

RESOLUTION NO. PEDC 2018-01

A RESOLUTION OF THE MAMMOTH LAKES PLANNING AND ECONOMIC DEVELOPMENT COMMISSION RECOMMENDING TO THE TOWN COUNCIL APPROVAL OF ZONING CODE AMENDMENT 17-001

WHEREAS, the voters of the State of California approved Proposition 215 (codified as Health and Safety Code Section 11365.5 et seq.), entitled the Compassionate Use Act of 1996, the intent of which was to enable persons in need of marijuana (also known as cannabis) for medicinal purposes to obtain and use it under limited, specified, circumstances; and

WHEREAS, as a result of Proposition 215, individuals began establishing medical marijuana cooperatives in various cities; and

WHEREAS, in June 2010 the voters of the Town of Mammoth Lakes approved Measure M to allow a maximum of two (2) medical marijuana cooperatives within the Town and added Section 17.52.160 to the Municipal Code; and

WHEREAS, also in June 2010, the Town Council adopted Municipal Code Chapter 5.38, thereby establishing regulations for medical marijuana cooperatives located within the Town; and

WHEREAS, in September 2015 the California Legislature adopted a series of laws collectively comprising the Medical Cannabis Regulations and Safety Act (MCRSA), thereby establishing a framework for the licensure and regulations of medical cannabis; and

WHEREAS, in May 2016 the Town Council adopted an urgency ordinance allowing medical cannabis cultivation operations in the Industrial zoning district with approval of a use permit; and

WHEREAS, Proposition 64, also known as the Adult Use of Marijuana Act (AUMA), was approved by the voters on November 8, 2016 and as a result, it is no longer illegal under State law, regardless of medical purposes, to: (1) possess, process, transport, purchase, obtain, or give away certain amounts of cannabis or concentrated cannabis, including as contained in cannabis products, to those 21 years of age or older; (2) possess, plant, cultivate, harvest, dry, or process not more than six living cannabis plants and the cannabis produced by those plants; (3) smoke or ingest cannabis or cannabis products; and (4) possess, transport, purchase, obtain, use, manufacture, or give away cannabis accessories without compensation to those 21 years of age or older; and

WHEREAS, to regulate the commercial adult-use (i.e., non-medicinal) cannabis industry, the AUMA added Division 10 to the California Business and Professions Code, establishing state licensing requirements for commercial cannabis activity, defined as the cultivation, possession, or sale of cannabis and cannabis products, regardless of medicinal

purposes and granting state agencies the “exclusive authority to create, issue, renew, discipline, suspend, or revoke” licenses for businesses including the transportation, storage, distribution, sale, cultivation, manufacturing, and testing of cannabis, except as otherwise authorized; and

WHEREAS, the AUMA gave local governments authority to prohibit or regulate commercial cannabis activities and subject the commercial cannabis activities to zoning and permitting requirements; and

WHEREAS, in June 2017 the California legislature adopted the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which repealed MCRSA and further developed the state’s regulatory framework for both medicinal and adult-use cannabis, while preserving the authority of cities and counties to determine whether and how to allow medicinal and adult-use cannabis businesses, commercial cultivation, and sales to occur within their jurisdictions; and

WHEREAS, Municipal Code Section 17.52.160, which was adopted by voter initiative in June 2010, and established a limit of two “medical marijuana cooperatives” within Town limits, has been superseded by subsequent state voter initiatives and legislation, because “medical marijuana cooperatives” and no longer a permitted type of entity and cannot obtain state licenses to operate; and

WHEREAS, in September 2017 the California Legislature adopted Assembly Bill (AB) 133, which further developed the state’s regulatory framework for both medicinal and non-medicinal cannabis and clarified and corrected some elements of the MAUCRSA; and

WHEREAS, in September 2017 the Town Council adopted an urgency ordinance establishing a 45-day moratorium on the establishment or expansion of cannabis businesses within the Town in order to give the Town additional time to develop regulations for commercial adult-use cannabis activities and to eliminate the threat that the State might issue licenses for commercial adult-use cannabis activities within the Town prior to the Town adopting appropriate land use, zoning, and public safety regulations; and

WHEREAS, in October 2017 the Town Council adopted an urgency ordinance extending the moratorium for one-year on the establishment or expansion of cannabis businesses within the Town; and

WHEREAS, the Town of Mammoth Lakes currently regulates the production and sale of cannabis for medicinal purposes through the Mammoth Lakes Municipal Code, but does not have explicit land use, zoning, and permitting requirements in place regarding commercial adult-use cannabis activities; and

WHEREAS, in order to allow existing medical cannabis businesses to pursue licensing for adult-use cannabis activities with the State and to allow new non-medicinal commercial cannabis activities within the Town pursuant to the uses allowed by the AUMA and the regulations provided in the MAUCRSA, amendments to Municipal Code Title 17 (Zoning Code) are necessary; and

WHEREAS, the Planning and Economic Development Commission conducted a noticed public hearing on the Zoning Code Amendment to amend the Town’s cannabis regulations to be consistent with the uses allowed by the AUMA and the regulations

provided in the MAUCRSA on February 28, 2018, at which time all those desiring to be heard were heard; and

WHEREAS, the Planning and Economic Development Commission considered, without limitation:

1. The staff report to the Planning and Economic Development Commission with exhibits;
2. The General Plan and Municipal Code;
3. Oral evidence submitted at the hearing; and
4. Written evidence submitted at the hearing.

