

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA TO ALLOW A LIMITED NUMBER OF COMMERCIAL CANNABIS BUSINESSES TO OPERATE IN THE CITY SUBJECT TO BUSINESS, HEALTH, AND LAND USE REGULATIONS TO PROTECT PUBLIC HEALTH, SAFETY, RESIDENTIAL NEIGHBORHOODS, AND SENSITIVE LAND-USES

WHEREAS unlicensed cannabis businesses have proliferated throughout the City and have illegally engaged in the commercial sales of cannabis; and

WHEREAS these illegal operations have and continue to have adverse secondary effects and create burdens on neighboring businesses and residential neighborhoods with their unlicensed and unregulated trade; and

WHEREAS the cannabis industry is well funded and uses its economic strength to thwart attempts to regulate its operations; and

WHEREAS as a result, the City of Pasadena has historically and continues to currently ban all commercial cannabis activities except for deliveries and personal cultivation in order to protect the public health and safety of Pasadena residents; and

WHEREAS in November of 2016, a majority of the voters of the City of Pasadena voted in favor of Proposition 64, known as the "Control, Regulate and Tax Adult Use of Marijuana Act"; and

WHEREAS arising out of the passage of Proposition 64 and the promulgation of regulations and licensing structures by the state, the City Council had indicated it could revisit its ban as state licensing of such businesses began to roll out in January of 2018; and

WHEREAS as a result of a recent citizen sponsored initiative measure that, if passed, would repeal the City's existing ban on commercial cannabis activities and establish new regulations that, among other things, would restrict the City's ability to regulate such uses and allow certain existing unpermitted and illegal cannabis businesses to continue operating while eliminating the City's ability to deny these uses or impose any operational conditions, the City must move more quickly than initially planned to bring forward a more protective ballot measure; and

WHEREAS placing a City Council sponsored commercial cannabis business ordinance on the ballot of the June 5, 2018 special election would maintain the City's ability to develop important policy positions, business and land use regulations, and health and safety permits to preserve the quality of life that Pasadena's residents, visitors and business community desire and expect; and

WHEREAS a critical companion to this ordinance is a City Council sponsored measure to adopt a Cannabis Business Tax, without the passage of which the City would be financially unable to address the secondary effects of commercial cannabis businesses, and therefore whose passage shall proceed the effectiveness of this ordinance; and

WHEREAS the City needs further time to develop administrative regulations and processes to implement this ordinance, as well as time to adopt appropriate application fees, so that even if adopted by the voters, this ordinance shall not take effect until such regulations, processes and fees are promulgated, but a deadline of January 1, 2019 to

do so is reasonable.

NOW THEREFORE the People of the City of Pasadena ordain as follows:

SECTION 1. Pasadena Municipal Code, Title 5 - Business Licenses and Regulations, Article II - Specific Businesses, is amended to add Chapter 5.78 – Commercial Cannabis Activity, as set forth in Attachment 1 hereto.

SECTION 2. Pasadena Municipal Code, Title 8 – Health and Safety, is amended to add Chapter 8.10 – Commercial Cannabis Public Health Permit, and Chapter 8.11 – Commercial Cannabis Facilities, as set forth in Attachment 2 hereto.

SECTION 3. Pasadena Municipal Code, Title 17 – Zoning Code, Article 5 – Standards for Specific Land Uses, Chapter 17.50 – Standards for Specific Land Uses, is amended to add Chapter 17.50.066 – Cannabis Businesses, as set forth in Attachment 3 hereto.

SECTION 4. Pasadena Municipal Code, Title 8 – Health and Safety, Chapter 8.77 – Prohibition of Commercial Marijuana Activity, is hereby repealed in its entirety.

SECTION 5. Pasadena Municipal Code, Title 8 – Health and Safety, Chapter 8.88 – Utility Suspension, is hereby repealed in its entirety.

SECTION 6. Various provisions of Pasadena Municipal Code, Title 17 – Zoning Code, are deleted as provided in Attachment 4 hereto.

SECTION 7. This ordinance shall not take effect unless and until the voters of the City of Pasadena adopt AN ORDINANCE OF THE CITY OF PASADENA AMENDING TITLE 5 OF THE PASADENA MUNICIPAL CODE TO ADD A NEW

CHAPTER 5.28 ENTITLED "CANNABIS BUSINESS TAX".

SECTION 8. Further, no cannabis business permit applications shall be accepted by the City until administrative regulations and processes are approved by the City Manager and published on the City website, but in no event later than January 1, 2019.

SECTION 9. The provisions of the Pasadena Municipal Code added or amended by this ordinance may be further amended by the City Council of the City of Pasadena in the usual manner at any time, without further voter approval.

SECTION 10. Should any section, paragraph, sentence, phrase, term or word of this ordinance, hereby adopted, be declared for any reason to be invalid, it is the intent of the City Council that it would have adopted all other portions of this ordinance irrespective of any such portion declared invalid.

SECTION 11. The City Attorney shall send a copy of this ordinance and any subsequent ordinances relating to commercial cannabis activities and uses to the Bureau of Cannabis Control immediately following its effective date.

ATTACHMENT 1

Title 5 – BUSINESS LICENSES AND REGULATIONS

Chapter 5.78 – COMMERCIAL CANNABIS ACTIVITY

5.78.010 – Purpose.

It is the purpose and intent of this Chapter to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter “MAUCRSA”) to accommodate the needs of medically ill persons that require treatment with medicinal cannabis as recommended by their health care provider, and to provide access to adult-use cannabis for persons over the age of 21 as authorized by the Control, Regulate and Tax Adult Use of Marijuana Act passed by California voters in 2016 (now the MAUCRSA), while imposing sensible regulations on the use of land to protect the City’s residents, neighborhoods, and businesses from disproportionately negative secondary impacts that generally arise from such uses. As such, it is the purpose and intent of this Chapter to regulate the cultivation, processing, manufacturing, testing, sale, delivery, distribution, and transportation of medicinal and adult-use cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of the City of Pasadena and to enforce rules and regulations consistent with state law. It is the further purpose and intent of this Chapter to require all cannabis operators to obtain and renew annually a permit to operate within the City of Pasadena. Nothing in this Chapter is intended to authorize the possession, use, or provision of cannabis for purposes that violate state or federal law. The provisions of this Chapter are in addition to any other permits, licenses, and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses, and approvals required under state, local, or other law.

5.78.020 – Legal authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act, and any subsequent state legislation and/or regulations regarding the same, the City of Pasadena is authorized to adopt ordinances that establish standards, requirements, and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activity. Any standards, requirements, and regulations regarding health and

safety, testing, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City of Pasadena to all commercial cannabis activity.

5.78.030 – Commercial cannabis activities prohibited unless specifically authorized by this Chapter.

Except as specifically authorized in this Chapter, the commercial cultivation, processing, manufacturing, testing, sale, delivery, distribution, or transportation (other than as provided under Bus. & Prof. Code § 26090(e)) of cannabis or cannabis products is expressly prohibited in the City of Pasadena.

5.78.040 – Compliance with laws.

Nothing in this Chapter shall be construed as authorizing any actions that violate state or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and operators of the commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis permit. Nothing in this Chapter shall be construed as authorizing any actions that violate state law regarding the operation of a commercial cannabis business.

5.78.050 – Definitions.

When used in this Chapter, 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. "Applicant" means an owner applying for a commercial cannabis permit pursuant to this Chapter.
- B. "Batch" means a specific quantity of homogeneous cannabis or cannabis product that is one of the following types:
 - 1. "Harvest batch" means 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.

2. "Manufactured cannabis batch" means either of the following:
 - a. An amount of cannabis concentrate or extract produced in one production cycle using identical input materials, extraction methods, and standard operating procedures, and intended to have uniform character and quality; or
 - b. An amount of a type of manufactured cannabis produced in one production cycle using identical formulation and standard operating procedures that is intended to have uniform character and quality.
- C. "Bureau" means the California 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.
- D. "Business license" means a license issued by the City of Pasadena that allow individuals or companies to conduct business within the City.
- E. "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" also means marijuana as defined by Section 11018 of the Health and Safety Code. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. "Cannabis" does not mean "industrial hemp" as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.
- F. "Cannabis concentrate" means manufactured cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

- G. "Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients. "Cannabis product" also means marijuana products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medical cannabis products.
- H. "Canopy" means all areas occupied by any portion of a cannabis plant whether contiguous or noncontiguous on any one site. When plants occupy multiple horizontal planes (as when plants are placed on shelving above other plants) each plane shall be counted as a separate canopy area.
- I. "Caregiver" or "primary caregiver" has the same meaning as that term is defined in Section 11362.7 of the Health and Safety Code.
- J. "City" means the City of Pasadena, a California Charter City.
- K. "Commercial cannabis activity" means the cultivation, possession, manufacture, distribution, processing, storing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products for commercial purposes as provided for in this Chapter.
- L. "Commercial cannabis business" means any business or operation which engages in medicinal or adult-use commercial cannabis activity.
- M. "Commercial cannabis permit" means a regulatory permit issued by the City of Pasadena pursuant to this Chapter to a commercial cannabis business.
- N. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, and includes, but is not limited to, operation of a nursery.
- O. "Cultivation site" means a location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.
- P. "Customer" means 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.
- Q. "Day care center" has the same meaning as in Section 1596.76 of the Health and Safety Code.
- R. "Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned, leased, or controlled by the retailer.
- S. "Dispensing" means any activity involving the retail sale of cannabis or cannabis products from a retailer.

- T. "Distribution" means the procurement, sale, and transport of cannabis and cannabis products between state licensees.
- U. "Distributor" means a person or entity holding a valid state license and permitted to engage in the business of the distribution of cannabis and cannabis products between state licensed cannabis facilities.
- V. "Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- W. "Edible cannabis product" means 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 Chapter 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.
- X. "Greenhouse" means a fully enclosed and legally permitted 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.
- Y. "Labeling" means any label or other written, printed, or graphic matter upon a cannabis product, upon its container.
- Z. "License, State" means a state license issued under the MAUCRSA, and can include both an A-license and an M-license.
- AA. "Licensee, State" means any person holding a license under the MAUCRSA, regardless of whether the license held is an A-license or an M-license, and includes the holder of a testing laboratory license.
- BB. "Licensing authority" means the state agency responsible for the issuance, renewal, or reinstatement of the state license, or the state agency authorized to take disciplinary action against the state licensee.
- CC. "Limited-access area" means an area in which cannabis and cannabis products are stored or held and are only accessible to the owner, operator and cannabis facility authorized personnel.
- DD. "Live plants" means living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.
- EE. "Local jurisdiction" means a city, county, or city and county.
- FF. "Lot" means a batch or a specifically identified portion of a batch.
- GG. "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

- HH. "Manufactured cannabis" means 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.
- II. "Manufacturer" means a state 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 relabels its container.
- JJ. "Medicinal cannabis" or "medicinal cannabis product" means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation.
- KK. "Operation" means any act for which licensure is required under the provisions of this Chapter, or any commercial transfer of cannabis or cannabis products.
- LL. "Owner" means any of the following:
1. All persons identified as an "owner" on any permit, license, or other authorization issued by a State Agency or local government which authorizes the persons to establish and operate the cannabis facility.
 2. Any person identified or required to be identified as an "owner" on an application filed with any State Agency and any local government, wherein the application requests the privilege to operate the cannabis facility.
 3. If no person under subsection 1 or 2, above, exists:
 - a. A person with an aggregate ownership interest of 20 percent or more in the corporate entity, partnership, or other business entity applying for a permit or a permittee, unless the interest is solely a security, lien, or encumbrance.
 - b. The chief executive officer of a nonprofit or other entity.
 - c. A member of the board of directors of a nonprofit.
 - d. An individual who will be participating in the direction, control, or management of the person applying for a permit. A member of the board of directors of a nonprofit.

