

TOWN COUNCIL STAFF REPORT

Subject: Workshop regarding cannabis regulations

Meeting Date: February 6, 2018

Written by: Nolan Bobroff, Assistant Planner

RECOMMENDATION: Staff is requesting feedback and consensus on the proposed Town of Mammoth Lakes cannabis regulations.

BACKGROUND:

The Town of Mammoth Lakes (“Town”) has allowed medicinal cannabis activities since 2010 and currently has the following approved medicinal cannabis operations:

- Two (2) use permits for medical cannabis cooperatives/dispensaries
- Two (2) use permits for medical cannabis manufacturing activities
- One (1) use permit for the storage of cannabis plant material

Below is a summary of cannabis related ordinances, laws, and other relevant regulatory actions that have occurred since medical cannabis was legalized within the Town of Mammoth Lakes in 2010:

- **June 2010** – Measure M approved by the voters of the Town of Mammoth Lakes to allow a maximum of two medical marijuana cooperatives within the Town.
- **September 2015** – The CA Legislature adopted the CA Medical Cannabis Regulations and Safety Act (MCRSA), which created a comprehensive state licensing system for medical cannabis. Temporary licenses issued by the State became effective on January 1, 2018.
- **November 2016** – The CA voters adopted Proposition 64, commonly referred to as the “Adult Use of Marijuana Act” (AUMA) which allows the personal, recreation use of marijuana by adults over the age of 21. State issued temporary licenses for recreational commercial marijuana, when authorized by local agencies, became effective on January 1, 2018.
- **June 2017** – The CA Legislature approved Senate Bill (SB) 94, commonly referred to as the “Medicinal and Adult-Use Cannabis Regulation and Safety Act” (MAUCRSA), which consolidated the licensing requirements for medicinal- and adult-use cannabis into one set of regulations.
- **September / October 2017** – The Town adopted and then extended the moratorium on new cannabis businesses within the Town until September 6, 2018, at the latest.
- **December 2017** – The State released the emergency regulations package for medicinal and adult-use cannabis businesses, which implement the MAUCRSA.
- **January 2018** –
 - The State began issuing temporary licenses for medical and adult-use cannabis businesses throughout the state. All temporary licenses require authorization from the local agency prior to issuance and are valid for 120 days. *(Note: All of the medical cannabis businesses within the Town have been approved for temporary licenses from the State.)*

- The Town Council conducted a workshop on cannabis and provided feedback on key components of the cannabis regulations and directed staff to bring forward a complete draft regulatory framework of the cannabis regulations.

PROCESS OVERVIEW:

The Town's current cannabis regulations are contained in Title 5, Chapter 5.38 (Medical Marijuana Cooperatives) and Title 17 (Zoning Code) of the Municipal Code and are specific to medical cannabis. With the passage of CA Proposition 64 (the "Adult Use of Marijuana Act"), CA cities and counties were given the authority to decide how to regulate commercial adult-use cannabis businesses within their jurisdictions. Staff has been researching best practices related to the regulation of commercial adult-use cannabis businesses and have conducted extensive analysis over the past year, and have used that data to develop the draft regulatory framework of the cannabis regulations.

Since an amendment of the Zoning Code is required to implement the updated cannabis regulations, the steps that are necessary to implement the regulations are:

- February 6th – Town Council conducts a workshop to review the entire regulatory framework of the cannabis regulations and provide direction to staff on any requested changes.
- February 14th – Consideration by the Planning and Economic Development Commission (PEDC) at a noticed public hearing of the proposed changes to the Zoning Code (Title 17) related to cannabis. The PEDC shall make a recommendation to the Council whether to approve, approve in modified form, or deny the proposed zoning code amendments.
- March 7th – Consideration by the Town Council at a noticed public hearing of the proposed amendments to the Zoning Code (Title 17) and to Title 5, Chapter 5.38. The Council shall approve, approve in modified form, or deny the amendments to the Municipal Code. If the amendments are adopted, the current moratorium on cannabis businesses (Ordinance 17-09) will be repealed.

Normally amendments to the Municipal Code become effective 30 days after passage of the Ordinance. However, if the Council determines that there is a current and immediate threat to the public health, safety, and welfare of the Town and its residents, the Council can adopt an urgency ordinance, which becomes effective immediately upon its adoption.

ANALYSIS:

The complete draft regulatory framework is included as Attachment(s) 1 and 2. Also included are maps showing the areas where cannabis retail sales would be allowed based on the proposed buffers and separation requirements (Attachment 3) and a map showing the location of the approved manufacturing businesses and the vacant land within the industrial park (Attachment 4).

At the workshop, staff will walk through all sections of the regulatory framework with the Town Council and ask for direction and input on the proposed regulations.

Council feedback and next steps

Staff is requesting feedback from Council at today's meeting in order to complete the draft regulatory framework for cannabis and to begin the public hearing process for the adoption of the regulations.

Staff will take the feedback from today's meeting and incorporate any necessary changes into the draft regulations. Those regulations will then be presented to the Planning and Economic Development Commission on February 14th.

ENVIRONMENTAL CONSIDERATIONS:

The adoption of the ordinance regulating commercial cannabis activities is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 26055(h) of the CA Business and Professions Code since (1) the Town's ordinance requires discretionary review and approval of a use permit to engage in commercial cannabis activity's; (2) the discretionary review and approval of the subsequent use permit requires environmental review pursuant to the CEQA Guidelines; and (3) the Town's ordinance for commercial cannabis activity's will have been adopted prior to July 1, 2019.

LEGAL CONSIDERATIONS:

Adult-use cannabis sales and possession were legalized within CA by Proposition 64; however, cannabis sales and possession continue to be illegal at the Federal level and the Town makes no representations or guarantees that the Federal government will not interfere or prosecute anyone associated with a cannabis business

Attachments:

- Attachment 1: Proposed changes to Title 17 (Zoning Code)
 - Exhibit A: Changes to Land Use Tables and Text
 - Exhibit B: Section 17.52.085 – Cannabis – Commercial Businesses
 - Exhibit C: Section 17.52.086 – Cannabis – Personal Cultivation and Use
- Attachment 2: Proposed changes to Title 5, Chapter 5.38
- Attachment 3: Map of the Areas Where Cannabis Retail Sales can Occur
- Attachment 4: Map of the Industrial Zoning District

Attachment I – Exhibit A

Changes to Title 17 (Zoning) -

Changes to Land Use Tables and Text

Changes to Table 17.24.020

Chapter 17.24 – Commercial Zoning Districts

TABLE 17.24.020: ALLOWED USES AND PERMIT REQUIREMENTS FOR COMMERCIAL ZONING DISTRICTS				
<i>P: Permitted Use; U: Use Permit Required; A: Administrative Permit Required; - : Use Not Allowed; (#) Limitation Applies, See Footnote</i>				
<i>Land Use</i>	<i>D</i>	<i>OMR</i>	<i>MLR</i>	<i>See Specific Use Regulations:</i>
Retail Use Classifications				
Commercial Cannabis Activity	See subclassifications below			
Adult-Use Cannabis Retailer	U(1)	U(1)	-	See 17.52.085 (Cannabis - Commercial Businesses)
Medicinal Cannabis Retailer	U(1)	U(1)	-	See 17.52.085 (Cannabis - Commercial Businesses)
Cannabis Delivery	-	-	-	
Service Use Classification				
Medical Marijuana Cooperatives	U(1)	U(1)	-	See 17.52.160 (Medical Marijuana Cooperatives)
Industry, Manufacturing, & Processing Use Classifications				
Marijuana Cultivation Commercial Cannabis Cultivation, Manufacturing, Distribution, and/or Testing	-	-	-	
1. Limited to no more than 75% of the ground floor area when located along Primary and Secondary Active Frontages. A minimum of 25% of the ground floor area shall be occupied by uses permitted by right or by Administrative Permit (i.e. active uses) and shall occupy the building or structure's frontage for a minimum depth of 20 feet (Administrative Permit required for depths less than 20 feet).				

Change to Table 17.28.020

Chapter 17.28 – Industrial Zoning District

TABLE 17.28.020: ALLOWED USES AND PERMIT REQUIREMENTS FOR THE INDUSTRIAL ZONING DISTRICT		
<i>P: Permitted Use; U: Use Permit Required; A: Administrative Permit Required</i>		
<i>Land Use</i>	<i>Permit Requirements</i>	<i>See Specific Use Regulations:</i>
Service Use Classifications		
Medical Marijuana Cooperatives	U	See 17.52.160 (Medical Marijuana Cooperatives)
Industry, Manufacturing, & Processing Use Classifications		
Marijuana Cultivation	U	See 17.68.100 (Marijuana Cultivation)
Commercial Cannabis Activity	See subclassifications below	

TABLE 17.28.020: ALLOWED USES AND PERMIT REQUIREMENTS FOR THE INDUSTRIAL ZONING DISTRICT		
<i>P: Permitted Use; U: Use Permit Required; A: Administrative Permit Required</i>		
Land Use	Permit Requirements	See Specific Use Regulations:
Service Use Classifications		
Commercial Cannabis Cultivation	<u>U</u>	See 17.52.085 (Cannabis - Commercial Businesses)
Commercial Cannabis Nonvolatile Manufacturing	<u>U</u>	See 17.52.085 (Cannabis - Commercial Businesses)
Commercial Cannabis Volatile Manufacturing	-	
Commercial Cannabis Distribution	<u>U</u>	See 17.52.085 (Cannabis - Commercial Businesses)
Commercial Cannabis Testing	<u>U</u>	See 17.52.085 (Cannabis - Commercial Businesses)

Changes to Section 17.52.040

17.52.040 Accessory Uses and Structure – Residential

10. Cannabis - Personal Cultivation and Use. [The personal use and cultivation of cannabis at private residences shall comply with the requirements of Section 17.52.086 \(Cannabis – Personal Cultivation and Use\).](#)

Changes to Section 17.52.160

17.52.160 Medical Marijuana Cooperatives

~~Notwithstanding any other provision of this Code, no more than two medical marijuana cooperatives shall be allowed within the corporate limits of the Town of Mammoth Lakes. Further, no medical marijuana cooperative shall be located within 500 feet of any other medical marijuana cooperative.~~

[Add Section\(s\) 17.52.085 and 17.52.086](#) (see following pages)

Changes to Section 17.68.100

17.68.100 Requirements for ~~Marijuana Cultivation~~ Commercial Cannabis Businesses

~~Any use permit issued for marijuana cultivation shall, in addition to complying with the requirements of this chapter, require the permittee to comply with Municipal Code Section 5.38.090 subsections D (security and lighting plan), E (no retail sales), F (affidavit required), G (no sales or consumption of alcohol and tobacco), H (no onsite consumption of marijuana), I (no sale of marijuana for profit), J (operating hours), M (recordkeeping), O (no minors on the premises), and Q (additional conditions) as though the permittee were operating, or operating as a, medical marijuana cooperative. The Town may add other conditions to the use permit as necessary to ensure that the permittee is operating safely, securely, and in compliance with applicable laws and provisions of this code.~~

[Any use permit issued for a commercial cannabis activity shall, in addition to complying with the requirements of this chapter, shall comply with all of the requirements and regulations for the intended commercial cannabis activities pursuant to Municipal Code Section 17.52.085.](#)

Attachment I – Exhibit B

Changes to Title 17 (Zoning) -

Section 17.52.085 – Cannabis – Commercial Businesses

17.52.085 Cannabis – Commercial Businesses

A. **Purpose.** The purpose of this Section is to: (1) protect the public health, safety, and welfare of the community, (2) enact strong and effective regulatory and enforcement controls in compliance with state law, (3) protect neighborhood character, and (4) minimize potential for negative impacts on people, communities, and the environment in the Town.

