis and nonmanufactured Cannabis Products.

(HHH) **PURCHASER** - The customer who is engaged in a transaction with a Licensee for purposes of obtaining cannabis or cannabis products.

(III) **RETAILER** - A Commercial Cannabis Business facility where Cannabis, Cannabis Products, or devices for the use of Cannabis or Cannabis Products are offered, either individually or in any combination, for retail Sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, Cannabis and Cannabis Products as part of a retail sale, and where the operator holds a valid Commercial Cannabis Business Permit from the city authorizing the operation of a retailer, and a valid state license as required by state law to operate a retailer.

(JJJ) **SELL, SALE, and TO SELL** - Include any transaction whereby, for any consideration, title to Cannabis or Cannabis Products are transferred from one person to another, and includes the Delivery of Cannabis or Cannabis Products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of Cannabis or Cannabis Products by a Licensee to the licensee from whom the Cannabis or Cannabis Product was purchased.

(KKK) **STATE LICENSE** - A permit or license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same to engage in Commercial Cannabis Activity.

(LLL) **TESTING LABORATORY** - A laboratory, facility, or entity in the state that offers or performs tests of Cannabis or Cannabis Products and that is both of the following:

(1) Accredited by an accrediting body that is independent from all other persons involved in Commercial Cannabis Activity in the state.

(2) Licensed by the State of California.

(MMM) **TOPICAL CANNABIS** - A product intended for external application and/or absorption through the skin. A topical Cannabis Product is not considered a drug as defined by Cal. Health and Safety Code Section 109925.

(NNN) **TRANSPORT** - The transfer of Cannabis Products from the permitted business location of one Licensee to the permitted business location of another Licensee, for the purposes of conducting Commercial Cannabis Activity authorized by MAUCRSA which may be amended or repealed by any subsequent State of California legislation regarding the same.

(OOO) **UNIQUE IDENTIFIER** - An alphanumeric code or designation used for reference to a specific plant on a licensed premises and any Cannabis or Cannabis Product derived or manufactured from that plant.

(PPP) **VOLATILE SOLVENT** - Any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. Examples of volatile solvents include, but are not limited to, butane, hexane, and propane.

(QQQ) **YOUTH CENTER** - Any public or private facility that is primarily used to host recreation or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades where ten or more video games or game machines or devices are operated, and where minors are legally permitted to conduct business, or similar amusement park facilities. It shall also include a park, playground or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or on city, county or state parks. This definition shall not include any private martial arts, yoga, ballet, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist office, doctor's office primarily serving children or a location which is primarily utilized as an administrative office or facility for youth programs or organizations.

SEC. 11-455. CANNABIS EMPLOYEE PERMIT REQUIRED.

A request for a cannabis employee permit will only be initiated after securing a favorable recommendation for a Commercial Cannabis Business Permit. If an Owner has employees at the time of submittal of the Commercial Cannabis Business Permit application, a request for a cannabis employee permit can be initiated in advance of issuance of a discretionary land use permit.

(A) Any person who is an employee or who otherwise works within a Commercial Cannabis Business must be legally authorized to do so under applicable state law.

(B) Any person who is an employee or who otherwise works within a Commercial Cannabis Business must obtain a commercial cannabis employee work permit from the city prior to performing any work at any Commercial Cannabis Business.

(C) Applications for a commercial cannabis employee work permit shall be developed, made available, and processed by the city manager or his or her designee(s), and shall include, but not be limited to, the following information:

- (1) Name, address, and phone number of the applicant;
- (2) Age and verification of applicant. A copy of a birth certificate, driver's license, government issued identification card, passport or other proof that the applicant is at least 21 years of age must be submitted with the application;
- (3) Name, address of the Commercial Cannabis Business where the person will be employed, and the name of the primary manager of that business;
- (4) A list of any crimes enumerated in Cal. Bus. and Prof. Code Section 26057(b)(4) for

which the applicant or employee has been convicted;

(5) Name, address, and contact person for any previous employers from which the applicant was fired, resigned, or asked to leave and the reasons for such dismissal or firing;

(6) The application shall be accompanied by fingerprints and a recent photograph of the applicant in a form and manner as required by the city manager or his or her designee(s);

(7) A statement signed under penalty of perjury that the information provided is true and correct;

(8) If applicable, verification that the applicant is a qualified patient or primary caregiver;

(9) A fee paid in an amount set by resolution of the city council in an amount necessary to cover the costs of administering the employee work permit programs. The fee is non-refundable and shall not be returned in the event the work permit is denied or revoked.

(D) (1) The applicable city department head or his or her designee(s) shall review the application for completeness, shall conduct a background check to determine whether the applicant was convicted of a crime or left a previous employer for reasons that show the applicant:

(a) Has been convicted of a crime involving dishonesty, fraud or deceit, including but not limited to fraud, forgery, theft, or embezzlement as those offenses are defined in Cal. Penal Code Sections 186.11, 470, 484, and 504a; or

(b) Has committed a felony or misdemeanor involving fraud, deceit, or embezzlement; or

(c) Was convicted of a violent felony, a crime of moral turpitude; or

(d) The illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, except for cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

(2) Discovery of these facts showing that the applicant is dishonest or has been convicted of the requisite crimes are grounds for denial of the permit. Where the applicant's sentence (including any term of probation, incarceration, or supervised release) for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is completed, such underlying conviction shall not be the sole ground for denial of a commercial cannabis employee work permit. Furthermore, an applicant shall not be denied a permit if the denial is based solely on any of the following: (i) a conviction for any crime listed in subsection (D)(1)(d) above for which the applicant has obtained a certificate of rehabilitation pursuant to Cal. Penal Code, Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3, or (ii) a conviction that was subsequently dismissed pursuant to Cal. Penal Code Sections 1203.4, 1203.4a, or 1203.41 or any other provision of state law allowing for dismissal of a conviction.

(E) The applicable department head or his or her designee(s) shall issue the commercial cannabis employee permit or a written denial to the applicant within 30 days of the date the application was deemed complete. In the event the cannabis employee work permit cannot be issued within this time period, then the city manager or his or her designee(s) may issue a temporary work permit for an employee upon completing a preliminary background check and if the business can demonstrate to the city manager or his or her designee(s) that the employee is necessary for the operation of the business. The temporary permit may be immediately revoked by the city manager or his or her designee(s) upon determination that the applicant has failed the background check or upon the issuance of the permanent work permit.

(F) An employee work permit shall be valid for a 12-month period and must be renewed on an annual basis. Renewal applications shall contain all the information required in subsection (C)

above including the payment of a renewal application fee in an amount to be set by resolution of the city council.

(G) In the event a person changes employment from one Commercial Cannabis Business in the city to another, the work permit holder shall notify the applicable department head or his or her designee(s) in writing of the change within ten days, or the work permit shall be suspended or revoked, and such person shall not be permitted to work at any Commercial Cannabis Business in the city.

(H) The city may immediately revoke the commercial cannabis employee permit should the permit holder be convicted of a crime listed in subsection (D) above or if facts become known to the city that the permit holder has engaged in activities showing that he or she has been convicted of a crime involving dishonesty.