- e. An individual who will be participating in the direction, control, or management of the person applying for a permit.
- MM. "Package" means any container or receptacle used for holding cannabis or cannabis products.
- NN. "Patient" or "qualified patient" shall have the same definition as California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health & Safety Code Section 11362.5.
- OO. "Permittee" means a person who has obtained a commercial cannabis permit from the City to operate a cannabis business.
- PP. "Person" includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
- QQ. "Person with an identification card" shall have the meaning given that term by California Health and Safety Code Section 11362.7.
- RR. "Physician's recommendation" means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
- SS. "Premises" means the designated structure or structures and land where the commercial cannabis business will be operated. The premises shall be a contiguous area and shall only be occupied by one state licensee unless the operator is granted an 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.
- TT. "Retailer" means a commercial cannabis business 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 of Pasadena authorizing the operation of a retailer, and a valid state license as required by state law to operate a retailer.
- UU. "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 state licensee to the state licensee from whom the cannabis or cannabis product was purchased.

VV. "Testing laboratory" means a cannabis business that (i) offers or performs tests of cannabis or cannabis products, (ii) offers no service other than such tests, (iii) sells no products, excepting only testing supplies and materials, (iv) is accredited by any necessary accrediting body that is independent from all other persons involved in the cannabis industry in the state and (v) is registered with any necessary state agency required by law.

WW. "Transport" means the transfer of cannabis products from the permitted business location of one state licensee to the permitted business location of another state licensee, for the purposes of conducting commercial cannabis activity authorized by MAUCRSA.

5.78.060 – Commercial cannabis permit required to engage in commercial cannabis activity.

No person may operate a commercial cannabis business or engage in commercial cannabis activity within the City of Pasadena including cultivation, processing, manufacturing, testing, sale, delivery, distribution, or transportation of cannabis or a cannabis product unless the person (1) has a valid commercial cannabis permit from the City of Pasadena; (2) has any and all valid state or local permits; and (3) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis business and the commercial cannabis activity, including holding the necessary State licenses to engage in commercial cannabis activity.

5.78.070 – Application procedure.

- A. The City Manager shall promulgate the procedures to govern the application process and the manner in which the decision will ultimately be made regarding the issuance of any commercial cannabis permit, which shall 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. The City Manager or his/her designee shall appoint a selection committee, prepare the necessary forms, administratively approve any necessary

rules regarding the application, regulations and processes, solicit applications, conduct initial evaluations of the applicants, and present qualified applications to the selection committee.

- 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 selection committee shall make a determination of top applicants in each permit category in accordance with Section 5.78.080.
- D. The City reserves the right to reject any or all applications. The City further reserves the right to request and obtain additional information from any applicant submitting an application. In addition to any other justification provided for a failure to comply with the requirements in this Chapter, an application risks being rejected for any of the following reasons:
 - 1. Application is received after designated time and date.
 - 2. Application does not contain the required elements, exhibits, nor organized in the required format.
 - 3. Application is considered not fully responsive.

5.78.080 – Permittee selection process.

- A. There shall be an initial 30-day application period to be determined by the City Manager or his/her designee. Subsequent application periods shall commence upon certification by the City Manager, or his/her designee, that additional cannabis permits are available and shall close 30 days after such certification.
- B. An application selection committee composed of at a minimum three (3) individuals shall be appointed by the City Manager to review and score each application based on the general criteria listed below. The specific criteria and weighting (points per criteria) for each permit category will be determined prior to the commencement of the initial application period and posted publicly. Each application will be independently scored by the selection committee members.
- C. The City Manager shall establish review criteria to rank applications, which shall include but not be limited to the following:
 - 1. Previous experience operating a commercial cannabis business that operated in compliance with all local and state laws and regulations, or experience in a similarly state-regulated activity (e.g., alcohol sales) that was operated in compliance with all local and state laws and regulations.

2. Demonstrated knowledge of cannabis strains and derivative product offerings.
 3. Employee training, standard operating procedures, online ordering systems, and procedures for providing cannabis to disadvantaged or disabled persons.
 4. Social equity in terms of provision of providing a living wage and employee benefits and compliance with local, state, and federal employee non-discrimination policies.
 5. Security program.
 6. Additional information that demonstrates the ability to operate in a safe and responsible manner in the City.
- D. Prior to scoring applications, the City Manager, or his/her designee, shall review applications for general compliance with the Pasadena Municipal Code or any other applicable laws, and shall reject any application which does not meet such requirements. Rejected applications shall not be scored. The City shall also disqualify any application that contains any false or misleading information.
- E. The scores awarded by the application selection committee shall be totaled and averaged for each applicant. The applicants shall then be ranked from highest to lowest based on their scores.
- F. The top applicants in each permit category (or applicants applying for vacated permits) based on points are required to secure a viable business location if one has not been secured and apply to the Planning and Community Development Department to obtain any required land use approvals or entitlements for the permittee's location after being notified that their application has been accepted and ranked as one of the top applicants. Land use approvals shall include compliance with all applicable provisions of the California Environmental Quality Act ("CEQA").
- G. The top ranked applicants (in each category) that have obtained land use approvals from the City shall obtain a City business license from the Finance Department prior to issuance of a commercial cannabis permit by the City.
- H. If any of the top ranking applicants in each permit category has not secured a cannabis permit from the City within twelve (12) months of the City notifying them they were one of the top ranking applicants, their ability to obtain a cannabis permit shall terminate.
- I. Applicants that have approved permits issued by the City shall obtain a license from the State, as well as any other required local permits from the City (e.g.,

Fire Department and/or Health Department) or other local agencies prior to operating a commercial cannabis business in the City.

- J. Sales of cannabis to a minor or use of a minor to distribute cannabis are disqualifying offenses.

5.78.090 – Performance review.

At the one year anniversary of the date of the City's issuance of a commercial cannabis permit pursuant to this Chapter (or as soon thereafter as the matter may be heard), the City Manager shall present to the City Council a report of findings on the operation of the commercial cannabis business permitted pursuant to this Chapter, and shall make a recommendation regarding any changes to the commercial cannabis permit issued under this Chapter.

5.78.100 – Persons prohibited as permittees and business managers.

A person is prohibited from holding or maintaining a commercial cannabis permit in the City of Pasadena if any of the following apply:

- A. The applicant has been denied a permit or state license to engage in commercial cannabis activity, or has had a permit or state license to engage in commercial cannabis activity suspended and not reinstated, 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 or other City of Pasadena ordinances, codes, and requirements and they failed to discontinue operating in a timely manner;
- C. Evidence that the applicant failed to pay federal, state, or local taxes and/or fees when notified by the appropriate agencies;
- D. As of December 14, 2017, applicant was conducting commercial cannabis activity in the City of Pasadena in violation of local and state law.
- E. No person shall be issued a commercial cannabis permit to operate who enters into an agreement to lease, sublease, or any other agreement regardless if it is verbally or in writing related to any terms of use of the premises from a property owner, commercial broker, or any third party who has violated Section 5.78.100 unless that property is leased at fair market value and such lease, sublease, or agreement does not have any terms or conditions for the commercial cannabis permittee to pay the property owner, commercial broker, or any third party a percentage of cannabis related gross receipts, royalties, or 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.

5.78.110 – Expiration and renewal.

A commercial cannabis permit is valid for one (1) year from the date of issuance. It may not be transferred, does not run with the land, and is valid only at the original commercial cannabis business site unless a transfer site is approved by the City pursuant to the requirements of the Zoning Code. A commercial cannabis permit may be renewed if the permittee meets the renewal requirements including: (1) pays the renewal fee; (2) has complied with all provisions of this Chapter for the past year; and (3) documents and provides any changes that have occurred to the information on the current commercial cannabis permit application.

5.78.120 – Suspension, revocation or modification of permits.

- A. Commercial cannabis permits may be suspended, revoked or modified for any violation of any state or local law and/or any rule, regulation, and/or standard adopted pursuant to this Chapter or in this Code, whether committed by the permittee or any employee or agent of the permittee.
- B. A decision of the City to suspend, revoke or modify a commercial cannabis permit is appealable to a hearing officer and any appeal must be filed with the City Manager at least ten (10) working days prior to the commencement date of the permit revocation or modification. An appeal shall stay all proceedings in furtherance of the appealed action. Following appeal, the decision of the hearing officer may be appealed to the City Council. A decision of the City Council shall be the final decision of the City.
- C. Additionally, when there is an imminent threat to public health, safety or welfare, the City Manager or his/her designee, may take immediate action to temporarily suspend a commercial cannabis permit issued by the City, pending a hearing before the City Manager or his/her designee within ten (10) working days of suspension. The decision of the City Manager may be appealed to the City Council, whose decision shall be final.

5.78.130 – Effect of state license suspension, revocation, or termination.

Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend any related local commercial

cannabis business permit. If the State of California, or its respective department or division, reinstates or reissues the state license, the commercial cannabis business may seek reinstatement of its commercial cannabis permit. Should the State of California, or any of its departments or divisions, revoke or terminate the state license of a commercial cannabis business, such revocation or termination shall also revoke and terminate any related local commercial cannabis business permit. Furthermore, any owner or operator shall be obligated to inform the City of any suspension, revocation, or termination of a state license.

5.78.140 – Limitations on City’s liability.

To the fullest extent permitted by law, the City of Pasadena shall not assume any liability whatsoever with respect to having issued a commercial cannabis permit pursuant to this Chapter or otherwise approving the operation of any commercial cannabis business. As a condition to the approval of any commercial cannabis permit, the applicant shall be required to meet all of the following prior to receiving the commercial cannabis permit:

- A. 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 of Pasadena, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, or liabilities which arise out of, or which are in any way related to, the City’s issuance of the commercial cannabis 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, to provide coverage for the obligations required by this Section.
- C. Reimburse the City of Pasadena for all costs and expenses, including but not limited to legal fees and costs, which the City of Pasadena may be required to pay as a result of any legal challenge related to the City’s approval of the applicant’s commercial cannabis permit, or related to the City’s approval of a commercial cannabis activity. The City of Pasadena 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.

5.78.150 – Records and recordkeeping.

- A. It shall be the duty of every owner and operator of a commercial cannabis business to keep all records as may be necessary to determine the amount of tax due hereunder and shall preserve the same for a period of 4 years. The tax administrator shall have the right to inspect such records at all reasonable times. The Finance Director shall determine the mode and method of recordkeeping required to assist the tax collector to perform the duties required of him under this section. At the time of permit renewal, 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 Finance Director.
- 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/her designee upon a reasonable request.
- C. All commercial cannabis businesses shall create and maintain an active and functional account within the track and trace system prior to engaging in any commercial cannabis activity. A commercial cannabis business must record all commercial cannabis activity in the track and trace system as required by state law.

5.78.160 – Security measures.

- 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/her designee, these security measures shall include, but shall not be limited to, all of the following:
 - 1. 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.