NOW THEREFORE, THE PLANNING AND ECONOMIC DEVELOPMENT COMMISSION OF THE TOWN OF MAMMOTH LAKES DOES RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

SECTION 1. FINDINGS.

1. CEQA.

- a. Subdivision (h) of Section 26055 of the California Business and Professions Code specifies that Division 13 (commencing with Section 21000) of the California Public Resources Code (i.e., CEQA Statute) does not apply to the adoption of cannabis regulations by local jurisdictions so long as the local jurisdiction requires (1) discretionary review and approval of subsequent permits, licenses, or other authorizations to engage in commercial cannabis activity; (2) the subsequent review and approval includes any applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the California Public Resources Code; and (3) the local jurisdictions cannabis regulations are adopted prior to July 1, 2019.

The Town's cannabis regulations qualify for this exemption since (1) the regulations require approval of a discretionary use permit for all commercial cannabis activities; (2) the approval of the subsequent discretionary use permits are subject to environmental review pursuant to Division 13 (commencing with Section 21000) of the California Public Resources Code; and (3) the Town's cannabis regulations will be adopted prior to July 1, 2019.

2. MUNICIPAL CODE FINDINGS.

FINDINGS FOR ZONING CODE AMENDMENT
(Municipal Code Section 17.112.060)

- a. The proposed amendment is internally consistent with all provisions of the General Plan because the proposed uses are consistent with the land use designations for the areas where the uses are permitted. Cannabis retailers are

only permitted in the Commercial-2 (C-2) land use designation, which allows for medium- and large scale commercial uses. The quasi-industrial cannabis uses (i.e., cultivation, manufacturing, distribution, and testing) are only permitted in the Industrial (I) land use designation, which allows for light manufacturing uses and service uses.

Additionally, the uses and facilities that will be allowed as a result of the Zoning Code Amendment are consistent with General Plan Goal L.5 (*"Provide an overall balance of uses, facilities, and services to further the town's role as a destination resort community."*) Cannabis sales and products are popular tourist items and having uses and facilities that sell those items furthers the town's role as a destination resort community that caters to a wide range of people and interests.

- b. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the town because the proposed amendments create a regulatory framework that sites the proposed uses in areas that have similar uses and the regulations are intended to minimize or eliminate nuisances to the immediate neighborhood and community. Additionally, by legalizing cannabis for adults 21 years of age or older, it will reduce the demand for cannabis in the black market, thereby protecting the public safety and welfare of the community.
- c. The proposed amendment is consistent with the provisions of the California Environmental Quality Act (CEQA) pursuant to the findings made in Section 1 of this Resolution, which finds this amendment to be exempt from further CEQA review pursuant to California Business and Professions Code Section 26055(h).
- d. The proposed amendment is internally consistent with other applicable provisions of this Zoning Code because the amendments allow uses that are consistent with the zones they are proposed to be allowed in and the proposed uses require compliance, where applicable, with other sections of the Zoning Code.

SECTION 2. PLANNING AND ECONOMIC DEVELOPMENT COMMISSION ACTIONS. The Planning and Economic Development Commission hereby takes the following actions:

- 1. Recommends that the Town Council find this project exempt from the California Environmental Quality Act pursuant to the California Business and Professions Code Section 26055(h); and
- 2. Recommends to the Town Council approval of Zoning Code Amendment 17-001 as described in Exhibit(s) "A," "B", and "C"

PASSED AND ADOPTED this 28th day of February 2018, by the following vote, to wit:

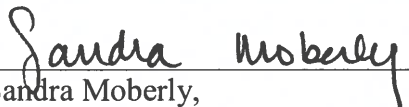
AYES: Callanan, Vanderhurst, Eckert

NAYS:

ABSENT: Burrows, Chang

ABSTAIN:

ATTEST:


Sandra Moberly,
Community and Economic Development
Director


Amy Callanan,
Chair of the Mammoth Lakes Planning
and Economic Development
Commission

NOTE: This action is subject to Chapter 17.104 of the Municipal Code, which specifies time limits for legal challenges.