(I) The city manager or his or her designee(s) is hereby authorized to promulgate all regulations necessary to implement the work permit process and requirements.

(J) The applicant may appeal the denial or revocation of a commercial cannabis employee permit by filing a notice of appeal with the city clerk within ten days of the date the applicant received the notice of denial. The city manager or his/her designee shall hear such appeal and his/her decision shall be final and not subject to further appeals.

(K) The applicable city department head or his or her designee(s) shall issue a permit in the form of a personal identification card that can be worn in a prominent and visible location. The identification card shall be maintained in good and readable condition at all times.

SEC. 11-456. MAXIMUM NUMBER AND TYPE OF AUTHORIZED COMMERCIAL CANNABIS BUSINESSES PERMITTED.

(A) The number of each type of Commercial Cannabis Business that shall be permitted to operate in the city at any one time shall be as follows:

(1) Cannabis manufacturing - Maximum of eight at any one time, with up to three permits issued to Local Equity Applicants.

(2) Cannabis testing lab - Maximum of one at any one time.

(3) Cannabis distributor - Maximum of three at any one time, with up to one permit issued to a Local Equity Applicant.

(4) Cannabis retail - Maximum of 16 at any one time, with up to three permits issued to Local Equity Applicants.

(B) This section is only intended to create a maximum number of Commercial Cannabis Businesses that may be issued permits to operate in the city under each category. Nothing in this article creates a mandate that the city council must issue any or all of the Commercial Cannabis Business Permits.

(C) Each year following the city manager's initial award of Commercial Cannabis Business Permits, if any, or at any time at the city council's discretion, the city council may reassess the number of Commercial Cannabis Business Permits which are authorized for issuance. The city council, at its discretion, may determine that the number of Commercial Cannabis Business Permits should remain the same or be expanded.

SEC. 11-457. COMMERCIAL CANNABIS BUSINESS PERMIT; APPLICATION PROCEDURE.

(A) The city manager or his or her designee shall adopt procedures to govern the application process, and the manner in which the decision will ultimately be made regarding the issuance of any Commercial Cannabis Business Permit(s), which shall include or require the city manager to provide detailed objective review criteria to be evaluated on a point system or equivalent quantitative evaluation scale tied to each set of review criteria (“review criteria”). The city manager or his or her designee(s) shall be authorized to prepare the necessary forms, adopt any necessary rules to the application, regulations and processes, solicit applications, and conduct initial evaluations of the applicants.

(B) At the time of filing, each applicant shall pay an application fee established by resolution of the city council, to cover all costs incurred by the city in the application process.

(C) After the initial review, ranking, and scoring under the review criteria, the city manager or his or her designee(s) will make a final determination in accordance with this section and shall either deny or approve the final candidates and shall select the top candidates in each category of the Commercial Cannabis Businesses. Notwithstanding anything in this article to the contrary, the city manager’s decision as to the selection of the prevailing candidates shall be final and shall not be subject to appeal.

(D) Official issuance of the Commercial Cannabis Business Permit(s) is conditioned upon the prevailing candidate(s) obtaining all required land use approvals. Following the city manager’s selection of the Person who shall be issued a Commercial Cannabis Business Permit, the prevailing candidate(s) shall apply to the city’s Community Development Department to obtain required land use approvals or entitlements for the permittee’s location and use approvals shall include compliance with all applicable provisions of the California Environmental Quality Act. The community development director shall formally issue the Commercial Cannabis Business Permit(s) once the community development director or his or her designee(s) affirms that all of the required land use approvals have been obtained and all required conditions of approval have been complied with.

(E) Issuance of a Commercial Cannabis Business Permit does not create a land use entitlement. The Commercial Cannabis Business Permit shall only be for a term of 12 months and shall expire at the end of the 12-month period unless it is renewed as provided herein. Furthermore, no permittee may begin operations, notwithstanding the issuance of a Commercial Cannabis Business Permit, unless all of the state and local laws and regulations, including but not limited to the requirements of this article and of the permit, have been complied with.

(F) Notwithstanding anything in this article to the contrary, the city manager reserves the right to reject any or all applications if the city manager determines it would be in the best interest of the city, taking into account any health, safety and welfare impacts on the community. Applicants shall have no right to a Commercial Cannabis Business Permit until a permit is actually issued, and then only for the duration of the permit’s term. Each applicant assumes the risk that, at any time prior to the issuance of a permit, the city council may terminate or delay the program created under this article.

(G) If an application is denied, a new application may not be filed for one year from the date of the denial.

(H) Each person granted a Commercial Cannabis Business Permit shall be required to pay the permit fee established by resolution of the city council, to cover the costs of administering the Commercial Cannabis Business Permit program created in this article.

(I) *Preservation of rights.* The city reserves the right to reject any or all applications. Prior to permit issuance by the City Council, the city may also modify, postpone, or cancel any request

for applications, or the entire program under this article, at any time without liability, obligation, or commitment to any party, firm, or organization, to the extent permitted under state law. Persons submitting applications assume the risk that all or any part of the program, or any particular category of permit potentially authorized under this article, may be cancelled at any time prior to permit issuance. The city further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to possible reject for failure to comply with other requirements in this article, an applicant also risks being rejected for any of the following reasons:

- (1) Proposal received after designated time and date.
- (2) Proposal not containing the required elements, exhibits, nor organized in the required format.
- (3) Proposal considered not fully responsive to the request for permit application.

SEC. 11-458. PERSONS PROHIBITED FROM HOLDING A LICENSE OR EMPLOYEE WORK PERMIT.

Any Person who has been issued any of the following actions or notices for non-compliance, shall be prohibited from holding a Commercial Cannabis Business Permit in the city, with such actions or notices also grounds for denial of a Commercial Cannabis Business Permit:

- (A) The applicant has been denied a license or has had a license suspended or revoked by any city, county, city and county or any other state cannabis licensing authority;
- (B) The applicant was notified that they were conducting Commercial Cannabis Activity in non-compliance with this chapter 11 or other city ordinances, codes or requirements in which they failed to discontinued operating in a timely manner;
- (C) Evidence that the applicant was in non-compliance of properly paying federal, state or local taxes and/or fees when notified by the appropriate agencies;
- (D) The applicant was conducting Commercial Cannabis Activity in the city in violation of local and state law;

SEC. 11-459. EXPIRATION OF COMMERCIAL CANNABIS BUSINESS PERMITS.

Each Commercial Cannabis Business Permit issued pursuant to this article shall expire 12 months after the date of its issuance. Commercial Cannabis Business Permits may be renewed as provided in section 11-461.

SEC. 11-460. REVOCATION OF PERMITS.

Commercial Cannabis Business Permits may be revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to any policy, procedure or regulation in this article.

SEC. 11-461. RENEWAL APPLICATIONS.

- (A) An application for renewal of a Commercial Cannabis Business Permit shall be filed at least 60 calendar days prior to the expiration date of the current permit.
- (B) The renewal application shall contain all the information required for new applications.

(C) The applicant shall pay a fee in an amount to be set by the city council to cover the costs of processing the renewal permit application, together with any costs incurred by the city to administer the program created under this article.

