

ORDINANCE NO. 2020-08

AN ORDINANCE OF THE CITY OF MARINA AMENDING PROVISIONS OF THE MUNICIPAL CODE RELATING TO THE REGULATION, PERMITTING AND TAXATION OF COMMERCIAL CANNABIS BUSINESSES, ACTIVITIES AND LAND USES

THE PEOPLE OF THE CITY OF MARINA DO ORDAIN AS FOLLOWS:

SECTION 1. Title 19 (Commercial Cannabis Activities) of the Marina Municipal Code is hereby repealed.

SECTION 2. Chapter 5.76 (Cannabis Retailer) of Title 5 (Business Taxes, Licenses and Regulation) of the Marina Municipal Code is hereby repealed.

SECTION 3. Chapter 5.80 (Commercial Cannabis Business Regulation) is hereby added to Title 5 (Business Taxes, Licenses and Regulation) of the Marina Municipal Code, to read as follows:

Chapter 5.80: Commercial Cannabis Business Regulation.

5.80.010 Short Title

This Chapter may be referenced as the “City of Marina Commercial Cannabis Business Ordinance of 2020.”

5.80.020 Authority

This Chapter is adopted pursuant to the authority granted to the City of Marina by its Charter and by Sections 5 and 7 of Article XI of the California Constitution.

5.80.030 Interaction with State Law

Nothing in this Chapter is intended to permit any activity that would otherwise be prohibited by state law, to excuse any Person from obtaining any license or permit that would otherwise be required by state law, or to override any requirement of state law that is stricter than a requirement contained herein. Any business that is regulated under this Chapter must fully comply with all requirements of both state law and this Chapter.

5.80.040 Defined Terms

All terms used in this Chapter shall have the same meanings as set forth in Medicinal and Adult Use Cannabis Regulation and Safety Act (Section 26000 *et seq.* of the California Business & Professions Code) except where explicitly defined in this Chapter to have some other meaning, or where some other meaning is manifestly clear from the context of the use of the term.

5.80.050 Definitions

For purposes of this Chapter, the following terms shall have the following meanings:

- (a) "Adult Cannabis Dispensary" means a Commercial Cannabis Business engaged in the retail sale of cannabis or cannabis products to customers who are 21 years of age and older.
- (b) "Background Clearance" means a certificate issued by the Public Safety administrator, or his or her designee, indicating that a Person has satisfied a background investigation conducted pursuant to Section 5.80.210 of this Chapter.
- (c) "Commercial Cannabis Business" means any Person who engages in a Commercial Cannabis Activity, but does not include any natural person who both: (i) engages in such activity solely as the employee or agent of a Commercial Cannabis Business that is has been issued a permit pursuant to this Chapter and (ii) only engages in Commercial Cannabis Activities that are allowed under such permit and at locations that are allowed under such permit.
- (d) "Director of Community Development" means the Director of Community Development or his or her designee.
- (e) "Medical Cannabis Dispensary" means a Commercial Cannabis Business engaged in the retail sale of Medicinal Cannabis and Medicinal Cannabis Products solely for use pursuant to the Compassionate Use Act of 1996 (Section 11362.5 of the California Health and Safety Code) by a medicinal cannabis patient in California who possesses a physician's recommendation.
- (f) "Owner," with respect to a Commercial Cannabis Business means any Person who is the Commercial Cannabis Business or is a shareholder, partner, member, officer, or Person with an investment interest in the Commercial Cannabis Business. Where an Owner of a Commercial Cannabis Business is not a natural person, a licensed financial institution, or a publicly traded company, each shareholder, partner, member, officer, or Person with an investment interest in that Owner shall also be considered an Owner. Any Person who does not meet the above criteria may also be classified as an Owner of a Commercial Cannabis Business upon the request of the Commercial Cannabis Business and that Person.
- (g) "Permit" means the permit required by Section 5.80.080 of this Chapter, which is in addition to and separate from any conditional use permit or other permit that is also required by this Code.
- (h) "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.
- (i) "Principal Owner" means a natural person who is an Owner of a Cannabis Business and who agrees to serve as the Principal Owner of the Cannabis Business for purposes of this Chapter.
- (j) "Public Safety Administrator" means the Chief of Police or his or her designee.
- (k) "Regulatory Administrator" means the City Manager or his or her designee.

5.80.060 Commercial Cannabis Activities Prohibited

Except as specifically authorized by this Chapter, all Commercial Cannabis Activities are prohibited in the City of Marina.

5.80.070 Personal Cannabis Activities Unaffected

This Chapter does not regulate activities that are permitted pursuant to Section 11362.1 of the California Health & Safety Code.

5.80.080 Commercial Cannabis Business Permit Required

No Person may engage in any Commercial Cannabis Activity within the City of Marina except as part of a Commercial Cannabis Business for which a Permit has been obtained from the Regulatory Administrator pursuant to this Chapter.