B. **Permits Required.**

Commercial cannabis activities shall not be allowed to operate in the Town without first securing all permits, licenses, or other entitlements required by State and local laws and regulations.

1. A use permit shall be required for all commercial cannabis activities and a separate use permit shall be required for each location at which cannabis activities are to occur. Conducting a commercial cannabis activity without a use permit shall be unlawful and considered to be a public nuisance pursuant to Municipal Code Chapter 17.132. The application for a use permit, and for amendments thereto and extensions thereof, shall be processed in accordance with Municipal Code Chapter 17.68 (Use Permits). In addition to the findings and procedures identified in Municipal Code Chapter 17.128 for the revocation and modification of a use permit, additional grounds which warrant the revocation/modification of a use permit specific to commercial cannabis activities are provided in Municipal Code Section 17.52.085.J.
2. In addition to a use permit, a commercial cannabis permit pursuant to Chapter 5.38 (Commercial Cannabis Permits) shall be required for all commercial cannabis activities. The commercial cannabis permit shall be renewed on an annual basis and the permittee shall maintain such permit in good standing order to continue operations.
3. A valid State license for each commercial cannabis activity that is to be conducted at a location shall be required prior to commencement of the commercial cannabis activity and shall remain valid to continue operations.
4. The owner shall post or cause to be posted on site ~~the use permit and~~ all required Town and state permits and licenses required to operate. Such posting shall be in a central location, visible to the patrons at the operating site, and in all vehicles that transport cannabis or cannabis products.
5. The owner and all permittees shall maintain clear and adequate records and documentation demonstrating that all cannabis or cannabis products have been obtained from and are provided to other permitted and licensed cannabis operations. The Town shall have the right to examine, monitor, and audit such records and documentation, which shall be made available to the Town upon request.
6. The owner and all permittees shall conduct commercial cannabis activities in compliance with all required Town permits and regulations and State licenses, laws, and regulations. The owner shall be responsible for the payment of all required inspection fees, permit fees, and taxes.
7. Existing medical cannabis businesses that were legally established prior to January 1, 2018 may obtain temporary adult-use licenses for the various commercial cannabis activity

type(s) from the State of California if all of the following conditions are met and adhered to:

- a. The business shall only be approved for state 120 day temporary Adult-Use licenses for the use types that the business was originally approved for (i.e., retailer, manufacturer, cultivator, etc.).
- b. The business shall continue to maintain compliance with all conditions of approval of the original use permit, with the exception of those conditions that are no longer applicable (i.e., prohibition of retail sales; prohibition of sales for profit; etc.). It shall be at the sole discretion of the Town which conditions of approval are no longer applicable during the interim transition period.
- c. The business shall comply with all regulations listed in Municipal Code Section 17.52.085 and Municipal Code Chapter 5.38 for the commercial cannabis activity type(s) that they are approved for.
- d. The business may submit for permanent State licenses for adult-use commercial cannabis activities in advance of obtaining a revised use permit for the adult-use component, but are doing so at their own risk and acknowledge that the Town is under no obligation to approve the revised use permit and/or the permanent State license. Furthermore, the Town will deny approval of the permanent State license for adult-use if either of the following occur: (1) a complete application for a use permit amendment to convert to adult-use has not been received prior to contact by the State licensing agency verifying local compliance; or (2) the subsequent use permit amendment to convert to adult-use is denied by the Town.
- e. A signed affidavit acknowledging acceptance of these terms and conditions on a form provided by the Town shall be required.

C. Prohibited Activities.

The following commercial cannabis activities are prohibited within the Town of Mammoth Lakes:

1. Delivery of cannabis or cannabis products to consumers, as the term “delivery” is defined in Section 26001 of the California Business and Professions Code. All sales and dispensing of cannabis and cannabis products shall be conducted in-person and entirely within the licensed premises of a cannabis retailer.
2. Outdoor cultivation of cannabis, regardless if it is for commercial use or personal use.
3. Manufacturing of cannabis concentrates and/or products using volatile solvents.
4. Operating a commercial cannabis business prior to obtaining all of the following: (1) a Town issued use permit pursuant to Municipal Code Title 17; (2) a Town issued commercial cannabis permit pursuant to Municipal Code Chapter 5.38; and (3) a State license pursuant to Section 26000 of the California Business and Professions Code. Said licenses and permits shall specifically include all commercial cannabis activities that are occurring on the premises.

D. Regulations for Cannabis Retailers (Adult-Use and Medicinal).

Where allowed by Article II (Zoning Districts and Allowable Land Uses), cannabis retailers shall comply with the requirements of this section.

Cannabis retailers (Adult-Use and Medicinal) shall comply with all of the following regulations and operating requirements:

- a. Cannabis retail facilities shall be located only in zoning districts that specifically allow for this use.
- b. Cannabis retailers shall be permitted to have on-site cultivation and/or nonvolatile manufacturing uses as accessory uses secondary to the primary retail use, subject to the following conditions:
 - i. A new use permit or a use permit amendment is required for the additional uses.
 - ii. The cultivation and manufacturing areas are not visible from the public right-of-way and the retail use of the facility remains as the primary use. The cultivation area and manufacturing area shall be located in the rear of the premises and not be accessible to the public.
 - iii. The cultivation area and the manufacturing area and equipment shall comply with all applicable California Building Code regulations including, but not limited to, building, electrical, fire, and plumbing code regulations.
 - iv. In addition to the State retailer license, a Microbusiness license or other applicable State license is required for the cultivation and manufacturing uses, and all applicable State laws and regulations shall be adhered to.
 - v. The cultivation and/or manufacturing operations shall remain legally affiliated and physically connected to the cannabis retailer.
 - vi. In addition to complying with all of the requirements for a Cannabis Retailer, compliance with all of the requirements for Commercial Cannabis Cultivation facilities (Municipal Code Section 17.52.085.D) and Commercial Cannabis Manufacturing facilities (Municipal Code Section 17.52.085.E) shall be required.
- c. Cannabis retail facilities shall be subject to the following location requirements:
 - i. Cannabis retail facilities shall not be located on any parcel which is located within six hundred (600) feet of any school providing instruction in kindergarten or any grades 1 through 12, day care center, youth center, or public park that is in existence at the time the use is approved.
 - ii. Cannabis retail facilities shall not be located within five hundred (500) feet of another cannabis retail facility regardless of the adult-use or medicinal designation.
 - iii. The distance between a cannabis retail facility, and the uses described above, shall be measured in a straight line, without regard to intervening

structures or objects, from the closest property line or a portion of the building or structure if located on a property line in which the retail facility is located, to the boundary or closest property line where the uses described above is located.

- iv. Adult-use and medicinal cannabis retailers shall be permitted to be colocated on the same licensed premises, so long as all of the State regulations pertaining to colocation of license types are adhered to.
- d. Cannabis retailers shall keep accurate records of all business operations and provide such records for inspection consistent with Section 26160 of the California Business and Professions Code.
- e. Cannabis retailers shall implement and maintain sufficient security measures to both deter and prevent unauthorized entrance into areas containing cannabis or cannabis products in compliance with Section 26070 of the California Business and Professions Code and any rules enacted by the licensing authority. Security measures shall include, but are not limited to, the following:
 - i. Prevent individuals from loitering on the premises of the retailer if they are not engaging in activity expressly related to the operations of the retailer;
 - ii. Establish limited access areas accessible only to authorized retailer personnel;
 - iii. Store all cannabis and cannabis products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis and cannabis products used for display purposes, samples, or immediate sale;
 - iv. Install security cameras on-site which capture all areas of the premises, including the area immediately outside the premises;
 - v. Install a reliable, commercial burglary, and robbery alarm system and maintain the system in a manner consistent with the manufacturers recommendations and State law; and
 - vi. Provide for on-site security personnel in a manner consistent with applicable state laws, rules, and regulations. On-site security shall not carry firearms or other lethal weapons.
- f. Cannabis retailers shall obtain cannabis and cannabis products from licensed distributors only and shall ensure that all cannabis and cannabis products received came from a licensed cultivator or manufacturer and that all products underwent testing pursuant to state and local regulations.
- g. Retailers shall not sell any cannabis or cannabis product unless the cannabis and cannabis products are labeled and in a tamper-evident package in compliance with Section 26120 of the California Business and Professions Code. All products sold shall be in an opaque exit package when the products leave the premises.

- h. Retailers shall notify the Mammoth Lakes Police Department and the licensing authority within 24 hours after discovering any of the following:
 - i. Significant discrepancies identified during inventory;
 - ii. Diversion, theft, loss, or any criminal activity involving the retailer or any agent or employee of the retailer;
 - iii. The loss or unauthorized alteration of records related to cannabis, customers, or retailer's employees or agents; or
 - iv. Any other breach of security.
- i. No owner, employee, or agent of a cannabis retailer shall allow entry into the premises, or sell or transfer cannabis or cannabis products to another person, without first examining the identification of the recipient to confirm that the recipient is 21 years of age or older.
- j. No cannabis retailer shall employ a person who is less than 21 years of age or allow a person who is less than 21 years of age to be on the premises.
- k. Upon development of a Responsible Cannabis Retailing Education training program that the Mono County Health Department or the CA Bureau of Cannabis Control (BCC) approves of, all employees involved in face-to-face sales of cannabis and/or cannabis products shall complete the training within six months of being notified of the approved course by the Town and shall provide documentation that all employees have completed the training to the Town. Once the training is available, new employees shall complete the training prior to beginning work on the sales floor. All employees shall participate in an annual refresher course and provide evidence of completion to the Town.

Evidence that all employees have completed the course and/or the refresher course shall be provided with the cannabis retailer's annual commercial cannabis permit renewal.

The training is intended to educate employees on legal requirements and best practices for cannabis retailing; provide them with the education and ability to verify age requirements; inform customers about the potential effects that various dosages and products may cause; describe practices that can lower any risks associated with cannabis use; and inform customers about best practices for the storage and use of cannabis to prevent access and accidental use by children.
- l. Cannabis retailers shall not hold or maintain a license from the State Department of Alcoholic Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. Nor shall alcohol be consumed on the premises. This includes the licensed premises, common area(s), parking areas, or sidewalks surrounding the property. Cannabis retailers shall prohibit patrons from entering or remaining on the premises if they are in possession of or are consuming alcoholic beverages or are under the influence of alcohol.
- m. Tobacco products or tobacco paraphernalia shall not be sold or consumed on the premises of a cannabis retailer.