(D) An application for renewal of a Commercial Cannabis Business Permit may be rejected if any of the following exists:

(1) The application is filed less than 60 days before its expiration.

(2) The Commercial Cannabis Business permit is suspended or revoked at the time of the application.

(3) The Commercial Cannabis Business has not been in regular and continuous operation in the four months prior to the renewal application.

(4) The Commercial Cannabis Business has failed to conform to the requirements of this article, or of any regulations adopted pursuant to this article.

(5) The permittee fails or is unable to renew its State of California license.

(6) If the city or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this article, of the city ordinance, or of the state rules and regulations, and the city or state has determined that the violation is grounds for termination or revocation of the Commercial Cannabis Business Permit.

(E) The city manager or his/her designee(s) is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the city manager or his or her designee(s) is authorized to impose additional conditions to a renewal permit if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the city manager or his or her designee(s) shall be handled pursuant to Sections 11-464 to 11-465.

(F) If a renewal application is rejected, a person may file a new application pursuant to this article no sooner than one year from the date of the rejection.

SEC. 11-462. EFFECT OF STATE LICENSE SUSPENSION, REVOCATION, OR TERMINATION.

Suspension of a license issued by the state, or by any of its departments or divisions, shall immediately suspend the ability of a Commercial Cannabis Business to operate within the city, until the state, or its respective department or division, reinstates or reissues the state license. Should the state, or any of its departments or divisions, revoke or terminate the license of a Commercial Cannabis Business, such revocation or termination shall also revoke or terminate the ability of a Commercial Cannabis Business to operate within the city.

SEC. 11-463. APPEALS.

Unless specifically provided elsewhere to the contrary, whenever an appeal is specifically provided for in this article, the appeal shall be conducted as prescribed in this article.

SEC. 11-464. WRITTEN REQUEST FOR APPEAL.

(A) Within ten calendar days after the date of a decision of the city manager or his or her designee(s) to revoke, or suspend, or to add conditions to a permit, an aggrieved party may appeal such action by filing a written appeal with the city clerk setting forth the reasons why the

decision was not proper.

(B) Within ten calendar days after the date of a decision of the Planning Commission pursuant to this article, an aggrieved party may appeal such action by filing a written appeal with the city clerk setting forth the reasons why the decision was not proper.

(C) At the time of filing, the appellant shall pay the designated appeal fee in an amount, established by resolution of the city council.

SEC. 11-465. APPEAL HEARING.

(A) Upon receipt of the written appeal pursuant to Section 11-464, the city clerk shall set the matter for a hearing before the city council. The city council shall hear the matter de novo and shall conduct the hearing pursuant to the procedures set forth by the city.

(B) The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than 90 days from the date of such filing. The city shall notify the appellant of the time and location at least ten days prior to the date of the hearing.

(C) At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing. The decision of the city council shall be final.

SEC. 11-466. APPEAL FROM DECISION OF COMMUNITY DEVELOPMENT DIRECTOR

(A) Within ten calendar days after the date of a decision of the community developer director pursuant to this article, an aggrieved party may appeal such action by filing a written appeal with the city clerk setting forth the reasons why the decision was not proper. At the time of filing, the appellant shall pay the designated appeal fee, established by resolution of the city council.

(B) Upon receipt of the written appeal pursuant to subsection (A), the city clerk shall set the matter for a hearing before the Planning Commission. The Planning Commission shall hear the matter de novo and shall conduct the hearing pursuant to the procedures set forth by the city. The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than 90 days from the date of such filing. The city shall notify the appellant of the time and location at least ten days prior to the date of the hearing.

(C) At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing. The decision of the Planning Commission shall be final.

SEC. 11-467. CHANGE IN LOCATION; UPDATED REGISTRATION FORM.

Any time the location of the Commercial Cannabis Business or retailer specified in the regulatory permit is proposed to be changed, the applicant shall be required to first secure a new Commercial Cannabis Business Permit, and discretionary land use permit for the new location before moving to that location, with such approvals subject to terminating the Commercial Cannabis Business Permit at the existing location so there is no net increase in the number of Cannabis Business Permits issued within the City. The process and the fees shall be the same as for a new facility and in accordance with the regulations specified in this article. No proposed change in location shall be considered until such time as the original location has first been

opened for business for a minimum of one (1) year consistent with the requirement of the city's regulations.

SEC. 11-468. TRANSFER OF CANNABIS BUSINESS PERMIT.

(A) The holder of a Cannabis Business Permit shall not transfer ownership or control of the permit to another Person unless and until the transferee obtains an amendment to the permit from the city manager or his or her designee stating that the transferee is now the permittee. Such an amendment may be obtained only if the transferee files an application with the city manager or his or her designee in accordance with all provisions of this article (as though the transferee were applying for an original Cannabis Business Permit) accompanied by a transfer fee in an amount set by resolution of the city council (or if not set, shall be the same amount as the application fee), and the city manager or his or her designee determines, after hearing, in accordance with this section that the transferee passed the background check required for permittees and meets all other requirements of this article. The decision of the city manager is final.

(B) Commercial Cannabis Business Permits issued through the grant of a transfer by the city manager or his or her designee shall be valid for a period of one year beginning on the day the city manager or his or her designee approves the transfer of the permit. Before the transferee's permit expires, the transferee shall apply for a renewal permit in the manner required by this article.

(C) Changes in ownership of a permittee business structure or a substantial change in the ownership of a permittee business entity (i.e., changes that result in a cumulative change of more than 51% of the original ownership) must be approved by the city manager or his or her designee through the transfer process contained in subsection (A). Failure to comply with this provision is grounds for permit revocation.

(D) (1) A permittee may change the form of business entity without applying to the city manager or his or her designee for a transfer of permit, provided that either:

(a) The membership of the new business entity is substantially similar to original permit holder business entity (at least 51% of the membership is identical), or

(b) If the original permittee is an unincorporated association, mutual or public benefit corporation, agricultural or consumer cooperative corporation and subsequently transitions to or forms a new business entity as allowed under the MAUCRSA provided that the Board of Directors (or in the case of an unincorporated association, the individual(s) listed on the City permit application) of the original permittee entity are the same as the new business entity.

(2) Although a transfer is not required in these two circumstances, the permit holder is required to notify the city manager in writing of the change within ten days of the change. Failure to comply with this provision is grounds for permit revocation.

(E) No Commercial Cannabis Business Permit may be transferred when the city manager or his or her designee has notified the permittee that the permit has been or may be suspended or revoked.

(F) Any attempt to transfer a Commercial Cannabis Business Permit either directly or indirectly in violation of this section is hereby declared void, and such a purported transfer shall be deemed a ground for revocation of the permit.

(G) Notwithstanding any language in this section to the contrary, no transfer of a local equity ownership interest in a business that obtained its Commercial Cannabis Business Permit as a Local Equity Applicant shall be allowed if such proposed transfer would reduce the local equity

interest in the Commercial Cannabis Business to a level below that required for a Local Equity Applicant.

SEC. 11-469. CITY BUSINESS TAX CERTIFICATE.

