Shall a ballot measure be submitted to the voters of the City of Long Beach at a general municipal election or, alternatively, at a regular municipal election, that will tax, regulate and allow Medical Marijuana Businesses to operate in the City of Long Beach?

If approved by the voters of the City of Long Beach, that measure (hereinafter, the "Measure") shall amend the Division II of Chapter 3.80 of the Long Beach Municipal Code regarding the business license tax on Marijuana Businesses by repealing Section 3.80.260, and amending Section 3.80.261, as follows:

"THE PEOPLE OF THE CITY OF LONG BEACH DO ORDAIN AS FOLLOWS:

Section 1. Repeal. Section 3.80.260 of the Long Beach Municipal Code is hereby repealed in its entirety.

Section 2. Amendment. Subsections (A)(1), (4), (7), (8) and (9), Subsections (B)(1), (2), (3) and (4), Subsection (E), Subsection (F), Subsection (H), Subsection (I), Subsection (J) and Subsection (K) of Section 3.80.261 of the Long Beach Municipal Code, are hereby amended as follows:

A. Annual Business License Tax.

1. Every Marijuana Business and Marijuana Cultivation Facility, whether it is a "not for profit," a "non-profit," or a "Non-Profit Organization," as defined in this Section, or a for-profit business, shall pay an annual business license tax in accordance with Chapter 3.80 of this Code and the Sections and Subsections hereunder.

* * *

4. For the purposes of this Section, "Marijuana Business" shall mean any activity that involves, but is not limited to transporting, dispensing, delivering, selling at retail or wholesale, manufacturing, compounding, converting, processing, preparing, storing, packaging or testing, any part of the plant cannabis sativa L, or any of its derivatives.

* * *

7. For the purposes of this Section, "Square Foot" or "Square Footage" shall mean the area of cultivation canopy, measured by the aggregate area of vegetative growth of live marijuana plants on the premises.

8. For the purposes of this Section, a "Marijuana Cultivation Facility" or "Grow Site" shall mean the Square Footage of any place or location where marijuana or any of its derivatives is cultivated, grown, or harvested.

9. For the purposes of this Section, "Marijuana Dispensary" shall mean any activity that involves, but is not limited to dispensing, delivering, and selling at retail any part of the plant cannabis sativa L, or any of its derivatives.

B. Business license tax rates for Marijuana Dispensaries and Cultivation Facilities.

1. Every Marijuana Dispensary shall pay business tax at a rate of six percent (6%) of Gross Receipts.

EXHIBIT "A"

2. Notwithstanding the tax rate of six percent (6%) of Gross Receipts imposed under Subsection B.1., the City Council may in its discretion at any time by ordinance implement a lower tax rate for Marijuana Dispensaries, as defined in such ordinance, subject to the maximum rate of six percent (6%) of Gross Receipts. The City Council may by ordinance increase any such tax rate from time to time, not to exceed the maximum tax rate of six percent (6%) of Gross Receipts established under Subsection B.1.

3. The owner, operator, or lessee of any "Cultivation Facility" or "Grow Site" existing to supply marijuana to a Marijuana Business shall pay a tax at a rate of ten dollars ($10.00) per Square Foot.

4. All Marijuana Businesses and Marijuana Cultivation Facilities shall pay a minimum tax of one thousand dollars ($1,000.00) annually.

* * *

E. Annual Adjustment. [Deleted]

F. Reporting and Remittance.

Each Marijuana Business shall report to the City any Gross Receipts received during the reporting period and shall likewise remit to the City the taxes due and owing during said period. For purposes of this Section, taxes shall begin to accrue on the date that a person or entity first receives a business license or other permit to operate as a Marijuana Business or Marijuana Cultivation Facility. Square Footage payments shall be made quarterly.

* * *

H. Records Inspection.

Whenever it is necessary to examine any books or records, including tax returns, of any Marijuana Business or Marijuana Cultivation Facility in the City to ascertain the amount of any tax due pursuant to this Section, the City shall have the power and authority to examine such necessary books and records at any reasonable time including, but not limited to, during normal business hours. Records must be maintained for no less than seven (7) years.

I. Suspension, Revocation and Appeal.

The provisions of Sections 3.80.429.1 (Suspension or Revocation) and Section 3.80.429.5 (Appeal of License Revocation) shall apply in the case of Marijuana Businesses or Marijuana Cultivation Facility governed by this Section.

J. Application of Provisions.

No business license permit issued under the provisions of this Article, or the payment of any tax required under the provisions of this Article, shall be construed as authorizing the conduct or continuance of any illegal business or of a legal business in an illegal manner under California law.

EXHIBIT "A"

K. Operative Date.

The business license tax on Marijuana Businesses and Marijuana Cultivation Facilities shall become operative upon the effective date of the repeal of Section 5.89 of the Long Beach Municipal Code (banning the sale of marijuana in the City of Long Beach) and adoption of Chapter 5.90 of the Long Beach Municipal Code establishing a regulatory scheme to permit cultivation, dispensing or sale of medical marijuana."

* * *

The Measure shall amend Title 5 of the Long Beach Municipal Code by repealing Chapter 5.89, and by adding Chapter 5.90, to regulate commercial cannabis activities and marijuana businesses, as follows:

Section 3. Repeal. Chapter 5.89 of Title 5 of the Long Beach Municipal Code is hereby repealed in its entirety.

Section 4. Amendment. Title 5 of the Long Beach Municipal Code is hereby amended to add a new Chapter 5.90, as follows:

Chapter 5.90 MEDICAL MARIJUANA BUSINESSES

5.90.010 PURPOSE AND INTENT

The purpose of this Chapter is to regulate and restrict marijuana businesses, cultivation and other commercial cannabis activities to protect the neighborhoods, public health, safety, and welfare of the residents and patients of the City of Long Beach.

5.90.020 APPLICATION AND DEFINITIONS

This Chapter applies to persons or entities that seek to engage in or are engaging in commercial cannabis activity. For purposes of this Chapter, "commercial cannabis activity" is defined by California Business & Professions Code section 19300.5 (k) and includes the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medical cannabis or a medical cannabis product. The definitions set forth in California Business & Professions Code section 19300.5 and Health and Safety Code Sections 11362 *et seq.* shall apply to this Chapter and are hereby incorporated by reference. The following definitions shall apply to this Chapter:

"Applicant" means the following: (1) The owner or owners of a proposed Medical Marijuana Business, including all persons or entities having an ownership interest greater than ten (10) percent in the business; (2) If the owner is an entity, "owner" includes within the entity each person participating in the direction, control, or management of, or having an ownership interest greater than 10 percent in the proposed business; (3) If the Applicant is a publicly traded company, "owner" means the chief executive officer or any person or entity with an aggregate ownership interest greater than ten percent

"Bona Fide Labor Organization" means a labor union that represents or is actively seeking to represent medical marijuana workers in the City of Long Beach.

"Business License Permit" shall mean both the business license issued by the City Manager for Business Tax purposes pursuant to Chapter 3.80 of this Code and the business permit issued by

EXHIBIT "A"

the City Manager pursuant to Title 5 of this Code, to a Medical Marijuana Business.

"Business Manager" means the individual designated by the owner of the Medical Marijuana Business as the person responsible for operations of the business in the absence of the owner from the business property. Business manager shall include any person with managerial authority in the business.

"Chief of Police" shall mean the Chief of the Long Beach Police Department or his or her designee.

"City Manager" shall mean the City of Long Beach's City Manager, or his or her designee.

The "Cultivation Canopy" shall be the square footage of the aggregate area of vegetative growth of live marijuana plants on the premises.

"Labor peace agreement" shall have the same meaning as in the California Business and Professions Code, Section 19300.5(v).

"Management Employee" shall mean an employee of a Medical Marijuana Business responsible for the establishment, organization, registration, supervision, or oversight of the operation of the business, including but not limited to employees who perform the functions of president, vice president, director, operating officer, financial officer, secretary, treasurer, or manager of the business.

"Marijuana" shall have the same definition provided in Health and Safety Code §11018 (as may be amended). Without limiting the definition, "Marijuana" also means "Cannabis".