2. Establishing limited access areas accessible only to authorized commercial cannabis business personnel.
3. Except for live growing plants which are being cultivated at a cultivation site, all cannabis and cannabis products shall be stored in a secured and locked room, safe, display case, or vault. 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,
4. 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. The commercial cannabis business shall be responsible for ensuring that the security surveillance camera's footage is available upon demand by the City. Video recordings shall be maintained for a minimum of ninety (90) days, and shall be made available to the City Manager or his/her designee 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.
5. Sensors shall be installed to detect entry and exit from all secure areas.
6. Panic buttons shall be installed in all commercial cannabis businesses.
7. Businesses shall have a professionally installed, maintained, and monitored alarm system.
8. Any bars installed on the windows or the doors of the commercial cannabis business shall be installed only on the interior of the building.
9. Security personnel shall be on-site 24 hours a day unless alternative security is authorized by the City Manager or his/her designee. 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/her designee, with such approval not to be unreasonably withheld.
10. 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.

- B. Each commercial cannabis business shall identify a designated security representative/liaison to the City of Pasadena, who shall be reasonably available to meet with the City Manager or his/her designee at any time regarding any security related measures or and operational issues.
- 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/her designee makes a request, upon reasonable notice to the commercial cannabis business, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter.
- E. A commercial cannabis business shall notify the City Manager or his/her designee within twenty-four (24) hours after discovering any of the following:
 - 1. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager or his/her designee.
 - 2. Diversion, theft, loss, or any criminal activity involving the commercial cannabis business or any agent or employee of the commercial cannabis business.
 - 3. The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the commercial cannabis business.
 - 4. Any other breach of security.

5.78.170 – Miscellaneous operating requirements.

In addition to those operating requirements specifically set forth elsewhere in this Chapter or this Municipal Code, the following operating requirements shall apply to all commercial cannabis businesses operating in the City of Pasadena:

- A. Restriction on customer consumption. Cannabis shall not be consumed in any form by any retail customer on the premises of any commercial cannabis businesses.
- B. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any premises issued a commercial cannabis 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.

- C. 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/her designee prior to being used by the permittee.
- D. All cannabis and cannabis products sold, distributed, or manufactured shall be cultivated, manufactured, and transported by state licensed facilities that maintain operations in full conformance with the state and local regulations.
- E. Emergency contact. Each commercial cannabis business shall provide the city manager or his/her designee with the name, telephone number (mobile preferred, if available) of an on-site employee or owner to whom emergency notice can be provided 24 hours per day.
- F. Signage and notices.
 - 1. In addition to the requirements otherwise set forth in this Section, business identification signage for a commercial cannabis business shall conform to the requirements of the Pasadena Municipal Code, including, but not limited to, issuance of a City of Pasadena sign permit.
 - 2. 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.
 - 3. No signs placed on the premises of a commercial cannabis business shall obstruct any entrance or exit to the building or any window.
 - 4. 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.

5. Signage shall not be directly illuminated, internally or externally. No banners, flags, or other prohibited signs may be used at any time.
6. In accordance with state law and regulations or unless otherwise stipulated in the City of Pasadena regulatory permit, holders of a commercial cannabis permit shall be prohibited from, as an express and ongoing condition of permit issuance and subsequent renewal, advertising any commercial cannabis business located in the City of Pasadena utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the state. This paragraph is not intended to place limitations on the ability of a commercial cannabis business to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.

G. Minors.

1. Persons under the age of twenty-one (21) years shall not be allowed on the premises of a commercial cannabis business unless the person is at least eighteen (18) years of age and has a valid physician's recommendation for medicinal cannabis.
2. It shall be unlawful and a violation of this Chapter for any person to employ any other person at a commercial cannabis business who is not at least twenty-one (21) years of age.
3. The entrance to the commercial cannabis business shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the commercial cannabis business.

- H. 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 acceptable to the city so that odor generated inside the business that is distinctive to its operation is not detected outside of the business, 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 planning and community development director or his/her designee determines 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 business's interior and exterior so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.
- I. Display of permit and city business license. The original copy of the commercial cannabis permit issued by the City pursuant to this chapter and the City issued business license shall be posted inside the commercial cannabis business in a location readily-visible to the public.
 - J. Background check. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes city authorities to access state and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee, or volunteer of the commercial cannabis business must submit fingerprints and other information deemed necessary by the police chief or his/her designee for a background check by the City of Pasadena's police department. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which require 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/her designee, as required by this Section. A fee for the cost of the background investigation, which shall be the actual cost to the City of Pasadena to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis permit is submitted.
 - K. Loitering. The owner and/or operator of a commercial cannabis business shall prohibit loitering by persons on the premises.

5.78.180 – Fees and charges.

- A. No person may operate any commercial cannabis business in the City, without timely paying in full all fees and charges required for the operation of the commercial cannabis business. Fees and charges associated with the operation of a commercial cannabis business 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 Chapter 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 City with respect to any reasonable request to audit the commercial cannabis business' 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.

5.78.190 – Promulgation of regulations, standards, and other legal duties.

- A. In addition to any regulations adopted by the City Council, the City Manager or his/her designee is authorized to administratively establish any additional rules, regulations and standards governing the issuance, denial or renewal of commercial cannabis permits, the ongoing operation of commercial cannabis businesses and the City's oversight of the businesses, or concerning any other subject determined to be necessary to carry out the purposes of this Chapter.
- B. Regulations shall be published on the City's website.
- C. Regulations promulgated by the City Manager shall become effective upon the date of publication on the City's website. 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/her designee.

5.78.200 – 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 one hundred (100) feet of the commercial cannabis business.

- B. During the first year of operation pursuant to this Chapter, the owner, manager, and community relations representative from each commercial cannabis business holding a permit issued pursuant to this Chapter shall attend meetings with the City Manager or his/her designee, and other interested parties as deemed appropriate by the City Manager or his/her designee, to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter. 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/her designee when and as requested by the City Manager or his/her designee.
- C. Commercial cannabis businesses to which a permit is issued pursuant to this Chapter shall actively participate in a city led public outreach and educational program for youth organizations and educational institutions that outlines the risks of youth use of and addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

5.78.210 – Inspection and enforcement.

- A. The City Manager, or his/her designee charged with enforcing the provisions of the City of Pasadena Municipal Code, or any provision thereof, may enter the location of a commercial cannabis business at any time during business hours, 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 Chapter 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 Chapter 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 Chapter or under state or local law.
- C. The City Manager, or his/her designee charged with enforcing the provisions of this Chapter may enter the location of a commercial cannabis business at any time during the hours of operation and without notice to obtain samples of the

cannabis to test for public safety purposes. Any samples obtained by the City of Pasadena shall be logged, recorded, and maintained in accordance with the procedures established by the City of Pasadena City Manager or these regulations.

5.78.230 – Violations declared a public nuisance.

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

5.78.240 – Each violation a separate offense.

Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City of Pasadena. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, any permit issued pursuant to this Chapter being deemed null and void, 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 of Pasadena 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.

5.78.250 – Criminal penalties.

Each and every violation of the provisions of this Chapter may, in the discretion of the City Attorney/City Prosecutor and/or the District Attorney, be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000) or imprisonment in the City jail for a period of not more than twelve (12) months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense.

5.78.260 – 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.

5.78.270 – Compliance and changes to applicable law.

Except as may be provided otherwise in this Chapter, any law or regulation adopted by the state governing the cultivation, production, distribution, or sale of cannabis for medicinal or adult-use shall also apply to cannabis businesses in the city. If there is a conflict between state law and this Chapter, state law shall be applied. A conviction for noncompliance with any applicable state law or regulation shall be grounds for revocation or suspension of any license or permit issued under this Chapter. No commercial cannabis business shall continue operations in violation of any state law or regulation applicable within the city after the effective date of the state law or regulation. If the state prohibits businesses from engaging in commercial cannabis activity, or if a court of last resort with competent jurisdiction determines that the federal government's prohibition on commercial cannabis activity supersedes state law, any commercial cannabis permit issued pursuant to this Chapter shall be deemed to be immediately revoked by operation of law.

5.78.280 – Severability.

If any provision of this Chapter, or the application thereof to any person or circumstance, is held invalid, that invalidity shall not affect any other provision or application of this Chapter that can be given effect without the invalid provision or application; and to this end, the provisions or applications of this Chapter are severable.

ATTACHMENT 2

Title 8 – HEALTH AND SAFETY

Chapter 8.10 – COMMERCIAL CANNABIS PUBLIC HEALTH PERMIT

8.10.010 – Purpose of Cannabis Public Health Permit.

- A. The purpose of Chapter 8.10 is to establish a public health permit and fee system for commercial cannabis activities that are subject to State and local laws and regulations relating to public health, and ensure that city expenses resulting from the city's inspection and enforcement of public health requirements of commercial cannabis activities are offset by the fees collected.
- B. The authority for this part is contained in Division 10 of the California Business and Professions Code, which expressly permits local regulation of commercial cannabis activities.
- C. Definitions contained within Section 8.10.020 pertain to Chapter 8.10 and 8.11 of this Code.

8.10.020 – Definitions.

- A. "Adulterated Product" means the cannabis or cannabis product that is manufactured, prepared, packed, held, or sold under insanitary conditions whereby it may have become contaminated with filth or rendered injurious to health as defined in the Section 26131 of the Business and Professions Code.
- B. "Applicant" means the individual or business entity that is applying for a public health permit to operate a cannabis facility and whose name the permit will be issued. The applicant must be the owner of the cannabis facility and will be considered the permittee upon issuance of a permit.
- C. "Approved Source" means acceptable to the enforcement agency based on a determination of conformity with applicable state and local laws.
- D. "Attractive to Children or Youth" refers to products, packaging, labeling, or advertising that may especially encourage persons under age 21 to initiate cannabis consumption or otherwise consume (accidentally or purposely) cannabis or cannabis products. The term includes:
 - 1. Products that:

- a. Resemble a non-cannabis consumer product of a type that is typically consumed by, or marketed to, children or youth, such as a specific candy or baked treat, or
 - b. Occur in the shape of a cartoon, human or any other animate creature including an insect, toy, fruit, vehicle or robot.
2. Packaging or labeling that:
- a. Resembles packaging or labeling of a non-cannabis consumer product of a type that is typically consumed by, or marketed to, children or youth;
 - b. Contains images depicting a cartoon, human or any other animate creature including an insect, toy, fruit, vehicle, or robot, or images of a candy or a baked good resembling a non-cannabis consumer product of a type that is typically consumed by, or marketed to, children or youth;
 - c. Contains text referring to a cartoon, or any other animate creature including an insect, toy, fruit, vehicle or robot;
 - d. Contains any images, characters, or phrases that closely resemble images, characters, or phrases popularly used to advertise to children; or
 - e. For edibles, describes any characterizing flavor such as "lemon-flavored" in font sizes that exceed that of the largest word in the "Warning" on the package.
3. Advertising that:
- a. Mimics advertising of a non-cannabis consumer product of a type that is typically consumed by, or marketed to children or youth;
 - b. Depicts a cartoon, or any non-human animate creature including an insect, toy, fruit, vehicle or robot, candy, baked goods, vehicles or robots typically marketed to youth;
 - c. Uses actors or human characters who appear to be under age 21 or are under age 25; or
 - d. Includes celebrities who specifically appeal to youth.
- E. "Batch" means a specific quantity of homogeneous cannabis or cannabis product that is one of the following types:
- 1. "Harvest batch" means 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.