5.80.090 Number and Types of Permits

- (a) A Permit shall specify the Commercial Cannabis Activities that may be conducted by the Commercial Cannabis Business. Only the following types of Commercial Cannabis Businesses may be authorized: Medical Cannabis Dispensary, Adult Cannabis Dispensary, Delivery, Cultivation, Manufacturing, Testing Laboratory, Nursery, and Distribution.
- (b) There may be no more than three valid Permits for the operation of Medical Cannabis Dispensaries in the City of Marina at any one time.
- (c) There may be no more than three valid permits for the operation of Adult Cannabis Dispensaries in the City of Marina at any one time.
- (d) There shall be no limit on the number of permits that may be issued for Cultivation, Manufacturing, Testing Laboratories, Nurseries or Distribution.
- (e) A Permit for Delivery may be issued only to the holder of a Permit for a Medical Cannabis Dispensary or an Adult Cannabis Dispensary and only for deliveries initiated from the Medical Cannabis Dispensary or Adult Cannabis Dispensary
- (f) A Permit shall only authorize the operation of a Commercial Cannabis Business at the specific location stated on the Permit.
- (g) A single Permit may authorize a single Commercial Cannabis Business to conduct multiple types of Commercial Cannabis Activities at a single location.
- (h) No application for a Permit for Cultivation, Manufacturing, Testing Laboratory, Nursery or Distribution shall be accepted prior to July 1, 2021. The purpose of this paragraph is to permit the City Council to adopt additional regulations, beyond those existing under state law, on such businesses.

5.80.100 Permit

The Permit shall list the following information:

- (a) The name of the Commercial Cannabis Business.
- (b) The location (including unit number for a business located in a multi-unit complex) at which the Commercial Cannabis Business may be conducted.

- (c) The type(s) of Commercial Cannabis Activity that may be conducted.
- (d) The name of each Owner of the Commercial Cannabis Business.
- (e) The name of the Principal Owner of the Commercial Cannabis Business.
- (f) The name of the Operating Manager of the Commercial Cannabis Business.
- (g) The name of each Assistant Operating Manager (if any) of the Commercial Cannabis Business.
- (h) The expiration date for the Permit.
- (i) Such other information as the Regulatory Administrator considers necessary or useful.

5.80.110 Separate from Business License

Nothing in this Chapter shall excuse any Person from obtaining a business license pursuant to Section 5.08.010 of this Code or complying with any otherwise applicable provision of this Code.

5.80.120 Conditions for Issuance

No Permit shall be issued until each of the following conditions have been met:

- (a) The Public Safety Administrator has (i) approved a Safety and Security Plan for the Commercial Cannabis Business, (ii) conducted such inspections as he or she deems necessary prior to the commencement of business by the Commercial Cannabis Business, and (iii) certified to the Regulatory Administrator that the Commercial Cannabis Business has implemented all elements of the Safety and Security Plan.
- (b) The Director of Community Development has certified to the Regulatory Administrator that the Commercial Cannabis Business has passed all inspections and obtained all necessary permits and certificates from the planning and building departments (including any use permit necessary pursuant to Title 17 of this Code) for the immediate commencement of the Commercial Cannabis Business at its location.
- (c) The Public Safety Administrator has issued a Background Clearance within the prior ninety days for each Owner of the Commercial Cannabis Business.
- (d) The Public Safety Administrator has issued a Background Clearance within the prior ninety days for each Operating Manager and Assistant Operating Manager of the Commercial Cannabis Business.
- (e) The Fire Chief has certified to the Regulatory Administrator that (i) the Commercial Cannabis Business has passed an inspection for compliance with the requirements of the City of Marina Fire Code or (ii) no such inspection is necessary.
- (f) The Commercial Cannabis Business has obtained a business license as required by this Code and paid any applicable business license tax.
- (g) The Commercial Cannabis Business has obtained a seller's permit issued by the California Department of Tax & Fee Administration.
- (h) The Commercial Cannabis Business has obtained permits from the Bureau of Cannabis Control for each Commercial Cannabis Activity listed on the Permit.

- (i) The Commercial Cannabis Business has paid all fees and taxes due to the City in connection with the Commercial Cannabis Business.

5.80.130 Term and Renewal

The term of the Permit shall be one year. The Regulatory Administrator shall not renew a Permit until each of the following conditions have been met:

- (a) The Public Safety Administrator has issued a Background Clearance for each Owner of the Commercial Cannabis Business no earlier than ninety days prior to the renewal date.
- (b) The Public Safety Administrator has issued a Background Clearance for each Operating Manager and Assistant Operating Manager of the Commercial Cannabis Business no earlier than ninety days prior to the renewal date.
- (c) The Public Safety Administrator has approved a Safety and Security Plan for the Commercial Cannabis Business and has, no earlier than ninety days prior to the renewal, certified to the Regulatory Administrator that the Commercial Cannabis Business has implemented all elements of the Safety and Security Plan
- (d) The Commercial Cannabis Business has paid all fees and taxes due to the City in connection with the Commercial Cannabis Business.
- (e) If the Commercial Cannabis Business is a Medical Cannabis Dispensary or an Adult Cannabis Dispensary, the Commercial Cannabis Business has established, to the satisfaction of the Regulatory Administrator, that the business has been open to customers for at least six hours per day on no less than 80 of the 180 days prior to the renewal date. The Regulatory Administrator may waive this requirement in the event that extenuating circumstances, such as a public health emergency, the destruction of the business premises, or enforcement or administrative proceedings by the City under this Code, made it impracticable for the Commercial Cannabis Business to be open to customers as would otherwise be required by this paragraph.
- (f) The Commercial Cannabis Business has a valid business license as required by this Code and has paid any applicable business license tax.
- (g) The Commercial Cannabis Business has a valid seller's permit issued by the California Department of Tax & Fee Administration.
- (j) The Commercial Cannabis Business has a valid permit from the Bureau of Cannabis Control for each Commercial Cannabis Activity for each Commercial Cannabis Activity listed on the Permit.

5.80.140 Change of Owner or Operating Manager

The Regulatory Administrator may add or remove an Owner, Operating Manager, or Assistant Operating Manager to or from a Permit upon application of the Commercial Cannabis Business, but shall not add a Person to the Permit unless the Public Safety Administrator has issued a Background Clearance for that Person within the prior ninety days.

5.80.150 Resignation of Operating Manager

Upon being notified by an Operating Manager or Assistant Operating Manager that he or she no longer serves in that capacity with respect to a Commercial Cannabis Business, the Regulatory Administrator shall remove that Person's name from the Permit for the Commercial Cannabis Business.

5.80.160 Addition of Commercial Cannabis Activity

Upon application of a Commercial Cannabis Business, the Regulatory Administrator may add a Commercial Cannabis Activity to the Permit for the Commercial Cannabis Business. However, he or she shall not do so unless all of the criteria set forth in Section 5.80.120 of this Code have been met. If a Commercial Cannabis Activity is added to a Permit, the expiration date for that Permit (and all Commercial Cannabis Activities listed on the Permit) shall be one year from the date the activity is added. This Section should not be interpreted to excusing a Commercial Cannabis Business seeking to add a Commercial Cannabis Activity to its Permit from obtaining any use permit that would otherwise be required pursuant to Title 17 of this Code for any new or expanded use.

5.80.170 Change of Location

- (a) A Permit issued to a Commercial Cannabis Business for operation at a location cannot be transferred to a new location. Operation at a new location requires an entirely new Permit.
- (b) As part of an application to operate at a new location, a Medical Cannabis Dispensary or an Adult Cannabis Dispensary may commit to ceasing operations at the original location upon the issuance of a Permit for the new location.

5.80.180 Availability of Permits

Solely for the purpose of any limits set forth in Section 5.80.090 of this Code upon the number of Permits that may be valid at any one time:

- (a) A Permit that has been voluntarily relinquished by a Commercial Cannabis Business shall be considered no longer valid as of the date of relinquishment.
- (b) A Permit that has been revoked by the City or for which renewal has been denied by the City shall be considered no longer valid as of the date upon which the revocation or non-renewal became final and all avenues of appeal pursuant to this Code were exhausted.
- (c) A Permit that has expired shall be considered no longer valid as of sixty days after its expiration unless an application for renewal has been submitted
- (d) Where a Commercial Cannabis Business has applied for a Permit for a new location and made a commitment to cease operations at its existing location pursuant to Section 5.80.170(b) of this Chapter, the Permit for operations at a new location shall be considered a continuation of the Permit for operations at the existing location so long as:

- (1) the Commercial Cannabis Business ceases all operations at its existing location within thirty days of the commencement of operations at the new location; and
- (2) the Commercial Cannabis Business has established, to the satisfaction of the Regulatory Administrator, that the existing location had been open to customers for at least six hours per day on no less than 80 of the 180 days prior to the renewal date. The Regulatory Administrator may waive this requirement in the event that extenuating circumstances, such as a public health emergency, the destruction of the business premises, or enforcement or administrative proceedings by the City under this Code, made it impracticable for the Commercial Cannabis Business to be open to customers at the existing location for the requisite number of days.