EXHIBIT "A"
Resolution No. PEDC 2018-01
Case No. ZCA 17-001

Amendments to the Zoning Code

(Additions are shown in Blue Underlined and deletions are shown in ~~Red Strikeout~~)

- a. **Additions and deletions to Table 17.24.020 (Commercial District Land Uses and Permit Requirements):**

TABLE 17.24.020: ALLOWED USES AND PERMIT REQUIREMENTS FOR COMMERCIAL ZONING DISTRICTS				
P: PERMITTED USE; U: USE PERMIT REQUIRED; A: ADMINISTRATIVE PERMIT REQUIRED; - : USE NOT ALLOWED; (#) LIMITATION APPLIES, SEE FOOTNOTE				
<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			
<u>Adult-Use Cannabis Retailer</u>	<u>U(1)</u>	<u>U(1)</u>	=	<u>See 17.52.085 (Cannabis - Commercial Businesses)</u>
<u>Medicinal Cannabis Retailer</u>	<u>U(1)</u>	<u>U(1)</u>	=	<u>See 17.52.085 (Cannabis - Commercial Businesses)</u>
<u>Cannabis Delivery</u>	=	=	=	
Service Use Classification				
Medical Marijuana Cooperatives	<u>U(1)</u>	<u>U(1)</u>	-	See 17.52.160 (Medical Marijuana Cooperatives)
Industry, Manufacturing, & Processing Use Classifications				
<u>Marijuana Cultivation Commercial Cannabis Cultivation, Manufacturing, Distribution, and/or Testing</u>	-	-	-	
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).				

b. **Additions and deletions to Table 17.28.020 (Industrial Zoning District Land Uses and Permit Requirements):**

TABLE 17.28.020: ALLOWED USES AND PERMIT REQUIREMENTS FOR THE INDUSTRIAL ZONING DISTRICT		
P: PERMITTED USE: U: USE PERMIT REQUIRED: A: ADMINISTRATIVE PERMIT REQUIRED		
<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	
Commercial Cannabis Cultivation	U	See 17.52.085 (Cannabis - Commercial Businesses)
Commercial Cannabis Nonvolatile Manufacturing	U	See 17.52.085 (Cannabis - Commercial Businesses)
Commercial Cannabis Volatile Manufacturing	=	
Commercial Cannabis Distribution	U	See 17.52.085 (Cannabis - Commercial Businesses)
Commercial Cannabis Testing	U	See 17.52.085 (Cannabis - Commercial Businesses)

c. **Addition of the following text in Section 17.52.040 – Accessory Uses and Structures – 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).

d. **Addition of Section 17.52.085 (See Exhibit “B”)**

e. **Addition of Section 17.52.086 (See Exhibit “C”)**

f. **Deletion of Section 17.52.160 – Medical Marijuana Cooperatives**

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.~~

g. Additions and deletions 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.

h. Additions and deletions to Chapter 17.144 – Use Classifications

17.144.040 – Retail Use Classifications

Commercial Cannabis Activity.

Cannabis Retailer. A facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale. Unless otherwise specified, “Cannabis Retailer” includes both a retailer selling medicinal cannabis and cannabis products to patients with valid physician’s recommendations, and a retailer selling adult-use cannabis and cannabis products for adults 21 years of age and over.

Adult-Use Cannabis Retailer. A cannabis retailer that sells cannabis and cannabis products to individuals 21 years of age and older.

Medicinal Cannabis Retailer. A cannabis retailer that sells medicinal cannabis and medicinal cannabis exclusively to individuals with a valid physician’s recommendation and are 21 years of age and older.

17.144.050 – Service Use Classifications

~~**Medical Marijuana Cooperatives.** A location where marijuana is cultivated collectively by more than one qualified patient, person with valid identification card or designated primary caregiver of a person with a valid identification card, in order to collectively or cooperatively cultivate and/or store marijuana for medical purposes, as provided in Health and Safety Code Section 11362.775.~~

17.144.060 – Industry, Manufacturing, & Processing Use Classifications

~~**Marijuana Cultivation.** All activities included within the “commercial cannabis activity” definition in Section 19300.5 of the California Business & Professions Code as it existed~~

~~on the effective date of this ordinance, provided that activities engaged in by a medical marijuana cooperative operating in compliance with a permit issued by the Town pursuant to Section 5.38.030 of this code, which activities occur within the space occupied by such cooperative or in a space immediately adjacent thereto, shall be excluded from this use.~~

Commercial Cannabis Activity.

Commercial Cannabis Cultivation Facility. A facility engaged in the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. This also includes: (1) facilities that operate only as a nursery and produce only clones, immature plants, seeds, or other agricultural products used specifically for the planting, propagation, and cultivation of cannabis and (2) facilities that only package and label non-manufactured cannabis products. This use does not include outdoor cultivation of cannabis, as that use is prohibited within the Town limits.

Commercial Cannabis Nonvolatile Manufacturing Facility. A facility engaged in the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product by means of chemical synthesis or by a combination of extraction and/or infusion and chemical synthesis, using nonvolatile solvents. This also includes: (1) facilities that process, prepare, hold, or store components and ingredients used in the manufacturing of cannabis products and (2) facilities engaged in the holding, storing, packaging, or labeling of cannabis products. This use does not include manufacturing of cannabis products using volatile solvents, as that use is prohibited within the Town limits.