2. "Manufactured cannabis batch" means either of the following:
 - a. An amount of cannabis concentrate or extract produced in one production cycle using identical input materials, extraction methods, and standard operating procedures, and intended to have uniform character and quality; or
 - b. An amount of a type of manufactured cannabis produced in one production cycle using identical formulation and standard operating procedures that is intended to have uniform character and quality.

- F. "Batch number" means any distinct group of numbers, letters, or symbols, or any combination thereof, assigned, as required by State law, to a specific Harvest Batch or Manufactured Cannabis Batch, and from which the complete history of the manufacturing, packaging, labeling, and/or holding of a lot of cannabis product can be determined.
- G. "Best management practice" means methods or techniques found to be the most effective and practical means in achieving an objective.
- H. "Cannabinoid" means the natural components found within the cannabis plant including, but not limited to, cannabidiols and tetrahydrocannabinols.
- I. "Cannabis facility" means a permanent structure in a fixed location where a cannabis retailer, distributor, manufacturer, cultivator or microbusiness operates or conducts business.
- J. "CBD" means the compound cannabidiol.
- K. "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" also means marijuana as defined by Section 11018 of the Health and Safety Code. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. "Cannabis" does not mean "industrial hemp" as defined by

Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

- L. "Cannabis concentrate" means manufactured cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.
- M. "Cannabis labeling" means any label or other written, printed, or graphic matter upon a cannabis product, or upon its container or wrapper, or that accompanies any cannabis product.
- N. "Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients. "Cannabis product" also means marijuana products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medical cannabis products.
- O. "Cannabis product recall" means an action or order made by the State and/or the city health officer to cease the sale, distribution, or manufacturing of cannabis or cannabis product when it has been determined by the city health officer that there is a reasonable likelihood that the cannabis or cannabis product is adulterated or misbranded, and that the use of, or exposure to, the cannabis or cannabis product may cause adverse health consequences to humans and/or animals.
- P. "Cannabis waste" means waste that is not hazardous waste that contains cannabis and that has been made unusable and unrecognizable in a manner required by state and local laws and regulations.
- Q. "Cartoon" means any animation, drawing or other depiction of an object, person, animal, creature or similar caricature that satisfies any of the following criteria:
 - 1. The use of comically exaggerated features;
 - 2. The attribution of human characteristics to animals, plants or other objects, or the similar use of anthropomorphic technique; or
 - 3. The attribution of unnatural or extra-human abilities, such as imperviousness to pain or injury, X-ray vision, tunneling at very high speeds or transformation.
- R. "Children or Youth" means individuals under age 21.

- S. "City health officer" means the duly appointed city health officer or his or her duly authorized representative.
- T. "Commercial cannabis activity" means the cultivation, possession, manufacture, distribution, processing, storing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products for commercial purposes.
- U. "Component" means any substance or item intended for use in the manufacture of a cannabis product, including those substances or items that are not intended to appear in the final form of the product. Component can include cannabis and cannabis products used as ingredients, other ingredients, and processing aids.
- V. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- W. "Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned, leased, or controlled by the retailer.
- X. "Department" means the Pasadena Public Health Department, Environmental Health Services Division.
- Y. "Director of Public Health" means the duly appointed director of public health or his or her duly authorized representative.
- Z. "Distinguishable" means perceivable by an ordinary consumer by either sense of smell or taste.
- AA. "Distribution" means the procurement, sale, and transport of cannabis and cannabis products between permittees.
- BB. "Distributor" means a person or entity holding a valid state license and permitted to engage in the business of the distribution of cannabis and cannabis products between state licensed cannabis facilities.
- CC. "Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- DD. "Edible cannabis product" means 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 Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.
- EE. "EHS" means an Environmental Health Specialist.

- FF. "Employee" means each and every person engaged in the operation or conduct of any commercial cannabis activity business, whether as owner, member of the owner's family, partner, associate, agent, manager or operator, and each and every other person employed or working in such business for a wage, salary, commission, barter, or any other form of compensation.
- GG. "Extraction" means a process by which cannabinoids are separated from cannabis plant material through chemical or physical means.
- HH. "Finished product" means a manufactured cannabis product in its final form to be sold to a customer at a retail store.
- II. "Food Facility" means the same as Section 113788 of the California Health and Safety Code.
- JJ. "Holding" means storage of cannabis or cannabis products and includes activities performed incidental to storage of a cannabis product and activities performed as a practical necessity for the distribution of that cannabis product.
- KK. "Infusion" means a process by which cannabis, cannabinoids, cannabis concentrates, or manufactured cannabis are directly incorporated into a product formulation to produce a cannabis product.
- LL. "Limited-access area" means an area in which cannabis and cannabis products are stored or held and are only accessible to the owner, operator and cannabis facility authorized personnel.
- MM. "Local licensing agency" means a local public entity that licenses or permits any commercial cannabis activity, as defined in this Part.
- NN. "Lot" means a batch or a specifically identified portion of a batch.
- OO. "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.
- PP. "Manufactured cannabis" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product.
- QQ. "Manufacturing" or "manufacturing operation" means all aspects of the extraction and/or infusion processes, including processing, preparing, holding, storing, packaging, or labeling of cannabis products. Manufacturing also includes any processing, preparing, holding, or storing of components and ingredients used in cannabis products.
- RR. "Manufacturing site" means the premises that produces, prepares, propagates, or compounds manufactured 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, leased, or controlled and operated by a permittee for these activities.

- SS. "Manufacturer" means a person or entity state licensed and permitted to conduct 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 re-labels its container.
- TT. "Microbusiness" means a person or entity, licensed by the State of California, and licensed, permitted or authorized by applicable local laws to cultivate cannabis on an area less than 10,000 square feet and to act as a state licensed and/or permitted cannabis distributor, Level 1 manufacturer, as defined by Business and Professions Code section 26130(a)(1), and/or retailer.
- UU. "Misbranding" means misbranded cannabis or cannabis products as defined in the California Business and Professions Code, Section 26121.
- VV. "Notice of closure" means a public notice that may be posted by the city health officer at a cannabis facility upon suspension or revocation of the facility's public health permit and that results in the immediate closure of the cannabis facility and the discontinuance of all operations of the cannabis facility, by order of the city health officer, because of violations of applicable state, and local statutes, orders, ordinances, quarantines, rules, regulations, or directives relating to the public health.
- WW. "Operator" means anyone who, as an employee, manager, owner or otherwise, is engaged in the cultivation, distribution, dispensing, manufacturing, sale or handling of cannabis or cannabis products at a permitted cannabis facility.
- XX. "Opaque Exit Package" means an opaque bag, box or similar container provided by the retailer, as distinct from the original packaging from the manufacturer, in which purchased cannabis or cannabis products are placed prior to departing the store.
- YY. "Owner" means any of the following:
4. All persons identified as an "owner" on any permit, license, or other authorization issued by a State Agency or local government which authorizes the persons to establish and operate the cannabis facility.
 5. Any person identified or required to be identified as an "owner" on an application filed with any State Agency and any local government, wherein the application requests the privilege to operate the cannabis facility.

6. If no person under subsection 1 or 2, above, exists:
- f. A person with an aggregate ownership interest of 20 percent or more in the corporate entity, partnership, or other business entity applying for a permit or a permittee, unless the interest is solely a security, lien, or encumbrance.
 - g. The chief executive officer of a nonprofit or other entity.
 - h. A member of the board of directors of a nonprofit.
 - i. An individual who will be participating in the direction, control, or management of the person applying for a permit. A member of the board of directors of a nonprofit.
 - j. An individual who will be participating in the direction, control, or management of the person applying for a permit.
- ZZ. "Package" means any container or receptacle used for holding cannabis or cannabis products.
- AAA. "Permittee" means a person who has obtained a public health permit from the Department to operate a cannabis facility.
- BBB. "Person" means any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
- CCC. "Person in charge" means the individual present at a commercial cannabis facility who is responsible for the operation of the commercial cannabis facility.
- DDD. "Pest" means undesired insect, rodent, nematode, fungus, bird, vertebrate, invertebrate, weed, virus, bacteria, or other microorganism that is injurious to human health or environment.
- EEE. "Pesticide" includes substances commonly referred to as herbicides, fungicides, insecticides, and cloning agents. Pesticides include but are not limited to:
- 1. Any substance or mixture of substances intended to prevent, destroy, control, repel, or mitigate any insect, rodent, snail, slug, fungus, weed, or any other form of plant or animal life or virus, fungus, bacteria or other microorganism which is normally considered to be a pest, except viruses on or in a living person or other living animal;
 - 2. Any substance or mixture of substances intended to be used as a plant regulator, defoliant, or desiccant; and
 - 3. Any spray adjuvant.

- FFF. "Premises" means the designated structure or structures and land specified in the application for a cannabis public health permit that is owned, leased, or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by a permittee.
- GGG. "Public health permit" means a written authorization to operate a cannabis facility, including but not limited to a cannabis cultivator, cannabis manufacturer, cannabis distributor, cannabis microbusiness, or cannabis retail facility, issued by the city's director of public health, without which permit said operation would be unlawful.
- HHH. "Retail area" means a building, room, or other area upon the permitted premises in which cannabis and cannabis products are sold or displayed.
- III. "Sell," "sale," and "to sell" means any transaction whereby, for any consideration, title to cannabis or cannabis products is 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 permittee to the permittee from whom the cannabis or cannabis product was purchased.
- JJJ. "State Agency or State" means the state licensing entities responsible for creating regulation for commercial cannabis activity in California, including but not limited to, the:
1. California Bureau of Cannabis Control
 2. California Department of Public Health
 3. California Department of Food and Agriculture
- KKK. "Testing laboratory" means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is ISO/IEC 17025 accredited, or pending ISO/IEC 17025 accreditation, and licensed by the California Bureau of Cannabis Control.
- LLL. "Time/temperature control for cannabis or cannabis product safety or TCS" means a cannabis or cannabis product that requires time/temperature control for safety to limit pathogenic microorganism growth or toxin formation.
- MMM. "THC" means the compound tetrahydrocannabinol. "THC" refers specifically to delta 9-tetrahydrocannabinol.

- NNN. "Topical product" means a product intended for external use such as with cannabis-enriched lotions, balms and salves. A topical cannabis product is not considered a drug as defined by Section 109925 of the Health and Safety Code.
- OOO. "Track and trace system" means the universal identification certificate program for commercial cannabis activity. It is the seed-to-sale tracking system that tracks cannabis and cannabis product throughout the distribution chain, from either the sprouted seed or rooted cutting (or clone) until the cannabis or cannabis product is sold or delivered to a retail customer or is destroyed. It includes the program administered by the California Department of Food and Agriculture, pursuant to Section 26069 of the Business and Professions Code, as well as any track and trace system administered by a local jurisdiction.
- PPP. "Undesirable Microorganisms" means those yeasts, molds, bacteria, viruses, protozoa, and/or microscopic parasites that are pathogens, that subject manufactured cannabis to decomposition, that indicate that manufactured cannabis is contaminated with filth, or that otherwise may cause manufactured cannabis to be adulterated.
- QQQ. "Unique identifier (UID)" means an alphanumeric code or designation used for reference to a specific plant on permitted premises and any cannabis or cannabis product derived or manufactured from that plant.