5.80.190 Pre-Applications

With respect to any class of Commercial Cannabis Business for which Section 5.80.090 sets forth a limit on the number of valid permits that may be issued pursuant to this Section:

- (a) Any time the number of valid permits (counted as set forth in Section 5.80.180 of this Chapter) is less than the maximum number allowed, the Regulatory Administrator may designate a “lottery window” which shall be no less than one month in duration.
- (b) Prior to the commencement of the “lottery window” the Regulatory Administrator shall cause an announcement of the “lottery window” to be published in a newspaper of general circulation that is circulated in Marina and to be mailed to any Person who has, during the two years prior to the date on which such notification is published, filed with the Regulatory Administrator a request for mailed notification pursuant to this paragraph.
- (c) The Regulatory Administrator shall accept pre-applications only during the “lottery window”. Each pre-application must be submitted on behalf of a specific Person who wishes to receive a Permit to conduct a Commercial Cannabis Business in the City, and must designate a natural person who will serve as the Principal Owner of the Commercial Cannabis Business.
- (d) No Person may submit more than one pre-application during a lottery window for each type of Permit, nor can an individual be listed as Principal Owner on more than one pre-application submitted during a lottery window for each type of Permit.
- (e) Pre-applications shall be submitted on a form designed by the Regulatory Administrator. The Regulatory Administrator shall reject any pre-application that is not complete or does not comply with regulations issued by the Regulatory Administrator prior to the commencement of the “Lottery Window.”
- (f) Following the close of the “lottery window”, the Regulatory Administrator shall select at random one pre-application for each Permit announced pursuant to paragraph (b) of this Section.
- (g) Before conducting the selection pursuant to paragraph (e) of this Section, the Regulatory Administrator may require that each Person applying for a Permit and each Person listed as a Principal Owner obtain a Background Clearance

or some other, less comprehensive, background investigation as the Regulatory Administrator may instead require.

- (h) The Regulatory Administrator may invalidate a selection conducted pursuant to paragraph (e) of this section and call for a new lottery window requiring new applications, if he or she reasonably determines that the selected pre-application was submitted fraudulently or that the selected pre-applicant or Principal Owner appears is a “straw man” for a Person submitting a non-selected Pre-Application.
- (i) The Regulatory Administrator shall accept an application for a new Permit pursuant to Section 5.80.200 (other than an application that includes a commitment to cease existing operations pursuant to 5.80.170) only from a Person who submitted a selected pre-application. Once a pre-application has been selected, that pre-application shall count as a “valid permit” for purposes of any limitation on the number of permits that may be issued pursuant to Section 5.80.090. The pre-application shall expire six months from its selection. The expiration date may be extended by the Regulatory Administrator for two months, if (at the time of expiration or the expiration of an extension) the Regulatory Administrator determines that an application has been submitted and is being processed by the City.
- (j) The City Council may, by resolution, establish an pre-application fee which must be paid at the time a pre-application is submitted to the Regulatory Administrator and may require that each pre-application be accompanied by a deposit against fees that can be expected to be incurred by the pre-applicant in connection with the application process if the pre-applicant is selected.

5.80.200 Application

An application for a new Permit, for the renewal of a Permit, for a change of Owner, Principal Owner, Operating Manager or Assistant Operating Manager, for the addition of a Commercial Cannabis Activity to a Permit, or for the relinquishment of a Permit shall be submitted on the form provided for such purpose by the Regulatory Administrator and shall include such information as may be reasonably requested by the Regulatory Administrator. The City Council may, by resolution, establish an application fee which must be paid at the time such application is submitted to the Regulatory Administrator.

5.80.210 Background Clearance

The Public Safety Administrator shall cause a background investigation of any Person upon the request of such Person. Such investigation shall include, a LiveScan background check and such other investigations as the Public Safety Administrator deems necessary. The Public Safety Administrator may establish a procedure for conducting such investigation and may establish criteria for issuing a Background Clearance for purposes of this Chapter. A request for a background investigation shall be made on the form designed by the Public Safety Administrator. The Person making such request shall provide the Public Safety Administrator with any information or documents that he or she may reasonably request. The City Council may, by Resolution, establish a fee for a background investigation or clearance.

In addition to any criteria he or she may establish, the Public Safety Administrator shall not issue a background clearance to any Person who the Public Safety Administrator determines:

- (a) Has ever been convicted of (i) a violent felony as defined by California Penal Code 667.5, (ii) any violation of California Penal Code Sections 243 through 247, except for subdivision (a) of Section 243, or (iii) an equivalent offense in another state;
- (b) Has ever been convicted of a crime involving dishonesty, fraud or deceit, including but not limited to fraud, forgery, theft, and embezzlement as those offenses are defined in California Penal Code Sections 186.11, 470, 484, and 504a, respectively; or equivalent offenses in other states; or
- (c) Has ever been convicted of the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, other than cannabis-related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996; or
- (d) Has, unless for a reason deemed by the Public Safety Administrator to be immaterial, ever had any permit to operate a cannabis business revoked by any jurisdiction or had any professional or business license revoked by any jurisdiction; or
- (e) Has failed, if not a natural person, to fully disclose the identities of all of its owners in any application to the City or upon request of the Public Safety Administrator or the Regulatory Administrator.
- (f) Has made a material misstatement of fact, other than a misstatement that the Public Safety Administrator determines was a reasonable and inadvertent error, on any application to the City, in any proceeding before the City Council or Planning Commission, or to the Public Safety Administrator or the Regulatory Administrator or their staffs.