- n. Cannabis retailers shall not hold or maintain a permit as a food facility from the County of Mono. Food products shall not be sold or consumed on the premises.
- o. Cannabis and/or cannabis products shall not be smoked, ingested, or otherwise consumed on the premises of the cannabis retailer or in any accessory structure, parking area, or other immediately surrounding areas and shall be compliant with the Town of Mammoth Lakes “No Smoking in Public Places Ordinance” at all times. Cannabis retailers shall post a sign near their entrances and exits providing notice of this policy.
- p. Cannabis retailers shall not display cannabis goods in a place where they are visible from outside the licensed premises and shall ensure that the area where cannabis sales are occurring is not visible from outside the licenses premises. This may be accomplished through obstructing the windows with curtains or tinting, dividing the business operations to have a lobby that is visible from the exterior with the sales area being in enclosed rooms not visible from the exterior, or other method as approved by the Town.
- q. Bathrooms shall remain locked and under control of the management.
- r. Cannabis retailers shall provide law enforcement and all neighbors within three hundred feet of the retail facility with the name, phone number, and email address of an on-site staff person to notify if there are problems with the establishment.
- s. Cannabis retailers shall not include the words “cannabis” or “marijuana” in any signage nor shall any graphic display of cannabis leaves or plants be displayed on the building signage nor shall any graphics of cannabis leaves or plants be used in advertising collateral materials.
- t. The cannabis retailer shall not engage in any advertising targeted towards minors or promoting the use of cannabis.
- u. All sales and dispensing of cannabis and cannabis products shall be conducted in-person and entirely within the licensed premises of the cannabis retailer. The delivery of any cannabis or cannabis products to a consumer is prohibited within the Town of Mammoth Lakes.
- v. The maximum hours of operation for a cannabis retailer shall be 9:00 a.m. Pacific Time and 9:00 p.m. Pacific Time.
- w. Cannabis retailers and any of the cannabis retailer’s agents or employees shall not sell or offer for sale any of the following prohibited product types:
 - i. Any cannabis or cannabis product that is attractive to children or youth or easily confused with commercially sold candy or foods that do not contain cannabis;
 - ii. Any edible product that contains more than 10 milligrams THC per serving;

- iii. Any edible product that contains more than one hundred (100) milligrams of THC per package for products that contains more than one (1) serving;
- iv. Any product that would otherwise be classified as a potentially hazardous food (as defined in Section 113871 of the California Health and Safety Code), including a food that requires time or temperature control to limit pathogenic microorganism growth or toxin formation.
- x. The cannabis retailer shall use a track-and-trace system that is compatible with the State approved track-and-trace system to track commercial cannabis activity and shall record all transactions in the system including, but not limited to, sales of cannabis goods, receipt of cannabis goods, return of cannabis goods, and destruction and disposal of cannabis goods.
- y. Parking for cannabis retailers shall be provided in compliance with Municipal Code Table 17.44.030.B and shall use the Retail Use Classification land use metric.

E. Regulations for Commercial Cannabis Cultivation (Adult-Use and Medicinal).

Where allowed by Article II (Zoning Districts and Allowable Land Uses), commercial cannabis cultivation activities shall comply with the requirements of this section.

1. **Regulations.** Commercial cannabis cultivation shall comply with all of the following regulations and operating requirements:
 - a. All cultivation of cannabis shall be done indoors using exclusively artificial lighting. Outdoor cultivation of cannabis is prohibited within the Town limits.
 - b. Commercial cannabis cultivation facilities shall be located only in zoning districts that specifically allow for this use, except for when the cultivation use is legally affiliated with and physically connected to a permitted cannabis retailer. A retailer that cultivates cannabis as an accessory use shall comply with all of the requirements identified in Municipal Code Section 17.52.085.D.1.b.
 - c. No direct sales to the public shall occur at a cultivation facility and all cannabis shall pass through a licensed distributor prior to being sold to customers at a cannabis retail location.
 - d. Commercial cannabis cultivation facilities shall not be open to the public.
 - e. Commercial cannabis cultivation facilities shall not be located on any parcel which is located within six hundred (600) feet of any school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the use is approved.
 - f. Commercial cannabis cultivation facilities shall use a track-and-trace system that is compatible with the State approved track-and-trace system to track commercial cannabis activity and movement. Unique identifiers (UIDs) consistent with the State requirements shall be attached to the base of each plant and shall be traceable through the supply chain back to the cultivation site. All activities shall be

documented in the track-and-trace system including, but not limited to, the planting of cannabis seeds, the harvesting of cannabis, the packaging of cannabis, the transportation of cannabis goods to a licensee, and the testing of cannabis.

- g. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis shall be provided and maintained. Security measures shall include, but are not limited to, the following:
 - i. Prevent individuals from loitering on the premises of the cultivation facility if they are not engaging in activity expressly related to the operations of the cultivation facility;
 - ii. Maintain a secured area where the mature and immature cannabis plants are located in order to prevent theft, diversion, and loss;
 - iii. Install security cameras on-site which capture all areas of the premises, including the area immediately outside the premises;
 - iv. Install a reliable, commercial burglary, and robbery alarm system and maintain the system in a manner consistent with the manufacturer's recommendations and State law.
- h. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosions, leakage, or inadvertent damage from rodents, pests, or wildlife. A permit from the Department of Agriculture shall be required for the use of pesticides.
- i. All scales used by commercial cannabis cultivators shall be registered for commercial use and sealed by the Department of Agriculture/Weights and Measures.
- j. Water conservation measures, water capture systems, or grey water systems shall be incorporated in cannabis cultivation operations in order to minimize use of water where feasible.
- k. Waste water discharge resulting from the cultivation activities shall be done in accordance with the requirements of the Mammoth Community Water District.
- l. Cannabis plants shall not be visible from off-site and no visual markers indicating that cannabis is cultivated on the site shall be visible from off-site.
- m. The owner shall ensure that the total canopy size of cannabis cultivated at the site does not exceed the cumulative canopy size authorized by their State license.
- n. Permittees who hold a use permit for commercial cannabis cultivation may transport their own cannabis grown on-site to another permitted and licensed cannabis business at an off-site facility provided the cultivator licensee holds the appropriate State distributor license that allows for the transportation of cannabis. If the cultivator holds a Distributor Transport-Only State license, they shall be prohibited from delivering cannabis and cannabis products to retailers, except for the delivery of immature plants to retailers.

The distribution use shall be approved in conjunction with the use permit for cultivation or an amendment of the use permit to allow distribution will be required. Failure to adhere to Town or State laws and regulations for cannabis transportation may be grounds for revocation/modification of a use permit pursuant to Municipal Code Chapter 17.128 (Revocations and Modifications) and/or Municipal Code Section 17.52.085.L.

- o. All cannabis cultivated as a cultivation facility shall undergo quality assurance review and testing by a licensed testing facility prior to distribution to a retailer pursuant to Section 26104 of the California Business and Professions Code and shall adhere to all State testing regulations.
- p. Pursuant to Section 26053 of the California Business and Professions Code, commercial cannabis cultivators shall only conduct business with other cannabis businesses that hold a State license.
- q. All structures used for cultivation shall be equipped with odor control, filtration, and ventilation systems that are adequate to prevent humidity, mold, odor, and other related problems. A building permit shall be obtained, as necessary, for the installation of required equipment.
- r. All structures used for cultivation shall be legally constructed and shall comply with all applicable California Building Code regulations including, but not limited to, building, electrical, fire, and plumbing code regulations. A building permit from the Town shall be required for all tenant improvements to a structure or site.
- s. Parking for commercial cannabis cultivation facilities shall be provided in compliance with Municipal Code Table 17.44.030.B and shall use the Industrial, Manufacturing, & Processing Use Classification land use metric. Additional parking or the implementation and usage of alternative parking provisions pursuant to Municipal Code Section 17.44.040 may be required by the Director if it is determined that the use and the anticipated number of employees will have an adverse effect on the surrounding area.
- t. All commercial cultivation facilities shall adhere to the Cannabis Waste Management regulations outlined in the State regulations.
- u. Indoor cultivation facilities may operate seven days a week, 24-hour per day as needed. Deliveries and shipping activities shall be limited to the hours of 7 a.m. to 6 p.m., unless stated otherwise in the use permit.

F. Regulations for Commercial Cannabis Manufacturing (Adult-Use and Medicinal).

Where allowed by Article II (Zoning Districts and Allowable Land Uses), commercial cannabis manufacturing activities shall comply with the requirements of this section.

1. **Regulations.** Commercial cannabis manufacturing shall comply with all of the following regulations and operating requirements:

- a. Facilities that manufacture cannabis concentrates and/or products using nonvolatile solvents shall be located only in zoning districts that specifically allow for this use, except when the manufacturing use is legally affiliated with and physically connected to a permitted cannabis retailer. A retailer that manufactures cannabis products as an accessory use shall comply with all of the requirements identified in Municipal Code Section 17.52.085.D.1.b.

Nonvolatile solvents mean any solvent used in the extraction process that is not a volatile solvent. For purposes of this section, nonvolatile solvents include carbon dioxide and ethanol when used in a closed-loop system.

- b. No direct sales to the public shall occur at a manufacturing facility and all cannabis products shall pass through a licensed distributor prior to being sold to customers at a cannabis retail location.
- c. Commercial cannabis manufacturing facilities shall not be open to the public.
- d. Commercial cannabis manufacturing facilities shall not be located on any parcel which is located within six hundred (600) feet of any school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the use is approved.
- e. Commercial cannabis manufacturing facilities shall use a track-and-trace system that is compatible with the State approved track-and-trace system to track commercial cannabis activity and all activities shall be documented in the track-and-trace system including, but not limited to, the receiving of raw cannabis materials, the packaging of cannabis products, the transportation of cannabis products to a licensee, and the testing of cannabis product batches.
- f. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis and cannabis products shall be provided and maintained. Security measures shall include, but are not limited to, the following:
 - i. Prevent individuals from loitering on the premises of the manufacturing facility if they are not engaging in activity expressly related to the operations of the manufacturing facility;
 - ii. Maintain a secured and locked area where the cannabis and cannabis products are stored in order to prevent theft, diversion, and loss;
 - iii. Install security cameras on-site which capture all areas of the premises, including the area immediately outside the premises;
 - iv. Install a reliable, commercial burglary, and robbery alarm system and maintain the system in a manner consistent with the manufacturer's recommendations and State law.
- g. Any employee of a cannabis manufacturing facility operating potentially hazardous equipment shall be trained on the proper use of equipment and on the property hazard response protocols in the event of equipment failure. In addition, employees handling edible products or ingredients shall be trained on proper food safety practices.

- h. No visual markers indicating that manufacturing of cannabis products is occurring on the site shall be visible from off-site.
- i. Permittees who hold a use permit for commercial cannabis manufacturing may transport their own cannabis products manufactured on-site to another permitted and licensed cannabis business at an off-site facility provided the manufacturing licensee holds the appropriate State distributor license that allows for the transportation of cannabis products. If the manufacturer holds a Distributor Transport-Only State license, they shall be prohibited from delivering cannabis products to retailers.

The distribution use shall be approved in conjunction with the use permit for manufacturing or an amendment of the use permit to allow distribution will be required. Failure to adhere to Town or State laws and regulations for cannabis transportation may be grounds for revocation/modification of a use permit pursuant to Municipal Code Chapter 17.128 (Revocations and Modifications) and/or Municipal Code Section 17.52.085.L.

- j. All cannabis products manufactured at a cannabis manufacturing facility shall undergo quality assurance review and testing by a licensed testing facility prior to distribution to a retailer pursuant to Section 26104 of the California Business and Professions Code and shall adhere to all State testing regulations.
- k. Pursuant to Section 26053 of the California Business and Professions Code, commercial cannabis manufacturers shall only conduct business with other cannabis businesses that hold a State license.
- l. All structures used for manufacturing of cannabis products shall be equipped with odor control, filtration, and ventilation systems that are adequate to prevent humidity, mold, odor, and other related problems. A building permit shall be obtained, as necessary, for the installation of required equipment.
- m. All structures used for manufacturing of cannabis products shall be legally constructed and shall comply with all applicable California Building Code regulations including, but not limited to, building, electrical, fire, and plumbing code regulations. A building permit from the Town shall be required for all tenant improvements to a structure or site.
- n. Parking for commercial cannabis manufacturing facilities shall be provided in compliance with Municipal Code Table 17.44.030.B and shall use the Industrial, Manufacturing, & Processing Use Classification land use metric. Additional parking or the implementation and usage of alternative parking provisions pursuant to Municipal Code Section 17.44.040 may be required by the Director if it is determined that the use and the anticipated number of employees will have an adverse effect on the surrounding area.
- o. All commercial cannabis manufacturing facilities shall adhere to the Cannabis Waste Management regulations outlined in the State regulations.