Prior to commencing operations, a Commercial Cannabis Business shall obtain a City of Oxnard business tax certificate, pursuant to Article I.

SEC. 11-470. BUILDING PERMITS AND INSPECTION.

Prior to commencing operations, a Commercial 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), the fire department approvals, health department approvals and other zoning and discretionary land use permit(s) and approvals.

SEC. 11-471. CERTIFICATION FROM THE COMMUNITY DEVELOPMENT DIRECTOR.

Prior to submittal of a Commercial Cannabis Business Permit application, a certification from the community development director or his or her designee(s) certifying that the business is located on a site that meets all of the requirements of chapter 16 and this article shall be obtained. A fee shall be established by city council resolution for submittal and processing of this certification.

SEC. 11-472. RIGHT TO OCCUPY AND TO USE PROPERTY.

(A) As a condition precedent to the city's issuance of a Commercial Cannabis Business Permit pursuant to this article, any person intending to open and to operate a Commercial 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 the property owner, the applicant shall be required to provide a signed and notarized statement from the owner of the property acknowledging that the property owner has read this article and consents to the operation of the Commercial Cannabis Business on the owner's property.

(B) The lease, sublease or other agreement to occupy the property must be at fair market value and not have any terms or conditions for the permittee to pay the property owner, commercial broker, or any third party a percentage of gross receipts, royalties, equity, or other unreasonable compensation as determined by the city. In addition, all leases, subleases, or other agreements must be based on a monthly rate.

SEC. 11-473. LOCATION AND DESIGN OF CANNABIS BUSINESSES.

Specific types of Commercial Cannabis Businesses are subject to the following zoning and locational requirements:

(A) All Cannabis manufacturing, testing, and distribution businesses have been conceptually identified on land use maps, with actual siting subject to land use siting criteria and buffer requirements stipulated in this article. Manufacturing, testing, and distribution facilities are conceptually permitted on property zoned limited manufacturing (ML), light manufacturing (M1), heavy industrial (M2), and business and research park (BRP), as well as auto sales and service, business park, and commercial manufacturing zones within the Rose Santa Clara Corridor Specific Plan. Manufacturing, testing, and/or distribution facilities may also be located in the following specific plan areas subject to relevant specific plan requirements: Northeast Community Specific Plan, Sakioka Farms, Camino Real Business Park, McInnes Ranch Business Park Specific Plan, and Northfield Seagate Business Park Specific Plan.

(B) All Cannabis retail dispensary businesses have been conceptually identified on land use maps, with actual siting subject to land use siting criteria and buffer requirements as stipulated in this subsection (B). Retailers are conceptually permitted in property zoned neighborhood shopping center (C-1), neighborhood shopping center planned development (C-1-PD), general commercial (C-2), general commercial planned development (C-2-PD), Coastal Neighborhood Commercial (CNC), and commercial planned development (CPD), business park, retail commercial, and commercial manufacturing zones within the Rose Santa Clara Corridor Specific Plan. Retail dispensaries may also be located in the following specific plan areas subject to relevant specific plan requirements: RiverPark - commercial office, commercial convention, and commercial regional; Sakioka Farms; and Camino Real Business Park.

(C) Compliance with any specific plan requirements.

(D) The property on which any Commercial Cannabis Business is located must also meet all of the following distance requirements:

(1) It shall be no closer than 600 feet of any of the following:

(a) Any school providing instruction in kindergarten or any grades 1 through 12, whether public, private, or charter, including pre-school, transitional kindergarten, and K-12.

(b) A commercial daycare center licensed by the city or county that is in existence at the time the license is issued, unless the State licensing authority or the city specifies a different radius.

(c) A youth center that is in existence at the time the license is issued, unless the State licensing authority or the city specifies a different radius.

(2) The distance specified in this subsection shall be the horizontal distance measured in a straight line from the property line of the identified use to the closest property line of the lot on which the cannabis use is located without regard to intervening structures.

(E) Each proposed Commercial Cannabis Business use shall:

(1) Conform with the city's general plan, any applicable specific plans, master plans, and design requirements.

(2) Comply with all applicable zoning, and specific plan requirements, and related development standards.

(3) Be constructed in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.

(4) Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development.

(5) Be served by highways adequate in width and improved as necessary to carry the kind and quantity of traffic such use will generate.

(6) Be provided with adequate electricity, sewerage, disposal, water, fire protection

(sprinkler and alarm; retrofit when determined necessary by the fire marshal) and storm drainage facilities for the intended purpose.

SEC. 11-474. LIMITATIONS ON CITY'S LIABILITY.

To the fullest extent permitted by law, the city shall not assume any liability whatsoever with respect to having issued a Commercial Cannabis Business Permit pursuant to this article or otherwise approving the operation of any Commercial Cannabis Business. As a condition to the approval of any Commercial Cannabis Business Permit, the applicant shall be required to meet all of the following conditions before they can receive the Commercial Cannabis Business Permit:

(A) They must execute an agreement, in a form approved by the city attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the city 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 Commercial Cannabis Business Permit, the city's decision to approve the operation of the Commercial Cannabis Business or activity, the process used by the city in making its decision, or the alleged violation of any federal, state or local laws by the Commercial Cannabis Business or any of its officers, employees or agents.

(B) Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the city manager.

(C) Reimburse the city for all costs and expenses, including but not limited to legal fees and costs and court costs, which the city may be required to pay as a result of any legal challenge related to the city's approval of the applicant's Commercial Cannabis Business Permit, or related to the city's approval of a Commercial Cannabis Activity. 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 any of the obligations imposed hereunder.

SEC. 11-475. [RESERVED]

SEC. 11-476. RECORDS AND RECORDKEEPING.

(A) Each owner and operator of a Commercial Cannabis Business shall maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a Commercial Cannabis Business Permit issued pursuant to this article), or at any time upon reasonable request of the city, each Commercial Cannabis Business shall file a sworn statement detailing the number of sales by the Commercial Cannabis Business during the previous 12-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. On an annual basis, each owner and operator shall submit to the city a financial audit of the business's operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the city manager or his or her designee(s).

(B) Each owner and operator of a Commercial Cannabis Business shall maintain a current register of the names and the contact information (including the name, address, and telephone

number) of anyone owning or holding an interest in the Commercial Cannabis Business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the Commercial Cannabis Business. The register required by this paragraph shall be provided to the city manager or his or her designee(s) upon a reasonable request.

(C) All Commercial Cannabis Businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until purchase as set forth MAUCRSA.

(D) Each Commercial Cannabis Business shall allow the city to have access to the businesses books, records, accounts, together with any other data or documents relevant to its permitted commercial 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 24 hours after receipt of the city's request, unless otherwise stipulated by the city. The city may require the materials to be submitted in an electronic format that is compatible with the city's software and hardware.

SEC. 11-477. OPERATIONAL STANDARDS.