"Medical Marijuana Business" means: (1) Any entity or association of four (4) or more individuals that cultivates, produces, manufactures, sells, distributes, possesses, transports, delivers, or makes available medical marijuana to qualified patients and their designated primary caregivers who associate at a particular location or Property within the boundaries of the City of Long Beach to collectively cultivate or distribute medical marijuana in accordance with California Health and Safety Code § 11362.5 *et seq.*, the State MMRSA, or this Chapter. For purposes of this Chapter, the term medical marijuana cooperative, collective, facility, or dispensary shall have the same meaning as Medical Marijuana Business. Medical Marijuana Business includes, but is not limited to, dispensary storefront locations, cultivation facilities, and medical marijuana product manufacturers. (2) Any person that cultivates, produces, sells, distributes, possesses, transports or delivers more than six (6) mature marijuana plants or twelve (12) immature marijuana plants, and eight (8) ounces of a useable form of marijuana for medical use, pursuant to California Health and Safety Code § 11362.5 *et seq.* (3) The term Medical Marijuana Business shall not include the private possession, production, or medical use of no more than six (6) mature marijuana plants or twelve (12) immature marijuana plants, and eight (8) ounces of a useable form of marijuana by a patient or caregiver.

"Medical marijuana-infused product" means a marijuana infused, edible, ingestible, or inhalable product, including but not limited to topical solutions and vaporizers.

"Park" or "Public Park" shall mean publicly owned natural or open areas set aside for active public use for recreational, cultural or community service activities.

"Priority Group 1 Applicant" and "Priority Group 2 Applicant" shall mean the entity that filed the original application under former Chapter 5.87. The Management Employees or owner(s) (as defined herein) represented on the Chapter 5.87 application are not required to participate in any application submitted pursuant to this Chapter.

"Property" shall mean the location or locations within the City of Long Beach at which a Medical Marijuana Business is operated

"Regulatory implementation of the MMRSA" shall mean the date the State first accepts applications for licenses for Medical Marijuana Businesses pursuant to the MMRSA for the

applicable license.

"State license," or "registration" means a State license issued by the State of California pursuant to the State's MMRSA for the purpose of engaging in any form of commercial cannabis activity.

5.90.030 MEDICAL MARIJUANA BUSINESS LICENSE PERMIT

Except as otherwise set forth in this Chapter, it shall be unlawful for any person or entity to operate, in or upon any property, a Medical Marijuana Business without first obtaining all required State licenses and a business license or permits issued by the City. Each State license type available in the MMRSA is eligible to apply for a City Business License Permit. Medical Marijuana Business shall be considered a personal service type business in the City of Long Beach (as defined in section 21.15.2020) with respect to issuing a Business License Permit and setting application and license fees. Until the regulatory implementation of the MMRSA, the Medical Marijuana Business license permits shall be issued without regard to the fact the State license has not been issued. Failure to timely obtain required State licenses or permits shall be grounds for suspension or revocation of any permit or license issued by the City. Upon the regulatory implementation of the MMRSA, unless otherwise set forth in this Chapter, no person shall engage in commercial cannabis activity or in the activities of a Medical Marijuana Business without possessing all applicable State licenses and all applicable City permits and licenses. Revocation of a State license shall constitute grounds for the City to suspend or revoke any permit or license issued by the City.

A Medical Marijuana Business that is operating in compliance with this Chapter and other State and local laws on or before January 1, 2018, may continue its operations until its application for State licensure is approved or denied by the licensing authority.

A Medical Marijuana Business must at all times maintain liability insurance having aggregate policy limits in an amount not less than $1,000,000.

The City may impose an annual business license fee no greater than one hundred fifty (150) percent of the average business license fee the city charges for non-cannabis related personal service business. Failure to timely pay the annual business license fee shall be grounds for suspension or revocation of the business license. Applicants that previously paid an application fee pursuant to former Chapter 5.87 may, at the applicant's discretion, have any un-refunded fee applied as credit against any fees applicable under this section. All Medical Marijuana Businesses shall be subject to an annual regulatory inspection by the City to insure compliance with all of the applicable provisions of this Chapter and to confirm compliance with the business license permit issued by the City.

It shall be unlawful for the owner of a building to allow the use of any portion of a building by a Medical Marijuana Business unless the tenant has a valid business license permit, or has applied for and not been denied, a business license permit. Each owner of a building whose tenant is a Medical Marijuana Business License Permit applicant shall execute an acknowledgement that the Applicant has the owner's permission and consent to operate a Medical Marijuana Business at the subject property.

Each Medical Marijuana Business shall designate a Community Relations Liaison (hereinafter, the "Liaison"), who shall be at least twenty-one (21) years of age; and shall provide the Liaison's name to the City Manager. The Liaison shall receive all complaints received by the City Manager regarding the Medical Marijuana Dispensary, and make good faith attempts to promptly resolve all complaints. To address community complaints and concerns, the name and telephone

number for the Liaison shall be made publicly available. Each Medical Marijuana Business Liaison is required to respond by phone or email within three (3) business days of contact by a city official concerning the Medical Marijuana Business. The name and contact information for Liaison of the medical marijuana business shall be conspicuously posted on the main entry doors to the business.

No pesticides or insecticides prohibited by federal, State, or local law for fertilization or production of edible produce may be used on any marijuana cultivated, produced or distributed by a Medical Marijuana Business. A Medical Marijuana Business shall comply with all applicable federal, State, and local laws regarding use and disposal of pesticides and fertilizers.

No Medical Marijuana Business may be operated in an area zoned exclusively for residential use, or be located within a one-thousand (1,000) foot radius of a public or private school (as defined in Health and Safety Code § 11362.768(h)) or public beach, or within a six hundred (600) foot radius of a public park or public library. The distances specified in this subdivision shall be determined by the horizontal distance measured in a straight line from the property line of the school, park or library to the closest property line of the lot on which the Medical Marijuana Business is located, without regard to intervening structures.

All Medical Marijuana and Medical Marijuana Product intended for disposal shall be made unusable and unrecognizable prior to removal from the business, in compliance with all applicable laws. No Medical Marijuana Business may have a drive through lane or drive up window and no Medical Marijuana may be dispensed from a drive though lane or drive up window. No marijuana may be smoked, eaten, or otherwise consumed or ingested within the Medical Marijuana Business. All cultivation, production, distribution, possession, storage, display, sales or other distribution of marijuana shall occur only within an enclosed area of a medical marijuana business and shall not be visible from the exterior of the business. Consultations by medical professionals shall not be permitted at a Medical Marijuana Business nor as a permitted accessory use at a medical marijuana business. Each Medical Marijuana Business shall have an odor-absorbing ventilation and exhaust system to ensure that odor generated inside the premises is not detected outside the premises. Windows and roof hatches at the Medical Marijuana Business shall be secured so as to prevent unauthorized entry.

This Chapter shall not interfere with an employer's rights and obligations to maintain a drug and alcohol free workplace or require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growth of cannabis in the workplace or affect the ability of employers to have policies prohibiting the use of cannabis by employees and prospective employees, or prevent employers from complying with local, State, or federal law.

5.90.040 SECURITY

Every Medical Marijuana Business shall implement sufficient security measures to both deter and prevent unauthorized entrance into areas containing medical cannabis or medical cannabis products and theft of medical cannabis or medical cannabis products. These security measures, as appropriate, shall include, but not be limited to, the following: (a) Preventing individuals from remaining on the premises if they are not engaging in activity expressly related to the operations of the business; (b)Establishing limited access areas accessible only to authorized personnel; (c) Storing all finished medical cannabis and medical cannabis products in a secured and locked room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes, samples, or immediate sale.