8.10.030 – Cannabis Public Health Permit Requirements.

- A. Prior to the establishment or operation of any cannabis facility, the owner shall obtain a public health permit and other applicable permits and licenses from all State and local licensing agencies.
- B. Every owner desiring a public health permit to conduct commercial cannabis activities from a cannabis facility shall file an application with the Department upon a form provided by the Department, and at such time pay the required fee and penalty, if any.
- C. Upon receipt of an application for a public health permit for a cannabis facility with all pertinent data and the submission of the full permit application fee, the Department shall review the application.
- D. All permits for a cannabis facility may be renewed annually. The public health permit, the permit application fee, and the annual permit fee are valid only for the person or entity, location, and type of sales or activity approved.
- E. Public health permits shall not be transferable upon change of ownership of the cannabis facility.

- F. Each commercial cannabis activity within a cannabis facility including, but not limited to, retail, distribution, manufacturing and cultivation shall be deemed a separate enterprise for purposes of this Chapter and shall require a separate public health permit.
- G. All public health permits and licenses shall be posted in a conspicuous place at the cannabis facility.

8.10.040 – Cannabis Public Health Permit Renewal.

- A. An application for renewal of any cannabis facility public health permit shall be submitted by the owner to the Department prior to the expiration date of the current permit.
 - 1. A cannabis facility owner shall complete and submit all required documents for a public health permit renewal to the Department.
 - 2. A permitted cannabis facility owner that does not obtain a renewed permit by end of the business day of the expiration date shall discontinue operation of the facility until a new public health permit is issued.
 - 3. Any permit that has not been renewed by the annual renewal date will not be valid and shall be deemed inactive.

8.10.050 – Denial of Cannabis Public Health Permit Application.

The Department may reject an application or renewal application upon making any of the following findings:

- A. The applicant made one or more false or misleading statements or omissions on the public health permit application or during the application process.
- B. The applicant's business entity, if applicable, is not properly organized in compliance with applicable State and local laws and regulations.
- C. The applicant fails to meet the requirements of this Chapter or of Chapter 8.11 of this Code.
- D. The applicant, or any of its officers, directors, owners, managers, or employees is under twenty-one (21) years of age.
- E. The applicant, or any of its officers, directors, owners, or managers, is a licensed physician making patient recommendations for medicinal cannabis.
- F. The applicant did not pay the city the required application and processing fees.
- G. The city's director of public health has determined good cause exists to reject the application.

08.10.060 – Plan Check Requirements.

- A. Each person proposing to construct or remodel a commercial cannabis facility shall submit to the Department for review three complete, easily readable plans, drawn to scale and with specifications, and shall receive plan approval from the Department before starting any new construction or remodeling of any cannabis facility.
 - 1. A person proposing to construct, remodel, or change the public health permit classification of any cannabis facility shall submit a plan check fee which is in addition to any other public health permit fees that may be required for the operation of the cannabis facility.
 - 2. Plan corrections and additional specifications may be required, if the Department determines that such changes are necessary to assure compliance with the requirements of this Chapter and State and local laws and regulations.
 - 3. The plans shall be approved or rejected by the Department within 20 working days after receipt of plans and fees. The applicant shall be notified of the decision.
- B. The Department may develop commercial cannabis facility plan check guidelines to assure compliance with the State and local laws and regulations.
- C. Cannabis cultivation sites shall submit three complete, easily readable sets of plans drawn to scale and with specifications to the Department for review and approval for cross-connections compliance as required by the California Code of Regulations Title 17, Chapter 14.20 of this Code, and any other applicable requirements promulgated by the Department of Agriculture.

8.10.070 – Penalty for No Cannabis Public Health Permit.

Operating a commercial cannabis facility without a public health permit as required by this Chapter is a violation and may be prosecuted as a misdemeanor subject to a fine not to exceed one thousand dollars (\$1,000) or imprisonment in the City jail for a period of not more than twelve (12) months, or by both such fine and imprisonment. Each day of operation shall constitute a separate violation of this Chapter. If required by State law or regulation, or court order to destroy the cannabis associated with the violation, a violator shall be responsible for the cost of the destruction of cannabis or cannabis products associated with the violation.

8.10.080 – Reinspection of Cannabis Facilities.

- A. Conditions requiring additional reinspections due to a cannabis facility's noncompliance with applicable State and local laws and regulations, will incur additional reinspection fees in effect at the time of reinspection. A reinspection fee shall be due and payable whenever:
1. The Department has given written notice of a public health code violation or violations to the owner, operator, or person in charge of a cannabis facility, and the notice contains a reinspection date by which the violation or violations must be corrected;
 2. The violation or violations have not been corrected by the reinspection date on the notice of violation or official inspection document; and
 3. An additional reinspection by the Department is necessary to determine whether the violation or violations have been corrected.

8.10.090 – Cannabis Public Health Permit Fees.

The city council may by resolution establish fees for the administration of this Chapter. Fees shall be sufficient to cover the actual expenses of administering and enforcing this Chapter.

8.10.100 – Collection of Reinspection Fee.

The reinspection fee shall be collected by the Department. The Department may add any unpaid balance to the amount due for any subsequent public health permit renewal or permit application by the owner of such cannabis facility or refer any delinquent fees to the Finance Department for collection. The total amount due shall be the cannabis facility permit fee for such business.

Title 8 – HEALTH AND SAFETY

Chapter 8.11 – COMMERCIAL CANNABIS FACILITIES

8.11.010 – Purpose.

The purpose of Chapter 8.11 is to create public health regulatory requirements to ensure that commercial cannabis activities are conducted in a manner that protects the health and safety of the consumer and the public.

8.11.020 – Cannabis Facilities Backflow Prevention Devices.

Cannabis facilities that have approved backflow prevention devices as required by Title 17 of the California Code of Regulations shall maintain a public health backflow prevention device permit issued by the Department for each device, and shall have each device tested at least once each calendar year by a certified backflow tester. Records of backflow prevention device test(s) shall be submitted to the Department using the form provided by the Department.

8.11.030 – Commercial Cannabis Cultivation Sites.

Commercial cannabis cultivation sites shall meet all health protection operating criteria for the cultivation of cannabis as required by State law and regulations promulgated by the California Department of Food and Agriculture and local laws and regulations.

8.11.040 – Retail Cannabis Facilities.

- A. Retail cannabis facilities shall meet all health protection operating criteria for the sale of cannabis and cannabis products as required by State law and regulations, and local laws.
- B. Retail cannabis facilities shall operate in a permanently constructed structure and shall not operate from a vehicle or non-permanent structure. Retail cannabis facilities may conduct cannabis and cannabis product delivery services, as authorized to do so by this Code.
- C. Permitted retail cannabis facilities shall only store, hold, or sell cannabis and cannabis products approved and permitted by the State. Permitted retail cannabis facilities are prohibited from selling or giving away cannabis-infused beverages in ready-to-drink form.
- D. Permitted retail cannabis facilities shall not receive, store, hold, or sell cannabis or cannabis products unless the cannabis and cannabis products are labeled and packaged as required by State law and regulations.
- E. Permitted retail cannabis facilities may not operate as a permitted food facility, and may not share an entrance with a permitted food facility.
- F. Permitted retail cannabis facilities shall not sell or provide alcohol or tobacco to any customer or the public.
 - 1. A permitted retail cannabis facility may not hold an alcohol license from the Department of Alcohol and Beverage Control.

2. A permitted retail cannabis facility may not hold a State or local tobacco retailer license.
- G. Permitted retail cannabis facilities are prohibited from giving away any amount of cannabis or cannabis products and are prohibited from providing coupons as part of a business promotion.
- H. Permitted retail cannabis facilities shall not allow the on-site consumption of cannabis and cannabis products by any customer, person or employee.
- I. All TCS products, extractions, concentrates, and infusions, and cannabis products intended for human consumption must be refrigerated at temperatures of 41°F unless otherwise approved by the Department. Retail cannabis operator shall follow the manufacturer's requirement for safe storage of such products.
- J. Permitted retail cannabis facilities shall not store, hold, or sell cannabis or cannabis products unless the cannabis and cannabis products are obtained from an approved source. Permitted retail cannabis facilities shall demonstrate all cannabis and cannabis products are obtained from an approved source by providing sales invoices and shipping manifest documents to the Department upon request for all inventory held at the facility.

8.11.050 – Required In-Store Safety Information.

A permitted retail cannabis facility shall display a health warning sign in a conspicuous location at eye height at the point-of-sale counter. The sign shall be approved by the Department and in a font that it is easily readable to customers.

8.11.060 – Odor Management Plan.

- A. Any person proposing to apply for a public health permit for a cannabis facility, or applying as a new owner of an existing cannabis facility shall submit an Odor Management Plan along with the submission of a public health permit application or plans to the Department. The Odor Management Plan shall describe sufficient processes which, if implemented, will prevent odors from the cannabis facility from being detected by a person outside of the facility or indoor cultivation site.
- B. The Odor Management Plan shall include a detailed description of the ventilation system used by the cannabis facility, including but not limited to, how the ventilation systems prevent odor from escaping the facility or indoor cultivation site and how to mitigate the noxious fumes or gases.

- C. The cannabis facility operator shall be responsible for the development, implementation, and maintenance of the Odor Management Plan. Odor mitigation practices shall be based on industry-specific best control technologies and best management practices. The plan shall include the range of odor mitigation practices to be deployed to control odor-emitting activities, sources, and locations, how and when these practices will be deployed, and accounting for any identified odor-emitting activity.
- D. The permittee, operator, or person in charge of a cannabis facility shall maintain, and provide to the Department upon request, all records relating to odor management, including but not limited to, system installation, maintenance, any equipment malfunctions and deviations from Odor Management Plan.
- E. The permittee, operator or person in charge of a cannabis facility shall maintain records of odor complaints received and response actions thereto.
- F. If an inspection or complaint investigation by the Department reveals any deviation from the Odor Management Plan, such deviation shall be a violation of this Chapter.
- G. If an inspection reveals that the existing Odor Management Plan does not effectively mitigate odors emanating from the cannabis facility or cannabis facility's cultivation site, the Department shall provide the operator or person in charge with a notice of deficiencies. The operator or person in charge of the cannabis facility shall be required to submit a modified Odor Management Plan within a reasonable amount of time, as determined by the Department. Failure to submit a modified Odor Management Plan within the required time period shall be a violation of this Chapter. Failure of an operator to submit and implement a modified Odor Management Plan may result in the suspension of the cannabis facility's public health permit.
- H. When a modification is made to a cannabis facility, or the facility operation, that has the potential to impact the nature or degree of odor, or affects the control of odor, the cannabis facility operator must update its Odor Management Plan within 30 days of facility modification. Failure to submit an updated Odor Management Plan within 30 days of facility modification shall be a violation of this Chapter.

8.11.070 – Waste Management Plan.

- A. Any person proposing to apply for a public health permit for a cannabis facility, or apply as a new owner of an existing cannabis facility shall submit a Waste

Management Plan along with the submission of a public health permit application or plans to the Department.