- p. Waste water discharge resulting from the manufacturing activities shall be done in accordance with the requirements of the Mammoth Community Water District.
- q. All equipment used in the manufacturing of cannabis products shall be compliant with all applicable State laws and regulations and all building and fire code regulations. Manufacturers spec sheets for all equipment shall be provided and any change of equipment shall require additional review and approval from the Town.
- r. All scales used by commercial cannabis manufacturers shall be registered for commercial use and sealed by the Department of Agriculture/Weights and Measures.
- s. Manufacturing facilities may operate seven days a week, 24-hour per day as needed. Deliveries and shipping activities shall be limited to the hours of 7 a.m. to 6 p.m., unless stated otherwise in the use permit.

G. Regulations for Commercial Cannabis Distribution (Adult-Use and Medicinal).

Where allowed by Article II (Zoning Districts and Allowable Land Uses), commercial cannabis distribution activities shall comply with the requirements of this section.

1. **Regulations.** Commercial cannabis distribution shall comply with all of the following regulations and operating requirements:
 - a. Commercial cannabis distribution facilities shall be located only in zoning districts that specifically provide for this use.
 - b. Commercial cannabis distribution facilities shall not be open to the public.
 - c. Commercial cannabis distribution facilities shall not be located on any parcel which is located within six hundred (600) feet of any school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the use is approved.
 - d. Commercial cannabis distribution facilities shall use a track-and-trace system that is compatible with the State approved track-and-trace system to track commercial cannabis activity and all activities shall be documented in the track-and-trace system including, but not limited to, the receiving of cannabis and cannabis products, the transportation of cannabis products to a retailer licensee, and the testing of cannabis and cannabis products.
 - e. Prior to transporting cannabis and/or cannabis products, the distributor shall complete an electronic shipping manifest. The shipping manifest shall include the unique identifier (UID) information from the cultivation source.
 - f. A physical copy of the shipping manifest shall be maintained during transportation and shall be made available upon request to law enforcement or any agents of the State, Town, or Mono County charged with enforcement.

- g. Cannabis distribution facilities shall maintain appropriate records of transactions and shipping manifests. An organized and clean method of storing and transporting cannabis and cannabis products shall be provided to maintain a clear chain of custody.
- h. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis and cannabis products shall be provided and maintained. Security measures shall include, but are not limited to, the following:
 - i. Prevent individuals from loitering on the premises of the distribution facility if they are not engaging in activity expressly related to the operations of the distribution facility;
 - ii. Maintain a secured and locked area where the cannabis and cannabis products are stored in order to prevent theft, diversion, and loss;
 - iii. Install security cameras on-site which capture all areas of the premises, including the area immediately outside the premises;
 - iv. Install a reliable, commercial burglary, and robbery alarm system and maintain the system in a manner consistent with the manufacturer's recommendations and State law.
- i. No visual markers indicating that the facility is a cannabis distribution facility shall be visible from off-site.
- j. Distributors shall ensure that appropriate samples of cannabis and/or cannabis products are tested by a licensed testing facility prior to distribution.
- k. Prior to distribution, the distributor shall inspect the cannabis and/or cannabis products for quality assurance.
- l. Cannabis and cannabis products shall be packaged and labeled in accordance with the requirements of State law.
- m. The driver of a vehicle transporting cannabis and/or cannabis products shall be directly employed by persons that hold all required permits, licenses, and entitlements for a cannabis distributor.
- n. All vehicles used for transporting cannabis and cannabis products shall meet all of the State regulations and requirements for cannabis transport vehicles.
- o. Pursuant to Section 26053 of the California Business and Professions Code, cannabis and cannabis products shall only be transported between permitted and licensed commercial cannabis operations.
- p. All structures used for distribution of cannabis products shall be equipped with odor control, filtration, and ventilation systems that are adequate to prevent humidity, mold, odor, and other related problems. A building permit shall be obtained, as necessary, for the installation of required equipment.

- q. All structures used for distribution of cannabis products shall be legally constructed and shall comply with all applicable California Building Code regulations including, but not limited to, building, electrical, fire, and plumbing code regulations. A building permit from the Town shall be required for all tenant improvements to a structure or site.
- r. Parking for commercial cannabis distribution facilities shall be provided in compliance with Municipal Code Table 17.44.030.B and shall use the Industrial, Manufacturing, & Processing Use Classification land use metric. Additional parking or the implementation and usage of alternative parking provisions pursuant to Municipal Code Section 17.44.040 may be required by the Director if it is determined that the use and the anticipated number of employees and/or transport vehicles will have an adverse effect on the surrounding area.
- s. Distribution activities shall be limited to the hours of 7 a.m. to 6 p.m., unless stated otherwise in the use permit.

H. **Regulations for Commercial Cannabis Testing.**

Where allowed by Article II (Zoning Districts and Allowable Land Uses), commercial cannabis testing activities shall comply with the requirements of this section.

1. **Regulations.** Commercial cannabis testing facilities shall comply with all of the following regulations and operating requirements:
 - a. Commercial cannabis testing facilities shall be located only in zoning districts that specifically provide for this use.
 - b. Commercial cannabis testing facilities shall not be open to the public.
 - c. Commercial cannabis testing facilities shall not be located on any parcel which is located within six hundred (600) feet of any school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the use is approved.
 - d. A person that holds a State cannabis testing laboratory license shall not hold a State license for any other cannabis activity and shall not employ an individual who is also employed by any other licensee that does not hold a State cannabis testing laboratory license.
 - e. Security measures sufficient to restrict access to only those intended and to deter trespass and theft of cannabis and cannabis products shall be provided and maintained. Security measures shall include, but are not limited to, the following:
 - i. Prevent individuals from loitering on the premises of the testing facility if they are not engaging in activity expressly related to the operations of the testing facility;
 - ii. Maintain a secured and locked area where the cannabis and cannabis products are stored in order to prevent theft, diversion, and loss;

- iii. Install security cameras on-site which capture all areas of the premises, including the area immediately outside the premises;
 - iv. Install a reliable, commercial burglary, and robbery alarm system and maintain the system in a manner consistent with the manufacturer's recommendations and State law.
- f. No visual markers indicating that the facility is a cannabis testing facility shall be visible from off-site.
- g. Cannabis testing facilities shall destroy the remains of any samples of cannabis and/or cannabis products tested upon completion of the analysis. Destruction of samples shall be done in a manner consistent with State laws and regulations.
- h. All testing procedures and operations shall be done in a manner consistent with State laws and regulations.
- i. All structures used for testing of cannabis products shall be equipped with odor control, filtration, and ventilation systems that are adequate to prevent humidity, contamination of the testing equipment, odor, and other related problems. A building permit shall be obtained, as necessary, for the installation of required equipment.
- j. All structures used for testing of cannabis products shall be legally constructed and shall comply with all applicable California Building Code regulations including, but not limited to, building, electrical, fire, and plumbing code regulations. A building permit from the Town shall be required for all tenant improvements to a structure or site.
- k. Parking for commercial cannabis testing facilities shall be provided in compliance with Municipal Code Table 17.44.030.B and shall use the Industrial, Manufacturing, & Processing Use Classification land use metric. Additional parking or the implementation and usage of alternative parking provisions pursuant to Municipal Code Section 17.44.040 may be required by the Director if it is determined that the use and the anticipated number of employees will have an adverse effect on the surrounding area.
- l. Testing facilities may operate seven days a week, 24-hour per day as needed. Deliveries and shipping activities shall be limited to the hours of 7 a.m. to 6 p.m., unless stated otherwise in the use permit.

I. **Findings and Conditions of Approval.**

1. **Required Findings.** In addition to the use permit findings required by Municipal Code Section 17.68.050, a use permit for a commercial cannabis activity shall be approved only if all of the following additional findings can be made:
 - a. The commercial cannabis business, as proposed, has demonstrated that it can and will comply with all of the requirements of the State and the Town for all of the commercial cannabis activities proposed.

- b. ~~The commercial cannabis business, as approved and conditioned, will not result in significant unavoidable impacts on the environment.~~
- c. The commercial cannabis business includes adequate measures that minimize, to the extent feasible, nuisance to the immediate neighborhood and community including, but not limited to, minimizing detection of odor from off-site, minimizing the effects of loitering, provision of adequate parking, and provision of adequate security measures.
- d. For cannabis cultivation facilities, a finding shall also be made that the cannabis cultivation facility includes adequate measures that minimize use of water for cannabis cultivation at the site.
- e. For cannabis manufacturing facilities, a finding shall also be made that the manufacturing facility does not pose a significant threat to the public or to neighboring uses from explosion or from the release of harmful gases, liquids, or substances.
- f. For cannabis testing facilities, a finding shall also be made that the owners, permittees, operators, and employees of the testing facility are not associated with any other commercial cannabis activities within the State.

2. ***Required Conditions of Approval.*** In addition to any other required conditions and mitigation measures imposed, all of the following conditions shall apply to all use permits for commercial cannabis activities:

- a. The commercial cannabis business shall allow access to its facilities and records if requested by the Town, its officers, or agents, and shall pay for annual financial and regulatory compliance audits and submit to inspections from the Town or its officers to verify compliance with all relevant rules, regulations, and conditions.
- b. Any person operating a commercial cannabis business shall obtain a commercial cannabis permit pursuant to Municipal Code Chapter 5.38 prior to commencing operations and must maintain such permit in good standing in order to continue operations.
- c. The commercial cannabis business shall operate only in accordance with the operating plans reviewed and approved by the Town.
- d. The applicant and its successors of interest shall acknowledge and agree that the Town makes no representations or guarantees that operations carried out under the auspices of the use permit or the commercial cannabis permit will comply with federal law, that the applicant's premises and the real property in which the premises are situated will not be raided by law enforcement personnel, and/or that the applicant, its staff, or anyone connected with the applicant's operations will not be criminally prosecuted under the applicable law.

J. **Application Requirements**

All applications for a use permit for a commercial cannabis activity shall be filed in accordance with Municipal Code Chapter 17.60 (Applications, Processing, and Fees) and shall include, without limitation, the following documentation:

1. Proof of ownership of the premises, or if the premises on which the commercial cannabis operation is to occur is rented or leased, a copy of the lease signed by the owner of the property. A signed affidavit from all persons and entities having a right, title, or interest in the property that is the subject of the application consenting to the application and the operation of the proposed commercial cannabis activity on the subject property is required.
2. A complete description of the type, nature, and extent of the commercial cannabis activities to be conducted.
3. A description of the type of State license(s) that will be required for the proposed operations pursuant to California Business and Professions Code Sections 26000, et seq., including a description of the proposed total canopy area of any cultivation or nursery operation.
4. A scaled site plan that shows, at a minimum, the property lines, all buildings (existing and proposed), adjacent buildings within 20 feet of the property line, impermeable surfaces, parking areas, delivery/truck loading and parking areas, entry and exits to the building(s), propane tank(s), trash enclosures, fences, walls, site lighting, and snow storage area(s). Additional items may be required by the review authority.
5. Scaled floor plan(s) showing the layout of the interior space(s) and identifying all areas where commercial cannabis activities will occur.
6. Building elevations if any exterior modifications are proposed.
7. An operations plan including at a minimum, the following information:
 - a. A security plan outlining the on-site security measures, both physical and operational, that ensure the safety of persons and the protection of the premises from theft. The plan shall include, at a minimum, installation of security cameras, installation of electronic locking mechanisms, continuous operation of a commercial burglary and robbery alarm system that is monitored by a state-licensed operator, use of security guards when required by State regulations, and an annual written security assessment of the site by a qualified professional. The security plan must also include a lighting plan showing exterior and interior lighting that will be implemented to provide adequate security and provide evidence of compliance with all Town standards regarding lighting design and installation (see Municipal Code Section 17.36.030 – Exterior Lighting).
 - b. Standard operating procedures manual detailing how operations will comply with State and local regulations; how safety and quality of products will be ensured; record keeping procedures for financing, testing, and adverse effect recording; and product recall procedures.
 - c. Proposed hours of operation.