Each Medical Marijuana Business shall install and maintain a fully operational digital video

surveillance and camera recording system that monitors no less than the front and rear of the Property, all points of ingress and egress at the business, all points of sale within the business, all areas within the business where medical marijuana products are displayed for sale, and all limited access areas within the facility. The video and surveillance system shall, at a minimum, meet the following requirements: (a) Capture a full view of the public right-of-ways and any parking lot under the control of the medical marijuana business; (b) Be of adequate quality, color rendition and resolution to allow the ready identification of any individual committing a crime anywhere on or adjacent to the exterior of the property; (c) Record and maintain video for a minimum of thirty (30) days. Video surveillance and recording records shall be held in confidence by all employees and for legitimate law enforcement activity to resolve criminal activity; (d) Licensees are responsible for ensuring that all video or surveillance equipment is properly functioning and maintained, so that playback quality is suitable for viewing and the equipment is capturing the identity of all individuals and activities in the monitored areas; (e) At each point of sale location, camera coverage must enable recording of the customer(s) and employee's facial features with sufficient clarity to determine identity; (f) The system shall be capable of recording all monitored areas in any lighting conditions and must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees. Licensees must keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or room on the licensed premises; (g) A sign shall be posted in a conspicuous place near each monitored location on the interior or exterior of the premises which shall be not less than twelve (12) inches wide and twelve (12) inches long, composed of letters not less than one (1) inch in height, stating "All Activities Monitored by Video Camera" or "These Premises are Being Digitally Recorded", or otherwise advising all persons entering the premises that a video surveillance and camera recording system is in operation at the facility and recording all activity as provided in this Section; (h) All exterior camera views must be continuously recorded 24 hours a day and all interior cameras views shall be recorded during all hours that the facility is open for business.

The medical marijuana business shall install and use a safe for storage of any processed marijuana and cash on the property when the business is closed to the public. The safe shall be incorporated into the building structure or securely attached thereto. For medical marijuana infused products that must be kept refrigerated or frozen, the business shall lock the refrigerated container or freezer in place of using a safe so long as the container is affixed to the building structure.

The medical marijuana business shall install and use a fire and burglar alarm system that is monitored by a company that is staffed twenty-four hours (24) a day, seven (7) days a week. The security plan submitted to the City shall identify the company monitoring the alarm, including contact information, and the City shall be updated within seventy-two (72) hours of any change of monitoring company. A medical marijuana business engaged in retail sales shall retain and maintain a security guard or patrol, licensed by the State of California, generally located at an indoor guard station, during all hours of operation.

5.90.050 PERSONS PROHIBITED AS PERMITTEES AND BUSINESS MANAGERS

It shall be unlawful for any of the following persons to have an ownership interest or a managerial responsibility in a Medical Marijuana Business, and no license or permit may be issued to or held by, and no Medical Marijuana Business shall be managed by: (a) Any person until all required fees have been paid; or (b) Any person who has been convicted within the previous ten (10) years of any violent or serious felony as specified in Sections 667.5 and 1192.7 of the Penal Code or

any felony conviction involving fraud, deceit or embezzlement or who is currently on parole or probation for the sale or distribution of a controlled substance; or (c) Any person who is under twenty-one (21) years of age; or (d) Any person who operates or manages a Medical Marijuana Business contrary to the provisions of this Chapter, or conditions imposed on land use or license approvals, or contrary to the terms of the plans submitted with the permit application, or amended as permitted by this Chapter; or (e) A licensed physician making patient recommendations; or (f) A person licensed and permitted to operate pursuant to this Chapter who, while lawfully operating, or who, at the time of application, has failed to remedy an outstanding delinquency for City taxes or fees owed, or an outstanding delinquent judgment owed to the City; or (g) A sheriff, deputy, police officer, or prosecuting officer, or an officer or employee of the State or City of Long Beach; or (h) Applicants or entities (including management Employees) that have a previous record of violating federal or state laws relating to workplace safety, wages and compensation, employee discrimination, or union activity.

5.90.060 MEDICAL MARIJUANA DISPENSARY OPERATING CONDITIONS AND RESTRICTIONS

Every person and entity operating as a Medical Marijuana Dispensary in the City shall comply with the following operating conditions and restrictions. No Medical Marijuana Dispensary may operate within the City of Long Beach without meeting the following conditions:

A Medical Marijuana Dispensary shall not be located within a one thousand (1,000) foot radius of any other Medical Marijuana Dispensary.

A sign shall be posted in a conspicuous location inside each Property advising: (a) It is a violation of State Law to engage in the sale of marijuana or the diversion of marijuana for non-medical purposes; (b) The use of marijuana may impair a person's ability to drive a motor vehicle or operate heavy machinery; (c) Loitering at the location of a Medical Marijuana Business for an illegal purpose is prohibited by Penal Code §647(h); (d) This Medical Marijuana Business is licensed in accordance with the laws of the City of Long Beach; (e) Your membership will be terminated if you engage in the illegal sale or diversion of Medical Marijuana.

Representative samples of Medical Marijuana distributed by the Business shall be analyzed by an independent laboratory to ensure that they are free of harmful pesticides and other contaminants regulated under local, state or federal law.

No person, other than a patient, caregiver, licensee, employee, or a contractor shall be in the medical marijuana dispensary room. No patient shall be allowed entry into the medical marijuana dispensary room without showing a valid State issued picture Driver's License or Identification. A Medical Marijuana Dispensary may distribute, dispense, deliver or transport medical marijuana only in accordance with this Chapter and State law.

The number of licensed and permitted Medical Marijuana Dispensaries shall be limited to not less than one (1) Medical Marijuana Dispensary business for every eighteen thousand (18,000) residents in the City of Long Beach or not more than one (1) Medical Marijuana Dispensary business for every fifteen thousand (15,000) residents in the City of Long Beach. The population of the city shall be based on the official census population estimate as periodically updated by the US Department of Commerce, United States Census Bureau. The City Council may increase the number of licensed and permitted medical marijuana dispensaries pursuant to this Chapter but may not reduce them below the thresholds set forth herein. The City Manager shall issue the maximum number of licenses permitted by this section unless otherwise directed by the City Council.

5.90.070 PRIORITY OF MEDICAL MARIJUANA DISPENSARIES

A Medical Marijuana Dispensary Applicant that (1) was successful in the September 2010 permit lottery conducted by the City of Long Beach under former Chapter 5.87, (2) was allowed by the City Council to operate after February 14, 2012 pursuant to section 5.89.055 of this Chapter, and (3) no longer has the right to occupy the same location that it had occupied on February 14, 2012, shall have the priority right to apply for a Medical Marijuana Dispensary Business License Permit. The City Manager shall verify, within two business days of a request, whether the Applicant qualifies for such priority and, if so, shall issue a letter to potential landlords stating that the Applicant has priority for a license to operate a Medical Marijuana Dispensary in the City of Long Beach.

Medical Marijuana Dispensary Applicants that (1) were successful in the September 2010 permit lottery conducted by the City of Long Beach under former Chapter 5.87 and (2) were allowed by the City Council to operate after February 14, 2012 pursuant to former section 5.89.055 of this Chapter and (3) have the right to occupy the same location(s) that it had occupied on February 14, 2012 ("Priority Group 1" applicants), and Applicants issued a landlord letter pursuant to this section ("Priority Group 2" applicants), who timely submit qualifying applications, shall be given priority over all other applicants for License Permit approval.

Applicants entitled to a license permit or to priority under this subsection shall submit an application to the City Manager no later than six months after the City first accepts applications for Medical Marijuana Dispensary Business License Permits, or shall lose the entitlement or priority under this subsection. Priority Group 1 applicants shall be awarded available Dispensary Business License Permits first, upon determination that such application is complete. Priority Group 2 applicants shall be awarded available Dispensary Business License Permits next. All other applicants will next be evaluated for priority based on criteria set forth in a Priority Point System established pursuant to this section.