5.80.220 Safety and Security Plan

No Commercial Cannabis Business may be issued a Permit, or have a Permit renewed, without a Safety and Security Plan that has been approved by the Public Safety Administrator. The Public Safety Administrator may establish elements that must be included in the Safety and Security Plan, and may require that such Plan include business procedures, employee screening procedures, inventory and recordkeeping procedures, cameras and physical security improvements, floorplans, security system schematics, and limitations on operations, that, in his or her reasonable opinion, are necessary to (i) deter and prevent unauthorized entrance into areas containing cannabis or cannabis products, (ii) deter and prevent the theft of cannabis or cannabis products and (iii) ensure compliance with applicable law and legal conditions imposed by the City. The City Council may establish fees for the submission or approval of a public safety plan, for the certification by the Public Safety Administrator of compliance with a Safety and Security Plan, or for compliance inspections conducted in connection with applications or renewals for permits issued pursuant to this Section. It shall be a violation of this Code for any Commercial Cannabis Business or person employed by a Commercial Cannabis Business to fail to comply with a provision of the approved Safety and Security Plan.

Except as may be reasonably waived by the Public Safety Administrator, the Safety and Security Plan shall require, at a minimum, all of the following:

- (1) Alarm systems (perimeter, fire, and panic buttons) that are professionally installed, maintained, and remotely monitored at all times by a security company licensed by the State of California Bureau of Security and Investigative Services.
- (2) Perimeter lighting systems (including motion sensors) for after-hours security.
- (3) A requirement that individuals leave the premises if they are not engaging in an activity directly related to the permitted operations of the business.
- (6) The creation of one or more limited access areas accessible only to individuals specifically authorized by the business to handle cannabis and cannabis products.
- (7) The storage of all cannabis and cannabis products, except for live plants at a cultivation or nursery operation, in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live clone plants that are being sold, shall be kept in a manner as to prevent diversion, theft, and loss.
- (8) 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 business which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. Remote live access to the video footage from the cameras shall be available to the Public Safety Administrator. Video recordings shall be maintained for a minimum of 90 days and shall be made available to the Public Safety Administrator upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the commercial cannabis business and shall be capable of enlargement via projection or other means.
- (9) Sensors that detect entry and exit from all secure areas and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.

- (10) Panic buttons with direct notification to the Marina Police Department dispatch and shall be configured to immediately alert dispatch for the Marina Police Department.
- (13) A requirement that licensed security personnel shall be on-site during any hours when any person is allowed on-premises.
- (14) Security equipment that remains operative during a power outage and ensures that access doors are not released during a power outage.
- (15) A requirement that entrance areas be locked at all times and under the control of a designated responsible party that is either; (a) an owner, agent or employee of the business or (b) a licensed security professional.
- (16) An accounting software system to provide point of sale data as well as audit trails or both product and cash, where applicable.
- (19) A plan for compliance with the state's track and trace system for cannabis and cannabis products, as soon as it is operational.
- (20) Network security protocols that are certified by Underwriters Laboratories.
- (21) A requirement that exterior vegetation shall be planted, altered and maintained in a fashion that precludes its use as a hiding place for persons on the premises.
- (22) Emergency access and emergency evacuation plans that are in compliance with state and local fire safety standards.

5.80.230 Finances

- (a) A Commercial Cannabis Business may only operate at a location, occupy a structure, or use personal or real property of any kind, if that location, structure, or property is owned by the Commercial Cannabis Business or an Owner of the Commercial Cannabis Business.
- (b) Notwithstanding paragraph (a) of this Section, a Commercial Cannabis Business (or Owner thereof) may lease property of any kind in from a third party in connection with the Commercial Cannabis Business, so long as (i) the lease does not exceed fair market value for a lease to a Commercial Cannabis Business and (ii) the payments due to under the lease are stated as a fixed monthly or annual amount or are based on a formula that does not take into account the sales or profits of the Commercial Cannabis Business.
- (c) No Commercial Cannabis Business, or Owner thereof, shall enter into any contract with any party other than an Owner, employee or agent of the Commercial Cannabis Business that in any way varies the obligations under the contract based on the gross receipts or profits of the Commercial Cannabis Business.
- (d) A Commercial Cannabis Business (or Owner thereof) may enter into a lease or agreement that would otherwise be prohibited by paragraphs (b) or (c) of this

Section if both (i) all counterparties to the lease or agreement are treated as Owners of the Commercial Cannabis Business on the Permit for the Commercial Cannabis Business and (ii) a copy of the lease or agreement is provided to the Public Safety Administrator.

5.80.240 Compensation

No employee or agent of a Commercial Cannabis Business may be compensated based on the gross receipts or profits of the Commercial Cannabis Business, and no employee or agent may be compensated on any basis other than an hourly wage or fixed monthly salary, unless that employee or agent has obtained Background Clearance pursuant to this Chapter. For purposes of this Section, a Background Clearance shall be good for two years from the date of its issuance.