- d. Waste disposal plan.
 - e. Product supply chain information including where cultivation occurs, where the product is processed or manufactured, where the testing of cannabis and/or cannabis products will occur, how the product is being transported, and packaging and labeling criteria.
 - f. Record keeping policy.
 - g. Track-and-trace measures.
 - h. Procedures for verifying age of customers and employees and medical recommendations (if applicable).
 - i. Information on the proposed odor control, filtration, and ventilation systems, if required.
 - j. Size, height, colors, and design of any proposed signage at the site.
 - k. Parking plan that shows employee vehicle parking, truck parking, and transport vehicle loading and parking areas.
 - l. Such other information that is deemed necessary by the Director.
8. Submittal of the commercial cannabis permit application pursuant to Municipal Code Chapter 5.38. The application for the commercial cannabis permit shall include all of the items listed in Municipal Code Section 5.38.040.
9. Additional application items that shall be required based on the type of commercial cannabis activities proposed.
- a. For commercial cannabis cultivation facilities, the following additional information shall be required:
 - i. A water management plan including the proposed water supply and proposed water conservation measures;
 - ii. Projected energy demand and information on any proposed renewable energy features, such as installation of solar panels;
 - iii. Unique identifier (UID), inventory, and quality control procedures; and
 - iv. A floor plan identifying the location, dimensions, and boundaries of all proposed canopy areas taking into account space needed for ongoing care of plants and a description of the proposed method of physically delineating those boundaries at the site.
 - b. For commercial cannabis manufacturing facilities, the following additional information shall be required:
 - i. Information on products used in the manufacturing process including the cannabis supply chain, liquids, solvents, agents, and processes. Evidence

that all cannabis will be obtained from a licensed cultivator or licensed distributor operating in compliance with all local and State laws will be required;

- ii. Storage protocol and hazard response plan; and
 - iii. Quality control measures.
- c. For commercial cannabis distribution facilities, the following additional information shall be required:
- i. An operations plan detailing how, and from where, cannabis and cannabis products will be received; how any storage, distribution, and transportation operations will be secured to prevent theft and trespass; and to whom the product will be distributed;
 - ii. Quality control measures;
 - iii. Truck parking and loading areas plan; and
 - iv. Cannabis storage and handling plans.
- d. For commercial cannabis testing facilities, the following additional information shall be required:
- i. An operations plan detailing how cannabis and cannabis products will be received, secured, tested, and destroyed upon completion;
 - ii. Certificate of accreditation from an approved accrediting body or evidence that the accreditation process has begun; and
- e. Proposed procedures for record keeping, including chain of custody control and certificate issuance.

K. Grounds for Revocation or Modification.

1. In addition to the findings and procedures identified in Municipal Code Chapter 17.128 for the revocation and modification of a use permit, additional grounds which warrant the revocation/modification of a use permit specific to commercial cannabis activities include:
- a. Any act or omission by an owner or permittee in violation of the provisions of Municipal Code Section 17.52.085.
 - b. Any act or omission by an owner or permittee that results in the denial, revocation, or suspension of the owner's or permittee's State commercial cannabis activity license(s).
 - c. Any act or omission by an owner or permittee that results in the denial, revocation, or suspension of the owner's or permittee's commercial cannabis permit issued under Municipal Code Chapter 5.38.
 - d. Any act or omission by an owner or permittee in violation of State law or the Town's Municipal Code.

- e. Conduct of the commercial cannabis business in a manner that constitutes a nuisance, where the owner or permittee has failed to comply with reasonable conditions to abate the nuisance.

L. Procedure for Revocation or Modification.

In addition to the procedures identified in Municipal Code Chapter 17.128 for the revocation and modification of a use permit, the following additional procedures shall apply to revoke or modify a use permit specific to commercial cannabis activities:

1. If the Director determines that grounds for revocation/modification of the use permit exist pursuant to Municipal Code Chapter 17.128 or Section 17.52.085.I, the Director, or his or her designee shall issue a written Notice of Intention to revoke or modify the use permit, as the case may be. The Notice of Intention to revoke or modify shall be served on the property owner and shall also be served on permittees on the property, as reported on the commercial cannabis permits issued pursuant to Chapter 5.38. The Notice of Intention shall be served by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested. The Notice of Intention shall describe the property, the intention to revoke or modify the use permit, the grounds for revocation or modification, the action necessary to abate the violation, and the time limit for compliance.
2. Failure to abate the violation prior to the end of the specified time-limit for compliance in the Notice of Intention shall result in proceeding with the revocation or modification of the user permit pursuant to the procedures set forth in Municipal Code Chapter 17.128 (Revocation and Modification).

- M. Enforcement.** The enforcement of Municipal Code Section 17.52.085 shall be in accordance with the provisions of Municipal Code Chapter 17.132 (Enforcement) and all violations of this section shall be declared to be unlawful and a public nuisance and may be abated by the Town through civil proceedings by means of a restraining order, preliminary or permanent injunction, or in any other manner provided by law for the abatement of such nuisances.

Attachment I – Exhibit C

Changes to Title 17 (Zoning) -

Section 17.52.086 – Cannabis – Personal Cultivation and Use

17.52.086 Cannabis – Personal Cultivation and Use

- A. **Purpose.** The standards and requirements contained in this section are intended to regulate the personal use and cultivation of cannabis at private residences in a manner that protects the health, safety, and welfare of the community and minimizes the potential nuisance, security, and safety issues associated with cannabis use and cultivation. This section is not intended to interfere with a patient's right to medical cannabis pursuant to the Compassionate Use Act, as may be amended, nor does it criminalize cannabis possession or cultivation otherwise authorized by State law. This section is not intended to interfere with the ability of persons 21 years of age or older from growing, possessing, and using cannabis pursuant to the Adult Use of Marijuana Act, so long as the quantities and use are consistent with State law. This section is not intended to give any person or entity independent legal authority to operate a cannabis business. It is intended simply to impose zoning restrictions regarding personal cultivation of cannabis in the Town pursuant to this Code and State law.
- B. **Applicability.** No part of this section shall be deemed to conflict with federal law as contained in the Controlled Substances Act, 21. U.S.C. § 800 et seq., not to otherwise permit any activity that is prohibited under that Act or any other local, state or federal law, statute, rule or regulation. Nothing in this section shall be construed to allow any conduct or activity relating to the cultivation, distribution, dispensing, sale, or consumption of cannabis that is otherwise illegal under local or state law. No provision of this section shall be deemed a defense or immunity to any action brought against any person by the Mono County District Attorney's office, the Attorney General of the State of California or the United State of America.
- C. **Requirements.** The following standards shall apply to the personal use and cultivation of cannabis at private residences.
1. **Persons Authorized to Cultivate Cannabis for Personal Use.**
 - a. A qualified patient, as that term is defined in Section 11362.7 of the California Health and Safety Code, provided the qualified patient possesses, stores, manufactures, transports, or cultivates cannabis exclusively for his or her personal medical use, and does not provide, donate, sell, or distribute cannabis to any other person. Qualified patients shall, upon request, provide appropriate documentation to law enforcement demonstrating that they have a valid doctor's recommendation to use cannabis for medicinal purposes.
 - b. A primary caregiver, as that term is defined in Section 11362.7 of the California Health and Safety Code, provided the primary caregiver possesses, stores, manufactures, transports, donates, provides, or cultivates medical cannabis exclusively for the personal medical purposes of no more than three (3) qualified patients for whom he or she is the primary caregiver, but who does not receive remuneration for these activities except for compensation in full compliance with subdivision (c) of Section 11362.765 of the California Health and Safety Code. Primary caregivers shall, upon request, provide appropriate documentation to law enforcement demonstrating that they are a primary caregiver for a maximum of three (3) qualified patients.

- c. For persons other than qualified patients or primary caregivers, all personal cannabis cultivation shall be conducted by persons 21 years of age or older.
- 2. Use and Possession Limitations.
 - a. Qualified patients with a valid doctor's recommendation, or the designated primary caregiver of that qualified patient or person, may possess and use amounts of cannabis consistent with Section 11362.77 of the California Health and Safety Code.
 - b. Qualified patients and primary caregivers may maintain mature and immature cannabis plants in an amount consistent with Section 11362.77 of the California Health and Safety Code; however, at no time shall the cumulative cultivation area for qualified patients and primary caregivers exceed one hundred (100) square feet of canopy area per qualified patient and primary caregivers shall only be permitted to cultivate for a maximum of three (3) qualified patients at any individual address or on any individual parcel. The cultivation area within a dwelling unit shall not exceed ten percent or one hundred square feet, whichever is greater, of the total floor area of the dwelling unit. Total floor area of a dwelling unit does not include garage, attic, or other spaces not customarily used for living purposes. All cultivation areas shall comply with the location requirements specified in Section 17.52.086.C.3.
 - c. Pursuant to Section 11362.1 and 11362.2 of the California Health and Safety Code, persons 21 years of age or older may do the following:
 - i. Possess, process, transport, purchase, obtain, or give away to persons 21 years of age or older without any compensation whatsoever, not more than 28.5 grams (i.e., 1 ounce) of cannabis (not in the form of concentrated cannabis) and not more than 8 grams of concentrated cannabis (this includes cannabis products);
 - ii. Possess, plant, cultivate, harvest, dry, or process not more than six (6) living cannabis plants within a single dwelling unit at any one time, regardless of the number of persons residing in that dwelling unit and the cultivation area shall comply with the location requirements specified in Section 17.52.086.C.3; and
 - iii. Smoke or ingest cannabis or cannabis products pursuant to the regulations in Section 11362.3 of the California Health and Safety Code and Chapter 9.26 of the Town's Municipal Code.
- 3. **Location Requirements.** Cannabis cultivation for personal use shall be permitted in all zones where accessory residential uses are permitted pursuant to Article II (Zoning Districts and Allowable Land Uses) and shall be subject to the following requirements and limitations:
 - a. The cultivation of cannabis for personal use is permitted to occur in the following areas:
 - i. If located on a parcel with one (1) single-family residence, the cultivation area shall be located indoors within the dwelling unit or within a fully-

enclosed accessory structure. If the cultivation area is located in an accessory structure, the accessory structure shall comply with the following standards:

- (1) Be located on the same legal parcel as the single-family residence;
 - (2) Not be located within the front yard setback;
 - (3) Maintain a minimum twenty (20) foot setback along a street side yard;
 - (4) Maintain a minimum ten (10) foot setback along the interior side and rear yard;
 - (5) Maintain a minimum distance of thirty (30) feet from the nearest residence which is not located on the same parcel;
 - (6) Maintain the minimum number of required enclosed parking spaces pursuant to Municipal Code Chapter 17.44 if the cultivation area is located within a garage; and
 - (7) “Structure” shall have the same meaning as specified in Section 17.148.020 of this Code and does not include cargo containers, recreational vehicles, or any other style of temporary structure.
- ii. If located on a parcel with multiple dwelling units (e.g., multi-family residential), the cultivation of cannabis for personal use shall only be allowed indoors within the individual dwelling units. Parcels that have a legal secondary dwelling unit along with a single-family dwelling shall be subject to the location requirements specified in Section 17.52.086.C.3(a)(i).
- b. Outdoor cultivation of cannabis, regardless if it is for commercial use or personal use, is prohibited within the Town limits.