All applications evaluated under the Priority Point System will be ranked from the most to the least points. Applicants for any available Medical Marijuana Business License Permit shall be awarded License Permits based upon this ranking using the following procedure, with eligibility reassessed after each License Permit is awarded: (1) Remaining eligible Applicants with the most number of points pursuant to this section in descending order from highest points to lowest points until all available License Permits are awarded. (2) If there are two or more eligible applicants with the same number of points those applicants shall be grouped together and, if there are more eligible applicants in this group than the remaining number of available License Permits, the City of Long Beach shall utilize a public lottery to determine which applicant(s) is/are awarded a License Permit. (3) If there are more available license permits than eligible applicants for this group, but two or more applicants are within one-thousand (1,000) feet of each other, the City of Long Beach shall utilize a public lottery to determine which applicant is awarded a License Permit. (4) If, after this public lottery the number of eligible applicants exceeds the number of available License Permits to be awarded, the process shall be repeated until all available License Permits are awarded

The criteria for Point System shall be as follows:

Suitability of the proposed property: (i) Applicant demonstrates proposed location exceeds all buffer zones established in this Chapter by at least five hundred (500) feet (1 point); (ii) Proposed property possesses air scrubbers or a filtration system capable of eliminating odors from escaping the building or commitment to do so before operating (1 point); (iii) Proposed property is located within one thousand (1000) feet of a public transportation hub, stop, or station (1 point).

Suitability of security plan: (i) The Applicant's security plan includes the presence of security personnel on premises or patrolling the premises twenty-four (24) hours per day (1 point); (ii) The Applicant's security plan demonstrates a method to track and monitor inventory so as to prevent theft or diversion of marijuana (1 point); (iii) The Applicant's security plan describes the enclosed, locked facility that will be used to secure or store marijuana when the location is both open and closed for business, and the steps taken to ensure marijuana is not visible to the public (1 point); (iv) The Applicant's security plan includes measures to prevent the diversion of marijuana to persons under the age of eighteen (18) (1 point); (v) Applicant demonstrates security measures exceeding the requirements of this Chapter, including but not limited to brick or concrete construction or additional fire and/or security alarms (1 point);

Suitability of business plan and financial record keeping: (i) The Applicant describes a staffing plan that will provide and ensure safe dispensing, adequate security, theft prevention, and the maintenance of confidential information (1 point); (ii) Applicant provides an operations manual that demonstrates compliance with this Chapter (1 point);

Criminal history: (i) No Management Employee of an applicant has any felony convictions (1 point); (ii) Applicants without any pending criminal complaint(s) (1 point); (iii) The applicant certifies, as a condition of maintaining the business license permit, that it will not employ any person with any type of violent or serious felony conviction(s) as specified in Sections 667.5 and 1192.7 of the Penal Code or any felony conviction involving fraud, deceit or embezzlement (1 point); (iv) Applicants certify as a condition of maintaining the business license permit that they will not employ as managers or employees any person with any narcotic drug related misdemeanor conviction (1 point);

Regulatory compliance history: (i) Applicants have not had a permit or license revoked by the City of Long Beach (1 point); (ii) Applicants have not had administrative penalties assessed against their business (1 point); Applicants who had administrative penalties assessed against their business while Chapter 5.87 was effective (-1 point); Community service: Applicants demonstrate involvement in the community, other non-profit association, or neighborhood association (1 point);

Labor Relations: (i) Applicant is party to a labor peace agreement or collective bargaining agreement with a bona fide labor organization (1 point;) (ii) Applicant pays a living wage (at least 200% of the Federal Poverty Level for a family of two) (1 point); (iii) Applicant provides employer-paid health insurance benefits for its employees (1 point); (iv) Applicant provides equipment, standards and procedures for the safe operation of its facilities and engages employees on best practices (1 point); (v) Applicant provides training and educational opportunities for employee development (1 point); (vi) Applicant or entity has no previous record of violating federal or state laws relating to workplace safety, wages and compensation, discrimination, or union activity (1 point).

5.90.080 VACANT DISPENSARY ALLOCATION

The City Manager shall determine, at the end of the fourth (4th) calendar quarter following implementation of this Chapter, and each year thereafter, whether additional Medical Marijuana Dispensaries shall be licensed and permitted within the City based on the total number of Medical Marijuana Dispensaries authorized pursuant to this Chapter. Additional business license permit applications above those Medical Marijuana Businesses already licensed and permitted shall be

accepted only to the extent the Director of Development Services determines that initiation of the business license permit application process will not lead to the total number of licensed and permitted Medical Marijuana Dispensaries, as a group, to exceed the restrictions established pursuant to this Chapter.

Should the City Manager determine the City shall accommodate additional Medical Marijuana Dispensaries within the restrictions set forth in this Chapter, the City Manager shall cause to be posted on the City's website a public notice of availability and the potential number of Medical Marijuana Dispensary Business license permits available. The notice will appear on the City's website for ten (10) consecutive days, immediately prior to the opening of the application period. The application process will then proceed in accordance with this Chapter.

In the event an existing Medical Marijuana Dispensary License Permit is surrendered or revoked, the City Manager shall, within 10 business days after the surrender or the exhaustion of the final appeal of the revocation, proceed with the posting and notice requirements of 5.90.0220.

5.90.090 MEDICAL MARIJUANA CULTIVATION OPERATING CONDUCTIONS AND RESTRICTIONS

Except as otherwise provided for in this Chapter, it shall be unlawful to operate a Medical Marijuana Business or to grow medical marijuana outside of an enclosed building. All Medical Marijuana Cultivation Business License Permits shall be issued for a specific fixed location within an enclosed building. This Section does not apply to a qualified patient cultivating marijuana pursuant to Health and Safety Code § 11362.5 or a primary caregiver cultivating marijuana pursuant to § 11362.5 if he or she cultivates marijuana exclusively for the personal medical use of no more than five (5) specified qualified patients for whom he or she is the primary caregiver within the meaning of Health and Safety Code § 11362.7 and does not receive remuneration for these activities, except for compensation provided in full compliance with subdivision (c) of Health and Safety Code § 11362.765.

Only cultivation locations intending to be compliant with MMRSA Type 1A, 2A, 3A and 4 State Cultivation licenses shall be licensed and permitted. Each applicant for a Medical Marijuana Cultivation Business License Permit shall specifically identify which State Cultivation License will be applicable to that application. The maximum cultivation canopy shall be limited by the license type specified in the MMRSA.

A Medical Marijuana Dispensary may operate a Medical Marijuana Cultivation Facility either on its premises or offsite, but must obtain a separate business license permit for each Medical Marijuana Cultivation Facility it operates in the City. No Medical Marijuana Dispensary may operate more Medical Marijuana Cultivation Facilities than are permitted by the MMRSA.

Upon regulatory implementation of the MMRSA, The Medical Marijuana Cultivation licensee shall send all medical cannabis and medical cannabis products cultivated to a MMRSA Type 11 qualified licensee for quality assurance and inspection and for a batch testing to a MMRSA Type 8 licensee prior to distribution in a manner consistent with the MMRSA requirements. Until regulatory implementation of the MMRSA, the Medical Marijuana Cultivation licensee shall send medical cannabis and medical cannabis products cultivated for batch testing to a testing laboratory which operates in compliance with section 5.90.0120.

Each Medical Marijuana Cultivation Facility shall maintain and operate an electronic point of sale plant tracking system compliant with the minimum requirements of the MMRSA at all times. Each Medical Marijuana Cultivator shall package or seal all medical cannabis in tamper-evident packaging and use a unique identifier, such as a batch and lot number or bar code, to identify and

track the medical cannabis. All Medical Marijuana shall be labeled as required by Health and Safety Code § 19346. All packaging and sealing shall be completed prior to delivery or transportation.

5.90.0100 MEDICAL MARIJUANA MANUFACTURING OPERATING CONDITIONS AND RESTRICTIONS

Medical Marijuana Manufacturing Facilities must designate whether they will apply for or have obtained either a MMRSA Type 6 "Manufacturing level 1" State License (nonvolatile solvents) or a MMRSA Type 7 "Manufacturing level 2" State License (volatile solvents) when submitting a Business License application. Medical Marijuana Manufacturing Facilities must comply with sanitation standards equivalent to the California Retail Food Code (Part 7 (commencing with Section113700) of Division 104 of the Health and Safety Code) for food preparation, storage, handling and sale of edible medical cannabis products. For purposes of this chapter edible medical cannabis products are deemed to be unadulterated food products.