- B. A Waste Management Plan shall address the storing, handling, disposing and reusing of all waste by-products and shall characterize the volume and types of waste generated for all commercial cannabis activities in compliance with the best management practices and State law and regulations.
- C. A cannabis facility shall not sell or otherwise transfer title of cannabis waste, except as permitted by State law and regulation.
- D. All cannabis and cannabis products that a cannabis facility intends to render into cannabis waste, whether voluntarily or directed by the Department shall be held on the premises in quarantine for a minimum of 72 hours. The cannabis facility operator shall affix to each batch the required document(s) with batch information and weight. At no time during the quarantine period may the cannabis or cannabis products be handled, moved, or rendered into cannabis waste. The quarantined cannabis and cannabis products are subject to inspection by the Department.
- E. All garbage and refuse on the cannabis facility premises shall be stored in nonabsorbent, water-tight, vector resistant, durable, easily cleanable, galvanized metal or heavy plastic containers with tight fitting lids. No refuse container shall be filled beyond the capacity to completely close the lid. All garbage and refuse on the premises, whether mixed with rubbish or other material or not, shall not be accumulated or stored for more than seven calendar days, and shall be properly disposed of before the end of the seventh day. All waste, including but not limited to refuse, garbage, green waste and recyclables, must be disposed of in accordance with State law and regulation, and local law. All waste generated from commercial cannabis operations must be properly stored and secured, whether in the control of the cannabis facility operator or not, in order to prevent access to the public.
- F. The cannabis facility shall render cannabis and cannabis product into cannabis waste before removing the cannabis waste from the premises and shall be recorded on video, placed in the cannabis facility's refuse bin or transferred to a waste disposal facility approved by the State. All cannabis waste shall be rendered unusable and unrecognizable by mixing, grinding, and incorporating the cannabis waste with a non-consumable material or by incorporating any nonhazardous compostable material so that the resulting mixture is at least 50 percent non-cannabis waste by volume. The cannabis waste shall be tracked by

one batch at a time and the cannabis facility shall not comingle different batches into cannabis waste.

- G. After a cannabis facility operator renders the cannabis and cannabis product into cannabis waste, the cannabis facility operator shall do one of the following with the cannabis waste:
1. Dispose of the cannabis waste at a manned and fully permitted solid waste landfill.
 2. Deposit the cannabis waste at a manned and fully permitted compostable materials handling facility or operation.
 3. Deposit the cannabis waste at a manned and fully permitted in-vessel digestion facility or operation.
- H. The cannabis facility operator shall use the track-and-trace database and onsite documents to ensure the cannabis waste materials are identified, weighed, and tracked while on the cannabis facility premises and when disposed of or deposited. The cannabis facility operator shall enter the date and time that the cannabis product was rendered into cannabis waste and the weight of the resulting cannabis waste into the track-and-trace database.
- I. All cannabis facility operators shall maintain accurate and comprehensive records regarding cannabis waste material that account for, reconcile, and evidence all activity related to the generation and disposal or deposition of cannabis waste. The cannabis facility operator shall obtain a record from the solid waste facility or operation evidencing the acceptance of the cannabis waste material at the facility or operation. The record must contain the name and address of the operation or facility, the date, the volume or weight of the cannabis waste accepted, and the name and signature of the person in charge of the facility or operator who accepts the cannabis waste. Once the cannabis waste is accepted by the solid waste facility, the cannabis facility operator shall input the date and time of the disposal or deposition of the cannabis waste at a solid waste facility into the track-and-trace database. These documents are records subject to inspection by the Department.
- J. All commercial cannabis operations that utilize and generate hazardous materials or hazardous waste shall comply with all applicable hazardous material regulations, including but not limited to, hazardous waste generator, underground storage tank, above ground storage tanks and hazardous materials handling requirements and maintain any applicable permits for these programs from the Pasadena Fire Department and/or Agricultural Commissioner.

8.11.080 – Record Keeping.

- A. A cannabis facility shall ensure compliance with the requirements for record keeping as required by the State and local enforcement agencies.
- B. A cannabis facility operator shall make such records available upon request by the Department.

8.11.090 – Track and Trace System.

- A. A permitted cannabis facility shall utilize the track and trace system as required by State law and regulations and local laws.
- B. A permitted cannabis facility shall make track and trace system records available to the Department upon request.

8.11.100 – Employee Health.

- A. The city health officer shall have authority to exclude any cannabis facility employee that handles edible cannabis and cannabis products from any cannabis facility conducting operations, including but not limited to cultivation, extraction, preparation, manufacturing, distribution and testing, if the employee is diagnosed with an infectious agent specified in Subdivision B.1-8, and the employee is either symptomatic and still considered infectious, or is not experiencing symptoms of the illness associated with that agent but is still considered infectious.
- B. For purposes of this Section, "illness" means a condition caused by any of the following infectious agents:
 - 1. Hepatitis A virus.
 - 2. Salmonella typhi.
 - 3. Salmonella spp.
 - 4. Shigella spp.
 - 5. Entamoeba histolytica.
 - 6. Enterohemorrhagic or shiga toxin producing Escherichia coli.
 - 7. Norovirus.
 - 8. Other communicable diseases that may be transmitted to others through the handling of edible cannabis and cannabis products.
- C. The person in charge shall do either of the following:

1. Exclude an employee that handles edible cannabis and cannabis products from a cannabis facility if the employee is diagnosed with an infectious agent specified in this Chapter.
 2. Restrict an employee from working with exposed edible cannabis and cannabis products; clean equipment, utensils, and linens in an edible cannabis manufacturing and distributing facility if the employee is suffering from symptoms of an acute gastrointestinal illness.
- D. The person in charge may remove a restriction for an employee upon the resolution of symptoms as reported by an employee that handles edible cannabis and cannabis products if the employee states that he or she no longer has any symptoms of an acute gastrointestinal illness.
- E. Only the Department shall remove exclusions or restrictions, or both, related to diagnosed illnesses due to infectious agents specified in this Chapter after the city health officer provides a written clearance stating that the excluded or restricted employee is no longer considered infectious.

8.11.110 – Cannabis Facility Training Program.

- A. The cannabis facility operator shall implement a training program to ensure that all employees, including the person in charge, present at the premises are provided information, training, and shall have adequate knowledge of cannabis safety procedures and protocols, which, at minimum, shall include, but not be limited to the following:
1. All cannabis facility employees within 30 calendar days of the start of employment shall be trained in all health and safety hazards, hazards presented by all solvents or chemicals used at the premises as described in the material safety data sheet for each solvent or chemical. All employees shall review all emergency procedures, security procedures, record keeping requirements and training requirements.
 2. Prior to independently engaging in any commercial cannabis activity, the cannabis facility employee shall be trained on the overview of the cannabis facility operation and all standard operating procedures, all quality control procedures, and all hazard analysis and control procedures as appropriate. The employee shall be trained on the proper and safe usage of equipment or machinery as applicable and safe work practices applicable to an employee's job tasks. This shall include appropriate usage of any necessary safety or sanitary equipment, cleaning and

maintenance requirements, and emergency operations, including shutdown procedures, or any additional information reasonably related to an employee's job duties.

3. The cannabis facility operator shall ensure that all personnel receive annual refresher training to cover, at minimum, the topics listed in this Section. This annual refresher training must be completed within 12 months of the previous training completion date.
- B. The cannabis facility operator shall maintain a record which contains at minimum, but not limited to:
1. An annual confirmation by the cannabis facility operator that the employee has received and understood all information and training provided in the training program.
 2. A list of all employees at the premises, including at minimum, name and job duties of each.
 3. Documentation of training topics and dates of training completion for all employees.
 4. Training topics and dates of refresher training completion for all employees.
 5. The signature of the employee and the cannabis facility operator verifying receipt and understanding of each training or refresher training completed by the employee.
 6. Any official documentation attesting to the successful completion of required training by the employee.
- C. The cannabis facility operator may assign the responsibility for ensuring compliance by an employee with the requirements of this Chapter to the person in charge. The assigned person in charge must have the education, training, experience, or a combination thereof necessary to ensure the production of clean and safe cannabis and cannabis products by all employees. The designated person in charge shall sign and date a document on an annual basis attesting that the supervisor has received and understood all information and training provided in the training program. This documentation shall be maintained as part of the record requirements.

8.11.120 – Responsible Cannabis Retailing Education Required.

- A. All employees involved in face-to-face sales of cannabis or cannabis products or management of stores or inventory must undergo a minimum of 2 hours of

training on legal requirements and best practices for cannabis retailing using a curriculum approved by the Department.

- B. The training shall include hazards associated with cannabis use, including but not limited to hazards of use during pregnancy and lactation; motor vehicle use; cognitive effects and mental illness; safe and appropriate dosages, especially for initial use; delayed effects of edible cannabis products; hazards of early initiation and of intensive use by youth; storage to protect children; and smoke-free air provisions.
- C. All employees shall complete the training within 90 days after the date of hire.
- D. Commercial cannabis facilities shall maintain records of all employee's Cannabis Retailing Education on-site and shall make such records available upon request by the Department.

8.11.130 – Inspection.

- A. The Department shall have the right to enter a cannabis facility to conduct an inspection during the facility's hours of operation to inspect the premises of the facility and enforce compliance with this Chapter, and applicable State and local public health laws and regulations.
- B. Inspections shall consist of a periodic unannounced site visit conducted by the Department at a minimum of twice annually and as needed to conduct complaint investigations to determine compliance with this Chapter and applicable State public health laws and regulations.
- C. The person in charge of the cannabis facility shall allow the Department's inspectors access to all areas of the cannabis facility during the cannabis facility's hours of operation to inspect the cannabis facility premises, storage areas, equipment, storage or delivery of cannabis and cannabis products, or any place at which cannabis or cannabis products are sold, cultivated, or stored, or at any site where evidence of activities are allegedly taking place.
- D. Inspections shall include review of all pertinent records including, but not limited to, the track and trace system, plans required by the Department, and standard operating procedures. The person in charge of the cannabis facility shall provide records upon request to the Department.
- E. The Department shall be granted access to conduct investigations concerning the adulteration and misbranding of cannabis and cannabis products, unpermitted cannabis operations, and overall sanitation of any cannabis facility including the ability to enter and inspect any place where any cannabis or

cannabis product is reasonably suspected of being manufactured or held in violation of this Chapter or State or local laws and regulations.

- F. When a person in charge of a cannabis facility fails to fully cooperate with the Department's inspection and/or investigation, that act or omission shall be a violation of this Chapter, and subject the cannabis facility to the immediate suspension or revocation of its public health permit.

8.11.140 – Cannabis and Cannabis Product Quality Assurance.

- A. The Department or its designee may collect from a cannabis facility samples of cannabis and cannabis product, at no cost to the Department, to verify compliance with the cannabis and cannabis product laboratory testing and labeling requirements from a cannabis facility during the cannabis facility's operational hours without advance notice.
- B. The Department may secure any sample or specimen of any cannabis product or ingredients used therein by the cannabis facility and make analyses or examinations of any sample obtained.
- C. The Department shall provide the cannabis facility operator with a receipt or documentation of sample(s) collected prior to leaving the premises.
- D. A copy of the results of the sample analysis shall be provided to the person in charge of the cannabis facility.
- E. The Department may take an enforcement action necessary to protect the health of the public depending on the testing results and analysis of the sample or samples collected at the cannabis facility.

8.11.150 – Public Health Permit Suspension and Revocation.