4. ***Safety, Security, and Nuisance Prevention.***

- a. No exterior evidence of cannabis cultivation occurring at the property shall be visible from the public right-of-way.
- b. Light systems shall be fully shielded, including adequate coverings on windows, so as to confine the light and glare to the interior of the structure.
- c. All structures used for cultivation shall be legally constructed and shall comply with all applicable California Building Code regulations including, but not limited to, building, electrical, fire, and plumbing code regulations. Total electrical loads of the lighting equipment used for cultivation shall not exceed one thousand two hundred (1,200) watts, unless a licensed electrical contractor certifies in a form acceptable to the Town’s Building Official, that the additional lighting loads meet the requirements of the currently adopted California Electrical Code.
- d. All structures used for cultivation shall be equipped with odor control, filtration, and ventilation systems that are adequate to prevent humidity, mold, odor, and

other related problems. A building permit shall be obtained, as necessary, for the installation of required equipment.

- e. The cannabis plants and any cannabis produced by the plants in excess of 28.5 grams shall be kept within a fully enclosed structure and be secured by lock and key or other security device which prevents unauthorized entry and is inaccessible to minors.
 - f. The use of gas products (CO₂, butane, propane, etc.) for cannabis cultivation and/or any other processing or manufacturing of cannabis products is prohibited at private residential dwelling units.
 - g. The use of generators is prohibited, except as emergency back-up systems.
 - h. The cultivation of cannabis shall not adversely affect the health or safety of nearby residents, or cause annoyance or discomfort to any reasonable person of normal sensitiveness, by creating glare, heat, noxious gasses, odor, smoke, vibration, or other impacts, or be hazardous due to the use or storage of materials, processes, products, or wastes.
5. **Accessory Use.** Cannabis cultivation for personal use shall be clearly secondary to the full-time use of the property as a residence and the residence shall maintain a fully functional kitchen, bathroom(s), and primary bedroom. These rooms shall not be used for personal cannabis cultivation where such cultivation will prevent their primary use for sleeping, bathing, and/or preparation of meals.
6. **Prohibited Uses.** A private residential dwelling unit shall not be used for the commercial cultivation of cannabis or the operation of any other cannabis business and cannabis cultivation is prohibited as a home occupation.
7. **Residency Requirement.** A full-time resident shall reside on the premises where the cultivation of cannabis is occurring and said resident shall be either 21 years of age or older, a qualified patient, and/or a primary caregiver.
8. **Landlord Authorization.** Nothing in this section is intended, nor shall it be construed, to preclude any landlord from limiting or prohibiting personal cultivation of cannabis by tenants or from requiring tenants to obtain written consent from the landlord prior to any cultivation commencing.
9. **Enforcement.** A violation of this Section is unlawful and any person that violates any of the provisions of this Section may be prosecuted for an infraction or a misdemeanor pursuant to Title 1, Chapter 1.12 of this Code. Notwithstanding the foregoing, this Section does not authorize a criminal prosecution, arrest, or penalty inconsistent with or prohibited by Section 11362.7 et seq. or Section 11357 et seq. of the California Health and Safety Code. In the event of a conflict between the penalties set forth in Title 1, Chapter 1.12 of this Code and any penalties set forth in state law, the maximum penalties allowable under state law shall govern.

Attachment 2

Proposed Changes to Chapter 5.38

Chapter 5.38 – Commercial Cannabis Permits

5.38.010 Applicability

The requirements in this Chapter apply to all commercial cannabis business within the Town. These requirements do not apply to personal use of cultivation and cannabis.

5.38.020 Definitions

The following words and phrases, wherever used in this Chapter, shall have the meanings set forth below.

Applicant. A person who has submitted an application for a permit or renewal of a permit issued pursuant to this Chapter. If the applicant is an entity and not a natural person, applicant shall include all persons having a ten percent (10%) or more financial interest in the entity.

Application. The form provided by the Town of Mammoth Lakes in accordance with this Chapter for the purpose of seeking a commercial cannabis permit.

Board of Review. The administrative hearing board for appeals of the intention to revoke or suspend a commercial cannabis permit. The Board of Review shall be comprised of the Town Manager, the Town Attorney, and one other appointee whom is not in any way involved in the review or issuance of commercial cannabis permits.

Cannabis Review Authority. The Cannabis Review Authority is comprised of Town staff that have the responsibility and authority to review and approve or deny commercial cannabis permits. The review authority includes, but is not limited to, town staff from the Community and Economic Development Department, the Finance Department, and the Police Department. “Review Authority” shall have the same meaning.

Cannabis Product. Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

Canopy. All areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site.

Commercial Cannabis Activity. Any commercial activity (i.e., non-personal use) involving the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of cannabis and cannabis products

Cannabis. All parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the Health and Safety Code.

Commercial Cannabis Permit. A permit issued by the Town of Mammoth Lakes to an applicant to perform commercial cannabis activities under this Chapter.

Commercial Cannabis Operation. An entity that engages in commercial cannabis activities.

Chief of Police. The Chief of Police for the Town of Mammoth Lakes Police Department or his/her designee.

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

Permittee. A person issued a Town permit under this Chapter.

Person. 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.

Premises. The designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted.

Primary Caregiver. "Primary caregiver" shall have the same meaning as in Section 1136237 of the California Health and Safety Code, as it may be amended from time to time. A person asserting primary caregiver status must establish by written documentation that (1) he or she has been designated as such by the medicinal cannabis patient and (2) he or she is a person "who has consistent assumed responsibility for the housing, health, or safety of the patient."

Property Owner. The individual or entity who is the record owner of the subject property where commercial cannabis activities are located or are proposed to be located.

Qualified Patient. "Qualified Patient" shall have the same meaning as in Section 11362.37 of the California Health and Safety Code, as it may be amended from time to time.

State. State of California

State License. A state license issued pursuant to California Business and Professions Code Sections 26000, et seq.

Town. Town of Mammoth Lakes

5.38.030 Commercial Cannabis Permit

- A. Any person who intends to engage in a commercial cannabis activity shall obtain a commercial cannabis permit for the fixed location in which the commercial cannabis activity is to occur. Each separate location where commercial cannabis activities are to occur will require a separate commercial cannabis permit.
- B. It is unlawful for any person to conduct, engage in, or allow to be conducted or engaged in a commercial cannabis activity within the Town, unless the Town has issued such person a permit

under this Chapter and the permit is in effect. Notwithstanding the above, the permits issued under this Chapter do not provide any protection or immunity for any person from state or federal laws, or from protection pursuant to any applicable state or federal laws.

- C. The fact that an applicant possesses other types of state or Town permits or licenses, shall not exempt the applicant from obtaining a commercial cannabis permit under this Chapter, nor shall the terms and conditions of any other such permit or license modify the requirements of a permit granted under this Chapter, except that the commercial cannabis permit must be consistent with the land use entitlement issued by the Town pursuant to Municipal Code Title 17.
- D. The applicant must receive all necessary land use entitlements as required by Municipal Code Title 17 before the Town will issue a commercial cannabis permit under this Chapter.
- E. All of the following activities are exempt from the commercial cannabis permit requirements under this Chapter:
 - 1. Possession, storage, manufacturing, or transportation of medicinal cannabis, or cultivation of medicinal cannabis in an amount consistent with Section 11362.77 of the California Health and Safety Code by a qualified patient, as that term is defined in Section 11362.7 of the California Health and Safety Code, provided the qualified patient possesses, stores, manufactures, transports, or cultivates cannabis exclusively for his or her personal medical use, and does not provide, donate, sell, or distribute cannabis to any other person. Qualified patients shall, upon request, provide appropriate documentation to law enforcement demonstrating that they have a valid doctor's recommendation to use cannabis for medicinal purposes.
 - 2. Possession, storage, manufacturing, or transportation of medicinal cannabis, or cultivation of medicinal cannabis in an amount consistent with Section 11362.77 of the California Health and Safety Code by a primary caregiver on behalf of a qualified patient, within the meaning of Section 11362.7 of the California Health and Safety Code, provided the primary caregiver does not receive remuneration for these activities except for compensation in full compliance with subdivision (c) of Section 11362.765 of the California Health and Safety Code and the primary caregiver does not act on behalf of more than three (3) qualified patients. Primary caregivers shall, upon request, provide appropriate documentation to law enforcement demonstrating that they are a primary caregiver for a maximum of three (3) qualified patients.
 - 3. Possession, processing, storage, transportation, or donation of not more than 28.5 grams (i.e., 1 ounce) of cannabis or not more than eight (8) grams of concentrated cannabis to persons 21 years of age or older by persons 21 years of age or older pursuant to Section 11362.1 of the California Health and Safety Code.
 - 4. The cultivation of up to six (6) cannabis plants by persons 21 years of age or older as allowed pursuant to Section 11362.1 of the California Health and Safety Code.

5.38.040 Commercial Cannabis Permit Application Process

- A. Each application for the establishment of a commercial cannabis permit shall be filed with the Town's Community and Economic Development Department on the form and in the manner

prescribed by the Cannabis Review Authority. The Review Authority shall be responsible for administering the application process set forth in this Chapter.

B. In all cases, the application shall contain, without limitation, the following documentation:

1. All applicants' names, mailing addresses, phone numbers, and e-mail addresses.
2. A 24-hour or night-time contact phone number.
3. The physical address and assessor parcel number (APN) of the property upon which the proposed commercial cannabis operation will be located.
4. Proof of ownership of the premises, or if the premises on which the commercial cannabis operation is to occur is rented or leased, a copy of the lease signed by the owner of the property. A signed affidavit from all persons and entities having a right, title, or interest in the property that is the subject of the application consenting to the application and the operation of the proposed commercial cannabis activity on the subject property is required.
5. A scaled diagram of the premises, showing, without limitation, a site plan, all entry ways and exits to the building(s), parking areas, delivery/truck loading areas, trash enclosures, fences, walls, site lighting, and a floor plan showing the layout of the interior space(s) and identifying all areas where commercial cannabis activities will occur.
6. If the applicant is a business entity or any form of entity, information regarding the entity, including, without limitation, the name and address of the entity, its legal status, and proof of registration with, or a certificate of good standing from, the California Secretary of State, if applicable.
7. The full name, date of birth, social security number, present address and previous addresses for the past five years of all owners, supervisors, employees, and persons having a ten percent (10%) or more financial interest in the commercial cannabis activity that is the subject of the application or, if the applicant is an entity, having a ten percent (10%) or more financial interest in the entity.
8. The businesses, occupations, and employment history for the ten years immediately preceding the date of the application that all persons and entities responsible for the operation of the commercial cannabis activity, including managers, corporate officers, and persons having a ten percent (10%) or more financial interest in the commercial cannabis activity have been involved in.
9. All owners, supervisors, employees, and persons having a ten percent (10%) or more financial interest in the commercial cannabis activity shall submit the following information to allow the Chief of Police to conduct a background check and investigation:
 - a. The name, address, phone number, and fingerprints of each person identified above.
 - b. For each person identified above, a list of each criminal conviction, if any, whether each such conviction was by verdict, plea of guilty, or plea of nolo contendere. The list shall, for each such conviction, set forth the date of arrest, the location of the

arrest, the offense charged, the court in which the applicant was prosecuted, and the offense of which the applicant was convicted.

c. Such other information as may be required by the Chief of Police.