Medical Marijuana Manufacturing Facilities shall only produce, distribute, provide, donate or sell non-potentially hazardous food, as established by the state department of Public Health pursuant to § 114365.35 of the Health and Safety Code. All edible medical marijuana products shall be packaged at the Medical Marijuana Facility prior to distribution or transportation from the Facility. Medical Marijuana products shall be labeled and packaged in a tamper-evident package and have a unique identifier, such as a batch and lot number or bar code, to identify and track the Medical Marijuana. Labels and packages of Medical Marijuana products shall be compliant with the packaging and labeling requirements set forth in by Health and Safety Code § 19346.

The production of any medical marijuana-infused product shall meet all requirements of a retail food establishment as set forth in Chapter 8.45 of this Code. Except, as it relates only to enforcement of Chapter 8.45 of this Code, the fact the facility is engaged in the production of Marijuana related product shall not be deemed a violation of any Federal Food statutes, orders, ordinances, quarantines, rules, regulations, or directives relating to the public health.

5.90.0110 MEDICAL MARIJUANA DISTRIBUTOR OPERATING CONDITIONS AND RESTRICTIONS

Upon regulatory implementation of the MMRSA, all licensees holding medical marijuana cultivation or medical marijuana manufacturing licenses and permits shall send all medical cannabis and medical cannabis products cultivated or manufactured to a distributor, for quality assurance and inspection by the Medical Marijuana Distributor and for a batch testing by a Medical Marijuana Testing Laboratory prior to distribution to a dispensary. Those licensees holding a State issued Type 10A Dispensary license in addition to a medical marijuana cultivation license or a medical marijuana manufacturing license shall, upon State regulatory implementation of the MMRSA, send all medical cannabis and medical cannabis products to a Medical Marijuana Distributor for presale inspection and for a batch testing by a Medical Marijuana Testing Laboratory prior to dispensing any product.

Upon receipt of medical cannabis or medical cannabis products by a holder of a medical marijuana cultivation or medical marijuana manufacturing license, the Medical Marijuana Distributor shall process, test and distribute Medical Marijuana and Medical Marijuana products consistent with minimum requirements of the MMRSA.

5.90.0120 LABORATORY TESTING AND TESTING LABORATORIES

For the purposes of testing medical cannabis or medical cannabis products, licensees shall use a testing laboratory that has adopted a standard operating procedure using methods consistent

with general requirements for the competence of testing and calibration activities, including sampling, using standard methods established by the International Organization for Standardization, specifically ISO/IEC 17020 and ISO/IEC 17025, or any other standard set forth by the State, to test medical cannabis and medical cannabis products that are approved by an accrediting body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement.

Until such time as the State is issuing MMRSA Type 8 Testing Laboratory licenses, the laboratory testing set forth in this Chapter may be conducted by a testing laboratory that is otherwise compliant with the requirements set forth herein. A Testing Laboratory may apply for a business license permit application for the specific purpose of testing medical marijuana pursuant to the requirements of this Chapter and shall not be denied a business license permit on the basis it has not been issued a MMRSA Type 8 Testing Laboratory license, however the licensee shall apply for a State issued MMRSA Type 8 Testing Laboratory license within 6 months from notice that the State is issuing such license. Denial of a MMRSA Type 8 license shall result in the revocation of the Medical Marijuana Testing Laboratory License Permit.

Medical marijuana shall be tested for concentration, pesticides, mold and other contaminants. Medical marijuana extracts shall be tested for concentration and purity of product. All testing shall be compliant with the MMRSA standards.

Except as provided in this chapter, a licensed testing laboratory shall not acquire or receive medical cannabis or medical cannabis products except from a licensed facility in accordance with this chapter, and shall not distribute, sell, deliver, transfer, transport, or dispense medical cannabis or medical cannabis products, from which the medical cannabis or medical cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol. A licensed testing laboratory may receive and test samples of medical cannabis or medical cannabis products from a qualified patient or primary caregiver only if he or she presents his or her valid recommendation for cannabis for medical purposes from a physician. A licensed testing laboratory shall not certify samples from a qualified patient or caregiver for resale or transfer to another party or licensee. All tests performed by a licensed testing laboratory for a qualified patient or caregiver shall be recorded with the name of the qualified patient or caregiver and the amount of medical cannabis or medical cannabis product received.

5.90.0130 REPORTING REQUIREMENTS

A Medical Marijuana Business holding a Business License Permit shall report to the City Manager or his or her designee each of the following within the time specified; provided that if no time is specified, such a report shall be provided within fifteen (15) days of the triggering event: (1) The transfer or change of ownership interest, business manager, or in the permit application at least thirty days before the transfer or change; (2) Sales and taxable transactions and file sales and use tax reports to the City quarterly; (3) A conviction of any disqualifying crime by any applicant of a Medical Marijuana Business.

5.90.0140 TRANSPORTATION AND DELIVERY

It shall be unlawful for any person to transport medical marijuana, except as specifically allowed by this Chapter and State law. Transport or delivery activities shall comply with all of the following:

All medical marijuana-infused products are hand packaged, sealed and labeled, and the products stored in closed containers that are labeled as provided in this Section. All medical ma-

rijuana in a usable form for medicinal use is packaged and stored in closed containers that are labeled as provided in this Section. Each container used to transport or deliver medical marijuana is labeled with the amount of medical marijuana or medical marijuana-infused products, or the number and size of the plants, in the container. The label shall include the name and address of the medical marijuana business that the medical marijuana is being transported or delivered from and the name and address of the medical marijuana business or individual that the medical marijuana is being transported to. The label shall be shown to any law enforcement officer who requests to see the label. An individual transporting medical marijuana items must have a valid California Driver's License and shall use a vehicle for transport that is insured at or above the legal requirement in California; capable of securing (locking) the medical marijuana during transportation; and capable of being temperature controlled if perishable medical marijuana is being transported. A permitted medical marijuana dispensary may deliver medical marijuana only to a residence of a qualified patient or caregiver. For purposes of this rule, "residence" means a dwelling such as a house or apartment but does not include a dormitory, hotel, motel, bed and breakfast or similar commercial business.

The medical marijuana dispensary must specify home delivery services in its application for a business license and the approval for the business license shall set forth conditions related to the home delivery service. The Dispensary shall at all times maintain an electronic point of sale inventory tracking and sales software system that provides for the creation of the transportation manifests required by the MMRSA and the real time location tracking of the employee providing the delivery. A bona fide order must be received by a permitted dispensary from the individual requesting delivery, before 8:00 p.m. on the day the delivery is requested. The bona fide order must contain: (a) The individual requestor's name, date of birth, the date delivery is requested and the address of the residence where the individual would like the items delivered; (b) A document that describes the marijuana proposed for delivery and the amounts; and (c) A written statement that the marijuana is for medical use only and not for the purpose of resale.

Deliveries must be made before 9:00 p.m. local time and may not be made between the hours of 9:00 p.m. and 8:00 a.m. local time. At the time of delivery, the individual performing delivery must check the identification of the individual to whom delivery is being made in order to determine that it is the same individual who submitted the bona fide order, that the individual is eighteen (18) years of age or older, and must require the individual to sign a document indicating the medical marijuana products were received. A medical marijuana dispensary may not deliver medical marijuana to an individual who is visibly intoxicated at the time of delivery, or who cannot provide a valid medical marijuana recommendation from a licensed medical doctor authorized by State law to issue recommendations, or to an individual who fails to provide a valid government issued identification verifying that the person is eighteen (18) years of age or older. Deliveries may not be made more than once per day to the same physical address or to the same individual. Marijuana items delivered to an individual's residence must: (a) Comply with all packaging and labeling regulations established by this Chapter or the State of California; (b) Be placed in a larger delivery receptacle that has a label that reads: "Contains marijuana: Signature of person 18 years of age or older required for delivery." All marijuana items must be kept in a lock-box securely affixed inside the delivery vehicle. A manifest must be created for each delivery or series of deliveries and the individual doing the delivery may not make any unnecessary stops between deliveries or deviate substantially from the manifest route.

Documentation Requirements. A medical marijuana dispensary must document the fol-

lowing regarding deliveries: The bona fide order and the date and time it was received by the retailer; The date and time the medical marijuana items were delivered; A description of the medical marijuana that was delivered, including the weight or volume and price paid by the consumer; Who delivered the medical marijuana items; and the name of the individual to whom the delivery was made and the delivery address; A dispensary is required to maintain the name of an individual to whom a delivery was made for eighteen (18) months from the date of delivery.