Commercial Cannabis Distribution Facility. A facility engaged in the procurement, sales, and transport of cannabis or cannabis products between State-licensed cannabis businesses. This also includes facilities that offer storage-only services for a licensed cultivator, manufacturer, or another distributor.

Commercial Cannabis Testing Facility. A facility, laboratory, or entity that offers or performs tests of cannabis or cannabis products and that is accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the State.

i. Additions to Section 17.148.020 – Definitions

Cannabis Terms. The following terms are defined for the purposes of Section(s) 17.52.085 (Cannabis – Commercial Businesses) and 17.52.086 (Cannabis – Personal Cultivation and Use).

Adult-Use License. A state license issued pursuant to California Business and Professions Code Sections 26000, et seq. for cannabis or cannabis products that are intended for adults who are 21 years of age and older and who do not possess a valid physician's recommendation. Also referred to as an "A-License."

Attractive to Children or Youth. Products, packaging, labeling, or advertising that may especially encourage persons under age 21 to initiate cannabis consumption or otherwise to consume (accidentally or purposefully) cannabis or cannabis products and includes:

1. Products that (1) resemble a non-cannabis product of a type that is typically consumed by, or marketed to, children or youth, such as a specific candy or baked

treat; or (2) occur in the shape of a cartoon, human, or any other animate creature including an insect, toy, fruit, vehicle, or robot.

2. Packaging or labeling that (1) resembles packaging or labeling of a non-cannabis consumer product of a type that is typically consumed by, or marketed to, children or youth; (2) contains images depicting a cartoon, human, or any other animate creature including an insect, toy, fruit, vehicle, or robot, or images of a candy or baked goods resembling a non-cannabis consumer product of a type that is typically consumed by, or marketed to, children or youth, (3) contains text referring to a Cartoon, or any other animate creature including insects, toy, fruit, vehicle or robot, (4) Any likeness to images, characters, or phrases that are popularly used to advertise to children; or (5) describes any characterizing flavor; except that, for edible products only, terms such as "lemon-flavored" describing a characterizing flavor may be used in font sizes that do not exceed that of the largest word in the "Warning" on the packages.
3. The term includes advertising that (1) mimics advertising of a non-cannabis consumer product of a type that is typically consumed by, or marketed to children or youth; or (2) depicts a Cartoon, or any non-human animate creature including insects, toy, fruit, vehicle or robot, candy, baked goods, vehicles or robots typically marketed to youth.

Bureau. The Bureau of Cannabis Control within the California Department of Consumer Affairs.

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. "Marijuana" shall have the same meaning as cannabis.

Cannabis Concentrate. Cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this Section. A cannabis concentrate is not considered food, as defined in Section 109935 of the California Health and Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.

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. "Marijuana Product" shall have the same meaning as cannabis product.

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

Certificate of Accreditation. A certificate issued by an accrediting body to a licensed testing laboratory, entity, or site to be registered in the State.

Commercial Cannabis Activity or Commercial Cannabis Business. Any commercial activity or business (i.e., non-personal use) involving the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or retailing of cannabis, of cannabis products, or of ancillary products and accessories, whether or not carried on for gain or profit.

Commercial Cannabis Permit. A permit issued by the Town of Mammoth Lakes to an applicant to perform commercial cannabis activities pursuant to Municipal Code Chapter 5.38.

Cultivation. Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

Cultivation – Outdoor. Cultivation of cannabis using no artificial lighting conducted in the ground or in containers outdoors.

Cultivation – Indoor. Cultivation of cannabis within a permanent structure using exclusively artificial lighting.

Cultivator. A permittee that performs any commercial cannabis cultivation activity.

Customer. A natural person 21 years of age or older.

Day Care Center. “Day Care Center” shall have the same meaning as in Section 1596.76 of the California Health and Safety Code.

Delivery. The commercial transfer of cannabis or cannabis products to a customer in a location other than a licensed retail premise. “Delivery” also includes the use by a retailer of any technology platform owned and controlled by the retailer.

Distribution. The procurement, sale, and transport of cannabis and cannabis products between licensed entities.

Distributor. A permittee that engages in the procurement, sale, or transport of cannabis and cannabis products between licensed entities.

Edible Cannabis Product. A cannabis product that is intended to be used orally, in whole or in part, for human consumption. An edible cannabis product is not considered food, as defined by Section 109935 of the California Health and Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.

Labeling. Any label or other written, printed, or graphic matter upon cannabis or a cannabis product, upon its container or wrapper, or that accompanies any cannabis or cannabis product.

Licensee. Any person holding a state license under California Business and Professions Code Sections 26000, et seq.

Licensing Authority. The State agency responsible for the issuance, renewal, or reinstatement of the State license, or the state agency authorized to take disciplinary action against the licensee.