(A) A permitted Commercial Cannabis Business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the Commercial Cannabis Business Except as may otherwise be determined by the city manager or his or her designee(s), these security measures shall include, but shall not be limited to, all of the following and are considered in addition to the best practices identified in the guidelines for issuance of a Cannabis Business Permit and/or conditions imposed as part of the discretionary land use permit approval:

- (1) Alarm system (perimeter, fire, and panic buttons).
- (2) Remote monitoring of alarm systems by licensed security professionals and first responders (Knox box, etc.).
- (3) Perimeter lighting systems (including motion sensors) for after-hours security.
- (4) Perimeter security and lighting as approved by the police chief, community development department or his or her designee.
- (5) Preventing individuals from remaining on the premises of the Commercial Cannabis Business if they are not engaging in an activity directly related to the permitted operations of the Commercial Cannabis Business.
- (6) Establishing limited access areas accessible only to authorized Commercial Cannabis Business personnel.
- (7) Plan for cash handling as relevant to manufacturing, testing, and distribution operations.
- (8) Except for live growing plants which are being cultivated at a cultivation facility, all Cannabis and Cannabis Products shall be stored in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live plants that are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.
- (9) Installing 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the Commercial Cannabis

Business which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weatherproof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The Commercial Cannabis Business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the city manager or his or her designee(s), 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 his or her designee(s). Video recordings shall be maintained for a minimum of 90 days and shall be made available to the city manager or his or her designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the Commercial Cannabis Business, and shall be capable of enlargement via projection or other means. Internet protocol address information shall be provided to the Oxnard police department by the Commercial Cannabis Business, to facilitate remote monitoring of security cameras by the department or its designee.

(10) Sensors shall be installed to detect entry and exit from all secure areas, and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.

(11) Panic buttons shall be installed in all Commercial Cannabis Businesses with direct notification to Oxnard police department dispatch, and shall be configured to immediately alert dispatch for the Oxnard police department.

(12) Having a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.

(13) Any bars installed on the windows or the doors of the Commercial Cannabis Business shall be installed only on the interior of the building.

(14) Security personnel shall monitor premises in accordance with a security plan as authorized by the city manager or his or her designee(s), and must have a verified response security patrol when closed. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the city manager or his or her designee(s), with such approval not to be unreasonably withheld. Firearms may be carried by security personnel while they are on duty if authorized by the police chief.

(15) Each Commercial Cannabis Business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

(16) Entrance areas are to be locked at all times and under the control of a designated responsible party that is either: (a) an employee of the Commercial Cannabis Business; or (b) a licensed security professional.

(17) Each Commercial Cannabis Business shall have an accounting software system in place to provide point of sale data as well as audit trails or both product and cash, where applicable.

(18) Each Commercial Cannabis Business shall demonstrate to the police chief, city manager or their designees compliance with the state's track and trace system for Cannabis and Cannabis Products, as soon as it is operational.

(19) Each Commercial Cannabis Business shall have state of the art network security protocols in place to protect computer information and all digital data.

(20) Exterior vegetation shall be planted, altered and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

(B) Each Commercial Cannabis Business shall identify a designated security representative/liaison to the city, who shall be reasonably available to meet with the city manager or his or her designee(s) regarding any security related measures or and operational issues. The designated security representative/liaison shall, on behalf of the Commercial Cannabis Business, annually maintain a copy of the current security plan on the premises of the business, to present to the city manager or his or her designee upon request that meets the following requirements:

(1) Confirms that a designated manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.

(2) Identifies all managers of the Commercial Cannabis Business and their contact phone numbers.

(3) Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the manager's office.

(4) Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.

(5) Identify a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the Commercial Cannabis Business, the parking lot, and any adjacent property under the business's control.

(6) Confirm that the licensed security personnel shall regularly monitor the parking lot and any adjacent property to ensure that these area are: (a) free of individuals loitering or causing a disturbance; (b) are cleared of employees and their vehicles one-half hour after closing.

(C) As part of the application and permitting process, each Commercial 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) The Commercial Cannabis Business shall cooperate with the city whenever the city manager or his or her designee(s) makes a request, without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this article. Prevention fire inspectors shall be allowed access to audit buildings for fire life safety concerns on a yearly basis or as determined necessary per the fire marshal.

(E) A Commercial Cannabis Business shall notify the city manager or his or her designee(s) within 24 hours after discovering any of the following:

(1) Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the city manager or his or her designee(s).

(2) Diversion, theft, loss, or any criminal activity involving the Commercial Cannabis Business or any agent or employee of the Commercial Cannabis Business.

(3) The loss or unauthorized alteration of records related to Cannabis, customers or employees or agents of the Commercial Cannabis Business.

(4) Any other breach of security.

(F) Compliance with the foregoing requirements shall be verified by the city manager or his or her designee prior to commencing business operations. The city manager or his or her designee may supplement these security requirements once operations begin, subject to review by the city manager if requested by the business owner.

SEC. 11-478. RESTRICTION ON ALCOHOL AND TOBACCO SALES.

(A) No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the Commercial Cannabis Business.

(B) No person shall cause or permit the sale of tobacco products on or about the premises of the Commercial Cannabis Business.

SEC. 11-479. FEES AND CHARGES.

(A) No person may commence or continue any Commercial Cannabis Activity in the city without timely paying in full all fees and charges required for the operation of a Commercial Cannabis Activity. Fees and charges associated with the operation of a Commercial Cannabis Activity shall be established by resolution of the city council which may be amended from time to time.

(B) All Commercial Cannabis Businesses authorized to operate under this article shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each Commercial Cannabis Business shall cooperate with the city with respect to any reasonable request to audit the Commercial Cannabis Business's books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes required to be paid during any period.

(C) Prior to operating in the city and as a condition of issuance of a regulatory permit, the operator of each cannabis facility shall enter into an operational agreement with the city setting forth the terms and conditions under which the cannabis facility will operate that are in addition to the requirements of this article, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety and welfare.

SEC. 11-480. MISCELLANEOUS OPERATING REQUIREMENTS.

(A) Commercial Cannabis Businesses may operate only during the hours specified in the Commercial Cannabis Business Permit issued by the city and/or as determined within the discretionary land use permit.

(B) Restriction on consumption - Cannabis shall not be consumed by any employee on the premises of any Commercial Cannabis Business.

(C) No Cannabis or Cannabis Products or graphics depicting Cannabis or Cannabis Products shall be visible from the exterior of any property issued a Commercial Cannabis Business Permit, or on any of the vehicles owned or used as part of the Commercial Cannabis Business. No outdoor storage of Cannabis or Cannabis Products is permitted at any time.

(D) Reporting and tracking of product and of gross sales - Each Commercial Cannabis Business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the Commercial Cannabis Business including, but not limited to, such matters as Cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the city. The Commercial Cannabis Business shall ensure that such information is compatible with the city's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review.

Furthermore, any system selected must be approved and authorized by the city manager or his or her designee(s) prior to being used by the permittee.

(E) All Cannabis and Cannabis Products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the state and local regulations.

(F) Emergency contact and emergency response plan - Each Commercial Cannabis Business shall provide the city manager or his or her designee(s) with the name, telephone number (both landline and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day. Each Commercial Cannabis Business must have a fire evacuation plans, and plan to address robberies and other emergencies. Said plan shall be reviewed and approved by the fire and police chiefs or designee.

(G) Signage and notices -

(1) In addition to the requirements otherwise set forth in this section, business identification signage for a Commercial Cannabis Business shall conform to the requirements of the city regulations, including, but not limited to, seeking the issuance of a city sign permit.

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

(3) Each entrance to a Commercial Cannabis Business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the Commercial Cannabis Business is prohibited.

(4) Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No Commercial Cannabis Business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the Commercial Cannabis Business or elsewhere including, but not limited to, the public right-of-way.

(5) Signage shall not be directly illuminated, internally or externally. No banners, flags, billboards or other prohibited signs may be used at any time.

(H) Minors -

(1) Persons under the age of 21 years shall not be allowed on the premises of a Commercial Cannabis Business and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this article for any person to employ any person at a Commercial Cannabis Business who is not at least 21 years of age.

(2) The entrance to the Commercial Cannabis Business shall be clearly and legibly posted with a notice that no person under the age of 21 years of age is permitted to enter upon the premises of the Commercial Cannabis Business.

(I) Odor control - Odor control devices and techniques shall be incorporated in all Commercial Cannabis Businesses to ensure that odors from Cannabis are not detectable off-site. Commercial Cannabis Businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the Commercial Cannabis Business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the Commercial Cannabis Business. As such, Commercial Cannabis Businesses must install and maintain the following equipment, or any other equipment which the community development director or his

or her designee(s) determine is a more effective method or technology:

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

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

(J) Display of permit and city business tax certificate - The original copy of the Commercial Cannabis Business Permit issued by the city pursuant to this article and the city issued business license shall be posted inside the Commercial Cannabis Business in a location readily-visible to the public.

(K) Background check - Pursuant to Cal. Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes city authorities to access state and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee, contract employee or who otherwise works in a Commercial Cannabis Business must submit fingerprints and other information deemed necessary by the police chief or his or her designee(s) for a background check by the City of Oxnard police department. Pursuant to Cal. Penal Code Sections 11105(b)(11) and 13300(b)(11), which requires that there be a requirement or exclusion from employment, licensing or certification based on specific criminal conduct on the part of the subject of the record, no person shall be issued a permit to operate a Commercial Cannabis Business or a related work permit unless they have first cleared the background check, as determined by the police chief or his or her designee(s), as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the city to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a Commercial Cannabis Business Permit is submitted.

(L) Loitering - The Owner and/or operator of a Commercial Cannabis Business shall prohibit loitering by persons outside the facility both on the premises and within 50 feet of the premises.

SEC. 11-481. OTHER OPERATIONAL REQUIREMENTS.

The city manager or his or her designee may develop other Commercial Cannabis Business operational requirements or regulations as are determined to be necessary to protect the public health, safety and welfare.

SEC. 11-482. OPERATING REQUIREMENTS FOR TESTING LABS.

(A) Testing Laboratories shall be required to conduct all testing in a manner pursuant to Cal. Bus. and Prof. Code Section 26100 and shall be subject to state and local law. Each Testing Laboratory shall be subject to additional regulations as determined from time to time as more regulations are developed under this article and any subsequent state legislation regarding the same.

(B) Testing Laboratories shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using

verified methods.

(C) All Cannabis Testing Laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the Bureau of Cannabis Control.

(D) Testing Laboratories shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the Bureau of Cannabis Control unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the Bureau of Cannabis Control.

(E) Each operator shall ensure that a Testing Laboratory employee takes the sample of Cannabis or Cannabis Products from the distributor's premises for testing required by state law and that the Testing Laboratory employee transports the sample to the Testing Laboratory.

(F) Except as provided by state law, a Testing Laboratory shall not acquire or receive Cannabis or Cannabis Products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense Cannabis, or Cannabis Products, from the licensed premises from which the Cannabis or Cannabis Products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.

(G) A Testing Laboratory may receive and test samples of Cannabis or Cannabis Products from a qualified patient or primary caregiver only if the qualified patient or primary caregiver presents the qualified patient's valid physician's recommendation for Cannabis for medicinal purpose. A Testing Laboratory shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or licensee. All tests performed by a testing laboratory for a qualified patient or primary caregiver shall be recorded with the name of the qualified patient or primary caregiver and the amount of the Cannabis or Cannabis Products received.

(H) Approval of Testing Laboratories shall be through approval of a development design review (DDR) permit to be issued by the community development director of the city. The appeal of the approval or denial of such permit shall be to the Planning Commission pursuant to Section 11-466.

SEC. 11-483. OPERATING REQUIREMENTS FOR DISTRIBUTORS.

(A) A Distributor shall not store non-cannabis goods or non-cannabis accessories that are to be sold to another party on any licensed premises. Additionally, a Distributor shall not distribute non-cannabis goods or non-cannabis accessories at a licensed premises. For the purposes of this section, non-cannabis goods are any goods that do not meet the definition of cannabis goods as defined in Title 16, Cal. Code of Regulations, Section 5000.

(B) After taking physical possession of a Cannabis goods batch, the Distributor shall contact a Testing Laboratory and arrange for a laboratory employee to come to the Distributor's licensed premises to select a representative sample for laboratory testing.

(C) A Distributor shall ensure that all Cannabis goods batches are stored separately and distinctly from other Cannabis goods batches on the Distributor's premises.

(D) The Distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within the California Code of Regulations.

(E) A Distributor or an employee of the Distributor shall be physically present to observe the laboratory employee obtain the sample of Cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded and the

recording kept available to state and local authorities for a minimum of 180 days, pursuant to Title 16, Cal. Code of Regulations, Section 5305.

(F) A Distributor shall not transport Cannabis or Cannabis Products to a licensed retail facility until and unless it has verified that the Cannabis or Cannabis Products have been tested and certified by a Testing Laboratory as being in compliance with state health and safety requirements pursuant to Title 16, Cal. Code of Regulations, Sections 5705, 5710 and 5714.

(G) Approving of Distributor shall be through the approval of a development design review (DDR) permit to be issued by the community development director of the City of Oxnard. The appeal of the approval or denial of such permit shall be to the Planning Commission pursuant to Section 11-466.

SEC. 11-484. OPERATING REQUIREMENTS FOR CANNABIS MANUFACTURING: EDIBLES AND OTHER CANNABIS PRODUCTS; SALE OR DISTRIBUTION OF EDIBLE AND OTHER CANNABIS PRODUCTS.

(A) Cannabis manufacturing facilities requiring a type-6, type-7, type S, or any subsequent created Manufacturing state license (using non-volatile and volatile solvents) as defined in MAUCRSA, may be permitted to operate within those zone districts as defined in the city code.

(B) Any compressed gases used in the manufacturing process shall not be stored on any property within the city in containers that exceeds the amount which is approved by the Oxnard fire department and authorized by the regulatory permit. Each site or parcel subject to a Commercial Cannabis Business Permit shall be limited to a total number of compressed gas tanks allowed on the property at any one time, as determined by the Oxnard fire department.

(C) Cannabis Manufacturing facilities may use the hydrocarbons N-butane, isobutane, ethanol, propane, or heptane or other solvents or gases exhibiting low to minimal potential human-related toxicity approved by the community development department. These solvents must be of at least 99% purity and any extraction process must use them in a professional grade closed loop extraction system designed to recover the solvents and work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.

(D) If an extraction process uses a professional grade closed loop CO₂ gas extraction system every vessel must be certified by the manufacturer for its safe use. The CO₂ must be of at least 99% purity.

(E) Closed loop systems for compressed gas extraction systems must be used and must be commercially manufactured and bear a permanently affixed and visible serial number.

(F) Certification from an engineer licensed by the state, or from a state certified professional engineer or state certified industrial hygienist from another state, must be provided to the community development department for a professional grade closed loop system used by any commercial cannabis manufacturing manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:

- (1) The American Society of Mechanical Engineers (ASME);
- (2) American National Standards Institute (ANSI);
- (3) Underwriters Laboratories (UL); or
- (4) The American Society for Testing and Materials (ASTM).

(G) The certification document must contain the signature and stamp of the professional

engineer and serial number of the extraction unit being certified.

(H) Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the Oxnard fire department and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.

(I) Cannabis Manufacturing facilities may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

(J) Cannabis Manufacturing facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

(K) Cannabis Manufacturing facilities creating Cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

(L) Any person using solvents or gases in a closed looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.

(M) Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

(N) Approval of manufacturing facilities shall be through approval of a development design review (DDR) permit to be issued by the community development director of the city. The appeal of the approval or denial of such permit shall be to the Planning Commission pursuant to Section 11-466.

SEC. 11-485. OPERATING REQUIREMENTS FOR STORE FRONT/RETAIL FACILITIES.

(A) No more than the number of cannabis retailers authorized by section 11-456 shall operate within the city at any one time.

(B) Approval of retail dispensaries shall be through approval of a special use permit to be issued by the Planning Commission. The appeal of the approval or denial of such special use permit shall be to the City Council pursuant to Sections 14-464 and 11-465.

(C) Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of 18 years. If the potential customer is 18 to 20 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and state-issued medical marijuana card. Persons 18 to 20 years old who are unable to produce either form of medical documentation cannot purchase cannabis legally and are to be denied admittance to the retail facility. For adult-use purchases, retailers shall verify that all customers are 21 years of age or older for the purchase of Cannabis or Cannabis Products.

(D) Entrances into the retailer shall be locked at all times with entry strictly controlled. A "buzz-in" electronic/mechanical entry system shall be utilized to limit access to and entry to the retail area to separate it from the reception/lobby area. Individuals must show their government-issued identification, and, in the case of medical cannabis facilities, their physician's recommendation, or a cannabis card issued pursuant to Cal. Health and Safety Code Section 11362.71 in order to gain access into the retailer. The government-issued identification and, if applicable, doctor's recommendation or cannabis card must also be shown at the point of sale

station at the time of purchase. Doctor recommendations are not to be obtained or provided at the retail location.

(E) Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. Security personnel may be allowed to carry firearms if authorized by the police chief.

(F) Retailers may have only that quantity of Cannabis and Cannabis Products to meet the daily demand readily available for sale on-site in the retail sales area of the retailer. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.

(G) All restroom facilities shall remain locked and under the control of management.

(H) Retailers authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of this subsection.

(1) The sale and delivery of Cannabis goods shall not occur through a pass-through window or a slide-out tray to the exterior of the premises.

(2) Retailers shall not operate as or with a drive-in or drive-through at which Cannabis goods are sold to persons within or about a motor vehicle.

(3) No Cannabis shall be sold and/or delivered by any means or method to any person within a motor vehicle.

(4) All Cannabis goods sold by a Retailer shall be contained in child-resistant packaging.

(5) Retailers shall record point-of-sale areas and areas where Cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling Cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

(6) A retail licensee who is engaged in retail sale shall hire or contract for security personnel who are at least 21 years of age to provide security services for the licensed retail premises. All security personnel hired or contracted for by the licensee shall be licensed by the Bureau of Security and Investigative Services and shall comply with Cal. Bus. and Prof. Code Chapters 11.4 and 11.5 of Division 3.

(I) Access to retailer premises -

(1) Access to the premises of a retail licensee/permittee shall be limited to individuals who are at least 21 years of age.

(2) Notwithstanding subsection (I)(1) above, individuals who are at least 18 years of age and in possession of a valid physician's recommendation or state-issued medical marijuana card shall be granted access to the premises of a retail licensee/permittee for the sole purpose of purchasing medicinal cannabis consistent with the physician's recommendation.

(J) Authorized sales - A retailer shall only sell adult-use Cannabis and adult-use Cannabis Products to individuals who are at least 21 years of age. A retailer shall only sell medicinal Cannabis or medicinal Cannabis Products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid physician's recommendation. Medicinal cannabis sales to individuals 21 years of age and older are unrestricted.

(K) Limited access areas - A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the licensee/permittee. A retailer

shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the police chief or the development services director upon request.

(L) Operating hours of the store front retailer license shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week or a reduced duration as stipulated through the discretionary land use permit.

(M) Parking requirements shall be in accordance with the Oxnard City Code - 1 parking space per 250 square feet or as stipulated in a city traffic engineer approved parking study.

(N) *Store front/retail security requirements.* All security measures required by section 11-477 (operational standards) are directly applicable to and binding on all Commercial Cannabis Businesses, including all Retailers.

SEC. 11-486. OPERATING REQUIREMENTS FOR RETAILERS (A) Retailers that provide delivery are required to verify the age and the necessary documentation of each medical customer to ensure the customer is not under the age of 18 years, and to verify that the potential customer has a valid doctor's recommendation. Doctor recommendations are not to be obtained or provided at the retail location. The age verification requirement applies to both the customer and any person accepting delivery on behalf of the customer. If the latter, the individual must be at least 21 years of age.

(B) Operating hours of the non-store front Retailer shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week or a reduced duration as stipulated through the discretionary land use permit.

(C) The non-store front Retailer shall only sell cannabis or cannabis products to a natural person 21 years of age or older, or a natural person 18 years of age or older who possesses a physician's recommendation for cannabis medical use only, or a cannabis card issued pursuant to Cal. Health and Safety Code Section 11362.71.

(D) The non-store front Retailer may only have on-site that quantity of Cannabis and Cannabis Products reasonably anticipated to meet the weekly demand for which they may need to be readily available for sale.

SEC. 11-487. NON-STORE FRONT RETAILER VEHICLE REQUIREMENTS.

Prior to commencing operations, a non-store front Retailer shall provide the following information to the city.

(A) Proof of ownership of the vehicle or a valid lease for any and all vehicles that will be used to deliver Cannabis or Cannabis Products.

(B) The year, make, model, color, license plate number, and vehicle identification number (VIN) for any and all vehicles that will be used to deliver Cannabis or Cannabis Products.

(C) Proof of insurance as required in section 11-474(B) for any and all vehicles being used to deliver Cannabis or Cannabis Products.

(D) The licensee shall provide the city with the information required by this section in writing for any new vehicle that will be used to deliver Cannabis and/or Cannabis Products prior to using the vehicle to deliver Cannabis and/or Cannabis Products.

(E) The Commercial Cannabis Business shall provide the city with any changes to the information required by this section in writing within 30 calendar days.

SEC. 11-488. PROMULGATION OF REGULATIONS, STANDARDS AND OTHER LEGAL DUTIES.

(A) In addition to any regulations adopted by the city council, the city manager or his or her designee is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of Commercial Cannabis Business Permits, the ongoing operation of Commercial Cannabis Businesses and the city's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this article.

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

(C) Regulations promulgated by the city manager shall become effective upon date of publication. Commercial Cannabis Businesses shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the city manager or his or her designee.

(D) Testing Laboratories, distribution facilities and special events shall be subject to state law and shall be subject to additional regulations as determined from time to time as more regulations are developed pursuant to this section and any subsequent state legislation regarding the same.

SEC. 11-489. COMMUNITY RELATIONS.

(A) Each Commercial Cannabis Business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the Commercial Cannabis Business can be provided. Each Commercial Cannabis Business shall also provide the above information to all businesses and residences located within 600 feet of the Commercial Cannabis Business.

(B) During the first year of operation pursuant to this article, the Owner, manager, and community relations representative from each Commercial Cannabis Business holding a permit issued pursuant to this article shall attend quarterly meetings with the city manager or his or her designee(s), and other interested parties as deemed appropriate by the city manager or his or her designee(s), to discuss costs, benefits, and other community issues arising as a result of implementation of this article. After the first year of operation, the Owner, manager, and community relations representative from each such Commercial Cannabis Business shall meet with the city manager or his or her designee(s) when and as requested by the city manager or his or her designee(s).

(C) Commercial Cannabis Businesses to which a permit is issued pursuant to this article shall describe benefits that the cannabis business would provide to the local community, such as community contributions, volunteer services and/or economic incentives.

SEC. 11-490. PERMIT HOLDER RESPONSIBLE FOR VIOLATIONS.

The person to whom a Commercial Cannabis Business Permit is issued pursuant to this article shall be responsible for all violations of the laws of the state or of the regulations and/or the ordinances of the city whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the Commercial Cannabis Business whether or not said violations occur within the permit holder's presence.

SEC. 11-491. INSPECTION AND ENFORCEMENT.

(A) The city manager, or his or her designee(s) charged with enforcing the provisions of the city code, or any provision thereof, may enter the location of a Commercial Cannabis Business at any time, without notice, and inspect the location of any Commercial Cannabis Business as well as any recordings and records required to be maintained pursuant to this article or under applicable provisions of state law.

(B) It is unlawful for any person having responsibility over the operation of a Commercial Cannabis Business, to impede, obstruct, interfere with, or otherwise not to allow, the city to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a Commercial Cannabis Business under this article or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a Commercial Cannabis Business under this article or under state or local law.

(C) The city manager, or his or her designee(s) charged with enforcing the provisions of this article may enter the location of a Commercial Cannabis Business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City of Oxnard shall be logged, recorded, and maintained in accordance with established procedures by the City of Oxnard city manager or these regulations.

SEC. 11-492. COMPLIANCE WITH STATE REGULATIONS.

It is the stated intent of this article to regulate commercial cannabis activity in the city in compliance with all provisions MAUCRSA and any subsequent state legislation.

SEC. 11-493. VIOLATIONS DECLARED A PUBLIC NUISANCE.

Each and every violation of the provisions of this article is hereby deemed unlawful and a public nuisance.

SEC. 11-494. EACH VIOLATION A SEPARATE OFFENSE.

Each and every violation of this article shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the city. Additionally, as a nuisance per se, any violation of this article shall be subject to injunctive relief, any permit issued pursuant to this article being deemed null and void, disgorgement and payment to the city for any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The city may also pursue any and all remedies and actions available and applicable under State and local laws for any violations committed by the Commercial Cannabis Business or persons related to, or associated with, the Commercial Cannabis Activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the city manager, or his or her designee(s), may take immediate action to temporarily suspend a Commercial Cannabis Business Permit issued by the city, pending a hearing before the city manager, or his or her designee(s).

SEC. 11-495. CRIMINAL PENALTIES.

Each and every violation of the provisions of this article may at the discretion of the district attorney or city attorney be prosecuted as an infraction or misdemeanor and upon conviction be subject to imprisonment in the county jail for a period of not more than six months, or both such fine and imprisonment. Each Commercial Cannabis Business may be cited for any violation of any law and/or any rule, regulation and/or standard adoption pursuant to this article. A fine not to exceed \$10,000 for the first violation, \$15,000 for the second violation and revocation of the permit for a period of two years after which time the business operator would have to reapply. The fine for operating an unlicensed and/or unpermitted Commercial Cannabis Business shall be \$30,000 per day and the issuance of a notice to appear in court. Each day a violation is committed or permitted to continue shall constitute a separate offense. At the discretion of the city manager or his or her designee, higher or lower fines or penalties may be recommended based on the facts of individual cases where generally supported by aggravating or mitigating circumstances. Aggravating factors may include, but are not limited to: prior disciplinary history, nature and severity of the act(s), violations, offenses, or crime(s) under consideration, actual or potential harm to the public, actual or potential harm to any consumer, prior warning letters, licensee involvement, premises in high crime area, lack of cooperation by licensee in investigation, appearance and actual age of minor, continuing course or pattern of conduct. Mitigating factors may include, but are not limited to: length of licensure at subject location without prior discipline problems, positive action by licensee to correct problem, documented training of licensee and employees and cooperation by licensee in investigation.

SEC. 11-496. REMEDIES CUMULATIVE AND NOT EXCLUSIVE.

The remedies provided herein are not to be construed as exclusive remedies. The city is authorized to pursue any proceedings or remedies provided by law.”

Section 2. Article XVI of Chapter 7 of the Oxnard City Code (Oxnard City Code Section 7-280 to 7-284) is hereby repealed.

Section 3. Article XV of Chapter 11 of the Oxnard City Code regarding Medical Cannabis Delivery (Oxnard City Code Section 11-390 to 11-403) is hereby repealed.

Section 4. If any section, subsection, phrase, or clause of this Ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrases, or clauses be declared unconstitutional.

Section 5. Within 15 days after passage, the City Clerk shall cause a summary of this ordinance to be published one time in a newspaper of general circulation published and circulated in the City. Ordinance No. 2994 was first read on December 1, 2020, and was adopted on 15 December, 2020, to become effective thirty (30) days thereafter.

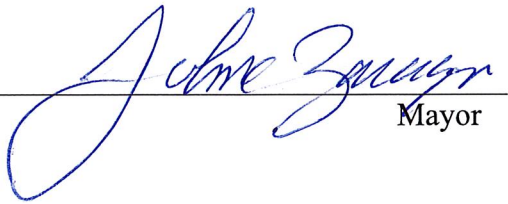
The foregoing Ordinance was adopted at a regular meeting of the City Council of the City of Oxnard, State of California, held on the 15th day of December, 2020, by the following vote:

AYES: Councilmembers Basua, Lopez, MacDonald, Madrigal, Perello, Ramirez, and Zaragoza.

NOES: None.

ABSTAIN: None.

ABSENT: None.



Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



Stephen M. Fischer, City Attorney