Home delivery or transportation services originating from within the City of Long Beach city limits, but not from a person having a valid medical Marijuana Business License are strictly prohibited. Home delivery or transportation services from outside the City of Long Beach city limits, or from a person or entity who does not have a valid Medical Marijuana Business License issued by the City of Long Beach are strictly prohibited.

5.90.0150 LICENSE TRANSFERABLE AND REQUIRED CONDUCT.

A Business License Permit issued pursuant to this Chapter shall become null and void if the Medical Marijuana Business holding that Business License closes or dissolves, however a change in the Business name or form of corporate identity (e.g., conversion from a non-profit to a for profit status) shall not be deemed a dissolution nor a transfer pursuant to this Chapter. A Medical Marijuana Business License Permit is transferable but will require prior approval of the City. Any change in the ownership greater than 10 percent of the licensee shall require notice to the City at least thirty days prior to the change and a new business license permit application. The licensee shall be permitted to conduct business under the prior business license permit while the City reviews the new application submitted pursuant to this section. Denial of the new business license application shall not result in the revocation of the existing business license permit.

5.90.0160 MAINTENANCE OF RECORDS

A Medical Marijuana Business shall maintain the following records on the Property: The full name, address, and telephone number(s) of the owner, landlord and/or lessee of the Property; The full name, address and telephone number(s) and a fully legible copy of a government issued form of identification of each Medical Marijuana Business employee engaged in the management of the Medical Marijuana Dispensary and a description of the nature of the participation in the management of the Medical Marijuana Business; The full name, date of birth, residential address, and telephone number(s) of each Medical Marijuana Business employee and Management Employee; the date each employee and management Employee joined the Business; and the exact nature of each employee's and management Employee's participation in the Medical Marijuana Business.

Each Medical Marijuana Business shall utilize point of sale software to track inventory and sales. The point of sale software shall be, upon regulatory implementation of the MMRSA, compliant with the State Unique Identifier and Track and Trace Program (Business and Professions Code 19335 (a)). Each Medical Marijuana Business shall keep a complete set of books of account, invoices, copies of orders and sales, shipping instructions, bills of lading, weigh bills, bank statements including cancelled checks and deposit slips and all other records necessary to show fully the business transactions of such licensee. Receipts shall be maintained via a computer program or by pre-numbered receipts and used for each sale. The records of the business shall clearly track medical marijuana product inventory purchased and/or grown and sales and disposal thereof to clearly track revenue from sales of any medical marijuana from other paraphernalia or services offered by the Medical Marijuana Business. An inventory record documenting the dates and amounts of Medical Marijuana cultivated, processed or sold at the Property, and the daily amounts of Medical Marijuana

stored on the Property. The records shall clearly show the source, amount, price and dates of all marijuana received or purchased, and the amount, price, dates and business, patient or caregiver for all medical marijuana sold. Proof of a valid Business License Permit issued by the City of Long Beach, in accordance with this Chapter. All records kept and maintained by the licensee shall at all times protect the confidential information of the patient or caregiver. All records must be identified as confidential and any disclosure shall be limited in a manner that maintains the confidentiality of the information contained therein.

Any and all records described in this section shall be maintained by the Medical Marijuana Business for a period of Seven (7) years.

Each Medical Marijuana Business operating in the City shall submit to the City Manager (or his or her designee) an annual financial report (hereinafter, the "Annual Report") prepared by the Business, using the following criteria: Each Annual Report shall be filed and submitted every calendar year no later than April 30 for each preceding calendar year (for example a Business's 2015 Annual Report shall be submitted to the City Manager no later than April 30, 2016). The Annual Report shall be a summary of the quarterly reports that were filed with the State Board of Equalization in the previous year. The Annual Report shall document the number of Medical Marijuana transactions that took place during the reporting year to a Qualified Patient, employee or Management Employee for cash, credit, or in-kind contributions. Appended to the Annual Report shall be a copy of any and all documents, records or forms submitted to the State Board of Equalization for the reporting year, including but not limited to Board of Equalization Form 401 (or its electronic equivalent) which in any manner documents transaction activities relating to the operation of the Medical Marijuana Business. Appended to the Annual Report shall be an accounting of the number of Plants or clones cultivated by the Medical Marijuana Business, if any, during the reporting year. Any and all records or documents that serve as the basis for preparing the annual report shall be maintained by the Medical Marijuana Business for a period of seven (7) years.

5.90.0170 INSPECTION AUTHORITY

City representatives (Health, Fire and Building inspectors) may enter and inspect the Property of each Medical Marijuana Business between the hours of nine (9) am and eight (8) pm or during normal business hours. The Long Beach Police Department may be allowed to enter the Property if invited by the business manager or owner of the Business or in case of an emergency. Otherwise access shall only be available to the Police Department through a properly executed search warrant, subpoena, or court order. It shall be unlawful for any Property owner, landlord, and lessee, Medical Marijuana Business employee or Manager or any other person having any responsibility over the operation of the Medical Marijuana Business to refuse to allow, impede, obstruct or interfere with an inspection.

5.90.0180 TERM AND RENEWAL OF BUSINESS LICENSE PERMIT

Each Business License Permit issued pursuant to this Chapter shall be effective for five (5) years after issuance, and shall be renewed upon timely payment of all required licensing fees by the Medical Marijuana Business. The Licensee shall apply for renewal of the Business License Permit at least forty-five (45) days before the expiration of the license. The licensee shall apply for renewal using forms provided by the City Manager. If the Applicant fails to apply for renewal at least forty-five days before the expiration of the License but does apply for renewal prior to expiration of the Business License Permit, the City Manager may process the renewal application if the Applicant submits a late filing fee of Five Hundred Dollars ($500) at the time of submittal of the renewal

application. The renewal license fee shall be equal to the annual license fee. The renewal fee, and late fee if applicable, shall accompany the renewal application. Such fee is nonrefundable.

In the event a Medical Marijuana Business that has been open and operating, and submitting required business license tax returns and taxes to the City, ceases providing business license returns and taxes to the City for two consecutive reporting periods, the City Manager shall send notice to the Medical Marijuana Business demanding such reporting and payment and if no such reporting and payment is received within 15 days of the notice, the business license permit shall be deemed to have expired and the licensee shall cease doing business at the location.

5.90.1900 EXISTING MEDICAL MARIJUANA DISPENSARIES

Any operating Medical Marijuana Dispensary, collective, delivery service, operator, establishment, or provider that has not obtained a Business License Permit pursuant to this Chapter shall immediately cease operation until it fully complies with the requirements of this Chapter.

5.90.0200 PROHIBITED ACTIVITY

It shall be unlawful for any person to cause, permit or engage in the cultivation, possession, distribution, exchange or giving away of Marijuana for medical or non-medical purposes except as provided in this Chapter. It shall be unlawful for any person to cause, permit or engage in any activity related to Medical Marijuana except as provided in this Chapter and pursuant to all other applicable local and state law. It shall be unlawful for any person to knowingly make any false, misleading or inaccurate statement or representation in any form, record, filing or documentation required to be maintained, filed or provided to the City of Long Beach under this Chapter. No Medical Marijuana Dispensary shall be open to or provide Medical Marijuana to qualified patients or employees between the hours of eight (8) pm and nine (9) am. The City Council may increase these hours of operation but may not decrease them. No person under the age of eighteen (18) shall be allowed on the Property, unless that minor is a Qualified Patient and is accompanied by his or her licensed Attending Physician, parent(s) or documented legal guardian. No Medical Marijuana Dispensary, Management Employee or employee shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on the Property or in the parking area of the property. No dried Medical Marijuana shall be stored at the property in structures that are not completely enclosed, in an unlocked vault or safe, in any other unsecured storage structure, or in a safe or vault that is not bolted to the floor of the property. Medical Marijuana may not be inhaled, smoked, eaten, ingested, or otherwise consumed on the Property, or in the parking areas of the Property or in those areas restricted under the provisions of Health and Safety Code §11362.79.