10. A copy of all applicant's, supervisors, and employees state issued driver's license or other form of identification.
11. The names and address of any other commercial cannabis operations currently being operated by the applicant, or that had previously been operated by the applicant and a statement of whether the authorization for any such operation had been revoked or suspended and, if so, the reason therefore.
12. A complete description of the type, nature, and extent of the commercial cannabis activities to be conducted.
13. A description of the type of State license(s) that will be required for the proposed operations pursuant to California Business and Professions Code Sections 26000, et seq., including a description of the proposed total canopy area of any cultivation or nursery operation.
14. A detail of the procedures to be utilized at the premises including a description of how chemicals, pesticides and fertilizers will be stored, handled, used and disposed of; and if applicable, manufacturing methods, the transportation process, inventory procedures, and quality control procedures.
15. A security plan outlining the on-site security measures, both physical and operational, that ensure the safety of persons and the protection of the premises from theft. The plan shall include, at a minimum, installation of security cameras, installation of electronic locking mechanisms, continuous operation of a commercial burglary and robbery alarm system that is monitored by a state-licensed operator, use of security guards when required by State regulations, and an annual written security assessment of the site by a qualified professional. The security plan must also include a lighting plan showing exterior and interior lighting that will be implemented to provide adequate security.
16. Proposed hours of operation.
17. A waste disposal plan.
18. If applicable, provide the applicant's seller's permit number issued pursuant to Part 1 (Commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code or indicate that the applicant is currently applying for a seller's permit.
19. A statement by the applicant that it has the ability to comply with all laws regulating businesses in the State of California and that it shall maintain compliance during the term of the permit.
20. Authorization for the Town, its agents, and employees to seek verification of the information contained in the application.

21. Certification, under penalty of perjury, that all the information contained in the application is true and correct.
22. Any other information required by the Town.

5.38.050 Review of Application for Commercial Cannabis Permit

- A. The Review Authority shall review the application for a commercial cannabis permit and associated documents and shall require, if he or she deems necessary, additional information to complete the application. The Review Authority may deem the application incomplete if it does not contain all required information and documents. Upon notification that an application is incomplete, the applicant shall have ten (10) calendar days to submit all materials required to complete the application. If the application remains incomplete in excess of ten (10) calendar days, the application shall be deemed withdrawn.
- B. An application shall not be deemed complete unless all required application fees have been paid.
- C. Each commercial cannabis permit shall be granted for a one (1) year period and shall expire one (1) year after the date of its issuance.
- D. Upon review of a complete application for a commercial cannabis permit, the Review Authority shall grant the application if:
 1. The proposed commercial cannabis activities will comply with all the requirements of the State and the Town's Municipal Code;
 2. The applicant has received all necessary land use entitlements as required by Municipal Code Title 17;
 3. The proposed commercial cannabis activity will comply with all provisions of this Chapter;
 4. The Chief of Police has approved the application based on the following criteria:
 - a. Whether the location is identified as having crime issues. "Crime issues" shall mean calls for police services significantly in excess of the average number of calls for services for similar businesses during the most recent reporting period for which statistics are available.
 - b. Whether the floor plan, security plan and lighting plan incorporate features sufficient to reduce or eliminate potential crime-related problems.
 - c. Whether any of the owners, supervisors, employees, and persons having a ten percent (10%) or more financial interest in the commercial cannabis activity have violated any local or state law, statute, rule or regulation respecting the distribution, possession or consumption of illegal drugs or controlled substances.
 - d. Whether any of the owners or persons having a ten percent (10%) or more financial interest in the commercial cannabis activity have engaged in unlawful, fraudulent, unfair, or deceptive business practices or acts.

- e. Whether any of the owners, supervisors, employees, and persons having a ten percent (10%) or more financial interest in the commercial cannabis activity have knowingly made a false statement of material fact or have knowingly omitted to state a material fact in a permit application, or have provided false, inaccurate, or otherwise misleading information, or failed to submit or otherwise refuse to submit to fingerprinting.
 - f. Whether any of the owners, supervisors, employees, and persons having a ten percent (10%) or more financial interest in the commercial cannabis activity have committed any act involving dishonesty, fraud, or deceit with intent to substantially benefit him or herself, or another, or substantially injure another, or has engaged in illegal use, possession, distribution, or similar action relating to illegal drugs or controlled substances. Notwithstanding the above, an applicant shall not be denied solely on the basis that the applicant has been convicted of a felony if the applicant has obtained a certificate of rehabilitation under California law or solely on the basis that the applicant has been convicted of a misdemeanor if the applicant has met all applicable requirements of rehabilitation pursuant to California law.
 - 5. If applicable, the applicant has obtained a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code.
- E. The Review Authority may deny any application that meets any of the following criteria:
- 1. The applicant has knowingly made a false statement of material fact or has knowingly omitted a material fact from the application;
 - 2. Any supervisor, employee, or persons have a ten percent (10%) or more financial interest in the commercial cannabis activity has been convicted of a felony, as specified in subdivision (c) of Section 667.5 and subdivision (c) of Section 1192.7 of the California Penal Code, or a drug related misdemeanor reclassified by Section 1170.18 of the California Penal Code (Proposition 47) within the past ten (10) years. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere;
 - 3. If the Chief of Police determines that there is a substantial risk to the community based on the criteria in Section 5.38.050 of this Chapter.
 - 4. If applicable, the applicant failed to obtain or maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code.
 - 5. If any person who is listed on the application is less than 21 years of age;
 - 6. If the proposed commercial cannabis activity does not comply with the provisions of this Chapter or State law; or
 - 7. If the applicant has not received all necessary land use entitlements as required by Municipal Code Title 17.

- F. If the Review Authority intends to deny the application, the Review Authority shall specify in writing the reason for the denial of the application, and notify the applicant that the decision shall become final unless the applicant seeks an appeal pursuant to Section 5.38.130 of this Chapter within ten (10) calendar days of the date of service of the Review Authority's decision. Service of the decision shall be provided in accordance with the requirements set forth in Section 5.38.140 of this Chapter.

5.38.060 Commercial Cannabis Permit Renewal and Grounds for Denial

- A. Each commercial cannabis permit shall expire one (1) year after the date of its issuance. Any permit may be renewed by the Review Authority upon the submission of a renewal application by the permittee and upon determination by the Review Authority that the applicant meets the standards for grant of application pursuant to Section 5.38.050 of this Chapter. At the time of consideration of a renewal application, the Review Authority shall consider compliance with conditions in the prior term.
- B. An application for renewal shall be filed with the Review Authority at least sixty (60) calendar days before expiration of the permit. If any of the documentation and information supplied by the applicant pursuant to Section 5.38.040 has changed since the grant of the permit, applicant shall submit updated information and documentation with the application for renewal and shall provide such other information as the Review Authority may require.
- C. If a commercial cannabis permit expires without being renewed, the permittee of the expired permit must apply for a new permit pursuant to this chapter. Operations at the location shall cease until such new permit is issued.
- D. Any application for renewal may be denied if:
1. The application is filed fewer than sixty (60) calendar days before its expiration;
 2. The permittee fails to conform to the criteria set forth in this Chapter;
 3. The permittee is delinquent in payment of Town taxes on commercial cannabis activity; or
 4. The permit is suspended or revoked at the time of the application.
- E. If a renewal application is denied, an applicant may file a new application pursuant to this Chapter.
- F. An application for renewal shall not be deemed complete until all application fees have been paid.
- G. If the Review Authority intends to deny the renewal, the Review Authority shall specify in writing the reasons for the denial of the renewal, and notify the permittee that the decision shall become final unless the permittee seeks an appeal pursuant to Section 5.38.130 of this Chapter within ten (10) calendar days of the date of service of the Review Authority's decision. Service of the decision shall be provided in accordance with the requirements set forth in Section 5.38.140 of this Chapter.

5.38.070 Fees

The filing of an application for a commercial cannabis permit and for the renewal of a commercial cannabis permit shall be accompanied by payment of such fees as the Town Council may establish to recover the

cost of administration of this Chapter. Permit applicants and permittees are responsible for the costs of inspections, regulatory audits, financial audits, investigations, and any other fee-associated activity established by this Chapter. Fees, fines, and costs specified by this Chapter shall be as established by the Town Council and as set forth in the Town of Mammoth Lakes schedule of fees, as may be amended from time to time.

5.38.080 Commercial Cannabis Permit Nontransferable

- A. A commercial cannabis permit does not create any interest in value, is not transferrable, and automatically terminates upon transfer of ownership.
- B. Whenever any individual, corporation, limited liability company, partnership or other type of business entity permitted under this Chapter sells or transfers all or part of its corporate stock, partnership interest, or other business interest in a commercial cannabis operation, a new commercial cannabis permit shall be obtained pursuant to Section 5.38.40 of this Chapter.
- C. A commercial cannabis permit is issued to and covers only the permittee identified on the permit with respect to the premises identified on the permit. The commercial cannabis permit does not run with the land.

5.38.090 Commercial Cannabis Operating Requirements

- A. Throughout the term of the commercial cannabis permit, each permittee shall not violate this Chapter and shall comply all of the following:
 - 1. The canopy area of cannabis located at any premises shall not exceed the maximum canopy limits set by State law. The commercial cannabis permit shall specify the maximum canopy limit allowed by the permit.
 - 2. A permittee shall not change or alter the premises in a matter which materially or substantially alters the premises, the usage of the premises, or the mode or character of the business operation conducted from the premises, from the site plan contained in the diagram on file with the application, unless and until written approval by the Review Authority has been obtained. For purposes of this section, material or substantial physical changes of the premises, or in the usage of the premises, shall include, but not be limited to, a substantial increase or decrease in the total area of the licensed premises previously diagrammed, or any other physical modification resulting in substantial change in the mode or character of business operation.
 - 3. No cannabis shall be smoked, ingested, or otherwise consumed on the premises.
 - 4. No person who is less than 21 years of age may be employed or otherwise engaged in the operation of the commercial cannabis permit.
 - 5. No person under the age of 21 years of age shall be allowed on the premises.
 - 6. Each permittee shall conspicuously display its permit on the premises. Each commercial cannabis operation that engages in transportation shall carry a copy of the permit in all vehicles that transport cannabis or cannabis products.

7. Odor prevention devices and techniques, such as a ventilation system with a carbon filter, shall be incorporated to ensure that odors from cannabis are not detectable off-site.
8. No permittee may hold a license from the State Department of Alcoholic Beverage Control to sell alcoholic beverages, nor may the commercial cannabis operation include a business that sells alcoholic beverages. No alcohol may be stored, sold, displayed, or consumed on the premises.
9. A permittee shall not sell any tobacco or nicotine products on or at any premises permitted under this Chapter. No tobacco or nicotine products may be stored, dispensed, or consumed on the premises.
10. No cannabis or cannabis products, or graphics depicting cannabis or cannabis products shall be visible from the exterior of the premises.
11. All cannabis and cannabis products shall be stored in a secured and locked safe room, safe, or vault, and in a manner to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes, samples, or immediate sale.
12. Each permittee shall keep accurate records of its commercial cannabis activities pursuant to the requirements of Sections 26120 and 26162 of the California Business and Professions Code, as they may be amended.
13. Each permittee shall be responsible and liable for safety and security in and around the commercial cannabis operation, and shall provide adequate security on the premises, including lighting and alarms, to insure the safety of the persons and to protect the premises from theft and other crimes. Each permittee shall install and maintain in proper working order, video monitoring equipment capable of providing surveillance of both interior and exterior areas of the permitted establishment. Each permittee shall maintain such surveillance video tapes for a period of at least thirty (30) days and shall make such videotapes available to the Town upon demand.
14. Each permittee shall notify law enforcement and the Town immediately after discovering any of the following: diversion, theft, loss, or any criminal activity involving the commercial cannabis operation; significant discrepancies identified during inventory, or any other breach of security.
15. Each permittee shall provide the Review Authority with the name, telephone number, and e-mail address of a community relations contact to whom the public can provide notice of problems associated with the commercial cannabis operation. The permittee shall make a good faith effort to resolve problems without the need for intervention by the Town.
16. Any new supervisors, employees, or other persons otherwise engaged in the operation of the commercial cannabis operation must submit their information to the Review Authority within ten (10) days prior to their new employment or engagement, including fingerprints and other necessary information for a criminal background check.
17. No supervisor, employee, or persons have a ten percent (10%) or more financial interest in the commercial cannabis activity may have been convicted of a felony, as specified in subdivision (c) of Section 667.5 and subdivision (c) of Section 1192.7 of the California

Penal Code, or a drug or a drug related misdemeanor reclassified by Section 1170.18 of the California Penal Code (Proposition 47) within the past ten (10) years. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.