- A. Any cannabis facility public health permit issued to a permittee may be suspended or revoked by the Department for a violation of the requirements of this Chapter, or State and local laws or regulations. Any cannabis facility for which the public health permit has been suspended or revoked shall close and cease doing business and remain closed until the permit has been reinstated or reissued by the Department.
- B. Whenever the Department finds that a cannabis facility is not in compliance with the requirements of this Chapter or State and local laws or regulations, a written notice of violation that contains a required compliance date shall be issued to the permittee. If the permittee fails to correct the violation within the specified time,

the Department shall issue to the permittee a written notice setting forth the permit violations found by the Department. The notice shall inform the permittee of a right to a compliance review, if requested, to show cause why the permittee's public health permit should not be suspended or revoked. A permittee must make a written request to the Department for a compliance review within 10 calendar days of service of the notice, or correct the violation. A failure to request a compliance review within 10 calendar days after service of the notice shall be deemed a waiver of the right to a compliance review, and may subject the permittee's permit to immediate suspension by the Department.

- C. The compliance review shall be held within 15 calendar days of the Department's receipt of the permittee's written request for a compliance review. Upon written request by the permittee, the compliance review officer may postpone any compliance review date, if circumstances warrant such action, or cancel the compliance review if the permittee's violations are corrected as verified by the Department.
- D. At the compliance review, the Department's compliance review officer shall hear testimony and read and consider document submissions from the permittee and Department representatives.
- E. The compliance review officer shall issue and serve a written decision to the permittee within 15 working days following the compliance review. In the event of suspension or revocation, the decision shall specify the permit violations that were found to exist and/or continue, the extent of the suspension of the permit, and the actions required for correction of the continuing violations. If the permittee's public health permit has been revoked, the decisions shall state the reasons for the revocation.
- F. Notwithstanding any other provision of this Chapter, if any immediate danger to the public health or safety is found or is reasonably suspected, unless the danger is immediately corrected, the Department may immediately suspend the permittee's public health permit and order the cannabis facility immediately closed, pending the determination of a compliance review. Immediate danger to the public health or safety shall include any condition, based upon inspection findings or other evidence, that can cause, or is reasonably suspected of causing, infection, illness or disease transmission, or any known or reasonably suspected hazardous condition.
 - 1. Whenever a public health permit is suspended as the result of an immediate danger to the public health or safety, the Department shall

issue to the permittee a notice setting forth the violations that have caused the immediate danger, specifying the sections of this Chapter or State and local laws or regulations, allegedly violated, and informing the permittee of the right to a compliance review.

2. At any time within 10 calendar days of service of a notice pursuant to subsection G, the permittee may request, in writing, a compliance review before a compliance review officer to show cause why the public health permit suspension is not warranted. The compliance review shall be held within 15 calendar days of the receipt of a request for a compliance review. A failure to request a compliance review within 10 calendar days shall be deemed a waiver of the right to such compliance review.
- G. The Department may, after providing opportunity for a compliance review, modify, suspend, or revoke a public health permit for serious or repeated violations of the requirements of this Chapter or State and local laws and regulations, or for interference in the performance of the inspection and investigation duties of the Department.
- H. A public health permit may be reinstated, or a new public health permit issued, if the Department determines that conditions which prompted the suspension or revocation no longer exist.

8.11.160 – Recall of Cannabis and Cannabis Products.

- A. All cannabis facilities shall establish and implement a written procedure approved by the Department for the recall of cannabis and cannabis products that are determined to be misbranded or adulterated in accordance with the requirements of State and local laws or regulations. Recall procedures shall include, but not limited to:
1. Factors which dictate a recall,
 2. Employees responsible for implementing the recall procedures;
 3. Notification protocols, including:
 - a. A mechanism to immediately notify the Department.
 - b. A mechanism to notify all customers that have, or could have, obtained the product, including communication and outreach via media, as necessary and appropriate.
 - c. A mechanism to notify any operator of a cannabis facility that was supplied or received the recalled product.

- d. Instructions to the general public and/or other cannabis facilities for the return and/or destruction of the recalled product.
 4. The person in charge of the cannabis facility shall provide the following information to the Department upon request to assist in the recall investigation:
 - a. Source of the implicated cannabis or cannabis product.
 - b. Name, contact information, and State license number of the distributor and manufacturer.
 - c. Complete distribution list including name, address and contact information; and product identification information (e.g. batch #, lot #, product coding, etc.).
- B. Cannabis or cannabis products that are subject to recall or embargo because they are or are reasonably suspected of being adulterated or misbranded shall include, but are not limited to, the following circumstances:
 1. Laboratory testing reports show presence of pesticide residues not permitted for use on cannabis, or a residual of permitted pesticide above that which has been determined as safe in sampled cannabis or cannabis products.
 2. Retail cannabis and cannabis product is found to have a contaminant in levels exceeding those established as permissible by the State, which shall be considered to be a failed contaminant test.
 3. Use of solvents that were not approved for use.
 4. If a test is found to contain levels above those established by the State Agency, of any mold, mildew, or filth that could be toxic if consumed.
 5. If the THC content of a cannabis product is determined through testing to not be homogenous, within the allowable margin of error as established by applicable State regulations, then it shall be considered to have failed potency testing.
 6. Cannabis product contains undeclared allergens.
- C. The Department may initiate a recall investigation.
- D. When the Department has evidence that any cannabis or cannabis products are adulterated or misbranded, the Department, shall notify the permittee and order the cannabis facility to immediately cease activities related to the manufacturing, sale and distribution of all cannabis and cannabis products that have been identified as being potentially adulterated or misbranded. The Department may, after consultation with the State, order a recall or embargo of any adulterated or

misbranded cannabis or cannabis products if the manufacture, distribution, or sale of the product would create or pose an immediate and serious threat to human life or health.

- E. Upon confirmation by the Department or other licensing entity that the identified cannabis or cannabis product is adulterated or misbranded, the Department may issue orders to permittees regarding the required movement, segregation, isolation, or destruction of the adulterated or misbranded cannabis and cannabis products, and may order those to be held in place, embargoed, or quarantined. It is unlawful for any person or permittee to move or allow to be moved any cannabis or cannabis products that is subject to an order issued pursuant to this Chapter, unless that person has first obtained written authorization from the Department.
- F. The Department shall provide the permittee an opportunity for an informal review proceeding on the matter, as determined by the Department, within five days, on the actions required by the Department's recall order and on why the quarantined or embargoed cannabis or cannabis product should not be recalled. Following the proceeding, the order may be affirmed, modified, or set aside as determined appropriate by the Department.
- G. A permittee shall follow its recall procedures for the collection, storage and destruction of any recalled cannabis products. Such procedures shall include, but not be limited to, the following requirements:
 - 1. All recalled cannabis and cannabis products that are intended to be destroyed shall be quarantined for a minimum of 72 hours. The product held in quarantine shall be subject to auditing from the Department.
 - 2. Following the quarantine period, the permittee shall render the recalled cannabis product unusable and unrecognizable, and the rendering shall be recorded on video and maintained by the permittee for inspection by Department or other licensing entities.
 - 3. A permittee shall dispose of chemical, dangerous, or hazardous waste in a manner consistent with federal, state, and local laws. This requirement shall include, but is not limited to, recalled products continuing or consisting of pesticide or other agricultural chemicals, certain solvents of other chemicals soaked in a flammable solvent for the purpose of producing manufactured cannabis batches.
 - 4. A permittee shall not dispose of recalled product in an unsecured waste receptacle that is not in the possession and/or control of the permittee.

- H. All recalled cannabis and cannabis products shall be separated and stored in a manner that shall prevent the contamination of other cannabis or cannabis products.
- I. A permittee shall use the track-and-trace system database and on-site documentation to ensure that recalled cannabis or cannabis products intended for destruction are identified, weighed, and tracked while on the premises and when disposed of in accordance with State law and regulation, and local laws.

8.11.170 – No Conflict with State Law.

This Chapter is not intended to conflict with State law. This Chapter shall be interpreted to be compatible with State enactments and in furtherance of the public health and safety purposes that those enactments encompass.

8.11.180 – No Conflict with Federal Law.

This Chapter is not intended to conflict with Federal law or stand as an obstacle or conflict with any efforts made by the Federal government to enforce Federal laws related to Cannabis related activities.

8.11.190 – Severability.

If any section, subsection, subdivision, clause, sentence, phrase, or portion of this Chapter is held unconstitutional or invalid or unenforceable by any court or tribunal of competent jurisdiction, the remaining sections, subsections, subdivisions, clauses, phrases or portions of this measure shall remain in full force and effect, and to this end the provisions of this Chapter are severable.

ATTACHMENT 3

Title 17 – ZONING

Article 5 – Standards for Specific Land Uses

Chapter 17.50 – Standards for Specific Land Uses

17.50.066 – Cannabis Businesses

- A. **Purpose.** It is the purpose of this Chapter to regulate commercial cannabis businesses consistent with state law including, but not limited to, the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”), and furthermore, to protect the health, safety, and welfare of the residents of the City of Pasadena. Nothing in this Chapter is intended to authorize the possession, use, or provision of cannabis for purposes which violate state or federal law. Medicinal and adult-use cannabis businesses shall comply with all provisions of the Pasadena Municipal Code, state law, and all other applicable local codes and regulations. The regulations in this Chapter do not interfere with a person’s right to obtain and use cannabis as authorized under state law; however, it is neither the intent nor the effect of this Chapter to condone the use or consumption of cannabis.
- B. **Legal authority.** Pursuant to Section 7 of Article XI of the California Constitution, the City of Pasadena is authorized to adopt ordinances that establish standards, requirements, and regulations for local licenses and permits for commercial cannabis businesses. Any standards, requirements, and regulations regarding health and safety, testing, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City of Pasadena to commercial cannabis businesses.
- C. **Definitions.** The technical terms and phrases used in this Chapter are defined in Pasadena Municipal Code Section 5.78.050 – Definitions (see PMC Chapter 5.78 – Commercial Cannabis Activity).

D. Retailer.

1. **Commercial cannabis permit required.** A cannabis retailer must obtain and maintain at all times a valid commercial cannabis permit as required by Chapter 5.78.
2. **Use permit required.** A use permit is required to establish or operate as a cannabis retailer.
3. **Limitation on the number of retailers.**
 - a. No more than six (6) retailers may operate within the City of Pasadena at any one time and no more than six (6) permits shall be issued by the City of Pasadena for retailers to operate within the City of Pasadena; and
 - b. No more than one (1) retailer may operate within a city council district at any one time.
4. **Location requirements.** Cannabis retailers shall be permitted in only the CO, CL, CG, and IG zoning districts and shall be subject to the following requirements:
 - a. No retailer shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any other cannabis retailer;
 - b. No retailer shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone;
 - c. No retailer shall be established or located within a mixed-use development project containing a residential use component;
 - d. No retailer shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any childcare center, in-home (family day care home), youth-oriented facility, church or faith congregation, or substance abuse center;
 - e. No retailer shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any park, library, or K-12 school;
 - f. Retailers shall be required to comply with all zoning, land use, and development regulations applicable to the underlying zoning district in which they are permitted to establish and operate as set forth in the Pasadena Municipal Code.