5.90.0210 VIOLATIONS AND ENFORCEMENT

Any person willfully misrepresenting any material fact in procuring the license herein provided for, shall be deemed guilty of a misdemeanor punishable by a fine of not more than one thousand dollars ($1,000.00) or by imprisonment for not more than twelve (12) months, or both such fine and imprisonment.

Any person who engages in any Medical Marijuana Business operations without a Business License Permit, except as otherwise provided in this Chapter, shall be guilty of a misdemeanor punishable by a fine of not more than one thousand dollars ($1,000.00) or by imprisonment for not more than twelve (12) months, or both such fine and imprisonment. The City may also pursue any and all remedies and actions available and applicable under local and State law for any violations related to the operation of a non-licensed medical marijuana business. Any operation of a Medical

Marijuana Business without a Business License Permit shall be deemed unlawful and a public nuisance. It shall be unlawful and a violation of this Chapter for any person to permit a public nuisance to exist upon real property in which such person has an ownership or possessory interest. As a nuisance per se, such violation shall be subject to injunctive relief, revocation of the certificate of occupancy for the property, costs of abatement and any other relief or remedy at law or equity.

Any violation of the terms and conditions of the Business License Permit, of this Chapter, or of applicable local or state regulations and laws shall be grounds for suspending or revoking its license, pursuant to 5.90.0240.

Any person violating any provision of this Chapter may be issued an administrative citation in accordance with Chapter 9.65 of this code. Each day of operation in violation of this chapter shall constitute a separate violation for purposes of application of the financial fine(s) of this section. These fines and penalties are in addition to or in the alternative to any other penalties for violation of this Chapter. For the first five (5) days that a violation exists, a person shall be subject to a fine of one hundred dollars ($100) per day. Should a violation continue beyond five (5) days, the violator shall be subject to a fine of five hundred dollars ($500) per day from the sixth (6th) day through the tenth (10th) days of a violation. Should a violation persist beyond ten (10) days, the fine shall be one thousand dollars ($1,000) per day. The due process provisions of Chapter 9.65 of this code and the Suspension, Penalty, Revocation, and Appeals Process of Section 5.90.0240 of this Chapter shall apply to all administrative citations issued pursuant to this section. A continuing violation of this section that is of more than one consecutive day in duration shall be deemed a single violation for purposes of Section 5.90.0240 application.

5.90.0220 ACCEPTANCE AND PROCEDURE OF BUSINESS LICENSE PERMIT APPLICATIONS

The City Manager shall issue Business License Permit application forms and all required supplemental documents required from applicants within ten (10) days after this Chapter has taken effect. Any Medical Marijuana Business desiring a Business License Permit required by this Chapter shall, prior to initiating operations, complete and file an application on a form supplied by the City, and shall submit the completed application to the City Manager with payment of a nonrefundable processing and notification fee not to exceed the annual Business License Fee set for in this Chapter. After the City Manager has complied with this Section, the City Manager shall cause to be conspicuously posted on the City's website a public notice of availability. For Medical Marijuana Dispensary License Permit applications, the notice will appear on the City's website for ten (10) consecutive days, immediately prior to the opening of the application period. The notice shall specify that City Manager will receive applications for further processing and consideration for thirty (30) days after the ten (10) day notice period expires (the "Medical Marijuana Dispensary Business License Permit application period"). The notice shall also specify the specific terms and procedures for conducting the public lottery set forth in section 5.90.070. For all other Medical Marijuana Businesses, the notice shall remain posted with no expiration deadline.

The City Manager shall review each application upon submission and ensure that the application is complete. Incomplete applications will be promptly rejected and the applicant shall be notified that business day of the deficiencies. The applicant shall be given an opportunity to cure any incomplete or deficient application prior to the conclusion of the application processing term, if such time period is applicable. Any notices required by this Chapter shall be deemed issued upon the date they are either deposited in the United States mail or the date upon which personal service of such notice is provided. In addition to notice by mail and personal service, the City Manager shall

contemporaneously give notice by electronic mail to the e-mail address listed on the application. At the conclusion of the Medical Marijuana Dispensary Business License Permit application period, the City Manager shall have forty-five days (45) to complete a review of the applications (the "application processing term") and shall assign points to each Applicant in accordance with Section 5.90.070. Five days from the date the conclusion of the application period term, the City Manager will post the point priority rankings on the its website and mail and e-mail written notification to each Applicant indicating the total points assigned, and the Applicant's rank.

Once the City Manager deems an application complete, the City Manager shall determine the availability of business license permits for the applied for use and, if such availability is not limited or restricted by this chapter, or the City Manager can approve the application without exceeding the limited or restricted number of available license permits subject to the priority rights set forth in this Chapter, shall approve the application and issue the license permit within one business day. If necessary, within fourteen (14) Calendar days after the date of notice of point priority is posted on its website, the City Manager shall conduct the public lottery as set forth in section 5.90.070 in accordance with previously published lottery procedures. All other Medical Marijuana Business licenses permits shall be processed in the normal course of business, but in no event shall the City Manager unreasonably delay the approval process. Medical Marijuana Business License Permits may be approved contingent upon issuance of approved building plans.

5.90.0230 MEDICAL MARIJUANA BUSINESS LICENSE PERMIT APPLICATION

In addition to the general business license permit application requirements of Chapter 5.04, an application for a business license permit to operate a medical marijuana business shall include completed forms provided by the City for that purpose. Any application for a Medical Marijuana Business license shall be accompanied by the business license application fee, and criminal background check ("Live Scan") fee. The Applicant shall use the application to demonstrate its compliance with this Chapter and any other applicable law, rule, or regulation, or has made reasonable provision for the satisfaction of these requirements. The application shall include the following information: Name, address, e-mail address social security number and contact phone number of the owner or owners of the medical marijuana business in whose name the permit is proposed to be issued. If an owner is a corporation, the name, address, e-mail address and contact phone number of all officers or directors of the corporation and all shareholders who individually own more than ten (10) percent of the issued and outstanding stock of the corporation and the EIN for the corporation. If an owner is a partnership, association, or limited liability company, the EIN for the entity and the name, address, e-mail address and contact phone number of any person holding a voting interest therein and/or the managing member(s). If a managing member is an entity rather than an individual, the same disclosure shall be required for each entity with an ownership interest until a managing member that is a natural person is identified. If an owner is not a natural person, the organizational documents for all entities identified in the application, identification of the natural person that is authorized to speak for the entity and the address, e-mail address and contact phone number information for that person. Reasonable proof the entity is registered, if such registration is required, and in good standing with all applicable State Agency's.

Name, address, e-mail address and contact phone number of any business managers of the medical marijuana business, if the business manager is proposed to be someone other than the owner; and all agents of the medical marijuana business who act with managerial authority. A statement indicating whether any of the named owners, members, business managers, or persons named on the application have been: Denied an application for a Business License Permit pursuant to this Chapter,

or any similar state or local licensing or permitting law, rule, or regulation, or had such a license or permit suspended or revoked; Convicted of violating any violent or serious felony(s) as specified in Sections 667.5 and 1192.7 of the Penal Code or any felony involving fraud, deceit or embezzlement. Proof of ownership or legal possession of the Property at which the medical marijuana business will be located. If the medical marijuana business is not the owner of the property of the business, the Applicant shall provide written authorization to the City from the property owner to enter the property for inspection of the property on a form approved by the City as well as an acknowledgement from the owner that the Applicant has the owner's permission and consent to operate a medical marijuana business at the subject property. A certificate for proof of insurance signed by a qualified agent of an insurance company evidencing the existence of valid and effective policies of workers' compensation and public liability insurance at least to the limits required by Section 5.90.030 of this Chapter, the limits of each policy, the policy number(s), the name of the insurer, the effective date, and expiration date of each policy. An identification of the specific State License as set forth in the MMRSA the proposed Medical Marijuana Business intends to apply for and obtain upon issuance of the city business license. An operating plan for the proposed medical marijuana business, including the following information: A description of the products and services to be provided by the medical marijuana business; A schedule depicting the hours of operation; A description of the procedures for cash handling and audits; A dimensioned floor plan, clearly labeled, showing: The layout of the facility and the floor plan in which the medical marijuana business is to be located; The principal uses of the floor area depicted on the floor plan, including but not limited to the areas where non-patients will be permitted, private consulting areas, storage areas, retail areas, areas for cash handling and storage, and restricted areas where medical marijuana will be located; and Electrical, mechanical, plumbing, disabled access compliance pursuant to Title 24 of the State of California Code of Regulations and the federally mandated Americans with Disabilities Act; and The separation of the areas that are open to persons who are not patients from those areas open to patients. For cultivation facilities, and medical marijuana businesses that produce medical marijuana-infused products, a plan that specifies: The methods to be used to prevent the growth of harmful mold and compliance with limitations on discharge into the wastewater system of the City as set forth in Long Beach Municipal Code Chapter 15.16, "Industrial Waste and Wastewater"; A minimum of a one-hour fire separation wall between a cultivation facility and any adjacent business. All ventilation systems used to control the environment for the plants that describes how such systems operate with the systems preventing any odor leaving the property. Such plan shall also include all ventilation systems used to mitigate noxious gases or other fumes used or created as part of the production process. A State seller's permit issued to the Applicant pursuant to Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code if such permit is required by law for the applicant's intended business operation.