5.80.250 Employee LiveScan Checks

- (a) No Commercial Cannabis Business shall use the services of an employee or agent unless that employee or agent has, within the prior 365 days, either (i) obtained a Background Clearance or (ii) obtained LiveScan clearance from the Public Safety Administrator.
- (b) The Public Safety Administrator shall not grant LiveScan clearance to any individual if a LiveScan background check indicates that the individual has been convicted of a crime that would preclude the issuance of a Background Clearance pursuant to this Chapter.
- (c) No Person who has applied for and been denied Background Clearance may serve as an employee or agent of a Commercial Cannabis Business unless Background Clearance is subsequently issued.
- (d) The Public Safety Administrator may revoke a LiveScan clearance if he or she at any time determines that the subject of the clearance has been convicted of a crime that would preclude the issuance of Background Clearance pursuant to this Chapter.
- (e) The City Council may, by Resolution, establish a fee for LiveScan clearance.

5.80.260 Restriction On-Premises Consumption and Sale of Alcohol and Tobacco.

No Person shall sell or dispense or consume alcoholic beverages or tobacco products on the premises of a Commercial Cannabis Business. No Person shall consume cannabis or cannabis products on the premises of any Commercial Cannabis Business.

5.80.270 Minors

- (a) Persons under the age of 21 years shall not be allowed on the premises of a Commercial Cannabis Business
- (b) Notwithstanding Paragraph (a) of this Section, a person aged 18 to 20 years may enter the premises of a Medical Cannabis Dispensary solely for the purpose of obtaining cannabis or cannabis products pursuant to a physician's recommendation.

- (c) A sign at the entrance to the Commercial Cannabis Business shall clearly state, in a form and font acceptable to the Public Safety Administrator, the rule set forth in this Section as applicable to the Commercial Cannabis Business.

5.80.280 Operating Manager

- (a) The Operating Manager of a Commercial Cannabis Business must be an owner or full-time employee of the Commercial Cannabis Business.
- (b) No Commercial Cannabis Business may operate at any time unless an Operating Manager or Assistant Operating Manager or Owner who has been listed on the Permit is on the premises.
- (c) The Commercial Cannabis Business must provide the Public Safety Administrator and the Fire Department with a 24-hour contact number for the Operating Manager and at least one Assistant Operating Manager.
- (d) If the Operating Manager of a Commercial Cannabis Business ceases employment or takes a vacation or leave of absence of more than 10 consecutive days, the Commercial Cannabis Business must designate an Assistant Operating Manager or Owner to serve as Operating Manager during this period and must notify the Public Safety Administrator and the Fire Department of such designation and of the 24-hour contact number for the designated individual.
- (e) All Operating Managers and Assistant Operating Managers must be authorized by the Commercial Cannabis Business to report any violation of law to the Marina Police Department, to call the Marina Police Department for assistance, and to close the business to customers during any period when the Commercial Cannabis Business cannot operate in compliance with law or with the Safety and Security Plan.

5.80.290 Reporting

A Commercial Cannabis Business shall notify the Marina Police Department within twenty-four hours after discovering any of the following:

- (a) Significant discrepancies in inventory;
- (b) Diversion, theft, loss, or any criminal activity involving the dispensary or any agent or employee of the dispensary;
- (c) The loss or unauthorized alteration of records; or
- (d) Any breach in security.

5.80.300 Violation

Violations of (i) the requirements of the Chapter or of any Permit, or (ii) any requirement of the Medicinal and Adult Use Cannabis Regulation and Safety Act or any regulation issued thereunder, constitute violation of this Code that are subject to the provisions of Chapter 1.08 of this Code. Additionally, any such violations may constitute a public nuisance that may be remedied pursuant to Chapter 17.60 of this Code.

5.80.310 State License

Any Commercial Cannabis Business that forfeits a permit issued to it pursuant to the Medicinal and Adult Use Cannabis Regulation and Safety Act or has such permit revoked must immediately cease all activities in the City of Marina for which that permit is required and must report such forfeiture or revocation to the Regulatory Administrator and the Public Safety Administrator. The Regulatory Administrator may revoke any Permit issued pursuant to this Chapter for a Commercial Cannabis Activity that the Commercial Cannabis Business is no longer entitled to engage in pursuant to the Medicinal and Adult Use Cannabis Regulation and Safety Act.

5.80.320 Appeal

Any applicant or Commercial Cannabis Business may, within 10 days of the date of a decision, appeal to the City Manager any final decision of the Public Safety Administrator or the Regulatory Administrator pursuant to this Chapter with regard to the final denial or revocation of any permit, renewal, certification, clearance or approval applied for or held by the applicant or business. The City Manager may promulgate procedures for the consideration of any such appeal. Any decision of the City Manager shall be final.

5.80.330 Administrative Interpretations

The Public Safety Administrator and the Regulatory Administrator may issue such administrative interpretations of this Chapter as they find appropriate.