18. A permittee shall not be delinquent in the payment of all applicable state and Town taxes and fees.
 19. The premises where the commercial cannabis operation is located must at all times have valid land use entitlements as required by Municipal Code Title 17 and the land use entitlements must be operative.
 20. When applicable, the permittee must legally hold all required State licenses under the Medicinal and Adult-Use Cannabis Regulatory and Safety Act (MAUCRSA) (California Business and Professions Code Sections 26000, et seq.), as it may be amended, and under all other applicable State codes.
- B. At any time between 8:00 a.m. and 8:00 p.m. and without notice, Town officials may enter the premises for the purpose of observing compliance of the commercial cannabis operation with this Section, including access to and inspection of the commercial cannabis operation's records, books, accounts, financial data, and any and all data relevant to its permitted activities for the purpose of conducting an audit or examination.
- C. It is unlawful for any person having any responsibility over a commercial cannabis operation to refuse to allow, impede, obstruct, or interfere with an inspection, or the review of the copying of records and monitoring (including recordings) including, but not limited to, the concealment, destruction, and falsification of any recordings or records.

5.38.100 Cultivation, Manufacture, Waste, and Storage Requirements

- A. Each permittee must follow all pesticide use requirements of local, state, and federal law.
- B. Each permittee must maintain all weighing devices in compliance with local, state, or federal law and comply with the registration requirements of the Department of Agriculture.
- C. Each permittee must follow all local, state, and federal requirements for waste disposal.
- D. In no case shall any hazardous, flammable, or explosive substances be used to process or manufacture cannabis products on-site unless all necessary permits have been obtained from the Mammoth Lakes Fire Protection District, and any other appropriate agencies.
- E. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.
- F. All food products, food storage facilities, food-related utensils, equipment, and materials shall be approved, used, managed, and handled in accordance with Sections 113700 – 114437 of the California Health and Safety Code, and California Retail Food Code. All food products shall be protected from contamination at all times, and all food handlers must be clean, in good health, and free from communicable diseases.

- G. At any time between 8:00 a.m. and 8:00 p.m. and without notice, Town officials may enter the premises of the commercial cannabis operation for the purpose of observing compliance with this Section.

5.38.110 Suspensions or Revocation of a Commercial Cannabis Permit

Any of the following shall be grounds for suspension or revocation of a commercial cannabis permit, based on substantial evidence and following the procedures outlined in Section 5.38.130 of this Chapter.

- A. Failure to comply with one or more of the terms and conditions of the commercial cannabis permit.
- B. The commercial cannabis permit was granted on the basis of false material information, written or oral, given willfully or negligently by the applicant.
- C. Any act or omission by a permittee in violation of the provisions of this Chapter.
- D. Any act or omission by a permittee in violation of State law, or the Town's Municipal Code.
- E. Any act or omission by a permittee that results in the suspension or revocation of the applicable use permit issued under Municipal Code Title 17 for the commercial cannabis activities.
- F. Any act or omission by a permittee that results in the denial, revocation, or suspension of that permittee's State license.
- G. Failure to pay applicable State or Town taxes on commercial cannabis activity.
- H. Conduct of the commercial cannabis operations in a manner that constitutes a nuisance, where the permittee has failed to comply with reasonable conditions to abate the nuisance.

5.38.120 Procedures for Suspension or Revocation

- A. Upon determining grounds for suspension or revocation of the commercial cannabis permit exist pursuant to Section 5.38.110 of this Chapter, the Town will issue the permittee a written Notice of Intention to suspend or revoke the permit, as the case may be. The Notice of Intention shall be served on the permittee, as reported on the permit, and on the property owner. The Notice of Intention shall describe the property, the intention to revoke or suspend the permit, the time limit for compliance, and the right to an appeal hearing. The Notice of Intention shall notify the permittee and the owner of the property to request an appeal hearing before the Board of Review to present evidence as to why the permit should not be suspended or revoked, and shall notify them of the ten (10) day deadline to submit a written request for an appeal hearing.
- B. The permittee shall have ten (10) calendar days from the service of the Notice of Intention to submit a written request for an appeal hearing before the Board of Review. Failure to submit the written request for an appeal hearing shall be deemed a waiver of the right to challenge the suspension or revocation of the commercial cannabis permit and a failure to exhaust administrative remedies. If the request is not timely requested, the Town may suspend or revoke the permit in accordance with the Notice of Intention. If the permittee files an appeal hearing request within the time and manner prescribed, the permit shall remain in effect until the appeal is finally determined.

- C. If a written request for an appeal hearing is submitted, the processing of the appeal shall be conducted as set forth in Section 5.38.130 of this Chapter.

5.38.130 Appeals

Appeals of any action taken pursuant to this Chapter shall be heard by the Board of Review at an Administrative Hearing.

- A. Upon receipt of a timely written request for an appeal hearing, the Review Authority shall set a date for an administrative hearing to be held within thirty (30) days of receipt of the request, unless an immediate threat to the public health, safety, and welfare necessitates an earlier hearing date. Notice of the administrative hearing, including the time, date, and location of the hearing, shall be served in accordance with the requirements set forth in Section 5.38.140 of this Chapter.
- B. Administrative Hearing
 - 1. At the hearing, the permittee, or their representative, and the review authority representative shall have the opportunity to testify and submit evidence as they believe to be relevant to their respective positions. The Board of Review may require the presentation of additional evidence from either the permittee or the Review Authority representative, or both. The Board of Review may continue the hearing from time to time for the purpose of allowing the presentation of additional evidence.
 - 2. Upon completion of the hearing, the Board of Review may:
 - a. Affirm the decision of the Review Authority; or
 - b. Reverse the Review Authority's decision
 - 3. Written notice of the Board of Review's decision shall be given to the permittee and the written decision shall constitute the final administrative decision of the Town.
 - 4. In the event a civil action is initiated to obtain enforcement of the decision of the Board of Review, and judgement is entered to enforce the decision, the person against whom the order of enforcement has been entered shall be liable to pay the Town's total costs of enforcement, including reasonable attorney fees.
 - 5. If the permittee, nor their representative, fails to appear at the noticed hearing, such failure to appear shall constitute an abandonment of the appeal hearing request and a failure to exhaust administrative remedies.

5.38.140 Service Requirements

- A. Wherever this Chapter requires the Town to serve notice to an applicant, permittee, or property owner, such notice shall be given by the Review Authority, in writing, and shall be delivered either by personal delivery or by certified U.S. mail, postage prepaid, return receipt requested. In addition, any such notice may be posted at the physical address of the premises on the date of the mailing of notice.

5.38.150 Enforcement and Penalties

[DRAFT LANGUAGE FOR THIS]

5.38.160 Effective Date

[DATE FOR EXISTING BUSINESS TO COMPLY]

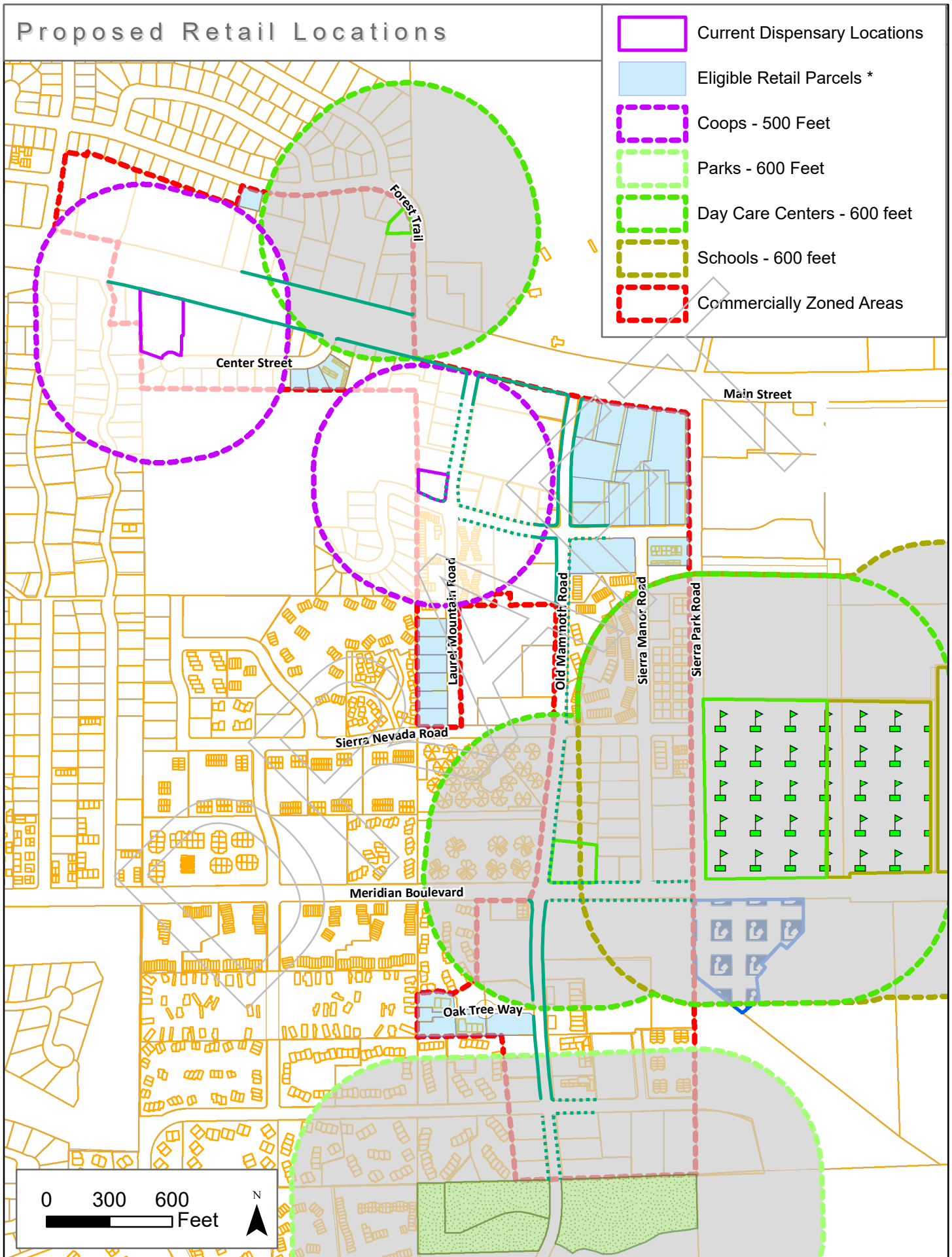
5.38.170 Severability

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

Attachment 3

Retail Areas Map

Proposed Retail Locations



* Limited to no more than 75% of the ground floor when located along Primary and Secondary Active Frontages and are not permitted within the front 20 feet of the building frontage, unless an Administrative Permit is approved for the reduced depth.

Attachment 4

Industrial Zoning District Map