Additional requirements: A fully legible copy of one valid government issued form of photo identification, such as a State Driver's License or Identification Card and Livescan finger-printing completed at the Long Beach Police Department. This requirement shall apply to all owners, business managers, and employees employed by the medical marijuana business. A plan for disposal of any medical marijuana or medical marijuana-infused product that is not sold to a patient or primary caregiver in a manner that protects any portion thereof from being possessed or ingested by any person or animal. A plan for ventilation of the medical marijuana business that describes the ventilation systems that will be used to prevent any odor of medical marijuana off the property of the business. A description of all toxic, flammable, or other materials regulated by a federal, State, or local government that would have authority over the business if it was not a marijuana business,

that will be used or kept at the medical marijuana business, the location of such materials, and how such materials will be stored. A statement of the amount of the projected daily average and peak electric load anticipated to be used by the business and certification from the landlord and utility provider that the property is equipped to provide the required electric load, or necessary upgrades that will be perform prior to final inspection of the property. A description of the point of sale software the medical marijuana business will utilize to track inventory and sales of medical marijuana. For any medical marijuana business with two or more employees (as defined in the California Business and Professions Code, Section 19322(6)), a statement that the business will enter into, or demonstrate that it has already entered into, and will abide by the terms of a labor peace agreement. A statement signed under penalty of perjury by each owner or business manager that they have read, understand, and shall ensure compliance with the terms of this Chapter.

Should an applicant be awarded a license, any commitments in the application shall become conditions of the license. If a violation of a condition occurs, the city, pursuant to section 5.90.0240, may assess a penalty or seek suspension or revocation of the license.

5.90.0240 SUSPENSION, PENALTY, REVOCATION, AND APPEALS PROCESS

The City Manager shall provide a dated, written notice to the Liaison if it believes that his or her Medical Marijuana Business has violated any provision of this Chapter and any steps available to cure such violation. Within thirty (30) business days of receiving that notice, the Licensee shall have the right to file a written response with the City Manager. After receiving and reviewing the substantive content of any such response, the City Manager shall prepare a written report and forward all evidence along with the report to the Marijuana Task Force which shall then determine whether or not the Licensee has violated any provision of this Chapter, whether the violation has been or is curable or not; and shall provide a dated, written notice to the Licensee of its factual findings and legal determination. If the City Manager determines that a Licensee has failed to comply with or cure any violation of any provision of this Chapter on at least five (5) separate, non-continuing occasions within 24 months, or that a Licensee has been convicted for noncompliance with any Medical Marijuana State law, the City Manager shall revoke or suspend the Business License Permit. A Task Force finding of no violation or that a violation has been cured shall not be considered as a violation by the City Manager. The City Manager shall notify a Medical Marijuana Business's Liaison of its recommendation that its Business License be suspended or revoked by means of a dated, written notice, which shall advise the Licensee of its right to appeal the decision to the Long Beach City Council. The request for appeal shall be in writing, shall set forth the specific ground(s) on which it is based, and shall be filed with the City Manager within forty-five (45) calendar days from the date the notice was mailed along with an appeal deposit, in an amount determined by the Long Beach City Council. If a timely appeal is filed, a Business License Permit may not be suspended or revoked before that appeal has been fully adjudicated. The Long Beach City Council shall conduct a hearing (hereinafter, the "City Council Hearing") on the appeal or refer the matter to a hearing officer pursuant to Chapter 2.93 of this Code, within forty-five (45) calendar days from the date the completed request for appeal was received by the City Manager, except where good cause exists to extend this period. The appellant shall be given at least fifteen (15) calendar days' written notice of the City Council Hearing. The City Council Hearing shall be conducted pursuant to Chapter 2.93 of the Long Beach Municipal Code. The determination of the Long Beach City Council on the appeal shall be final, unless the licensee chooses to file a court action within forty-five (45) calendar days of that determination. If a Medical Marijuana Business's License Permit has been revoked or suspended, no other Business License Permit application shall be considered for that Business for a

period of one (1) year from either (a) the date on which the notice of the revocation or suspension was mailed, or (b) the date of the final decision of the Long Beach City Council, whichever is later.

5.90.0250 COMPLIANCE AND CHANGES TO APPLICABLE LAW

If any State law applicable to this Chapter changes or is amended, this Chapter shall be construed in a manner that ensures that Qualified Patients continue to have safe, affordable access to Medical Marijuana. Except as may be provided otherwise in this Chapter, any law or regulation adopted by the State governing the cultivation, production, possession or distribution of marijuana for medical or recreational use shall also apply to Medical Marijuana 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 Medical Marijuana Business shall continue operations in violation of an additional State law or regulation applicable within the City after the effective date of the State law or regulation. If the State prohibits the cultivation, production, possession or other distribution of marijuana through Medical Marijuana Businesses, or if a court of last resort with competent jurisdiction determines that the federal government's prohibition of the cultivation, production, possession or other distribution of marijuana through Medical Marijuana Businesses supersedes State law, any business license permit issued pursuant to this Chapter shall be deemed to be immediately revoked by operation of law.

5.90.0260 ESTABLISHMENT OF A MEDICAL MARIJUANA TASK FORCE.

The Long Beach Medical Marijuana Task Force ("Task Force") shall be established. The Task Force shall consist of nine (9) members. Appointments to the Task Force shall be made and vacancies on the Task Force shall be filled by the Mayor and City Council in accordance with the provisions in Chapter 2.18.050 of this Code. Services of the members of the Task Force shall be voluntary and members will serve without compensation. All members of the Task Force shall be residents of the City. The Task Force shall be comprised of the following members: Three (3) Task Force members shall be representatives from three separate Medical Marijuana Businesses operating in the City; Four (4) Task Force members shall be representatives of recognized neighborhood organizations which have at least one (1) Medical Marijuana Business operating within its boundaries and at least two (2) of whom are Qualified Patients or Care Givers; One (1) Task Force member shall be a representative of a local patient advocacy organization with a background in working to protect the interests of medical marijuana patients; and One (1) Task Force member shall be a representative of a local labor organization representing Medical Marijuana employees employed at licensed Medical Marijuana Businesses in the City.

The Medical Marijuana Task Force shall have the power and duty to: Recommend to the City operational and safety standards for Medical Marijuana Businesses operating in the City; Develop and make recommendations for a mediation process to be used by operators of medical dispensaries, patients, and neighbors of dispensaries to address community concerns and nuisance issues and resolve conflicts and disputes; Render decisions with respect to a Medical Marijuana Business' compliance as set forth in Section 5.90.240 of this chapter.

5.90.0270 CITY MANAGER AUTHORIZED TO ISSUE RULES

The City Manager or his designee may adopt reasonable rules and regulations that the City Manager determines are necessary to implement the requirements and administration of this Chapter.

5.90.0280 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. Chapter 5.89 of the Long Beach Municipal Code is repealed effective on the first (1st) day after this Chapter becomes effective by operation of law.