Limited Access Area. An area in which cannabis goods are stored or held and is only accessible to a permittee and its employees and contractors.

Manufacture. Compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

Manufacturer. A permittee that produces, prepares, propagates, or compounds manufactured cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis at a fixed location.

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 California Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation. "Medicinal Marijuana" and "Medicinal Marijuana Product" shall have the same meaning as medicinal cannabis and medicinal cannabis product.

Medicinal License. A state license issued pursuant to California Business and Professions Code Sections 26000, et seq. for commercial cannabis activity involving medicinal cannabis or medicinal cannabis products. Also referred to as an "M-License."

Nonvolatile Solvents. Any solvent used in the extraction process that is not a volatile solvent and includes carbon dioxide and ethanol.

Nursery. A facility that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

Opaque Exit Packaging. An opaque bag, box, or similar container provided by the retailer, in which purchased cannabis or cannabis products are placed prior to departing the store.

Owner. An owner shall mean any of the following:

1. A person with an aggregate ownership interest of 20 percent or more in the person applying for a permit or a permittee, unless the interest is solely a security, lien, or encumbrance;
2. The chief executive officer of a nonprofit or other entity; or
3. An individual who will be participating in the direction, control or management of the person applying for a permit.

Permittee. A person issued a Town permit pursuant to Municipal Code Chapter 5.38/

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.

Physician's Recommendation. A recommendation by a physician that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California Health and Safety Code.

Plant - Dried Flower. All dead cannabis plant that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

Plant - Flowering. A cannabis plant that has formed a mass of pistils measuring greater than one half inch wide at its widest point.

Plant - Immature. A cannabis plant that is not flowering.

Plant - Live. Living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.

Plant - Mature. A cannabis plant that is flowering.

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 11362.7 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 or premises where commercial cannabis activities are located or are proposed to be located.

Public Park. An area created, established, designated, or maintained by the Town for public play, recreation, or enjoyment or for the protection of natural resources and features at the site.

Qualified Patient. "Qualified Patient" shall have the same meaning as in Section 11362.7 of the California Health and Safety Code, as it may be amended from time to time.

Retail Area. A building, room, or other area that is open to the public, upon the retailer premises in which cannabis goods are sold or displayed.

Retailer. A facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually, or in any combination for retail sale.

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

Tamper Evident Packaging. Packaging with a one-time-use seal that is affixed to the opening of the package, allowing a person to recognize whether or not the package has been opened.

Temporary State License. A temporary license issued pursuant to the California Code of Regulations which allow commercial cannabis activities for a period of 120 days from the effective date of the State emergency regulations (i.e., January 1, 2018).

Tester. A permittee that engages in the testing of cannabis products in a licensed testing laboratory and does not hold any other license for a cannabis activity.

Testing Laboratory. A facility, entity, or site in the State that offers or performs tests of cannabis or cannabis products and that is accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the State.

THC. The compound tetrahydrocannabinol.

Track-and-Trace System. The state approved system used to track commercial cannabis activity and movement.

Transport. The transfer of cannabis or cannabis products between licensees.

Unique Identifier. An alphanumeric code or designation used for reference to a specific plant on a licensed premises and any cannabis or cannabis product derived or manufactured from that plant. Also referred to as a “UID.”

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

Youth Center. “Youth Center” shall have the same meaning as in Section 11353.1 of the California Health and Safety Code.

EXHIBIT “B”
Resolution No. PEDC 2018-01
Case No. ZCA 17-001

Amendments to the Zoning Code
[See Attached Code Section]

Addition of Section 17.52.085: Cannabis – Commercial Businesses
(Not shown in track changes since the entire Section is new)

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, the community, and the environment in the Town.

B. **Permits Required.**

The operation of commercial cannabis activities shall not be allowed 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.K.
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 at all times during operations.
4. The owner shall post or cause to be posted on site 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 or individual purchasers. 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 the State 120 day temporary Adult-Use licenses and any permitted extensions by the State of the 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; the requirement to be incorporated as a non-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 apply 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 shall 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 customers in a location other than licensed retail premises. 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.
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 Section 17.52.085 and Chapter 17.68; (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. Such 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 cannabis retailers are a land use allowed by Article II (Zoning Districts and Allowable Land Uses), cannabis retailers shall comply with all the following regulations and operating requirements:

1. Cannabis retail facilities shall be located only in zoning districts that specifically allow for this use.
2. 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:
 - a. A new use permit or a use permit amendment is required for the additional uses.
 - b. 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.
 - c. 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.
 - d. In addition to the State retailer license, a Microbusiness State 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.
 - e. The cultivation and/or manufacturing uses shall be on the same physical premises as the cannabis retailer and all activities shall be held under common ownership that is identical in name, business formation, and ownership as the cannabis retailer.
 - f. 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.E) and Commercial Cannabis Manufacturing facilities (Municipal Code Section 17.52.085.F) shall be required.
3. Cannabis retail facilities shall be subject to the following location requirements:
 - a. 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.
 - b. Cannabis retail facilities shall not be located within two hundred and fifty (250) feet of another cannabis retail facility regardless of the adult-use or medicinal designation.