5.80.340 Fees

The City Council may, by resolution, adopt a fee for any application, permit, certificate, clearance, investigation, inspection, audit, appeal or other staff action or service provided pursuant to this Chapter.

5.80.350 Tax

- (a) Each Commercial Cannabis Business shall pay a tax of 5% of gross receipts in addition to the tax that would normally be required by Section 5.08.010 of this Code. For purposes of this Section, taxable gross receipts shall include gross receipts attributable to any business conducted by the Commercial Cannabis Business or on its premises.
- (b) Except where clearly inapplicable, such tax shall be administered in the same manner (and subject to the same provisions of this Code) as the business license tax required by Section 5.08.010, except that the tax shall be collected and administered by the Regulatory Administrator.
- (c) The tax shall be collected quarterly and due and payable on the first day of each calendar quarter.
- (d) The Regulatory Administrator may issue administrative interpretations of this requirement, may require that tax payments be made on a more frequent schedule than quarterly or on a different schedule than set forth in this Section, may set the may require that a deposit be made against any taxes that will be due in arrears, and may delegate his or duties under this Section to an employee of another City department with the consent of the City Manager.

- (e) All taxes collected pursuant to this Section shall be deposited in the general fund of the City and available for any lawful municipal purpose
- (f) The City Council may, by resolution, establish fees for audits of tax returns submitted pursuant to this Section.

5.80.360 Inspection of Records and Premises

Any Commercial Cannabis Business must allow the inspection of its records and premises at any time as requested by the Public Safety Administrator or the Regulatory Administrator.

SECTION 4. Chapter 17.47 (Commercial Cannabis Uses) is added to Title 17 (Zoning) of the Marina Municipal Code, to read as follows:

Chapter 17.47: Commercial Cannabis Uses.

17.47.010 Criteria Applicable to All Commercial Cannabis Uses.

In addition to any other requirement of this Chapter, and to the generally applicable standards of this Title for the issuance of conditional use permits and for development in the zone in which the use will be located, no use permit for a commercial cannabis land use shall be issued unless:

- (a) The site is no closer than 600 feet to any child day care center (as defined by Section 17.04.211 of this Code), school serving students in grades K-12, public recreation center or public park. All distances shall be measured in a straight line, without regard to intervening structures, from the nearest point of the building or structure (or portion of building or structure) occupied or to be occupied by the Commercial Cannabis Business to the nearest property line of those uses described in this Subsection.
- (b) The use, as conditioned, will not generate offensive noise or odors.

17.47.020 Criteria Applicable to Retail Commercial Cannabis Uses

In addition to any other requirement of this Chapter, and to the generally applicable standards of this Title for the issuance of conditional use permits and for development in the zone in which the use will be located, no use permit for a retail commercial cannabis land use shall be issued unless:

- (a) The site is no closer than 1,000 feet to any other retail commercial cannabis land use. All distances shall be measured in a straight line, without regard to intervening structures, from the nearest point of the building or structure (or portion of building or structure) occupied or to be occupied by each Commercial Cannabis Business.
- (b) If the use, as conditioned, allows a delivery component, adequate off-street loading areas are provided for all loading and standing of delivery vehicles.

17.47.030 Signage and Display of Cannabis Products

With respect to all cannabis land uses:

- (a) No graphics depicting cannabis or cannabis products shall be painted, attached, or otherwise affixed to the exterior of any building and no such graphic shall be included on any exterior sign.
- (b) No graphics depicting cannabis or cannabis products shall be displayed in a manner than is visible from outside of the property, or is visible from any location, such as a common parking area or walkway, that is shared by multiple businesses.
- (c) No cannabis or cannabis products shall be displayed or handled in a manner than is visible from outside of the property, or is visible from any location, such as a common parking area or walkway, that is shared by multiple businesses.
- (d) In addition to all other applicable restrictions in this Code, any signs that are visible from outside of the property, or are visible from any location, such as a common parking area or walkway, that is shared by multiple businesses, shall be limited to the name and/or address of the business, and shall contain no other information or graphics aside from information or graphics that are required to be posted in a manner that is visible from outside the business by applicable law (new suggested addition further described below).

17.47.040 Interaction with Chapter 5.80

No application shall be accepted:

- (a) For a use permit that includes one or more types of commercial cannabis activities to which Section 5.80.190 of this Code applies, unless the use that is proposed to be operated by a person who is either (i) the holder of an unexpired cannabis business permit preapplication that has been selected pursuant to Section 5.80.190(i) for each such activity or (ii) the holder of an existing cannabis business permit for each such activity who has made a commitment to cease operations at their existing site pursuant to Section 5.80.170. Each such person may have only one active use permit application for each qualifying cannabis business permit preapplication or qualifying cannabis business permit.
- (b) While such prohibition is in effect, for a use permit that includes any commercial cannabis activity for which the City is prohibited from issuing a commercial cannabis permit by Section 5.80.090(h) of this Code.