5. **Operating requirements.** In addition to those operating requirements specifically set forth in Section 5.78.170, the following operating requirements shall apply to all cannabis retailers operating in the City of Pasadena:
- a. Hours of operation. Retailers may be open for access to the public only between the hours of 7:00 a.m. and 10:00 p.m., Monday through Sunday.
 - b. For medicinal cannabis, the retailer shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and that the potential customer has a valid physician's recommendation. For adult-use cannabis, the retailer shall verify the age of each customer to ensure the customer is not under the age of twenty-one (21) years.
 - c. 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 and entry to the retailer to separate it from the reception/lobby area.
 - d. Notwithstanding the requirements of Section 15.78.160, 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.
 - e. Retailers may have only that quantity of cannabis and cannabis products reasonably anticipated to meet the daily demand readily available for sale on-site in the retail sales area of the retail facility.
 - f. All restroom facilities shall remain locked and under the control of management.
6. **Delivery services.** Permitted in association with retailer. Delivery of cannabis shall be permitted pursuant to this Section. A delivery service may operate only as a part of and in conjunction with a retailer permitted pursuant to state law and pursuant to this Section. Delivery of cannabis from a retailer permitted pursuant to this Section can only be made in a city or county that does not expressly prohibit it by ordinance.
7. **Conditions of approval.** The planning commission may address development and operational standards through conditions on the use permit as it determines to be necessary or appropriate for the use permit under consideration; provided, that conditions shall not conflict with the

provisions of Section 5.78.170 and Section 17.50.066(D)(5) relating to operating requirements of cannabis retailers, and shall be subordinate to conditions placed on the commercial cannabis permit issued under Chapter 5.78.

8. **Parking.** Off-street parking shall be provided as required for retail stores under Chapter 17.46.
9. **Discontinuance.** If a cannabis retailer authorized by a use permit approved under this Section is discontinued for a continuous period of 12 months, the use permit expires for discontinuance of use and thereafter is void.

E. Cultivation sites.

1. **Commercial cannabis permit required.** A cannabis cultivation site must obtain and maintain at all times a valid commercial cannabis permit as required by Chapter 5.78.
2. **Use permit required.** A use permit is required to establish or operate a cannabis cultivation site.
3. **Limitation on the number of cultivation sites.** No more than 4 cultivation sites may operate within the City of Pasadena at any one time and no more than 4 permits shall be issued by the City of Pasadena for cultivation sites to operate within the City of Pasadena.
4. **Location requirements.** Cannabis cultivation sites shall be permitted in only the CG and IG zoning districts and shall be subject to the following conditions:
 - a. No cultivation site shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone;
 - b. No cultivation site shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any childcare center, in-home (family day care home), youth-oriented facility, church or faith congregation, or substance abuse center;
 - c. No cultivation site shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any park, library, or K-12 school.
 - d. Cultivation sites shall be required to comply with all zoning, land use, and development regulations applicable to the underlying

zoning district in which they are permitted to establish and operate as set forth in the Pasadena Municipal Code.

5. **Operating requirements.** In addition to those operating requirements specifically set forth in Section 5.78.170, the following operating requirements shall apply to all cannabis cultivation sites operating in the City of Pasadena:
- a. All outdoor cultivation is prohibited. Commercial cannabis cultivation must occur indoors only.
 - b. In no case shall cannabis plants be visible from a public or private road, sidewalk, park, or any common public viewing area.
 - c. A cultivation site shall only be allowed to cultivate the square footage of canopy space permitted by state law under the type of cultivation license issued.
 - d. Cannabis cultivation shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.
 - e. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from pests, rodents, or other wildlife.
 - f. The cultivation of cannabis shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the commercial cannabis facility, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis.
 - g. All applicants for a commercial cannabis permit to operate a cannabis cultivation site shall submit the following in addition to the information generally otherwise required for a commercial cannabis business:
 - (1) A cultivation and operations plan that meets or exceeds minimum standards for water usage; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the premises, and a description of the cultivation

activities (indoor, mixed-light) and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting (indoor, mixed-light).

- (2) A description of a legal water source, irrigation plan, and projected water use.
 - (3) Identification of the source of electrical power and plan for compliance with applicable building codes and related codes.
 - (4) Plan for addressing odor and other public nuisances which may derive from the cultivation site.
6. **Conditions of approval.** The planning commission may address development and operational standards through conditions on the use permit as it determines to be necessary or appropriate for the use permit under consideration; provided, that conditions shall not conflict with the provisions of Section 5.78.170 and Section 17.50.066(E)(5) relating to operating requirements of cannabis cultivation sites, and shall be subordinate to conditions placed on the commercial cannabis permit issued under Chapter 5.78.
7. **Parking.** Off-street parking shall be provided as required for an "Industry, Standard" use under Chapter 17.46.
8. **Discontinuance.** If a cannabis cultivation site authorized by a use permit approved under this Section is discontinued for a continuous period of 12 months, the use permit expires for discontinuance of use and thereafter is void.

F. Testing laboratory.

1. **Commercial cannabis permit required.** A testing laboratory must obtain and maintain at all times a valid commercial cannabis permit as required by Chapter 5.78.
2. **Use permit required.** A use permit is required to establish or operate a testing laboratory.
3. **Limitation on the number of testing laboratories.** No more than four (4) testing laboratories may operate within the City of Pasadena at any one time and no more than four (4) permits shall be issued by the City of Pasadena for testing laboratories to operate within the City of Pasadena.
4. **Location requirements.** Cannabis testing laboratories shall be permitted in any zoning district where laboratories, medical or otherwise, are

permitted and shall be required to comply with all zoning, land use, and development regulations applicable to the underlying zoning district in which they are permitted to establish and operate as set forth in the Pasadena Municipal Code.

5. **Operating requirements.** In addition to those operating requirements specifically set forth in Section 5.78.170, the following operating requirements shall apply to all cannabis testing laboratories operating in the City of Pasadena:
 - a. Testing laboratories shall be required to conduct all testing in a manner pursuant to Business and Professions Code 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 Chapter 5.78 and any subsequent State of California legislation or regulations 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 testing laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the Bureau of Cannabis Control, as well as ELAP certification.
 - d. Testing laboratories shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the bureau unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the bureau.
 - 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 state licensee in accordance with state law, and shall not distribute, sell, or dispense cannabis, or cannabis products, from the state 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 laboratories shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or state 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.

6. **Conditions of approval.** The planning commission may address development and operational standards through conditions on the use permit as it determines to be necessary or appropriate for the cannabis testing laboratory use permit under consideration; provided, that conditions shall not conflict with the provisions of Section 5.78.170 and Section 17.50.151(F)(5) relating to operating requirements of cannabis testing laboratories, and shall be subordinate to conditions placed on the cannabis business permit issued under Chapter 5.78.
7. **Parking.** Off-street parking shall be provided as required for research and development offices under Chapter 17.46.
8. **Discontinuance.** If a cannabis testing laboratory authorized by a use permit approved under this Section is discontinued for a continuous period of 12 months, the use permit expires for discontinuance of use and thereafter is void.

ATTACHMENT 4

Pasadena Municipal Code, Title 17, Article 2, Section 17.22.030 is amended to delete the following:

~~“C. Marijuana.~~

- ~~1. Marijuana businesses. Commercial marijuana businesses or activities are prohibited in all zones.~~
- ~~2. Personal outdoor cultivation. Personal outdoor cultivation of marijuana is prohibited in all zones.~~
- ~~3. Personal indoor cultivation. Personal indoor cultivation of marijuana is permitted only to the extent allowable by Health and Safety Code Section 11362.1, which is no more than 6 living plants per single private residence. Personal indoor cultivation is also subject to the following:
 - ~~a. Marijuana cultivation is permitted only within fully enclosed and secure structures inaccessible to minors. Cultivation areas shall be secured by lock and key or other security device which prevents unauthorized entry and shall not be visible from a public right-of-way.~~
 - ~~b. Marijuana cultivation, including any lighting, plumbing, or electrical components used for cultivation, shall comply with Chapter 14.04 (Building Code and Related Codes) of the Pasadena Municipal Code. Lighting shall not exceed 1,000 watts per light. The use of~~~~

~~gas products (CO2, butane, etc.) or CO2 and Ozone generators for marijuana cultivation is prohibited. Any fully enclosed and secure structure or residence used for the cultivation of marijuana must have proper ventilation and shall not create a humidity or mold problem in violation of the Pasadena Municipal Code or applicable state health and safety codes.~~

~~c. Cultivation shall not be conducted in a manner that constitutes a public nuisance. A public nuisance may be deemed to exist if the cultivation produces light, glare, heat, noise, odor, or vibration that is or whose effect is either detrimental to the public health, safety, or welfare or interferes with the reasonable enjoyment of life or property.~~

~~d. Cultivation shall not displace required off street parking.~~

~~e. Accessory structures (including greenhouses) used for indoor growing must comply with all applicable development standards, must be screened from public streets or walkways, there shall not be exterior evidence of cultivation, and greenhouses in particular must not be visible from public streets or walkways."~~

Pasadena Municipal Code, Title 17, Article 2, Section 17.24.030 is amended to delete the following:

~~"C. **Marijuana businesses.** Commercial marijuana businesses or activities are~~

~~prohibited in all zones.”~~

Pasadena Municipal Code, Title 17, Article 2, Section 17.26.030.A is amended to delete the following:

~~“3. **Marijuana businesses.** Commercial marijuana businesses or activities are prohibited in all zones.”~~

Pasadena Municipal Code, Title 17, Article 3, Section 17.30.030 is amended to delete the following:

~~“F. **Marijuana businesses.** Commercial marijuana businesses or activities are prohibited in all zones.”~~

Pasadena Municipal Code, Title 17, Article 3, Section 17.31.040 is amended to delete the following:

~~“B. **Marijuana businesses.** Commercial marijuana businesses or activities are prohibited in all zones.”~~

Pasadena Municipal Code, Title 17, Article 3, Section 17.32.050 is amended to delete the following:

~~“B. **Marijuana businesses.** Commercial marijuana businesses or activities are prohibited in all zones.”~~

Pasadena Municipal Code, Title 17, Article 3, Section 17.33.040 is amended to delete the following:

~~“B. **Marijuana businesses.** Commercial marijuana businesses or activities are prohibited in all zones.”~~

Pasadena Municipal Code, Title 17, Article 3, Section 17.34.030 is amended to delete the following:

~~“B. **Marijuana businesses.** Commercial marijuana businesses or activities are prohibited throughout the overlay district.”~~

Pasadena Municipal Code, Title 17, Article 3, Section 17.35.030 is amended to delete the following:

~~“F. **Marijuana businesses.** Commercial marijuana businesses or activities are prohibited throughout the overlay district.”~~

Pasadena Municipal Code, Title 17, Article 3, Section 17.36.050 is amended to delete the following:

~~“B. **Marijuana businesses.** Commercial marijuana businesses or activities are prohibited in all zones.”~~

Pasadena Municipal Code, Title 17, Article 3, Section 17.37.040 is amended to delete the following:

~~“B. **Marijuana businesses.** Commercial marijuana businesses or activities are prohibited in all zones.”~~

Pasadena Municipal Code, Title 17, Article 8, Section 17.80.020.C is amended to delete the following:

~~“**Cannabis, or Marijuana.** ‘Cannabis’ or ‘Marijuana’ shall have the same definition as set forth in Title 8.”~~

~~“**Medical Marijuana Dispensary (land use).**”~~

~~A facility or location which provides, makes available or distributes medical marijuana to a primary caregiver, a qualified patient, or a person with an identification card issued in accordance with California Health and Safety Code Section 11362.5, et seq. This use is prohibited in the City of Pasadena."~~