- c. 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.
 - d. 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.
- 4. 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.
- 5. 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:
 - a. Take reasonable measures to prevent individuals from loitering on the premises or in the area(s) immediately surrounding the premises, including common area(s) or parking area(s), if they are not engaging in activity expressly related to the operations of the retailer;
 - b. Establish limited access areas accessible only to authorized retailer personnel;
 - c. 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;
 - d. Install a video surveillance system on the premises that, at a minimum, meets the requirements provided in the California Code of Regulations Title 16, Section 5044 and captures all areas of the premises, including the area outside the premises for a minimum distance of 20-feet.;
 - e. Install and maintain an alarm system that, at a minimum, meets the requirements provided in the California Code of Regulations Title 16, Section 5047;
 - f. Require all owners, employees, and agents of a cannabis retailer to display an identification badge issued by the permittee at all times while engaging in the permitted commercial cannabis activities and the identification badge shall, at a minimum, meet the requirements provided in the California Code of Regulations Title 16, Section 5043; and
 - g. Provide for on-site security personnel in a manner consistent with the State cannabis retail security personnel requirements provided in the California Code of Regulations Title 16, Section 5045. On-site security shall not carry firearms or other lethal weapons.

6. 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.
7. 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.
8. Retailers shall notify the Mammoth Lakes Police Department within 24 hours after discovering any of the following:
 - a. Significant discrepancies identified during inventory;
 - b. Diversion, theft, loss, or any criminal activity involving the retailer or any agent or employee of the retailer;
 - c. The loss or unauthorized alteration of records related to cannabis, customers, or retailer's employees or agents; or
 - d. Any other breach of security.
9. 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.
10. 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.
11. All employees and agents of a cannabis retailer involved in face-to-face sales of cannabis and/or cannabis products shall complete a Responsible Cannabis Retailing Education training program that the Town authorizes as meeting the objectives specified below. 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.

Responsible Cannabis Retailing Education training programs shall, at a minimum, achieve the following objectives: (1) educate employees on state and local regulatory requirements and best practices for cannabis retailing; (2) provide them with the education and ability to verify age requirements and inform customers about the potential effects that various dosages and products may cause; (3) describe practices that can lower any risks associated with cannabis use; and (4) inform customers about best practices for the storage and use of cannabis to prevent access and accidental use by minors under the age of 18.

Evidence that all employees have completed the authorized course and/or the refresher course shall be provided upon request by a Town official.

12. Alcohol shall not be sold or consumed on the premises or in the area(s) immediately surrounding the premises, including the common area(s) or parking area(s). 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.

13. Tobacco and/or tobacco products shall not be sold or consumed on the premises of a cannabis retailer or in any of the public places where smoking is prohibited pursuant to Municipal Code Section 9.26.020.
14. Cannabis retail facilities shall not be colocated within a facility permitted as a food facility by the Mono County Health Department. Food products (i.e., non-cannabis products) shall not be sold on the premises.
15. Cannabis and/or cannabis products shall not be smoked, ingested, or otherwise consumed on the premises of the cannabis retailer or in any of the public places where smoking is prohibited pursuant to Municipal Code Section 9.26.020 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.
16. 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 licensed 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.
17. Bathrooms that are under the direct control of the cannabis retailer and are located within their licensed premises shall remain locked and under control of the management.
18. Cannabis retailers shall provide the Mammoth Lakes Police Department 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.
19. 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.
20. The cannabis retailer shall not engage in any advertising targeted towards minors or promoting the use of cannabis by minors.
21. 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.
22. The maximum hours of operation for a cannabis retailer shall be 9:00 a.m. Pacific Time and 9:00 p.m. Pacific Time.
23. 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:

- a. 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;
 - b. Any edible product that contains more than 10 milligrams THC per serving;
 - c. Any edible product that contains more than one hundred (100) milligrams of THC per package for products that contains more than one (1) serving;
 - d. Cannabis or cannabis products that contain any non-cannabinoid additive such as nicotine, caffeine, or alcohol. Minimal amounts of alcohol, in as much as are residual from manufacturing or required solvents for the cannabis containing product, are allowed provided that the alcohol content is ten percent (10%) or less, the amount of alcohol in an individual serving would not create alcohol intoxication with ingestion of a single dose, and the product is clearly labeled with both the alcohol content and a statement that reads: "Warning: This Product Contains Alcohol."; and
 - e. 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.
24. 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.
 25. 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.
 26. Cannabis retailers shall adhere to the Cannabis Waste Management regulations provided in the California Code of Regulations Title 16, Section(s) 5054 and 5055.

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

Where commercial cannabis cultivation is a land use allowed by Article II (Zoning Districts and Allowable Land Uses), commercial cannabis cultivation activities shall comply with all of the following regulations and operating requirements:

1. All cultivation of cannabis shall be done indoors using exclusively artificial lighting. Outdoor cultivation of cannabis is prohibited within the Town limits.
2. Commercial cannabis cultivation facilities shall be located only in zoning districts that specifically allow for this use.

A cannabis retailer may cultivate cannabis as an accessory use, so long as the activity is on the same physical premises as the cannabis retailer and all activities are held under common ownership that is identical in name, business formation, and ownership and the use complies with all of the requirements identified in Municipal Code Section 17.52.085.D.2.

3. 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.
4. Commercial cannabis cultivation facilities shall not be open to the public.
5. 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.
6. 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.
7. 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:
 - a. Take reasonable measures to prevent individuals from loitering on the premises or in the area(s) immediately surrounding the premises, including common area(s) or parking area(s), if they are not engaging in activity expressly related to the operations of the cultivation facility;
 - b. Maintain a secured area where the mature and immature cannabis plants are located in order to prevent theft, diversion, and loss;
 - c. Install a video surveillance system on the premises that, at a minimum, meets the requirements provided in the California Code of Regulations Title 16, Section 5044 and captures all areas of the premises, including the area outside the premises for a minimum distance of 20-feet;
 - d. Install and maintain an alarm system that, at a minimum, meets the requirements provided in the California Code of Regulations Title 16, Section 5047; and
 - e. Establish an identification and sign-in/sign-out procedure for authorized personnel, suppliers, and/or visitors.
8. 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 California Department of Food and Agriculture shall be required for the use of pesticides.
9. All scales used by commercial cannabis cultivators shall be registered for commercial use and sealed by the California Department of Food and Agriculture/Weights and Measures.

10. 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.
11. Waste water discharge resulting from the cultivation activities shall be done in accordance with the requirements of the Mammoth Community Water District.
12. 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.
13. The permittee 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.
14. 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 permittee holds the appropriate State distributor license that allows for the transportation of cannabis. If the cultivator permittee 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 shall 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.K.

15. All cannabis cultivated at 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.
16. 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.
17. 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.
18. 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.
19. 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.

20. All commercial cultivation facilities shall adhere to the Cannabis Waste Management regulations provided in the California Code of Regulations Title 3, Section(s) 8108 and 8308.
21. Indoor cultivation facilities may operate seven days a week, 24-hours per day as needed. Deliveries and shipping activities shall be limited to the hours of 7 a.m. to 10 p.m., unless stated otherwise in the use permit.

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

Where commercial cannabis manufacturing is a land use allowed by Article II (Zoning Districts and Allowable Land Uses), commercial cannabis manufacturing activities shall comply with all of the following regulations and operating requirements:

1. Facilities that manufacture cannabis concentrates and/or products using nonvolatile solvents shall be located only in zoning districts that specifically allow for this use.

A cannabis product manufacturer may manufacture cannabis products as an accessory use, so long as the activity is on the same physical premises as the cannabis retailer and all activities are held under common ownership that is identical in name, business formation, and ownership and the use complies with all of the requirements identified in Municipal Code Section 17.52.085.D.2.

“Nonvolatile solvents” means 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.

2. 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.
3. Commercial cannabis manufacturing facilities shall not be open to the public.
4. 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.
5. 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.

6. 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:
 - a. Take reasonable measures to prevent individuals from loitering on the premises or in the area(s) immediately surrounding the premises, including common area(s) or parking area(s), if they are not engaging in activity expressly related to the operations of the manufacturing facility;
 - b. Maintain a secured and locked area where the cannabis and cannabis products are stored in order to prevent theft, diversion, and loss;
 - c. Install a video surveillance system on the premises that, at a minimum, meets the requirements provided in the California Code of Regulations Title 17, Section 40205 and captures all areas of the premises, including the area outside the premises for a minimum distance of 20-feet;
 - d. Install and maintain an alarm system that, at a minimum, meets the requirements provided in the California Code of Regulations Title 16, Section 5047; and
 - e. Establish an identification and sign-in/sign-out procedure for authorized personnel, suppliers, and/or visitor.
7. 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.
8. No visual markers indicating that manufacturing of cannabis products is occurring on the site shall be visible from off-site.
9. 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 permittee holds the appropriate State distributor license that allows for the transportation of cannabis products. If the manufacturer permittee 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 shall 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.K.
10. 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.

11. 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.
12. 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.
13. 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.
14. 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.
15. All commercial cannabis manufacturing facilities shall adhere to the Cannabis Waste Management regulations provided in the California Code of Regulations Title 17, Section 40290.
16. Waste water discharge resulting from the manufacturing activities shall be done in accordance with the requirements of the Mammoth Community Water District.
17. 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.
18. All scales used by commercial cannabis manufacturers shall be registered for commercial use and sealed by the California Department of Food and Agriculture/Weights and Measures.
19. Manufacturing facilities may operate seven days a week, 24-hours per day as needed. Deliveries and shipping activities shall be limited to the hours of 7 a.m. to 10 p.m., unless stated otherwise in the use permit.

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

Where commercial cannabis distribution is a land use allowed by Article II (Zoning Districts and Allowable Land Uses), commercial cannabis distribution activities shall comply with all of the following regulations and operating requirements:

1. Commercial cannabis distribution facilities shall be located only in zoning districts that specifically provide for this use.

2. Commercial cannabis distribution facilities shall not be open to the public.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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:
 - a. Take reasonable measures to prevent individuals from loitering on the premises or in the area(s) immediately surrounding the premises, including common area(s) or parking area(s), if they are not engaging in activity expressly related to the operations of the distribution facility;
 - b. Maintain a secured and locked area where the cannabis and cannabis products are stored in order to prevent theft, diversion, and loss;
 - c. Install a video surveillance system on the premises that, at a minimum, meets the requirements provided in the California Code of Regulations Title 16, Section 5044 and captures all areas of the premises, including the area outside the premises for a minimum distance of 20-feet;
 - d. Install and maintain an alarm system that, at a minimum, meets the requirements provided in the California Code of Regulations Title 16, Section 5047; and
 - e. Establish an identification and sign-in/sign-out procedure for authorized personnel, suppliers, and/or visitors.
9. No visual markers indicating that the facility is a cannabis distribution facility shall be visible from off-site.

10. Distributors shall ensure that appropriate samples of cannabis and/or cannabis products are tested by a licensed testing facility prior to distribution.
11. Prior to distribution, the distributor shall inspect the cannabis and/or cannabis products for quality assurance.
12. Cannabis and cannabis products shall be packaged and labeled in accordance with the requirements of State law.
13. 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.
14. All vehicles used for transporting cannabis and cannabis products shall meet all of the State regulations and requirements for cannabis transport vehicles.
15. 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.
16. 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.
17. 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.
18. 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.
19. Distribution activities within the Town shall be limited to the hours of 7 a.m. to 10 p.m., unless stated otherwise in the use permit.

H. Regulations for Commercial Cannabis Testing.

Where commercial cannabis testing is a land use allowed by Article II (Zoning Districts and Allowable Land Uses), commercial cannabis testing activities shall comply with all of the following regulations and operating requirements:

1. Commercial cannabis testing facilities shall be located only in zoning districts that specifically provide for this use.
2. Commercial cannabis testing facilities shall not be open to the public.

3. 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.
4. 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.
5. 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:
 - a. Take reasonable measures to prevent individuals from loitering on the premises or in the area(s) immediately surrounding the premises, including common area(s) or parking area(s), if they are not engaging in activity expressly related to the operations of the testing facility;
 - b. Maintain a secured and locked area where the cannabis and cannabis products are stored in order to prevent theft, diversion, and loss;
 - c. Install a video surveillance system on the premises that, at a minimum, meets the requirements provided in the California Code of Regulations Title 16, Section 5044 and captures all areas of the premises, including the area outside the premises for a minimum distance of 20-feet;
 - d. Install and maintain an alarm system that, at a minimum, meets the requirements provided in the California Code of Regulations Title 16, Section 5047; and
 - e. Establish an identification and sign-in/sign-out procedure for authorized personnel, suppliers, and/or visitors.
6. No visual markers indicating that the facility is a cannabis testing facility shall be visible from off-site.
7. 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.
8. All testing procedures and operations shall be done in a manner consistent with State laws and regulations.
9. 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.
10. 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.

11. 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.
12. 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 10 p.m., unless stated otherwise in the use permit.
13. Cannabis testing facilities shall adhere to the Cannabis Waste Management regulations provided in the California Code of Regulations Title 16, Section(s) 5054 and 5055.

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 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.
 - c. 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.
 - d. 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.
 - e. 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 or closed 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.
- e. The applicant and its successors of interest in the commercial cannabis business shall indemnify, defend, and hold the Town harmless from and against any and all claims and proceedings, losses, damages, and cause of action relating to the approval of the permit or relating to any damage to property or person stemming from the commercial cannabis activity.

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 property owner. A signed affidavit from all persons and entities having a right, title, or interest in the premises that is the subject of the application consenting to the application and the operation of the proposed commercial cannabis activity on the subject premises 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 commercial-grade, nonresidential 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 management 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.

1. 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 application 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 Town direction 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 are hereby 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.

EXHIBIT “C”
Resolution No. PEDC 2018-01
Case No. ZCA 17-001

Amendments to the Zoning Code
[See Attached Code Section]

Addition of Section 17.52.086: Cannabis – Personal Cultivation and Use
(Not shown in track changes since the entire Section is new)

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 to grow, possess and use 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., nor 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 States 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 physician'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 physician'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. For the purposes of this Section, 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, including as contained in 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 Municipal Code Chapter 9.26.

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 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 (e.g., 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, 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.
- D. **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.