17.47.050 Existing Retail Sites

Notwithstanding the provisions of chapter 17.52 of this code and Section 17.47.010 of this chapter, a site shall be treated for all purposes of this division as if no part of the site were within 600 feet of any public park when both of the following are true: (i) a use permit has been properly issued for a retail commercial cannabis use on the site and (ii) as a result of the adoption of this chapter (and but for the existence of this section), the commercial cannabis use would be a legal nonconforming use because a building on the site is within 600 feet of a public park.

The intent of this section is to both (i) permit a retail commercial cannabis use that is allowed under a conditional use permit that was issued for that use prior to the adoption of this chapter to expand, or add additional commercial cannabis uses on its site as if the site were not located within 600 feet of a public park and (ii) not classify any such use as a nonconforming use solely because of the on proximity to a public park of an existing or new structure on that site.

SECTION 5. Section 17.06.020 of the Marina Municipal Code is hereby amended so that Subdivisions A and B of that Section read as follows, and all other subdivisions remain unchanged:

A. No dancehall, roadhouse, nightclub, commercial club, establishment or business where alcoholic beverages are served or sold for off-sale consumption, commercial place of amusement or recreation, including but not limited to an amusement center or arcade, or place where entertainers are provided whether as social companions or otherwise, shall be established in any zoning district in the city unless a use permit is first secured in each case.

B. A finding of public convenience or necessity is required for an establishment or business where alcoholic beverages are served or sold for on- and/or off-sale consumption within an area of undue concentration. Such finding shall require that selling of alcohol for on- and/or off-sale consumption at the subject establishment of business:

1. Will not constitute a public nuisance;
2. Will not occur within five hundred feet of a park or school or place of public assembly;
3. Will not contribute to law enforcement problems associated with an undue concentration of on- and/or off-sale licenses in the vicinity of the subject business or establishment.

SECTION 6. Any provision of this Ordinance or of the ordinance adopted by the voters of the City of Marina at the November 6, 2018 election as Measure V may be amended by Ordinance of the City Council, except that the rate of the tax imposed by Section 5.80.350 may not be increased without voter approval.

SECTION 7. It is the intent of the People of the City of Marina that the City Council shall set fees pursuant to the authority of the Ordinance in an amount that will fully fund all costs associated with the regulation of Commercial Cannabis Businesses. The City Council is authorized to set, by resolution, any such fee. Any fee set by initiative or by Council action prior to the effective date of this Ordinance shall continue in effect until specifically repealed, increased, or decreased by resolution of the City Council.

SECTION 8. It is the intent of the People of the City of Marina that the provisions of Section 17.47.010(a) of the Municipal Code shall apply within the City in lieu of the requirements of Section 26054 of the California Business & Professions Code.

SECTION 9.

(a) Any commercial cannabis permit issued pursuant to Title 19 of the Municipal Code prior to the repeal of that Title by this Ordinance shall be treated as a valid permit issued pursuant to this Ordinance and may be renewed pursuant to this Ordinance.

Any conditions, requirements and limitations set forth on such permit shall remain in effect during the term of the permit and during any renewal term.

- (b) Any application for a permit that was submitted prior to the effective date of this Ordinance will be processed under the laws existing laws at the time of application.
- (c) Notwithstanding subdivision (b), an applicant for a non-retail commercial cannabis permit may request that such permit be processed pursuant to this Ordinance instead of pursuant to the prior law.

SECTION 10. It is the intent of the People of the City of Marina that the tax imposed by this ordinance shall be considered a continuation of the existing tax on cannabis businesses, and that the prior tax shall cease application only upon the effectiveness of the tax imposed by this Section. The People would not have repealed the existing tax with respect to any person if the tax adopted pursuant to this Ordinance were invalid with respect to that person.

It is not the intent of this Ordinance to cause the tax against any person to increase above the rates that were authorized for City Council adoption in the ordinance adopted by the voters of the City of Marina at the November 6, 2018 election as Measure V. In the event that any person would be charged under this Ordinance a tax in excess of such authorized rate, the tax applied to that person will be reduced to the maximum amount that could be levied without additional voter approval.

SECTION 11. If any word, phrase, sentence, part, section, subsection, or other portion of this Ordinance, or any application thereof to any person or circumstance is declared void, unconstitutional, or invalid for any reason, then such word, phrase, sentence, part, section, subsection, or other portion, or the prescribed application thereof, shall be severable, and the remaining provisions of this title, and all applications thereof, not having been declared void, unconstitutional or invalid, shall remain in full force and effect. The People hereby declares that they would have passed this title, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases had been declared invalid or unconstitutional.

Certified as adopted by the People of the City of Marina at the Municipal General Election held on November 3, 2020.

Bruce C. Delgado, Mayor

ATTEST:

Anita Shepherd-Sharp, Deputy City Clerk

Date: