



CITY OF BELL GARDENS
CITY COUNCIL / SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION
JOINT MEETING
MONDAY, MAY 8, 2023, 6:00 PM
AGENDA

LOCATION: CITY COUNCIL CHAMBERS, 7100 GARFIELD AVENUE, BELL GARDENS, CA 90201

The meeting will be held at Bell Gardens City Hall in the Council Chambers. The public may attend the meeting in-person or virtually as instructed below. You may view the meeting live on the City's website at <https://www.bellgardens.org/i-want-to/watch-city-council-meetings>.

ACCESSIBILITY: If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Any person who requires a disability-related modification or accommodation, in order to observe and/or offer public comment may request such reasonable modification, accommodation, aid, or service by contacting the City Clerk's office by telephone at 562-806-7704 or via email to CityClerkDesk@bellgardens.org no later than 72-hours before the scheduled meeting.

PUBLIC PARTICIPATION: The members of the public may address the City Council / Agency Members on any item listed on the agenda or on matters which are not listed on the agenda but are within the subject matter jurisdiction of the City Council / Successor Agency. Public comments are limited to three (3) minutes per person for each designated public comment period(s). Public comments for non-agenda items will be limited to a total of 30 minutes. Public comments can be made by any of the following ways:

IN-PERSON: Members of the public can provide in-person comments at the podium in the Council Chamber. Public comments are limited to three (3) minutes for each designated public comment period(s) per speaker, unless a different time is announced by the presiding chair. Speakers who wish to address the City Council / Agency Members should do so by submitting a "Public Comment Card" card by 5:00 p.m. for Closed Session items and by 6:00 p.m. for all other designated public comment periods as listed.

BY TELEPHONE: Phone Number: (669)900-9128 Webinar ID: 813 3236 4343# Passcode: 2021#
To address the City Council press *9 to raise your hand then *6 to unmute yourself when instructed.

VIRTUALLY LIVE: Members of the public may participate via Zoom by <https://zoom.us/join> and entering the Zoom Meeting ID: 813 3236 4343 Passcode: 2021
Comments may also be made via the Zoom app by using the "Raise Hand" feature when it is your turn to speak the host will unmute you. Comments will not be accepted in the QandA Chat function of the zoom app.

WRITTEN COMMENTS: Public comments may be emailed to PublicComments@bellgardens.org or mailed to: City Clerk's Office, 7100 Garfield Ave., Bell Gardens, CA 90201. To ensure distribution to the members of the City Council / Agency Members prior to consideration of the agenda, please submit comments no later than one (1) hour prior to the meeting. Those comments, as well as any comments

received after, will be distributed to the members of the City Council / Successor Agency and will be part of the official public record of this meeting.

For more information, you may contact the City Clerk's office during regular business hours 7:30 a.m. to 6:00 p.m., Monday through Thursday at (562) 806-7704.

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

ROLL CALL OF CITY COUNCIL MEMBERS / SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION MEMBERS

Marco Barcena, Council Member / Agency Member
Jorgel Chavez, Council Member / Agency Member
Maria Pulido, Council Member / Agency Member
Francis De Leon Sanchez, Mayor Pro Tem / Vice Chair
Alejandra Cortez, Mayor / Chair

PRESENTATIONS

- **RECOGNITION OF RESIDENTS ATTAINMENT OF U.S. CITIZENSHIP**
- **NATIONAL SMALL BUSINESS MONTH PROCLAMATION**
- **NATIONAL SKILLED NURSING CARE WEEK - MAY 14 - 20, 2023 PROCLAMATION**
- **NATIONAL PUBLIC WORKS WEEK - MAY 21 - 27, 2023 PROCLAMATION**
- **NATIONAL POLICE WEEK - MAY 14 - 20, 2023 AND PEACE OFFICERS MEMORIAL DAY - MAY 15, 2023 PROCLAMATION**
- **BUILDING & SAFETY MONTH PROCLAMATION**

PUBLIC COMMENTS ON NON-AGENDA ITEMS UNDER THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL / SUCCESSOR AGENCY

During this time, the members of the public may address the City Council / Successor Agency regarding any items within the subject matter jurisdiction of the City Council / Successor Agency. Public comments are limited to 3 minutes per person subject to an overall 30-minute period for non-agenda items. Government Code Section 54590 prohibits the City Council / Successor Agency from taking action or engaging in discussion on a specific item unless it appears on the agenda.

PUBLIC COMMENTS ON AGENDA ITEMS ONLY

During this time, the members of the public may address the City Council / Agency Members regarding any items listed on the agenda. Public comments are limited to 3 minutes per person.

CITY MANAGER'S REPORT

CONSENT CALENDAR (Item Nos. 1 - 6)

All matters listed under the Consent Calendar are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the City Council /

Successor Agency request specific items to be removed from the Consent Calendar for separate action. Items called for separate discussion will be heard as the next order of business.

1. **GENERAL MOTION TO WAIVE FULL READING AND APPROVE ORDINANCES BY TITLE ONLY PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 36934**

In order to expedite the conduct of business at City Council meetings, California State Law (California Government Code Section 36934) allows Ordinances to be read by title if a majority of the legislative body supports the motion to waive the full reading.

Recommendation:

It is staff's recommendation that the City Council approve a general motion to waive full reading and approve Ordinances by title only pursuant to California Government Code Section 36934.

2. **APPROVAL MINUTES OF APRIL 24, 2023 CLOSED SESSION AND CITY / SUCCESSOR AGENCY JOINT MEETING**

Approve the minutes of the April 24, 2023 Closed Session and City/Successor Agency Joint Meetings.

Recommendation:

It is staff's recommendation that the City Council approve the minutes of the April 24, 2023 Closed Session and City/Successor Agency Joint Meetings.

3. **WARRANT REGISTER SUCCESSOR AGENCY**

In approving the action of receiving and filing the warrant registers, the official minutes of the Successor Agency should state that each individual member of the Successor Agency is not voting on, influencing the outcome of, or participating in approving, accepting, receiving or filing any warrant which bears the name of the same Successor Agency Member, or pays for any costs or expenses, or otherwise benefits the same named Successor Agency Member. Each Successor Agency Member will not be participating, influencing or voting on any such warrant bearing their name or which benefits the same named Successor Agency Member, but with that exception is voting in favor of receiving and filing all other warrants contained in this report, unless otherwise noted on the record at the time of the approval of the action required by this report.

Recommendation:

It is staff's recommendation that the Successor Agency Members receive and file the warrant register dated 04/11/23.

4. **WARRANT REGISTERS AND WIRE TRANSFERS**

In approving the action of receiving and filing the warrant registers, the official minutes of the Bell Gardens City Council should state that each individual member of the City Council is not voting on, influencing the outcome of, or participating in approving, accepting, receiving or filing any warrant which bears the name of the same council member, or pays for any costs or expenses, or otherwise benefits the same named council member. Each council member will not be participating, influencing or voting on any such warrant bearing their name or which benefits the same named council member, but with that exception is voting in favor of receiving and filing all other warrants contained in this report, unless otherwise noted on the record at the time of the approval of the action required by this report.

Recommendation:

It is staff's recommendation that the City Council receive and file the warrant registers, wire transfers, and net payrolls dated 04/06/23, 04/11/23 and 04/18/23.

5. RESOLUTION APPROVING THE CITY'S ZERO EMISSION BUS ROLLOUT PLAN

The California Air Resources Board (CARB) created the Innovative Clean Transit Regulation (ICT) in December 2018 and requires all public transit agencies to gradually transition to a 100% zero-emission bus (ZEB) fleet by 2040. CARB requires 25% of eligible new bus purchases to be zero-emission starting in 2026 and 100% by 2029. Under the ICT, the City of Bell Gardens is considered a small operator and is required to submit a complete Zero-Emission Bus Rollout Plan by June 2023. The ZEB rollout plan has been completed and requires the approval of the governing body.

Recommendation:

It is staff's recommendation that the City Council by motion adopt the attached Resolution, approving the City of Bell Gardens Zero Emission Bus Rollout Plan.

6. APPROVE OF PURCHASE ORDER AGREEMENT WITH CAMINO REAL CHEVROLET FOR THE PURCHASE OF PUBLIC WORKS VEHICLE

On March 30, 2023, the Public Works Department released a Request for Quotation for a 2023 Chevrolet Silverado Crew Cab Truck 2WD, Engine Duramax 6.6L Turbo Diesel, Transmission: Allison 10-speed automatic with specific features. The Public Works Department is looking for a replacement of an existing 2002 Chevrolet Silverado 3500HD unit - SM170 which has over 75,000 miles and is used daily to transport equipment and materials. It is showing its age and it is no longer not cost effective to keep in service. On April 13, 2023, one quote was received from Camino Real Chevrolet for the proposed replacement vehicle. The quote was reviewed, and staff has confirmed that the quote includes all specifications and details specified in the request for quote (RFQ).

Recommendation:

It is staff's recommendation that the City Council by motion:

1. Adopt the attached Resolution; and
2. Approve an Purchase Order Agreement with Camino Real Chevrolet for the purchase of 2023 Chevrolet Silverado Crew Cab Truck 2WD, Engine Duramax 6.6L Turbo Diesel, Transmission: Allison 10-speed automatic in a not to exceed amount of \$105,686.59; and
3. Approve an appropriation of up to \$40,686.59 from the Gas Tax Fund to cover the unbudgeted purchase of the proposed replacement vehicle.

DISCUSSION (Item Nos. 7 - 8)

7. RESIDENT ART AND YARD SALE

Pilot program for a Resident Art and Yard Sale hosted at Veterans Park on Fridays from 11:00 a.m. to 3:30 p.m., adjacent to the Farmers Market.

Recommendation:

It is staff's recommendation that the City Council by motion provide staff direction to host a Resident Art and Yard Sale pilot program on Fridays from 11:00 a.m. to 3:30 p.m., adjacent to the Farmers Market.

8. REQUEST FOR DIRECTION ON THE CREATION OF AN ORDINANCE TO AUTHORIZE AND REGULATE COMMERCIAL CANNABIS ACTIVITY

For consideration of an ordinance or further study.

Recommendation:

It is staff's recommendation that the City Council:

1. Direct staff to prepare an ordinance authorizing and regulating commercial cannabis businesses; or
2. Take no further action and receive and file this report.

CITY COUNCIL / SUCCESSOR AGENCY MEMBER COMMENTS

ADJOURNMENT

Daisy Gomez, City Clerk

Agenda posted on May 4, 2023.



**CITY OF BELL GARDENS
OFFICE OF THE CITY MANAGER**

AGENDA REPORT

Item 1.

TO: Honorable Mayor and City Council Members
FROM: Michael B. O’Kelly, City Manager
BY: Daisy Gomez, City Clerk
SUBJECT: **GENERAL MOTION TO WAIVE FULL READING AND APPROVE ORDINANCES BY TITLE ONLY PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 36934**
DATE: May 8, 2023

RECOMMENDATION:

It is staff’s recommendation that the City Council approve a general motion to waive full reading and approve Ordinances by title only pursuant to California Government Code Section 36934.

BACKGROUND/DISCUSSION:

In order to expedite the conduct of business at Council meetings, California State Law (California Government Code Section 36934) allows Ordinances to be read by title if a majority of the Council supports the motion waiving the full reading. Most California cities adopt a standard motion at the beginning of each meeting in order to effectuate this waiver.

Since most of the Ordinances introduced and adopted consist of multiple pages of technical language, reading by title only allows the Council to eliminate the communication of redundant information and attend to other matters during the meetings. Otherwise, the entire Ordinance language will have to be read in full.

CONCLUSION:

Allowing ordinances to be read by title only, according to California State Law, will expedite the conduct of business at Council Meetings.

FISCAL IMPACT:

No fiscal impact.

APPROVED ELECTRONICALLY BY:

Michael B. O’Kelly, City Manager
Stephanie Vasquez, City Attorney and/or Susie Altamirano, Assistant City Attorney
Manuel Carrillo, Director of Finance and Administrative Services



**CITY OF BELL GARDENS
OFFICE OF THE CITY MANAGER**

AGENDA REPORT
Item 2.

TO: Honorable Mayor and City Council Members
FROM: Michael B. O’Kelly, Executive Director
BY: Daisy Gomez, City Clerk
SUBJECT: **APPROVAL MINUTES OF APRIL 24, 2023 CLOSED SESSION AND CITY / SUCCESSOR AGENCY JOINT MEETING**
DATE: May 8, 2023

RECOMMENDATION:

It is staff’s recommendation that the City Council approve the minutes of the April 24, 2023 Closed Session and City/Successor Agency Joint Meetings.

BACKGROUND/DISCUSSION:

Every Closed Session and City/Successor Agency Joint Meetings the City Clerk documents the actions made by the Agency Members/City Council.

CONCLUSION:

If approved, the minutes of the Closed Session and City/Successor Agency Joint Meetings will be archived in the City Clerk’s Office.

FISCAL IMPACT:

No fiscal impact.

ATTACHMENTS:

- Exhibit 1 - Minutes of April 24, 2023 Regular City Council/Successor Agency Joint Meeting
- Exhibit 2 - Minutes of April 24, 2023 Regular Closed Session

APPROVED ELECTRONICALLY BY:

- Michael B. O’Kelly, City Manager
- Stephanie Vasquez, City Attorney and/or Susie Altamirano, Assistant City Attorney
- Manuel Carrillo, Director of Finance and Administrative Services



**CITY OF BELL GARDENS
CITY COUNCIL / SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION
JOINT MEETING
MONDAY, APRIL 24, 2023, 6:00 PM
MINUTES**

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CALL TO ORDER

The Council Members of the City of Bell Gardens City Council/Successor Agency held a Joint Regular meeting on April 24, 2023, in the Council Chambers, 7100 Garfield Avenue, Bell Gardens, CA with Mayor Alejandra Cortez presiding. Mayor Alejandra Cortez called the joint meeting to order at 6:05 p.m.

INVOCATION

The invocation was given by Pastor Reynaldo Leal.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Girl Scout Troop # 2543.

ROLL CALL OF CITY COUNCIL MEMBERS / SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION MEMBERS

Present:

Marco Barcena, Agency Member/Council Member
Maria Pulido, Agency Member/Council Member
Francis De Leon Sanchez, Vice Chair/Mayor Pro Tem
Alejandra Cortez, Chair/Mayor

Absent:

Jorgel Chavez, Agency Member/Council Member (Excused)

PRESENTATIONS

- **ATHENS SERVICES**

Amanda Mejia, Government Affairs Director, provided a presentation.

- **PROFESSIONAL MUNICIPAL CLERKS WEEK APRIL 30, 2023 - MAY 6, 2023**

Mayor Alejandra Cortez read the certificate of recognition and presented it to the City Clerk's staff.

- **PROCLAMATION RECOGNIZING GLOBAL LOVE DAY**

Councilmember Marco Barcena read the certificate of recognition.

- **PROCLAMATION RECOGNIZING MENTAL HEALTH AWARENESS MONTH**

Mayor Pro Tem Francis de Leon Sanchez read the certificate of recognition.

- **PROCLAMATION RECOGNIZING OLDER AMERICANS MONTH**

Councilmember Maria Pulido read the certificate of recognition.

- **RECOGNITION OF RESIDENTS ATTAINMENT OF U.S. CITIZENSHIP**

The certificate of recognition was moved to the next meeting.

PUBLIC COMMENTS ON NON-AGENDA ITEMS UNDER THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL / SUCCESSOR AGENCY

Karmina Lopez, Los Angeles County Park and Recreation, spoke regarding Technical Assistance

Program Funding.

Lee Squire spoke regarding military appreciation and Central Basin Municipal Water District.

Bruce Crow spoke in opposition to the Global Love Day proclamation and other misdoings.

Carmen Verdugo spoke in support of adding SEAACA to the agenda.

PUBLIC COMMENTS ON AGENDA ITEMS ONLY

Eliazer Ortiz spoke regarding item number 10 and in opposition to street vending.

Bruce Crow spoke regarding item numbers 10 and 11.

Jose spoke regarding item number 10.

CITY MANAGER'S REPORT

City Manager Michael O'Kelly provided a brief report.

CONSENT CALENDAR (Item Nos. 1 - 7)

All matters listed under the Consent Calendar are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the City Council / Successor Agency request specific items to be removed from the Consent Calendar for separate action. Items called for separate discussion will be heard as the next order of business.

A motion was made by Mayor Alejandra Cortez, seconded by Mayor Pro Tem Francis de Leon Sanchez to approve Consent Calendar Item Nos. 1 - 7.

The motion carried 4-0-1 with the following vote:

AYES: Barcena, Pulido, De Leon Sanchez, Cortez

NOES: None

ABSENT: Chavez

ABSTAIN: None

1. GENERAL MOTION TO WAIVE FULL READING AND APPROVE ORDINANCES BY TITLE ONLY PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 36934

In order to expedite the conduct of business at City Council meetings, California State Law (California Government Code Section 36934) allows Ordinances to be read by title if a majority of the legislative body supports the motion to waive the full reading.

Recommendation:

It is staff's recommendation that the City Council approve a general motion to waive full reading and approve Ordinances by title only pursuant to California Government Code Section 36934.

2. **APPROVAL MINUTES OF APRIL 10, 2023 CLOSED SESSION AND CITY / SUCCESSOR AGENCY JOINT MEETING**

Approve the minutes of the April 10, 2023 Closed Session and City/Successor Agency Joint Meetings.

Recommendation:

It is staff's recommendation that the City Council approve the minutes of the April 10, 2023 Closed Session and City/Successor Agency Joint Meetings.

3. **WARRANT REGISTER SUCCESSOR AGENCY**

In approving the action of receiving and filing the warrant registers, the official minutes of the Successor Agency should state that each individual member of the Successor Agency is not voting on, influencing the outcome of, or participating in approving, accepting, receiving or filing any warrant which bears the name of the same Successor Agency Member, or pays for any costs or expenses, or otherwise benefits the same named Successor Agency Member. Each Successor Agency Member will not be participating, influencing or voting on any such warrant bearing their name or which benefits the same named Successor Agency Member, but with that exception is voting in favor of receiving and filing all other warrants contained in this report, unless otherwise noted on the record at the time of the approval of the action required by this report.

Recommendation:

It is staff's recommendation that the Successor Agency Members receive and file the warrant register dated 03/28/23.

4. **WARRANT REGISTERS AND WIRE TRANSFERS**

In approving the action of receiving and filing the warrant registers, the official minutes of the Bell Gardens City Council should state that each individual member of the City Council is not voting on, influencing the outcome of, or participating in approving, accepting, receiving or filing any warrant which bears the name of the same council member, or pays for any costs or expenses, or otherwise benefits the same named council member. Each council member will not be participating, influencing or voting on any such warrant bearing their name or which benefits the same named council member, but with that exception is voting in favor of receiving and filing all other warrants contained in this report, unless otherwise noted on the record at the time of the approval of the action required by this report.

Recommendation:

It is staff's recommendation that the City Council receive and file the warrant registers, wire transfers, and net payrolls dated 03/23/23, 03/28/23 and 04/04/23.

5. **FIRST AMENDMENT TO SPONSOR AGREEMENT WITH LOS ANGELES CONSERVATION CORPS**

In April 2021, the City of Bell Gardens was awarded \$346,408 of Urban Greening Program grant funds for the "Trees for BG Planting Project". The Urban Greening Program funds projects that reduce greenhouse gases by sequestering carbon, decreasing energy consumption, and reducing vehicle miles traveled, while also transforming the built environment into places that are more sustainable, enjoyable, and effective in creating healthy and vibrant communities. As of February 28, 2023, 500 trees have been planted citywide by LACC through the Sponsor Agreement. The estimated

fee for LACC to perform this scope of work was initial \$277,162. One hundred percent of this cost will be reimbursed to the City by the awarded Urban Greening grant funds. Now an amendment to the Sponsor Agreement is needed to extend the engagement period or term of the agreement and increase the total estimated fee paid to LACC by \$24,287.99.

Recommendation:

It is staff's recommendation that the City Council adopt the attached resolution and authorize the City Manager to execute the attached First Amendment to Sponsor Agreement with the Los Angeles Conservation Corps in connection with the Trees for BG Planting Project.

Resolution No. 2023-28 was approved.

6. RIGHT OF ENTRY AGREEMENT WITH LA COUNTY SANITATION DISTRICT FOR FORD PARK ABC FIELD

The Public Works Department has been coordinating with Los Angeles County Sanitation District (County) for the rehabilitation of the County's trunk sewer line that traverses the City from the southerly city boundary to the northern city boundary. The most southerly portion of the trunk sewer line is along the western edge of Southern California Edison ROW portion of the ABC Soccer Field. The repair work is necessary for continued service with maintenance free activities of these important infrastructure conveyance systems. The project is anticipated to take place from June 2023 through October 2023.

Recommendation:

It is staff's recommendation that the City Council by motion:

1. Adopt the attached Resolution, approving the Right of Entry Agreement between the City of Bell Gardens and the Los Angeles County Sanitation District, for work within the Southern California Edison Easement along the western edge of the Bell Gardens ABC Soccer Field; and
2. Authorize the City Manager to execute the required documents.

Resolution No. 2023-29 was approved.

7. APPROVAL OF LIVE ENTERTAINMENT AGREEMENT WITH TLC CREATIVE TECHNOLOGY FOR INDEPENDENCE DAY CELEBRATION MULTI-MEDIA AND LASER SHOW

Adoption of Resolution and approval of a live entertainment agreement with TLC Creative Technology for a three-year term with the option of two one-year extensions.

Recommendation:

It is staff's recommendation that the City Council by motion:

1. Adopt the attached resolution and;
2. Approve a live entertainment agreement with TLC Creative Technology for the City's Independence Day Celebration Multi-Media Laser Show for a three-year term with the option of two one-year year extensions.

Resolution No. 2023-30 was approved.

DISCUSSION (Item Nos. 8 - 11)

8. PROGRESS AND NEXT STEPS - EVALUATION OF CITY'S WATER SYSTEM WATER QUALITY

In September of 2020, the State Water Resources Control Board – Division of Drinking Water

(SWRCB-DDW) required the City of Bell Gardens to collect quarterly samples for a series of 18 different per- and poly-fluorinated alkyl substances (PFAS), under General Order No. DW2020-0003-DDW. On September 10, 2021, the City turned off the City water system's only operating well #1 due to the exceedances of the Response Levels for PFOA. With the well turned off, the City water system is utilizing Metropolitan Water District of Southern California (MWD) at a much higher cost. The City's engineering firm began well inspection, well profiling and an evaluation of the options available to the City to improve the water quality of the well to comply with regulations and requirements to get the well back into production. The Water Quality Improvement Engineering Study has been completed and based on all options, Ion Exchange PFAS treatment is the most viable option to consider. If the City began the Ion exchange treatment design in July 2023, it is estimated that Well 1 and its new treatment plant will be operational by December 2026.

Recommendation:

It is recommended that the City Council by motion:

1. Receive and file the report regarding the City's Water Quality Improvement Engineering Study containing evaluated options to restore the well to operation and explore alternative groundwater sources;
2. Authorize staff to issue a Request for Services (RFS) to Infrastructure Engineers to initiate and complete the design of the Ion Exchange PFAS Treatment Plant, upon the State Water Board approving the City's requested grant amendment or City appropriating necessary funding; and
3. Authorize staff to issue a Request for Services (RFS) to Infrastructure Engineers to initiate the Prop 218 study for a new water rate adjustment in FY 24-25, upon State Water Board approving the City's requested grant amendment or City appropriating necessary funding.

Douglas Benash, City Engineer, provided a presentation.

A motion was made by Mayor Alejandra Cortez, seconded by Councilmember Marco Barcena to approve staff's recommendation.

The motion carried 4-0-1 with the following vote:

AYES: Barcena, Pulido, De Leon Sanchez, Cortez
NOES: None
ABSENT: Chavez
ABSTAIN: None

9. PARKING POLICIES AND PROGRAMS

The Bell Gardens Public Works Department has received input from residents expressing concerns regarding limited parking availability in residential locations. As part of an effort to address these concerns various policies and programs have been implemented to provide residents with the resources to address their needs.

Recommendation:

It is staff's recommendation that the City Council by motion receive and file this report.

Veronica Sanchez, Management Analyst, provided a presentation.

A motion was made by Mayor Alejandra Cortez, seconded by Mayor Pro Tem Francis de Leon Sanchez to receive and file this report.

The motion carried 4-0-1 with the following vote:

AYES: Barcena, Pulido, De Leon Sanchez, Cortez
NOES: None
ABSENT: Chavez
ABSTAIN: None

10. SIDEWALK VENDING COMPLIANCE REPORT

Update on the City's Sidewalk Vending Ordinance No. 932 and report of recent code enforcement activity sidewalk vendors and business to ensure compliance with state and local regulations.

Recommendation:

It is staff's recommendation that the City Council receive and file this report. The City Council may also provide staff with direction, if desired, on added alternative regulations available to administer and enforce the City's Sidewalk Vending Ordinance.

Gustavo Romo, Community Development Director, provided a presentation.

A motion was made by Mayor Alejandra Cortez, seconded by Councilmember Marco Barcena to receive and file this report.

The motion carried 4-0-1 with the following vote:

AYES: Barcena, Pulido, De Leon Sanchez, Cortez
NOES: None
ABSENT: Chavez
ABSTAIN: None

11. UPDATE ON CITY RENT STABILIZATION AND TENANT EVICTION PROTECTIONS ORDINANCE

Update on the City's Rent Stabilization and Tenant Eviction Protections Ordinance (No. 925) since its adoption in October of 2022 to provide data on services that have been provided thus far, cost study status, further clarification on qualifying dwelling units, such as mobile homes, and upcoming standing educational workshops.

Recommendation:

It is the recommended that the City Council receive and file this report.

Gustavo Romo, Community Development Director, provided a presentation.

A motion was made by Mayor Alejandra Cortez, seconded by Councilmember Marco Barcena to receive and file this report.

The motion carried 4-0-1 with the following vote:

AYES: Barcena, Pulido, De Leon Sanchez, Cortez
NOES: None
ABSENT: Chavez

ABSTAIN: None

CITY COUNCIL / SUCCESSOR AGENCY MEMBER COMMENTS

Members of the Council and Successor Agency made community announcements, comments, and requested that items be added to a future agenda.

ADJOURNMENT

Mayor Alejandra Cortez adjourned the meeting at 8:12 p.m.

Daisy Gomez, City Clerk
Agenda posted on April 20, 2023



**CITY OF BELL GARDENS
CITY COUNCIL
REGULAR MEETING – CLOSED SESSION
MONDAY, APRIL 24, 2023
5:00 PM
MINUTES**

LOCATION: CITY COUNCIL CHAMBERS, 7100 GARFIELD AVENUE, BELL GARDENS, CA 90201

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ACCESSIBILITY: If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Any person who requires a disability-related modification or accommodation, in order to observe and/or offer public comment may request such reasonable modification, accommodation, aid, or service by contacting the City Clerk's office by telephone at 562-806-7704 or via email to CityClerkDesk@bellgardens.org no later than 72-hours before the scheduled meeting.

PUBLIC PARTICIPATION: The members of the public may address the City Council / Agency Members on any item listed on the agenda or on matters which are not listed on the agenda but are within the subject matter jurisdiction of the City Council / Successor Agency. Public comments are limited to three (3) minutes per person for each designated public comment period(s). Public comments for non- agenda items will be limited to a total of 30 minutes. Public comments can be made by any of the following ways:

IN-PERSON: Members of the public can provide in-person comments at the podium in the Council Chamber. Public comments are limited to three (3) minutes for each designated public comment period(s) per speaker, unless a different time is announced by the presiding chair. Speakers who wish to address the City Council / Agency Members should do so by submitting a "Public Comment Card" card by 5:00 p.m. for Closed Session items and by 6:00 p.m. for all other designated public comment periods as listed.

BY TELEPHONE: Phone Number: [\(669\)900-9128](tel:(669)900-9128) Webinar ID: [813 3236 4343#](#) Passcode: [2021#](#)
To address the City Council press *9 to raise your hand then *6 to unmute yourself when instructed.

VIRTUALLY LIVE: Members of the public may participate via Zoom by <https://zoom.us/join> and entering the Zoom Meeting ID: [813 3236 4343](#) Passcode: [2021](#)
Comments may also be made via the Zoom app by using the "Raise Hand" feature when it is your turn to speak the host will unmute you. Comments will not be accepted in the QandA Chat function of the zoom app.

WRITTEN COMMENTS: Public comments may be emailed to PublicComments@bellgardens.org or mailed to: City Clerk's Office, 7100 Garfield Ave., Bell Gardens, CA 90201. To ensure distribution to the members of the City Council / Agency Members prior to consideration of the agenda, please submit comments no later than one (1) hour prior to the meeting. Those comments, as well as any comments received after, will be distributed to the members of the City Council / Successor Agency and will be part of the official public record of this meeting.

For more information, you may contact the City Clerk's office during regular business hours 7:30 a.m. to 6:00 p.m., Monday through Thursday at (562) 806-7704.

CALL TO ORDER

The Council Members of the City of Bell Gardens City Council held a regular meeting on April 24, 2023, in the Council Chambers, 7100 Garfield Ave, Bell Gardens, CA with Mayor Alejandra Cortez presiding. Mayor Alejandra Cortez called the meeting to order at 5:09 p.m.

ROLL CALL OF CITY COUNCIL MEMBERS

Present: Marco Barcena, Council Member
Maria Pulido, Council Member
Francis De Leon Sanchez, Mayor Pro Tem
Alejandra Cortez, Mayor

Absent: Jorgel Chavez, Council Member (Excused)

PUBLIC COMMENTS ON AGENDA ITEMS ONLY

There were no public comments made.

CLOSED SESSION (Item No. 1):

City Attorney Stephanie Vasquez announced that the Closed Session item is listed on the agenda. The City Council recessed into closed session at 5:11 p.m. to discuss the item listed on the agenda.

1. CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6

City Designated Representatives: Michael B. O'Kelly, City Manager
Manuel Carrillo, Director of Finance

Employee Organizations: City Employees Association (CEA)
Public Works Employees Association (PWEA)
Public Works Supervisors Association (PWSA)
Non-Represented

CLOSED SESSION REPORT

The City Council reconvened to open session at 6:04 p.m., City Attorney Stephanie Vasquez announced that there was no reportable action.

ADJOURNMENT

Mayor Alejandra Cortez adjourned the meeting at 6:04 p.m.

Daisy Gomez, City Clerk
Agenda Posed on April 20, 2023.



**CITY OF BELL GARDENS
OFFICE OF THE CITY MANAGER**

AGENDA REPORT

Item 3.

TO: Honorable Mayor and City Council Members
FROM: Michael B. O'Kelly, City Manager
BY: Manuel Carrillo, Director of Finance & Administrative Services
SUBJECT: **WARRANT REGISTER SUCCESSOR AGENCY**
DATE: May 8, 2023

RECOMMENDATION:

It is staff's recommendation that the Successor Agency Members receive and file the warrant register dated 04/11/23.

BACKGROUND/DISCUSSION:

The attached warrant register is for 04/11/23. The warrant register reflects the obligation of the Successor Agency to the Community Development Commission (Successor Agency) for the above referenced date.

CONCLUSION:

If the recommendation to the Successor Agency Members is approved, then the warrant register dated 04/11/23 will be received and filed.

FISCAL IMPACT:

Warrant register	04/11/23	12926	\$2,250.00
		Total Voucher	\$2,250.00
		Grand Total Voucher	\$2,250.00

ATTACHMENTS:

Exhibit 1- Warrant Register

APPROVED ELECTRONICALLY BY:

Michael B. O'Kelly, City Manager
Stephanie Vasquez, City Attorney and/or Susie Altamirano, Assistant City Attorney
Manuel Carrillo, Director of Finance and Administrative Services

Voucher List
CITY OF BELL GARDENS

04/12/2023 1:31:05PM

Bank code : cdckkg						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
12926	4/11/2023	000991 HDL COREN & CONE	SIN0247038		FA CONTIN DISCL ANNUAL BOND FE	2,250.00
1 Vouchers for bank code : cdckkg						2,250.00
1 Vouchers in this report						2,250.00
Total :						2,250.00
Bank total :						2,250.00
Total vouchers :						2,250.00



**CITY OF BELL GARDENS
OFFICE OF THE CITY MANAGER**

AGENDA REPORT

Item 4.

TO: Honorable Mayor and City Council Members
FROM: Michael B. O'Kelly, City Manager
BY: Manuel Carrillo, Director of Finance & Administrative Services
SUBJECT: **WARRANT REGISTERS AND WIRE TRANSFERS**
DATE: May 8, 2023

RECOMMENDATION:

It is staff's recommendation that the City Council receive and file the warrant registers, wire transfers, and net payrolls dated 04/06/23, 04/11/23 and 04/18/23.

BACKGROUND/DISCUSSION:

The attached warrant registers, wire transfers, and net payrolls are for 04/06/23, 04/11/23 and 04/18/23. The warrant registers, wire transfers, and net payrolls reflect the financial obligations of the City for the above referenced dates.

CONCLUSION:

If the recommendation to the City Council is approved, then the warrant registers, wire transfers, and net payrolls dated 04/06/23, 04/11/23 and 04/18/23 will be received and filed.

FISCAL IMPACT:

Wire transfer	04/06/23	1795 - 1798	\$274,014.56
Warrant register	04/11/23	185449- 185532	\$542,593.85
		Total Bank	\$816,608.41
Net payroll transfer	04/06/23	-	\$523,410.58
		Total Voucher	\$1,340,018.99
Warrant register	04/18/23	185533 - 185621	\$1,255,418.51
		Total Voucher	\$1,255,418.51
		Grand Total Vouchers	\$2,595,437.50

ATTACHMENTS:

Exhibit 1- Warrant Register

APPROVED ELECTRONICALLY BY:

Michael B. O'Kelly, City Manager
 Stephanie Vasquez, City Attorney and/or Susie Altamirano, Assistant City Attorney
 Manuel Carrillo, Director of Finance and Administrative Services

Voucher List
CITY OF BELL GARDENS

04/12/2023 1:07:35PM

Bank code : common						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
1795-WIRE	4/6/2023	003359 BANK OF THE WEST	Ben589420		FEDERAL INCOME TAX: PAYMENT	92,347.18
					Total :	92,347.18
1796-WIRE	4/6/2023	003358 BANK OF THE WEST	Ben589424		STATE INCOME TAX: PAYMENT	30,374.78
					Total :	30,374.78
1797-WIRE	4/6/2023	001725 CALPERS	Ben589422		P/R 04/06/23	128,729.73
					Total :	128,729.73
1798-WIRE	4/6/2023	009439 MASS MUTUAL	Ben589426		MASS MUTUAL: PAYMENT	22,562.87
					Total :	22,562.87
185449	4/11/2023	008604 ACCOUNT 6746022400, U.S. BANK PARS	Ben589410		PARS: PAYMENT	5,506.82
					Total :	5,506.82
185450	4/11/2023	000060 ADAMSON POLICE PRODUCTS	INV393335		PD PARTOL &SOT SPONGE ROUNE	992.23
					Total :	992.23
185451	4/11/2023	008481 ALTA LANGUAGE SERVICES INC	IS645511		BILINGUAL SPEAKING TEST 2	176.00
					Total :	176.00
185452	4/11/2023	000148 AMTECH ELEVATOR SERVICES	151401128325		PD ELEVATOR MAINT APRIL2023	232.35
					Total :	232.35
185453	4/11/2023	000150 ANAYA'S SERVICE CENTER	37625		PW SRVC/REPAIR VEH P176	380.00
			37785		PW SRVC/REP VEH P176	899.38
			38030		PW SRVC/REPAIR VEH G175	853.68
			38035		PW SR BUS OIL CHANGE	727.33
					Total :	2,860.39
185454	4/11/2023	010641 ARAMARK	2570149777		RCS AQUATICS SRVCS	78.48
					Total :	78.48
185455	4/11/2023	000284 ASSOC., BELL GARDENS POLICE	Ben589416		NON-SWORN POA MEMBER-DUES;	2,665.00
					Total :	2,665.00
185456	4/11/2023	010525 ASSOCIATES ENVIRONMENTAL, INC	12384	04968	PW ENVIRONMENTAL SERVICES C	435.00

Voucher List
CITY OF BELL GARDENS

04/12/2023 1:07:35PM

Bank code : common						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185456	4/11/2023	010525	010525 ASSOCIATES ENVIRONMEN (Continued)			435.00
185457	4/11/2023	010690	AV GRAPHICS		CD BUS CARDS V.JARAMILLO/S.JC	140.09
					Total :	140.09
185458	4/11/2023	008041	AVANT GARDE INC.	05030	PW PROP 218 ASSISTANCE TRASH	5,801.73
				04693	PW URBAN GREEN PROGRAM "TR	237.50
				05223	PW FUNDING ADMIN BG KEEP PAF	285.00
					Total :	6,324.23
185459	4/11/2023	000299	BLAUVELT SIGNS, LARRY BLAUVELT	6390	PW VEH LOGOS	695.00
					Total :	695.00
185460	4/11/2023	006331	BSN SPORTS, LLC	921026719	RCS SF SOCCER SUPPLIES	285.56
					Total :	285.56
185461	4/11/2023	008868	CARDENAS, LAURA	03/06-17TH	PD TRNG LUNCH/TRNG REIM	436.71
					Total :	436.71
185462	4/11/2023	009266	CHARTER COMMUNICATIONS	127241301040123	VOIP SRVCS CH 4/2023	1,150.00
					Total :	1,150.00
185463	4/11/2023	005399	CHUNG & CHUNG ACCOUNTANCY CORP	15233	FA PROF SRVCS J CHUNG 3/26-3/3	1,350.00
				05312	Total :	1,350.00
185464	4/11/2023	009081	COUNTY OF LA, SUPERIOR COURT OF C, FEB2023		FA BAIL SURCHGRS 2/2023	7,412.00
					FA BAIL SURCHGRS 1/2023	5,900.50
					FA BAIL SURCHGRS 3/2023	9,717.50
					Total :	23,030.00
185465	4/11/2023	010286	CWE	22601	PW FDPK CISTERN MODIFICATION	7,644.75
				23125	PW ADDITIONAL DESIGN MODIFIC/	6,043.15
					Total :	13,687.90
185466	4/11/2023	004588	DAILY JOURNAL CORPORATION	B3675393	PUB FOR ART IN PUBLIC PLACES	430.00
				B3684127	PUBLIC FOR SIDEWK VENDING OF	200.00
				B36854121	PBULICATIONS FOR ART IN PULIC	210.00
					Total :	840.00

Voucher List
CITY OF BELL GARDENS

04/12/2023 1:07:35PM

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
Bank code : common						
185467	4/11/2023	008668 DIAMOND CLEANING SERVICES, DORA G	BG2308		PD OFC DETAIL CLEANING	430.00
			BG2309		PD OFC DETAIL CLEANING	200.00
			BG2310		PD OFFICE DETAIL CLEANING	200.00
			BG2311		PD OFFICE DETAIL CLEANING	200.00
			CHBG030010		FA CLEANING SRVCS MARCH 2023	100.00
					Total :	1,130.00
185468	4/11/2023	010331 DIMEX PROFESSIONAL, ISRAEL HERNAN	1191		RCS CFSC JANITORIAL SRVC MAR	360.00
			1192		RCS FP JANITORIAL SRVC MARCH	200.00
			1193		RCS SPRT CTR JANITORIAL MARCH	375.00
			1194		RCS SR CTR JANITORIAL MARCH	170.00
			1195		RCS JANITORIAL MARCH	170.00
			1196		RCS NYC JANITORIAL SRVC MARCH	170.00
					Total :	1,445.00
185469	4/11/2023	010661 DOBBINS, CODDY	033023		PD MILEAGE REIM 4/17-21ST	461.65
					Total :	461.65
185470	4/11/2023	008258 ECOFERT, INC	5560		PW FIELD FERTIGATION MARCH	724.00
					Total :	724.00
185471	4/11/2023	010692 ETE FITNESS EQUIPMENT	3611	05309	PD PURCHASE OF AIRGO TREADV	1,762.90
					Total :	1,762.90
185472	4/11/2023	008881 EVENAS DESIGN	4897		CD BUS CARDS V.JARAMILLO/S.JC	85.00
					Total :	85.00
185473	4/11/2023	010725 EWING, MARIAH ANN	1007991002		RCS SHELTER DEP REFUND 3/25	125.00
					Total :	125.00
185474	4/11/2023	000807 FAIRFIELD, BRADLEY SCOTT	021422 TRNG 3/7-8T		PD TRNG LODGING 1 NIGHT	432.48
					Total :	432.48
185475	4/11/2023	006424 FERNANDO'S HARDWARE & LUMBER	90444		PW ST CREW SUPPLIES	17.60
					Total :	17.60
185476	4/11/2023	006521 FRANCHISE TAX BOARD	Ben589412		GARNISHMENT: PAYMENT	529.46
					Total :	529.46

Voucher List
CITY OF BELL GARDENS

04/12/2023 1:07:35PM

Bank code : common

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185477	4/11/2023	009084 FRONTIER COMMUNICATIONS	19712940224225-04; 2091195514051415-4		IT CITY HALL/PD INTERNET APR20; PD UPGRADE FRAME RELAY 4/4-5/ Total :	1,190.00 1,113.00 2,303.00
185478	4/11/2023	006112 GALLS LLC	023779662 023888284		PD SOT UNIFORM OFFICER DELA PD SOT UNIFORM OFFICER ZUNIG Total :	74.89 318.33 393.22
185479	4/11/2023	009809 GLOBAL URBAN STRATEGIES INC.	327 328 340 341	05277 05277 05277	CD CALHOME GRANT MANAGEMEI CD CALHOME GRANT MANAGEMEI CD CALHOME GRANT MANAGEMEI CD OWNER OCCUPIED REHAB PRI Total :	712.50 2,968.64 1,087.50 1,482.22 6,250.86
185480	4/11/2023	002092 GOLDEN STATE WATER COMPANY	01744100007-03232; 22744100003-03232; 52151200004-0322; 56943418386 76132100009-03222; 80824200002-03232;		PW 6458 FLORENCE IRRIG PW 8327 GARFIELD AVE. PW 5856 LUDELL ST 1 OF 2 PW 6626 MARLOW PW 5856 LUDELL ST 2 OF 2 PW 8321 JABONERIA RD Total :	206.66 297.02 206.66 44.89 48.84 129.91 933.98
185481	4/11/2023	009491 GOMEZ, SONIA	FY22-23 03/30/23		TUITION REIM FY 22-23 Total :	150.00 150.00
185482	4/11/2023	009785 GREENTECH LANDSCAPE INC.	53016 53766 54969	05083	RCS ADDTL MOW AT VP MARCH RCS ADDTL MOW AT VP JUNE PW CITYWIDE LANDSCAPE JAN 202 Total :	500.00 500.00 9,328.00 10,328.00
185483	4/11/2023	008072 HF & H CONSULTANTS, LLC	97200 39 9720039	05085	PW RESIDENTIAL WASTE CONSUL PW SB 1383 ENROLLMENT NON E Total :	715.50 8,819.25 9,534.75
185484	4/11/2023	010609 HIRSCH PIPE & SUPPLY INC.	100292 107396		PW FACILITIES SUPPLIES PW FACILITIES SUPPLIES Total :	296.66 217.90 514.56

Voucher List
CITY OF BELL GARDENS

Bank code : common

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185485	4/11/2023	001025 HOME DEPOT	022637/1042068		PW FACILITIES SUPPLIES	155.25
			028973/5280978		PW PARKS SUPPLIES	237.61
			030265/3010455		PW UTIL CREW SUPPLIES	265.79
			1075852		RCS SUPPLIE S	25.28
			2010542		RCS SPRING FESTIVAL 4/1	39.99
			2010544		RCS SPRING FESTIVAL 4/1	10.96
			2533692		RCS SENIOR CTR MAINT SUPP	477.91
			3374341		RCS VET PARK EQUIPMENT	438.90
			4533418		RCS EVENT SUPPLIES 4/1	105.25
			610015		RCS VEH MAINT	29.61
			7281680		RCS SPRING DAY CAMP	167.32
					Total :	1,953.87
185486	4/11/2023	009579 J THAYER COMPANY LLC	16388880		PW OFFICE SUPPLIES	268.60
					Total :	268.60
185487	4/11/2023	007868 LA CONSERVATION CORPS	241584 FEB23	04864	PW TREES FOR BG PLANTING FEE	36,859.89
					Total :	36,859.89
185488	4/11/2023	005455 LA COUNTY SHERIFF'S DEPT	232265BL		PD PRISONER MAINT MEALS FEB2	522.80
					Total :	522.80
185489	4/11/2023	006145 LAN WAN ENTERPRISE, INC.	73995	05108	PD MAINT I.T. AGREEMENT SRVC	4,800.00
			74001	05108	PD MAINT CONTRACT 3/27-3/30/23	4,800.00
					Total :	9,600.00
185490	4/11/2023	007502 LAW FIRE PROTECTION	888445		PD FIRE EXTINGUISHER SRVC INS	297.89
			888446		PD FIRE EXTINGUISHER SRVC REI	999.35
					Total :	1,297.24
185491	4/11/2023	008684 LGP EQUIPMENT RENTALS INC	125833		PW RENTAL FORKLIFT/BGVP	596.47
			125843		PW CONCRETE TRAILER 8348	349.93
			125853		PW CONCRETE TRAILER 8348 GAF	593.86
			125986		PW CONCRETE TRAILER AT EASTE	593.86
			126117		PW CONCRETE TRAILER 6421&643	675.17
					Total :	2,809.29
185492	4/11/2023	001293 LIEBERT CASSIDY WHITMORE	236056		PROF SRVCS THRU 2/28/23	495.00

Voucher List
CITY OF BELL GARDENS

04/12/2023 1:07:35PM

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185492	4/11/2023	001293 LIEBERT CASSIDY WHITMORE	(Continued) 236059 236060 236061 237961		PROFESSIONAL SRVCS THRU 2/28 PROF SRVCS THRU 2/28/23 PROF SRVCS RENDERED THRU 2/ PROF SRVCS THRU 2/28/23 Total :	1,785.00 235.00 1,130.00 8,100.00 11,745.00
185493	4/11/2023	007055 LINGLE BROS. COFFEE, INC	32023		CCL OFC SUPPLIE S Total :	47.10 47.10
185494	4/11/2023	010545 LINGO	33289332		PD POTS LINES 4/3-5/2 Total :	365.46 365.46
185495	4/11/2023	008850 LOGIC TREE IT SOLUTIONS INC	1878		PD RENEWAL OF ANNUAL SUBSCF Total :	1,359.00 1,359.00
185496	4/11/2023	001318 LOOMIS	13205909	05074	FAARMORED SERVICES APRIL 202 Total :	239.06 239.06
185497	4/11/2023	001441 MC CULLAH FENCE CO., HERB MCCHULL 20230307			RCS REPAIRS IN EXISTING FENCE Total :	970.00 970.00
185498	4/11/2023	010554 MEDICO HEALTHCARE LINEN SRVCS.	20780378		PD JAIL UNIFORMS/LINEN CLEANIN Total :	52.05 52.05
185499	4/11/2023	003123 MENDOZAS LAWNMOWER'S, ROSALINDA	4851 4852 4853 4856 4857		PW CHAIN SAW SUPPLIES PW CHAIN SAW SUPPLIES PW LAWNMOWER SUPPLIES PW SRVC/REPAIR HEDGE TRIMME PW CHAIN SAW SUPPLIES Total :	109.14 55.12 38.58 93.71 59.53 356.08
185500	4/11/2023	001491 MOBILE MINI INC.	9017129143 9017179121		PD CONTRACT SRVCS 3/15-4/11 PD CONTRACT SRVCS 3/21-4/17 Total :	187.20 78.28 265.48
185501	4/11/2023	010575 NATIONAL TACTICAL SECURITY	04012023		RCS SPRING FESTIVAL SECURITY Total :	330.00 330.00

Voucher List
CITY OF BELL GARDENS

04/12/2023 1:07:35PM

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185502	4/11/2023	002293 OF SO. CALIF., UNDERGRND SRVC ALER	1222230053		PW-UNDERGRND SRVCS 77 TICKE	144.75
			222302865		PW CALIF STATE FEE REG COSTS	29.44
					Total :	174.19
185503	4/11/2023	007608 OREILLY AUTO PARTS	3849263814		PW VEH SC2001 SUPPLIES	119.04
					Total :	119.04
185504	4/11/2023	007668 PACIFIC TELEMANAGEMENT SRVCS	2103872		PD PUBLIC PAY TELEPHONE APRIL	85.87
					Total :	85.87
185505	4/11/2023	008044 PAL PROGRAM	Ben589414		PAL PROGRAM: PAYMENT	255.00
					Total :	255.00
185506	4/11/2023	001697 PARKHOUSE TIRE, INC.	1010909672		PW JCB TRACTOR TRUCK	115.09
			1010909835-021023		PW TIRES DISPOSAL	226.50
			1010914016-031023		PW TIRES DISPOSAL	147.50
					Total :	489.09
185507	4/11/2023	010226 PERMANENTE MEDICAL GROUP, SOUTH I FEB 2023			EE PRE PLACEMNT PHYSICALS	893.00
					Total :	893.00
185508	4/11/2023	009834 PRINT AGENT	3721		RCS CESAR CHAVEZ FLYERS	719.06
					Total :	719.06
185509	4/11/2023	005907 PUBLIC WORKS, LOS ANGELES COUNTY	PW23031304489		PW INDUSTRIAL WASTE PERMITS	3,559.00
					Total :	3,559.00
185510	4/11/2023	004661 QUILL CORPORATION	31361496		PD OFC SUPPLIES DEPT SUPPLIE	36.32
			31361748		PD OFFICE SUPPLIES	72.81
			31364314		PD OFC SUPPLIES DEPT SUPPLIE	110.21
			31364356		PD OFC SUPPLIES DEPT SUPPLIE	143.55
			31418408		PD OFC SUPPLIES DEPT SUPPLIE	385.79
					Total :	748.68
185511	4/11/2023	000186 READYREFRESH BY NESTLE	03B6702768201		PW WATER FILTERING SRVC FEB I	67.09
			03G6702768202		PW WATER FILTERING SRVC BGVF	67.09
			13C0032331100-031-		PW WATER FILTERING SRVC PWS	105.97
					Total :	240.15

Voucher List
CITY OF BELL GARDENS

Bank code : common						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185512	4/11/2023	006494 REEVES CO. INC.	467453		PD NAMEPIN RAISED FLAG K.RAMI	39.93
					Total :	39.93
185513	4/11/2023	010288 RJM DESIGN GROUP, INC.	35588	05354	PW PLANTING RENDERING FOR C	5,963.50
					Total :	5,963.50
185514	4/11/2023	010659 RODRIGUEZ, BRYAN ORTIZ	0317/21ST		PD TRNG PERDIEM TRAVEL REQ	240.00
					Total :	240.00
185515	4/11/2023	010721 SIGNS & BANNERS, LA SIGN FACTORY	2285	05355	RCS SENIOR CENTER SIGNAGE	1,343.71
					Total :	1,343.71
185516	4/11/2023	002063 SMART & FINAL	764744 910633		RCS EVENT SUPPLIES 4/1 RCS SUPPLIES	114.78 317.98
					Total :	432.76
185517	4/11/2023	002088 SOCALGAS	06477094269-03282; 11300697007-03282; 12560694098-03282;		PW 8100 PARK AVE. PW 8110 PARK LANE PW 8000 PK LANE	14.41 181.32 217.38
					Total :	413.11
185518	4/11/2023	008887 SOURCE ONE OFFICE PRODUCTS	OEQT681111		PROF DATE STAMP B&S	89.10
					Total :	89.10
185519	4/11/2023	006327 SOUTH COAST LIGHTING & DESIGN	1010050	05193	PW BANNER POLES FOR CENTER	6,592.95
					Total :	6,592.95
185520	4/11/2023	002129 STANDARD INSURANCE CO.	FEB 2023 EE SUPL FEB2023		EE SUPL LIFE INS 2/2023 STANDARD LIFE ADD 2/2023	1,728.84 8,792.67
					Total :	10,521.51
185521	4/11/2023	006333 STANDARD INSURANCE COMPANY	FEB/MARCH 2023		FA EXECUTIVE BENEFITS FEB/MAF	1,053.40
					Total :	1,053.40
185522	4/11/2023	007335 STANDARDS COMMISSION, CALIF. BLDG	APR-JUNE 2022 JAN-DEC 2020 JAN-JUNE 2021		CD BLDG STANDARDS APR-JUNE 2 CD BLDG STANDARDS ADMIN JAN- CD BLDG STANDARDS JAN-MAR20	196.20 390.60 228.60
					Total :	815.40

Voucher List
CITY OF BELL GARDENS

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Bank code : common						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185523	4/11/2023	009031 STAR2STAR COMMUNICATIONS, LLC	SUBC00010558		VOIP SRVCS 4/7-5/7	10,501.76
					Total :	10,501.76
185524	4/11/2023	000594 STATE DISBURSEMENT UNIT	Ben589418		GARNISHMENT: PAYMENT	326.76
					Total :	326.76
185525	4/11/2023	002169 SUPER A FOODS	4794		RCS SUPPLIES	220.61
					Total :	220.61
185526	4/11/2023	002188 TARGET SPECIALTY PRODUCTS	P501054200		PW ROUNDUP PROMAX/JUTIL CREV	997.95
					Total :	997.95
185527	4/11/2023	003821 US ARMOR CORPORATION	41191		PD SAFETY VEST DETECTIVE WEII	877.21
			41321		PD SAFETY VEST DETECTIVE GAR	874.06
			41323		PD OUTER CARRIER K9 OFFICER	309.40
			41361		PW SAFETY VEST OFFICER TISCAI	874.06
					Total :	2,934.73
185528	4/11/2023	005981 US BANK	2270743		FA 2015A BGCOP INTEREST	307,906.25
					Total :	307,906.25
185529	4/11/2023	006130 VERIZON WIRELESS	9930874704		PW MNTHLY SRVCS FEB24-MARCH	1,111.66
					Total :	1,111.66
185530	4/11/2023	006130 VERIZON WIRELESS	9930485298		RCS CELL SRVCS 2/20-3/19	203.62
					Total :	203.62
185531	4/11/2023	005583 WEST COAST ARBORISTS INC.	196503	05091	PW TREE PRUNNING N/S OF CITY	1,050.60
			197469	05091	PW TREE PRUNNING N/S PARKS	7,457.20
			197470	05091	PW TREE PRUNNING N/S OF CITY	7,725.00
					Total :	16,232.80
185532	4/11/2023	003514 ZEP SALES & SERVICE	9008286145		PW JANITORIAL SUPPLIES	321.12
					Total :	321.12
88 Vouchers for bank code : common					Bank total :	816,608.41
TRANSFER	4/6/2023	BANK OF THE WEST	P/R		NET PAYROLL	523,410.58

Voucher List
CITY OF BELL GARDENS

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Bank code : common

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
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88 Vouchers in this report

Total vouchers : 1,340,018.99

Voucher List
CITY OF BELL GARDENS

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
Bank code : common						
185533	4/18/2023	010275 ALADDIN LOCK & KEY, BENITO ROBERTC	32928		PW OFC KEYS AT FDPK	384.81
					Total :	384.81
185534	4/18/2023	008623 ALAN'S LAWN & GARDEN CENTER	1143434		PW SRVC/REPAIR CHOP SAW	40.44
			1143683		PW ST CREW SUPPLIES	164.11
			1143765		PW PARK SUPPLIES	201.79
			1147544		PW SAFETY EAR PROTECTION	63.64
					Total :	469.98
185535	4/18/2023	000106 ALL CITY MANAGEMENT SERVICES	84265	05139	PW CROSSING GUARD SERVICES	11,175.66
					Total :	11,175.66
185536	4/18/2023	000148 AMTECH ELEVATOR SERVICES	151401128867		PW MNTHLY SRVCS APRIL 2023	224.92
					Total :	224.92
185537	4/18/2023	000150 ANAYA'S SERVICE CENTER	37804		PW SRVC/REP VEH SM170	686.65
			37826		PW SRVC/REP VEH 2004 SKIP LOA	219.23
			37889		PW SRVC/REP VEH SM179	405.58
			37925		PW SRVC/REP VEH 1=T171	179.65
			38027		PW SRVC/REP VEH SM184	391.65
			38037		PW SRVC/REP VEH SM179	292.88
			38044		PW SRVC/REP VEH SM2	251.98
			38083		PD UNIT 257 OIL CHANGE,BRAKES	809.28
			38084		PD UNIT 209 REPL HEATER	649.85
			38085		PD UNIT 312 REPL WIPER BLADES	41.90
			38086		PD UNIT 256 AUTO TRANS SRVCS	531.92
			38087		PD UNIT 234 REPL PRESS SWITCH	248.80
			38095		PD UNIT 258 REPL CATAYTIC CONV	680.85
			38102		PD UNIT 255 OIL CHANGE,BRAKES	630.10
			38144		PW SRVC/REP VEH SC1	67.90
					Total :	6,088.22
185538	4/18/2023	000301 ANTHEM BLUE CROSS	001469948G		FA HEALTH INS APRIL 2023	217,264.84
					Total :	217,264.84
185539	4/18/2023	000301 ANTHEM BLUE CROSS	000276736196		RET HEALTH INS APRIL 2023	13,236.73
					Total :	13,236.73

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
Bank code : common						
185540	4/18/2023	000160 APEX DRUM CO. INC.	122378		PW TRASH CANS/PARKS CITYWIDI	846.70
					Total :	846.70
185541	4/18/2023	010727 AQUA PATCH ROAD MATERIALS	231510084		PW COLD PATCH FOR CITY POT H	1,066.34
					Total :	1,066.34
185542	4/18/2023	010641 ARAMARK	2570151928		RCS AQUATICS SRVCS	78.48
					Total :	78.48
185543	4/18/2023	006800 ATHENS SERVICES	42321115	05135	IT RESIDENTIAL TRASH SERVICE (287,746.81
					Total :	287,746.81
185545	4/18/2023	004626 BANKCARD CENTER	0206-032823	05345	RCS OFFICE SUPPLIES	3,122.59
					RCS OFFICE SUPPLIES	1,916.05
					CC CONF,MTGS,TRAVEL EXPENSE	60.00
					CD PROFESSIONAL SRVCS	3,096.33
					RCS EXPENSES MARCH 2023	3,815.19
					RCS BGVP EXPENSES	4,771.43
				05344	HR OFFICE SUPPLIES	3,027.44
					PW EXPENSES MARCH 2023	2,492.84
					CCL OFFICE SUPPLIES	1,519.33
					RCS OFFICE SUPPLIES	1,612.38
				05366	FA CONF,MTGS,TRAVEL EXPENSE	137.83
					CC CONF,MTGS,TRAVEL EXPENSE	447.69
					PD MEMBERSHIP DUES	2,593.09
					PD EXPENSES MARCH 2023	915.57
					Total :	29,527.76
185546	4/18/2023	000299 BLAUVELT SIGNS, LARRY BLAUVELT	6369		PW ALL DECALS FOR NEW VEHI	44.00
			6398		PW VEH NUMBERS	52.80
					Total :	96.80
185547	4/18/2023	009389 BRIGHTVIEW GOLF MAINTENANCE	8366172	05078	RCS GOLF COURSE MAINT APRIL	13,000.00
					Total :	13,000.00

Voucher List
CITY OF BELL GARDENS

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185548	4/18/2023	005910 BRIGHTVIEW LANDSCAPE SRVCS INC	8341044	05100	RCS SPORT CENTER LANDSCAPE	6,593.83
					Total :	6,593.83
185549	4/18/2023	000313 BRITE WHITE, ELISEO RODRIGUEZ	25541		PD UNIT 274&278 MOUNT/BAL	60.00
					Total :	60.00
185550	4/18/2023	008114 CALIFORNIA CLEANING SUPPLIES	55718		PW JANITORIAL SUPPLIE S	846.86
			55767		PW JANITORIAL SUPPLIES	709.57
			55768		PW LITTER CLEAN UP SUPPLIE S	710.29
			55803		PW JANITORIAL SUPPLIES	977.37
			55804		PW JANITORIAL SUPPLIES	591.22
			55836		PW LITTER CLEAN UP SUPPLIE S	921.63
			55888		PW JANITORIAL SUPPLIES	909.07
			55889		PW JANITORIAL SUPPLIES	572.74
			55904		PW JANITORIAL SUPPLIES	110.14
			55933		PW JANITORIAL SUPPLIE S	680.67
			55936		PW JANITORIAL SUPPLIES	717.00
			55937		PW JANITORIAL SUPPLIES	409.80
			55938		PW JANITORIAL SUPPLIES	165.24
			55987		PW JANITORIAL SUPPLIES	733.99
			55988		PW LITTER CLEAN UP SUPPLIES	671.89
					Total :	9,727.48
185551	4/18/2023	001447 CHARTER COMMUNICATIONS	0689734041523		IT FDPK WIFI 4/15-5/14	1,150.00
					Total :	1,150.00
185552	4/18/2023	001447 CHARTER COMMUNICATIONS	0646130041523		IT VET PARK WIFI 4/15-5/14	309.98
					Total :	309.98
185553	4/18/2023	001447 CHARTER COMMUNICATIONS	064611441423		IT SENIOR CNTR WIFI 4/14-5/13	309.98
					Total :	309.98
185554	4/18/2023	001447 CHARTER COMMUNICATIONS	0646155041523		IT YTH CNTR WIFI 4/15-5/14	309.98
					Total :	309.98
185555	4/18/2023	008611 CHAVEZ, JORGEL	LCC23CLS		LEAGUE OF CA CITY 2023 TRAVEL	1,904.90
					Total :	1,904.90

**Voucher List
CITY OF BELL GARDENS**

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Bank code : common

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185556	4/18/2023	009417 CINTAS CORPORATION	5143211599CR 5151489896		PW CREDIT INV 5143211599 PW FIRST AID & MED KIT OSHA Total :	-492.52 911.13 418.61
185557	4/18/2023	006425 COMMUNITY VETERINARY HOSPITAL	491722		PD K9 NACHO ANNUAL MEDICAL/V Total :	1,042.75 1,042.75
185558	4/18/2023	005738 COUNTY CLERK, LA CNTY REGISTRAR-R	232073		CCL NOV GEN ELECTION SRVCS Total :	51,167.70 51,167.70
185559	4/18/2023	004588 DAILY JOURNAL CORPORATION	B3671388 B3671394		PW PUBLISHING NIB CITYWIDE PW PUBLISHING NIB ALLEY IMPRC Total :	595.00 605.00 1,200.00
185560	4/18/2023	000659 DELTA DENTAL OF CALIFORNIA	BE005425968		FA DENTAL INS APRIL 2023 Total :	17,487.62 17,487.62
185561	4/18/2023	000658 DELTA DENTAL INSURANCE COMPANY	BG005423529		FA DENTAL INS APRIL 2023 Total :	1,163.34 1,163.34
185562	4/18/2023	000335 DEPT OF CONSERVATION	JAN-MAR2023		CD STRONG MOTION FEE REP JAN Total :	213.75 213.75
185563	4/18/2023	003917 DIAL COMMUNICATIONS	52465 52526		PW 5 AIRTIME MT. WILSON MCS R PW 5 AIRTIME MT. WILSON MCS R Total :	190.00 190.00 380.00
185564	4/18/2023	010331 DIMEX PROFESSIONAL, ISRAEL HERNAN	1180 1181 1182		PW STRIP/WAX FLOORS NYC PW CARPET CLEANING AT NYC PW STRIP/WAX AT NYC Total :	975.00 975.00 550.00 2,500.00
185565	4/18/2023	008460 DIV. OF THE STATE ARCHITECT	01/23-03/23		DSA 796 SB 1186 QTR 01/23-03/23 Total :	102.00 102.00
185566	4/18/2023	009567 DOG WASTE DEPOT	536725		PW DOG WASTE BAG CASES Total :	932.87 932.87

Voucher List
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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
Bank code : common						
185567	4/18/2023	006944 ENTERPRISE FLEET MANAGEMENT	FBN4724025	05104	PD MONTHLY LEASE FOR PD & DE	2,833.83
					Total :	2,833.83
185568	4/18/2023	006424 FERNANDO'S HARDWARE & LUMBER	90417		PW HARDWARE SUPPLIES	22.05
					Total :	22.05
185569	4/18/2023	006264 FIERRO, NANCY	112823		PD TRNG EXPENSES 4/24-26TH	453.53
					Total :	453.53
185570	4/18/2023	009101 FILE KEEPERS, LLC	23583		PD ONSITE SHREDDING SRVC MAI	119.54
					Total :	119.54
185571	4/18/2023	006112 GALLS LLC	023906353		PD DISPATCHER UNIFORM MAGAN	31.36
			023919410		PD SOT UNIFORM FOR ZUNIGA	74.88
			023947183		PD SOT UNIFORM OFFICER DELA	161.80
			024009276		PD UNIFORM PD TRAINEE CASILA	149.34
					Total :	417.38
185572	4/18/2023	002092 GOLDEN STATE WATER COMPANY	01627100009-03232;		PW-GARFIELD AVE & PARK LANE	732.88
			14489565193-03172;		PW 8114 PK LANE SOCCER FIELD	127.92
			21145100000-03232;		PW SCOUT & RAMISH	227.92
			21744100005-03272;		PW 6221 FLORENCE	206.66
			24412200008-03232;		PW 8000 SCOUT IRRIG	65.95
			31145100009-03232;		PW 8000 SCOUT IRRIG	1,883.76
			32916100004-03232;		PW 8000 SCOUT IRRIG	1,218.69
			40584200006-03202;		PW 8323 GARFIELD AVE	74.58
			49644100007-03232;		PW CLARA ST/IN SIDEWK IRRIG	65.95
			50744100004-03232;		PW N/E/C AJAX & FLORENCE	362.72
			52744100000-03232;		PW GARFIELD AVE& EASTERN AVE	387.37
			57319200002-03232;		PW GAGE AVE & SPECHT	206.66
			59644100006-03232;		PW EASTERN S/O LIVE OAK IRRIG	206.66
			65551868949-03172;		PW 7800 SCOUT IRR	380.07
			81145100004-03232;		PW S/SIDE PK LN@GILLAND	32.24
			81916100001-03232;		PW 8000 SCOUT IRRIG	1,489.76
			92962400005-03172;		PW 6863 DARWELL AVE.	82.77
					Total :	7,752.56
185573	4/18/2023	006097 GOLDEN WEST COLLEGE RCJTC	DEC2022		PD TRNG O.PEREZ TUITION	186.00

Voucher List
CITY OF BELL GARDENS

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
Bank code : common						
185573	4/18/2023	006097	006097 GOLDEN WEST COLLEGE R (Continued)			
185574	4/18/2023	001025	HOME DEPOT			
			004304/8010716		PW FACILITIES SUPPLIES	178.12
			004791/8071461		PW FACILITIES SUPPLIES	93.24
			031543/2010514		PW FACILITIES SUPPLIE S	62.93
					Total :	334.29
185575	4/18/2023	009818	IBE DIGITAL			
			453350		FA COPIER LEASE 3/6-4/5	129.16
			453351		CD COPIER LEASE 3/6-4/5	146.14
			453352		CCL COPIER LEASE 3/6-4/5	12.83
			453353		PD DISPATCH COPIER LEASE 3/6-4	145.57
			453354		PD BASEMENT BRIEFING COPIER	33.29
			453356		RCS SENIOR CTR COPIER 3/6-4/5	5.10
			453357		RCS NYC COPIER LEASE 3/6-4/5	5.00
			453358		RCS BGVP COPIER LEASE 3/6-4/5	24.00
			453359		RCS FORD COPIER LEASE 3/6-4/5	107.48
			453570		RCS BGVP 2ND COPIER LEASE 3/1	556.36
					Total :	1,164.93
185576	4/18/2023	009818	IBE DIGITAL			
			453657		PD COPIER LEASE 3/15-4/14/23	252.17
					Total :	252.17
185577	4/18/2023	008741	IDEMIA IDENTITY & SECURITY USA			
			156793		PD IDEMIA LIVE SCAN SOFTWARE	1,599.00
					Total :	1,599.00
185578	4/18/2023	005177	INFRASTRUCTURE ENGINEERS			
			24801		CD B&S PLAN CHECK 3/23	3,141.45
			28414	04676	PW UPGRADE WATER WELL #1 PU	528.00
			28415	05182	PW ADDITIONAL GEO & TOPOGRAI	11,960.00
			28416	05121	PW TRAFFIC RADAR SPEED SURV	1,807.25
			28417	05272	PW CITYWIDE STRIPING PROJ MA	370.00
			28418	05299	PW ATP CYCLE 5 CITYWIDE COMP	39,150.90
			28419	05347	PW INDUSTRIAL/COMMERCIAL FAI	3,216.25
			28420	05352	PW SLURRY SEAL IMPROVEMENT	1,830.00
			28421	05298	PW FORD PARK MAINT MARCH 20:	15,021.25
			28422	05353	PW VARIOUS RESID ST IMPROV M.	370.00
			28434		PW NPDES MANAGEMENT PRGM	7,802.00
			28437	05086	PW CITY ENGINEER SERVICES	39,405.50
			28438	04951	PW ARTERIAL STREET IMPROVEM	4,909.40

Voucher List
CITY OF BELL GARDENS

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Bank code : common						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185578	4/18/2023	005177	005177 INFRASTRUCTURE ENGINE (Continued)			
					Total :	129,512.00
185579	4/18/2023	010704	INSIGHT PUBLIC SECTOR INC. 1101035892	05333	PD LEASE (23) AUTO LIC PLATE RI	65,550.00
					Total :	65,550.00
185580	4/18/2023	009373	INTERNATIONAL, THE COUNSELING TEAF 85724		PD PSYCHOLOGICAL ASSESSMEN	150.00
					Total :	150.00
185581	4/18/2023	008569	JCL TRAFFIC 118801		PW CITY HALL PARKING LOT SIGN	529.07
					Total :	529.07
185582	4/18/2023	004019	KAISER FOUNDATION HEALTH PLAN APRIL 2023		FA HEALTH INS 2264860000	113,030.97
					Total :	113,030.97
185583	4/18/2023	001218	LACMTA, REGIONAL TAP SERVICE CTR. 6018842		PW TAP,S/D MNTHLY FEB 2023	200.00
					Total :	200.00
185584	4/18/2023	005643	LACPCA 22823		PD ANNUAL DUES FAIRFIELD	500.00
					Total :	500.00
185585	4/18/2023	006145	LAN WAN ENTERPRISE, INC. 73991	05138	IT COUNCIL CHAMBER AUDIO VIDE	15,842.62
					IT MNTHLY LICENSES & WARRANT	5,735.20
					IT NETWORK/TECH SUPPORT MAR	10,800.00
					IT ON SITE SRVC ACTIVE SHOOTEI	480.00
					IT COUNCIL CHAMBER AUDIO VIDE	1,458.03
					IT ON SITE SRVC CC MTG 4/10	480.00
					Total :	34,795.85
185586	4/18/2023	008684	LGP EQUIPMENT RENTALS INC 126386		PW CONCRETE TRAILER 6525 EL C	668.17
					Total :	668.17
185587	4/18/2023	010447	MARKOVA, ANASTASIA 23271		RCS SPRING FESTIVAL CHARACTE	580.00
					Total :	580.00
185588	4/18/2023	010554	MEDICO HEALTHCARE LINEN SRVCS. 20788405		PD JAIL UNIFORMS/LINEN CLEANIN	52.05
					Total :	52.05
185589	4/18/2023	003123	MENDOZAS LAWNMOWER'S, ROSALINDA 4855		PW SRVC/REPAIR CHAIN SAW	226.01
					PW SRVC/REPAIR HEDGE TRIMME	57.33

Voucher List
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Bank code : common						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185589	4/18/2023	003123	003123 MENDOZAS LAWNMOWER* (Continued)			Total : 283.34
185590	4/18/2023	001474	MIDTOWN PLUMBING, INC.		PW BACKFLOW AT FDPK	111.05
					PW RESTROOMS PLUGGED CH	262.09
					PW JAIL KITCHEN SINKS PD	810.97
					Total :	1,184.11
185591	4/18/2023	010730	NATIONAL INCLUSION PROJECT,INC	033023	RCS GROUP STAFF TRAINING STA	750.00
					Total :	750.00
185592	4/18/2023	001576	NATIONWIDE ENVIRONMENTAL SRVCS	33105	PW STREET SWEEPING AND FUEL	17,737.46
				05125	Total :	17,737.46
185593	4/18/2023	010723	NIXON LOGISTICS INC.	234601	PW TRUCKING SCHOOLING FOR D	1,800.00
				05357	Total :	1,800.00
185594	4/18/2023	010561	NWESTCO,LLC	INV450489	PW DO INSP&FUEL SURCHRG MAF	120.00
					Total :	120.00
185595	4/18/2023	002293	OF SO. CALIF., UNDERGRND SRVC ALER	222303257	PW CALIF STATE FEE REG COSTS	29.44
				320230057	PW UNDERGRND INSP MARCH 202	101.00
					Total :	130.44
185596	4/18/2023	007608	OREILLY AUTO PARTS	3849263967	PW VEH SUPPLIES	168.85
					Total :	168.85
185597	4/18/2023	010726	PANIAGUA, HANNALI	040323	PD TRNG LUNCH REIM 3/27-28TH	83.43
					Total :	83.43
185598	4/18/2023	007292	PARKING CO. OF AMERICA, PCAM,LLC	INVM0017562	PW DIAL A RIDE SERVICE MARCH	21,693.60
				05089	PW SENIOR BUS DRIVER MARCH	3,467.10
				05089	PW TROLLEY SERVICE	47,749.50
					Total :	72,910.20
185599	4/18/2023	001707	PDQ RENTAL CENTER	777995	PW HITCH FOR CITY VEH	420.51
				778119	PW HITCH CITY VEHICLES	894.41
					Total :	1,314.92
185600	4/18/2023	000186	READYREFRESH BY NESTLE	03C6702768201	PW WATER FILTERING SRVC FDPK	67.09

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Bank code : common

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185600	4/18/2023	000186 READYREFRESH BY NESTLE	(Continued) 03C6702768202		PW WATER FILTERING SRVC BGVF Total :	67.09 134.18
185601	4/18/2023	010614 RESTAURANT, THE ORIGINAL ROSEWOC 29			RCS SENIOR CTR SPRING DINNER Total :	800.00 800.00
185602	4/18/2023	007259 ROBERT HALF	61848736	05367	FA PROF SRVCS - VALERIE SUMOC Total :	1,280.00 1,280.00
185603	4/18/2023	002022 SEQUEL CONTRACTORS	RETENTION	05145	PW VARIOUS RESIDENTIAL STREE Total :	33,294.16 33,294.16
185604	4/18/2023	008861 SHARE CORPORATION	227686 227814		PW JANITORIAL SUPPLIES PW JANITORIAL SUPPLIES Total :	899.00 478.86 1,377.86
185605	4/18/2023	002063 SMART & FINAL	000222 334300 452400 464822		RCS AFTER SCHOOL PRGM RCS AFTER SCHOOL PRMG RCS SENIOR CTR APRIL EVENTS RCS SENIOR CTR SPRING EVENT Total :	267.33 186.70 243.89 210.25 908.17
185606	4/18/2023	002088 SOCALGAS	03560611000-03302; 09650638001-03302; 12170673003-03312; 13010672007-03312;		PW 8327 GARFIELD AVE PW 5856 LUDELL ST PW 6662 LOVELAND ST PW 7100 GARFIELD AVE. Total :	248.39 14.43 235.36 630.33 1,128.51
185607	4/18/2023	002087 SOUTHERN CALIFORNIA EDISON	600001511489-0403; 700076461609-0331; 700143043419-0320; 700173489897-0309; 700332863224-0324; 700394307872-0309; 700436447302-0321; 700704214586-0406;		PW VARIOUS LOCATIONS PW VARIOUS LOCATIONS PW VARIOUS LOCATIONS PW 8000 PARK LN UNIT A PW 7100 GARFIELD AVE TPP2 PW 6722 CLARA ST PW 6208 LOVELAND ST PW 6626 MARLOW AVE. Total :	5,576.46 1,184.44 11,933.90 6,306.10 50.72 916.17 38.23 5.54 26,011.56

Voucher List
CITY OF BELL GARDENS

04/19/2023 1:13:46PM

Bank code : common						
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
185608	4/18/2023	002105 SPARKLETT'S	4513853041523		FA WATER SRVC 3/30-4/13	145.88
					Total :	145.88
185609	4/18/2023	002105 SPARKLETT'S	9232598031823		CD WATER SRVC	107.91
					Total :	107.91
185610	4/18/2023	007335 STANDARDS COMMISSION, CALIF. BLDG JAN-MAR 2023			CD BLDG STANDARDS ADM SP	107.10
					Total :	107.10
185611	4/18/2023	002137 STATE CONTROLLERS OFFICE, STATE OF FAUD00003584		05363	FA ANNUAL STREET REPORT FY21	4,471.45
					Total :	4,471.45
185612	4/18/2023	002169 SUPER A FOODS	0873-040323		RCS CREATIVE KIDS PRGM	229.66
			1106		RCS SPRING CELEBRATION	23.77
			4905		RCS CFSC OFFICE SUPPLIES	21.17
			5051-040523		RCS GAME ROOM PRGM	10.97
			6759-040323		RCS AFTER SCHOOL PRGM	48.21
			6760-040323		RCS AFTER SCHOOL PRGM	24.41
			9891		RCS SPRING FESTIVAL 4/1	87.23
					Total :	445.42
185613	4/18/2023	008112 TIFCO INDUSTRIES INC	71849573		PW HARDWARE SUPPLIES	678.61
			71853215		PW HARDWARE SUPPLIES	788.29
					Total :	1,466.90
185614	4/18/2023	002262 TRIANGLE SPORTS, INC	41677	05349	RCS WINTER YOUTH BBALL AWAR	1,301.02
					Total :	1,301.02
185615	4/18/2023	008326 UNISHIELD	25000255		FA OFFICE SUPPLIES	110.70
					Total :	110.70
185616	4/18/2023	010728 VAZQUEZ RUELAS, DAVID A.	1008640002		RCS SHELTER DEP REFUND 4/2	175.00
					Total :	175.00
185617	4/18/2023	010729 VAZQUEZ, MARILU E.	1008958002		RCS SHELTER DEP REFUND 4/2	125.00
					Total :	125.00
185618	4/18/2023	006130 VERIZON WIRELESS	9930485297		CD CELL SRVC 2/20-3/19	200.13

Voucher List
CITY OF BELL GARDENS

04/19/2023 1:13:46PM

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
Bank code : common						
185618	4/18/2023	006130	006130 VERIZON WIRELESS (Continued)			200.13
185619	4/18/2023	002380	817635213 VISION SERVICE PLAN		FA VISION INS APRIL 2023	7,644.62
					Total :	7,644.62
185620	4/18/2023	009690	88400052-040623 WEX BANK		CD CODE ENF FUEL EXP 3/7-4/6	34,081.96
					Total :	34,081.96
185621	4/18/2023	009492	16108 XPRESS WASH INC	05115	PD CAR WASH SERVICE JANUARY	1,776.00
			16109	05115	PD CAR WASH SERVICE FEB2023	1,706.00
			16111		CD VEH MAINT B&S 1/23	240.00
			16112		CD VEH MAINT B&S 2/23	320.00
			16113		CD VEH MAINT B&S 3/23	80.00
			16147	05115	PD CAR WASH SERVICE MARCH20	610.00
					Total :	4,732.00
88 Vouchers for bank code : common						Bank total : 1,255,418.51
88 Vouchers in this report						Total vouchers : 1,255,418.51



**CITY OF BELL GARDENS
OFFICE OF THE CITY MANAGER**

AGENDA REPORT

Item 5.

TO: Honorable Mayor and City Council Members
FROM: Michael B. O'Kelly, City Manager
BY: Veronica Sanchez, Management Analyst
November Olague, Sr. Transportation Dispatcher
SUBJECT: **RESOLUTION APPROVING THE CITY'S ZERO EMISSION BUS ROLLOUT PLAN**
DATE: May 8, 2023

RECOMMENDATION:

It is staff's recommendation that the City Council by motion adopt the attached Resolution, approving the City of Bell Gardens Zero Emission Bus Rollout Plan.

BACKGROUND/DISCUSSION:

The Innovative Clean Transit Regulation (ICT) was adopted in December 2018 and requires all public transit agencies to gradually transition to a 100% zero-emission bus (ZEB) fleet. The California Air Resources Board (CARB) created the ICT to require transit agencies to move towards zero-emission technology. Under the ICT, the City of Bell Gardens is considered a small operator. For small operators, CARB requires 25% of eligible new bus purchases to be zero-emission starting in 2026 and 100% by 2029.

The ICT also requires each transit agency to submit a complete Zero-Emission Bus Rollout Plan (Rollout Plan), approved by its governing body, showing how it plans to achieve a full transition to zero-emission buses (ZEBs). Small transit operators are required to complete their Rollout Plan by June 2023. The Rollout Plan identifies the fleet needs, replacement schedule, capital planning, and identification of barriers and opportunities.

Presented for City Council review and approval is the draft City of Bell Gardens Zero-Emission Bus Rollout Plan (Rollout Plan). The Rollout Plan describes how the City will transition to zero-emission buses as well as identifying maintenance, service areas, and opportunities. As described, starting in January 2024, the City's new transit and paratransit contract operator will be expected to use 100% zero emission buses to service Bell Gardens. In 2035 when the City's existing senior conventional bus (gasoline operated) reaches its end of life, the City will replace it with a new zero emission bus. Staff will explore future funding through Air Quality Management District and Air Resources Board to fully implement the fleet zero emission purchase and construction of needed infrastructure.

Approval of this plan requires City Council to adopt a resolution approving the Rollout Plan.

CONCLUSION:

If the Zero Emission Bus Rollout plan is approved by Council, staff will proceed to submit to the California Air Resources Board by June 2023.

FISCAL IMPACT:

None. The ZEB rollout plan was completed in-house by the Public Works Transportation Division.

ATTACHMENTS:

Exhibit 1 - Resolution No. 2023-31

Exhibit 2 - ZEB Rollout plan

APPROVED ELECTRONICALLY BY:

Michael B. O'Kelly, City Manager

Stephanie Vasquez, City Attorney and/or Susie Altamirano, Assistant City Attorney

Manuel Carrillo, Director of Finance and Administrative Services

RESOLUTION NO. 2023-31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELL GARDENS, CALIFORNIA, APPROVING APPROVING THE CITY OF BELL GARDENS ZERO-EMISSION BUS ROLLOUT PLAN

WHEREAS, the California Air Resources Board (CARB) created the Innovative Clean Transit Regulation (ICT) in December 2018 and requires all public transit agencies to gradually transition to a 100 percent zero-emission bus (ZEB) fleet; and

WHEREAS, Under the ICT, the City of Bell Gardens is considered a small operator, requiring 25% of eligible new bus purchases to be zero-emission starting in 2026 and 100% by 2029; and

WHEREAS, the ICT also requires each transit agency to submit a complete Zero-Emission Bus Rollout Plan (Rollout Plan) by June 2023, approved by its governing body; and

WHEREAS, the Zero-Emission Bus Rollout Plan sets forth the City of Bell Garden's plan which meets the requirements set forth by Innovative Clean Transit Regulation (ICT); and

WHEREAS, this plan set's forth a goal of full transition to zero-emission buses by 2040 with careful planning that avoids early retirement of conventional internal combustion engine buses.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Bell Gardens as follows:

SECTION 1. The City Council of the City of Bell Gardens hereby approves the City of Bell Garden's Zero-Emission Rollout Plan as forth in full.

SECTION 2. Based upon the above recitals, the staff report accompanying this Resolution, and such other oral and written evidence, the Bell Gardens City Council hereby approves the City of Bell Gardens Zero Emissions Bus Rollout Plan.

SECTION 3. The City Council further authorizes and directs staff to submit the Zero Emission Bus Rollout Plan to the California Air Resources Board, along with all exhibits and other ancillary documents necessary.

SECTION 4. The City Clerk shall attest and certify to the passage and adoption of this Resolution and enter it into the book of original resolutions, and it shall become effective immediately upon its approval.

[Signatures on the following page]

PASSED, APPROVED and ADOPTED this 8th day of May, 2023.

THE CITY OF BELL GARDENS

Alejandra Cortez, Mayor

APPROVED AS TO FORM:

ATTEST:

Stephanie Vasquez
City Attorney

Daisy Gomez
City Clerk



Zero-Emission Bus Rollout Plan

Section A: Transit Agency Information

City of Bell Gardens
7100 Garfield Ave
Bell Gardens, CA 90201

Vehicles: 6 (1 City owned; 5 operated by contractor)

Population: 38,552

Contact Information:

November Olague
Senior Dispatcher
(562) 806-7776
transportation@cityofbellgardens.org

Veronica Sanchez
Management Analyst
(562) 806-7770
vsanchez@bellgardens.org

Section B: Rollout Plan General Information

On December 14, 2018, the California Air Resources Board (CARB) adopted the Innovative Clean Transit (ICT) regulation that requires all public transit agencies to transition to a 100% percent zero emission bus (ZEB) fleet by 2040. The ICT regulation also requires the governing body of each public transit agency to approve a ZEB Rollout Plan for submittal and approval by CARB showing plans to achieve a full transition to zero-emission buses (ZEBs). The City of Bell Gardens has to submit their ZEB Rollout Plan to CARB by June 30, 2023.

Section C: Current Bus Fleet Composition

City of Bell Gardens contracts with Parking Company of America (PCA) for paratransit and transit services providing the City’s Dial-A-Ride and Trolley bus systems through December 31, 2023. The contract currently does not call for any zero emission buses. City of Bell Gardens currently has a contracted fleet of 3 fixed route vehicles consisting of 27’ foot buses and 2 Dial-A-Ride vehicles; these are owned by the contract operator. The City owns one 26’ foot bus used for senior trips. The below Table 1 represents the current fleet utilized in transit operations.

Table1: Individual Bus Information

<u># OF BUSES IN REVENUE SERVICE</u>	<u>MODEL YEAR</u>	<u>MAKE</u>	<u>MODEL</u>	<u>FUEL TYPE</u>	<u>BUS TYPE</u>	<u>Length</u>
1	2018	FORD	STARCRAFT	REGULAR	STANDARD	27'
1	2018	FORD	STARCRAFT	REGULAR	STANDARD	27'
1	2018	FORD	STARCRAFT	REGULAR	STANDARD	27'
1	2018	FORD	STARCRAFT	REGULAR	STANDARD	27'
1	2018	FORD	STARCRAFT	REGULAR	STANDARD	27'
1	2020	FORD	ALLSTAR	REGULAR	STANDARD	26'

For its transit contracting operations starting on January 1, 2024, the City of Bell Gardens intends to require the new operator to only utilize zero-emission transit. No conventional buses (i.e., CNG, LNG, gasoline hybrid fueled vehicles) will be allowed to be operated by the contractor.

The City will continue using its conventional gasoline fueled bus until it reaches its anticipated end of life, in 2035. By 2035, the City will purchase a zero emission bus to replace the existing unit. The exact type of bus to be purchased will not be known until closer to that date, based on ever-changing technology and emission requirements. However, the City anticipates purchasing an electric bus for the replacement.

Section D: Facilities and Infrastructure Modifications

Since the City of Bell Gardens intends to continue to contract for its paratransit and transit services, the City does not currently have plans to modify its yard and maintenance facility to accommodate the transition to zero-emission. However, in 2035, when the City replaces its conventional gasoline bus with a zero emission unit, the City will install the necessary electric vehicle charging station at the City Public Works yard (8327 Garfield Avenue, Bell Gardens, CA 90201) to support the new replacement bus.

The City of Bell Gardens buses operated by PCA are currently stationed at their private facility (3165 Garfield Ave Commerce, CA 90040). When the new contractor resumes the upcoming contract in January 2024, that operator will ensure the facility upgrades or modifications take place at that facility to support the City's requirement to operate zero emission buses for Bell Gardens paratransit and transit services.

In its new contract with the future transit service provider starting in January 2024, the City will require that the fleet provided by the selected contractor employ the use of only zero emission fleet. The current contract with PCA will expire December 31, 2023.

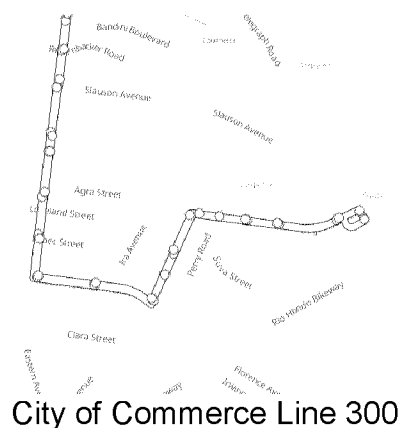
The City will be developing a Request for Proposals (RFP) to be released in mid-2023, to hire a new contractor to provide transit and paratransit services utilizing only zero emission fleet. The new contractor will be expected to begin services on January 1, 2024.

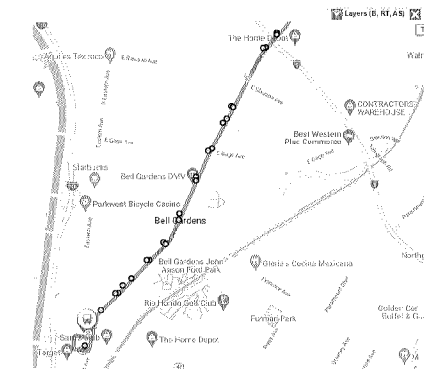
Contract operators and city staff will be properly trained in the operation of zero emission buses as well as proper maintenance. For the City owned bus being converted to zero emissions in 2035, the City will contract with a local vehicle repair shop to provide preventative maintenance and repairs as necessary.

Section E: Providing Service in Disadvantaged Communities

The City of Bell Gardens provides service to approximately 134,600 thousand passengers annually in an urban service area of 2.5 square miles, located on the eastside of Los Angeles. City of Bell Gardens provides regional connections to City of Commerce, Montebello Bus line, and Los Angeles Metro lines.

The City of Bell Gardens is located entirely within a disadvantaged community zone. 100% of the City will be provided fixed route and paratransit services utilizing zero emission buses starting January 1, 2024.





Montebello Line 30



Metro Bus Line 110



Metro Bus Line 111

Section F: Maintenance and Operation of Zero Emission buses

Contract operators and city staff will be properly trained in the operation of zero emission buses as well as proper maintenance. For the City owned bus to be converted to zero

emissions in 2035, the City will contract with a local vehicle repair shop to provide preventative maintenance and repairs as necessary.

Section G: Funding Sources

The City will seek grant funding through Air Quality Management District and California Air Resources Board for the replacement of the City's conventional bus with a new zero emission bus in 2035. The City will also seek federal or state funding through capital infrastructure programs to install the electric vehicle charging station / hardware.



**CITY OF BELL GARDENS
OFFICE OF THE CITY MANAGER**

AGENDA REPORT

Item 6.

TO: Honorable Mayor and City Council Members
FROM: Michael B. O'Kelly, City Manager
BY: Veronica Sanchez, Management Analyst
Carlos Marin, Superintendent
SUBJECT: **APPROVE OF PURCHASE ORDER AGREEMENT WITH CAMINO REAL CHEVROLET
FOR THE PURCHASE OF PUBLIC WORKS VEHICLE**
DATE: May 8, 2023

RECOMMENDATION:

It is staff's recommendation that the City Council by motion:

1. Adopt the attached Resolution; and
2. Approve an Purchase Order Agreement with Camino Real Chevrolet for the purchase of 2023 Chevrolet Silverado Crew Cab Truck 2WD, Engine Duramax 6.6L Turbo Diesel, Transmission: Allison 10-speed automatic in a not to exceed amount of \$105,686.59; and
3. Approve an appropriation of up to \$40,686.59 from the Gas Tax Fund to cover the unbudgeted purchase of the proposed replacement vehicle.

BACKGROUND/DISCUSSION:

Pursuant to Section 3.04.080 of the Bell Gardens Municipal Code, on March 30, 2023, the Public Works Department released a Request for Quotation (RFQ) for a 2023 Chevrolet Silverado Crew Cab Truck 2WD, Engine Duramax 6.6L Turbo Diesel, Transmission: Allison 10-speed automatic with specific features.

The Notice Inviting Bids was published in the Bell Gardens Review on March 30, 2023, and April 6, 2023.

The Public Works Department is looking for a replacement of an existing vehicle as described below.

<u>Existing Vehicle</u>	<u>Replacement Vehicle</u>	<u>Replacement Cost</u>
2002 Chevrolet Silverado 3500HD (unit SM-170)	2023 Chevrolet Silverado Crew Cab Diesel	\$105,686.59 (includes specific outfitting equipment)

Vehicle Description and Condition

2002 Chevrolet Silverado 3500HD unit - SM170 with over 75,000 miles. The truck is assigned to the Street Maintenance division of Public Works. It is over 20 years old and in deteriorating condition. The truck is outfitted with special equipment and vital to the Street Maintenance operation. It is used daily to transport equipment and

materials. It is showing its age and it is no longer cost effective to keep in service.

On April 13, 2023, one quote was received from Camino Real Chevrolet for the proposed replacement vehicle, a 2023 Chevrolet Silverado Crew Cab Truck 2WD, Engine Duramax 6.6L Turbo Diesel, Transmission: Allison 10-speed automatic.

The quote was reviewed, and staff has confirmed that the quote includes all specifications and details specified in the RFQ. The quote totaled \$105,686.59, which includes outfitting the truck but can be negotiated for cost savings.

If approved, delivery can be made by May 30, 2023.

CONCLUSION:

The requested replacement vehicle serves an important need to the City since it is utilized by staff daily to respond to and address street maintenance. The appropriation of funding in the amount of up to \$40,686.59 of Gas Tax is necessary to fully fund the purchase of this replacement vehicle.

FISCAL IMPACT:

The FY 2022-23 Public Works Budget includes \$65,000 of Gas Tax funds for the purchase of this truck. An additional appropriation of up to \$40,686.59 of Gas Tax is needed to complete the purchase of this truck.

ATTACHMENTS:

- Exhibit 1 - Resolution No. 2023-32
- Exhibit 2 - Purchase Order Agreement with RFQ and Quote
- Exhibit 3 - Existing Vehicle SM170

APPROVED ELECTRONICALLY BY:

- Michael B. O'Kelly, City Manager
- Stephanie Vasquez, City Attorney and/or Susie Altamirano, Assistant City Attorney
- Manuel Carrillo, Director of Finance and Administrative Services

RESOLUTION NO. 2023-32

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELL GARDENS, CALIFORNIA, APPROVING A PURCHASE ORDER AGREEMENT WITH CAMINO REAL CHEVROLET FOR THE PURCHASE OF A PUBLIC WORKS VEHICLE

WHEREAS, Section 3.04.080 of the Bell Gardens Municipal Code requires a formal purchasing procedure be followed for the purchase of supplies, equipment, and services over \$10,000; and

WHEREAS, the Public Works Department issued a Notices Inviting Bids for the purchase of a 2023 Silverado Crew Cab Truck; and

WHEREAS, on April 13, 2023, one quote was received from Camino Real Chevrolet for a 2023 Chevrolet Silverado Crew Cab Truck 2WD, Engine Duramax 6.6L Turbo Diesel, Transmission: Allison 10-speed auto; and

WHEREAS, the City Council finds that the City has complied with the procurement process; and

WHEREAS, the City desires enter into an Purchase Order Agreement with Camino Real Chevrolet for the purchase of a 2023 Chevrolet Silverado Crew Cab Truck 2WD, Engine Duramax 6.6L Turbo Diesel, Transmission: Allison 10-speed automatic in the amount not to exceed \$105,686.59.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Bell Gardens as follows:

SECTION 1. The City Council finds that the above recitals are true and correct and incorporate them herein.

SECTION 2. The City Council finds that the City has complied with Section 3.04.080 of the Bell Gardens Municipal Code.

SECTION 3. The City Council hereby approves a Purchase Order Agreement with Camino Real Chevrolet for the purchase of a 2023 Chevrolet Silverado Crew Cab Truck 2WD, Engine Duramax 6.6L Turbo Diesel, Transmission: Allison 10-speed automatic in the amount not to exceed \$105,686.59.

SECTION 4. The City Council further authorizes the City Manager to execute the Purchase Order Agreement with Camino Real Chevrolet consistent with this resolution along with any ancillary documents reasonably necessary to effectuate the intent of this Resolution.

SECTION 5. The City Clerk shall attest and certify to the passage and adoption of this Resolution and enter it into the book of original resolutions, and it shall become effective immediately upon its approval.

PASSED, APPROVED and ADOPTED this 8th day of May, 2023.

THE CITY OF BELL GARDENS

Alejandra Cortez, Mayor

APPROVED AS TO FORM:

ATTEST:

Stephanie Vasquez
City Attorney

Daisy Gomez
City Clerk



CITY OF BELL GARDENS

7100 S. GARFIELD AVE
 BELL GARDENS, CA 90201
 (562) 806-7700

DATE
05/03/2023

PO NUMBER
05383

VENDOR: 004291
 CAMINO REAL CHEVROLET
 2401 S. ATLANTIC BLVD.
 MONTEREY PARK, CA 91754

SHIP TO: BELL GARDENS PUBLIC WORKS
 8327 S GARFIELD AVENUE
 BELL GARDENS, CA 90201

FOB Point:

Terms: net 30

Req. Del. Date: 05/03/2023

Req. No.:

Dept.: PUBLIC WORKS

Contact: VERONICA SANCHEZ

Confirming? No

Special Inst:

Quantity	Unit	Description	Unit Price	Ext. Price
		PW 2023 CHEVROLET SILVERADO CREW CAB TRUCK		105,686.89

BILL TO:

SUBTOTAL	105,686.89
TAX	0.00
FREIGHT	0.00
TOTAL	105,686.89

Account Number	Amount	Account Number	Amount
E 210-4550-3140	105,686.89		

TERMS AND CONDITIONS

1. **DEFINITIONS:** The phrase "City of Bell Gardens" shall mean the governing body of the City of Bell Gardens, or any department thereof, hereinafter called the "City."
2. **ACCEPTANCE OF PURCHASE ORDER:** This purchase order constitutes City's offer to Vendor and shall become a binding contract upon the terms and conditions set forth herein upon acceptance by Vendor either by acknowledgment or commencement or performance. No charges for transportation, unloading, containers, packing, etc., will be allowed unless specified in vendor's quotation
3. **DATA AND FACILITIES:** Vendor represents that he now has or can readily procure without assistance of the City all data, facilities, machinery and equipment necessary for the performance of this purchase order.
4. **CASH DISCOUNT:** The date used as the basis for cash discount calculation is the date the Articles are received or the date an acceptable invoice is received, whichever is later.
5. **PACKING AND SHIPPINGS:** Deliveries shall be made as specified without charge for boxing, crating, carting, or storage unless otherwise specified, and Articles shall be suitably packed to secure lowest transportation costs, and in accordance with the requirements of common carriers, and in such manner as to assure against damage from weather or transportation.
6. **TAXES:** Vendor shall separately state on all invoices any taxes imposed by federal or state government applicable to furnishing of the articles; provided, however, where a tax exemption is available, such tax shall be subtracted from the total price and identified. Municipalities are exempt from federal excise and transportation taxes. Total prices quoted are to exclude federal taxes. Exemption certificates will be furnished upon request. Unless otherwise indicated, prices quoted will be considered to exclude state and city sales or use tax, which is payable by the City.
7. **PRICES:** Vendor represents that the prices quoted to or paid by City shall not exceed current prices charged to any other customer of Vendor for items which are the same or substantially similar to the articles, taking into account the quality under consideration, and Vendor will forthwith refund any amounts paid by City in excess of such price.
8. **WARRANTY:** Vendor warrants that all Articles will conform to applicable specifications, drawings, descriptions and samples, and will be merchantable, of good workmanship and material, and free from defect.
9. **CHANGES:** City shall have the right by written notice to change the extent of the work covered by the contract, the drawings, specifications, or other description herein, the time, method or place of delivery or the method of shipment or packaging or to suspend work. Upon receipt of any such notice, Vendor shall proceed promptly to make the changes in accordance with the terms of the notice. If any such change causes an increase or decrease in the cost or performance or in the time required for performance, an equitable adjustment shall be negotiated promptly, and the contract modified in writing accordingly. Vendor shall deliver to City as promptly as possible, and in any event within thirty (30) days after receipt of change notice, a statement showing the effect of any such change in the delivery dates and prices, such statement to be supplemented within thirty (30) days from the date thereof by detailed specification of the amount of the price adjustment and supporting cost figures. Failure of Vendor to submit the statements within the time limits stated shall constitute its consent to perform the change without increase in price, without claim for material rendered obsolete and without change in delivery schedule.
10. **TERMINATION:** In the event Vendor fails to comply with any term or condition of this agreement or fails to provide the supplies or services in the manner agreed upon by the parties, this failure shall constitute a breach of the agreement. City at its sole discretion shall either notify the Vendor that it must cure this breach within 15 days of notice of breach or provide written notification of its intention to terminate this agreement. City reserves the right to terminate this agreement for its convenience and will reimburse Vendor for actual costs incurred in performance of this agreement through the effective date of termination.
11. **DEFAULT:** City may, by written notice to Vendor, cancel for default this contract, in whole or from time to time in part, (1) if the Vendor fails to deliver the Articles or to perform the services strictly within the time specified herein, of if no time is specified, within a reasonable time; (2) if the Articles delivered do not conform to contractual requirements or if Vendor fails to perform any of the other provisions of the contract, or so fails to make progress as to endanger performance of the contract in accordance with its terms; or (3) if the Vendor becomes insolvent or commits an act of bankruptcy. If this contract is cancelled for default, City in addition to all other rights afforded by law for Vendor's breach of contract, shall have the right to charge Vendor the amount by which the costs of fabricating or procuring the Articles cancelled from another source exceed the prices specified herein, and City may set off any such charge against any amounts which may become payable to Vendor under the contract or otherwise. Upon such cancellation Vendor will deliver to City any of the Articles, parts or materials, for which City shall make written request at or after cancellation and City will pay Vendor the fair value of any such property so requested and delivered.
12. **ASSIGNMENT OF CONTRACT:** None of the sums due or to become due nor any of the work to be performed under this contract shall be assigned nor shall Vendor subcontract for completed or substantially completed Articles or major components thereof without City's prior written consent.
13. **INDEMNITY:** Vendor agrees to defend, indemnify and hold harmless the City, its elected officials, officers, agents, employees and volunteers, at Vendor's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought

against the City, its elected officials, officers, agents, employees and volunteers arising out of the performance of the Vendor, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this contract. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Vendor, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Vendor, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents, employees and volunteers based upon the work performed by the Vendor, its employees, and/or authorized subcontractors under this contract, whether or not the Vendor, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Vendor's Proposal, which shall be of no force and effect.

14. **WAIVERS:** The failure of the City to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of this contract, or to exercise any right hereunder shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or condition or the future exercise of such right, but the obligation of Vendor with respect to such future performance shall continue in full force and effect.

15. **EQUAL EMPLOYMENT OPPORTUNITY:** The Vendor affirms that it shall not discriminate against any employee or applicant for employment because of race, creed, color, sex, or national origin. The Vendor will ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, sex, or national origin. Such policy of the Vendor shall apply, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layout or termination rates of pay or other forms of compensation and selection for training, including apprenticeship.

16. **PREVAILING WAGES:** For public projects. Vendor shall comply with Prevailing Wage Requirements. Pursuant to sections 1720 through 1861 of the California Labor Code.

17. **INSURANCE:** Vendor shall obtain and maintain during the performance of any services under this contract the following insurance coverage issued by a company satisfactory to the City Attorney, the requirement that Vendor obtain and maintain such insurance coverage.

17.1. Commercial general liability insurance, including a contractual liability endorsement, in an amount not less than \$ 1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 2010 ed), with no special limitations affecting City.

17.2. Business/Commercial automobile liability insurance in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Auto Liability Insurance Services Office coverage (Occurrence Form CA 001, including Symbol 1 (any auto)), with no special limitations affecting City.

17.3. Workers' compensation insurance in compliance with the laws of the State of California, including employer's liability insurance in an amount not less than \$1,000,000 per claimant.

17.4. Vendor shall not commence work under this contract until it has obtained City approved insurance. Before beginning work hereunder, during the entire period of this contract, for any extensions hereto, and for periods after the end of this contract as may be indicated below, Vendor must have and maintain in place all of the insurance coverages required by City. Vendor's insurance shall comply with all items specified by this contract. Any subcontractors shall be subject to all the requirements of this section and Vendor shall be responsible to obtain evidence of insurance from each subcontractor and provide it to City before the subcontractor commences work. Alternatively, Vendor's insurance may cover all subcontractors.

18. **BUSINESS LICENSE:** For any work done within the City, Vendor shall obtain, prior to issuance of a PO, and maintain a valid business license from City.

19. **GOVERNING LAW:** This contract shall be governed by the laws of the State of California. In the event of litigation between the City and the Vendor, the prevailing party shall be entitled to reasonable attorneys' fees and costs incurred based on comparable fees of private attorneys practicing in Los Angeles County.

20. **COMPLIANCE WITH LAW:** Vendor shall in the performance of the contract comply with all applicable laws, regulations, ordinances, proclamations, demands and requisitions of the City of Bell Gardens or State of California.

21. **ENTIRE AGREEMENT:** This contract contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements, or understandings (whether oral or written) between or among the parties relating to the subject matter of this contract which are not fully expressed herein. If the attachments or exhibits to this contract, if any, are inconsistent with this contract, this contract shall control.



REQUEST FOR QUOTATION 2023 Silverado Crew Cab Truck

The City of Bell Gardens ("City") is requesting bids for a 2023 Chevrolet Silverado Crew Cab Truck 2WD, Engine Duramax 6.6L Turbo Diesel, Transmission: Allison 10-speed auto. Refer to the truck specifications for additional features. Truck must be delivered to the City of Bell Gardens Public Works Yard, 8327 Garfield Avenue, by May 30, 2023.

Submittal Information

Sealed bids (using City quotation form) must be received by the office of the City Clerk, City of Bell Gardens, 7100 Garfield Avenue, Bell Gardens, CA 90201, no later than: Thursday, April 13, 2023, at 4:00 p.m. Bids must be submitted in a sealed envelope. Bids received after the time and date indicated above shall be deemed nonresponsive and returned unopened.

The complete RFQ package is posted on the City's website page (View RFP's and Bids) at <https://www.bellgardens.org/i-want-to/view-bids-rfps/rfps-and-bids> If any changes or updates to the RFQ are made, they will be posted on this same webpage.

QUESTIONS

Questions regarding the information contained in the RFQ document must be submitted by email, and addressed to: Carlos Marin, Superintendent cmarin@bellgardens.org *All questions must be received by 4:00 p.m. on April 6, 2023.* Questions will be responded to in writing and posted on the City's website page (View RFP's and Bids) at <https://www.bellgardens.org/i-want-to/view-bids-rfps/rfps-and-bids>.

Telephone requests for information or inquiries will not be allowed. The intent behind this requirement is to ensure that bidders have available to them the same information and no inconsistent, incomplete or misinformation is communicated to any team. Bidders may not rely on any oral interpretations given by any City employee and may only rely upon officially issued, written addenda.

RIGHTS OF CITY

The City of Bell Gardens reserves the right to reject any and all bids, or delete portions of any and all bids or waive any informality or irregularity in the bid or the bid procedures and shall be the sole judge of the bids received. The City reserves the right to award to the lowest responsive Bidder as deemed by the City.



Quotation Form

2023 Silverado Crew Cab Truck

Pricing shall be valid for **sixty (60) days** from date bid proposal is submitted to the CITY.

ITEM	DESCRIPTION	BID PRICE TOTAL
1	2023 Silverado Crew Cab truck, as specified in Request for Quotation	\$
2	Applicable taxes and fees:	\$
3	Bid Grand Total (inclusive of all taxes and fees)	\$

Provide Truck delivery Date: _____

BIDDER'S AUTHORIZATION:

COMPANY NAME: _____

NAME AND TITLE OF PERSON AUTHORIZED TO SUBMIT BID ON BEHALF OF
COMPANY: _____

SIGNATURE: _____

ADDRESS: _____

PHONE: _____

FAX: _____

EMAIL: _____

BID DATE: _____

Specifications for 2023 Chevrolet Silverado Crew Cab Truck 2WD

Exterior color: Summit White or Bright White Interior color: Jet Black or Dark Gray
Engine Duramax 6.6L Turbo Diesel Transmission: Allison 10-speed auto

OWNER BENEFITS

3 YEAR / 36,000 MILE BUMPER-TO-BUMPER LIMITED WARRANTY
5 YEAR / 100,00 MILE POWERTRAIN LIMITED WARRANTY

PERFORMANCE & MECHANICAL

AUTO REAR LOCKING DIFF
220 AMP ALTERNATOR
INDEPENDENT FRONT SUSPENSION
MULTI-LEAF REAR SPRING SUSP
Multi-Leaf Rear Spring Suspension
Stabilitrak with Trailer Sway control & hill start assist
All-Season Tires

Engine supplied shall be ORVR CARB certified as being ULEV compliant with all applicable state of California and Federal regulations.

Truck must be equipped with a locking gas cover.

Connectivity & Technology

Chevrolet Infotainment 3 7" Diag color touchscreen
Additional features for compatible phones – Bluetooth, voice command pass through to phone, wired apple carplay
USB ports
Driver Information Center
Rear Seat reminder

Interior

Air conditioning
Power Windows
Front 40/20/40 Bench seats with covered armrest storage
60/40 Rear folding bench seat
Power door locks
Exterior
Halogen reflector headlamps
Roof marker lamps
Front Recovery hooks
Engine Duramax 6.6L Turbo Diesel

Remote Keyless entry
Deep-tinted glass
Rear-window defogger
Cruise control
Trailer mirrors, heated and power-adjustable
Trailer Brake controller
Wide Track axle
Onstar services and wifi hotspot capable
Upfitter switch kit
Chrome Bumpers

BACK-UP CAMERA:

Factory install Back-up Camera to assist driver when backing up. Able to see 180 degrees both right and left side. 100 % waterproof and element resistance. Motion detection technology with IR illumination that changes to black and white in dark environments. Camera must be mounted to bumper kick plate, with a damage protection guard or brow. Fully functional with factory mounted dash monitor screen.

BACKUP ALARM:

Backup alarm (Reference- Ecco Model, SA950 87/102 dB(A) must be installed' and wired to the factory backup lamp circuit.

BACKING SENSOR:

Vehicle must include factory installed backing assist that incorporates the following features: Acoustic detector which transmits a modulated beam signal that penetrates fog, rain, smoke and snow in most types of weather day and night. System must be capable of transmitting a signal that strikes a stationary or moving target and bounces back to the receiver and instantaneously sends the signal to the microprocessor. Must have a minimum 8- bit microprocessor programmed with software that processes feedback signals automatically and transmits the signal to a speaker, alerting the driver of the distance to obstacle. The microprocessor should determine that a particular condition requires the driver to take precaution.

The system must be capable of sounding a special emergency sound that assist the driver to take corrective action.

WHEELS AND TIRES:

A matched set of five (5) mounted and balanced wheels and tires including the mounted and balanced spare. Spare is to be mounted in a factory installed, underneath lockable spare tire carrier. All Tools, including the jack, lug wrench, and tire carrier crank, required to change the spare, are to be included.

Keys, three (3) complete sets with remotes, all keys and remotes must be programmed to vehicle.

3rd Party Equipment:

Truck shall be upfitted with the following:

- 10' CONTRACTOR W/DROP-DOWN *** ALUMINUM GATES & FLOOR***INCLUDED

TAPERED OVER CAB RACK (FORKLIFT LOADABLE)

(2) TBO72 (TOP MOUNT BOX)

(2) UB-3420 (UNDERBODY BOX DRW)

STAINLESS STEEL UPRIGHTS WITH ALUMINUM SLAT GATES

ALUMINUM TREADPLATE OVERLAY ON OPEN TOP BOXES

50/50 TAPERED HEADBOARD, ***ALUMINUM FLOOR****

DROP IN TAILGATE, DOCK BUMPER. LEGAL LIGHT PACKAGE, ROYAL MUD FLAPS.

WEIGHT CERTIFICATE, PAINTED WHITE AND INSTALLED.

- PLATFORM CLASS 5 RECEIVER HITCH and HITCH INSERT, 16,000 LBS GTW
- 110 OUTLET MOUNTED IN REAR OF SERVICE BOX
- FRONT STROBES IN HEADLIGHTS
- 7 BLADE4 PIN TRAILER CONNECTOR
- WHELEN #WIONSMA ION WIDE ANGLE SURFACE MOUNT SERIES 4" SUPER-LED FLASHERS

2-MOUNTED AT FROM GRILL 2 MOUNTED AT REAR END PANELS

FEDERAL SIGNAL ALLEGIANT FSJOIN LIGHT BAR WITH CONTROLLERS AND MOUNT KIT



REQUEST FOR QUOTATION 2023 Silverado Crew Cab Truck

The City of Bell Gardens ("City") is requesting bids for a 2023 Chevrolet Silverado Crew Cab Truck 2WD, Engine Duramax 6.6L Turbo Diesel, Transmission: Allison 10-speed auto. Refer to the truck specifications for additional features. Truck must be delivered to the City of Bell Gardens Public Works Yard, 8327 Garfield Avenue, by May 30, 2023.

Submittal Information

Sealed bids (using City quotation form) must be received by the office of the City Clerk, City of Bell Gardens, 7100 Garfield Avenue, Bell Gardens, CA 90201, no later than: Thursday, April 13, 2023, at 4:00 p.m. Bids must be submitted in a sealed envelope. Bids received after the time and date indicated above shall be deemed nonresponsive and returned unopened.

The complete RFQ package is posted on the City's website page (View RFP's and Bids) at <https://www.bellgardens.org/i-want-to/view-bids-rfps/rfps-and-bids> If any changes or updates to the RFQ are made, they will be posted on this same webpage.

QUESTIONS

Questions regarding the information contained in the RFQ document must be submitted by email, and addressed to: Carlos Marin, Superintendent cmarin@bellgardens.org *All questions must be received by 4:00 p.m. on April 6, 2023.* Questions will be responded to in writing and posted on the City's website page (View RFP's and Bids) at <https://www.bellgardens.org/i-want-to/view-bids-rfps/rfps-and-bids>.

Telephone requests for information or inquiries will not be allowed. The intent behind this requirement is to ensure that bidders have available to them the same information and no inconsistent, incomplete or misinformation is communicated to any team. Bidders may not rely on any oral interpretations given by any City employee and may only rely upon officially issued, written addenda.

RIGHTS OF CITY

The City of Bell Gardens reserves the right to reject any and all bids, or delete portions of any and all bids or waive any informality or irregularity in the bid or the bid procedures and shall be the sole judge of the bids received. The City reserves the right to award to the lowest responsive Bidder as deemed by the City.



Quotation Form

2023 Silverado Crew Cab Truck

Pricing shall be valid for sixty (60) days from date bid proposal is submitted to the CITY.

ITEM	DESCRIPTION	BID PRICE TOTAL
1	2023 Silverado Crew Cab truck, as specified in Request for Quotation	\$ 99,550
2	Applicable taxes and fees:	\$ 11,136.51
3	Bid Grand Total (inclusive of all taxes and fees)	\$ 105,686.51

Provide Truck delivery Date: 5/30/23

BIDDER'S AUTHORIZATION:

COMPANY NAME: Camino Real Chevrolet

NAME AND TITLE OF PERSON AUTHORIZED TO SUBMIT BID ON BEHALF OF

COMPANY: Hicido Campa, Commercial Fleet Director
on behalf of Camino Real Chevrolet

SIGNATURE: [Signature]

ADDRESS: 2401 S. Atlantic Blvd Monterey Park CA 91754

PHONE: (223) 264-3050 Ext: 224

FAX: _____

EMAIL: hicido@caminochevrolet.com

BID DATE: 4/13/23

Specifications for 2023 Chevrolet Silverado Crew Cab Truck 2WD

Exterior color: Summit White or Bright White Interior color: Jet Black or Dark Gray
Engine Duramax 6.6L Turbo Diesel Transmission: Allison 10-speed auto

OWNER BENEFITS

3 YEAR / 36,000 MILE BUMPER-TO-BUMPER LIMITED WARRANTY
5 YEAR / 100,00 MILE POWERTRAIN LIMITED WARRANTY

PERFORMANCE & MECHANICAL

AUTO REAR LOCKING DIFF
220 AMP ALTERNATOR
INDEPENDENT FRONT SUSPENSION
MULTI-LEAF REAR SPRING SUSP
Multi-Leaf Rear Spring Suspension
Stabilitrak with Trailer Sway control & hill start assist
All-Season Tires

Engine supplied shall be ORVR CARB certified as being ULEV compliant with all applicable state of California and Federal regulations.

Truck must be equipped with a locking gas cover.

Connectivity & Technology

Chevrolet Infotainment 3 7" Diag color touchscreen
Additional features for compatible phones – Bluetooth, voice command pass through to phone, wired apple carplay
USB ports
Driver Information Center
Rear Seat reminder

Interior

Air conditioning
Power Windows
Front 40/20/40 Bench seats with covered armrest storage
60/40 Rear folding bench seat
Power door locks
Exterior
Halogen reflector headlamps
Roof marker lamps
Front Recovery hooks
Engine Duramax 6.6L Turbo Diesel

Remote Keyless entry
Deep-tinted glass
Rear-window defogger
Cruise control
Trailer mirrors, heated and power-adjustable
Trailer Brake controller
Wide Track axle
Onstar services and wifi hotspot capable
Upfitter switch kit
Chrome Bumpers

BACK-UP CAMERA:

Factory install Back-up Camera to assist driver when backing up. Able to see 180 degrees both right and left side. 100 % waterproof and element resistance. Motion detection technology with IR illumination that changes to black and white in dark environments. Camera must be mounted to bumper kick plate, with a damage protection guard or brow. Fully functional with factory mounted dash monitor screen.

BACKUP ALARM:

Backup alarm (Reference- Ecco Model, SA950 87/102 dB(A) must be installed' and wired to the factory backup lamp circuit.

BACKING SENSOR:

Vehicle must include factory installed backing assist that incorporates the following features: Acoustic detector which transmits a modulated beam signal that penetrates fog, rain, smoke and snow in most types of weather day and night. System must be capable of transmitting a signal that strikes a stationary or moving target and bounces back to the receiver and instantaneously sends the signal to the microprocessor. Must have a minimum 8- bit microprocessor programmed with software that processes feedback signals automatically and transmits the signal to a speaker, alerting the driver of the distance to obstacle. The microprocessor should determine that a particular condition requires the driver to take precaution.

The system must be capable of sounding a special emergency sound that assist the driver to take corrective action.

WHEELS AND TIRES:

A matched set of five (5) mounted and balanced wheels and tires including the mounted and balanced spare. Spare is to be mounted in a factory installed, underneath lockable spare tire carrier. All Tools, including the jack, lug wrench, and tire carrier crank, required to change the spare, are to be included.

Keys, three (3) complete sets with remotes, all keys and remotes must be programmed to vehicle.

3rd Party Equipment:

Truck shall be upfitted with the following:

- 10' CONTRACTOR W/DROP-DOWN *** ALUMINUM GATES & FLOOR***INCLUDED

TAPERED OVER CAB RACK (FORKLIFT LOADABLE)

(2) TBO72 (TOP MOUNT BOX)

(2) UB-3420 (UNDERBODY BOX DRW)

STAINLESS STEEL UPRIGHTS WITH ALUMINUM SLAT GATES

ALUMINUM TREADPLATE OVERLAY ON OPEN TOP BOXES

50/50 TAPERED HEADBOARD, ***ALUMINUM FLOOR****

DROP IN TAILGATE, DOCK BUMPER. LEGAL LIGHT PACKAGE, ROYAL MUD FLAPS.

WEIGHT CERTIFICATE, PAINTED WHITE AND INSTALLED.

- PLATFORM CLASS 5 RECEIVER HITCH and HITCH INSERT, 16,000 LBS GTW
- 110 OUTLET MOUNTED IN REAR OF SERVICE BOX
- FRONT STROBES IN HEADLIGHTS
- 7 BLADE4 PIN TRAILER CONNECTOR
- WHELEN #WIONSMA ION WIDE ANGLE SURFACE MOUNT SERIES 4" SUPER-LED FLASHERS

2-MOUNTED AT FRONT GRILL 2 MOUNTED AT REAR END PANELS

FEDERAL SIGNAL ALLEGIANT FSJOIN LIGHT BAR WITH CONTROLLERS AND MOUNT KIT



Vehicle Locator

Detail Report for Customer

CAMINO REAL CHEVROLET

2401 S ATLANTIC BLVD, MONTEREY PARK, CA, 91754

323-264-3050

Customer/Company:

City Of Bell Gardens

Sales Consultant:

Address:

7100 GARFIELD AVENUE
BELL GARDENS CA 90201

Vehicle #1: 2023 Chevrolet 3500HD Silverado	VIN/Order #	Total Price including Upfit	Stock #
	1GB4WREY4PF158002	\$77,950.00	PF158002

Additional Vehicle Information

GM Marketing Information

Body Style: CC31043-Crew Chassis Cab, 2WD

PEG: 1WT-Work Truck Preferred Equipment Group

Primary Color: GAZ-Summit White

Trim: H1T-1WT/1FL-Cloth, Jet Black, Interior Trim

Engine: L5P-Engine: 6.6L V8 DuraMax Diesel, Turbo

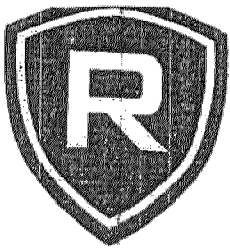
Transmission: MGM-10-Speed Automatic

- Options:
- 1WT-Work Truck Preferred Equipment Group
 - 5N5-Rear Camera Kit for ZW9 Box Delete or Chassis Cab (SEO)
 - 9J4-Bumper: Rear Delete
 - 9L7-Upfitter / Accessory Electrical Switches
 - AE7-Seats: Front 40/20/40 Split-Bench, Uplevel
 - AKO-Glass, Deep Tinted
 - AQQ-Keyless Remote Entry
 - AU3-Power Door Locks
 - B3P-Special Vehicle Sales
 - BG9-Floor Covering: Rubberized Vinyl, Black
 - BHP-Diesel Engine Winter Cover
 - Body Manufacturer-Royal Truck Body
 - Body Type Description-Contractor Truck
 - C49-Defogger, Rear Window, Electric
 - DBG-Mirrors, O/S: Man. Ext & Folding, Heat, Turn Indicator
 - Fuel Type-Diesel
 - G80-Auto Locking Differential, Rear
 - G9Y-GVW Rating 14,000 Lbs Dual Rear Wheels
 - GAZ-Summit White
 - GTY-Wide Track Rear Axle
 - GU6-Rear Axle: 3.42 Ratio
 - H1T-1WT/1FL-Cloth, Jet Black, Interior Trim
 - IOR-Chevrolet Infotainment, 7" Color Screen
 - JL1-Integrated Trailer Brake Controller
 - K05-Engine Block Heater
 - K34-Cruise Control

- K40-Diesel Engine Exhaust Brake
- K47-Heavy Duty Air Filter
- KC4-Cooler, Engine Oil
- KNP-Transmission Cooling System
- KW5-Alternator, 220 AMP
- L5P-Engine: 6.6L V8 DuraMax Diesel, Turbo
- MGM-10-Speed Automatic
- N2L-Fuel Tank, Rear, 40 Gallon (Front Tank Delete)
- On Lot Notes-We proudly offer our customers the choice to buy on line with home delivery services, test drives scheduled at your home or business, and virtual product presentations. 10-Speed Automatic, Black Cloth. Price includes: \$500 - Chevrolet Consumer Cash Program. Exp. 04/03/2023
- P03-Painted Wheel Trim Skins, Painted Center Caps
- PCV-1WT Convenience 1 Package
- PYW-Wheels: 17" Steel, Painted--Dual Rear Wheels
- QQO-Tires: LT235/80 R17 All Season, Blackwall
- SFW-Back-Up Alarm Calibration (SEO)
- U01-Roof Marker Lamps
- U2K-SiriusXM Satellite Radio (subscription)
- UE1-OnStar Communication System
- Upfit Condition-New
- Upfit Model Description-Silverado 3500
- V46-Bumper, Front, Chrome
- V76-Recovery Hooks
- VK3-Front License Plate Mounting Provisions
- YF5-California Emissions
- YK6-SEO Processing Option
- ZW9-Delete: Pick-Up Box

Disclaimer:

GM has tried to make the pricing information provided in this summary accurate. Please refer to actual vehicle invoice, however, for complete pricing information. GM will not make any sales or policy adjustments in the case of inaccurate pricing information in this summary.



ROYAL TRUCK BODY

24200 S. MAIN STREET
 CARSON, CA 90745
 PHONE: 562-633-9951
 FAX: 866-346-6103

SALES ORDER 0452838		
DATE ENTERED 9/29/2022	TRUCK ORIGIN POOL-PAR	DATE REQUESTED
WRITTEN BY YC	SALESMAN CU	TERR CU
END USER (IF DIFFERENT THAN SOLD TO)		DATE PROMISED 1/20/2023
		TAX SCHED CA LA

2022102800042

S CAMINO REAL CHEVROLET
 O 2401 SO. ATLANTIC BLVD.
 L MONTEREY PARK, CA 91754
 D

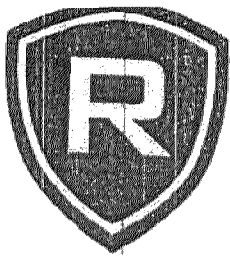
S CAMINO REAL CHEVROLET
 H 2401 SO. ATLANTIC BLVD.
 I MONTEREY PARK, CA 91754
 P

CUSTOMER NO: CAMINO

CUST ORDER NO	TERMS NET 30	SHIP VIA ROYAL	TRUCK ETA 2/13/22	CUSTOMER NAME HICIDRO C	CUSTOMER PHONE NO
MAKE TRUCK Chevy	YEAR 23	MODEL CC31043	COLOR WHITE	CA DIM 60	AUX TANK CONFIG
STOCK NO. 49677	V.I.N. NO. 1GB4WREY4PF158002	BED WIDTH 56	COMPT DEPTH 20	OA WIDTH 96	FUEL TYPE Diesel
				DEF TANK LOC	AXLE TYPE 4X2 DRW
				CAB TYPE Crew	

QTY	PART NO./DESCRIPTION	UNIT PRICE	EXT PRICE
	<p>STREET SIDE <input type="checkbox"/> CURB SIDE <input type="checkbox"/></p> <p>2023/POOL UNIT/CHEVY/CC31043/DRW/CREW CAB CHASSIS/60"CA</p>		
1	<p>10CONDA 10' CONTRACTOR W/DROP DOWN ****ALUMINUM GATES & FLOOR**** INCLUDED: TAPERED OVER CAB RACK (FORKLIFT LOADABLE) (2) TBO72 (TOP MOUNT BOX) (2) UB-3420 (UNDERBODY BOX DRW) STAINLESS STEEL UPRIGHTS WITH ALUMINUM SLAT GATES ALUMINUM TREADPLATE OVERLAY ON OPEN TOP BOXES 50/50 TAPERED HEADBOARD, ****ALUMINUM FLOOR**** DROP IN TAILGATE, DOCK BUMPER, LEGAL LIGHT PACKAGE, ROYAL MUD FLAPS. WEIGHT CERTIFICATE, PAINTED WHITE AND INSTALLED.</p>		
1	<p>GM DEF RELOC GM DIESEL 2020 DEF TANK RELOCATION ****CHASSIS MUST BE ORDERED WITH OPTION N2L****</p>		

Continued



ROYAL TRUCK BODY

24200 S. MAIN STREET
 CARSON, CA 90745
 PHONE: 562-633-9951
 FAX: 866-346-6103

2022102800042

SALES ORDER 0452838		
DATE ENTERED 9/29/2022	TRUCK ORIGIN POOL-PAR	DATE REQUESTED
WRITTEN BY YC	SALESMAN CU	TERR CU
END USER (IF DIFFERENT THAN SOLD TO)		DATE PROMISED 1/20/2023
		TAX SCHED CA LA

S CAMINO REAL CHEVROLET
 O 2401 SO. ATLANTIC BLVD.
 L
 D MONTEREY PARK, CA 91754

S CAMINO REAL CHEVROLET
 H 2401 SO. ATLANTIC BLVD.
 I MONTEREY PARK, CA 91754
 P

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MAKE TRUCK Chevy	YEAR 23	MODEL CC31043	COLOR WHITE	CA DIM 60	AUX TANK CONFIG
STOCK NO. 49677	V.I.N. NO. 1GB4WREY4PF158002	BED WIDTH 56	COMPT DEPTH 20	OA WIDTH 96	FUEL TYPE Diesel
				DEPT TANK LOC	AXLE TYPE 4X2 DRW
				CAB TYPE Crew	

QTY	PART NO./DESCRIPTION	UNIT PRICE	EXT PRICE
1	H-2PF PLATFORM CLASS 5 RECEIVER HITCH (2-1/2" RECEIVER TUBE) AND HITCH INSERT, 16,000 LBS GTW ****DO NOT EXCEED VEHICLE MANUFACTURER'S RECOMMENDED TOWING CAPACITY****		
1	H-4 7 BLADE / 4 PIN TRAILER CONNECTOR		
1	CAMGM CAMERA GM ***NOT FOR CHASSIS 360 DEGREE CAMERA OPTION**** ***CHASSIS MUST BE EQUIPPED WITH FACTORY REAR VIEW CAMERA PROVISIONS***		

THANK YOU FOR CHOOSING ROYAL TRUCK BODY!!!

RECEIVED BY (PRINT NAME) _____
 RECEIVED BY (SIGN) _____ DATE _____

Freight:	
Net Order:	
Sales Tax	
LOS ANGELES - 9.50%:	
GRAND TOTAL:	

In consideration of allowing you to remove your vehicle from our premises prior to full payment of the underlying order, the undersigned as authorized agent for **SALES ORDER # 0452838**, hereby agrees that if any litigation arises out of this transaction the prevailing party shall be entitled to reimbursement of court costs and attorney's fees.



Camino Real Chevrolet
 2401 S Atlantic Blvd
 Monterey Park
 CA, 91754
 caminorealchevy.com

Deal #
 174826

Hicidro Campa
 Contact Sales: (323) 406-9104
 info@caminorealchevy.com



CITY OF BELL GARDENS

+1-(562) 544-0794 | gchavez@bellgardens.com
 7100 GARFIELD AVE, BELL GARDENS, CA 90201

2023 Chevrolet Silverado 3500HD

Work Truck

VIN : 1GB4WREY4PF158002 | Stock # : PF158002
 Mileage : 7 mi
 Color : SUMMIT WHITE

Cash

\$0.00
 Customer Cash **\$105,686.59**

Payment Detail

Selling Price	\$93,950.00
Accessories	\$600.00
Taxes (10.25%)	\$9,700.09
Fees	\$1,436.50
Amount Financed	\$105,686.59

X

Customer Signature & Date

X

HICIDRO CAMPA | Manager Signature & Date

Payments offered here are all subject to final credit approval from the lending institution. Vehicle Price does not include accessories and is before Taxes and/or applicable fees. Leases in some cases require additional cash for Security Deposit, and at Lease's End, Lessee is responsible for \$0.25 per Mile over 12000 Miles per year and a Disposition Fee of \$495.00. Wear and tear guidelines apply. All prices, specifications, and availability subject to change without notice.

Exhibit 3 – SM170





**CITY OF BELL GARDENS
OFFICE OF THE CITY MANAGER**

**AGENDA REPORT
Item 7.**

TO: Honorable Mayor and City Council Members
FROM: Michael B. O'Kelly, City Manager
BY: Elizabeth Nava, Director of Recreation and Community Services
SUBJECT: **RESIDENT ART AND YARD SALE**
DATE: May 8, 2023

RECOMMENDATION:

It is staff's recommendation that the City Council by motion provide staff direction to host a Resident Art and Yard Sale pilot program on Fridays from 11:00 a.m. to 3:30 p.m., adjacent to the Farmers Market.

BACKGROUND/DISCUSSION:

It was brought to staff's attention that there is a need in the community for residents to have a space where they can sell their art, crafts, clothing, used goods and other personal property (similar to what you would find at a local yard sale). As a means of meeting this need, staff is considering a pilot project which would provide interested residents an opportunity to sell their items at Veterans Park during the same hours as the weekly Farmers Market.

Project Details

The purpose of this project is to help residents who can't sell their art or home goods at a yard sale because they don't have a yard, or those who haven't had much success in sales because of low traffic where they live. In order to achieve the goal of this program, there will be guidelines put into place that applicants must abide by in order to obtain a booth. These guidelines will prohibit someone from reselling commercially purchased products, food sales and other provisions. This program is offered to residents only and booths will be free of charge. An application must be submitted, and space will be given on a first come first served basis. The Resident Art and Yard Sale program will be held at Veterans Park during the same time as the Farmer's Market, Fridays from 11:00 a.m. – 3:30 p.m. Recreation and Community Services staff met with Ven A Ver Events, the vendor who hosts the Bell Gardens weekly Farmers Market on Fridays, and they welcome the idea and are excited to have additional booths up at Veterans Park during the Market hours. Hosting a pilot program helps staff better understand the needs of the residents and actively work towards meeting those needs. This is a pilot project will assess the effectiveness of the services being provided and allow staff to modify any portion of the program as is needed for it's success. Should Council direct staff with moving forward with this item, staff will begin preparation of the application process and timeline for rollout of the program.

CONCLUSION:

Staff hopes that this program will meet the needs of the community and allow Bell Gardens residents an opportunity to build connection by showcasing and selling their art, crafts, used goods and other personal property.

FISCAL IMPACT:

None.

APPROVED ELECTRONICALLY BY:

Michael B. O'Kelly, City Manager

Stephanie Vasquez, City Attorney and/or Susie Altamirano, Assistant City Attorney

Manuel Carrillo, Director of Finance and Administrative Services



**CITY OF BELL GARDENS
OFFICE OF THE CITY MANAGER**

AGENDA REPORT

Item 8.

TO: Honorable Mayor and City Council Members
FROM: Michael B. O'Kelly, City Manager
BY: Gustavo Romo, Community Development Director
SUBJECT: **REQUEST FOR DIRECTION ON THE CREATION OF AN ORDINANCE TO AUTHORIZE AND REGULATE COMMERCIAL CANNABIS ACTIVITY**
DATE: May 8, 2023

RECOMMENDATION:

It is staff's recommendation that the City Council:

1. Direct staff to prepare an ordinance authorizing and regulating commercial cannabis businesses; or
2. Take no further action and receive and file this report.

BACKGROUND/DISCUSSION:

On November 6, 1996, California became the first state to legalize the use of medical cannabis through Proposition 215, pursuant to the Compassionate Use Act (Health & Safety Code Section 11362.5) (Exhibit 2). This statute allowed for patients with certain illnesses, with the approval from a licensed physician, to obtain cannabis for medicinal purposes (or their designated primary caregivers).

In 2004, the California Legislature enacted Senate Bill 420 to clarify the scope of Proposition 215 and to provide qualifying patients with a limited defense to certain specified criminal statutes for medical purposes.

In September 2015, California enacted the Medical Marijuana Regulation and Safety Act (Exhibit 3), which consisted of three separate bills. The approval of this act crafted a comprehensive licensing, regulatory and exaction framework for the cultivation, manufacture, transportation, storage, distribution, testing, and sale of medical marijuana.

In 2016 Governor Jerry Brown signed SB 837, changing the colloquial name "marijuana" to the scientific "cannabis," renaming the act the Medical Cannabis Regulation and Safety Act ("MCRSA"), and updating the Bureau of Medical Marijuana Regulation and the Medical Marijuana Regulation and Safety Act Fund to the Bureau of Medical Cannabis Regulation and the Medical Cannabis Regulation and Safety Act Fund.

On November 8, 2016, the Adult Use of Marijuana Act ("AUMA") through the approval of Proposition 64 (Exhibit 4) legalized personal and recreational use of cannabis for adults 21 years of age or older, beginning regulation of the legally permitted commercial cannabis industry. Mobile delivery was also approved to be permitted under state law. The 2017 Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), created a single regulatory system for all commercial cannabis activity. Today, commercial cannabis activity is regulated at the state level by the Department of Commercial Cannabis ("DCC"). The state issues licenses based on the type of commercial cannabis activity proposed, as described below:

Commercial Cannabis License Types:

Cannabis Cultivation

Cultivation refers to any activity that involves the cannabis planting, growing, harvesting, or processing (drying, curing, grading, trimming) outdoor, indoor, and in mixed light. The California Department of Food and Agriculture (“CDFA”) is the licensing authority for cannabis cultivation in California since it is distinguished from other agricultural crops or commodities due to its unique nature as a controlled substance, requiring increased security measures and the use of artificial lighting in indoor cultivation environments. Each type of CDFA licensed cultivation category allows for a maximum cultivation canopy area or number of plants. The maximum cultivation canopy size that the CDFA is currently licensing under a single medium license is an outdoor grow of 43,560 square feet or one acre, or an indoor grow of 22,000 square feet. The state has limited the cultivation canopy size for a single medium license (defining “Medium Outdoor” as an outdoor cultivation site between 10,001 square feet[i] and one acre of total canopy, or “Medium Indoor” as an indoor cultivation site between 10,001 and 22,000 square feet of total canopy).

Agricultural lands are a logical option for cannabis cultivation activities. However, agricultural lands are of great importance and carry regulatory protections to ensure continued stability and productivity. No land within Bell Gardens is currently agriculturally zoned and there is limited Open Space Zoned property which is primarily owned by Southern California Edison and leased to plant nurseries. Sites within Bell Gardens zoned industrial, and manufacturing may be attractive for small-to medium-licensed indoor cannabis cultivators, though investment in the power grid which would likely be a challenge due to the amount of power needed to run these operations.

Cannabis Distribution

In California, cannabis distribution requires a license to transport cannabis and cannabis products. A distributor licensee may move cannabis and cannabis products between cultivation, manufacturing, or distribution premises, move finished cannabis goods to retail premises, provide storage to or for other licensees, or arrange for testing of cannabis products.

Cannabis Event

There are two types of event licenses offered by the DCC. An event organizer and the event are regulated and need to be licensed.

Cannabis Manufacturing

Cannabis manufacturing refers to volatile and non-volatile manufacturing, extraction, infusion, and packing and labeling. The DCC is the licensing authority for the manufacture of cannabis products in California.

DCC’s regulations require manufacturers to follow good manufacturing practices (“GMPs”) when making products. GMPs help ensure consistent consumer safety and correct labeling by requiring manufacturing licensees, among other things, to maintain sanitary facilities and protect against contamination.

Cannabis Microbusiness

Cannabis microbusinesses refer to the conduct of at least three of the cannabis-related uses at one location. A DCC Type 12 license is required for a combination of up to 10,000 square feet of cannabis cultivation, cannabis manufacturing, cannabis distribution, or cannabis retail.

Cannabis Retail

Cannabis retail sales refers to a license to sell cannabis goods to customers as a cannabis merchandise dispensary.

Retail sale of cannabis merchandise represents the final product of the cannabis industry. Traditionally, the product that has been grown, harvested, tested, packed, and labeled for sale prior to reaching a retail sales counter. Cannabis retailers are visible to the public and create the most-known controversy of all cannabis-related uses and

activities. Retail sales locations could be permitted in areas that exhibit zoning compatibility, are able to achieve appropriate setbacks and separations and are sites adequate in size to provide appropriate parking, including, but not limited to, required accessible parking pursuant to the Americans with Disabilities Act (“ADA”). The categories of cannabis retail sales that can be considered include storefront and non-storefront.

The state has set strict and unique licensing guidelines for retail sales use. Cannabis retail development standards address unique characteristics related to security, loitering, potential for crimes of robbery and theft, and access to children. Commercial and industrial zoned properties present a logical option for storefront and non-storefront activities so long as operations comply with state law.

Non-storefront retail refers to delivery only with no customers accessing the facility.

Cannabis Testing

The DCC Type 8 license is for laboratories that test cannabis goods prior to sale at a retailer. Testing laboratories require accreditation.

History of Cannabis Consideration in the City of Bell Gardens:

Currently, the City of Bell Gardens prohibits all commercial cannabis activities. However, age 21 or over may cultivate up to six living cannabis plants at a private residence per California Health and Safety Code Section 11362.2(a)(3).

- **June 8, 2009 – Ordinance No. 823U** (Exhibit 5);
- **July 13, 2009 – Ordinance No. 824-U** (Exhibit 6);
- **May 10, 2010 – Ordinance No. 835-U** (Exhibit 7);
- **April 25, 2011 – Ordinance No. 840** (Exhibit 8) – collectively placed a moratorium on the establishment and operation of medical marijuana dispensaries within the boundaries of Bell Gardens;
- **January 25, 2016 – Ordinance No. 873** (Exhibit 9) was adopted to prohibit all commercial cannabis uses citywide, including cultivation and manufacturing of cannabis and associated products;
- **September 10, 2018 – Ordinance No. 890** (Exhibit 10) amended the Bell Gardens Municipal Code (“BGMC”) to prohibit specific outdoor and commercial cannabis-related uses and activities consistent with state law; and
- **February 10, 2020** – Staff presented Agenda Report Item #15, REQUEST FOR DIRECTION ON CONSIDERATION OF AN INITIATIVE PERTAINING TO CANNABIS-RELATED USES CITYWIDE (Exhibit 11). This item called for the City Council to consider a ballot initiative process that would put the question of authorizing cannabis-related uses citywide to voters. The City Council received and filed the report, and no further action was taken.

State law has largely preserved a municipality’s ability to regulate state licensed commercial cannabis activity, including what types of businesses may be permitted or prohibited, local zoning and land use requirements, business license requirements, and the reduction of exposure to secondhand smoke. Cal. Business & Prof. Code § 26200(a) (1). However, on September 18, 2022, the Governor approved the Medicinal Cannabis Patients’ Right of Access Act (Senate Bill No. 1186), which will go into effect on January 1, 2024, and prohibit municipalities from enacting regulations that prohibit the sale, or enacting regulations that unreasonably restrict access of medicinal cannabis by delivery service to medicinal cannabis patients or their primary caregivers. Cal. Business & Prof. Code § 26322(a).

Commercial Cannabis Regulation in Other Municipalities:

As of February 2023, 238 out of the 539 municipalities in California, or 44.2 percent (44.2%), allow at least one type of commercial cannabis activity (i.e., cultivation, manufacture, transportation, distribution/storage, and/or testing). Only

213 municipalities allow retail sales.

Of the 88 municipalities located in Los Angeles County, 23, or 26.1 percent (26.1%), allow some form of commercial cannabis activity as shown in Table 1 below.

Table 1. Number of Los Angeles County Municipalities Permitting Commercial Cannabis Operations

	Allowed	Limited	Limited-Medical
Retail (Storefront)	13	-	2
Retail (Non-storefront)	17	-	2
Distribution	14	-	3
Manufacturing/Warehousing	15	-	3
Cultivation	7	6	2
Testing	14	-	2

There are a multitude of approaches on how a municipality may allow what forms of commercial cannabis activity is permitted as demonstrated in Table 2 below. (See attached Table 2)

State Criteria for Commercial Cannabis Activity Distances From Sensitive Uses:

As stated earlier, state law and regulations have largely left zoning regulation to local jurisdictions, with some exceptions set forth below:

Pursuant to the California Health and Safety Code Division 10 (Uniform Controlled Substances Act), Chapter 6 (Offenses and Penalties), Section 11362.768 (b):

No medicinal cannabis cooperative, collective, dispensary, operator, establishment, or provider who possesses, cultivates, or distributes medicinal cannabis pursuant to this article shall be located within a 600-foot radius of a school.

Pursuant to California Business and Professions Code Division 10 (Cannabis, Chapter 5 (Licensing), Section 26054:

(a) A licensee shall not sell alcoholic beverages or tobacco products on or at any premises licensed under this division.

(b) A premises licensed under this division shall not be located within a 600-foot radius of a school providing instruction in kindergarten or any grades 1 through 12, daycare center, or youth center that is in existence at the time the license is issued, unless the department or a local jurisdiction specifies a different radius. The distance specified in this section shall be measured in the same manner as provided in subdivision (c) of Section 11362.768 of the Health and Safety Code, unless otherwise provided by law.

(c) It shall not be a violation of state or local law for a business engaged in the manufacture of cannabis accessories to possess, transport, purchase, or otherwise obtain small amounts of cannabis or cannabis products as necessary to conduct research and development related to the cannabis accessories, provided the cannabis and cannabis products are obtained from a person licensed under this division permitted to provide or deliver the cannabis or cannabis products.

(d) It shall not be a violation of state or local law for an agent of the department to possess, transport, or obtain cannabis or cannabis products as necessary to conduct activities reasonably related to the duties of the department.

(e) It shall not be a violation of state or local law for an agent of a state agency, as defined in Section 1100 of the Government Code, or a local agency, as defined in Section 50001 of the Government Code, to possess, transport,

or obtain cannabis or cannabis products as necessary to conduct activities reasonably related to the duties of the state or local agency.

Pursuant to California Business and Professions Code Division 10 (Cannabis), Chapter 15 (Advertising and Marketing Restrictions), Section 26152 (g):

A licensee shall not do any of the following: Advertise or market cannabis or cannabis products on an advertising sign within 1,000 feet of a day care center, school providing instruction in kindergarten or any grades 1 to 12, inclusive, playground, or youth center.

Figure 1 below illustrates the locations of school and parks throughout the City, which require a 600-foot distance from commercial cannabis uses per state law. (See attached Figure 1)

Municipalities may choose the minimum distances and/or add other sensitive receptors, restrict the distances between businesses engaged in commercial cannabis activity, and limit the total number of licenses issued. Bell Gardens may also impose other greater restrictions, requirements, and development standards than those compelled by state law.

Exhibit 1 is a Sample Draft Ordinance that demonstrates how the City may choose to regulate cannabis retail use within the City's existing Planning and Zoning Regulations (Title 9), and operating standards for cannabis retail businesses in the City's regulations for Business Licenses, Regulations and Taxes (Title 5). Figure 2 demonstrates where commercial cannabis activity could potentially be found to operate based on the locational and siting criteria presented in Exhibit 1. However, the proliferation of such uses would decrease if an ordinance also included criteria that prohibits the proliferation of such use in near proximity to each other, e.g., no cannabis use may be located within 500 feet of another cannabis use. **Please note that Figure 1 and Figure 2 are provided for discussion and illustrative purposes only.** (See attached Figure 2)

Potential Revenue:

State Taxation

Pursuant to the AUMA, businesses engaged in commercial cannabis activity are imposed a state excise tax of 15% on cannabis retail sales (<https://www.cdtfa.ca.gov/formspubs/L866.pdf>) and cannabis cultivation taxes of \$10.08 per ounce of dry-weight flowers, \$3.00 per ounce of dry-weight leaves, and \$1.41 per ounce of fresh cannabis plant (<https://www.cdtfa.ca.gov/formspubs/L720.pdf>). Medicinal cannabis products for eligible medical conditions are exempt from taxation.

Within Los Angeles County, during the 4th quarter of 2022, \$351,353,273 in taxable sales were generated (<https://www.cdtfa.ca.gov/dataportal/dataset.htm?url=CannabisSalesByCounty>). State tax accounts for 15% excise tax, for approximately \$52,702,990.

Local Revenue

Many local municipalities generate revenue from taxes and/or development agreements that authorize the establishment of businesses proposing to engage in commercial cannabis activity. In order to impose a tax on commercial cannabis sales, a ballot measure would need to be presented, adopted, and placed on the ballot for a future election.

Table 3 provides a sample of local tax rates in surrounding municipalities. A local example, the City of Maywood ("Maywood"), through its three (3) retail cannabis storefronts has generated approximately \$2,400,000 annual cannabis sales tax, which is approximately \$800,000 per retail cannabis storefront. Tierra West Advisors, Inc. (Tierra

West) has indicated that the Maywood retail cannabis storefront average annual revenue is high due to Maywood being the first to the market with retail cannabis storefronts. The increased number of retail cannabis storefronts in the surrounding cities will reduce these relatively high average retail cannabis storefront sales tax amounts, in Maywood, to much lower amounts. Tierra West has indicated that it anticipates that future retail cannabis storefronts will generate approximately \$250,000 to \$450,000 per year in annual sales tax to local cities. Similar to other retail businesses, gross sales are dependent upon location, notoriety, presentation, knowledge, cost, sales tax rates and other typical issues that impact general retail sales. Other cannabis activities that require licenses such as cultivation, manufacturing, delivery, and testing will generate much lower annual sales tax; generally, these activities in Los Angeles County are much smaller facilities as compared to many production platforms that are located in less populated areas where the larger growers and manufacturers are in operation. It is anticipated that these other cannabis activities, will generate approximately \$40,000 to \$80,000 per year in gross sales tax per activity and license.

Table 3. Sample of Commercial Cannabis Tax Rates in Surrounding Municipalities

City/County	Adult-Use Retail Tax Rate (of gross receipts)
Long Beach	8%
Bellflower	5%
Maywood	10%
Cudahy	15%
Lynwood	5% + 1%

Another source of revenue for municipalities is the ability to entire into development agreements. Applicants proposed to engage in commercial cannabis activity often request to enter into a binding development agreement for vested development rights in exchange for public benefits. Unlike conditions of approval, which oftentimes contain exactions that are subject to the limitations in the Mitigation Fee Act, cities may request benefits such as a host fee or other monetary contributions that would be of benefit to the City and may be used in the general fund or for a special purpose. A development agreement may also capture the recovery of costs, in the form of staff time and legal fees spent, in order to execute the agreement.

Grant Funding

To streamline the process for consumers to access legal, safe, and tested cannabis product, California allocated \$20 million in grant funding (Local Jurisdiction Retail Access Grant) to help local governments establish commercial cannabis activity regulations. DCC’s first \$10 million round of funding (Phase 1) is open, and local jurisdictions that plan to development and implement a cannabis retail licensing program are eligible to apply. The funding aims to reduce local barriers to access an already growing market, support the expansion of potential revenue, reduce the need for consumers to patronize the illegal operators, and reduce the size of the illicit market. Phase 1 awards will be announced by June 20, 2023.

The City submitted a grant application for funding to implement an ordinance to establish and regulate commercial cannabis activities. If awarded funds, the City Council will be presented with a Council Resolution to accept such funding.

CONCLUSION:

A well-regulated industry consistent with state law could provide public benefit. The City Council could direct staff to draft an ordinance regulating commercial cannabis activities. The Planning Commission would be the initial body to review a commercial cannabis activity ordinance and make recommendations on the standards of operation, including locational criteria, and other development and design standards. A potential timeline, with critical steps that

must be taken in order to enact an ordinance is provided in Table 4 below. The City Council could also take no further action and receive and file this report.

Since state legislation is likely to increase the availability and prevalence of commercial cannabis activity and cannabis-related products, staff recommends the City Council direct staff to prepare an ordinance authorizing and regulating conditionally permitted commercial cannabis activity.

Table 4. Potential Timeline of Events to Enact an Ordinance Regulating Commercial Cannabis Activities

Projected Date and Anticipated Event

- May 8, 2023- Present research report for direction on preparing an ordinance to the Bell Gardens City Council.
- May 11, 2023- Provide Planning Commission Public Hearing Notice to Newspaper for Publication the following week.
- May 18, 2023- Post Planning Commission Public Hearing Notice at key City locations, and on all City social media outlets and City website; including publication in the Newspaper.
- May 25, 2023- Provide City Council Public Hearing Notice to Newspaper for Publication the following week.
- May 31, 2023- Planning Commission – Special Meeting.
- June 1, 2023- City Council Public Hearing Notice Publication at key City locations, and on all City social media outlets and City website; including publication in the Newspaper.
- June 12, 2023- Public Hearing to introduce and conduct first reading of ordinance to the Bell Gardens City Council.
- June 26, 2023- Public Hearing to conduct second reading of Ordinance and final adoption by the Bell Gardens City Council.
- July 1, 2023- Staff and Consultant to commence preparation of forms and process.
- July 26, 2023- Cannabis Retail Ordinance in effect.
- September 1, 2023- Commence accepting applications (number of licenses and issuance policy on competitive, first-come, or lottery are to be determined by the direction provided by the Bell Gardens City Council).

FISCAL IMPACT:

In anticipation of direction to prepare an ordinance responsive to impending state legislation in SB 1185, Bell Gardens staff applied for grant funding that, if awarded, would provide resources to develop and implement cannabis retailer licensing programs. If it is decided to pursue an ordinance regulating commercial cannabis activity, funding would be made available to cover the cost of staff time used in the preparation, introduction, and subsequent readings. If no regulation is sought, any awarded funding would be declined. More information would be forthcoming with research and analysis of options available through a potential development agreement process whereby Bell Gardens would be able to achieve public benefits and staff cost recovery associated with continued regulatory administrative and implementation efforts and duties for commercial cannabis activity. Development exactions are received to lessen, offset, mitigate, or compensate for affected public interests. In lieu of a tax, an annual host fee may be required through a development agreement.

ATTACHMENTS:

- Exhibit 1 - Sample DRAFT Cannabis Ordinance
- Exhibit 2 - Compassionate Use Act
- Exhibit 3 - MCRSA
- Exhibit 4 - Comprehensive Adult Use of Marijuana Act
- Exhibit 5 - Ordinance No. 823 - U-2009-06-08
- Exhibit 6 - Ordinance No. 824 - U-2009-07-13

Exhibit 7 - Ordinance No. 835 - U-2010-05-10

Exhibit 8 - Ordinance No. 840 - 2011-04-25

Exhibit 9 - Ordinance No. 873 - 2016-01-25

Exhibit 10 - Ordinance No. 890 - 2018-09-10

Exhibit 11 - Minutes CC 2020-02-10 - Closed - Regular

Table 2 - Los Angeles County Municipalities Permitting Commercial Cannabis Activity

Figure 1 - Schools and Parks Locations

Figure 2: Approximate Potential Commercial Cannabis Activity Locations

APPROVED ELECTRONICALLY BY:

Michael B. O'Kelly, City Manager

Stephanie Vasquez, City Attorney and/or Susie Altamirano, Assistant City Attorney

Manuel Carrillo, Director of Finance and Administrative Services

****DRAFT – FOR DISCUSSION PURPOSES ONLY****

ORDINANCE NO. [XX]

AN ORDINANCE OF THE CITY OF BELL GARDENS AMENDING TITLE 5 (BUSINESS LICENSES, REGULATIONS AND TAXES) OF THE BELL GARDENS MUNICIPAL CODE TO ADD LICENSING AND PERMIT REQUIREMENTS FOR CANNABIS RETAIL BUSINESS, AND TO AMEND TITLE 9 (ZONING AND PLANNING REGULATIONS) TO CONDITIONALLY PERMIT A CANNABIS RETAIL USE IN COMMERCIAL ZONES

WHEREAS, the City of Bell Gardens (“City”) is a general law city, incorporated under the laws of the State of California;

WHEREAS, pursuant to its police power, the City may enact and enforce laws within its boundaries which promote the public health, morals, safety, or general welfare of the community, and are not in conflict with general laws;

WHEREAS, the City’s General Plan (“General Plan”) articulates the community’s vision and is underscored by an effective Zoning Code in compliance with state law that protects the public health, safety and welfare, enacts regulatory and enforcement controls to defend safe neighborhood character and minimize potential for negative impacts on people, the community, and the environment;

WHEREAS, Chapter 9.21 (Prohibited Uses) of Title 9 (Zoning and Planning Regulations) of the Bell Gardens Municipal Code (“BGMC”) expressly prohibits all commercial cannabis activities within City limits;

WHEREAS, the City finds it necessary to amend the BGMC to remove certain prohibitions and add language to enact provisions that authorize appropriate use standards for commercial cannabis activities, specifically, cannabis retail activities;

WHEREAS, the proposed zoning text amendment establishes land use and zoning regulations for Cannabis Retail, as specified, that are legal within the state, subject to strict compliance with state and local regulations;

WHEREAS, the proposed amendment would streamline review and processing of entitlement requests and promote accessibility and a convenient, safe, and sustainable way to connect customers to a desired commodified product and ensure community compatibility;

WHEREAS, the proposed zoning amendment would be consistent with the General Plan;

WHEREAS, Policy 3 of the General Plan’s Land Use Element promotes compatible commercial development to emphasize commercial identity and to enhance

the appearance, potential economic vitality, and revitalization of commercial areas in the City;

WHEREAS, Policy 5 of the General Plan’s Land Use Element emphasizes the provision of an environment to stimulate local employment, property values, community stability, and the economic vitality of existing local businesses;

WHEREAS, pursuant to California Government Code Section 65854, the Planning Commission conducted a duly noticed public hearing on this matter on [XX XX, 2023,] and adopted Planning Commission Resolution #2023-[XX] recommending to the City Council the approval of Zoning Code Amendment No. [2023-XXX (Ordinance No. XXX)]; and

WHEREAS, cannabis retail operations often take place in existing commercial or industrial buildings, and operate similarly to other retail operations, and would be subject to same development standards as other commercial operations, including but not limited to height, setbacks, and parking; but subject to more restrictive siting requirements and it can be seen with certainty that the regulation of cannabis retail sales will not cause a direct or indirect impact on the environment pursuant to the California Environmental Quality Act (“CEQA”) (Pub. Res. Code § 21000 *et seq.*) and the CEQA Guidelines (Cal. Code Regs., Title 14, § 15000 *et seq.*).

NOW THEREFORE, the City Council of the City of Bell Gardens does ordain as follows:

SECTION 1. Findings and Purpose. In adopting this Ordinance, the City Council finds and declares as follows:

- i. The above recitals are true and correct and incorporated herein.
- ii. Ordinance No. [XX] serves the public health, safety and welfare of the residents and businesses within the City to regulate land use within the City.
- iii. Ordinance No. [XX] is consistent with the applicable Goals and Policies of the City’s General Plan.

SECTION 2. Chapter 9.21 (Prohibited Uses) of Title 9 (Zoning and Planning) of the BGMC is repealed in its entirety.

SECTION 3. The alphabetical list of definitions provided in Chapter 9.04 (Definitions) of Title 9 (Zoning and Planning Regulations) of the BGMC, is amended to add the following definitions:

Section 9.04.030 “C” definitions.

“Cannabis” shall mean 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.

“Cannabis Cultivation” shall have the same meaning as Section 26001(m) of the Business and Professions Code and includes any commercial activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. Cannabis Cultivation, as defined herein, does not include the personal cultivation at a private residence of up to six plants as authorized by state law for personal use.

“Cannabis Manufacturing” shall have the same meaning as Section 26001(aj) of the Business and Professions Code and includes activities that compound, blend, extract, infuse, package, label or otherwise make or prepare a cannabis product.

“Cannabis Products” shall have the same meaning as in Section 11018.1 of the Health and Safety Code and includes such products that are intended for use on, or consumption by, an animal. Cannabis products are not considered food, as defined by Section 109935 of the Health and Safety Code, a drug, as defined by Section 109925 of the Health and Safety Code, or a cosmetic, as defined by Section 109900 of the Health and Safety Code.

“Cannabis Retail” shall have the same meaning as Section 26001(av) of the Business and Professions Code and includes a person who is engaged in the retail sale and delivery of cannabis or cannabis products to customers. Delivery of Cannabis and Cannabis Products shall also include the use of a technology platform by a Cannabis Retailer to conduct the commercial transfer of Cannabis and Cannabis Products.

“Cannabis State Licensee” shall have the same meaning as Section 26001(ac) of the Business and Professions Code and includes a person holding a license pursuant to the Medical and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”) whether the holder of an A-license or M-license, as defined in Section 26001 of the Business and Professions Code.

“Cannabis Testing Laboratory” shall have the same meaning as Section 26001(ax) of the Business and Professions Code and includes a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is: (a) accredited by an accrediting body that is

independent from all other persons involved in commercial cannabis activity in the state; and (b) licensed by the California Department of Cannabis Control, or statewide body charged with regulating commercial cannabis activities.

Section 9.04.250 “Y” definitions.

“Youth center” shall have the same meaning as Section 11353.1(e)(2) of the Health and Safety Code and includes any public or private facility that is primarily used to host recreation or social activities for minors, including but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.

SECTION 4. The alphabetical list of land uses in Table 9.12A of Section 9.12.030 (Permitted land uses) of Chapter 9.12 (Commercial Zones) of Title 9 (Zoning and Planning Regulations) of the BGMC is amended to add the following new land use categories to the alphabetical list to read as follows:

Table 9.12A: Commercial Land Use Matrix

Uses	M-U Zone	C-S Zone	C-3 Zone	C-4 Zone	C-M Zone	Special Requirements
Cannabis Cultivation¹						
Cannabis Manufacturing						
Cannabis Retail	<u>C</u>	C	C	C	C	Refer to BGMC, Chapter 9.20 for additional development standards for Cannabis Retail. Refer to BGMC, Chapter 5.12 for business regulatory permit and operating standards for Cannabis Retail.
Cannabis Testing Laboratory						

SECTION 5. The alphabetical list of land uses in Table 9.14A of Section 9.14.030 (Permitted land uses) of Chapter 9.14 (Industrial Zones) of Title 9 (Zoning and Planning

¹ This use excludes the cultivation of up to six cannabis plants, as permitted by state law, for personal use.

Regulations) of the BGMC is amended to add the following new land use categories of the alphabetical list to read as follows:

Table 9.14A: Industrial Land Use Matrix

Uses	M-1	Special Requirements
Cannabis Cultivation¹		
Cannabis Manufacturing		
Cannabis Retail	C	<p>Refer to BGMC, Chapter 9.20 for additional development standards for Cannabis Retail.</p> <p>Refer to BGMC, Chapter 5.12 for business regulatory permit and operating standards for Cannabis Retail.</p>
Cannabis Testing Laboratory		

SECTION 6. Section 9.20.160 of Chapter 9.20 (Special Uses and Applicable Standards) of Title 9 (Zoning and Planning Regulations) of the BGMC, is added to read:

Chapter 9.20 Special Uses and Applicable Standards

9.20.160 Cannabis Retail – Conditional use.

In addition to compliance with all other state and local statutes, ordinances and regulations, the following regulations shall apply to Cannabis Retailers where they are permitted by conditional use permit:

A. Location. The following locational requirements shall apply to all Cannabis Retailers:

- 1. Use Prohibited in the Civic Center Overlay District.** A Cannabis Retail use shall not be permitted within the Civic Center Overlay District (“CCOD”) irrespective of the underlying zoning.
- 2. Proximity to Sensitive Uses.** A Cannabis Retail use shall not be located within a [600-foot] radius of a day care center, youth center, school, or parks as defined in this title, that is existing at the time an application for a conditional use permit is submitted.

¹ This use excludes the cultivation of up to six cannabis plants, as permitted by state law, for personal use.

3. Proximity to Cannabis Retailers. A Cannabis Retailer shall not be located within a [250-foot] radius of another Cannabis Retailer that is existing at the time an application for a conditional use permit is submitted.

B. Additional Development and Design Standards for Cannabis Retailers. The following development and design standards shall apply to all Cannabis Retailers unless more restrictive conditions are imposed as a condition of approval:

1. Parking. A Cannabis Retail use shall be subject to the “Business general” parking requirements, as set forth in Section 9.38.050(C)(2), Parking and Facilities Matrix.

2. Signage. All signage shall comply with the requirements set forth in Chapter 9.40, Signs.

3. Windows. Windows facing the street frontage shall be clear untinted glass. Mirrored, reflective, or tinted glass shall only be permitted as an architectural or decorative accent and shall not comprise more than 20 percent of the window.

4. Decorative Railings and Grilles. Decorative railings and grilles that are placed in front of or behind windows shall be at least 75 percent open to perpendicular view and no more than six feet in height. Security gates and grilles shall be prohibited on the exterior of any structure.

C. Additional Application Requirements. Applications for a conditional use permit to permit a Cannabis Retail use shall also provide the following documentation, in addition to the requirements set forth in Title 9, Chapter 9.50, Section 9.50.030 of the BGMC:

1. A copy of the state Cannabis Retail license (Type 9 or Type 10, as defined in the California Code of Regulations) issued by the Department of Cannabis Control (“DCC”).

2. A signed affidavit stating that upon a conditional approval of the Cannabis Retail use, that applicant will apply for and obtain a business regulatory permit for Cannabis Retailer, pursuant to Title 5, Chapter 5.12 of the BGMC, prior to commencing operations of the Cannabis Retail use.

3. A radius map indicating the location of all Cannabis Retailers, day care centers, youth centers, and schools existing within a [1,500 foot] radius of the subject site at the time of application submittal.

D. Duration. The life of a conditional use permit shall not exceed eighteen (18) months from the date of issuance of the first building permit. For the purposes of this section, a “building permit” shall mean a permit issued by the Building and Safety Division for the development of a property or structure, inclusive of

demolition; grading; building; electrical, plumbing, or mechanical upgrades; or change of occupancy. An applicant who wishes to obtain an approval for a Cannabis Retail use in exceedance of eighteen (18) months may request a development agreement.

E. Upon consideration of the conditional use permit, the planning commission may also impose additional conditions of approval.

SECTION 7. The alphabetical list of definitions provided in Section 5.12.015 (Permit – Designation of business requiring) of Chapter 5.12 (Permits – Issuance and Revocation) of Title 5 (Business Licenses, Regulations and Taxes) of the BGMC, is amended to add the following definitions:

G. Cannabis Retail. As defined in Section 9.04.030 of the Bell Gardens Zoning Code;

H. Cannabis Products. As defined in Section 9.04.030 of the Bell Gardens Zoning Code;

K. Head shop. A business is deemed to be a head shop if it sells or displays for the purpose of sale any device, contrivance, instrument or paraphernalia for smoking or injecting, or consuming marijuana cannabis, hashish, PCP or any controlled substance, as defined in the Business and Professions Code or the Health and Safety Code of the state of California, other than prescription drugs and devices to ingest or inject prescription drugs, as well as roach clips, and cigarette papers and rollers designed for the smoking of the foregoing;

SECTION 8. Chapter 5.64 (Retail Cannabis Business License) is added to Title 5 (Business Licenses, Regulations and Taxes) of the BGMC to read:

5.64.010 Purpose and intent.

It is the purpose and intent of this Chapter to regulate the operations of Cannabis Retail businesses, which may pose public safety risk and quality of life concerns if not properly regulated. It is the City's goal to address concerns related to the business aspect of commercial cannabis activities through the City's police powers. Therefore, the City imposes the following objective standards for applications, approvals, denials, and permit revocations, as well as terms for security, odor, inspection, and grounds for revocation of a Cannabis Retail business regulatory permit.

5.64.020 Retail Cannabis License Required.

A. All Cannabis Retail businesses are subject to the business regulatory permit requirements of this Chapter, as well as all other applicable ordinances of the City and laws of the state of California.

B. It shall be unlawful for any person to establish, operate, engage in, conduct, or carry on any Cannabis Retail within the City unless the person first obtains, and continues to maintain in full force and effect, a Cannabis Retail business regulatory permit, as required herein.

5.64.030 Permit Application Contents.

In addition to the application requirements in Section 5.12.020, an application for a Cannabis Retailer permit shall submit:

A. A planning commission Resolution and associated conditions of approval for a Cannabis Retailer use at the location proposed for the Cannabis Retailer business regulatory permit.

B. A valid license (Type 9 or Type 10, as defined in the California Code of Regulations, Title 4, Division 19) issued by the Department of Cannabis Control (“DCC”), accompanied by a statement signed under penalty of perjury, affirming that the license is valid and is in good standing with the DCC, and is not subject to pending or active enforcement action, including but not limited to including unpaid fines, outstanding citations, license suspension, or license revocation.

C. A security plan indicating the Cannabis Retailer shall provide adequate security and lighting on-site to ensure the safety of persons and protect the premises from theft at all times in conformance with the security plan.

D. A permit application shall not be processed until all of the foregoing documentation and application requirements set forth in Section 5.12.020 have been satisfied.

5.64.040 Operating Standards.

All Cannabis Retail businesses in the City shall operate in conformance with the following operating requirements (“Operating Standards”):

A. No Cannabis Retailer may commence operations without obtaining a permit required by this Chapter; a conditional use permit for a Cannabis Retailer use, the appropriate licenses issued by the DCC, and any other applicable governmental agency approvals.

B. Cannabis Retail businesses shall provide adequate security and lighting on site to ensure the safety of persons and protect the premises from theft at all times in conformance with the security plan submitted with the business license application.

C. All security guards employed by a Cannabis Retail business shall be licensed and possess a valid Department of Consumer Affairs “Security Guard Card” at all times.

D. Cannabis Retailer shall strictly comply with the state requirements, including but not limited to the Medical and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”) and related regulations as enacted by the DCC and amended from time to time.

E. An odor absorbing ventilation and exhaust system shall be installed so that odor generated inside the business is not detected inside the business.

F. Cannabis Retailers shall not engage in Cannabis Cultivation, Cannabis Manufacturing, Cannabis Laboratory Testing, as defined in Title 9, Chapter 9.04 of the BGMC. All such business uses are strictly prohibited within City limits.

G. On-site consumption of Cannabis and Cannabis Products shall be prohibited.

H. Cannabis Retail businesses shall post a notice in a conspicuous location, readily visible to persons entering the premises notifying patrons that entry onto the premises by persons under the age of twenty-one (21) is prohibited.

I. Cannabis Retail businesses shall comply with all conditions of approval stated in the conditional use permit permitting the Cannabis Retail use.

J. City Code Compliance Officers, the Bell Gardens Police Department, Los Angeles County Fire Department staff, or other agents and employees of the City shall be granted access to the site for the purpose of determining compliance with the Operating Standards contained herein.

K. A Cannabis Retail business shall commence operations within one year of issuance of a business regulatory permit.

5.64.050 Suspension or Revocation – Grounds.

A. No person or entity shall dispense, distribute, sell, convey, exchange or give away cannabis in the City, except in compliance with the provisions of this Chapter; Title 9 of the BGMC; and any other conditions imposed by the City, including, but not limited to, a conditional use permit. Dispensing, distributing, selling, conveying, exchanging or giving away Cannabis within the City limits without a valid permit shall be a misdemeanor.

B. Failure to comply with the Operating Standards contained herein, shall be considered a nuisance per se and shall be subject to enforcement action, including but not limited to business regulatory permit suspension or revocation.

C. Failure to pay all applicable taxes and fees to the City for a three-month period shall constitute grounds for the suspension or revocation of a Cannabis Retail business regulatory permit in accordance with provisions set forth in Title 5, Chapter 5.12.

D. The assignment or attempt to assign or transfer any business regulatory permit issued pursuant to this Chapter shall be unlawful.

E. A Cannabis Retailer licensed and operating under this Chapter shall have a current, valid state license for any and all activity which requires a state license under state law, including, without limitation, a seller's permit from the State Department of Tax and Fee Administration and shall comply with all state laws and regulations. Failure to comply with the state licensing requirements and state laws and regulations related to commercial cannabis activity shall be a nuisance per se and shall be subject to enforcement action, including but not limited to suspension or revocation of the business regulatory permit.

F. A Cannabis Retailer shall post all state-issued licenses, and licenses and permits issued pursuant to this Municipal Code in a conspicuous place. Failure to maintain and post a current, valid business regulatory permit is grounds for revocation of a Cannabis Retail business regulatory permit issued pursuant to this chapter.

5.64.060 Unauthorized Cannabis Operations – Enforcement.

A. Any person engaged in a Cannabis Retailer operation, without a regulatory business permit, shall be considered a nuisance per se and shall be subject to enforcement action, including but not limited to prosecution of a misdemeanor.

B. Any person, including a licensed Cannabis Retailer, engaged in Cannabis Cultivation, Cannabis Manufacturing, or Cannabis Laboratory Testing, as defined in Title 9, Chapter 9.04 of the BGMC, shall be considered a nuisance per se and shall be subject to enforcement action, including but not limited to prosecution of a misdemeanor.

5.64.070 City Fees.

The City Council may adopt fees related to the review, issuance, and enforcement of Cannabis Retail business regulatory permits.

SECTION 9. In accordance with CEQA and CEQA Guidelines Section 15061(b)(3), it can be seen with certainty that the adoption of Ordinance No. [XX] would not result in a significant environmental impact and is therefore exempt from CEQA.

SECTION 10. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions might subsequently be declared invalid or unconstitutional.

SECTION 11. The City Clerk shall certify the passage and adoption of this Ordinance and shall cause this Ordinance to be published and/or posted as required by law, which shall take full force and effect thirty days from its adoption.

PASSED, APPROVED AND ADOPTED this [XX] day of [XX], 2023.

THE CITY OF BELL GARDENS

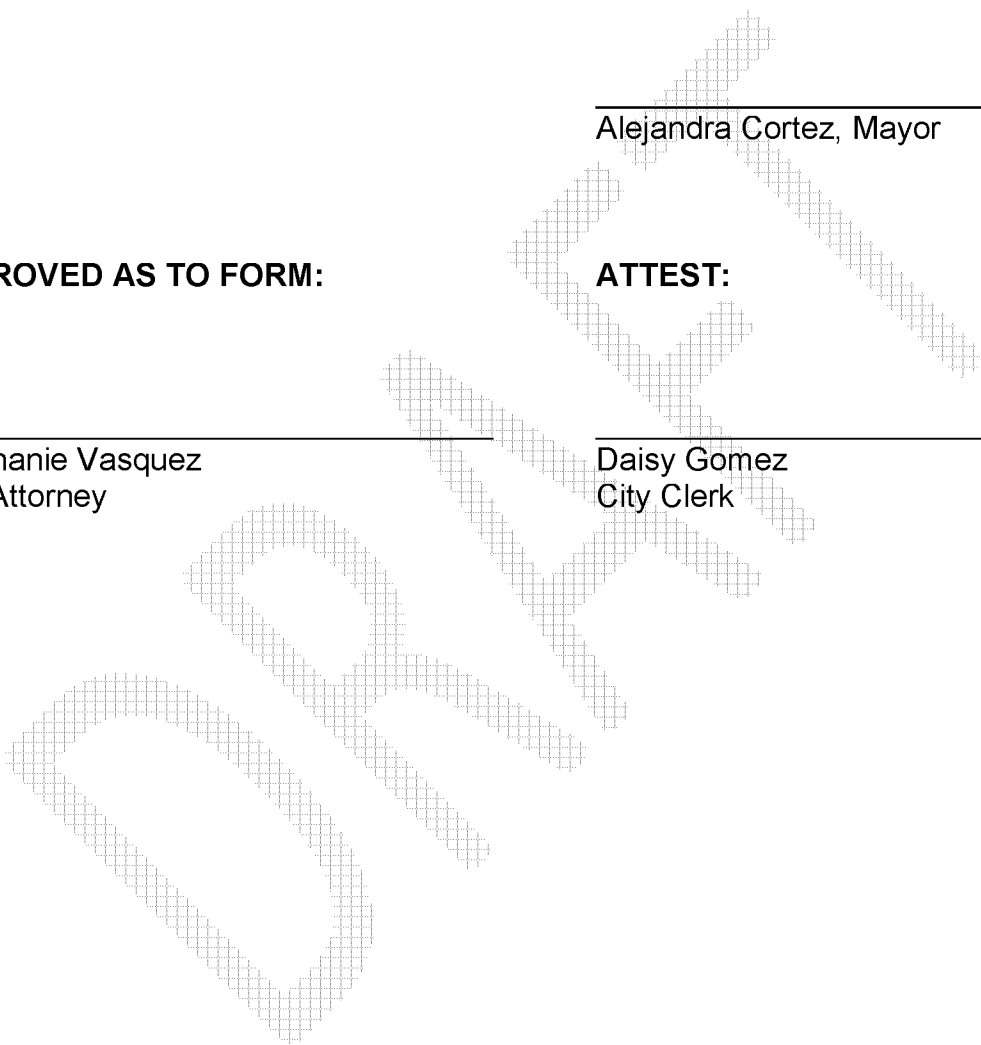
Alejandra Cortez, Mayor

APPROVED AS TO FORM:

ATTEST:

Stephanie Vasquez
City Attorney

Daisy Gomez
City Clerk





State of California

HEALTH AND SAFETY CODE

Section 11362.5

11362.5. (a) This section shall be known and may be cited as the Compassionate Use Act of 1996.

(b) (1) The people of the State of California hereby find and declare that the purposes of the Compassionate Use Act of 1996 are as follows:

(A) To ensure that seriously ill Californians have the right to obtain and use marijuana for medical purposes where that medical use is deemed appropriate and has been recommended by a physician who has determined that the person's health would benefit from the use of marijuana in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief.

(B) To ensure that patients and their primary caregivers who obtain and use marijuana for medical purposes upon the recommendation of a physician are not subject to criminal prosecution or sanction.

(C) To encourage the federal and state governments to implement a plan to provide for the safe and affordable distribution of marijuana to all patients in medical need of marijuana.

(2) Nothing in this section shall be construed to supersede legislation prohibiting persons from engaging in conduct that endangers others, nor to condone the diversion of marijuana for nonmedical purposes.

(c) Notwithstanding any other provision of law, no physician in this state shall be punished, or denied any right or privilege, for having recommended marijuana to a patient for medical purposes.

(d) Section 11357, relating to the possession of marijuana, and Section 11358, relating to the cultivation of marijuana, shall not apply to a patient, or to a patient's primary caregiver, who possesses or cultivates marijuana for the personal medical purposes of the patient upon the written or oral recommendation or approval of a physician.

(e) For the purposes of this section, "primary caregiver" means the individual designated by the person exempted under this section who has consistently assumed responsibility for the housing, health, or safety of that person.

(Added November 5, 1996, by initiative Proposition 215, Sec. 1.)

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Includes 2015 bills SB 643, AB 266, AB 243 and 2016 bills SB 837, AB 21, AB 2516 and AB 2679

BUSINESS AND PROFESSIONS CODE

GENERAL PROVISIONS

27.

- (a) Each entity specified in subdivisions (c), (d), and (e) shall provide on the Internet information regarding the status of every license issued by that entity in accordance with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). The public information to be provided on the Internet shall include information on suspensions and revocations of licenses issued by the entity and other related enforcement action, including accusations filed pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) taken by the entity relative to persons, businesses, or facilities subject to licensure or regulation by the entity. The information may not include personal information, including home telephone number, date of birth, or social security number. Each entity shall disclose a licensee's address of record. However, each entity shall allow a licensee to provide a post office box number or other alternate address, instead of his or her home address, as the address of record. This section shall not preclude an entity from also requiring a licensee, who has provided a post office box number or other alternative mailing address as his or her address of record, to provide a physical business address or residence address only for the entity's internal administrative use and not for disclosure as the licensee's address of record or disclosure on the Internet.
- (b) In providing information on the Internet, each entity specified in subdivisions (c) and (d) shall comply with the Department of Consumer Affairs' guidelines for access to public records.
- (c) Each of the following entities within the Department of Consumer Affairs shall comply with the requirements of this section:
- (1) The Board for Professional Engineers, Land Surveyors, and Geologists shall disclose information on its registrants and licensees.
 - (2) The Bureau of Automotive Repair shall disclose information on its licensees, including auto repair dealers, smog stations, lamp and brake stations, smog check technicians, and smog inspection certification stations.
 - (3) The Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation shall disclose information on its licensees and registrants, including major appliance repair dealers, combination dealers (electronic and appliance), electronic repair dealers, service contract sellers, and service contract administrators.
 - (4) The Cemetery and Funeral Bureau shall disclose information on its licensees, including cemetery brokers, cemetery salespersons, cemetery managers, crematory managers, cemetery authorities, crematories, cremated remains disposers, embalmers, funeral establishments, and funeral directors.
 - (5) The Professional Fiduciaries Bureau shall disclose information on its licensees.
 - (6) The Contractors' State License Board shall disclose information on its licensees and registrants in accordance with Chapter 9 (commencing with Section 7000) of Division 3. In addition to information related to licenses as specified in subdivision (a), the board shall also disclose information provided to the board by the Labor Commissioner pursuant to Section 98.9 of the Labor Code.
 - (7) The Bureau for Private Postsecondary Education shall disclose information on private postsecondary institutions under its jurisdiction, including disclosure of notices to comply issued pursuant to Section 94935 of the Education Code.
 - (8) The California Board of Accountancy shall disclose information on its licensees and registrants.
 - (9) The California Architects Board shall disclose information on its licensees, including architects and landscape architects.
 - (10) The State Athletic Commission shall disclose information on its licensees and registrants.
 - (11) The State Board of Barbering and Cosmetology shall disclose information on its licensees.
 - (12) The State Board of Guide Dogs for the Blind shall disclose information on its licensees and registrants.
 - (13) The Acupuncture Board shall disclose information on its licensees.
 - (14) The Board of Behavioral Sciences shall disclose information on its licensees, including licensed marriage and family therapists, licensed clinical social workers, licensed educational psychologists, and licensed professional clinical counselors.
 - (15) The Dental Board of California shall disclose information on its licensees.
 - (16) The State Board of Optometry shall disclose information regarding certificates of registration to practice optometry, statements of licensure, optometric corporation registrations, branch office licenses, and fictitious name permits of its licensees.

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- (17) The Board of Psychology shall disclose information on its licensees, including psychologists, psychological assistants, and registered psychologists.
- (d) The State Board of Chiropractic Examiners shall disclose information on its licensees.
- (e) The Structural Pest Control Board shall disclose information on its licensees, including applicators, field representatives, and operators in the areas of fumigation, general pest and wood destroying pests and organisms, and wood roof cleaning and treatment.
- (f) The Bureau of Medical Cannabis Regulation shall disclose information on its licensees.
- (g) "Internet" for the purposes of this section has the meaning set forth in paragraph (6) of subdivision (f) of Section 17538.

DIVISION 1. DEPARTMENT OF CONSUMER AFFAIRS

CHAPTER 1. THE DEPARTMENT (100-144.5)

101.

The department is comprised of the following:

- (a) The Dental Board of California.
- (b) The Medical Board of California.
- (c) The State Board of Optometry.
- (d) The California State Board of Pharmacy.
- (e) The Veterinary Medical Board.
- (f) The California Board of Accountancy.
- (g) The California Architects Board.
- (h) The Bureau of Barbering and Cosmetology.
- (i) The Board for Professional Engineers and Land Surveyors.
- (j) The Contractors' State License Board.
- (k) The Bureau for Private Postsecondary Education.
- (l) The Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation.
- (m) The Board of Registered Nursing.
- (n) The Board of Behavioral Sciences.
- (o) The State Athletic Commission.
- (p) The Cemetery and Funeral Bureau.
- (q) The State Board of Guide Dogs for the Blind.
- (r) The Bureau of Security and Investigative Services.
- (s) The Court Reporters Board of California.
- (t) The Board of Vocational Nursing and Psychiatric Technicians.
- (u) The Landscape Architects Technical Committee.
- (v) The Division of Investigation.
- (w) The Bureau of Automotive Repair.
- (x) The Respiratory Care Board of California.
- (y) The Acupuncture Board.
- (z) The Board of Psychology.
- (aa) The California Board of Podiatric Medicine.
- (ab) The Physical Therapy Board of California.
- (ac) The Arbitration Review Program.
- (ad) The Physician Assistant Committee.
- (ae) The Speech-Language Pathology and Audiology Board.
- (af) The California Board of Occupational Therapy.
- (ag) The Osteopathic Medical Board of California.
- (ah) The Naturopathic Medicine Committee.
- (ai) The Dental Hygiene Committee of California.
- (aj) The Professional Fiduciaries Bureau.
- (ak) The State Board of Chiropractic Examiners.
- (al) The Bureau of Real Estate.
- (am) The Bureau of Real Estate Appraisers.
- (an) The Structural Pest Control Board.
- (ao) The Bureau of Medical Cannabis Regulation.
- (ap) Any other boards, offices, or officers subject to its jurisdiction by law.

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144.

- (a) Notwithstanding any other law, an agency designated in subdivision (b) shall require an applicant to furnish to the agency a full set of fingerprints for purposes of conducting criminal history record checks. Any agency designated in subdivision (b) may obtain and receive, at its discretion, criminal history information from the Department of Justice and the United States Federal Bureau of Investigation.
- (b) Subdivision (a) applies to the following:
 - (1) California Board of Accountancy.
 - (2) State Athletic Commission.
 - (3) Board of Behavioral Sciences.
 - (4) Court Reporters Board of California.
 - (5) State Board of Guide Dogs for the Blind.
 - (6) California State Board of Pharmacy.
 - (7) Board of Registered Nursing.
 - (8) Veterinary Medical Board.
 - (9) Board of Vocational Nursing and Psychiatric Technicians.
 - (10) Respiratory Care Board of California.
 - (11) Physical Therapy Board of California.
 - (12) Physician Assistant Committee of the Medical Board of California.
 - (13) Speech-Language Pathology and Audiology and Hearing Aid Dispenser Board.
 - (14) Medical Board of California.
 - (15) State Board of Optometry.
 - (16) Acupuncture Board.
 - (17) Cemetery and Funeral Bureau.
 - (18) Bureau of Security and Investigative Services.
 - (19) Division of Investigation.
 - (20) Board of Psychology.
 - (21) California Board of Occupational Therapy.
 - (22) Structural Pest Control Board.
 - (23) Contractors' State License Board.
 - (24) Naturopathic Medicine Committee.
 - (25) Professional Fiduciaries Bureau.
 - (26) Board for Professional Engineers, Land Surveyors, and Geologists.
 - (27) Bureau of Medical Cannabis Regulation.
- (c) For purposes of paragraph (26) of subdivision (b), the term "applicant" shall be limited to an initial applicant who has never been registered or licensed by the board or to an applicant for a new licensure or registration category.

**DIVISION 1. DEPARTMENT OF CONSUMER AFFAIRS
CHAPTER 3. FUNDS OF THE DEPARTMENT (200 – 211)**

205.1.

Notwithstanding subdivision (a) of Section 205, the Medical Cannabis Regulation and Safety Act Fund is a special fund within the Professions and Vocations Fund, and is subject to subdivision (b) of Section 205.

**DIVISION 2. HEALING ARTS
CHAPTER 5. MEDICINE
ARTICLE 12. ENFORCEMENT (2220-2319)**

2220.05.

- (a) In order to ensure that its resources are maximized for the protection of the public, the Medical Board of California shall prioritize its investigative and prosecutorial resources to ensure that physicians and surgeons representing the greatest threat of harm are identified and disciplined expeditiously. Cases involving any of the following allegations shall be handled on a priority basis, as follows, with the highest priority being given to cases in the first paragraph:
 - (1) Gross negligence, incompetence, or repeated negligent acts that involve death or serious bodily injury to one or more patients, such that the physician and surgeon represents a danger to the public.
 - (2) Drug or alcohol abuse by a physician and surgeon involving death or serious bodily injury to a patient.
 - (3) Repeated acts of clearly excessive prescribing, furnishing, or administering of controlled substances, or repeated acts of prescribing, dispensing, or furnishing of controlled substances without a good faith prior examination of the patient and medical reason therefor. However, in no event shall a physician and surgeon prescribing,

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furnishing, or administering controlled substances for intractable pain consistent with lawful prescribing, including, but not limited to, Sections 725, 2241.5, and 2241.6 of this code and Sections 11159.2 and 124961 of the Health and Safety Code, be prosecuted for excessive prescribing and prompt review of the applicability of these provisions shall be made in any complaint that may implicate these provisions.

- (4) Repeated acts of clearly excessive recommending of cannabis to patients for medical purposes, or repeated acts of recommending cannabis to patients for medical purposes without a good faith prior examination of the patient and a medical reason for the recommendation.
- (5) Sexual misconduct with one or more patients during a course of treatment or an examination.
- (6) Practicing medicine while under the influence of drugs or alcohol.
- (b) The board may by regulation prioritize cases involving an allegation of conduct that is not described in subdivision (a). Those cases prioritized by regulation shall not be assigned a priority equal to or higher than the priorities established in subdivision (a).
- (c) The Medical Board of California shall indicate in its annual report mandated by Section 2312 the number of temporary restraining orders, interim suspension orders, and disciplinary actions that are taken in each priority category specified in subdivisions (a) and (b).

2241.5.

- (a) A physician and surgeon may prescribe for, or dispense or administer to, a person under his or her treatment for a medical condition dangerous drugs or prescription controlled substances for the treatment of pain or a condition causing pain, including, but not limited to, intractable pain.
- (b) No physician and surgeon shall be subject to disciplinary action for prescribing, dispensing, or administering dangerous drugs or prescription controlled substances in accordance with this section.
- (c) This section shall not affect the power of the board to take any action described in Section 2227 against a physician and surgeon who does any of the following:
 - (1) Violates subdivision (b), (c), or (d) of Section 2234 regarding gross negligence, repeated negligent acts, or incompetence.
 - (2) Violates Section 2241 regarding treatment of an addict.
 - (3) Violates Section 2242 or 2525.3 regarding performing an appropriate prior examination and the existence of a medical indication for prescribing, dispensing, or furnishing dangerous drugs or recommending medical cannabis.
 - (4) Violates Section 2242.1 regarding prescribing on the Internet.
 - (5) Fails to keep complete and accurate records of purchases and disposals of substances listed in the California Uniform Controlled Substances Act (Division 10 (commencing with Section 11000) of the Health and Safety Code) or controlled substances scheduled in the federal Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. Sec. 801 et seq.), or pursuant to the federal Comprehensive Drug Abuse Prevention and Control Act of 1970. A physician and surgeon shall keep records of his or her purchases and disposals of these controlled substances or dangerous drugs, including the date of purchase, the date and records of the sale or disposal of the drugs by the physician and surgeon, the name and address of the person receiving the drugs, and the reason for the disposal or the dispensing of the drugs to the person, and shall otherwise comply with all state recordkeeping requirements for controlled substances.
 - (6) Writes false or fictitious prescriptions for controlled substances listed in the California Uniform Controlled Substances Act or scheduled in the federal Comprehensive Drug Abuse Prevention and Control Act of 1970.
 - (7) Prescribes, administers, or dispenses in violation of this chapter, or in violation of Chapter 4 (commencing with Section 11150) or Chapter 5 (commencing with Section 11210) of Division 10 of the Health and Safety Code.
- (d) A physician and surgeon shall exercise reasonable care in determining whether a particular patient or condition, or the complexity of a patient's treatment, including, but not limited to, a current or recent pattern of drug abuse, requires consultation with, or referral to, a more qualified specialist.
- (e) Nothing in this section shall prohibit the governing body of a hospital from taking disciplinary actions against a physician and surgeon pursuant to Sections 809.05, 809.4, and 809.5.

2242.1.

- (a) No person or entity may prescribe, dispense, or furnish, or cause to be prescribed, dispensed, or furnished, dangerous drugs or dangerous devices, as defined in Section 4022, on the Internet for delivery to any person in this state, without an appropriate prior examination and medical indication, except as authorized by Section 2242.
- (b) Notwithstanding any other provision of law, a violation of this section may subject the person or entity that has committed the violation to either a fine of up to twenty-five thousand dollars (\$25,000) per occurrence pursuant to a citation issued by the board or a civil penalty of twenty-five thousand dollars (\$25,000) per occurrence.
- (c) The Attorney General may bring an action to enforce this section and to collect the fines or civil penalties authorized by subdivision (b).

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- (d) For notifications made on and after January 1, 2002, the Franchise Tax Board, upon notification by the Attorney General or the board of a final judgment in an action brought under this section, shall subtract the amount of the fine or awarded civil penalties from any tax refunds or lottery winnings due to the person who is a defendant in the action using the offset authority under Section 12419.5 of the Government Code, as delegated by the Controller, and the processes as established by the Franchise Tax Board for this purpose. That amount shall be forwarded to the board for deposit in the Contingent Fund of the Medical Board of California.
- (e) If the person or entity that is the subject of an action brought pursuant to this section is not a resident of this state, a violation of this section shall, if applicable, be reported to the person's or entity's appropriate professional licensing authority.
- (f) Nothing in this section shall prohibit the board from commencing a disciplinary action against a physician and surgeon pursuant to Section 2242 or 2525.3.

ARTICLE 25. RECOMMENDING MEDICAL CANNABIS (2525-2525.5)

2525.

- (a) It is unlawful for a physician and surgeon who recommends cannabis to a patient for a medical purpose to accept, solicit, or offer any form of remuneration from or to a facility issued a state license pursuant to Chapter 3.5 (commencing with Section 19300) of Division 8, if the physician and surgeon or his or her immediate family have a financial interest in that facility.
- (b) For the purposes of this section, "financial interest" shall have the same meaning as in Section 650.01. A violation of this section shall be a misdemeanor punishable by up to one year in county jail and a fine of up to five thousand dollars (\$5,000) or by civil penalties of up to five thousand dollars (\$5,000) and shall constitute unprofessional conduct.
- (c) A violation of this section shall be a misdemeanor punishable by up to one year in county jail and a fine of up to five thousand dollars (\$5,000) or by civil penalties of up to five thousand dollars (\$5,000) and shall constitute unprofessional conduct.

2525.1.

The Medical Board of California shall consult with the California Marijuana Research Program, known as the Center for Medicinal Cannabis Research, authorized pursuant to Section 11362.9 of the Health and Safety Code, on developing and adopting medical guidelines for the appropriate administration and use of medical cannabis.

2525.2.

An individual who possesses a license in good standing to practice medicine or osteopathy issued by the Medical Board of California or the Osteopathic Medical Board of California shall not recommend medical cannabis to a patient, unless that person is the patient's attending physician, as defined by subdivision (a) of Section 11362.7 of the Health and Safety Code.

2525.3.

Recommending medical cannabis to a patient for a medical purpose without an appropriate prior examination and a medical indication constitutes unprofessional conduct.

2525.4.

It is unprofessional conduct for any attending physician recommending medical cannabis to be employed by, or enter into any other agreement with, any person or entity dispensing medical cannabis.

2525.5.

- (a) A person shall not distribute any form of advertising for physician recommendations for medical cannabis in California unless the advertisement bears the following notice to consumers:

NOTICE TO CONSUMERS: The Compassionate Use Act of 1996 ensures that seriously ill Californians have the right to obtain and use cannabis for medical purposes where medical use is deemed appropriate and has been recommended by a physician who has determined that the person's health would benefit from the use of medical cannabis. Recommendations must come from an attending physician as defined in Section 11362.7 of the Health and Safety Code.

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Cannabis is a Schedule I drug according to the federal Controlled Substances Act. Activity related to cannabis use is subject to federal prosecution, regardless of the protections provided by state law.

- (b) Advertising for attending physician recommendations for medical cannabis shall meet all of the requirements in Section 651. Price advertising shall not be fraudulent, deceitful, or misleading, including statements or advertisements of bait, discounts, premiums, gifts, or statements of a similar nature.

DIVISION 8. SPECIAL BUSINESS REGULATIONS

CHAPTER 3.5. MEDICAL CANNABIS REGULATION AND SAFETY ACT

ARTICLE 1. DEFINITIONS (19300 – 19300.7)

19300.

This act shall be known and may be cited as the Medical Cannabis Regulation and Safety Act.

19300.5.

For purposes of this chapter, the following definitions shall apply:

- (a) "Accrediting body" means a nonprofit organization that requires conformance to ISO/IEC 17025 requirements and is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement for Testing.
- (b) "Applicant," for purposes of Article 4 (commencing with Section 19320), includes the following:
- (1) Owner or owners of the proposed premises, including all persons or entities having ownership interest other than a security interest, lien, or encumbrance on property that will be used by the premises.
 - (2) If the owner is an entity, "owner" includes within the entity each person participating in the direction, control, or management of, or having a financial interest in, the proposed premises.
 - (3) If the applicant is a publicly traded company, "owner" means the chief executive officer or any person or entity with an aggregate ownership interest of 5 percent or more.
- (c) "Batch" means a specific quantity of homogeneous medical cannabis or medical cannabis product and is one of the following types:
- (1) "Harvest batch" means a specifically identified quantity of dried flower or trim, leaves, and other cannabis plant matter that is uniform in strain, harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals, and harvested at the same time.
 - (2) "Manufactured cannabis batch" means either:
 - (A) An amount of cannabis concentrate or extract produced in one production cycle using the same extraction methods and standard operating procedures, and is from the same harvest batch.
 - (B) An amount of a type of manufactured cannabis produced in one production cycle using the same formulation and standard operating procedures.
- (d) "Bureau" means the Bureau of Medical Cannabis Regulation within the Department of Consumer Affairs.
- (e) "Cannabinoid" or "phytocannabinoid" means a chemical compound that is unique to and derived from cannabis.
- (f) "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" also means marijuana as defined by Section 11018 of the Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. "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 chapter, "cannabis" does not mean "industrial hemp" as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.
- (g) "Cannabis concentrate" means manufactured cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this chapter. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.
- (h) "Certificate of accreditation" means a certificate issued by an accrediting body to a testing laboratory.
- (i) "Chief" means Chief of the Bureau of Medical Cannabis Regulation within the Department of Consumer Affairs.
- (j) "Commercial cannabis activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of medical cannabis or a medical cannabis product, except as set forth in Section 19319, related to qualifying patients and primary caregivers.
- (k) "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of medical cannabis.

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- (l) "Cultivation site" means a location where medical cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities.
- (m) "Delivery" means the commercial transfer of medical cannabis or medical cannabis products from a dispensary, up to an amount determined by the bureau to a primary caregiver or qualified patient as defined in Section 11362.7 of the Health and Safety Code, or a testing laboratory. "Delivery" also includes the use by a dispensary of any technology platform owned and controlled by the dispensary, or independently licensed under this chapter, that enables qualified patients or primary caregivers to arrange for or facilitate the commercial transfer by a licensed dispensary of medical cannabis or medical cannabis products.
- (n) "Dispensary" means a premises where medical cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to Section 19340, medical cannabis and medical cannabis products as part of a retail sale.
- (o) "Dispensing" means any activity involving the retail sale of medical cannabis or medical cannabis products from a dispensary.
- (p) "Distribution" means the procurement, sale, and transport of medical cannabis and medical cannabis products between entities licensed pursuant to this chapter.
- (q) "Distributor" means a person licensed under this chapter to engage in the business of purchasing medical cannabis from a licensed cultivator, or medical cannabis products from a licensed manufacturer, for sale to a licensed dispensary.
- (r) "Dried flower" means all dead medical cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- (s) "Edible cannabis product" means manufactured cannabis that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible medical cannabis product is not considered food as defined by Section 109935 of the Health and Safety Code or a drug as defined by Section 109925 of the Health and Safety Code.
- (t) "Fund" means the Medical Cannabis Regulation and Safety Act Fund established pursuant to Section 19351.
- (u) "Identification program" means the universal identification certificate program for commercial medical cannabis activity authorized by this chapter.
- (v) "Labeling" means any label or other written, printed, or graphic matter upon a medical cannabis product, or upon its container or wrapper, or that accompanies any medical cannabis product.
- (w) "Labor peace agreement" means an agreement between a licensee and a bona fide labor organization that, at a minimum, protects the state's proprietary interests by prohibiting labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with the applicant's business. This agreement means that the applicant has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the applicant's employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the applicant's employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under state law, and terms and conditions of employment. This type of agreement shall not mandate a particular method of election or certification of the bona fide labor organization.
- (x) "Licensee" means a person issued a state license under this chapter to engage in commercial cannabis activity.
- (y) "Licensing authority" means the state agency responsible for the issuance, renewal, or reinstatement of the license.
- (z) "Live plants" means living medical cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.
- (aa) "Local license, permit, or other authorization" means an official document granted by a local jurisdiction that specifically authorizes a person to conduct commercial cannabis activity in the local jurisdiction.
- (ab) "Lot" means a batch or a specifically identified portion of a batch.
- (ac) "Manufactured cannabis" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product.
- (ad) "Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of manufactured medical cannabis, as described in subdivision (ae), or medical cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages medical cannabis or medical cannabis products or labels or relabels its container.
- (ae) "Manufacturing site" means the premises that produces, prepares, propagates, or compounds manufactured medical cannabis or medical cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a licensee for these activities.
- (af) "Medical cannabis," "medical cannabis product," or "cannabis product" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by medical cannabis patients in California

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pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this chapter, "medical cannabis" does not include "industrial hemp" as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

- (ag) "Nursery" means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of medical cannabis.
- (ah) "Person" means an 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 includes the plural as well as the singular number.
- (ai) "Primary caregiver" has the same meaning as that term is defined in Section 11362.7 of the Health and Safety Code.
- (aj) "State license" or "license" means a state license issued pursuant to this chapter.
- (ak) "Testing laboratory" means the premises where tests are performed on medical cannabis or medical cannabis products and that holds a valid certificate of accreditation.
- (al) "Topical cannabis" means a product intended for external use. A topical cannabis product is not considered a drug as defined by Section 109925 of the Health and Safety Code.
- (am) "Transport" means the transfer of medical cannabis or medical cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized pursuant to this chapter.
- (an) "Transporter" means a person who holds a license by the bureau to transport medical cannabis or medical cannabis products in an amount above a threshold determined by the bureau between licensees that have been issued a license pursuant to this chapter.

19300.7.

License classifications pursuant to this chapter are as follows:

- (a) Type 1 = Cultivation; Specialty outdoor; Small.
- (b) Type 1A = Cultivation; Specialty indoor; Small.
- (c) Type 1B = Cultivation; Specialty mixed-light; Small.
- (d) Type 2 = Cultivation; Outdoor; Small.
- (e) Type 2A = Cultivation; Indoor; Small.
- (f) Type 2B = Cultivation; Mixed-light; Small.
- (g) Type 3 = Cultivation; Outdoor; Medium.
- (h) Type 3A = Cultivation; Indoor; Medium.
- (i) Type 3B = Cultivation; Mixed-light; Medium.
- (j) Type 4 = Cultivation; Nursery.
- (k) Type 6 = Manufacturer 1.
- (l) Type 7 = Manufacturer 2.
- (m) Type 8 = Testing laboratory.
- (n) Type 10 = Dispensary; General.
- (o) Type 10A = Producing Dispensary; No more than three retail sites.
- (p) Type 11 = Distributor.
- (q) Type 12 = Transporter.

ARTICLE 2. ADMINISTRATION (19302 – 19310)

19302.

There is in the Department of Consumer Affairs the Bureau of Medical Cannabis Regulation, under the supervision and control of the director. The director shall administer and enforce the provisions of this chapter related to the bureau.

19302.1.

- (a) The Governor shall appoint a chief of the bureau, subject to confirmation by the Senate, at a salary to be fixed and determined by the Director of Consumer Affairs with the approval of the Director of Finance. The chief shall serve under the direction and supervision of the director and at the pleasure of the Governor.
- (b) Every power granted to or duty imposed upon the Director of Consumer Affairs under this chapter may be exercised or performed in the name of the director by a deputy or assistant director or by the chief, subject to conditions and limitations that the director may prescribe. In addition to every power granted or duty imposed with this chapter, the director shall have all other powers and duties generally applicable in relation to bureaus that are part of the Department of Consumer Affairs.

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- (c) The Director of Consumer Affairs may employ and appoint all employees necessary to properly administer the work of the bureau, in accordance with civil service laws and regulations. The Governor may also appoint a deputy chief and an assistant chief counsel to the bureau. These positions shall hold office at the pleasure of the Governor.
- (d) The Department of Consumer Affairs shall have the sole authority to create, issue, renew, discipline, suspend, or revoke licenses for the transportation, storage unrelated to manufacturing activities, testing, distribution, and sale of medical cannabis within the state and to collect fees in connection with activities the bureau regulates. The bureau shall have the authority to create licenses in addition to those identified in this chapter that the bureau deems necessary to effectuate its duties under this chapter.
- (e) The Department of Food and Agriculture shall administer the provisions of this chapter related to and associated with the cultivation of medical cannabis and will serve as lead agency for the purpose of fulfilling the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code). The Department of Food and Agriculture shall have the authority to create, issue, renew, discipline, suspend, or revoke licenses for the cultivation of medical cannabis and to collect fees in connection with activities it regulates. The Department of Food and Agriculture shall have the authority to create licenses in addition to those identified in this chapter that it deems necessary to effectuate its duties under this chapter.
- (f) The State Department of Public Health shall administer the provisions of this chapter related to and associated with the manufacturing of medical cannabis. The State Department of Public Health shall have the authority to create, issue, renew, discipline, suspend, or revoke licenses for the manufacturing of medical cannabis and medical cannabis products and to collect fees in connection with activities it regulates. The State Department of Public Health shall have the authority to create licenses in addition to those identified in this chapter that it deems necessary to effectuate its duties under this chapter.

19303.

Protection of the public shall be the highest priority for all licensing authorities in exercising its licensing, regulatory, and disciplinary functions under this chapter. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

19304.

- (a) The licensing authorities shall make and prescribe rules and regulations as may be necessary or proper to carry out the purposes and intent of this chapter and to enable each licensing authority to exercise the powers and duties conferred upon it by this chapter, not inconsistent with any statute of this state, including particularly this chapter and Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the performance of its duties, each licensing authority has the power conferred by Sections 11180 to 11191, inclusive, of the Government Code.
- (b) Each licensing authority may adopt emergency regulations to implement this chapter.
 - (1) Each licensing authority may readopt any emergency regulation authorized by this section that is the same as, or substantially equivalent to, an emergency regulation previously adopted by this section. Any such readoption shall be limited to one time for each regulation.
 - (2) Notwithstanding any other law, the initial adoption of emergency regulations and the readoption of emergency regulations authorized by this section shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The initial emergency regulations and the readopted emergency regulations authorized by this section shall be each submitted to the Office of Administrative Law for filing with the Secretary of State and shall remain in effect for no more than 180 days, by which time final regulations may be adopted.

19305.

Notice of any action of a licensing authority required by this chapter to be given may be signed and given by the director of the licensing authority or an authorized employee of the licensing authority and may be made personally or in the manner prescribed by Section 1013 of the Code of Civil Procedure, or in the manner prescribed by Section 124 of this code.

19306.

- (a) The bureau may convene an advisory committee to advise the bureau and licensing authorities on the development of standards and regulations pursuant to this chapter, including best practices and guidelines to ensure qualified patients have adequate access to medical cannabis and medical cannabis products. The advisory committee members shall be determined by the chief.
- (b) The advisory committee members may include, but not be limited to, representatives of the medical cannabis industry, representatives of medical cannabis cultivators, appropriate local and state agencies, appropriate local and state law enforcement, physicians, environmental and public health experts, and medical cannabis patient advocates.

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19307.

A licensing authority may make or cause to be made such investigation as it deems necessary to carry out its duties under this chapter. A licensing authority may work with state and local law enforcement agencies on investigations and enforcement actions pertaining to licenses.

For any hearing held pursuant to this chapter, the director, or a licensing authority, may delegate the power to hear and decide to an administrative law judge. Any hearing before an administrative law judge shall be pursuant to the procedures, rules, and limitations prescribed in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

19308.

For any hearing held pursuant to this chapter, the director, or a licensing authority, may delegate the power to hear and decide to an administrative law judge. Any hearing before an administrative law judge shall be pursuant to the procedures, rules, and limitations prescribed in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

19309.

In any hearing before a licensing authority pursuant to this chapter, the licensing authority may pay any person appearing as a witness at the hearing at the request of the licensing authority pursuant to a subpoena, his or her actual, necessary, and reasonable travel, food, and lodging expenses, not to exceed the amount authorized for state employees.

19310.

A licensing authority may on its own motion at any time before a penalty assessment is placed into effect and without any further proceedings, review the penalty, but such review shall be limited to its reduction.

ARTICLE 3. ENFORCEMENT (19311 – 19319)

19311.

Grounds for disciplinary action: include, but are not limited to, the following:

- (a) Failure to comply with the provisions of this chapter or any rule or regulation adopted pursuant to this chapter.
- (b) Conduct that constitutes grounds for denial of licensure pursuant to Chapter 3 (commencing with Section 490) of Division 1.5.
- (c) Any other grounds contained in regulations adopted by a licensing authority pursuant to this chapter.
- (d) Failure to comply with any state law, except as provided for in this chapter or other California law.
- (e) Failure to maintain safe conditions for inspection by a licensing authority.
- (f) Failure to comply with any operating procedure submitted to the licensing authority pursuant to subdivision (b) of Section 19322.

19312.

- (a)
 - (1) Each licensing authority may suspend, revoke, place on probation with terms and conditions, or otherwise discipline licenses issued by that licensing authority and fine a licensee, after proper notice and hearing to the licensee, if the licensee is found to have committed any of the acts or omissions constituting grounds for disciplinary action.
 - (2) A licensing authority may revoke a license when a local agency has notified the licensing authority that a licensee or applicant within its jurisdiction is in violation of state rules and regulation relating to commercial cannabis activities, and the licensing authority, through an investigation, has determined that the violation is grounds for termination or revocation of the license.
- (b) The disciplinary proceedings under this chapter shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director and agency head, as that term is defined in Section 11405.40 of the Government Code, of each licensing authority shall have all the powers granted therein.
- (c) Each licensing authority may take disciplinary action and assess fines against its respective licensees for any violation of this chapter when the violation was committed by the licensee's agent or employee while acting on behalf of the licensee or engaged in commercial cannabis activity.
- (d) A licensing authority may recover the costs of investigation and enforcement of a disciplinary proceeding pursuant to Section 125.3 of this code.

19313.5.

Upon suspension or revocation of a license, the licensing authority shall inform the bureau. The bureau shall then inform all other licensing authorities and the Department of Food and Agriculture.

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19314.

All accusations against licensees shall be filed by the licensing authority within five years after the performance of the act or omission alleged as the ground for disciplinary action; provided, however, that the foregoing provision shall not constitute a defense to an accusation alleging fraud or misrepresentation as a ground for disciplinary action. The cause for disciplinary action in such case shall not be deemed to have accrued until discovery, by the licensing authority, of the facts constituting the fraud or misrepresentation, and, in such case, the accusation shall be filed within five years after such discovery.

19315.

- (a) Nothing in this chapter shall be interpreted to supersede or limit existing local authority for law enforcement activity, enforcement of local zoning requirements or local ordinances, or enforcement of local license, permit, or other authorization requirements.
- (b) Nothing in this chapter shall be interpreted to require a licensing authority to undertake local law enforcement responsibilities, enforce local zoning requirements, or enforce local licensing, permitting, or other authorization requirements.
- (c) Nothing in this chapter shall be interpreted to supersede or limit state agencies from exercising their existing enforcement authority under the Fish and Game Code, the Water Code, the Food and Agricultural Code, or the Health and Safety Code.

19316.

- (a) Pursuant to Section 7 of Article XI of the California Constitution, a city, county, or city and county may adopt ordinances that establish additional standards, requirements, and regulations for local licenses and permits for commercial cannabis activity. Any standards, requirements, and regulations regarding health and safety, testing, security, and worker protections established by the state shall be the minimum standards for all licensees statewide.
- (b) For facilities issued a state license that are located within the incorporated area of a city, the city shall have full power and authority to enforce this chapter and the regulations promulgated by the bureau or any licensing authority, if delegated by the state. Notwithstanding Sections 101375, 101400, and 101405 of the Health and Safety Code or any contract entered into pursuant thereto, or any other law, the city shall further assume complete responsibility for any regulatory function relating to those licensees within the city limits that would otherwise be performed by the county or any county officer or employee, including a county health officer, without liability, cost, or expense to the county.
- (c) Nothing in this chapter, or any regulations promulgated thereunder, shall be deemed to limit the authority or remedies of a city, county, or city and county under any provision of law, including, but not limited to, Section 7 of Article XI of the California Constitution.

19317.

- (a) The actions of a licensee, its employees, and its agents that are (1) permitted pursuant to both a state license and a license or permit issued by the local jurisdiction following the requirements of the applicable local ordinances, and (2) conducted in accordance with the requirements of this chapter and regulations adopted pursuant to this chapter, are not unlawful under state law and shall not be an offense subject to arrest, prosecution, or other sanction under state law, or be subject to a civil fine or be a basis for seizure or forfeiture of assets under state law.
- (b) The actions of a person who, in good faith, allows his or her property to be used by a licensee, its employees, and its agents, as permitted pursuant to both a state license and a local license or permit following the requirements of the applicable local ordinances, are not unlawful under state law and shall not be an offense subject to arrest, prosecution, or other sanction under state law, or be subject to a civil fine or be a basis for seizure or forfeiture of assets under state law.

19319.

- (a) A qualified patient, as defined in Section 11362.7 of the Health and Safety Code, who cultivates, possesses, stores, manufactures, or transports cannabis exclusively for his or her personal medical use but who does not provide, donate, sell, or distribute cannabis to any other person is not thereby engaged in commercial cannabis activity and is therefore exempt from the licensure requirements of this chapter.
- (b) A primary caregiver who cultivates, possesses, stores, manufactures, transports, donates, or provides cannabis exclusively for the personal medical purposes of no more than five specified qualified patients for whom he or she is the primary caregiver within the meaning of Section 11362.7 of the Health and Safety Code, but who does not receive remuneration for these activities except for compensation in full compliance with subdivision (c) of Section 11362.765 of the Health and Safety Code, is exempt from the licensure requirements of this chapter.

ARTICLE 4. LICENSING (19320 – 19325)

19320.

- (a) All commercial cannabis activity shall be conducted between licensees, except as otherwise provided in this chapter.

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- (b) Licensing authorities administering this chapter may issue state licenses only to qualified applicants engaging in commercial cannabis activity pursuant to this chapter. Upon the date of implementation of regulations by the licensing authority, no person shall engage in commercial cannabis activity without possessing both a state license and a local permit, license, or other authorization. A licensee shall not commence activity under the authority of a state license until the applicant has obtained, in addition to the state license, a local license, permit, or other authorization from the local jurisdiction in which he or she proposes to operate, following the requirements of the applicable local ordinance.
- (c) Each licensee shall obtain a separate license for each location where it engages in commercial medical cannabis activity. However, transporters only need to obtain licenses for each physical location where the licensee conducts business while not in transport or where any equipment that is not currently transporting medical cannabis or medical cannabis products permanently resides.
- (d) Revocation of a local license, permit, or other authorization shall terminate the ability of a medical cannabis business to operate within that local jurisdiction until the local jurisdiction reinstates or reissues the local license, permit, or other authorization. Local authorities shall notify the bureau upon revocation of a local license, permit, or other authorization. The bureau shall inform relevant licensing authorities.
- (e) Revocation of a state license shall terminate the ability of a medical cannabis licensee to operate within California until the licensing authority reinstates or reissues the state license.
- (f) In addition to the provisions of this chapter, local jurisdictions retain the power to assess fees and taxes, as applicable, on facilities that are licensed pursuant to this chapter and the business activities of those licensees.
- (g) Nothing in this chapter shall be construed to supersede or limit state agencies, including the Department of Food and Agriculture, the State Water Resources Control Board, and the Department of Fish and Wildlife, from establishing fees to support their medical cannabis regulatory programs.

19321.

- (a) A license issued pursuant to this chapter shall be valid for 12 months from the date of issuance. The license shall be renewed annually. Each licensing authority shall establish procedures for the renewal of a license.
- (b) Notwithstanding subdivision (b) of Section 19320, the premises or person that is operating in compliance with local zoning ordinances and other state and local requirements on or before January 1, 2018, may continue its operations until its application for licensure is approved or denied pursuant to this chapter only if (1) a completed application and all required documentation and approvals for licensure are submitted to the licensing authority no later than the deadline established by the licensing authority and (2) the applicant continues to operate in compliance with all local and state requirements, except possession of a state license pursuant to this chapter. In issuing licenses, the licensing authority shall prioritize any premises or person that can demonstrate to the authority's satisfaction that the premises or person was in operation and in good standing with the local jurisdiction by January 1, 2016.
- (c) Issuance of a state license or a determination of compliance with local law by the licensing authority shall in no way limit the ability of the City of Los Angeles to prosecute any person or entity for a violation of, or otherwise enforce, Proposition D, approved by the voters of the City of Los Angeles on the May 21, 2013, ballot for the city, or the city's zoning laws. Nor may issuance of a license or determination of compliance with local law by the licensing authority be deemed to establish, or be relied upon, in determining satisfaction with the immunity requirements of Proposition D or local zoning law, in court or in any other context or forum.

19322.

- (a) A person shall not submit an application for a state license issued by a licensing authority pursuant to this chapter unless that person has received a license, permit, or authorization from the local jurisdiction. An applicant for any type of state license issued pursuant to this chapter shall do all of the following:
 - (1) Electronically submit to the Department of Justice fingerprint images and related information required by the Department of Justice for the purpose of obtaining information as to the existence and content of a record of state or federal convictions and arrests, and information as to the existence and content of a record of state or federal convictions and arrests for which the Department of Justice establishes that the person is free on bail or on his or her own recognizance, pending trial or appeal.
 - (A) The Department of Justice shall provide a response to the licensing authority pursuant to paragraph (1) of subdivision (p) of Section 11105 of the Penal Code.
 - (B) The licensing authority shall request from the Department of Justice subsequent notification service, as provided pursuant to Section 11105.2 of the Penal Code, for applicants.
 - (C) The Department of Justice shall charge the applicant a fee sufficient to cover the reasonable cost of processing the requests described in this paragraph.
 - (2) Provide documentation issued by the local jurisdiction in which the proposed business is operating certifying that the applicant is or will be in compliance with all local ordinances and regulations.

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- (3) Provide evidence of the legal right to occupy and use the proposed location. For an applicant seeking a cultivator, distributor, manufacturing, testing, transporter, or dispensary license, provide a statement from the owner of real property or their agent where the cultivation, distribution, manufacturing, testing, transport, or dispensing of commercial medical cannabis activities will occur, as proof to demonstrate the landowner has acknowledged and consented to permit cultivation, distribution, manufacturing, testing, transport, or dispensary activities to be conducted on the property by the tenant applicant.
 - (4) If the application is for a cultivator or a dispensary, provide evidence that the proposed location is located beyond at least a 600-foot radius from a school, as required by Section 11362.768 of the Health and Safety Code.
 - (5) Provide a statement, signed by the applicant under penalty of perjury, that the information provided is complete, true, and accurate.
 - (6)
 - (A) For an applicant with 20 or more employees, provide a statement that the applicant will enter into, or demonstrate that it has already entered into, and abide by the terms of a labor peace agreement.
 - (B) For the purposes of this paragraph, "employee" does not include a supervisor.
 - (C) For purposes of this paragraph, "supervisor" means an individual having authority, in the interest of the licensee, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibility to direct them or to adjust their grievances, or effectively to recommend such action, if, in connection with the foregoing, the exercise of that authority is not of a merely routine or clerical nature, but requires the use of independent judgment.
 - (7) Provide the applicant's valid seller's permit number issued pursuant to Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code or indicate that the applicant is currently applying for a seller's permit.
 - (8) Provide any other information required by the licensing authority.
 - (9) For an applicant seeking a cultivation license, provide a statement declaring the applicant is an "agricultural employer," as defined in the Alatorre-Zenovich-Dunlap-Berman Agricultural Labor Relations Act of 1975 (Part 3.5 (commencing with Section 1140) of Division 2 of the Labor Code), to the extent not prohibited by law.
 - (10) Pay all applicable fees required for licensure by the licensing authority.
 - (11) Provide proof of a bond to cover the costs of destruction of medical cannabis or medical cannabis products if necessitated by a violation of licensing requirements.
- (b) For applicants seeking licensure to cultivate, distribute, manufacture, test, or dispense medical, cannabis or medical cannabis products, the application shall also include a detailed description of the applicant's operating procedures for all of the following, as required by the licensing authority:
- (1) Cultivation.
 - (2) Extraction and infusion methods.
 - (3) The transportation process.
 - (4) Inventory procedures.
 - (5) Quality control procedures.
 - (6) Security protocols.

19323.

- (a) A licensing authority shall deny an application if the applicant or the premises for which a state license is applied does not qualify for licensure under this chapter or the rules and regulations for the state license.
- (b) A licensing authority may deny an application for licensure or renewal of a state license, or issue a conditional license, if any of the following conditions apply:
 - (1) Failure to comply with the provisions of this chapter or any rule or regulation adopted pursuant to this chapter, including but not limited to, any requirement imposed to protect natural resources, instream flow, and water quality pursuant to subdivision (a) of Section 19332.
 - (2) Conduct that constitutes grounds for denial of licensure pursuant to Chapter 2 (commencing with Section 480) of Division 1.5.
 - (3) The applicant has failed to provide information required by the licensing authority.
 - (4) The applicant or licensee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the licensing authority determines that the applicant or licensee is otherwise suitable to be issued a license and granting the license would not compromise public safety, the licensing authority shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, and shall evaluate the suitability of the applicant or licensee to be issued a license based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the licensing authority shall include, but not be limited to, the following:

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- (A) A felony conviction for the illegal possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance.
- (B) A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.
- (C) A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.
- (D) A felony conviction involving fraud, deceit, or embezzlement.
- (5) The applicant, or any of its officers, directors, or owners, is a licensed physician making patient recommendations for medical cannabis pursuant to Section 11362.7 of the Health and Safety Code.
- (6) The applicant or any of its officers, directors, or owners has been subject to fines or penalties for cultivation or production of a controlled substance on public or private lands pursuant to Section 12025 or 12025.1 of the Fish and Game Code.
- (7) The applicant, or any of its officers, directors, or owners, has been sanctioned by a licensing authority or a city, county, or city and county for unlicensed commercial cannabis activities or has had a license revoked under this chapter in the three years immediately preceding the date the application is filed with the licensing authority.
- (8) Failure to obtain and maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.
- (9) The applicant or any of its officers, directors, owners, employees, or authorized agents have failed to comply with any operating procedure required pursuant to subdivision (b) of Section 19322.
- (10) Conduct that constitutes grounds for disciplinary action pursuant to this chapter.

19324.

Upon the denial of any application for a license, the licensing authority shall notify the applicant in writing. Within 30 days of service of the notice, the applicant may file a written petition for a license with the licensing authority. Upon receipt of a timely filed petition, the licensing authority shall set the petition for hearing. The hearing shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director of each licensing authority shall have all the powers granted therein.

19325.

An applicant shall not be denied a state license if the denial is based solely on any of the following:

- (a) A conviction or act that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made for which the applicant or licensee has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code.
- (b) A conviction that was subsequently dismissed pursuant to Section 1203.4, 1203.4a, or 1203.41 of the Penal Code.

ARTICLE 5. MEDICAL MARIJUANA REGULATION (19326 – 19330)

19326.

- (a) A person other than a transporter shall not transport medical cannabis or medical cannabis products from one licensee to another licensee, unless otherwise specified in this chapter.
- (b)
 - (1) All cultivators, manufacturers, and licensees holding a producing dispensary license in addition to a cultivation or manufacturing license shall send all medical cannabis and medical cannabis products cultivated or manufactured to a distributor, as defined in Section 19300.5, for presale quality assurance and inspection by a distributor and for a batch testing by a testing laboratory prior to distribution to a dispensary.
 - (2) Notwithstanding paragraph (1), a cultivator shall not be required to send medical cannabis to a distributor if the medical cannabis is to be used, sold, or otherwise distributed by methods approved pursuant to this chapter by a manufacturer for further manufacturing.
- (c)
 - (1) Upon receipt of medical cannabis or medical cannabis products, from a cultivator, manufacturer, or a licensee holding a producing dispensary license in addition to a cultivation or a manufacturing license, the distributor shall first inspect the product to ensure the identity and quantity of the product and ensure a random sample of the medical cannabis or medical cannabis product is tested by a testing laboratory.
 - (2) Upon issuance of a certificate of analysis by the testing laboratory that the product is fit for dispensing medical cannabis and medical cannabis products shall undergo a quality assurance review by the distributor prior to distribution to ensure the quantity and content of the medical cannabis or medical cannabis product, and for tracking and taxation purposes by the state.
 - (3) This section does not limit the ability of licensed cultivators, manufacturers, and dispensaries to directly enter into contracts with one another indicating the price and quantity of medical cannabis or medical cannabis products to be distributed. However, a distributor responsible for executing the contract is authorized to collect a fee for the services

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rendered, including, but not limited to, costs incurred by a testing laboratory, as well as applicable state or local taxes and fees.

- (d) Medical cannabis and medical cannabis products shall be tested by a licensed testing laboratory, prior to dispensing, pursuant to Section 19344.
- (e) This chapter shall not prohibit a licensee from performing testing on the licensee's premises for the purposes of quality assurance of the product in conjunction with reasonable business operations. On-site testing by the licensee shall not be certified by the Bureau of Medical Cannabis Regulation.

19327.

- (a) A licensee shall keep accurate records of commercial cannabis activity.
- (b) All records related to commercial cannabis activity shall be maintained for a minimum of seven years.
- (c) Licensing authorities may examine the records of licensees and inspect the premises of a licensee as the licensing authority or a state or local agency deems necessary to perform its duties under this chapter. All inspections and examination of records shall be conducted during standard business hours of the licensed facility or at any other reasonable time. Licensees shall provide and deliver records to the licensing authority upon request.
- (d) Licensees shall keep records identified by the licensing authorities on the premises of the location licensed.
- (e) A licensee or its agent, or employee that refuses, impedes, obstructs, or interferes with an inspection of the premises or records of the licensee pursuant to this section has engaged in a violation of this chapter.
- (f) If a licensee, its agent, or an employee of a licensee fails to maintain or provide the records required pursuant to this section, the licensee may be subject to a citation and fine of thirty thousand dollars (\$30,000) per individual violation.

19328.

- (a) Except as provided in paragraphs (9) and (10), a licensee may only hold a state license in up to two separate license categories, as follows:
 - (1) Type 1, 1A, 1B, 2, 2A, or 2B licensees may also hold either a Type 6 or 7 state license.
 - (2) Type 6 or 7 licensees, or a combination thereof, may also hold either a Type 1, 1A, 1B, 2, 2A, or 2B state license.
 - (3) Type 6 or 7 licensees, or a combination thereof, may also hold a Type 10A state license.
 - (4) Type 10A licensees may also hold either a Type 6 or 7 state license, or a combination thereof.
 - (5) Type 1, 1A, 1B, 2, 2A, or 2B licensees, or a combination thereof, may also hold a Type 10A state license.
 - (6) Type 10A licensees may hold a Type 1, 1A, 1B, 2, 2A, or 2B state license, or a combination thereof.
 - (7) Type 11 licensees shall also hold a Type 12 state license, but shall not hold any other type of state license.
 - (8) Type 12 licensees may hold a Type 11 state license.
 - (9) A Type 10A licensee may hold a Type 6 or 7 state license and may also hold a 1, 1A, 1B, 2, 2A, 2B, 3, 3A, 3B, 4 or combination thereof if, under the 1, 1A, 1B, 2, 2A, 2B, 3, 3A, 3B, 4 or combination of licenses thereof, no more than four acres of total canopy size of cultivation by the licensee is occurring throughout the state during the period that the respective licenses are valid. All cultivation pursuant to this section shall comply with local ordinances. This paragraph shall become inoperative on January 1, 2026.
- (10) All cultivators and manufacturers may hold a Type 12 transporter license. All cultivators and manufacturers who are issued Type 12 transporter licenses shall comply with the following:
 - (A) Cultivators shall only transport medical cannabis from a cultivation site to a manufacturer or a distributor.
 - (B) Manufacturers shall only transport medical cannabis and medical cannabis products as follows:
 - (i) Between a cultivation site and a manufacturing site.
 - (ii) Between a manufacturing site and a manufacturing site.
 - (iii) Between a manufacturing site and a distributor.
- (b) Except as provided in subdivision (a), a person or entity that holds a state license is prohibited from licensure for any other activity authorized under this chapter, and is prohibited from holding an ownership interest in real property, personal property, or other assets associated with or used in any other license category.
- (c)
 - (1) In a jurisdiction that adopted a local ordinance, prior to July 1, 2015, requiring qualified businesses to cultivate, manufacture, and dispense medical cannabis or medical cannabis products, with all commercial cannabis activity being conducted by a single qualified business, upon licensure that business shall not be subject to subdivision (a) if it meets all of the following conditions:
 - (A) The business was cultivating, manufacturing, and dispensing medical cannabis or medical cannabis products on, January 1, 2016, and has continuously done so since that date.
 - (B) The business has been in full compliance with all applicable local ordinances at all times prior to licensure.
 - (C) The business is registered with the State Board of Equalization for tax purposes.

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- (2) A business licensed pursuant to paragraph (1) is not required to conduct all cultivation or manufacturing within the bounds of a local jurisdiction, but all cultivation and manufacturing shall have commenced prior to January 1, 2016, and have been in full compliance with applicable local ordinances.
- (d) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

19329.

A licensee shall not also be licensed as a retailer of alcoholic beverages pursuant to Division 9 (commencing with Section 23000).

19330.

This chapter and Article 2 (commencing with Section 11357) and Article 2.5 (commencing with Section 11362.7) of Chapter 6 of Division 10 of the Health and Safety Code shall not interfere with an employer's rights and obligations to maintain a drug and alcohol free workplace or require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growth of cannabis in the workplace or affect the ability of employers to have policies prohibiting the use of cannabis by employees and prospective employees, or prevent employers from complying with state or federal law.

ARTICLE 6. LICENSED CULTIVATION SITES (19332 – 19333)

19332.

- (a) The Department of Food and Agriculture shall promulgate regulations governing the licensing of indoor and outdoor commercial cultivation sites.
- (b) The Department of Pesticide Regulation shall develop guidelines for the use of pesticides in the cultivation of cannabis and residue in harvested cannabis.
- (c) The Department of Food and Agriculture shall serve as the lead agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) related to the licensing of cannabis cultivation.
- (d) Pursuant to Section 13149 of the Water Code, the State Water Resources Control Board, in consultation with the Department of Fish and Wildlife and the Department of Food and Agriculture, shall ensure that individual and cumulative effects of water diversion and discharge associated with cultivation of cannabis do not affect the instream flows needed for fish spawning, migration, and rearing, and the flows needed to maintain natural flow variability.
- (e) The Department of Food and Agriculture shall have the authority necessary for the implementation of the regulations it adopts pursuant to this chapter. The regulations shall do all of the following:
 - (1) Provide that weighing or measuring devices used in connection with the sale or distribution of medical cannabis are required to meet standards equivalent to Division 5 (commencing with Section 12001).
 - (2) Require that cannabis cultivation by licensees is conducted in accordance with state and local laws. Nothing in this chapter, and no regulation adopted by the department, shall be construed to supersede or limit the authority of the State Water Resources Control Board, regional water quality control boards, or the Department of Fish and Wildlife to implement and enforce their statutory obligations or to adopt regulations to protect water quality, water supply, and natural resources.
 - (3) Establish procedures for the issuance and revocation of unique identifiers for activities associated with a cannabis cultivation license, pursuant to Article 8 (commencing with Section 19337). All cannabis shall be labeled with the unique identifier issued by the Department of Food and Agriculture.
 - (4) Prescribe standards, in consultation with the bureau, for the reporting of information as necessary related to unique identifiers, pursuant to Article 8 (commencing with Section 19337).
- (f) The Department of Pesticide Regulation shall require that the application of pesticides or other pest control in connection with the indoor or outdoor cultivation of medical cannabis complies with Division 6 (commencing with Section 11401) of the Food and Agricultural Code and its implementing regulations.
- (g) State cultivator license types issued by the Department of Food and Agriculture may include:
 - (1) Type 1, or "specialty outdoor," for outdoor cultivation using no artificial lighting of less than or equal to 5,000 square feet of total canopy size on one premises, or up to 50 mature plants on noncontiguous plots.
 - (2) Type 1A, or "specialty indoor," for indoor cultivation using exclusively artificial lighting of between 501 and 5,000 square feet of total canopy size on one premises.
 - (3) Type 1B, or "specialty mixed-light," for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, of between 2,501 and 5,000 square feet of total canopy size on one premises.
 - (4) Type 1C, or "specialty cottage," for cultivation using a combination of natural and supplemental artificial light at a maximum threshold to be determined by the licensing authority, of 2,500 square feet or less of total canopy size for

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mixed-light cultivation, up to 25 mature plants for outdoor cultivation, or 500 square feet or less of total canopy size for indoor cultivation, on one premises.

- (5) Type 2, or "small outdoor," for outdoor cultivation using no artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.
- (6) Type 2A, or "small indoor," for indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.
- (7) Type 2B, or "small mixed-light," for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.
- (8) Type 3, or "outdoor," for outdoor cultivation using no artificial lighting from 10,001 square feet to one acre, inclusive, of total canopy size on one premises. The Department of Food and Agriculture shall limit the number of licenses allowed of this type.
- (9) Type 3A, or "indoor," for indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises. The Department of Food and Agriculture shall limit the number of licenses allowed of this type.
- (10) Type 3B, or "mixed-light," for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises. The Department of Food and Agriculture shall limit the number of licenses allowed of this type.
- (11) Type 4, or "nursery," for cultivation of medical cannabis solely as a nursery. Type 4 licensees may transport live plants, if the licensee also holds a Type 12 transporter license issued pursuant to this chapter.

19332.2.

- (a) An application for a license for indoor or outdoor cultivation shall identify the source of water supply.
 - (1)
 - (A) If water will be supplied by a retail water supplier, as defined in Section 13575 of the Water Code, the application shall identify the retail water supplier.
 - (B) Paragraphs (2) and (3) shall not apply to any water subject to subparagraph (A) unless the retail water supplier has 10 or fewer customers, the applicant receives 10 percent or more of the water supplied by the retail water supplier, 25 percent or more of the water delivered by the retail water supplier is used for cannabis cultivation, or the applicant and the retail water supplier are affiliates, as defined in Section 2814.20 of Title 23 of the California Code of Regulations.
 - (2) If the water supply includes a diversion within the meaning of Section 5100 of the Water Code, the application shall identify the point of diversion and maximum amount to be diverted.
 - (3) If water will be supplied from a groundwater extraction not subject to paragraph (2), the application shall identify the location of the extraction and the maximum amount to be diverted for cannabis cultivation in any year.
- (b) An application for a license issued by the Department of Food and Agriculture before January 1, 2020, shall include one of the following:
 - (1) A copy of a registration, permit, or license issued under Part 2 (commencing with Section 1200) of Division 2 of the Water Code that covers the diversion.
 - (2) A copy of a statement of water diversion and use, filed with the State Water Resources Control Board before July 1, 2017, that covers the diversion and specifies the amount of water used for cannabis cultivation.
 - (3) A copy of a pending application for a permit to appropriate water, filed with the State Water Resources Control Board before July 1, 2017.
 - (4) Documentation, submitted to the State Water Resources Control Board before July 1, 2017, establishing that the diversion is subject to subdivision (a), (c), (d) or (e) of Section 5101 of the Water Code.
 - (5) Documentation, submitted to the State Water Resources Control Board before July 1, 2017, establishing that the diversion is authorized under a riparian right and that no diversion occurred after January 1, 2010, and before January 1, 2017.
- (c) An application for a cultivation license issued after December 31, 2019, shall include one of the following:
 - (1) A copy of a registration, permit, or license issued under Part 2 (commencing with Section 1200) of Division 2 of the Water Code that covers the diversion.
 - (2) A copy of a statement of water diversion and use, filed with the State Water Resources Control Board, that covers the diversion.
 - (3) Documentation, submitted to the State Water Resources Control Board, establishing that the diversion is subject to subdivision (a), (c), (d) or (e) of Section 5101 of the Water Code.

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- (4) Documentation, submitted to the State Water Resources Control Board, establishing that the diversion is authorized under a riparian right and that no diversion occurred in any calendar year between January 1, 2010, and the calendar year in which the application is submitted.
- (d) The Department of Food and Agriculture shall include in any license for cultivation requirements for compliance with applicable principles, guidelines, and requirements established under Section 13149 of the Water Code.
- (e) The Department of Food and Agriculture shall include in any license for cultivation any relevant mitigation requirements the Department of Food and Agriculture identifies as part of its approval of the final environmental documentation for the cannabis cultivation licensing program as requirements that should be included in a license for cultivation. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the identification of these mitigation measures.
- (f) Every license for cultivation shall include a condition that the license shall not be effective until the licensee has complied with Section 1602 of the Fish and Game Code or receives written verification from the Department of Fish and Wildlife that a streambed alteration agreement is not required.
- (g) The Department of Food and Agriculture shall consult with the State Water Resources Control Board and the Department of Fish and Wildlife in the implementation of this section.

19332.5.

- (a) Not later than January 1, 2020, the Department of Food and Agriculture shall make available a certified organic designation and organic certification program for medical cannabis cultivation, if permitted under federal law and the National Organic Program (Section 6517 of the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec. 6501 et seq.)), and Article 7 (commencing with Section 110810) of Chapter 5 of Part 5 of Division 104 of the Health and Safety Code.
- (b) The Department of Food and Agriculture may establish appellations of origin for cannabis grown in California.
- (c) It is unlawful for medical cannabis to be marketed, labeled, or sold as grown in a California county when the medical cannabis was not grown in that county.
- (d) It is unlawful to use the name of a California county in the labeling, marketing, or packaging of medical cannabis products unless the product was grown in that county.

19333.

An employee engaged in commercial cannabis cultivation activity shall be subject to Wage Order 4-2001 of the Industrial Welfare Commission.

ARTICLE 7. LICENSED DISTRIBUTORS, DISPENSARIES, AND TRANSPORTERS (19334 – 19334)

19334.

- (a) State licenses to be issued by the Department of Consumer Affairs are as follows:
 - (1) "Dispensary," Type 10 license as defined in this chapter. This license shall allow for delivery pursuant to Section 19340.
 - (2) "Distributor," Type 11 license for the distribution of medical cannabis and medical cannabis products from manufacturer to dispensary. A distributor licensee shall hold a Type 12 or transporter license. Each location where product is stored for the purposes of distribution must be individually licensed. A distributor licensee shall not hold a license in a cultivation, manufacturing, dispensing, or testing license category and shall not own, or have an ownership interest in, premises licensed in those categories other than a security interest, lien, or encumbrance on property that is used by a licensee. A distributor shall be bonded and insured at a minimum level established by the licensing authority.
 - (3) "Producing dispensary," Type 10A for dispensers who have no more than three licensed dispensary facilities and wish to hold either a cultivation or manufacturing license or both. This license shall allow for delivery where expressly authorized by local ordinance. Each dispensary must be individually licensed.
 - (4) "Transport," Type 12 license for transporters of medical cannabis or medical cannabis products between licensees. A Type 12 licensee shall be bonded and insured at a minimum level established by the licensing authority.
- (b) The bureau shall establish minimum security requirements for the commercial transportation, storage, and delivery of medical cannabis and medical cannabis products.
- (c) The State Department of Public Health shall establish minimum security requirements for the storage of medical cannabis products at the manufacturing site.
- (d) A licensed dispensary shall implement sufficient security measures to both deter and prevent unauthorized entrance into areas containing medical cannabis or medical cannabis products and theft of medical cannabis or medical cannabis products at the dispensary. These security measures shall include, but not be limited to, all of the following:
 - (1) Preventing individuals from remaining on the premises of the dispensary if they are not engaging in activity expressly related to the operations of the dispensary.

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- (2) Establishing limited access areas accessible only to authorized dispensary personnel.
- (3) Storing all finished medical cannabis and medical cannabis products in a secured and locked room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes, samples, or immediate sale.
- (e) A dispensary shall notify the licensing authority and the appropriate law enforcement authorities within 24 hours after discovering any of the following:
 - (1) Significant discrepancies identified during inventory. The level of significance shall be determined by the bureau.
 - (2) Diversion, theft, loss, or any criminal activity pertaining to the operation of the dispensary.
 - (3) Diversion, theft, loss, or any criminal activity by any agent or employee of the dispensary pertaining to the operation of the dispensary.
 - (4) The loss or unauthorized alteration of records related to medical cannabis or medical cannabis products, registered qualifying patients, primary caregivers, or dispensary employees or agents.
 - (5) Any other breach of security.

ARTICLE 7.5 UNIQUE IDENTIFIER AND TRACK AND TRACE PROGRAM (19335 – 19336)

19335.

- (a) The Department of Food and Agriculture, in consultation with the bureau, shall establish a track and trace program for reporting the movement of medical cannabis items throughout the distribution chain that utilizes a unique identifier pursuant to Section 11362.777 of the Health and Safety Code and secure packaging and is capable of providing information that captures, at a minimum, all of the following:
 - (1) The licensee receiving the product.
 - (2) The transaction date.
 - (3) The cultivator from which the product originates, including the associated unique identifier, pursuant to Section 11362.777 of the Health and Safety Code.
- (b)
 - (1) The Department of Food and Agriculture, in consultation with the State Board of Equalization, shall create an electronic database containing the electronic shipping manifests to facilitate the administration of the track and trace program, which shall include, but not be limited to, the following information:
 - (A) The quantity, or weight, and variety of products shipped.
 - (B) The estimated times of departure and arrival.
 - (C) The quantity, or weight, and variety of products received.
 - (D) The actual time of departure and arrival.
 - (E) A categorization of the product.
 - (F) The license number and the unique identifier pursuant to Section 11362.777 of the Health and Safety Code issued by the licensing authority for all licensees involved in the shipping process, including, but not limited to, cultivators, manufacturers, transporters, distributors, and dispensaries.
 - (2)
 - (A) The database shall be designed to flag irregularities for all licensing authorities in this chapter to investigate. All licensing authorities pursuant to this chapter may access the database and share information related to licensees under this chapter, including social security and individual taxpayer identifications notwithstanding Section 30.
 - (B) The Department of Food and Agriculture shall immediately inform the bureau upon the finding of an irregularity or suspicious finding related to a licensee, applicant, or commercial cannabis activity for investigatory purposes.
 - (3) Licensing authorities and state and local agencies may, at any time, inspect shipments and request documentation for current inventory.
 - (4) The bureau shall have 24-hour access to the electronic database administered by the Department of Food and Agriculture. The State Board of Equalization shall have read access to the electronic database for the purpose of taxation and regulation of medical cannabis and medical cannabis products.
 - (5) The Department of Food and Agriculture shall be authorized to enter into memoranda of understandings with licensing authorities for data sharing purposes, as deemed necessary by the Department of Food and Agriculture.
 - (6) Information received and contained in records kept by the Department of Food and Agriculture or licensing authorities for the purposes of administering this chapter are confidential and shall not be disclosed pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), except as necessary for authorized employees of the State of California or any city, county, or city and county to perform official duties pursuant to this chapter or a local ordinance.
 - (7) Upon the request of a state or local law enforcement agency, licensing authorities shall allow access to or provide information contained within the database to assist law enforcement in their duties and responsibilities pursuant to this chapter.

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19336.

- (a) Chapter 4 (commencing with Section 55121) of Part 30 of Division 2 of the Revenue and Taxation Code shall apply with respect to the bureau's collection of the fees, civil fines, and penalties imposed pursuant to this chapter.
- (b) Chapter 8 (commencing with Section 55381) of Part 30 of Division 2 of the Revenue and Taxation Code shall apply with respect to the disclosure of information under this chapter.

ARTICLE 8. LICENSED TRANSPORTERS (19337 – 19338)

19337.

- (a) A licensee authorized to transport medical cannabis and medical cannabis products between licenses shall do so only as set forth in this chapter.
- (b) Prior to transporting medical cannabis or medical cannabis products, a licensed transporter of medical cannabis or medical cannabis products shall do both of the following:
 - (1) Complete an electronic shipping manifest as prescribed by the licensing authority. The shipping manifest must include the unique identifier, pursuant to Section 11362.777 of the Health and Safety Code, issued by the Department of Food and Agriculture for the original cannabis product.
 - (2) Securely transmit the manifest to the bureau and the licensee that will receive the medical cannabis product. The bureau shall inform the Department of Food and Agriculture of information pertaining to commercial cannabis activity for the purpose of the track and trace program identified in Section 19335.
- (c) During transportation, the licensed transporter shall maintain a physical copy of the shipping manifest and make it available upon request to agents of the Department of Consumer Affairs and law enforcement officers.
- (d) The licensee receiving the shipment shall maintain each electronic shipping manifest and shall make it available upon request to the Department of Consumer Affairs and any law enforcement officers.
- (e) Upon receipt of the transported shipment, the licensee receiving the shipment shall submit to the licensing agency a record verifying receipt of the shipment and the details of the shipment.
- (f) Transporting, or arranging for or facilitating the transport of, medical cannabis or medical cannabis products in violation of this chapter is grounds for disciplinary action against the license.

19338.

- (a) This chapter shall not be construed to authorize or permit a licensee to transport or cause to be transported cannabis or cannabis products outside the state, unless authorized by federal law.
- (b) A local jurisdiction shall not prevent transportation of medical cannabis or medical cannabis products on public roads by a licensee transporting medical cannabis or medical cannabis products in compliance with this chapter.

ARTICLE 9. DELIVERY (19340 – 19340)

19340.

- (a) Deliveries, as defined in this chapter, can only be made by a dispensary and in a city, county, or city and county that does not explicitly prohibit it by local ordinance.
- (b) Upon approval of the licensing authority, a licensed dispensary that delivers medical cannabis or medical cannabis products shall comply with both of the following:
 - (1) The city, county, or city and county in which the licensed dispensary is located, and in which each delivery is made, do not explicitly by ordinance prohibit delivery, as defined in Section 19300.5.
 - (2) All employees of a dispensary delivering medical cannabis or medical cannabis products shall carry a copy of the dispensary's current license authorizing those services with them during deliveries and the employee's government-issued identification, and shall present that license and identification upon request to state and local law enforcement, employees of regulatory authorities, and other state and local agencies enforcing this chapter.
- (c) A county shall have the authority to impose a tax, pursuant to Article 11 (commencing with Section 19348), on each delivery transaction completed by a licensee.
- (d) During delivery, the licensee shall maintain a physical copy of the delivery request and shall make it available upon request of the licensing authority and law enforcement officers. The delivery request documentation shall comply with state and federal law regarding the protection of confidential medical information.
- (e) The qualified patient or primary caregiver requesting the delivery shall maintain a copy of the delivery request and shall make it available, upon request, to the licensing authority and law enforcement officers.
- (f) A local jurisdiction shall not prevent carriage of medical cannabis or medical cannabis products on public roads by a licensee acting in compliance with this chapter.

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ARTICLE 10. LICENSED MANUFACTURERS AND LICENSED LABORATORIES (19341 – 19347.8)

19341.

The State Department of Public Health shall promulgate regulations governing the licensing of manufacturers. The State Department of Public Health shall develop standards for the manufacturing and labeling of all manufactured medical cannabis products. Licenses to be issued are as follows:

- (a) "Manufacturing level 1," for manufacturing sites that produce medical cannabis products using nonvolatile solvents.
- (b) "Manufacturing level 2," for manufacturing sites that produce medical cannabis products using volatile solvents. The State Department of Public Health shall limit the number of licenses of this type.

19342.

- (a) For the purposes of testing medical cannabis or medical cannabis products, licensees shall use a testing laboratory that has adopted a standard operating procedure using methods consistent with general requirements established by the International Organization for Standardization, specifically ISO/IEC 17025, to test medical cannabis and medical cannabis products. The testing laboratory shall be accredited by a body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement.
- (b) An agent of a testing laboratory shall obtain samples according to a statistically valid sampling method for each lot.
- (c) A testing laboratory shall analyze samples according to both of the following:
 - (1) In the final form that the medical cannabis or medical cannabis products will be consumed or used, including moisture content and other attributes.
 - (2) A scientifically valid methodology, as determined by the bureau.
- (d) If a test result falls outside the specifications authorized by law or regulation, the testing laboratory shall follow a standard operating procedure to confirm or refute the original result.
- (e) A testing laboratory shall destroy the remains of the sample of medical cannabis or medical cannabis product upon completion of the analysis.
- (f) The State Department of Public Health and the Department of Pesticide Regulation shall provide assistance to the bureau in developing regulations, as requested by the bureau.

19343.

A testing laboratory shall not be licensed by the bureau unless the laboratory meets all of the following:

- (a) A testing laboratory shall not hold a license in another license category under this chapter and shall not own or have an ownership interest in any other entity or premises licensed under a different category pursuant to this chapter.
- (b) Follows the methodologies, ranges, and parameters that are contained in the scope of the accreditation for testing medical cannabis or medical cannabis products. The testing laboratory shall also comply with any other requirements specified by the bureau.
- (c) Notifies the bureau within one business day after the receipt of notice of any kind that its accreditation has been denied, suspended, or revoked.
- (d) Has established standard operating procedures that provide for adequate chain of custody controls for samples transferred to the testing laboratory for testing.

19344.

- (a) A testing laboratory shall issue a certificate of analysis for each lot, with supporting data, to report both of the following:
 - (1) Whether the chemical profile of the lot conforms to the specifications of the lot for compounds, including, but not limited to, all of the following, unless limited through regulation by the bureau:
 - (A) Tetrahydrocannabinol (THC).
 - (B) Tetrahydrocannabinolic Acid (THCA).
 - (C) Cannabidiol (CBD).
 - (D) Cannabidiolic Acid (CBDA).
 - (E) Terpenes required by the bureau in a regulation.
 - (F) Cannabigerol (CBG).
 - (G) Cannabinol (CBN).
 - (H) Any other compounds or contaminants required by the bureau.
 - (2) That the presence of contaminants does not exceed the levels set by the bureau. In setting the levels, the bureau shall consider the American Herbal Pharmacopoeia monograph, guidelines set by the Department of Pesticide Regulation pursuant to subdivision (b) of Section 19332, and any other relevant sources.
 - (A) Residual solvent or processing chemicals.
 - (B) Foreign material, including, but not limited to, hair, insects, or similar or related adulterant.
 - (C) Microbiological impurities as identified by the bureau in regulation.

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- (b) Residual levels of volatile organic compounds shall be below the lesser of either the specifications set by the United States Pharmacopeia (U.S.P. Chapter 467) or those set by the bureau.

19345.

- (a) Except as provided in this chapter, a testing laboratory shall not acquire or receive medical cannabis or medical cannabis products except from a licensee in accordance with this chapter, and shall not distribute, sell, deliver, transfer, transport, or dispense medical cannabis or medical cannabis products, from the licensed premises the medical cannabis or medical cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.
- (b) A testing laboratory may receive and test samples of medical cannabis or medical cannabis products from a qualified patient or primary caregiver only if he or she presents his or her valid recommendation for cannabis for medical purposes from a physician. A testing laboratory shall not certify samples from a qualified patient or caregiver for resale or transfer to another party or licensee. All tests performed by a testing laboratory for a qualified patient or caregiver shall be recorded with the name of the qualified patient or caregiver and the amount of medical cannabis or medical cannabis product received.
- (c) The bureau shall develop procedures related to all of the following:
 - (1) Ensuring that testing of medical cannabis and medical cannabis products occurs prior to delivery to dispensaries or any other business.
 - (2) Specifying how often licensees shall test medical cannabis and medical cannabis products.
 - (3) Requiring the destruction of harvested batches whose testing samples indicate noncompliance with health and safety standards required by state law, unless remedial measures can bring the medical cannabis or medical cannabis products into compliance with quality assurance standards as specified by state law.
- (d) Cultivators and manufacturers shall pay all costs related to and associated with the testing of medical cannabis and medical cannabis products required by this chapter.

19347.

- (a) Prior to delivery by or sale at a dispensary, medical cannabis and medical cannabis products shall be labeled and in tamper proof packaging and shall include a unique identifier, as prescribed by the Department of Food and Agriculture, for the purpose of identifying and tracking medical cannabis or medical cannabis products. Packages of medical cannabis and medical cannabis products shall meet the following requirements:
 - (1) Medical cannabis packages and labels shall not be made to be attractive to children.
 - (2) All medical cannabis and medical cannabis product labels shall include the following information, prominently displayed and in a clear and legible font:
 - (A) Cultivation and manufacture date and source.
 - (B) The statement "SCHEDULE I CONTROLLED SUBSTANCE."
 - (C) The statement "KEEP OUT OF REACH OF CHILDREN AND ANIMALS" in bold print.
 - (D) The statement "FOR MEDICAL USE ONLY."
 - (E) The statement "THE INTOXICATING EFFECTS OF THIS PRODUCT MAY BE DELAYED BY UP TO TWO HOURS."
 - (F) The statement "THIS PRODUCT MAY IMPAIR THE ABILITY TO DRIVE OR OPERATE MACHINERY. PLEASE USE EXTREME CAUTION."
 - (G) For packages containing only dried flower, the net weight of medical cannabis in the package.
 - (H) A warning if nuts or other known allergens are used in the manufacturing of the medical cannabis products.
 - (I) List of ingredients and pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC, CBD, and other cannabinoid amount in milligrams per serving, servings per package, and the THC, CBD, and other cannabinoid amount in milligrams for the package total.
 - (J) Clear indication, in bold type, that the product contains medical cannabis.
 - (K) Any other requirement set by the bureau or the State Department of Public Health.
 - (L) Information associated with the unique identifier issued by the Department of Food and Agriculture pursuant to Section 11362.777 of the Health and Safety Code.
 - (M) All manufactured and edible medical cannabis products shall be sold only in special packaging constructed to be child-resistant unless otherwise exempted by regulation.
- (b) Only generic food names may be used to describe edible medical cannabis products.

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19347.1.

- (a) The State Department of Public Health may issue a citation, which may contain an order of abatement and an order to pay an administrative fine assessed by the department where the licensee is in violation of this chapter or any regulation adopted pursuant to it.
 - (1) Citations shall be in writing and shall describe with particularity the nature of the violation, including specific reference to the provision of law determined to have been violated.
 - (2) Whenever appropriate, the citation shall contain an order of abatement fixing a reasonable time for abatement of the violation.
 - (3) In no event shall the administrative fine assessed by the State Department of Public Health exceed five thousand dollars (\$5,000) for each violation, unless a different fine amount is expressly provided by this chapter. In assessing a fine, the licensing authority shall give due consideration to the appropriateness of the amount of the fine with respect to factors such as the gravity of the violation, the good faith of the licensee, and the history of previous violations.
 - (4) A citation issued or a fine assessed pursuant to this section shall notify the licensee that if the licensee desires a hearing to contest the finding of a violation, that hearing shall be requested by written notice to the State Department of Public Health within 30 days of the date of issuance of the citation or fine. If a hearing is not requested pursuant to this section, payment of any fine shall not constitute an admission of the violation charged. Hearings shall be held pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.
 - (5) Failure of a licensee to pay a fine within 30 days of the date of assessment of the fine, unless assessment of the fine or the citation is being appealed, may result in further legal action being taken by the State Department of Public Health. If a licensee does not contest a citation or pay the fine, the full amount of the fine shall be added to the fee for renewal of the license. A license shall not be renewed without payment of the renewal fee, including the amount of the fine.
 - (6) A citation may be issued without the assessment of an administrative fine.
 - (7) The State Department of Public Health may limit the assessment of administrative fines to only particular violations of the chapter and establish any other requirement for implementation of the citation system by regulation.
- (b) Notwithstanding any other law, if a fine is paid to satisfy an assessment based on the finding of a violation, payment of the fine shall be represented as satisfactory resolution of the matter for purposes of public disclosure.

19347.2.

The State Department of Public Health may, in addition to the administrative citation system authorized by Section 19347.1, also establish by regulation a similar system for the issuance of an administrative citation to an unlicensed person who is acting in the capacity of a licensee under the jurisdiction of the State Department of Public Health as pertains to this chapter. The administrative citation system authorized by this section shall meet the requirements of Section 19347.1 and shall not be applied to an unlicensed person who is otherwise exempt from the licensing provisions of this chapter. The establishment of an administrative citation system for unlicensed activity does not preclude the use of other enforcement statutes for unlicensed activities at the discretion of the State Department of Public Health.

19347.3.

In determining whether to exercise its discretion when enforcing this chapter, the State Department of Public Health may consider whether the public interest will be adequately served in the circumstances by a suitable written notice or warning. The State Department of Public Health may also require licensees to provide it with a written plan of correction and correct a violation within a timeframe the State Department of Public Health deems necessary under the circumstances.

19347.4.

The State Department of Public Health may notify the public regarding any medical cannabis product when the State Department of Public Health deems it necessary for the protection of the health and safety of the consumer or for his or her protection from fraud.

19347.5.

- (a) A medical cannabis product is misbranded if it is any of the following:
 - (1) Manufactured, packed, or held in this state in a manufacturing site not duly licensed as provided in this chapter.
 - (2) Its labeling is false or misleading in any particular.
 - (3) Its labeling or packaging does not conform to the requirements of Section 19347 or any other labeling or packaging requirement established pursuant to this chapter.
- (b) It is unlawful for any person to manufacture, sell, deliver, hold, or offer for sale a medical cannabis product that is misbranded.
- (c) It is unlawful for any person to misbrand a medical cannabis product.

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- (d) It is unlawful for any person to receive in commerce a medical cannabis product that is misbranded or to deliver or offer for delivery any such medical cannabis product.

19347.6.

- (a) A medical cannabis product is adulterated if it is any of the following:
- (1) It has been produced, prepared, packed, or held under insanitary conditions in which it may have become contaminated with filth or in which it may have been rendered injurious.
 - (2) It consists in whole or in part of any filthy, putrid, or decomposed substance.
 - (3) It bears or contains any poisonous or deleterious substance that may render it injurious to users under the conditions of use suggested in the labeling or under conditions as are customary or usual.
 - (4) It bears or contains a substance that is restricted or limited under this chapter or regulations promulgated pursuant to this chapter and the level of substance in the product exceeds the limits specified pursuant to this chapter or in regulation.
 - (5) Its concentrations differ from, or its purity or quality is below, that which it is represented to possess.
 - (6) The methods, facilities, or controls used for its manufacture, packing, or holding do not conform to or are not operated or administered in conformity with practices established by regulations adopted under this chapter to ensure that the medical cannabis product meets the requirements of this chapter as to safety and has the concentrations it purports to have and meets the quality and purity characteristics that it purports or is represented to possess.
 - (7) Its container is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health.
 - (8) It is an edible cannabis product and any substance has been mixed or packed with it after testing by a testing laboratory so as to reduce its quality or concentration or if any substance has been substituted, wholly or in part, for the edible cannabis product.
- (b) It is unlawful for a person to manufacture, sell, deliver, hold, or offer for sale a medical cannabis product that is adulterated.
- (c) It is unlawful for any person to adulterate a medical cannabis product.
- (d) It is unlawful for any person to receive in commerce a medical cannabis product that is adulterated or to deliver or proffer for delivery any such medical cannabis product.

19347.7.

- (a) When the State Department of Public Health has evidence that a medical cannabis product is adulterated or misbranded, the department shall notify the manufacturer.
- (b) The State Department of Public Health may order a manufacturer to immediately cease distribution of a medical cannabis product and recall the product if the department determines both of the following:
- (1) The manufacture, distribution, or sale of the medical cannabis product creates or poses an immediate and serious threat to human life or health.
 - (2) Other procedures available to the State Department of Public Health to remedy or prevent the occurrence of the situation would result in an unreasonable delay.
- (c) The State Department of Public Health shall provide the manufacturer an opportunity for an informal proceeding on the matter, as determined by the department, within five days, on the actions required by the order and on why the product should not be recalled. Following the proceeding, the order shall be affirmed, modified, or set aside as determined appropriate by the State Department of Public Health.
- (d) The State Department of Public Health's powers set forth in this section expressly include the power to order movement, segregation, isolation, or destruction of medical cannabis products, as well as the power to hold those products in place.
- (e) If the State Department of Public Health determines it is necessary, it may issue the mandatory recall order and may use all appropriate measures to obtain reimbursement from the manufacturer for any and all costs associated with these orders. All funds obtained by the State Department of Public Health from these efforts shall be deposited into a fee account specific to the State Department of Public Health, to be established in the Medical Cannabis Regulation and Safety Act Fund, and will be available for use by the department upon appropriation by the legislature.
- (f) It is unlawful for any person to move or allow to be moved a medical cannabis product subject to an order issued pursuant to this section unless that person has first obtained written authorization from the State Department of Public Health.

19347.8.

- (a) Whenever the State Department of Public Health finds or has probable cause to believe that any medical cannabis product is adulterated or misbranded within the meaning of this chapter or the sale of the medical cannabis product would be in violation of this chapter, the department shall affix to the medical cannabis product, or component thereof, a tag or other

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appropriate marking. The State Department of Public Health shall give notice that the medical cannabis product is, or is suspected of being, adulterated or misbranded, or the sale of which would be in violation of this chapter and has been embargoed and that no person shall remove or dispose of the medical cannabis product by sale or otherwise until permission for removal or disposal is given by the State Department of Public Health or a court.

- (b) It is unlawful for any person to remove, sell, or dispose of a detained or embargoed medical cannabis product without written permission of the State Department of Public Health or a court. A violation of this subdivision is subject to a fine of not more than ten thousand dollars (\$10,000).
- (c) If the adulteration or misbranding can be corrected by proper labeling or additional processing of the medical cannabis product and all of the provisions of this chapter can be complied with, the claimant or owner may request the State Department of Public Health to remove the tag or other marking. If, under the supervision of the State Department of Public Health, the adulteration or misbranding has been corrected, the department may remove the tag or other marking.
- (d) When the State Department of Public Health finds that a medical cannabis product that is embargoed is not adulterated, misbranded, or whose sale is not otherwise in violation of this chapter, the State Department of Public Health may remove the tag or other marking.
- (e) The medical cannabis product may be destroyed by the owner pursuant to a corrective action plan approved by the State Department of Public Health and under the supervision of the department. The medical cannabis product shall be destroyed at the expense of the claimant or owner.
- (f) A proceeding for condemnation of any medical cannabis product under this section shall be subject to appropriate notice to, and the opportunity for a hearing with regard to, the person affected in accordance with Section 19308.
- (g) a finding by the administrative law judge that the medical cannabis product is adulterated, misbranded, or whose sale is otherwise in violation of this chapter, the administrative law judge may direct the medical cannabis product to be destroyed at the expense of the claimant or owner. The administrative law judge may also direct a claimant or owner of the affected medical cannabis product to pay fees and reasonable costs, including the costs of storage and testing, incurred by the bureau or the Department of Public Health in investigating and prosecuting the action taken pursuant to this section.
- (h) When, under the supervision of the State Department of Public Health, the adulteration or misbranding has been corrected by proper labeling or additional processing of the medical cannabis and medical cannabis product and when all provisions of this chapter have been complied with, and after costs, fees, and expenses have been paid, the State Department of Public Health may release the embargo and remove the tag or other marking and the medical cannabis shall no longer be held for sale in violation of this chapter.
- (i) The State Department of Public Health may condemn any medical cannabis product under provisions of this chapter. The medical cannabis product shall be destroyed at the expense of the claimant or owner.

ARTICLE 11. TAXATION (19348 – 19348)

19348.

- (a)
 - (1) A county may impose a tax on the privilege of cultivating, dispensing, producing, processing, preparing, storing, providing, donating, selling, or distributing medical cannabis or medical cannabis products by a licensee operating pursuant to this chapter.
 - (2) The board of supervisors shall specify in the ordinance proposing the tax the activities subject to the tax, the applicable rate or rates, the method of apportionment, if necessary, and the manner of collection of the tax. The tax may be imposed for general governmental purposes or for purposes specified in the ordinance by the board of supervisors.
 - (3) In addition to any other method of collection authorized by law, the board of supervisors may provide for the collection of the tax imposed pursuant to this section in the same manner, and subject to the same penalties and priority of lien, as other charges and taxes fixed and collected by the county. A tax imposed pursuant to this section is a tax and not a fee or special assessment. The board of supervisors shall specify whether the tax applies throughout the entire county or within the unincorporated area of the county.
 - (4) The tax authorized by this section may be imposed upon any or all of the activities set forth in paragraph (1), as specified in the ordinance, regardless of whether the activity is undertaken individually, collectively, or cooperatively, and regardless of whether the activity is for compensation or gratuitous, as determined by the board of supervisors.
- (b) A tax imposed pursuant to this section shall be subject to applicable voter approval requirements imposed by law.
- (c) This section is declaratory of existing law and does not limit or prohibit the levy or collection of any other fee, charge, or tax, or a license or service fee or charge upon, or related to, the activities set forth in subdivision (a) as otherwise provided by law. This section shall not be construed as a limitation upon the taxing authority of a county as provided by law.
- (d) This section shall not be construed to authorize a county to impose a sales or use tax in addition to the sales and use tax imposed under an ordinance conforming to the provisions of Sections 7202 and 7203 of the Revenue and Taxation Code.

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ARTICLE 13. FUNDING (19350 – 19352)

19350.

Each licensing authority shall establish a scale of application, licensing, and renewal fees, based upon the cost of enforcing this chapter, as follows:

- (a) Each licensing authority shall charge each licensee a licensure and renewal fee, as applicable. The licensure and renewal fee shall be calculated to cover the costs of administering this chapter. The licensure fee may vary depending upon the varying costs associated with administering the various regulatory requirements of this chapter as they relate to the nature and scope of the different licensure activities, including, but not limited to, the track and trace program required pursuant to Section 19335, but shall not exceed the reasonable regulatory costs to the licensing authority.
- (b) The total fees assessed pursuant to this chapter shall be set at an amount that will fairly and proportionately generate sufficient total revenue to fully cover the total costs of administering this chapter.
- (c) All license fees shall be set on a scaled basis by the licensing authority, dependent on the size of the business. License fees shall cover the costs of administering the track and trace program managed by the Department of Food and Agriculture, as identified in Article 7.5 (commencing with Section 19335).
- (d) The licensing authority shall deposit all fees collected in a fee account specific to that licensing authority, to be established in the Medical Cannabis Regulation and Safety Act Fund. Moneys in the licensing authority fee accounts shall be used, upon appropriation of the Legislature, by the designated licensing authority for the administration of this chapter.

19351.

- (a) The Medical Cannabis Regulation and Safety Act Fund is hereby established within the State Treasury. Moneys in the fund shall be available upon appropriation by the Legislature. Notwithstanding Section 16305.7 of the Government Code, the fund shall include any interest and dividends earned on the moneys in the fund.
- (b)
 - (1) Funds for the establishment and support of the regulatory activities pursuant to this chapter shall be advanced as a General Fund or special fund loan, and shall be repaid by the initial proceeds from fees collected pursuant to this chapter or any rule or regulation adopted pursuant to this chapter, by January 1, 2022. Should the initial proceeds from fees not be sufficient to repay the loan, moneys from the Medical Cannabis Fines and Penalties Account shall be made available to the bureau, by appropriation of the Legislature, to repay the loan.
 - (2) Funds advanced pursuant to this subdivision shall be appropriated to the bureau, which shall distribute the moneys to the appropriate licensing authorities, as necessary to implement the provisions of this chapter.
 - (3) The Director of Finance may provide an initial operating loan from the General Fund to the Medical Cannabis Regulation and Safety Act Fund that does not exceed ten million dollars (\$10,000,000).
- (c) Except as otherwise provided, all moneys collected pursuant to this chapter as a result of fines or penalties imposed under this chapter shall be deposited directly into the Medical Cannabis Fines and Penalties Account, which is hereby established within the fund, and shall be available, upon appropriation by the Legislature to the bureau, for the purposes of funding the enforcement grant program pursuant to subdivision (d).
- (d)
 - (1) The bureau shall establish a grant program to allocate moneys from the Medical Cannabis Fines and Penalties Account to state and local entities for the following purposes:
 - (A) To assist with medical cannabis regulation and the enforcement of this chapter and other state and local laws applicable to cannabis activities.
 - (B) For allocation to state and local agencies and law enforcement to remedy the environmental impacts of cannabis cultivation.
 - (2) The costs of the grant program under this subdivision shall, upon appropriation by the Legislature, be paid for with moneys in the Medical Cannabis Fines and Penalties Account.
 - (3) The grant program established by this subdivision shall only be implemented after the loan specified in this section is repaid.

19352.

The sum of ten million dollars (\$10,000,000) is hereby appropriated from the Medical Marijuana Regulation and Safety Act Fund to the Department of Consumer Affairs to begin the activities of the Bureau of Medical Marijuana Regulation. Funds appropriated pursuant to this section shall not include moneys received from fines or penalties.

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ARTICLE 14. REPORTING (19353 – 19354)

19353.

Beginning on March 1, 2023, and on or before March 1 of each following year, each licensing authority shall prepare and submit to the Legislature an annual report on the authority's activities and post the report on the authority's Internet Web site. The report shall include, but not be limited to, the following information for the previous fiscal year:

- (a) The amount of funds allocated and spent by the licensing authority for medical cannabis licensing, enforcement, and administration.
- (b) The number of state licenses issued, renewed, denied, suspended, and revoked, by state license category.
- (c) The average time for processing state license applications, by state license category.
- (d) The number of appeals from the denial of state licenses or other disciplinary actions taken by the licensing authorities and by local law enforcement agencies in conjunction with the licensing authorities or the bureau.
- (e) The number of complaints submitted by citizens or representatives of cities or counties regarding licensees, provided as both a comprehensive statewide number and by geographical region.
- (f) The number and type of enforcement activities conducted by the licensing authorities and by local law enforcement agencies in conjunction with the licensing authorities or the bureau.
- (g) The number, type, and amount of penalties, fines, and other disciplinary actions taken by the licensing authorities.

19354.

The bureau shall contract with the California Marijuana Research Program, known as the Center for Medicinal Cannabis Research, authorized pursuant to Section 11362.9 of the Health and Safety Code, to develop a study that identifies the impact that cannabis has on motor skills.

ARTICLE 15. PRIVACY (19355 – 19355)

19355.

- (a) Information identifying the names of patients, their medical conditions, or the names of their primary caregivers received and contained in records kept by the office or licensing authorities for the purposes of administering this chapter are confidential and shall not be disclosed pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), except as necessary for authorized employees of the State of California or any city, county, or city and county to perform official duties pursuant to this chapter, or a local ordinance.
- (b) Information identifying the names of patients, their medical conditions, or the names of their primary caregivers received and contained in records kept by the bureau for the purposes of administering this chapter shall be maintained in accordance with Chapter 1 (commencing with Section 123100) of Part 1 of Division 106 of the Health and Safety Code, Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code, and other state and federal laws relating to confidential patient information.
- (c) Nothing in this section precludes the following:
 - (1) Employees of the bureau or any licensing authorities notifying state or local agencies about information submitted to the agency that the employee suspects is falsified or fraudulent.
 - (2) Notifications from the bureau or any licensing authorities to state or local agencies about apparent violations of this chapter or applicable local ordinance.
 - (3) Verification of requests by state or local agencies to confirm licenses and certificates issued by the regulatory authorities or other state agency.
 - (4) Provision of information requested pursuant to a court order or subpoena issued by a court or an administrative agency or local governing body authorized by law to issue subpoenas.
- (d) Information shall not be disclosed by any state or local agency beyond what is necessary to achieve the goals of a specific investigation, notification, or the parameters of a specific court order or subpoena.

ARTICLE 17. PENALTIES AND VIOLATIONS (19360 – 19360)

19360.

- (a) A person engaging in commercial cannabis activity without a license and associated unique identifiers required by this chapter shall be subject to civil penalties of up to twice the amount of the license fee for each violation, and the department, state or local authority, or court may order the destruction of medical cannabis associated with that violation. A violator shall be responsible for the cost of the destruction of medical cannabis associated with his or her violation, in addition to any amount covered by a bond required as a condition of licensure. Each day of operation shall constitute a separate violation of this section. All civil penalties imposed and collected pursuant to this section by a licensing authority shall be deposited into the Medical Cannabis Fines and Penalties Account established pursuant to Section 19351.

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- (b) If an action for civil penalties is brought against a licensee pursuant to this chapter by the Attorney General on behalf of the people, the penalty collected shall be deposited into the Medical Cannabis Fines and Penalties Account. If the action is brought by a district attorney or county counsel, the penalty collected shall be paid to the treasurer of the county in which the judgment was entered. If the action is brought by a city attorney or city prosecutor, the penalty collected shall be paid to the treasurer of the city or city and county in which the judgment was entered. If the action is brought by a city attorney and is adjudicated in a superior court located in the unincorporated area or another city in the same county, the penalty shall be paid one-half to the treasurer of the city in which the complaining attorney has jurisdiction and one-half to the treasurer of the county in which the judgment is entered.
- (c) Notwithstanding subdivision (a), criminal penalties shall continue to apply to an unlicensed person or entity engaging in cannabis activity in violation of this chapter, including, but not limited to, those individuals covered under Section 11362.7 of the Health and Safety Code.

LABOR CODE

CHAPTER 6. OCCUPATIONAL SAFETY AND HEALTH STANDARDS BOARD (140 – 147.5)

147.5.

- (a) By January 1, 2017, the Division of Occupational Safety and Health shall convene an advisory committee to evaluate whether there is a need to develop industry-specific regulations related to the activities of facilities issued a license pursuant to Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code.
- (b) By July 1, 2017, the advisory committee shall present to the board its findings and recommendations for consideration by the board. By July 1, 2017, the board shall render a decision regarding the adoption of industry-specific regulations pursuant to this section.

GOVERNMENT CODE

ARTICLE 7.5 SUNSET REVIEW (9147.7)

9147.7.

- (a) For the purpose of this section, “eligible agency” means any agency, authority, board, bureau, commission, conservancy, council, department, division, or office of state government, however denominated, excluding an agency that is constitutionally created or an agency related to postsecondary education, for which a date for repeal has been established by statute on or after January 1, 2011.
- (b) The Joint Sunset Review Committee is hereby created to identify and eliminate waste, duplication, and inefficiency in government agencies. The purpose of the committee is to conduct a comprehensive analysis over 15 years, and on a periodic basis thereafter, of every eligible agency to determine if the agency is still necessary and cost effective.
- (c) Each eligible agency scheduled for repeal shall submit to the committee, on or before December 1 prior to the year it is set to be repealed, a complete agency report covering the entire period since last reviewed, including, but not limited to, the following:
 - (1) The purpose and necessity of the agency.
 - (2) A description of the agency budget, priorities, and job descriptions of employees of the agency.
 - (3) Any programs and projects under the direction of the agency.
 - (4) Measures of the success or failures of the agency and justifications for the metrics used to evaluate successes and failures.
 - (5) Any recommendations of the agency for changes or reorganization in order to better fulfill its purpose.
- (d) The committee shall take public testimony and evaluate the eligible agency prior to the date the agency is scheduled to be repealed. An eligible agency shall be eliminated unless the Legislature enacts a law to extend, consolidate, or reorganize the eligible agency. No eligible agency shall be extended in perpetuity unless specifically exempted from the provisions of this section. The committee may recommend that the Legislature extend the statutory sunset date for no more than one year to allow the committee more time to evaluate the eligible agency.
- (e) The committee shall be comprised of 10 members of the Legislature. The Senate Committee on Rules shall appoint five members of the Senate to the committee, not more than three of whom shall be members of the same political party. The Speaker of the Assembly shall appoint five members of the Assembly to the committee, not more than three of whom shall be members of the same political party. Members shall be appointed within 15 days after the commencement of the regular session. Each member of the committee who is appointed by the Senate Committee on Rules or the Speaker of the

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Assembly shall serve during that committee member's term of office or until that committee member no longer is a Member of the Senate or the Assembly, whichever is applicable. A vacancy on the committee shall be filled in the same manner as the original appointment. Three Assembly Members and three Senators who are members of the committee shall constitute a quorum for the conduct of committee business. Members of the committee shall receive no compensation for their work with the committee.

- (f) The committee shall meet not later than 30 days after the first day of the regular session to choose a chairperson and to establish the schedule for eligible agency review provided for in the statutes governing the eligible agencies. The chairperson of the committee shall alternate every two years between a Member of the Senate and a Member of the Assembly, and the vice chairperson of the committee shall be a member of the opposite house as the chairperson.
- (g) This section shall not be construed to change the existing jurisdiction of the budget or policy committees of the Legislature.
- (h) This section shall not apply to the Bureau of Medical Marijuana Regulation.

FISH AND GAME CODE

DIVISION 2. DEPARTMENT OF FISH AND WILDLIFE

CHAPTER 6. FISH AND WILDLIFE PROTECTION AND CONSERVATION

1602.

- (a) An entity may not substantially divert or obstruct the natural flow of, or substantially change or use any material from the bed, channel, or bank of, any river, stream, or lake, or deposit or dispose of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake, unless all of the following occur:
 - (1) The department receives written notification regarding the activity in the manner prescribed by the department. The notification shall include, but is not limited to, all of the following:
 - (A) A detailed description of the project's location and a map.
 - (B) The name, if any, of the river, stream, or lake affected.
 - (C) A detailed project description, including, but not limited to, construction plans and drawings, if applicable.
 - (D) A copy of any document prepared pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code.
 - (E) A copy of any other applicable local, state, or federal permit or agreement already issued.
 - (F) Any other information required by the department.
 - (2) The department determines the notification is complete in accordance with Chapter 4.5 (commencing with Section 65920) of Division 1 of Title 7 of the Government Code, irrespective of whether the activity constitutes a development project for the purposes of that chapter.
 - (3) The entity pays the applicable fees, pursuant to Section 1609.
 - (4) One of the following occurs:
 - (A)
 - (i) The department informs the entity, in writing, that the activity will not substantially adversely affect an existing fish or wildlife resource, and that the entity may commence the activity without an agreement, if the entity conducts the activity as described in the notification, including any measures in the notification that are intended to protect fish and wildlife resources.
 - (ii) Each region of the department shall log the notifications of activities where no agreement is required. The log shall list the date the notification was received by the department, a brief description of the proposed activity, and the location of the activity. Each item shall remain on the log for one year. Upon written request by any person, a regional office shall send the log to that person monthly for one year. A request made pursuant to this clause may be renewed annually.
 - (B) The department determines that the activity may substantially adversely affect an existing fish or wildlife resource and issues a final agreement to the entity that includes reasonable measures necessary to protect the resource, and the entity conducts the activity in accordance with the agreement.
 - (C) A panel of arbitrators issues a final agreement to the entity in accordance with subdivision (b) of Section 1603, and the entity conducts the activity in accordance with the agreement.
 - (D) The department does not issue a draft agreement to the entity within 60 days from the date notification is complete, and the entity conducts the activity as described in the notification, including any measures in the notification that are intended to protect fish and wildlife resources.

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- (b)
- (1) If an activity involves the routine maintenance and operation of water supply, drainage, flood control, or waste treatment and disposal facilities, notice to and agreement with the department shall not be required after the initial notification and agreement, unless the department determines either of the following:
 - (A) The work described in the agreement has substantially changed.
 - (B) Conditions affecting fish and wildlife resources have substantially changed, and those resources are adversely affected by the activity conducted under the agreement.
 - (2) This subdivision applies only if notice to, and agreement with, the department was attained prior to January 1, 1977, and the department has been provided a copy of the agreement or other proof of the existence of the agreement that satisfies the department, if requested.
- (c)
- (1) Notwithstanding subdivision (a), an entity shall not be required to obtain an agreement with the department pursuant to this chapter for activities authorized by a license or renewed license for cannabis cultivation issued by the Department of Food and Agriculture for the term of the license or renewed license if all of the following occur:
 - (A) The entity submits all of the following to the department:
 - (i) The written notification described in paragraph (1) of subdivision (a).
 - (ii) A copy of the license or renewed license for cannabis cultivation issued by the Department of Food and Agriculture that includes the requirements specified in subdivisions (d), (e), and (f) of Section 19332.2 of the Business and Professions Code.
 - (iii) The fee specified in paragraph (3) of subdivision (a).
 - (B) The department determines in its sole discretion that compliance with the requirements specified in subdivisions (d), (e), and (f) of Section 19332.2 of the Business and Professions Code that are included in the license will adequately protect existing fish and wildlife resources that may be substantially adversely affected by the cultivation without the need for additional measures that the department would include in a draft streambed alteration agreement in accordance with Section 1603.
 - (C) The department notifies the entity in writing that the exemption applies to the cultivation authorized by the license or renewed license.
 - (2) The department shall notify the entity in writing whether the exemption in paragraph (1) applies to the cultivation authorized by the license or renewed license within 60 days from the date that the notification is complete and the fee has been paid.
 - (3) If an entity receives an exemption pursuant to this subdivision and fails to comply with any of the requirements described in subdivision (d), (e), or (f) of Section 19332.2 of the Business and Professions Code that are included in the license, the failure shall constitute a violation under this section, and the department shall notify the Department of Food and Agriculture of any enforcement action taken.
- (d) It is unlawful for any person to violate this chapter.

1617.

- (a) The department may adopt regulations establishing the requirements and procedure for the issuance of a general agreement in a geographic area for a category or categories of activities related to cannabis cultivation.
- (b) A general agreement adopted by the department subsequent to adoption of regulations under this section shall be in lieu of an individual agreement described in subparagraph (B) of paragraph (4) of subdivision (a) of Section 1602.
- (c) Subparagraph (D) of paragraph (4) of subdivision (a) of Section 1602 and all other time periods to process agreements specified in this chapter do not apply to the issuance of a general agreement adopted by the department pursuant to this section.
- (d) The department general agreement issued by the department pursuant to this section is a final agreement and is not subject to Section 1603 or 1604.
- (e) The department shall charge a fee for a general agreement adopted by the department under this section in accordance with Section 1609.
- (f) Regulations adopted pursuant to this section, and any amendment thereto, shall not be subject to Division 13 (commencing with Section 21000) of the Public Resources Code.

DIVISION 9. FINES AND PENALTIES

CHAPTER 1. GENERAL PROVISIONS (12000 -12029)

12025.2.

The director or his or her designee may issue a complaint to any person or entity in accordance with Section 1055 of the Water Code alleging a violation for which liability may be imposed under Section 1052 or 1847 of the Water Code that harms fish and

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wildlife resources. The complaint is subject to the substantive and procedural requirements set forth in Section 1055 of the Water Code, and the department shall be designated a party to any proceeding before the State Water Resources Control Board regarding a complaint filed pursuant to this section.

12029.

- (a) The Legislature finds and declares all of the following:
- (1) The environmental impacts associated with cannabis cultivation have increased, and unlawful water diversions for cannabis irrigation have a detrimental effect on fish and wildlife and their habitat, which are held in trust by the state for the benefit of the people of the state.
 - (2) The remediation of existing cannabis cultivation sites is often complex and the permitting of these sites requires greater department staff time and personnel expenditures. The potential for cannabis cultivation sites to significantly impact the state's fish and wildlife resources requires immediate action on the part of the department's lake and streambed alteration permitting staff.
- (b) In order to address unlawful water diversions and other violations of the Fish and Game Code associated with cannabis cultivation, the department shall establish the watershed enforcement program to facilitate the investigation, enforcement, and prosecution of these offenses.
- (c) The department, in coordination with the State Water Resources Control, Board and the Department of Food and Agriculture, shall establish a permanent multiagency task force to address the environmental impacts of cannabis cultivation. The multiagency task force, to the extent feasible and subject to available, resources, shall expand its enforcement efforts on a statewide level to ensure the reduction of adverse impacts of cannabis cultivation on fish and wildlife and their habitats throughout the state.
- (d) In order to facilitate the remediation and permitting of cannabis cultivation sites, the department may adopt regulations to enhance the fees on any entity subject to Section 1602 for cannabis cultivation sites that require remediation. The fee schedule established pursuant to this subdivision shall not exceed the fee limits in Section 1609.

FOOD AND AGRICULTURAL CODE

DIVISION 15. MILK AND MILK PRODUCTS ACT OF 1947

PART 3. MANUFACTURED PRODUCTS

CHAPTER 3. BUTTER

ARTICLE 1. GENERAL PROVISIONS

37104.

Notwithstanding Section 19300.5 of the Business and Professions Code, butter purchased from a licensed milk products plant or retail location that is subsequently infused or mixed with medical cannabis at the premises or location that is not subject to licensing as a milk product plant is exempt from the provisions of this division

DIVISION 18. FIELD CROPS, SEEDS, SEED POTATOES, ONE-VARIETY COTTON DISTRICTS, AND NURSERY STOCK GRADES AND STANDARDS

CHAPTER 2. CALIFORNIA SEED LAW

ARTICLE 8. LABELING OF SEEDS (52451 – 52456)

52452.

- (a) Except as otherwise provided in Section 52454, each container of agricultural seed that is for sale or sold within this state for sowing, purposes shall bear upon it or have attached to it in a conspicuous place a plainly written or printed label or tag in the English language that includes all of the following information:
- (1) The commonly accepted name of the kind, kind and variety, or kind and type of each agricultural seed component in excess of 5 percent of the whole, and the percentage by weight of each. If the aggregate of agricultural seed components, each present in an amount not exceeding 5 percent of the whole, exceeds 10 percent of the whole, each component in excess of 1 percent of the whole shall be named together with the percentage by weight of each. If more than one component is required to be named, the names of all components shall be shown in letters of the same type and size.
 - (2) The lot number or other lot identification.
 - (3) The percentage by weight of all weed seeds.
 - (4) The name and approximate number of each kind of restricted noxious weed seed per pound.
 - (5) The percentage by weight of any agricultural seed except that which is required to be named on the label.

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- (6) The percentage by weight of inert matter. If a percentage by weight is required to be shown by any provision of this section, that percentage shall be exclusive of any substance that is added to the seed as a coating and shown on the label as such.
- (7) For each agricultural seed in excess of 5 percent of the whole, stated in accordance with paragraph (1), the percentage of germination exclusive of hard seed, the percentage of hard seed, if present, and the calendar month and year the test was completed to determine the percentages. Following the statement of those percentages, the additional statement "total germination and hard seed" may be stated.
- (8) The name and address of the person who labeled the seed or of the person who sells the seed within this state.
- (b) Subdivision (a) does not apply in the following instances:
 - (1) The sale is an occasional sale of seed grain by the producer of the seed grain to his or her neighbor for use by the purchaser within the county of production.
 - (2) Any cannabis seed, as defined in subdivision (f) of Section 19300.5 of the Business and Professions Code, sold or offered for sale in the state.
- (c) All determinations of noxious weed seeds are subject to tolerances and methods of determination prescribed in the regulations that are adopted pursuant to this chapter.
- (d) For purposes of this section, "neighbor" means a person who lives in close proximity, not to exceed three miles, to another.

HEALTH AND SAFETY CODE

DIVISION 10.

CHAPTER 6. OFFENSES AND PENALTIES

ARTICLE 2. MARIJUANA (11357 – 11362.9)

11362.775.

- (a) Subject to subdivision (b), qualified patients, persons with valid identification cards, and the designated primary caregivers of qualified patients and persons with identification cards, who associate within the State of California in order collectively or cooperatively to cultivate cannabis for medical purposes, shall not solely on the basis of that fact be subject to state criminal sanctions under Section 11357, 11358, 11359, 11360, 11366, 11366.5, or 11570.
- (b) A collective or cooperative that operates pursuant to this section and manufactures medical cannabis products shall not, solely on the basis of that fact, be subject to state criminal sanctions under Section 11379.6 if the collective or cooperative abides by all of the following requirements:
 - (1) The collective or cooperative does either or both of the following:
 - (A) Utilizes only manufacturing processes that are either solventless or that employ only nonflammable, nontoxic solvents that are generally recognized as safe pursuant to the federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq.).
 - (B) Utilizes only manufacturing processes that use solvents exclusively within a closed-loop system that meets all of the following requirements:
 - (i) The system uses only solvents that are generally recognized as safe pursuant to the federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq.).
 - (ii) The system is designed to recapture and contain solvents during the manufacturing process, and otherwise prevent the off-gassing of solvents into the ambient atmosphere to mitigate the risks of ignition and explosion during the manufacturing process.
 - (iii) A licensed engineer certifies that the system was commercially manufactured, safe for its intended use, and built to codes of recognized and generally accepted good engineering practices, including, but not limited to, the American Society of Mechanical Engineers (ASME), the American National Standards Institute (ANSI), Underwriters Laboratories (UL), the American Society for Testing and Materials (ASTM), or OSHA Nationally Recognized Testing Laboratories (NRTLs).
 - (iv) The system has a certification document that contains the signature and stamp of a professional engineer and the serial number of the extraction unit being certified.
 - (2) The collective or cooperative receives and maintains approval from the local fire official for the closed-loop system, other equipment, the extraction operation, and the facility.
 - (3) The collective or cooperative meets required fire, safety, and building code requirements in one or more of the following:
 - (A) The California Fire Code.
 - (B) The National Fire Protection Association (NFPA) standards.
 - (C) International Building Code (IBC).

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- (D) The International Fire Code (IFC).
- (E) Other applicable standards, including complying with all applicable fire, safety, and building codes in processing, handling, and storage of solvents or gasses.
- (4) The collective or cooperative is in possession of a valid seller's permit issued by the State Board of Equalization.
- (5) The collective or cooperative is in possession of a valid local license, permit, or other authorization specific to the manufacturing of medical cannabis products, and in compliance with any additional conditions imposed by the city or county issuing the local license, permit, or other authorization.
- (c) For purposes of this section, "manufacturing" means compounding, converting, producing, deriving, processing, or preparing, either directly or indirectly by chemical extraction or independently by means of chemical synthesis, medical cannabis products.
- (d) This section shall remain in effect only until one year after the Bureau of Medical Cannabis Regulation posts a notice on its Internet Web site that the licensing authorities have commenced issuing licenses pursuant to the Medical Cannabis Regulation and Safety Act (Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code).
- (e) This section is repealed one year after the date upon which the notice is posted pursuant to subdivision (d).

11362.777.

- (a) The Department of Food and Agriculture shall establish a Medical Cannabis Cultivation Program to be administered by the secretary and, except as specified in subdivision (c), shall administer this section as it pertains to the commercial cultivation of medical cannabis. For purposes of this section and Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code, medical cannabis is an agricultural product.
- (b)
 - (1) A person or entity shall not cultivate medical cannabis without first obtaining both of the following:
 - (A) A license, permit, or other entitlement, specifically permitting cultivation pursuant to these provisions, from the city, county, or city and county in which the cultivation will occur.
 - (B) A state license issued by the department pursuant to this section.
 - (2) A person or entity shall not submit an application for a state license pursuant to this section unless that person or entity has received a license, permit, or other entitlement, specifically permitting cultivation pursuant to these provisions, from the city, county, or city and county in which the cultivation will occur.
 - (3) A person or entity shall not submit an application for a state license pursuant to this section if the proposed cultivation of cannabis will violate the provisions of any local ordinance or regulation, or if medical cannabis is prohibited by the city, county, or city and county in which the cultivation is proposed to occur, either expressly or otherwise under principles of permissive zoning.
- (c)
 - (1) Except as otherwise specified in this subdivision, and without limiting any other local regulation, a city, county, or city and county, through its current or future land use regulations or ordinance, may issue or deny a permit to cultivate medical cannabis pursuant to this section. A city, county, or city and county may inspect the intended cultivation site for suitability before issuing a permit. After the city, county, or city and county has approved a permit, the applicant shall apply for a state medical cannabis cultivation license from the department. A locally issued cultivation permit shall only become active upon licensing by the department and receiving final local approval. A person shall not cultivate medical cannabis before obtaining both a permit from the city, county, or city and county and a state medical cannabis cultivation license from the department.
 - (2) A city, county, or city and county that issues or denies conditional licenses to cultivate medical cannabis pursuant to this section shall notify the department in a manner prescribed by the secretary.
 - (3) A city, county, or city and county's locally issued conditional permit requirements must be at least as stringent as the department's state licensing requirements.
- (d)
 - (1) The secretary may prescribe, adopt, and enforce regulations relating to the implementation, administration, and enforcement of this part, including, but not limited to, applicant requirements, collections, reporting, refunds, and appeals.
 - (2) The secretary may prescribe, adopt, and enforce any emergency regulations as necessary to implement this part. Any emergency regulation prescribed, adopted, or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare.

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- (3) The secretary may enter into a cooperative agreement with a county agricultural commissioner to carry out the provisions of this chapter, including, but not limited to, administration, investigations, inspections, licensing and assistance pertaining to the cultivation of medical cannabis. Compensation under the cooperative agreement shall be paid from assessments and fees collected and deposited pursuant to this chapter and shall provide reimbursement to the county agricultural commissioner for associated costs.
- (e)
 - (1) The department, in consultation with, but not limited to, the Bureau of Medical Marijuana Regulation, the State Water Resources Control Board, and the Department of Fish and Wildlife, shall implement a unique identification program for medical marijuana. In implementing the program, the department shall consider issues, including, but not limited to, water use and environmental impacts. In implementing the program, the department shall ensure that:
 - (A) Individual and cumulative effects of water diversion and discharge associated with cultivation do not affect the instream flows needed for fish spawning, migration, and rearing, and the flows needed to maintain natural flow variability.
 - (B) Cultivation will not negatively impact springs, riparian wetlands, and aquatic habitats.
 - (2) The department shall establish a program for the identification of permitted medical cannabis plants at a cultivation site during the cultivation period. The unique identifier shall be attached at the base of each plant. A unique identifier, such as, but not limited to, a zip tie, shall be issued for each medical cannabis plant.
 - (A) Unique identifiers will only be issued to those persons appropriately licensed by this section.
 - (B) Information associated with the assigned unique identifier and licensee shall be included in the trace and track program specified in section 19335 of the Business and Professions Code.
 - (C) The department may charge a fee to cover the reasonable costs of issuing the unique identifier and monitoring, tracking, and inspecting each medical cannabis plant.
 - (D) The department may promulgate regulations to implement this section.
 - (3) The department shall take adequate steps to establish protections against fraudulent unique identifiers and limit illegal diversion of unique identifiers to unlicensed persons.
- (f)
 - (1) A city, county, or city and county that issues or denies licenses, permits, or other entitlements to cultivate medical cannabis pursuant to this section shall notify the department in a manner prescribed by the secretary.
 - (2) Unique identifiers and associated identifying information administered by a city, county, or city and county shall adhere to the requirements set by the department and be the equivalent to those administered by the department.
- (g) This section does not apply to a qualified patient cultivating cannabis pursuant to Section 11362.5 if the area he or she uses to cultivate cannabis does not exceed 100 square feet and he or she cultivates cannabis for his or her personal medical use and does not sell, distribute, donate, or provide cannabis to any other person or entity. This section does not apply to a primary caregiver cultivating cannabis pursuant to Section 11362.5 if the area he or she uses to cultivate cannabis does not exceed 500 square feet and he or she cultivates cannabis exclusively for the personal medical use of no more than five specified qualified patients for whom he or she is the primary caregiver within the meaning of Section 11362.7 and does not receive remuneration for these activities, except for compensation provided in full compliance with subdivision (c) of Section 11362.765. For purposes of this section, the area used to cultivate cannabis shall be measured by the aggregate area of vegetative growth of live cannabis plants on the premises. Exemption from the requirements of this section does not limit or prevent a city, county, or city and county from exercising its police authority under Section 7 of Article XI of the California Constitution.

11362.9

- (a)
 - (1) It is the intent of the Legislature that the state commission objective scientific research by the premier research institute of the world, the University of California, regarding the efficacy and safety of administering marijuana as part of medical treatment. If the Regents of the University of California, by appropriate resolution, accept this responsibility, the University of California shall create a program, to be known as the California Marijuana Research Program.
 - (2) The program shall develop and conduct studies intended to ascertain the general medical safety and efficacy of marijuana and, if found valuable, shall develop medical guidelines for the appropriate administration and use of marijuana. The studies may include studies to ascertain the effect of marijuana on motor skills.
- (b) The program may immediately solicit proposals for research projects to be included in the marijuana studies. Program requirements to be used when evaluating responses to its solicitation for proposals, shall include, but not be limited to, all of the following:

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- (1) Proposals shall demonstrate the use of key personnel, including clinicians or scientists and support personnel, who are prepared to develop a program of research regarding marijuana's general medical efficacy and safety.
 - (2) Proposals shall contain procedures for outreach to patients with various medical conditions who may be suitable participants in research on marijuana.
 - (3) Proposals shall contain provisions for a patient registry.
 - (4) Proposals shall contain provisions for an information system that is designed to record information about possible study participants, investigators, and clinicians, and deposit and analyze data that accrues as part of clinical trials.
 - (5) Proposals shall contain protocols suitable for research on marijuana, addressing patients diagnosed with acquired immunodeficiency syndrome (AIDS) or human immunodeficiency virus (HIV), cancer, glaucoma, or seizures or muscle spasms associated with a chronic, debilitating condition. The proposal may also include research on other serious illnesses, provided that resources are available and medical information justifies the research.
 - (6) Proposals shall demonstrate the use of a specimen laboratory capable of housing plasma, urine, and other specimens necessary to study the concentration of cannabinoids in various tissues, as well as housing specimens for studies of toxic effects of marijuana.
 - (7) Proposals shall demonstrate the use of a laboratory capable of analyzing marijuana, provided to the program under this section, for purity and cannabinoid content and the capacity to detect contaminants.
- (c) In order to ensure objectivity in evaluating proposals, the program shall use a peer review process that is modeled on the process used by the National Institutes of Health, and that guards against funding research that is biased in favor of or against particular outcomes. Peer reviewers shall be selected for their expertise in the scientific substance and methods of the proposed research, and their lack of bias or conflict of interest regarding the applicants or the topic of an approach taken in the proposed research. Peer reviewers shall judge research proposals on several criteria, foremost among which shall be both of the following:
- (1) The scientific merit of the research plan, including whether the research design and experimental procedures are potentially biased for or against a particular outcome.
 - (2) Researchers' expertise in the scientific substance and methods of the proposed research, and their lack of bias or conflict of interest regarding the topic of, and the approach taken in, the proposed research.
- (d) If the program is administered by the Regents of the University of California, any grant research proposals approved by the program shall also require review and approval by the research advisory panel.
- (e) It is the intent of the Legislature that the program be established as follows:
- (1) The program shall be located at one or more University of California campuses that have a core of faculty experienced in organizing multidisciplinary scientific endeavors and, in particular, strong experience in clinical trials involving psychopharmacologic agents. The campuses at which research under the auspices of the program is to take place shall accommodate the administrative offices, including the director of the program, as well as a data management unit, and facilities for storage of specimens.
 - (2) When awarding grants under this section, the program shall utilize principles and parameters of the other well-tested statewide research programs administered by the University of California, modeled after programs administered by the National Institutes of Health, including peer review evaluation of the scientific merit of applications.
 - (3) The scientific and clinical operations of the program shall occur, partly at University of California campuses, and partly at other postsecondary institutions, that have clinicians or scientists with expertise to conduct the required studies. Criteria for selection of research locations shall include the elements listed in subdivision (b) and, additionally, shall give particular weight to the organizational plan, leadership qualities of the program director, and plans to involve investigators and patient populations from multiple sites.
 - (4) The funds received by the program shall be allocated to various research studies in accordance with a scientific plan developed by the Scientific Advisory Council. As the first wave of studies is completed, it is anticipated that the program will receive requests for funding of additional studies. These requests shall be reviewed by the Scientific Advisory Council.
 - (5) The size, scope, and number of studies funded shall be commensurate with the amount of appropriated and available program funding.
- (f) All personnel involved in implementing approved proposals shall be authorized as required by Section 11604.
- (g) Studies conducted pursuant to this section shall include the greatest amount of new scientific research possible on the medical uses of, and medical hazards associated with, marijuana. The program shall consult with the Research Advisory Panel analogous agencies in other states, and appropriate federal agencies in an attempt to avoid duplicative research and the wasting of research dollars.
- (h) The program shall make every effort to recruit qualified patients and qualified physicians from throughout the state.
- (i) The marijuana studies shall employ state-of-the-art research methodologies.
- (j) The program shall ensure that all marijuana used in the studies is of the appropriate medical quality and shall be obtained from the National Institute on Drug Abuse or any other federal agency designated to supply marijuana for authorized

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research. If these federal agencies fail to provide a supply of adequate quality and quantity within six months of the effective date of this section, the Attorney General shall provide an adequate supply pursuant to Section 11478.

- (k) The program may review, approve, or incorporate studies and research by independent groups presenting scientifically valid protocols for medical research, regardless of whether the areas of study are being researched by the committee.

- (l)
 - (1) To enhance understanding of the efficacy and adverse effects of marijuana as a pharmacological agent, the program shall conduct focused controlled clinical trials on the usefulness of marijuana in patients diagnosed with AIDS or HIV, cancer, glaucoma, or seizures or muscle spasms associated with a chronic, debilitating condition. The program may add research on other serious illnesses, provided that resources are available and medical information justifies the research. The studies shall focus on comparisons of both the efficacy and safety of methods of administering the drug to patients, including inhalational, tinctural, and oral, evaluate possible uses of marijuana as a primary or adjunctive treatment, and develop further information on optimal dosage, timing, mode of administration, and variations in the effects of different cannabinoids and varieties of marijuana.
 - (2) The program shall examine the safety of marijuana in patients with various medical disorders, including marijuana's interaction with other drugs, relative safety of inhalation versus oral forms, and the effects on mental function in medically ill persons.
 - (3) The program shall be limited to providing for objective scientific research to ascertain the efficacy and safety of marijuana as part of medical treatment, and should not be construed as encouraging or sanctioning the social or recreational use of marijuana.

- (m)
 - (1) Subject to paragraph (2), the program shall, prior to any approving proposals, seek to obtain research protocol guidelines from the National Institutes of Health and shall, if the National Institutes of Health issues research protocol guidelines, comply with those guidelines.
 - (2) If, after a reasonable period of time of not less than six months and not more than a year has elapsed from the date the program seeks to obtain guidelines pursuant to paragraph (1), no guidelines have been approved, the program may proceed using the research protocol guidelines it develops.

- (n) In order to maximize the scope and size of the marijuana studies, the program may do any of the following:
 - (1) Solicit, apply for, and accept funds from foundations, private individuals, and all other funding sources that can be used to expand the scope or timeframe of the marijuana studies that are authorized under this section. The program shall not expend more than 5 percent of its General Fund allocation in efforts to obtain money from outside sources. Include within the scope of the marijuana studies other marijuana research projects that are independently funded and that meet the requirements set forth in subdivisions (a) to (c), inclusive. In no case shall the program accept any funds that are offered with any conditions other than that the funds be used to study the efficacy and safety of marijuana as part of medical treatment. Any donor shall be advised that funds given for purposes of this section will be used to study both the possible benefits and detriments of marijuana and that he or she will have no control over the use of these funds.
 - (2) Include within the scope of the marijuana studies other marijuana research projects that are independently funded and that meet the requirements set forth in subdivisions (a) to (c), inclusive. In no case shall the program accept any funds that are offered with any conditions other than that the funds be used to study the efficacy and safety of marijuana as part of medical treatment. Any donor shall be advised that funds given for purposes of this section will be used to study both the possible benefits and detriments of marijuana and that he or she will have no control over the use of these funds.

- (o)
 - (1) Within six months of the effective date of this section, the program shall report to the Legislature, the Governor, and the Attorney General on the progress of the marijuana studies.
 - (2) Thereafter, the program shall issue a report to the Legislature every six months detailing the progress of the studies. The interim reports required under this paragraph shall include, but not be limited to, data on all of the following:
 - (A) The names and number of disease or conditions under study.
 - (B) The number of patients enrolled in each study by disease.
 - (C) Any scientifically valid preliminary findings.

- (p) If the Regents of the University of California implement this section, the President of the University of California shall appoint a multidisciplinary Scientific Advisory Council, not to exceed 15 members, to provide policy guidance in the creation and implementation of the program. Members shall be chosen on the basis of scientific expertise. Members of the council shall serve on a voluntary basis, with reimbursement for expenses incurred in the course of their participation. The members shall be reimbursed for travel and other necessary expenses incurred in their performance of the duties of the council.

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- (q) No more than 10 percent of the total funds appropriated may be used for all aspects of the administration of this section.
- (r) This section shall be implemented only to the extent that funding for its purposes is appropriated by the Legislature in the annual Budget Act.

ARTICLE 2.5 MEDICAL MARIJUANA PROGRAM (11362.7 – 11362.83)

11362.769.

Indoor and outdoor medical cannabis cultivation shall be conducted in accordance with state and local laws. State agencies, including, but not limited to, the Department of Food and Agriculture, the State Board of Forestry and Fire Protection, the Department of Fish and Wildlife, the State Water Resources Control Board, the California regional water quality control boards, and traditional state law enforcement agencies shall address environmental impacts of medical cannabis cultivation and shall coordinate, when appropriate, with cities and counties and their law enforcement agencies in enforcement efforts.

REVENUE AND TAXATION CODE

DIVISION 2 PART 14.5. MARIJUANA TAX

34010.

For purposes of this part:

- (a) "Board" shall mean the Board of Equalization or its successor agency.
- (b) "Bureau" shall mean the Bureau of Marijuana Control within the Department of Consumer Affairs.
- (c) "Tax Fund" means the California Marijuana Tax Fund created by Section 34018.
- (d) "Marijuana" shall have the same meaning as set forth in Section 11018 of the Health and Safety Code and shall also mean medical cannabis.
- (e) "Marijuana products" shall have the same meaning as set forth in Section 11018.1 of the Health and Safety Code and shall also mean medical concentrates and medical cannabis products.
- (f) "Marijuana flowers" shall mean the dried flowers of the marijuana plant as defined by the Board.
- (g) "Marijuana leaves" shall mean all parts of the marijuana plant other than marijuana flowers that are sold or consumed.
- (h) "Gross receipts" shall have the same meaning as set forth in Section 6012.
- (i) "Retail sale" shall have the same meaning as set forth in Section 6007.
- (j) "Person" shall have the same meaning as set for in section 6005.
- (k) "Microbusiness" shall have the same meaning as set for in Section 26070(a)(3) of the Business and Professions Code.
- (l) "Nonprofit" shall have the same meaning as set for in Section 26070.5 of the Business and Professions Code.

34011.

- (a) Effective January 1, 2018, a marijuana excise tax shall be imposed upon purchasers of marijuana or marijuana products sold in this state at the rate off fifteen percent (15%) of the gross receipts of any retail sale by a dispensary or other person required to be licensed pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or a retailer, microbusiness, nonprofit, or other person required to be licensed pursuant to Division 10 of the Business and Professions Code to sell marijuana and marijuana products directly to a purchaser.
- (b) Except as otherwise provided by regulation, the tax levied under this section shall apply to the full price, if non-itemized, of any transaction involving both marijuana or marijuana products and any other otherwise distinct and identifiable goods or services, and the price of any goods or services, if a reduction in the price of marijuana or marijuana products is contingent on purchase of those goods or services.
- (c) A dispensary or other person required to be licensed pursuant to Chapter 3. 5 of Division 8 of the Business and Professions Code or a retailer, micro business, nonprofit, or other person required to be licensed pursuant to Division 10 of the Business and Professions Code shall be responsible for collecting this tax and remitting it to the board in accordance with rules and procedures established under law and any regulations adopted by the board.
- (d) The excise tax imposed by this section shall be in addition to the sales and use tax imposed by the state and local governments.
- (e) Gross receipts from the sale of marijuana or marijuana products for purposes of assessing the sales and use tax under Part 1 of this division shall include the tax levied pursuant to this section.

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- (f) No marijuana or marijuana products may be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.
- (g) The sales and use tax imposed by Part 1 of this division shall not apply to retail sales of medical cannabis, medical cannabis concentrate, edible medical cannabis products or topical cannabis as those terms are defined in Chapter 3.5 of Division 8 of the Business and Professions Code when a qualified patient (or primary caregiver for a qualified patient) provides his or her card issued under Section 11362. 71 of the Health and Safety Code and a valid government issued identification card.

34012.

- (a) Effective January 1, 2018, there is hereby imposed a cultivation tax on all harvested marijuana that enters the commercial market upon all persons required to be licensed to cultivate marijuana pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code. The tax shall be due after the marijuana is harvested.
 - (1) The tax for marijuana flowers shall be nine dollars and twenty five cents (\$9.25) per dry-weight ounce.
 - (2) The tax for marijuana leaves shall be set at two dollars and seventy five cents (\$2.75) per dry-weight ounce.
- (b) The board may adjust the tax rate for marijuana leaves annually to reflect fluctuations in the relative price of marijuana flowers to marijuana leaves.
- (c) The board may from time to time establish other categories of harvested marijuana, categories for unprocessed or frozen marijuana or immature plants, or marijuana that is shipped directly to manufacturers. These categories shall be taxed at their relative value compared with marijuana flowers.
- (d) The board may prescribe by regulation a method and manner for payment of the cultivation tax that utilizes tax stamps or state-issued product bags that indicate that all required tax has been paid on the product to which the tax stamp is affixed or in which the marijuana is packaged.
- (e) The tax stamps and product bags shall be of the designs, specifications and denominations as may be prescribed by the board and may be purchased by any licensee under Chapter 3.5 of Division 8 of the Business and Professions Code or under Division 10 of the Business and Professions Code.
- (f) Subsequent to the establishment of a tax stamp program, the board may by regulation provide that no marijuana may be removed from a licensed cultivation facility or transported on a public highway unless in a state-issued product bag bearing a tax stamp in the proper denomination.
- (g) The tax stamps and product bags shall be capable of being read by a scanning or similar device and must be traceable utilizing the track and trace system pursuant to Section 26170 of the Business and Professions Code.
- (h) Persons required to be licensed to cultivate marijuana pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code shall be responsible for payment of the tax pursuant to regulations adopted by the board. No marijuana may be sold unless the tax has been paid as provided in this part.
- (i) All marijuana removed from a cultivator's premises, except for plant waste, shall be presumed to be sold and thereby taxable under this section.
- (j) The tax imposed by this section shall be imposed on all marijuana cultivated in the state pursuant to rules and regulations promulgated by the board, but shall not apply to marijuana cultivated for personal use under Section 11362.1 of the Health and Safety Code or cultivated by a qualified patient or primary caregiver in accordance with the Compassionate Use Act.
- (k) Beginning January 1, 2020, the rates set forth in subdivisions (a), (b), and (c) shall be adjusted by the board annually thereafter for inflation.

34013.

- (a) The board shall administer and collect the taxes imposed by this part pursuant to the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code). For purposes of this part, the references in the Fee Collection Procedures Law to "fee" shall include the tax imposed by this part, and references to "feepayer" shall include a person required to pay or collect the tax imposed by this part.
- (b) The board may prescribe, adopt, and enforce regulations relating to the administration and enforcement of this part, including, but not limited to, collections, reporting, refunds, and appeals.

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- (c) The board shall adopt necessary rules and regulations to administer the taxes in this part. Such rules and regulations may include methods or procedures to tag marijuana or marijuana products, or the packages thereof, to designate prior tax payment.
- (d) The board may prescribe, adopt, and enforce any emergency regulations as necessary to implement, administer and enforce its duties under this division. Any emergency regulation prescribed, adopted, or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349. 6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding any other provision of law, the emergency regulations adopted by the board may remain in effect for two years from adoption.
- (e) Any person who fails to pay the taxes imposed under this part shall, in addition to owing the taxes not paid, be subject to a penalty of at least one-half the amount of the taxes not paid, and shall be subject to having its license revoked pursuant to Section 26031 of the Business and Professions Code or pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code.
- (f) The board may bring such legal actions as are necessary to collect any deficiency in the tax required to be paid, and, upon the board's request, the Attorney General shall bring the actions.

34014.

- (a) All persons required to be licensed involved in the cultivation and retail sale of marijuana or marijuana products must obtain a separate permit from the board pursuant to regulations adopted by the board. No fee shall be charged to any person for issuance of the permit. Any person required to obtain a permit who engages in business as a cultivator, dispensary, retailer, microbusiness or nonprofit pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code without a permit or after a permit has been canceled, suspended, or revoked, and each officer of any corporation which so engages in business, is guilty of a misdemeanor.
- (b) The board may require every licensed dispensary, cultivator, microbusiness, nonprofit, or other person required to be licensed, to provide security to cover the liability for taxes imposed by state law on marijuana produced or received by the cultivator, microbusiness, nonprofit, or other person required to be licensed in accordance with procedures to be established by the board. Notwithstanding anything herein to the contrary, the board may waive any security requirement it imposes for good cause, as determined by the board. "Good cause" includes, but is not limited to, the inability of a cultivator, microbusiness, nonprofit, or other person required to be licensed to obtain security due to a lack of service providers or the policies of service providers that prohibit service to a marijuana business. A person may not commence or continue any business or operation relating to marijuana cultivation until any surety required by the board with respect to the business or operation have been properly prepared, executed and submitted under this part.
- (c) In fixing the amount of any security required by the board, the board shall give consideration to the financial hardship that may be imposed on licensees as a result of any shortage of available surety providers.

34015.

- (a) The marijuana excise tax and cultivation tax imposed by this part is due and payable to the board quarterly on or before the last day of the month following each quarterly period of three months. On or before the last day of the month following each quarterly period, a return for the preceding quarterly period shall be filed with the board by each person required to be licensed for cultivation or retail sale under Divisions 8 or 10 of the Business and Professions Code using electronic media. Returns shall be authenticated in a form or pursuant to methods as may be prescribed by the board. If the cultivation tax is paid by stamp pursuant to section 34012(d) the board may by regulation determine when and how the tax shall be paid.
- (b) The board may require every person engaged in the cultivation, distribution or retail sale of marijuana and marijuana products required to be licensed pursuant to Chapter 3.5 of Division 8 of the Business or Professions Code or Division 10 of the Business and Professions Code to file, on or before the 25th day of each month, a report using electronic media respecting the person's inventory, purchases, and sales during the preceding month and any other information as the board may require to carry out the purposes of this part. Reports shall be authenticated in a form or pursuant to methods as may be prescribed by the board.

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34016.

- (a) Any peace officer, or board employee granted limited peace officer status pursuant to paragraph (6) of subdivision (a) of Section 830.11 of the Penal Code, upon presenting appropriate credentials, is authorized to enter any place as described in paragraph (3) and to conduct inspections in accordance with the following paragraphs, inclusive.
 - (1) Inspections shall be performed in a reasonable manner and at times that are reasonable under the circumstances, taking into consideration the normal business hours of the place to be entered.
 - (2) Inspections may be at any place at which marijuana or marijuana products are sold to purchasers, cultivated, or stored, or at any site where evidence of activities involving evasion of tax may be discovered.
 - (3) Inspections shall be requested or conducted no more than once in a 24-hour period.
- (b) Any person who fails or refuses to allow an inspection shall be subject to a misdemeanor. Each offense shall be punished by a fine not to exceed five thousand dollars (\$5, 000), or imprisonment not exceeding one year in a county jail, or both the fine and imprisonment. The court shall order any fines assessed be deposited in the California Marijuana Tax Fund.
- (c) Upon discovery by the board or a law enforcement agency that a licensee or any other person possesses, stores, owns, or has made a retail sale of marijuana or marijuana products, without evidence of tax payment or not contained in secure packaging, the board or the law enforcement agency shall be authorized to seize the marijuana or marijuana products. Any marijuana or marijuana products seized by a law enforcement agency or the board shall within seven days be deemed forfeited and the board shall comply with the procedures set forth in Sections 30436 through 30449, inclusive.
- (d) Any person who renders a false or fraudulent report is guilty of a misdemeanor and subject to a fine not to exceed one thousand dollars (\$1, 000) for each offense.
- (e) Any violation of any provisions of this part, except as otherwise provided, is a misdemeanor and is punishable as such.
- (f) All moneys remitted to the board under this part shall be credited to the California Marijuana Tax Fund.

34017.

The Legislative Analyst's Office shall submit a report to the Legislature by January 1, 2020, with recommendations to the Legislature for adjustments to the tax rate to achieve the goals of undercutting illicit market prices and discouraging use by persons younger than 21 years of age while ensuring sufficient revenues are generated for the programs identified in Section 34019.

34018.

- (a) The California Marijuana Tax Fund is hereby created in the State Treasury. The Tax Fund shall consist of all taxes, interest, penalties, and other amounts collected and paid to the board pursuant to this part, less payment of refunds.
- (b) Notwithstanding any other law, the California Marijuana Tax Fund is a special trust fund established solely to carry out the purposes of the Control, Regulate and Tax Adult Use of Marijuana Act and all revenues deposited into the Tax Fund, together with interest or dividends earned by the fund, are hereby continuously appropriated for the purposes of the Control, Regulate and Tax Adult Use of Marijuana Act without regard to fiscal year and shall be expended only in accordance with the provisions of this part and its purposes.
- (c) Notwithstanding any other law, the taxes imposed by this part and the revenue derived therefrom, including investment interest, shall not be considered to be part of the General Fund, as that term is used in Chapter I (commencing with section 16300) of Part 2 of Division 4 of the Government Code, shall not be considered General Fund revenue for purposes of Section 8 of Article XVI of the California Constitution and its implementing statutes, and shall not be considered "moneys" for purposes of subdivisions (a) and (b) of Section 8 of Article XVI of the California Constitution and its implementing statutes.

34019.

- (a) Beginning with fiscal year 2017-2018 the Department of Finance shall estimate revenues to be received pursuant to sections 34011 and 34012 and provide those estimates to the Controller no later than June 15 of each year. The Controller shall use these estimates when disbursing funds pursuant to this section. Before any funds are disbursed pursuant to subdivisions (b), (c),(d), and (e) of this section the Controller shall disburse from the Tax Fund to the appropriate account, without regard to fiscal year, the following:

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- (1) Reasonable costs incurred by the board for administering and collecting the taxes imposed by this part; provided, however, such costs shall not exceed four percent (4%) of tax revenues received.
 - (2) Reasonable costs incurred by the Bureau, the Department of Consumer Affairs, the Department of Food and Agriculture, and the Department of Public Health for implementing, administering, and enforcing Chapter 3.5 of Division 8 of the Business and Professions Code and Division IO of the Business and Professions Code to the extent those costs are not reimbursed pursuant to Section 26180 of the Business and Professions Code or pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code. This paragraph shall remain operative through fiscal year 2022-2023.
 - (3) Reasonable costs incurred by the Department of Fish and Wildlife, the State Water Resources Control Board, and the Department of Pesticide Regulation for carrying out their respective duties under Chapter 3.5 of Division 8 of the Business and Professions Code or Division JO of the Business and Professions Code to the extent those costs are not otherwise reimbursed.
 - (4) Reasonable costs incurred by the Controller for performing duties imposed by the Control, Regulate and Tax Adult Use of Marijuana Act, including the audit required by Section 34020.
 - (5) Reasonable costs incurred by the State Auditor for conducting the performance audit pursuant to Section 26191 of the Business and Professions Code.
 - (6) Reasonable costs incurred by the Legislative Analyst's Office for performing duties imposed by Section 34017.
 - (7) Sufficient funds to reimburse the Division of Labor Standards Enforcement and Occupational Safety and Health within the Department of Industrial Relations and the Employment Development Department for the costs of applying and enforcing state labor laws to licensees under Chapter 3.5 of Division 8 of the Business and Professions Code and Division 10 of the Business and Professions Code.
- (b) The Controller shall next disburse the sum of ten million dollars (\$10,000,000) to a public university or universities in California annually beginning with fiscal year 2018-2019 until fiscal year 2028-2029 to research and evaluate the implementation and effect of the Control, Regulate and Tax Adult Use of Marijuana Act, and shall, if appropriate, make recommendations to the Legislature and Governor regarding possible amendments to the Control, Regulate and Tax Adult Use of Marijuana Act. The recipients of these funds shall publish reports on their findings at a minimum of every two years and shall make the reports available to the public. The Bureau shall select the universities to be funded. The research funded pursuant to this subdivision shall include but not necessarily be limited to:
- (1) Impacts on public health, including health costs associated with marijuana use, as well as whether marijuana use is associated with an increase or decrease in use of alcohol or other drugs.
 - (2) The impact of treatment for maladaptive marijuana use and the effectiveness of different treatment programs.
 - (3) Public safety issues related to marijuana use, including studying the effectiveness of the packaging and labeling requirements and advertising and marketing restrictions contained in the Act at preventing underage access to and use of marijuana and marijuana products, and studying the health-related effects among users of varying potency levels of marijuana and marijuana products.
 - (4) Marijuana use rates, maladaptive use rates for adults and youth, and diagnosis rates of marijuana-related substance use disorders.
 - (5) Marijuana market prices, illicit market prices, tax structures and rates, including an evaluation of how to best tax marijuana based on potency, and the structure and function of licensed marijuana businesses.
 - (6) Whether additional protections are needed to prevent unlawful monopolies or anticompetitive behavior from occurring in the nonmedical marijuana industry and, if so, recommendations as to the most effective measures for preventing such behavior.
 - (7) The economic impacts in the private and public sectors, including but not necessarily limited to, job creation, workplace safety, revenues, taxes generated for state and local budgets, and criminal justice impacts, including, but not necessarily limited to, impacts on law enforcement and public resources, short and long term consequences of involvement in the criminal justice system, and state and local government agency administrative costs and revenue.
 - (8) Whether the regulatory agencies tasked with implementing and enforcing the Control, Regulate and Tax Adult Use of Marijuana Act are doing so consistent with the purposes of the Act, and whether different agencies might do so more effectively.
 - (9) Environmental issues related to marijuana production and the criminal prohibition of marijuana production.

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- (10) The geographic location, structure, and function of licensed marijuana businesses, and demographic data, including race, ethnicity, and gender, of license holders.
- (11) The outcomes achieved by the changes in criminal penalties made under the Control, Regulate, and Tax Adult Use of Marijuana Act for marijuana-related offenses, and the outcome of the juvenile justice system, in particular, probation-based treatments and the frequency of up-charging illegal possession of marijuana or marijuana products to a more serious offense.
- (c) The Controller shall next disburse the sum of three million dollars (\$3, 000, 000) annually to the Department of the California Highway Patrol beginning fiscal year 2018-2019 until fiscal year 2022-2023 to establish and adopt protocols to determine whether a driver is operating a vehicle while impaired, including impairment by the use of marijuana or marijuana products, and to establish and adopt protocols setting forth best practices to assist law enforcement agencies. The department may hire personnel to establish the protocols specified in this subdivision. In addition, the department may make grants to public and private research institutions for the purpose of developing technology for determining when a driver is operating a vehicle while impaired, including impairment by the use of marijuana or marijuana products.
- (d) The Controller shall next disburse the sum of ten million dollars (\$10,000,000) beginning fiscal year 2018-2019 and increasing ten million dollars (\$10, 000, 000) each fiscal year thereafter until fiscal year 2022-2023, at which time the disbursement shall be fifty million dollars (\$50, 000, 000) each year thereafter, to the Governor's Office of Business and Economic Development, in consultation with the Labor and Workforce Development Agency and the Department of Social Services, to administer a Community Reinvestments grants program to local health departments and at least fifty-percent to qualified community-based nonprofit organizations to support job placement, mental health treatment, substance use disorder treatment, system navigation services, legal services to address barriers to reentry, and linkages to medical care for communities disproportionately affected by past federal and state drug policies. The Office shall solicit input from community-based job skills, job placement, and legal service providers with relevant expertise as to the administration of the grants program. In addition, the Office shall periodically evaluate the programs it is funding to determine the effectiveness of the programs, shall not spend more than four percent (4%) for administrative costs related to implementation, evaluation and oversight of the programs, and shall award grants annually, beginning no later than January 1, 2020.
- (e) The Controller shall next disburse the sum of two million dollars (\$2, 000, 000) annually to the University of California San Diego Center for Medicinal Cannabis Research to further the objectives of the Center including the enhanced understanding of the efficacy and adverse effects of marijuana as a pharmacological agent.
- (f) By July 15 of each fiscal year beginning in fiscal year 2018-2019, the Controller shall, after disbursing funds pursuant to subdivisions (a), (b), (c), (d), and (e), disburse funds deposited in the Tax Fund during the prior fiscal year into sub-trust accounts, which are hereby created, as follows:
- (1) Sixty percent (60%) shall be deposited in the Youth Education, Prevention, Early Intervention and Treatment Account, and disbursed by the Controller to the Department of Health Care Services for programs for youth that are designed to educate about and to prevent substance use disorders and to prevent harm from substance use. The Department of Health Care services shall enter into inter-agency agreements with the Department of Public Health and the Department of Education to implement and administer these programs. The programs shall emphasize accurate education, effective prevention, early intervention, school retention, and timely treatment services for youth, their families and caregivers. The programs may include, but are not limited to, the following components:
- (A) Prevention and early intervention services including outreach, risk survey and education to youth, families, caregivers, schools, primary care health providers, behavioral health and substance use disorder service providers, community and faith-based organizations, foster care providers, juvenile and family courts, and others to recognize and reduce risks related to substance use, and the early signs of problematic use and of substance use disorders.
- (B) Grants to schools to develop and support Student Assistance Programs, or other similar programs, designed to prevent and reduce substance use, and improve school retention and performance, by supporting students who are at risk of dropping out of school and promoting alternatives to suspension or expulsion that focus on school retention, remediation, and professional care. Schools with higher than average dropout rates should be prioritized for grants.

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- (C) Grants to programs for outreach, education and treatment for homeless youth and out-of-school youth with substance use disorders.
 - (D) Access and linkage to care provided by county behavioral health programs for youth, and their families and caregivers, who have a substance use disorder or who are at risk for developing a substance use disorder.
 - (E) Youth-focused substance use disorder treatment programs that are culturally and gender competent, trauma-informed, evidence-based and provide a continuum of care that includes, screening and assessment (substance use disorder as well as mental health), early intervention, active treatment, family involvement, case management, overdose prevention, prevention of communicable diseases related to substance use, relapse management for substance use and other co-occurring behavioral health disorders, vocational services, literacy services, parenting classes, family therapy and counseling services, medication-assisted treatments, psychiatric medication and psychotherapy. When indicated, referrals must be made to other providers.
 - (F) To the extent permitted by law and where indicated, interventions shall utilize a two generation approach to addressing substance use disorders with the capacity to treat youth and adults together. This would include supporting the development of family-based interventions that address substance use disorders and related problems within the context of families, including parents, foster parents, caregivers and all their children.
 - (G) Programs to assist individuals, as well as families and friends of drug using young people, to reduce the stigma associated with substance use including being diagnosed with a substance use disorder or seeking substance use disorder services. This includes peer-run outreach and education to reduce stigma, anti-stigma campaigns, and community recovery networks.
 - (H) Workforce training and wage structures that increase the hiring pool of behavioral health staff with substance use disorder prevention and treatment expertise. Provide ongoing education and coaching that increases substance use treatment providers' core competencies and trains providers on promising and evidenced-based practices.
 - (I) Construction of community-based youth treatment facilities.
 - (J) The departments may contract with each county behavioral health program for the provision of services.
 - (K) Funds shall be allocated to counties based on demonstrated need, including the number of youth in the county, the prevalence of substance use disorders among adults, and confirmed through statistical data, validated assessments or submitted reports prepared by the applicable county to demonstrate and validate need.
 - (L) The departments shall periodically evaluate the programs they are funding to determine the effectiveness of the programs.
 - (M) The departments may use up to four percent (4%) of the moneys allocated to the Youth Education, Prevention, Early Intervention and Treatment Account for administrative costs related to implementation, evaluation and oversight of the programs.
 - (N) If the Department of Finance ever determines that funding pursuant to marijuana taxation exceeds demand for youth prevention and treatment services in the state, the departments shall provide a plan to the Department of Finance to provide treatment services to adults as well as youth using these funds.
 - (O) The departments shall solicit input from volunteer health organizations, physicians who treat addiction, treatment researchers, family therapy and counseling providers, and professional education associations with relevant expertise as to the administration of any grants made pursuant to this paragraph.
- (2) Twenty percent (20%) shall be deposited in the Environmental Restoration and Protection Account, and disbursed by the Controller as follows:
- (A) To the Department of Fish and Wildlife and the Department of Parks and Recreation for the cleanup, remediation, and restoration of environmental damage in watersheds affected by marijuana cultivation and related activities including, but not limited to, damage that occurred prior to enactment of this part, and to support local partnerships for this purpose. The Department of Fish and Wildlife and the Department of Parks and Recreation may distribute a portion of the funds they receive from the Environmental Restoration and Protection Account through grants for purposes specified in this paragraph.
 - (B) To the Department of Fish and Wildlife and the Department of Parks and Recreation for the stewardship and operation of state-owned wildlife habitat areas and state park units in a manner that discourages and prevents the illegal cultivation, production, sale and use of marijuana and marijuana products on public lands, and to

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facilitate the investigation, enforcement and prosecution of illegal cultivation, production, sale, and use of marijuana or marijuana products on public lands.

- (C) To the Department of Fish and Wildlife to assist in funding the watershed enforcement program and multiagency task force established pursuant to subdivisions (b) and (c) of Section 12029 of the Fish and Game Code to facilitate the investigation, enforcement, and prosecution of these offenses and to ensure the reduction of adverse impacts of marijuana cultivation, production, sale, and use on fish and wildlife habitats throughout the state.
 - (D) For purposes of this paragraph, the Secretary of the Natural Resources Agency shall determine the allocation of revenues between the departments. During the first five years of implementation, first consideration should be given to funding purposes specified in subparagraph (A).
 - (E) Funds allocated pursuant to this paragraph shall be used to increase and enhance activities described in subparagraphs (A), (B), and (C), and not replace allocation of other funding for these purposes. Accordingly, annual General Fund appropriations to the Department of Fish and Wildlife and the Department of Parks and Recreation shall not be reduced below the levels provided in the Budget Act of 2014 (Chapter 25 of Statutes of 2014).
- (3) Twenty percent (20%) shall be deposited into the State and Local Government Law Enforcement Account and disbursed by the Controller as follows:
- (A) To the Department of the California Highway Patrol for conducting training programs for detecting, testing and enforcing laws against driving under the influence of alcohol and other drugs, including driving under the influence of marijuana. The Department may hire personnel to conduct the training programs specified in this subparagraph.
 - (B) To the Department of the California Highway Patrol to fund internal California Highway Patrol programs and grants to qualified nonprofit organizations and local governments for education, prevention and enforcement of laws related to driving under the influence of alcohol and other drugs, including marijuana; programs that help enforce traffic laws, educate the public in traffic safety, provide varied and effective means of reducing fatalities, injuries and economic losses from collisions; and for the purchase of equipment related to enforcement of laws related to driving under the influence of alcohol and other drugs, including marijuana.
 - (C) To the Board of State and Community Corrections for making grants to local governments to assist with law enforcement, fire protection, or other local programs addressing public health and safety associated with the implementation of the Control, Regulate and Tax Adult Use of Marijuana Act. The Board shall not make any grants to local governments which have banned the cultivation, including personal cultivation under Section 11362.2(b)(3) of the Health and Safety Code, or retail sale of marijuana or marijuana products pursuant to Section 26200 of the Business and Professions Code or as otherwise provided by law.
 - (D) For purposes of this paragraph the Department of Finance shall determine the allocation of revenues between the agencies; provided, however, beginning in fiscal year 2022-2023 the amount allocated pursuant to subparagraph (A) shall not be less than ten million dollars (\$10,000,000) annually and the amount allocated pursuant to subparagraph (B) shall not be less than forty million dollars (\$40,000,000) annually. In determining the amount to be allocated before fiscal year 2022-2023 pursuant to this paragraph, the Department of Finance shall give initial priority to subparagraph (A).
- (g) Funds allocated pursuant to subdivision (j) shall be used to increase the funding of programs and purposes identified and shall not be used to replace allocation of other funding for these purposes.
 - (h) Effective July 1, 2028, the Legislature may amend this section by majority vote to further the purposes of the Control, Regulate and Tax Adult Use of Marijuana Act, including allocating funds to programs other than those specified in subdivisions (d) and (j) of this section. Any revisions pursuant to this subdivision shall not result in a reduction of funds to accounts established pursuant to subdivisions (d) and (j) in any subsequent year from the amount allocated to each account in fiscal year 2027-2028. Prior to July 1, 2028, the Legislature may not change the allocations to programs specified in subdivisions (d) and (j) of this section.

34020.

The Controller shall periodically audit the Tax Fund to ensure that those funds are used and accounted for in a manner consistent with this part and as otherwise required by law.

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34021.

- (a) The taxes imposed by this Part shall be in addition to any other tax imposed by a city, county, or city and county.

34021.5

- (a)
- (1) A county may impose a tax on the privilege of cultivating, manufacturing, producing, processing, preparing, storing, providing, donating, selling, or distributing marijuana or marijuana products by a licensee operating under Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code.
 - (2) The board of supervisors shall specify in the ordinance proposing the tax the activities subject to the tax, the applicable rate or rates, the method of apportionment, if necessary, and the manner of collection of the tax. The tax may be imposed for general governmental purposes or for purposes specified in the ordinance by the board of supervisors.
 - (3) In addition to any other method of collection authorized by law, the board of supervisors may provide for the collection of the tax imposed pursuant to this section in the same manner, and subject to the same penalties and priority of lien, as other charges and taxes fixed and collected by the county. A tax imposed pursuant to this section is a tax and not a fee or special assessment. The board of supervisors shall specify whether the tax applies throughout the entire county or within the unincorporated area of the county.
 - (4) The tax authorized by this section may be imposed upon any or all of the activities set forth in paragraph (1), as specified in the ordinance, regardless of whether the activity is undertaken individually, collectively, or cooperatively, and regardless of whether the activity is for compensation or gratuitous, as determined by the board of supervisors.
- (b) A tax imposed pursuant to this section shall be subject to applicable voter approval requirements imposed by law.
- (c) This section is declaratory of existing law and does not limit or prohibit the levy or collection of any other fee, charge, or tax, or a license or service fee or charge upon, or related to, the activities set forth in subdivision (a) as otherwise provided by law. This section shall not be construed as a limitation upon the taxing authority of a county as provided by law.
- (d) This section shall not be construed to authorize a county to impose a sales or use tax in addition to the sales and use tax imposed under an ordinance conforming to the provisions of Sections 7202 and 7203 of the Revenue and Taxation Code.

WATER CODE

DIVISION 2 PART 1. GENERAL PROVISIONS

CHAPTER 2. ADMINISTRATIVE PROVISIONS GENERALLY (1050 - 1060)

1058.5.

- (a) This section applies to any emergency regulation adopted by the board for which the board makes both of the following findings:
- (1) The emergency regulation is adopted to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports.
 - (2) The emergency regulation is adopted in response to conditions which exist, or are threatened, in a critically dry year immediately preceded by two or more consecutive below normal, dry, or critically dry years or during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions.
- (b) Notwithstanding Sections 11346.1 and 11349.6 of the Government Code, any findings of emergency adopted by the board, in connection with the adoption of an emergency regulation under this section, are not subject to review by the Office of Administrative Law.
- (c) An emergency regulation adopted by the board under this section may remain in effect for up to 270 days, as determined by the board, and is deemed repealed immediately upon a finding by the board that due to changed conditions it is no longer necessary for the regulation to remain in effect. An emergency regulation adopted by the board under this section may be renewed if the board determines that the conditions specified in paragraph (2) of subdivision (a) are still in effect.

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- (d) In addition to any other applicable civil or criminal penalties, any person or entity who violates a regulation adopted by the board pursuant to this section is guilty of an infraction punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs.
- (e)
 - (1) Notwithstanding subdivision (b) of Section 1551 or subdivision (e) of Section 1848, a civil liability imposed under Chapter 12 (commencing with Section 1825) of Part 2 of Division 2 by the board or a court for a violation of an emergency conservation regulation adopted pursuant to this section shall be deposited, and separately accounted for, in the Water Rights Fund. Funds deposited in accordance with this subdivision shall be available, upon appropriation, for water conservation activities and programs.
 - (2) For purposes of this subdivision, an "emergency conservation regulation" means an emergency regulation that requires an end user of water, a water retailer, or a water wholesaler to conserve water or report to the board on water conservation. Water conservation includes restrictions or limitations on particular uses of water or a reduction in the amount of water used or served, but does not include curtailment of diversions when water is not available under the diverter's priority of right or reporting requirements related to curtailments.

DIVISION 2 PART 2. APPROPRIATION OF WATER

CHAPTER 8. WATER RIGHT FEES

ARTICLE 1. FEE SCHEDULES (1525 – 1530)

1525.

- (a) Each person or entity who holds a permit or license to appropriate water, and each lessor of water leased under Chapter 1.5 (commencing with Section 1020) of Part 1, shall pay an annual fee according to a fee schedule established by the board.
- (b) Each person or entity who files any of the following shall pay a fee according to a fee schedule established by the board:
 - (1) An application for a permit to appropriate water.
 - (2) A registration of appropriation for a small domestic use, small irrigation use, or livestock stockpond use.
 - (3) A petition for an extension of time within which to begin construction, to complete construction, or to apply the water to full beneficial use under a permit.
 - (4) A petition to change the point of diversion, place of use, or purpose of use, under a permit, license, or registration.
 - (5) A petition to change the conditions of a permit or license, requested by the permittee or licensee, that is not otherwise subject to paragraph (3) or (4).
 - (6) A petition to change the point of discharge, place of use, or purpose of use, of treated wastewater, requested pursuant to Section 1211.
 - (7) An application for approval of a water lease agreement.
 - (8) A request for release from priority pursuant to Section 10504.
 - (9) An application for an assignment of a state-filed application pursuant to Section 10504.
 - (10) A statement of water diversion and use pursuant to Part 5.1 (commencing with Section 5100) that reports that water was used for cannabis cultivation.
- (c) The board shall set the fee schedule authorized by this section so that the total amount of fees collected pursuant to this section equals that amount necessary to recover costs incurred in connection with the issuance, administration, review, monitoring, and enforcement of permits, licenses, certificates, and registrations to appropriate water, water leases, statements of water diversion and use for cannabis cultivation, and orders approving changes in point of discharge, place of use, or purpose of use of treated wastewater. The board may include, as recoverable costs, but is not limited to including, the costs incurred in reviewing applications, registrations, statements of water diversion and use for cannabis cultivation, petitions and requests, prescribing terms of permits, licenses, registrations, and change orders, enforcing and evaluating compliance with permits, licenses, certificates, registrations, change orders, and water leases, inspection, monitoring, planning, modeling, reviewing documents prepared for the purpose of regulating the diversion and use of water, applying and enforcing the prohibition set forth in Section 1052 against the unauthorized diversion or use of water subject to this division and the water diversion related provisions of Article 6 (commencing with Section 19331) of Chapter 3.5 of Division 8 of the Business and Professions Code, and the administrative costs incurred in connection with carrying out these actions.
- (d)
 - (1) The board shall adopt the schedule of fees authorized under this section as emergency regulations in accordance with Section 1530.
 - (2) For filings subject to subdivision (b), the schedule may provide for a single filing fee or for an initial filing fee followed by an annual fee, as appropriate to the type of filing involved, and may include supplemental fees for filings that have already been made but have not yet been acted upon by the board at the time the schedule of fees takes effect.

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- (3) The board shall set the amount of total revenue collected each year through the fees authorized by this section at an amount equal to the amounts appropriated by the Legislature for expenditure for support of water rights program activities from the Water Rights Fund established under Section 1550, taking into account the reserves in the Water Rights Fund. The board shall review and revise the fees each fiscal year as necessary to conform with the amounts appropriated. If the board determines that the revenue collected during the preceding year was greater than, or less than, the amounts appropriated, the board may further adjust the annual fees to compensate for the over or under collection of revenue.
- (e) Annual fees imposed pursuant to this section for the 2003–04 fiscal year shall be assessed for the entire 2003–04 fiscal year.

ARTICLE 2. COLLECTION AND ENFORCEMENT (1535 – 1541)

1535.

- (a) Any fee subject to this chapter that is required in connection with the filing of an application, registration, request, statement, or proof of claim, other than an annual fee required after the period covered by the initial filing fee, shall be paid to the board.
- (b) If a fee established under subdivision (b) of Section 1525, Section 1528, or Section 13160.1 is not paid when due, the board may cancel the application, registration, petition, request, statement, or claim, or may refer the matter to the State Board of Equalization for collection of the unpaid fee.

ARTICLE 3. WATER RIGHTS FUND (1550 – 1552)

1552.

Except as provided in subdivision (e) of Section 1058.5, moneys in the Water Rights Fund are available for expenditure, upon appropriation by the Legislature, for the following purposes:

- (a) For expenditure by the State Board of Equalization in the administration of this chapter and the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code) in connection with any fee or expense subject to this chapter.
- (b) For the payment of refunds, pursuant to Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code, of fees or expenses collected pursuant to this chapter.
- (c) For expenditure by the board for the purposes of carrying out this division, Division 1 (commencing with Section 100), Part 2 (commencing with Section 10500) and Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6, Article 7 (commencing with Section 13550) of Chapter 7 of Division 7, and the water diversion related provisions of Article 6 (commencing with Section 19331) of Chapter 3.5 of Division 8 of the Business and Professions Code.
- (d) For expenditures by the board for the purposes of carrying out Sections 13160 and 13160.1 in connection with activities involving hydroelectric power projects subject to licensing by the Federal Energy Regulatory Commission.
- (e) For expenditures by the board for the purposes of carrying out Sections 13140 and 13170 in connection with plans and policies that address the diversion or use of water.

CHAPTER 12. ENFORCEMENT OF WATER RIGHTS

ARTICLE 2. CEASE AND DESIST ORDERS (1831 – 1836)

1831.

- (a) When the board determines that any person is violating, or threatening to violate, any requirement described in subdivision (d), the board may issue an order to that person to cease and desist from that violation.
- (b) The cease and desist order shall require that person to comply forthwith or in accordance with a time schedule set by the board.
- (c) The board may issue a cease and desist order only after notice and an opportunity for hearing pursuant to Section 1834.
- (d) The board may issue a cease and desist order in response to a violation or threatened violation of any of the following:
- (1) The prohibition set forth in Section 1052 against the unauthorized diversion or use of water subject to this division.
 - (2) Any term or condition of a permit, license, certification, or registration issued under this division.
 - (3) Any decision or order of the board issued under this part, Section 275, Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6, or Article 7 (commencing with Section 13550) of Chapter 7 of Division 7, in which decision or order the person to whom the cease and desist order will be issued, or a predecessor in interest to that person, was named as a party directly affected by the decision or order.
 - (4) A regulation adopted under Section 1058.5.
 - (5) Any extraction restriction, limitation, order, or regulation adopted or issued under Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6.

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- (6) Any diversion or use of water for cannabis cultivation if any of the following applies:
 - (A) A license is required, but has not been obtained, under Article 6 (commencing with Section 19331) of Chapter 3.5 of Division 8 of the Business and Professions Code.
 - (B) The diversion is not in compliance with an applicable limitation or requirement established by the board or the Department of Fish and Wildlife under Section 13149.
 - (C) The diversion or use is not in compliance with a requirement imposed under subdivision (d) or (e) of Section 19332.2 of the Business and Professions Code.
- (e) This article does not alter the regulatory authority of the board under other provisions of law.

ARTICLE 3. MONITORING AND REPORTING (1840 - 1841)

1840.

- (a)
 - (1) Except as provided in subdivision (b), a person who, on or after January 1, 2016, diverts 10 acre-feet of water per year or more under a permit or license shall install and maintain a device or employ a method capable of measuring the rate of direct diversion, rate of collection to storage, and rate of withdrawal or release from storage. The measurements shall be made using the best available technologies and best professional practices, as defined in Section 5100, using a device or methods satisfactory to the board, as follows:
 - (A) A device shall be capable of continuous monitoring of the rate and quantity of water diverted and shall be properly maintained. The permittee or licensee shall provide the board with evidence that the device has been installed with the first report submitted after installation of the device. The permittee or licensee shall provide the board with evidence demonstrating that the device is functioning properly as part of the reports submitted at five-year intervals after the report documenting installation of the device, or upon request of the board.
 - (B) In developing regulations pursuant to Section 1841, the board shall consider devices and methods that provide accurate measurement of the total amount diverted and the rate of diversion. The board shall consider devices and methods that provide accurate measurements within an acceptable range of error, including the following:
 - (i) Electricity records dedicated to a pump and recent pump test.
 - (ii) Staff gage calibrated with an acceptable streamflow rating curve.
 - (iii) Staff gage calibrated for a flume or weir.
 - (iv) Staff gage calibrated with an acceptable storage capacity curve.
 - (v) Pressure transducer and acceptable storage capacity curve.
 - (2) The permittee or licensee shall maintain a record of all diversion monitoring that includes the date, time, and diversion rate at time intervals of one hour or less, and the total amount of water diverted. These records shall be included with reports submitted under the permit or license, as required under subdivision (c), or upon request of the board.
- (b)
 - (1) The board may modify the requirements of subdivision (a) upon finding either of the following:
 - (A) That strict compliance is infeasible, is unreasonably expensive, would unreasonably affect public trust uses, or would result in the waste or unreasonable use of water.
 - (B) That the need for monitoring and reporting is adequately addressed by other conditions of the permit or license.
 - (2) The board may increase the 10-acre-foot reporting threshold of subdivision (a) in a watershed or subwatershed, after considering the diversion reporting threshold in relation to quantity of water within the watershed or subwatershed. The board may increase the 10-acre-foot reporting threshold to 25 acre-feet or above if it finds that the benefits of the additional information within the watershed or subwatershed are substantially outweighed by the cost of installing measuring devices or employing methods for measurement for diversions at the 10-acre-foot threshold.
- (c) At least annually, a person who diverts water under a registration, permit, or license shall report to the board the following information:
 - (1) The quantity of water diverted by month.
 - (2) The maximum rate of diversion by months in the preceding calendar year.
 - (3) The information required by subdivision (a), if applicable.
 - (4) The amount of water used, if any, for cannabis cultivation.
- (d) Compliance with the applicable requirements of this section is a condition of every registration, permit, or license.

ARTICLE 4. ENFORCEMENT (1845 - 1848)

1845.

- (a) Upon the failure of any person to comply with a cease and desist order issued by the board pursuant to this chapter, the Attorney General, upon the request of the board, shall petition the superior court for the issuance of prohibitory or

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mandatory injunctive relief as appropriate, including a temporary restraining order, preliminary injunction, or permanent injunction.

- (b)
- (1) A person or entity who violates a cease and desist order issued pursuant to this chapter may be liable in an amount not to exceed the following:
 - (A) If the violation occurs in a critically dry year immediately preceded by two or more consecutive below normal, dry, or critically dry years or during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions, ten thousand dollars (\$10,000) for each day in which the violation occurs.
 - (B) If the violation is not described by subparagraph (A), one thousand dollars (\$1,000) for each day in which the violation occurs.
 - (2) Civil liability may be imposed by the superior court. The Attorney General, upon the request of the board, shall petition the superior court to impose, assess, and recover those sums.
 - (3) Civil liability may be imposed administratively by the board pursuant to Section 1055.

1846.

- (a) A person or entity may be liable for a violation of any of the following in an amount not to exceed five hundred dollars (\$500) for each day in which the violation occurs:
 - (1) A term or condition of a permit, license, certificate, or registration issued under this division.
 - (2) A regulation or order adopted by the board.
- (b) Civil liability may be imposed by the superior court. The Attorney General, upon the request of the board, shall petition the superior court to impose, assess, and recover those sums.
- (c) Civil liability may be imposed administratively by the board pursuant to Section 1055.

1847.

- (a) A person or entity may be liable for a violation of any of the requirements of subdivision (b) in an amount not to exceed the sum of the following:
 - (1) Five hundred dollars (\$500), plus two hundred fifty dollars (\$250) for each additional day on which the violation continues if the person fails to correct the violation within 30 days after the board has called the violation to the attention of that person.
 - (2) Two thousand five hundred dollars (\$2,500) for each acre-foot of water diverted or used in violation of the applicable requirement.
- (b) Liability may be imposed for any of the following violations:
 - (1) Violation of a limitation or requirement established by the board or the Department of Fish and Wildlife under Section 13149.
 - (2) Failure to submit information, or making a material misstatement in information submitted, under subdivision (a), (b), or (c) of Section 19332.2 of the Business and Professions Code.
 - (3) Violation of any requirement imposed under subdivision (e) of Section 19332.2 of the Business and Professions Code.
 - (4) Diversion or use of water for cannabis cultivation for which a license is required, but has not been obtained, under Article 6 (commencing with Section 19331) of Chapter 3.5 of Division 8 of the Business and Professions Code.
- (c) Civil liability may be imposed by the superior court. The Attorney General, upon the request of the board, shall petition the superior court to impose, assess, and recover those sums.
- (d) Civil liability may be imposed administratively by the board pursuant to Section 1055.

1848.

- (a) Except as provided in subdivisions (b) and (c), remedies under this chapter are in addition to, and do not supersede or limit, any other remedy, civil or criminal.
- (b) Civil liability shall not be imposed both administratively and by the superior court for the same violation.
- (c) No liability shall be recoverable under Section 1846 or 1847 for a violation for which liability is recovered under Section 1052.
- (d) In determining the appropriate amount, the court, or the board, as the case may be, shall take into consideration all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the nature and persistence of the violation, the length of time over which the violation occurs, and the corrective action, if any, taken by the violator.

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- (e) All funds recovered pursuant to this article shall be deposited in the Water Rights Fund established pursuant to Section 1550.

DIVISION 2 PART 5.1. STATEMENTS OF WATER DIVERSIONS AND USE (5100 -5107)

5103.

Each statement shall be prepared on a form provided by the board. The statement shall include all of the following information:

- (a) The name and address of the person who diverted water and of the person filing the statement.
- (b) The name of the stream or other source from which water was diverted, and the name of the next major stream or other body of water to which the source is tributary.
- (c) The place of diversion. The location of the diversion works shall be depicted on a specific United States Geological Survey topographic map, or shall be identified using the California Coordinate System, or latitude and longitude measurements. If assigned, the public land description to the nearest 40-acre subdivision and the assessor's parcel number shall also be provided.
- (d) The capacity of the diversion works and of the storage reservoir, if any, and the months in which water was used during the preceding calendar year.
- (e)
 - (1)
 - (A) At least monthly records of water diversions. The measurements of the diversion shall be made in accordance with Section 1840.
 - (B)
 - (i) On and after July 1, 2016, the measurement of a diversion of 10 acre-feet or more per year shall comply with regulations adopted by the board pursuant to Article 3 (commencing with Section 1840) of Chapter 12 of Part 2.
 - (ii) The requirement of clause (i) is extended to January 1, 2017, for any statement filer that enters into a voluntary agreement that is acceptable to the board to reduce the statement filer's diversions during the 2015 irrigation season.
 - (2)
 - (A) The terms of, and eligibility for, any grant or loan awarded or administered by the department, the board, or the California Bay-Delta Authority on behalf of a person that is subject to paragraph (1) shall be conditioned on compliance with that paragraph.
 - (B) Notwithstanding subparagraph (A), the board may determine that a person is eligible for a grant or loan even though the person is not complying with paragraph (1), if both of the following apply:
 - (i) The board determines that the grant or loan will assist the grantee or loan recipient in complying with paragraph (1).
 - (ii) The person has submitted to the board a one-year schedule for complying with paragraph (1).
 - (C) It is the intent of the Legislature that the requirements of this subdivision shall complement and not affect the scope of authority granted to the board by provisions of law other than this article.
- (f)
 - (1) The purpose of use.
 - (2) The amount of water used, if any, for cannabis cultivation.
- (g) A general description of the area in which the water was used. The location of the place of use shall be depicted on a specific United States Geological Survey topographic map and on any other maps with identifiable landmarks. If assigned, the public land description to the nearest 40-acre subdivision and the assessor's parcel number shall also be provided.
- (h) The year in which the diversion was commenced as near as is known.

13149.

- (a)
 - (1) (A) The board, in consultation with the Department of Fish and Wildlife, shall adopt principles and guidelines for diversion and use of water for cannabis cultivation in areas where cannabis cultivation may have the potential to substantially affect instream flows. The principles and guidelines adopted under this section may include, but are not limited to, instream flow objectives, limits on diversions, and requirements for screening of diversions and elimination of barriers to fish passage. The principles and guidelines may include requirements that apply to groundwater extractions where the board determines those requirements are reasonably necessary for purposes of this section.

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Includes 2015 bills SB 643, AB 266, AB 243 and 2016 bills SB 837, AB 21, AB 2516 and AB 2679

- (B) Prior to adopting principles and guidelines under this section, the board shall allow for public comment and hearing, pursuant to Section 13147. The board shall provide an opportunity for the public to review and comment on the proposal for at least 60 days and shall consider the public comments before adopting the principles and guidelines.
 - (2) The board, in consultation with the Department of Fish and Wildlife, shall adopt principles and guidelines pending the development of long-term principles and guidelines under paragraph (1). The principles and guidelines, including the interim principles and guidelines, shall include measures to protect springs, wetlands, and aquatic habitats from negative impacts of cannabis cultivation. The board may update the interim principles and guidelines as it determines to be reasonably necessary for purposes of this section.
 - (3) The Department of Fish and Wildlife, in consultation with the board, may establish interim requirements to protect fish and wildlife from the impacts of diversions for cannabis cultivation pending the adoption of long-term principles and guidelines by the board under paragraph (1). The requirements may also include measures to protect springs, wetlands, and aquatic habitats from negative impacts of cannabis cultivation.
- (b)
- (1) Notwithstanding Section 15300.2 of Title 14 of the California Code of Regulations, actions of the board and the Department of Fish and Wildlife under this section shall be deemed to be within Section 15308 of Title 14 of the California Code of regulations, provided that those actions do not involve relaxation of existing streamflow standards.
 - (2) The board shall adopt principles and guidelines under this section as part of state policy for water quality control adopted pursuant to Article 3 (commencing with Section 13140) of Chapter 3 of Division 7.
 - (3) If the Department of Fish and Wildlife establishes interim requirements under this section, it shall do so as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of those interim requirements is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the emergency regulations shall remain in effect until revised by the Department of Fish and Wildlife, provided that the emergency regulations shall not apply after long-term principles and guidelines adopted by the board under this section take effect for the stream or other body of water where the diversion is located.
 - (4) A diversion for cannabis cultivation is subject to both the interim principles and guidelines and the interim requirements in the period before final principles and guidelines are adopted by the board.
 - (5) The board shall have primary enforcement responsibility for principles and guidelines adopted under this section, and shall notify the Department of Food and Agriculture of any enforcement action taken.

**Comprehensive
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SECTION 1. TITLE.

This measure shall be known and may be cited as the Control, Regulate and Tax Adult Use of Marijuana Act "The Adult Use of Marijuana Act"

SECTION 2. FINDINGS AND DECLARATIONS.

- (A) Currently in California, nonmedical marijuana use is unregulated, untaxed, and occurs without any consumer or environmental protections. The Control, Regulate and Tax Adult Use of Marijuana Act will legalize marijuana for those over 21 years old, protect children, and establish laws to regulate marijuana cultivation, distribution, sale and use, and will protect Californians and the environment from potential dangers. It establishes the Bureau of Marijuana Control within the Department of Consumer Affairs to regulate and license the marijuana industry.
- (B) Marijuana is currently legal in our state for medical use and illegal for nonmedical use. Abuse of the medical marijuana system in California has long been widespread, but recent bipartisan legislation signed by Governor Jerry Brown is establishing a comprehensive regulatory scheme for medical marijuana. The Control, Regulate and Tax Adult Use of Marijuana Act (hereafter called the Adult Use of Marijuana Act) will consolidate and streamline regulation and taxation for both nonmedical and medical marijuana.
- (C) Currently, marijuana growth and sale is not being taxed by the State of California, which means our state is missing out on hundreds of millions of dollars in potential tax revenue every year. The Adult Use of Marijuana Act will tax both the growth and sale of marijuana to generate hundreds of millions of dollars annually. The revenues will cover the cost of administering the new law and will provide funds to: invest in public health programs that educate youth to prevent and treat serious substance abuse; train local law enforcement to enforce the new law with a focus on DUI enforcement; invest in communities to reduce the illicit market and create job opportunities; and provide for environmental cleanup and restoration of public lands damaged by illegal marijuana cultivation.
- (D) Currently, children under the age of 18 can just as easily purchase marijuana on the black market as adults can. By legalizing marijuana, the Adult Use of Marijuana Act will incapacitate the black market, and move marijuana purchases into a legal structure with strict safeguards against children accessing it. The Adult Use of Marijuana Act prohibits the sale of nonmedical marijuana to those under 21 years old, and provides new resources to educate youth against drug abuse and train local law enforcement to enforce the new law. It bars marijuana businesses from being located within 600 feet of schools and other areas where children congregate. It establishes mandatory and strict packaging and labeling requirements for marijuana and marijuana products. And it mandates that marijuana and marijuana products cannot be advertised or marketed towards children.
- (E) There are currently no laws governing adult use marijuana businesses to ensure that they operate in accordance with existing California laws. Adult use of marijuana may only be accessed from the unregulated illicit market. The Adult Use of Marijuana Act sets up a

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comprehensive system governing marijuana businesses at the state level and safeguards local control, allowing local governments to regulate marijuana-related activities, to subject marijuana businesses to zoning and permitting requirements, and to ban marijuana businesses by a vote of the people within a locality.

- (F) Currently, illegal marijuana growers steal or divert millions of gallons of water without any accountability. The Adult Use of Marijuana Act will create strict environmental regulations to ensure that the marijuana is grown efficiently and legally, to regulate the use of pesticides, to prevent wasting water, and to minimize water usage. The Adult Use of Marijuana Act will crack down on the illegal use of water and punish bad actors, while providing funds to restore lands that have been damaged by illegal marijuana grows. If a business does not demonstrate they are in full compliance with the applicable water usage and environmental laws, they will have their license revoked.
- (G) Currently, the courts are clogged with cases of non-violent drug offenses. By legalizing marijuana, the Adult Use of Marijuana Act will alleviate pressure on the courts, but continue to allow prosecutors to charge the most serious marijuana-related offenses as felonies, while reducing the penalties for minor marijuana-related offenses as set forth in the act.
- (H) By bringing marijuana into a regulated and legitimate market, the Adult Use of Marijuana Act creates a transparent and accountable system. This will help police crackdown on the underground black market that currently benefits violent drug cartels and transnational gangs, which are making billions from marijuana trafficking and jeopardizing public safety.
- (I) The Adult Use of Marijuana Act creates a comprehensive regulatory structure in which every marijuana business is overseen by a specialized agency with relevant expertise. The Bureau of Marijuana Control, housed in the Department of Consumer Affairs, will oversee the whole system and ensure a smooth transition to the legal market, with licenses issued beginning in 2018. The Department of Consumer Affairs will also license and oversee marijuana retailers, distributors, and microbusinesses. The Department of Food and Agriculture will license and oversee marijuana cultivation, ensuring it is environmentally safe. The Department of Public Health will license and oversee manufacturing and testing, ensuring consumers receive a safe product. The State Board of Equalization will collect special marijuana taxes, and the Controller will allocate the revenue to administer the new law and provide the funds to critical investments.
- (J) The Adult Use of Marijuana Act ensures the nonmedical marijuana industry will be built around small and medium businesses by prohibiting large-scale cultivation licenses for the first five years. The Adult Use of Marijuana Act also protects consumers and small businesses that participate in the nonmedical marijuana industry.

SECTION 3. PURPOSE AND INTENT.

The purpose of the Adult Use of Marijuana Act is to establish a comprehensive system to legalize, control and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical marijuana, including marijuana products, for use by adults 21 years and older, and to

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tax the commercial growth and retail sale of marijuana. It is the intent of the People in enacting this Act to accomplish the following:

- (a) Take nonmedical marijuana production and sales out of the hands of the illegal market and bring them under a regulatory structure that prevents access by minors and protects public safety, public health, and the environment.
- (b) Strictly control the cultivation, processing, manufacture, distribution, testing and sale of nonmedical marijuana through a system of state licensing, regulation, and enforcement.
- (c) Allow local governments to enforce state laws and regulations for nonmedical marijuana businesses and enact additional local requirements for nonmedical marijuana businesses, but not require that they do so for a nonmedical marijuana business to be issued a state license and be legal under state law.
- (d) Allow local governments to ban nonmedical marijuana businesses as set forth in this act.
- (e) Require track and trace management procedures to track nonmedical marijuana from cultivation to sale.
- (f) Require nonmedical marijuana to be comprehensively tested by independent testing services for the presence of contaminants, including mold and pesticides, before it can be sold by licensed businesses.
- (g) Require nonmedical marijuana sold by licensed businesses to be packaged in child-resistant containers and be labeled so that consumers are fully informed about potency and the effects of ingesting nonmedical marijuana.
- (h) Require licensed nonmedical marijuana businesses to follow strict environmental and product safety standards as a condition of maintaining their license.
- (i) Prohibit the sale of nonmedical marijuana by businesses that also sell alcohol or tobacco.
- (j) Prohibit the marketing and advertising of nonmedical marijuana to persons younger than 21 years old or near schools or other places where children are present.
- (k) Strengthen the state's existing medical marijuana system by requiring patients to obtain by January 1, 2018, a new recommendation from their physician that meets the strict standards signed into law by the Governor in 2015, and by providing new privacy protections for patients who obtain medical marijuana identification cards as set forth in this act.
- (l) Permit adults 21 years and older to use, possess, purchase and grow nonmedical marijuana within defined limits for use by adults 21 years and older as set forth in this act.
- (m) Allow local governments to reasonably regulate the cultivation of nonmedical marijuana for personal use by adults 21 years and older through zoning and other local laws, and only to ban outdoor cultivation as set forth in this act.
- (n) Deny access to marijuana by persons younger than 21 years old who are not medical marijuana patients.
- (o) Prohibit the consumption of marijuana in a public place unlicensed for such use, including near K-12 schools and other areas where children are present.
- (p) Maintain existing laws making it unlawful to operate a car or other vehicle used for transportation while impaired by marijuana.
- (q) Prohibit the cultivation of marijuana on public lands or while trespassing on private lands.

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- (r) Allow public and private employers to enact and enforce workplace policies pertaining to marijuana.
- (s) Tax the growth and sale of marijuana in a way that drives out the illicit market for marijuana and discourages use by minors, and abuse by adults.
- (t) Generate hundreds of millions of dollars in new state revenue annually for restoring and repairing the environment, youth treatment and prevention, community investment, and law enforcement.
- (u) Prevent illegal production or distribution of marijuana.
- (v) Prevent the illegal diversion of marijuana from California to other states or countries or to the illegal market.
- (w) Preserve scarce law enforcement resources to prevent and prosecute violent crime.
- (x) Reduce barriers to entry into the legal, regulated market.
- (y) Require minors who commit marijuana-related offenses to complete drug prevention education or counseling and community service.
- (z) Authorize courts to resentencing persons who are currently serving a sentence for offenses for which the penalty is reduced by the act, so long as the person does not pose a risk to public safety, and to redesignate or dismiss such offenses from the criminal records of persons who have completed their sentences as set forth in this act.
- (aa) Allow industrial hemp to be grown as an agricultural product, and for agricultural or academic research, and regulated separately from the strains of cannabis with higher delta-9 tetrahydrocannabinol concentrations.

SECTION 4. PERSONAL USE.

Section 4.1 Section 11018 of the Health and Safety Code Amended to read:

11018. Marijuana

"Marijuana" means all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. It does not include:

- (a) Industrial hemp, as defined in Section 11018.5; or
- (b) The weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other product.

SECTION 4.2

Section 1108.1 is added to the Health and Safety Code, to read:

11018.1. Marijuana Products

"Marijuana products" means marijuana 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 marijuana or concentrated cannabis and other ingredients.

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SECTION 4.3.

Section 11018.2 is added to the Health and Safety Code, to read:

11018.2. Marijuana Accessories

"Marijuana accessories" means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing marijuana or marijuana products into the human body.

SECTION 4.4.

Section 11362.1 is added to the Health and Safety Code to read:

11362.1.

- (a) Subject to Sections 11362.2, 11362.3, 11362.4, and 11362.45, but notwithstanding any other provision of law, it shall be lawful under state and local law, and shall not be a violation of state or local law, for persons 21 years of age or older to:
- (1) 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 of marijuana not in the form of concentrated cannabis;
 - (2) Possess, process, transport, purchase, obtain, or give away to persons 21 years of age or older without any compensation whatsoever, not more than eight grams of marijuana in the form of concentrated cannabis, including as contained in marijuana products;
 - (3) Possess, plant, cultivate, harvest, dry, or process not more than six living marijuana plants and possess the marijuana produced by the plants;
 - (4) Smoke or ingest marijuana or marijuana products; and
 - (5) Possess, transport, purchase, obtain, use, manufacture, or give away marijuana accessories to persons 21 years of age or older without any compensation whatsoever.
- (b) Paragraph (5) of subdivision (a) is intended to meet the requirements of subdivision (f) of Section 863 of Title 21 of the United States Code (21 U.S.C. § 863(f)) by authorizing, under state law, any person in compliance with this section to manufacture, possess, or distribute marijuana accessories.
- (c) Marijuana and marijuana products involved in any way with conduct deemed lawful by this section are not contraband nor subject to seizure, and no conduct deemed lawful by this section shall constitute the basis for detention, search, or arrest.

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SECTION 4.5.

Section 11362.2 is added to Health and Safety Code, to read:

11362.2

- (a) Personal cultivation of marijuana under paragraph (3) of subdivision (a) of Section 11362.1 is subject to the following restrictions:
- (1) A person shall plant, cultivate, harvest, dry, or process plants in accordance with local ordinances, if any, adopted in accordance with subdivision (b).
 - (2) The living plants and any marijuana produced by the plants in excess of 28.5 grams are kept within the person's private residence, or upon the grounds of that private residence (e.g., in an outdoor garden area), are in a locked space, and are not visible by normal unaided vision from a public place.
 - (3) Not more than six living plants may be planted, cultivated, harvested, dried, or processed within a single private residence, or upon the grounds of that private residence, at one time.
- (b)
- (1) A city, county, or city and county may enact and enforce reasonable regulations to reasonably regulate the actions and conduct in paragraph (3) of subdivision (a) of Section
 - (2) Notwithstanding paragraph (1), no city, county, or city and county may completely prohibit persons engaging in the actions and conduct under paragraph (3) of subdivision (a) of Section 11362.1 inside a private residence or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure.
 - (3) Notwithstanding paragraph (3) of subdivision (a) of Section 11362.1, a city, county, or city and county may completely prohibit persons from engaging in actions and conduct under paragraph (3) of subdivision (a) of Section 11362.1 outdoors upon the grounds of a private residence.
 - (4) Paragraph (3) of this subdivision shall become inoperative upon a determination by the California Attorney General that nonmedical use of marijuana is lawful in the State of California under federal law, and an act taken by a city, county, or city and county under paragraph (3) shall be deemed repealed upon the date of such determination by the California Attorney General.
 - (5) For purposes of this section, "private residence" means a house, an apartment unit, a mobile home, or other similar dwelling.

SECTION 4.6.

Section 11362.3 is added to Health and Safety to read:

11362.3

- (a) Nothing in Section 11362.1 shall be construed to permit any person to:
- (1) Smoke or ingest marijuana or marijuana products in any public place, except in accordance with Section 26200 of the Business and Professions Code.

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- (2) Smoke marijuana or marijuana products in a location where smoking tobacco is prohibited.
 - (3) Smoke marijuana or marijuana products within 1,000 feet of a school, day care center, or youth center while children are present at such a school, day care center, or youth center, except in or upon the grounds of a private residence or in accordance with Section 26200 of the Business and Professions Code or Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code and only if such smoking is not detectable by others on the grounds of such a school, day Care center, or youth center while children are present.
 - (4) Possess an open container or open package of marijuana or marijuana products while driving, operating, or riding in the passenger seat or compartment of a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation.
 - (5) Possess, smoke or ingest marijuana or marijuana products in or upon the grounds of a school, day care center, or youth center while children are present.
 - (6) Manufacture concentrated cannabis using a volatile solvent, unless done in accordance with a license under Chapter 3.5 of Division 8 or Division 10 of the Business and Professions Code.
 - (7) Smoke or ingest marijuana or marijuana products while driving, operating a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation.
 - (8) Smoke or ingest marijuana or marijuana products while riding in the passenger seat or compartment of a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation except as permitted on a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation that is operated in accordance with Section 26200 of the Business and Professions Code and while no persons under the age of 21 years are present.
- (b) For purposes of this section, "day care center" has the same meaning as in Section 1596.76.
- (c) For purposes of this section, "smoke" means to inhale, exhale, burn, or carry any lighted or heated device or pipe, or any other lighted or heated marijuana or marijuana product intended for inhalation, whether natural or synthetic, in any manner or in any form. "Smoke" includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking in a place.
- (d) For purposes of this section, "volatile solvent" means volatile organic compounds, including:
- (1) explosive gases, such as Butane, Propane, Xylene, Styrene, Gasoline, Kerosene, O₂ or H₂;
 - and (2) dangerous poisons, toxins, or carcinogens, such as Methanol, Is-propyl Alcohol, Methylene Chloride, Acetone, Benzene, Toluene, and Tri-chloro-ethylene.
- (e) For purposes of this section, "youth center" has the same meaning as in Section 11353.1.
- (f) Nothing in this section shall be construed or interpreted to amend, repeal, affect, restrict, or preempt laws pertaining to the Compassionate Use Act of 1996.

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SECTION 4.7.

Section 11362.4 is added to the Health and Safety Code, to read:

11362.4

- (a) A person who engages in the conduct described in paragraph (1) of subdivision (a) of Section 11362.3 is guilty of an infraction punishable by no more than a one hundred dollar (\$100) fine; provided, however, that persons under the age of 18 shall instead be required to complete four hours of a drug education program or counseling, and up to 10 hours of community service, over a period not to exceed 60 days once the drug education program or counseling and community service opportunity are made available to the person.
- (b) A person who engages in the conduct described in paragraphs (2) through (4) of subdivision (a) of Section 11362.3 shall be guilty of an infraction punishable by no more than a two hundred and fifty dollar (\$250) fine, unless such activity is otherwise permitted by state and local law; provided, however, that persons under the age of 18 shall instead be required to complete four hours of drug education or counseling, and up to 20 hours of community service, over a period not to exceed 90 days once the drug education program or counseling and community service opportunity are made available to the person.
- (c) A person who engages in the conduct described in paragraph (5) of subdivision (a) of Section 11362.3 shall be subject to the same punishment as provided under subdivision (c) or (d) of Section 11357.
- (d) A person who engages in the conduct described in paragraph (6) of subdivision (a) of Section 11362.3 shall be subject to punishment under Section 11379.6.
- (e) A person who violates the restrictions in subdivision (a) of Section 11362.2 is guilty of an infraction punishable by no more than a two hundred and fifty dollar (\$250) fine.
- (f) Notwithstanding subdivision (e), a person under the age of 18 who violates the restrictions in subdivision (a) of Section 11362.2 shall be punished under subdivision (a) of Section 11358.
- (g)
 - (1) The drug education program or counseling hours required by this section shall be mandatory unless the court makes a finding that such a program or counseling is unnecessary for the person or that a drug education program or counseling is unavailable.
 - (2) The drug education program required by this section for persons under the age of 18 must be free to participants and provide at least four hours of group discussion or instruction based on science and evidence-based principles and practices specific to the use and abuse of marijuana and other controlled substances.
- (h) Upon a finding of good cause, the court may extend the time for a person to complete the drug education or counseling, and community service required under this section.

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SECTION 4.8.

Section 11362.45 is added to the Health and Safety Code, to read:

11362.45.

Nothing in Section 11362.1 shall be construed or interpreted to amend, repeal, affect, restrict, or preempt:

- (a) Laws making it unlawful to drive or operate a vehicle, boat, vessel, or aircraft, while smoking, ingesting, or impaired by, marijuana or marijuana products, including, but not limited to, subdivision (e) of Section 23152 of the Vehicle Code, or the penalties prescribed for violating those laws.
- (b) Laws prohibiting the sale, administering, furnishing, or giving away of marijuana, marijuana products, or marijuana accessories, or the offering to sell, administer, furnish, or give away marijuana, marijuana products, or marijuana accessories to a person younger than 21 years of age.
- (c) Laws prohibiting a person younger than 21 years of age from engaging in any of the actions or conduct otherwise permitted under Section 11362.1.
- (d) Laws pertaining to smoking or ingesting marijuana or marijuana products on the grounds of, or within, any facility or institution under the jurisdiction of the Department of Corrections and Rehabilitation or the Division of Juvenile Justice, or on the grounds of, or within, any other facility or institution referenced in Section 4573 of the Penal Code.
- (e) Laws providing that it would constitute negligence or professional malpractice to undertake any task while impaired from smoking or ingesting marijuana or marijuana products.
- (f) The rights and obligations of public and private employers to maintain a drug and alcohol free workplace or require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growth of marijuana in the workplace, or affect the ability of employers to have policies prohibiting the use of marijuana by employees and prospective employees, or prevent employers from complying with state or federal law.
- (g) The ability of a state or local government agency to prohibit or restrict any of the actions or conduct otherwise permitted under Section 11362.1 within a building owned, leased, or occupied by the state or local government agency.
- (h) The ability of an individual or private entity to prohibit or restrict any of the actions or conduct otherwise permitted under Section 11362.1 on the individual's or entities privately owned property.
- (i) Laws pertaining to the Compassionate Use Act of 1996.

SECTION 5. USE OF MARIJUANA FOR MEDICAL PURPOSES.

SECTION 5.1 Section 11362.712 is added to the Health and Safety Code, to read:

11362.712.

- (a) Commencing on January 1, 2018, a qualified patient must possess a physician's recommendation that complies with Article 25 (commencing with Section 2525) of

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Chapter 5 of Division 2 of the Business and Professions Code. Failure to comply with this requirement shall not, however, affect any of the protections provided to patients or their primary caregivers by Section 11362.5.

- (b) A county health department or the county's designee shall develop protocols to ensure that, commencing upon January 1, 2018, all identification cards issued pursuant to Section 11362.71 are supported by a physician's recommendation that complies with Article 25 (commencing with Section 2525) of Chapter 5 of Division 2 of the Business and Professions Code.

SECTION 5.2.

Section 11362.713 is added to the Health and Safety Code, to read:

11362.713.

- (a) Information identifying the names, addresses, or social security numbers of patients, their medical conditions, or the names of their primary caregivers, received and contained in the records of the Department of Public Health and by any county public health department are hereby deemed "medical information" within the meaning of the Confidentiality of Medical Information Act (Part 2.6 (commencing with Section 56) Division 1 of the Civil Code) and shall not be disclosed by the Department or by any county public health department except in accordance with the restrictions on disclosure of individually identifiable information under the Confidentiality of Medical Information Act.
- (b) Within 24 hours of receiving any request to disclose the name, address, or social security number of a patient, their medical condition, or the name of their primary caregiver, the Department of Public Health or any county public health agency shall contact the patient and inform the patient of the request and if the request was made in writing, a copy of the request.
- (c) Notwithstanding Section 56.10 of the Civil Code, neither the Department of Public Health, nor any county public health agency, shall disclose, nor shall they be ordered by agency or court to disclose, the names, addresses, or social security numbers of patients, their medical conditions, or the names of their primary caregivers, sooner than the 10th day after which the patient whose records are sought to be disclosed has been contacted.
- (d) No identification card application system or database used or maintained by the Department of Public Health or by any county department of public health or the county's designee as provided in Section 11362.71 shall contain any personal information of any qualified patient, including but not limited to, the patient's name, address, social security number, medical conditions, or the names of their primary caregivers. Such an application system or database may only contain a unique user identification number, and when that number is entered, the only information that may be provided is whether the card is valid or invalid.

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SECTION 5.3.

Section 11362.755 of Health and Safety Code is amended to read:

11362.755

- (a) Each county health department or the county's designee may charge a fee for all costs incurred by the county or the county's designee for administering the program pursuant to this article.
- (b) In no event shall the amount of the fee charged by a county health department exceed one hundred dollars (\$100) per application or renewal.
- (c) Upon satisfactory proof of participation and eligibility in the Medi-Cal program, a Medi-Cal beneficiary shall receive a 50 percent reduction in the fees established pursuant to this section.
- (d) Upon satisfactory proof that a qualified patient, or the legal guardian of a qualified patient under the age of 18, is a medically indigent adult who is eligible for and participates in the County Medical Services Program, the fee established pursuant to this section shall be waived.
- (e) In the event the fees charged and collected by a county health department are not sufficient to pay for the administrative costs incurred in discharging the county health department's duties with respect to the mandatory identification card system, the Legislature, upon request by the county health department, shall reimburse the county health department for those reasonable administrative costs in excess of the fees charged and collected by the county health department.

SECTION 5.4.

Section 11362.84 is added to the Health and Safety Code, to read:

11362.84.

The status and conduct of a qualified patient who acts in accordance with the Compassionate Use Act shall not, by itself, be used to restrict or abridge custodial or parental rights to minor children in any action or proceeding under the jurisdiction of family or juvenile court.

SECTION 5.5.

Section 11362.85 is added to the Health and Safety Code

11362.85

Upon a determination by the California Attorney General that the federal schedule of controlled substances has been amended to reclassify or declassify marijuana, the Legislature may amend or repeal the provisions of the Health and Safety Code, as necessary, to conform state law to such changes in federal law.

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SECTION 6. MARIJUANA REGULATION AND SAFETY.

SECTION 6.1.

Division 10 (commencing with Section 26000) is added to the Business and Professions Code, to read:

DIVISION 10 MARIJUANA

Chapter 1. General Provisions and Definitions

26000.

- (a) The purpose and intent of this division is to establish a comprehensive system to control and regulate the cultivation, distribution, transport, storage, manufacturing, processing, and sale of nonmedical marijuana and marijuana products for adults 21 years of age and over.
- (b) In the furtherance of subdivision (a), this division expands the power and duties of the existing state agencies responsible for controlling and regulating the medical cannabis industry under Chapter 3.5 (commencing with Section 19300) of Division 8 to include the power and duty to control and regulate the commercial nonmedical marijuana industry.
- (c) The Legislature may, by majority vote, enact laws to implement this division, provided such laws are consistent with the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.

26001.

For purposes of this division, the following definitions shall apply:

- (a) "Applicant" means the following:
 - (1) The owner or owners of a proposed licensee. "Owner" mean all persons having (A) an aggregate ownership interest (other than a security interest, lien, or encumbrance) of 20 percent or more in the licensee and (B) the power to direct or cause to be directed, the management or control of the licensee.
 - (2) If the applicant is a publicly traded company, "owner" includes the chief executive officer and any member of the board of directors and any person or entity with an aggregate ownership interest in the company of 20 percent or more. If the applicant is a nonprofit entity, "owner" means both the chief executive officer and any member of the board of directors.
- (b) "Bureau" means the Bureau of Marijuana Control within the Department of Consumer Affairs.
- (c) "Child resistant" means designed or constructed to be significantly difficult for children under five years of age to open, and not difficult for normal adults to use properly.
- (d) "Commercial marijuana activity" includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, distribution, delivery or sale of marijuana and marijuana products as provided for in this division.
- (e) "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

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- (f) "Customer" means a natural person 21 years of age or over.
- (g) "Day care center" shall have the same meaning as in Section 1596. 76 of the Health and Safety Code.
- (h) "Delivery" means the commercial transfer of marijuana or marijuana products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this division that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.
- (i) "Director" means the Director of the Department of Consumer Affairs
- (j) "Distribution" means the procurement, sale, and transport of marijuana and marijuana products between entities licensed pursuant to this division.
- (k) "Fund" means the Marijuana Control Fund established pursuant to Section 26210.
- (l) "Kind" means applicable type or designation regarding a particular marijuana variant or marijuana product type, including, but not limited to, strain name or other grower trademark, or growing area designation.
- (m) "License" means a state license issued under this division.
- (n) "Licensee" means any person or entity holding a license under this division.
- (o) "Licensing authority" means the state agency responsible for the issuance, renewal, or reinstatement of the license, or the state agency authorized to take disciplinary action against the Licensee.
- (p) "Local jurisdiction" means a city, county, or city and county.
- (q) "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a marijuana product.
- (r) "Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of marijuana or marijuana products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages marijuana or marijuana products or labels or re-labels its container, that holds a state license pursuant to this division.
- (s) "Marijuana" has the same meaning as in Section 11018 of the Health and Safety Code, except that it does not include marijuana that is cultivated, processed, transported, distributed, or sold for medical purposes under Chapter 3.5 of Division 8.
- (t) "Marijuana accessories" has the same meaning as in Section 11018.2 of the Health and Safety Code.
- (u) "Marijuana products" has the same meaning as in Section 11018.1 of the Health and Safety Code, except that it does not include marijuana products manufactured, processed, transported, distributed, or sold for medical purposes under Chapter 3.5 of Division 8.
- (v) "Nursery" means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of marijuana.
- (w) "Operation" means any act for which licensure is required under the provisions of this division, or any commercial transfer of marijuana or marijuana products.

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- (x) "Package" means any container or receptacle used for holding marijuana or marijuana products.
- (y) "Person" includes any individual, firm, co-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.
- (z) "Purchaser" means the customer who is engaged in a transaction with a licensee for purposes of obtaining marijuana or marijuana products.
- (aa) "Sell," "sale," and "to sell" include any transaction whereby, for any consideration, title to marijuana is transferred from one person to another, and includes the delivery of marijuana or marijuana products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of marijuana or marijuana products by a licensee to the licensee from whom such marijuana or marijuana product was purchased.
- (bb) "Testing service" means a laboratory, facility, or entity in the state, that offers or performs tests of marijuana or marijuana products, including the equipment provided by such laboratory, facility, or entity, and that is both of the following:
 - (1) Accredited by an accrediting body that is independent from all other persons involved in commercial marijuana activity in the state.
 - (2) Registered with the Department of Public Health.
- (cc) "Unique identifier" means an alphanumeric code or designation used for reference to a specific plant on licensed premises.
- (dd) "Unreasonably impracticable" means that the measures necessary to comply with the regulations require such a high investment of risk, money, time, or any other resource or asset, that the operation of a marijuana establishment is not worthy of being carried out in practice by a reasonably prudent business person.
- (ee) "Youth center" shall have the same meaning as in Section 11353.1 of the Health and Safety Code.

Chapter 2. Administration

26010.

- (a) The Bureau of Medical Marijuana Regulation established in Section 19302 in Chapter 3.5 of Division 8 is hereby renamed the Bureau of Marijuana Control. The director shall administer and enforce the provisions of this division in addition to the provisions of Chapter 3.5 (commencing with Section 19300) of Division 8. The director shall have the same power and authority as provided by subdivisions (b) and (c) of Section 19302.1 for purposes of this division.
- (b) The bureau and the director shall succeed to and are vested with all the duties, powers, purposes, responsibilities, and jurisdiction vested in the Bureau of Medical Marijuana Regulation under Chapter 3.5 (commencing with Section 19300) of Division 8.

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- (c) In addition to the powers, duties, purposes, responsibilities, and jurisdiction referenced in subdivision (b), the bureau shall heretofore have the power, duty, purpose, responsibility, and jurisdiction to regulate commercial marijuana activity as provided in this division.
- (d) Upon the effective date of this section, whenever "Bureau of Medical Marijuana Regulation" appears in any statute, regulation, or contract, or in any other code, it shall be construed to refer to the bureau.

26011.

Neither the chief of the bureau nor any member of the Marijuana Control Appeals Panel established under Section 26040 shall have nor do any of the following:

- (a) Receive any commission or profit whatsoever, directly or indirectly, from any person applying for or receiving any license or permit under this division or Chapter 3.5(commencing with Section 19300) of Division 8.
- (b) Engage or have any interest in the sale or any insurance covering a licensee's business or premises.
- (c) Engage or have any interest in the sale of equipment for use upon the premises of a licensee engaged in commercial marijuana activity.
- (d) Knowingly solicit any licensee for the purchase of tickets for benefits or contributions for benefits.
- (e) Knowingly request any licensee to donate or receive money, or any other thing of value, for the benefit of any person whatsoever.

26012.

(a) It being a matter of statewide concern, except as otherwise authorized in this division:

- (1) The Department of Consumer Affairs shall have the exclusive authority to create, issue, renew, discipline, suspend, or revoke licenses for the transportation, storage unrelated to manufacturing activities, distribution, and sale of marijuana within the state.
 - (2) The Department of Food and Agriculture shall administer the provisions of this division related to and associated with the cultivation of marijuana. The Department of Food and Agriculture shall have the authority to create, issue, and suspend or revoke cultivation licenses for violations of this division.
 - (3) The Department of Public Health shall administer the provisions of this division related to and associated with the manufacturing and testing of marijuana. The Department of Public Health shall have the authority to create, issue, and suspend or revoke manufacturing and testing licenses for violations of this division.
- (b) The licensing authorities and the bureau shall have the authority to collect fees in connection with activities they regulate concerning marijuana. The bureau may create licenses in addition to those identified in this division that the bureau deems necessary to effectuate its duties under this division.
 - (c) Licensing authorities shall begin issuing licenses under this division by January 1, 2018.

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26013.

- (a) Licensing authorities shall make and prescribe reasonable rules and regulations as may be necessary to implement, administer and enforce their respective duties under this division in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Such rules and regulations shall be consistent with the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.
- (b) Licensing authorities may prescribe, adopt, and enforce any emergency regulations as necessary to implement, administer and enforce their respective duties under this division. Any emergency regulation prescribed, adopted or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare.
- (c) Regulations issued under this division shall be necessary to achieve the purposes of this division, based on best available evidence, and shall mandate only commercially feasible procedures, technology; or other requirements, and shall not unreasonably restrain or inhibit the development of alternative procedures or technology to achieve the same substantive requirements, nor shall such regulations make compliance unreasonably impracticable.

26014.

- (a) The bureau shall convene an advisory committee to advise the bureau and licensing authorities on the development of standards and regulations pursuant to this division, including best practices and guidelines that protect public health and safety while ensuring a regulated environment for commercial marijuana activity that does not impose such unreasonably impracticable barriers so as to perpetuate, rather than reduce and eliminate, the illicit market for marijuana.
- (b) The advisory committee members shall include, but not be limited to, representatives of the marijuana industry, representatives of labor organizations, appropriate state and local agencies, public health experts, and other subject matter experts, including representatives from the Department of Alcoholic Beverage Control, with expertise in regulating commercial activity for adult-use intoxicating substances. The advisory committee members shall be determined by the director.
- (c) Commencing on January 1, 2019, the advisory committee shall publish an annual public report describing its activities including, but not limited to, the recommendations the advisory committee made to the bureau and licensing authorities during the immediately preceding calendar year and whether those recommendations were implemented by the bureau or licensing authorities.

26015.

A licensing authority may make or cause to be made such investigation as it deems necessary to carry out its duties under this division.

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26016.

For any hearing held pursuant to this division, except a hearing held under Chapter 4, a licensing authority may delegate the power to hear and decide to an administrative law judge. Any hearing before an administrative law judge shall be pursuant to the procedures, rules, and limitations prescribed in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

26017.

In any hearing before a licensing authority pursuant to this division, the licensing authority may pay any person appearing as a witness at the hearing at the request of the licensing authority pursuant to a subpoena, his or her actual, necessary, and reasonable travel, food, and lodging expenses, not to exceed the amount authorized for state employees.

26018.

A licensing authority may on its own motion at any time before a penalty assessment is placed into effect, and without any further proceedings, review the penalty, but such review shall be limited to its reduction.

Chapter 3. Enforcement

26030.

Grounds for disciplinary action include:

- (a) Failure to comply with the provisions of this division or any rule or regulation adopted pursuant to this division.
- (b) Conduct that constitutes grounds for denial of licensure pursuant to Chapter 3 (commencing with Section 490) of Division 1.5.
- (c) Any other grounds contained in regulations adopted by a licensing authority pursuant to this division.
- (d) Failure to comply with any state law including, but not limited to, the payment of taxes as required under the Revenue and Taxation Code, except as provided for in this division or other California law.
- (e) Knowing violations of any state or local law, ordinance, or regulation conferring worker protections or legal rights on the employees of a licensee.
- (f) Failure to comply with the requirement of a local ordinance regulating commercial marijuana activity.
- (g) The intentional and knowing sale of marijuana or marijuana products by a licensee to a person under the legal age to purchase or possess.

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26031.

Each licensing authority may suspend or revoke licenses, after proper notice and hearing to the licensee, if the licensee is found to have committed any of the acts or omissions constituting grounds for disciplinary action. The disciplinary proceedings under this chapter shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director of each licensing authority shall have all the powers granted therein.

26032.

Each licensing authority may take disciplinary action against a licensee for any violation of this division when the violation was committed by the licensee's agent or employee while acting on behalf of the licensee or engaged in commercial marijuana activity.

26033.

Upon suspension or revocation of a license, the licensing authority shall inform the bureau. The bureau shall then inform all other licensing authorities.

26034.

Accusations against licensees under this division shall be filed within the same time limits as specified in Section 19314 or as otherwise provided by law.

26035.

The director shall designate the persons employed by the Department of Consumer Affairs for purposes of the administration and enforcement of this division. The director shall ensure that a sufficient number of employees are qualified peace officers for purposes of enforcing this division.

26036.

Nothing in this division shall be interpreted to supersede or limit state agencies from exercising their existing enforcement authority, including, but not limited to, under the Fish and Game Code, the Food and Agricultural Code, the Government Code, the Health and Safety Code, the Public Resources Code, the Water Code, or the application of those laws.

26037.

- (a) The actions of a licensee, its employees, and its agents that are: (1) permitted under a license issued under this division and any applicable local ordinances; and (2) conducted in accordance with the requirements of this division and regulations adopted pursuant to this division, are not unlawful under state law and shall not be an offense subject to arrest, prosecution, or other sanction under state law, or be subject to a civil fine or be a basis for seizure or forfeiture of assets under state law.
- (b) The actions of a person, who, in good faith, allows his or her property to be used by a licensee, its employees, and its agents, as permitted pursuant to a state license and any

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applicable local ordinances, are not unlawful under state law and shall not be an offense subject to arrest, prosecution, or other sanction under state law, or be subject to a civil fine or be a basis for seizure or forfeiture of assets under state law.

26038.

- (a) A person engaging in commercial marijuana activity without a license required by this division shall be subject to civil penalties of up to three times the amount of the license fee for each violation, and the court may order the destruction of marijuana associated with that violation in accordance with Section 11479 of the Health and Safety Code. Each day of operation shall constitute a separate violation of this section. All civil penalties imposed and collected pursuant to this section by a licensing authority shall be deposited into the General Fund except as provided in subdivision (b).
- (b) If an action for civil penalties is brought against a licensee pursuant to this division by the Attorney General on behalf of the people, the penalty collected shall be deposited into the General Fund. If the action is brought by a district attorney or county counsel, the penalty shall first be used to reimburse the district attorney or county counsel for the costs of bringing the action for civil penalties, with the remainder, if any, to be deposited into the General Fund. If the action is brought by a city attorney or city prosecutor, the penalty collected shall first be used to reimburse the city attorney or city prosecutor for the costs of bringing the action for civil penalties, with the remainder, if any, to be deposited into the General Fund.
- (c) Notwithstanding subdivision (a), criminal penalties shall continue to apply to an unlicensed person engaging in commercial marijuana activity in violation of this division.

Chapter 4. Appeals

26040.

- (a) There is established in state government a Marijuana Control Appeals Panel which shall consist of three members appointed by the Governor and subject to confirmation by a majority vote of all of the members elected to the Senate. Each member, at the time of his or her initial appointment, shall be a resident of a different county from the one in which either of the other members resides. Members of the panel shall receive an annual salary as provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.
- (b) The members of the panel may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all members elected to each house, to remove any member from office for dereliction of duty, corruption or incompetency.
- (c) A concurrent resolution for the removal of any member of the panel may be introduced in the Legislature only if five Members of the Senate, or ten Members of the Assembly, join as authors.

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26041.

All personnel of the panel shall be appointed, employed, directed, and controlled by the panel consistent with state civil service requirements. The director shall furnish the equipment, supplies, and housing necessary for the authorized activities of the panel and shall perform such other mechanics of administration as the panel and the director may agree upon.

26042.

The panel shall adopt procedures for appeals similar to the procedures used in Articles 3 (commencing with Section 23075) and Article 4 (commencing with Section 23080) in Chapter 1.5 in Division 9 of the Business and Professions Code. Such procedures shall be adopted in accordance with the Administrative Procedure Act (Chapter 3.5 commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code

26043.

- (a) When any person aggrieved thereby appeals from a decision of the bureau or any licensing authority ordering any penalty assessment, issuing, denying, transferring, conditioning, suspending or revoking any license provided for under this division, the panel shall review the decision subject to such limitations as may be imposed by the Legislature. In such cases, the panel shall not receive evidence in addition to that considered by the bureau or the licensing authority.
- (b) Review by the panel of a decision of the bureau or a licensing authority shall be limited to the following questions:
 - (1) Whether the bureau or any licensing authority has proceeded without or in excess of its jurisdiction.
 - (2) Whether the bureau or any licensing authority has proceeded in the manner required by law.
 - (3) Whether the decision is supported by the findings.
 - (4) Whether the findings are supported by substantial evidence in the light of the whole record.

26044.

- (a) In appeals where the panel finds that there is relevant evidence which, in the exercise of reasonable diligence, could not have been produced or which was improperly excluded at the hearing before the bureau or licensing authority, it may enter an order remanding the matter to the bureau or licensing authority for reconsideration in the light of such evidence.
- (b) Except as provided in subdivision (a), in all appeals, the panel shall enter an order either affirming or reversing the decision of the bureau or licensing authority. When the order reverses the decision of the bureau or licensing authority, the board may direct the reconsideration of the matter in the light of its order and may direct the bureau or licensing authority to take such further action as is specially enjoined upon it by law, but the order shall not limit or control in any way the discretion vested by law in the bureau or licensing authority.

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26045.

Orders of the panel shall be subject to judicial review under Section 1094.5 of the Code of Civil Procedure upon petition by the bureau or licensing authority or any party aggrieved by such order.

Chapter 5. Licensing

26050.

(a) The license classification pursuant to this division shall, at a minimum, be as follows:

- (1) Type 1 - Cultivation; Specialty outdoor; Small.
- (2) Type 1A - Cultivation; Specialty indoor; Small.
- (3) Type 1B - Cultivation; Specialty mixed-light; Small.
- (4) Type 2 - Cultivation; Outdoor; Small.
- (5) Type 2A - Cultivation; Indoor; Small.
- (6) Type 2B - Cultivation; Mixed-light; Small.
- (7) Type 3 - Cultivation; Outdoor; Medium.
- (8) Type 3A - Cultivation; Indoor; Medium.
- (9) Type 3B - Cultivation; Mixed-light; Medium.
- (10) Type 4 - Cultivation; Nursery.
- (11) Type 5 - Cultivation; Outdoor; Large.
- (12) Type 5A -Cultivation; Indoor; Large.
- (13) Type 5B - Cultivation; Mixed-light; Large.
- (14) Type 6 - Manufacturer 1.
- (15) Type 7 - Manufacturer 2.
- (16) Type 8 - Testing.
- (17) Type 10 - Retailer.
- (18) Type 11 - Distributor.
- (19) Type 12 -Microbusiness.

(b) All licenses issued under this division shall bear a clear designation indicating that the license is for commercial marijuana activity as distinct from commercial medical cannabis activity licensed under Chapter 3.5 (commencing with Section 19300) of Division 8. Examples of such a designation include, but are not limited to, "Type 1 - Nonmedical, "or "Type J NM."

(c) A license issued pursuant to this division shall be valid for 12 months from the date of issuance. The license may be renewed annually.

(d) Each licensing authority shall establish procedures for the issuance and renewal of licenses.

(e) Notwithstanding subdivision (c), a licensing authority may issue a temporary license for a period of less than 12 months. This subdivision shall cease to be operative on January 1, 2019.

26051.

(a) In determining whether to grant, deny, or renew a license authorized under this division, a licensing authority shall consider factors reasonably related to the determination, including,

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but not limited to, whether it is reasonably foreseeable that issuance, denial, or renewal of the license could:

- (1) Allow unreasonable restraints on competition by creation or maintenance of unlawful monopoly power;
 - (2) Perpetuate the presence of an illegal market for marijuana or marijuana products in the state or out of the state;
 - (3) Encourage underage use or adult abuse of marijuana or marijuana products, or illegal diversion of marijuana or marijuana products out of the state;
 - (4) Result in an excessive concentration of licensees in a given city, county, or both;
 - (5) Present an unreasonable risk of minors being exposed to marijuana or marijuana products; or
 - (6) Result in violations of any environmental protection laws.
- (b) A licensing authority may deny a license or renewal of a license based upon the considerations in subdivision (a).
- (c) For purposes of this section, "excessive concentration" means when the premises for a retail license, microbusiness license, or a license issued under Section 26070.5 is located in an area where either of the following conditions exist:
- (1) The ratio of a licensee to population in the census tract or census division in which the applicant premises are located exceeds the ratio of licensees to population in the county in which the applicant premises are located, unless denial of the application would unduly limit the development of the legal market so as to perpetuate the illegal market for marijuana or marijuana products.
 - (2) The ratio of retail licenses, microbusiness licenses, or licenses under Section 26070.5 to population in the census tract, division or jurisdiction exceeds that allowable by local ordinance adopted under Section 26200.

26052.

- (a) No licensee shall perform any of the following acts, or permit any such acts to be performed by any employee, agent, or contractor of such licensee:
- (1) Make any contract in restraint of trade in violation of Section 16600;
 - (2) Form a trust or other prohibited organization in restraint of trade in violation of Section 16720;
 - (3) Make a sale or contract for the sale of marijuana or marijuana products, or to fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement or understanding that the consumer or purchaser thereof shall not use or deal in the goods, merchandise, machinery, supplies, commodities, or services of a competitor or competitors of such seller, where the effect of such sale, contract, condition, agreement or understanding may be to substantially lessen competition or tend to create a monopoly in any line of trade or commerce;
 - (4) Sell any marijuana or marijuana products at less than cost for the purpose of injuring competitors, destroying competition, or misleading or deceiving purchasers or prospective purchasers;

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- (5) Discriminate between different sections, communities, or cities or portions thereof, or between different locations in such sections, communities, cities or portions thereof in this state, by selling or furnishing marijuana or marijuana products at a lower price in one section, community, or city or any portion thereof, or in one location in such section, community, or city or any portion thereof, than in another, for the purpose of injuring competitors or destroying competition; or
- (6) Sell any marijuana or marijuana products at less than the cost thereof to such vendor, or to give away any article or product for the purpose of injuring competitors or destroying competition.
- (b) Any person who, either as director, officer or agent of any firm or corporation, or as agent of any person, violates the provisions of this chapter, assists or aids, directly or indirectly, in such violation is responsible therefor equally with the person, firm or corporation for which such person acts.
- (c) A licensing authority may enforce this section by appropriate regulation.
- (d) Any person or trade association may bring an action to enjoin and restrain any violation of this section for the recovery of damages.

26053.

- (a) The bureau and licensing authorities may issue licenses under this division to persons or entities that hold licenses under Chapter 3.5(commencing with Section 19300) of Division 8.
- (b) Notwithstanding subdivision (a), person or entity that holds a state testing license under this division or Chapter 3.5(commencing with Section 19300) of Division 8 is prohibited from licensure for any other activity, except testing, as authorized under this division.
- (c) Except as provided in subdivision (b), a person or entity may apply for and be issued more than one license under this division.

26054.

- (a) A licensee shall not also be licensed as a retailer of alcoholic beverages under Division 9 (commencing with Section 23000) or of tobacco products.
- (b) No licensee under this division shall be located within a 600-foot radius of a 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 license is issued, unless a licensing authority or a local jurisdiction specifies a different radius. The distance specified in this section shall be measured in the same manner as provided in paragraph (c) of Section 11362. 768 of the Health and Safety Code unless otherwise provided by law.
- (c) It shall be lawful under state and local law, and shall not be a violation of state or local law, for a business engaged in the manufacture of marijuana accessories to possess, transport, purchase or otherwise obtain small amounts of marijuana or marijuana products as necessary to conduct research and development related to such marijuana accessories, provided such marijuana and marijuana products are obtained from a person or entity licensed under this division or Chapter 3.5 (commencing with Section 19300) of Division 8 permitted to provide or deliver such marijuana or marijuana products.

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26054.1

- (a) No licensing authority shall issue or renew a license to any person that cannot demonstrate continuous California residency from or before January 1, 2015. In the case of an applicant or licensee that is an entity, the entity shall not be considered a resident if any person controlling the entity cannot demonstrate continuous California residency from and before January 1, 2015.
- (b) Subdivision (a) shall cease to be operable on December 31, 2019 unless reenacted prior thereto by the Legislature.

26054.2

- (a) A licensing authority shall give priority in issuing licenses under this division to applicants that can demonstrate to the authority's satisfaction that the applicant operated in compliance with the Compassionate Use Act and its implementing laws before September 1, 2016, or currently operates in compliance with Chapter 3.5(commencing with Section 19300) of Division 8.
- (b) The bureau shall request that local jurisdictions identify for the bureau potential applicants for licensure based on the applicants' prior operation in the local jurisdiction in compliance with state law, including the Compassionate Use Act and its implementing laws, and any applicable local laws. The bureau shall make the requested information available to licensing authorities.
- (c) In addition to or in lieu of the information described in subdivision (b), an applicant may furnish other evidence to demonstrate operation in compliance with the Compassionate Use Act or Chapter 3.5 (commencing with Section 19300) of Division 8. The bureau and licensing authorities may accept such evidence to demonstrate eligibility for the priority provided for in subdivision (a).
- (d) This section shall cease to be operable on December 31, 2019 unless otherwise provided by law.

26055.

- (a) Licensing authorities may issue state licenses only to qualified applicants.
- (b) Revocation of a state license issued under this division shall terminate the ability of the licensee to operate within California until the licensing authority reinstates or reissues the state license.
- (c) Separate licenses shall be issued for each of the premises of any licensee having more than one location, except as otherwise authorized by law or regulation.
- (d) After issuance or transfer of a license, no licensee shall change or alter the premises in a manner which materially or substantially alters the premises, the usage of the premises, or the mode or character of business operation conducted from the premises, from the plan contained in the diagram on file with the application, unless and until prior written assent of the licensing authority or bureau has been obtained. For purposes of this section, material or

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substantial physical changes of the premises, or in the usage of the premises, shall include, but not be

limited to, a substantial increase or decrease in the total area of the licensed premises previously diagrammed, or any other physical modification resulting in substantial change in the mode or character of business operation.

- (e) Licensing authorities shall not approve an application for a state license under this division if approval of the state license will violate the provisions of any local ordinance or regulation adopted in accordance with Section 26200.

26056.

An applicant for any type of state license issued pursuant to this division shall comply with the same requirements as set forth in Section 19322 of Chapter 3.5 of Division 8 unless otherwise provided by law, including electronic submission of fingerprint images, and any other requirements imposed by law or a licensing authority, except as follows:

- (a) Notwithstanding paragraph (2) of subdivision (a) of Section 19322, an applicant need not provide documentation that the applicant has obtained a license, permit or other authorization to operate from the local jurisdiction in which the applicant seeks to operate;
- (b) An application for a license under this division shall include evidence that the proposed location meets the restriction in subdivision (b) of Section 26054; and
- (c) For applicants seeking licensure to cultivate, distribute, or manufacture nonmedical marijuana or marijuana products, the application shall also include a detailed description of the applicant's operating procedures for all of the following, as required by the licensing authority:
- (1) Cultivation.
 - (2) Extraction and infusion methods.
 - (3) The transportation process.
 - (4) The inventory process.
 - (5) Quality control procedures.
 - (6) The source or sources of water the applicant will use for the licensed activities, including a certification that the applicant may use that water legally under state law.
- (d) The applicant shall provide a complete detailed diagram of the proposed premises wherein the license privileges will be exercised, with sufficient particularity to enable ready determination of the bounds of the premises, showing all boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, and common or shared entryways, and include a brief statement or description of the principal activity to be conducted therein, and, for licenses permitting cultivation, measurements of the planned canopy including aggregate square footage and individual square footage of separate cultivation areas, if any.

26056.5.

The bureau shall devise protocols that each licensing authority shall implement to ensure compliance with state laws and regulations related to environmental impacts, natural resource protection, water quality, water supply, hazardous materials, and pesticide use in accordance

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with regulations, including but not limited to, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050)), lake or streambed alteration agreements (Chapter 6 (commencing with Section 1600)), the Clean Water Act (33 U.S.C. Sec 1251 et seq.), the Porter-Cologne Water Quality Control Act (Division 7 commencing with Section 13000) of the Water Code), timber production zones, wastewater discharge requirements, and any permit or right necessary to divert water.

26057.

- (a) The licensing authority shall deny an application if either the applicant, or the premises for which a state license is applied, do not qualify for licensure under this division.
- (b) The licensing authority may deny the application for licensure or renewal of a state license if Any of the following conditions apply:
 - (1) Failure to comply with the provisions of this division, any rule or regulation adopted pursuant to this division, or any requirement imposed to protect natural resources, including, but not limited to, protections for instream flow and water quality.
 - (2) Conduct that constitutes grounds for denial of licensure under Chapter 2 (commencing with Section 480) of Division 1.5, except as otherwise specified in this section and Section 26059.
 - (3) Failure to provide information required by the licensing authority.
 - (4) The applicant or licensee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the licensing authority determines that the applicant or licensee is otherwise suitable to be issued a license, and granting the license would not compromise public safety, the licensing authority shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, and shall evaluate the suitability of the applicant or licensee to be issued a license based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the licensing authority shall include, but not be limited to, the following:
 - (A) A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.
 - (B) A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.
 - (C) A felony conviction involving fraud, deceit, or embezzlement.
 - (D) A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.
 - (E) A felony conviction for drug trafficking with enhancements pursuant to Sections 11370.4 or 11379.8.

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- (5) Except as provided in subparagraphs (D) and (E) of paragraph (4) and notwithstanding Chapter 2 (commencing with Section 480) of Division 1.5, a prior conviction, where the sentence, including any term of probation, incarceration, or supervised release, is completed, for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is not considered substantially related, and shall not be the sole ground for denial of a license. Conviction for any controlled substance felony subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license.
- (6) The applicant, or any of its officers, directors, or owners, has been subject to fines or penalties for cultivation or production of a controlled substance on public or private lands pursuant to Sections 12025 or 12025.1 of the Fish and Game Code.
- (7) The applicant, or any of its officers, directors, or owners, has been sanctioned by a licensing authority or a city, county, or city and county for unauthorized commercial marijuana activities or commercial medical cannabis activities, has had a license revoked under this division or Chapter 3.5(commencing with Section 19300) of Division 8 in the three years immediately preceding the date the application is filed with the licensing authority, or has been sanctioned under Sections 12025 or 12025.1 of the Fish and Game Code.
- (8) Failure to obtain and maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.
- (9) Any other condition specified in law.

26058.

Upon the denial of any application for a license, the licensing authority shall notify the applicant in writing.

26059.

An applicant shall not be denied a state license if the denial is based solely on any of the following:

- (a) A conviction or act that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made for which the applicant or licensee has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code.
- (b) A conviction that was subsequently dismissed pursuant to Sections 1203.4, 1203.4a, or 1203.41 of the Penal Code or any other provision allowing for dismissal of a conviction.

Chapter 6. Licensed Cultivation Sites

26060.

- (a) Regulations issued by the Department of Food and Agriculture governing the licensing of indoor, outdoor, and mixed-light cultivation sites shall apply to licensed cultivators under this division.

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- (b) Standards developed by the Department of Pesticide Regulation, in consultation with the Department of Food and Agriculture, for the use of pesticides in cultivation, and maximum tolerances for pesticides and other foreign object residue in harvested cannabis shall apply to licensed cultivators under this division.
- (c) The Department of Food and Agriculture shall include conditions in each license requested by the Department of Fish and Wildlife and the State Water Resources Control Board to ensure that individual and cumulative effects of water diversion and discharge associated with cultivation do not affect the instream flows needed for fish spawning, migration, and rearing, and the flows needed to maintain natural flow variability, and to otherwise protect fish, wildlife, fish and wildlife habitat, and water quality.
- (d) The regulations promulgated by the Department of Food and Agriculture under this division shall, at a minimum, address in relation to commercial marijuana activity, the same matters described in subdivision (e) of Section 19332.
- (e) The Department of Pesticide Regulation, in consultation with the State Water Resources Control Board, shall promulgate regulations that require that the application of pesticides or other pest control in connection with the indoor, outdoor, or mixed light cultivation of marijuana meets standards equivalent to Division 6 (commencing with Section 11401) of the Food and Agricultural Code and its implementing regulations.

26061.

- (a) The state cultivator license types to be issued by the Department of Food and Agriculture under this division shall include Type 1, Type 1A, Type 1B, Type 2, Type 2A, Type 2B, Type 3, Type 3A, Type 3B, Type 4, and Type 5, Type 5A, and Type 5B unless otherwise provided by law.
- (b) Except as otherwise provided by law, Type 1, Type 1A, Type 1B, Type 2, Type 2A, Type 2B, Type 3, Type 3A, Type 3B and Type 4 licenses shall provide for the cultivation of marijuana in the same amount as the equivalent license type for cultivation of medical cannabis as specified in subdivision (g) of Section 19332.
- (c) Except as otherwise provided by law:
 - (1) Type 5, or "outdoor," means for outdoor cultivation using no artificial lighting greater than one acre, inclusive, of total canopy size on one premises.
 - (2) Type 5A, or "indoor," means for indoor cultivation using exclusively artificial lighting greater than 22,000 square feet, inclusive, of total canopy size on one premises.
 - (3) Type 5B, or "mixed-light," means for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, greater than 22,000 square feet, inclusive, of total canopy size on one premise.
- (d) No Type 5, Type 5A, or Type 5B cultivation licenses may be issued before January 1, 2023.
- (e) Commencing on January 1, 2023, a Type 5, Type 5A, or Type 5B licensee may apply for and hold a Type 6 or Type 7 license and apply for and hold Type 10 license. A Type 5, Type 5A, or Type 5B licensee shall not be eligible to apply for or hold a Type 8, Type 11, or Type 12 license.

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26062.

The Department of Food and Agriculture, in conjunction with the bureau, shall establish a certified organic designation and organic certification program for marijuana and marijuana products in the same manner as provided in Section 19332.5 of Chapter 3.5 of Division 8.

26063.

- (a) The bureau shall establish standards for recognition of a particular appellation of origin applicable to marijuana grown or cultivated in a certain geographical area in California.
- (b) Marijuana shall not be marketed, labeled, or sold as grown in a California county when the marijuana was not grown in that county.
- (c) The name of a California county shall not be used in the labeling, marketing, or packaging of marijuana products unless the marijuana contained in the product was grown in that county.

26064.

Each licensed cultivator shall ensure that the licensed premises do not pose an unreasonable risk of fire or combustion. Each cultivator shall ensure that all lighting, wiring, electrical and mechanical devices, or other relevant property is carefully maintained to avoid unreasonable or dangerous risk to the property or others.

26065.

An employee engaged in the cultivation of marijuana under this division shall be subject to Wage Order No. 4-2001 of the Industrial Welfare Commission.

26066.

Indoor and outdoor marijuana cultivation by persons and entities licensed under this division shall be conducted in accordance with state and local laws related to land conversion, grading, electricity usage, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters. State agencies, including, but not limited to, the Board of Forestry and Fire Protection, the Department of Fish and Wildlife, the State Water Resources Control Board, the California regional water quality control boards, and traditional state law enforcement agencies, shall address environmental impacts of marijuana cultivation and shall coordinate when appropriate with cities and counties and their law enforcement agencies in enforcement efforts.

26067.

- (a) The Department of Food and Agriculture shall establish a Marijuana Cultivation Program, to be administered by the Secretary of Food and Agriculture. The secretary shall administer this section as it pertains to the cultivation of marijuana. For purposes of this division, marijuana is an agricultural product.
- (b) A person or entity shall not cultivate marijuana without first obtaining a state license issued by the department pursuant to this section.

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- (c)
- (1) The department, in consultation with, but not limited to, the bureau, the State Water Resources Control Board, and the Department of Fish and Wildlife, shall implement a unique identification program for marijuana. In implementing the program, the department shall consider issues including, but not limited to, water use and environmental impacts. In implementing the program, the department shall ensure that:
 - (A) Individual and cumulative effects of water diversion and discharge associated with cultivation do not affect the instream flows needed for fish spawning, migration, and rearing, and the flows needed to maintain natural flow variability. If a watershed cannot support additional cultivation, no new plant identifiers will be issued for that watershed.
 - (B) Cultivation will not negatively impact springs, riparian wetlands and aquatic habitats.
 - (2) The department shall establish a program for the identification of permitted marijuana plants at a cultivation site during the cultivation period. A unique identifier shall be issued for each marijuana plant. The department shall ensure that unique identifiers are issued as quickly as possible to ensure the implementation of this division. The unique identifier shall be attached at the base of each plant or as otherwise required by law or regulation.
 - (A) Unique identifiers will only be issued to those persons appropriately licensed by this section.
 - (B) Information associated with the assigned unique identifier and licensee shall be included in the trace and track program specified in Section 26170.
 - (C) The department may charge a fee to cover the reasonable costs of issuing the unique identifier and monitoring, tracking, and inspecting each marijuana plant.
 - (D) The department may promulgate regulations to implement this section.
 - (3) The department shall take adequate steps to establish protections against fraudulent unique identifiers and limit illegal diversion of unique identifiers to unlicensed persons.
- (d) Unique identifiers and associated identifying information administered by local jurisdictions shall adhere to the requirements set by the department and be the equivalent to those administered by the department.
- (e)
- (1) This section does not apply to the cultivation of marijuana in accordance with Section 11362.1 Of the Health and Safety Code or the Compassionate Use Act.
 - (2) Subdivision (b) of this section does not apply to persons or entities licensed under either paragraph (3) of subdivision (a) of Section 26070 or subdivision (b) of Section 26070.5.
- (f) "Department "for purposes of this section means the Department of Food and Agriculture.

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Chapter 7. Retailers and Distributors

26070. Retailers and Distributors

- (a) State licenses to be issued by the Department of Consumer Affairs are as follows:
- (1) "Retailer," for the retail sale and delivery of marijuana or marijuana products to customers.
 - (2) "Distributor," for the distribution of marijuana and marijuana products. A distributor licensee shall be bonded and insured at a minimum level established by the licensing authority.
 - (3) "Microbusiness," for the cultivation of marijuana on an area less than 10,000 square feet and to act as a licensed distributor, Level 1 manufacturer, and retailer under this division, provided such licensee complies with all requirements imposed by this division on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the licensee engages in such activities. Microbusiness licenses that authorize cultivation of marijuana shall include conditions requested by the Department of Fish and Wildlife and the State Water Resources Control Board to ensure that individual and cumulative effects of water diversion and discharge associated with cultivation do not affect the instream flows needed for fish spawning, migration, and rearing, and the flow needed to maintain flow variability, and otherwise protect fish, wildlife, fish and wildlife habitat, and water quality.
- (b) The bureau shall establish minimum security and transportation safety requirements for the commercial distribution and delivery of marijuana and marijuana products. The transportation safety standards established by the bureau shall include, but not be limited to, minimum standards governing the types of vehicles in which marijuana and marijuana products may be distributed and delivered and minimum qualifications for persons eligible to operate such vehicles.
- (c) Licensed retailers and microbusinesses, and licensed nonprofits under Section 26070.5, shall implement security measures reasonably designed to prevent unauthorized entrance into areas containing marijuana or marijuana products and theft of marijuana or marijuana products from the premises. These security measures shall include, but not be limited to, all of the following:
- (1) Prohibiting individuals from remaining on the licensee's premises if they are not engaging in activity expressly related to the operations of the dispensary.
 - (2) Establishing limited access areas accessible only to authorized personnel.
 - (3) Other than limited amounts of marijuana used for display purposes, samples, or immediate sale, storing all finished marijuana and marijuana products in a secured and locked room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss.

26070.5

- (a) The bureau shall, by January 1, 2018, investigate the feasibility of creating one or more classifications of nonprofit licenses under this section. The feasibility determination shall be

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made in consultation with the relevant licensing agencies and representatives of local jurisdictions which issue temporary licenses pursuant to subdivision (b). The bureau shall consider factors including, but not limited to, the following:

- (1) Should nonprofit licensees be exempted from any or all state taxes, licensing fees and regulatory provisions applicable to other licenses in this division?
 - (2) Should funding incentives be created to encourage others licensed under this division to provide professional services at reduced or no cost to nonprofit licensees?
 - (3) Should nonprofit licenses be limited to, or prioritize those, entities previously operating on a not-for-profit basis primarily providing whole-plant marijuana and marijuana products and a diversity of marijuana strains and seed stock to low income persons?
- (b) Any local jurisdiction may issue temporary local licenses to nonprofit entities primarily providing whole-plant marijuana and marijuana products and a diversity of marijuana strains and seed stock to low income persons so long as the local jurisdiction:
- (1) Confirms the license applicant's status as a nonprofit entity registered with the California Attorney General's Registry of Charitable Trusts and that the applicant is in good standing with all state requirements governing nonprofit entities;
 - (2) Licenses and regulates any such entity to protect public health and safety, and so as to require compliance with all environmental requirements in this division;
 - (3) Provides notice to the bureau of any such local licenses issued, including the name and location of any such licensed entity and all local regulations governing the licensed entity's operation, and;
 - (4) Certifies to the bureau that any such licensed entity will not generate annual gross revenues in excess of two million dollars (\$2,000,000).
- (c) Temporary local licenses authorized under subdivision (b) shall expire after 12 months unless renewed by the local jurisdiction.
- (d) The bureau may impose reasonable additional requirements on the local licenses authorized under subdivision (b).
- (e) (1) No new temporary local licenses shall be issued pursuant to this section after the date the bureau determines that creation of nonprofit licenses under this division is not feasible, or if the bureau determines such licenses are feasible, after the date a licensing agency commences issuing state nonprofit licenses.
- (2) If the bureau determines such licenses are feasible, no temporary license issued under Subdivision (b) shall be renewed or extended after the date on which a licensing agency commences issuing state nonprofit licenses.
- (3) If the bureau determines that creation of nonprofit licenses under this division is not feasible, the bureau shall provide notice of this determination to all local jurisdictions that have issued temporary licenses under subdivision (b). The bureau may, in its discretion, permit any such local jurisdiction to renew or extend on an annual basis any temporary license previously issued under subdivision (b).

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Chapter 8. Distribution and Transport

26080.

- (a) This division shall not be construed to authorize or permit a licensee to transport or distribute, or cause to be transported or distributed, marijuana or marijuana products outside the state, unless authorized by federal law.
- (b) A local jurisdiction shall not prevent transportation of marijuana or marijuana products on public roads by a licensee transporting marijuana or marijuana products in compliance with this division.

Chapter 9. Delivery

26090.

- (a) Deliveries, as defined in this division, may only be made by a licensed retailer or microbusiness, or a licensed nonprofit under Section 26070.5.
- (b) A customer requesting delivery shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers.
- (c) A local jurisdiction shall not prevent delivery of marijuana or marijuana products on public roads by a licensee acting in compliance with this division and local law as adopted under Section 26200.

Chapter 10. Manufacturers and Testing Laboratories

26100.

The Department of Public Health shall promulgate regulations governing the licensing of marijuana manufacturers and testing laboratories. Licenses to be issued are as follows:

- (a) "Manufacturing Level 1, "for sites that manufacture marijuana products using nonvolatile solvents, or no solvents.
- (b) "Manufacturing Level 2, "for sites that manufacture marijuana products using volatile solvents.
- (c) "Testing," for testing of marijuana and marijuana products. Testing licensees shall have their facilities or devices licensed according to regulations set forth by the department. A testing licensee shall not hold a license in another license category of this division and shall not own or have ownership interest in a non-testing facility licensed pursuant to this division.
- (d) For purposes of this section, "volatile solvents" shall have the same meaning as in subdivision (d) of Section 11362.2 of the Health and Safety Code unless otherwise provided by law or regulation.

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26101.

- (a) Except as otherwise provided by law, no marijuana or marijuana products may be sold pursuant to a license provided for under this division unless a representative sample of such marijuana or marijuana product has been tested by a certified testing service to determine:
- (1) Whether the chemical profile of the sample conforms to the labeled content of compounds, including, but not limited to, all of the following:
 - (A) Tetrahydrocannabinol (THC).
 - (B) Tetrahydrocannabinolic Acid (THCA).
 - (C) Cannabidiol (CED).
 - (D) Cannabidiolic Acid (CBDA).
 - (E) The terpenes described in the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia.
 - (F) Cannabigerol (CBG).
 - (G) Cannabinol (CBN).
 - (2) That the presence of contaminants does not exceed the levels in the most current version of the American Herbal Pharmacopoeia monograph. For purposes of this paragraph, contaminants includes, but is not limited to, all of the following:
 - (A) Residual solvent or processing chemicals, including explosive gases, such as Butane, propane, O₂ or H₂, and poisons, toxins, or carcinogens, such as Methanol, Iso-propyl Alcohol, Methylene Chloride, Acetone, Benzene, Toluene, and Tri-chloro-ethylene.
 - (B) Foreign material, including, but not limited to, hair, insects, or similar or related adulterant.
 - (C) Microbiological impurity, including total aerobic microbial count, total yeast mold count, *P. aeruginosa*, *aspergillus spp.*, *s. aureus*, aflatoxin B1, B2, G1, or G2, or ochratoxin A.
- (b) Residual levels of volatile organic compounds shall satisfy standards of the cannabis inflorescence monograph set by the United States Pharmacopeia (U.S.P. Chapter 467).
- (c) The testing required by paragraph (a) shall be performed in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling, using standard methods established by the International Organization for Standardization, specifically ISO/IEC 17020 and ISO/IEC 17025 to test marijuana and marijuana products that are approved by an accrediting body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement.
- (d) Any pre-sale inspection, testing transfer, or transportation of marijuana products pursuant to this section shall conform to a specified chain of custody protocol and any other requirements imposed under this division.

26102.

A licensed testing service shall not handle, test, or analyze marijuana or marijuana products unless the licensed testing laboratory meets the requirements of Section 193438.

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26103.

A licensed testing service shall issue a certificate of analysis for each lot, with supporting data, to report the same information required in Section 19344 or unless otherwise provided by law.

26104.

- (a) A licensed testing service shall, in performing activities concerning marijuana and marijuana products, comply with the requirements and restrictions set forth in applicable law and regulations.
- (b) The Department of Public Health shall develop procedures to:
 - (1) Ensure that testing of marijuana and marijuana products occurs prior to distribution to retailers, microbusinesses, or nonprofits licensed under Section 26070.5;
 - (2) Specify how often licensees shall test marijuana and marijuana products, and that the cost of testing marijuana shall be borne by the licensed cultivators and the cost of testing marijuana products shall be borne by the licensed manufacturer, and that the costs of testing marijuana and marijuana products shall be borne a nonprofit licensed under Section 26070.5; and
 - (3) Require destruction of harvested batches whose testing samples indicate noncompliance with health and safety standards promulgated by the Department of Public Health, unless remedial measures can bring the marijuana or marijuana products into compliance with quality assurance standards as promulgated by the Department of Public Health.

26105.

Manufacturing Level 2 licensees shall enact sufficient methods or procedures to capture or otherwise limit risk of explosion, combustion, or any other unreasonably dangerous risk to public safety created by volatile solvents. The Department of Public Health shall establish minimum standards concerning such methods and procedures for Level 2 licensees.

26106.

Standards for the production and labeling of all marijuana products developed by the Department of Public Health shall apply to licensed manufacturers and microbusinesses, and nonprofits licensed under Section 26070.5 unless otherwise specified by the Department of Public Health.

Chapter 11. Quality Assurance, Inspection, and Testing

26110.

- (a) All marijuana and marijuana products shall be subject to quality assurance, inspection, and testing.

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- (b) All marijuana and marijuana products shall undergo quality assurance, inspection, and testing in the same manner as provided in Section 19326 except as otherwise provided in this division or by law.

Chapter 12. Packaging and Labeling

26120.

- (a) Prior to delivery or sale at a retailer, marijuana and marijuana products shall be labeled and placed in a resalable, child resistant package.
- (b) Packages and labels shall not be made to be attractive to children.
- (c) All marijuana and marijuana product labels and inserts shall include the following information prominently displayed in a clear and legible fashion in accordance with the requirements, including font size, prescribed by the bureau or the Department of Public Health:
- (1) Manufacture date and source.
 - (2) The following statements, in bold print:
 - (A) For marijuana: "**GOVERNMENT WARNING: THIS PACKAGE CONTAINS MARIJUANA, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. MARIJUANA MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT MARIJUANA USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF MARIJUANA IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY PLEASE USE EXTREME CAUTION.**"
 - (B) For marijuana products: "**GOVERNMENT WARNING: THIS PRODUCT CONTAINS MARIJUANA, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. MARIJUANA PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT THE INTOXICATING EFFECTS OF MARIJUANA PRODUCTS MAY BE DELAYED UP TO TWO HOURS. MARIJUANA USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF MARIJUANA PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY PLEASE USE EXTREME CAUTION "**
 - (3) For packages containing only dried flower, the net weight of marijuana in the package.
 - (4) Identification of the source and date of cultivation, the type of marijuana or marijuana product and the date of manufacturing and packaging.
 - (5) The appellation of origin, if any.
 - (6) List of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CED), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total, and the potency of the marijuana or marijuana product by reference to the amount of tetrahydrocannabinol and cannabidiol in each serving.

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- (7) For marijuana products, a list of all ingredients and disclosure of nutritional information in the same manner as the federal nutritional labeling requirements in Section 101.9 of Title 21 of the Code of Federal Regulations.
- (8) A list of any solvents, nonorganic pesticides, herbicides, and fertilizers that were used in the cultivation, production, and manufacture of such marijuana or marijuana product.
- (9) A warning if nuts or other known allergens are used.
- (10) Information associated with the unique identifier issued by the Department of Food and Agriculture.
- (11) Any other requirement set by the bureau or the Department of Public Health.
- (d) Only generic food names may be used to describe the ingredients in edible marijuana products.
- (e) In the event the bureau determines that marijuana is no longer a schedule I controlled substance under federal law, the label prescribed in subdivision (c) shall no longer require a statement that marijuana is a schedule I controlled substance.

Chapter 13. Marijuana Products

26130.

- (a) Marijuana products shall be:
 - (1) Not designed to be appealing to children or easily confused with commercially sold candy or foods that do not contain marijuana.
 - (2) Produced and sold with a standardized dosage of cannabinoids not to exceed ten (10) milligrams tetrahydrocannabinol (THC) per serving.
 - (3) Delineated or scored into standardized serving sizes if the marijuana product contains more than one serving and is an edible marijuana product in solid form.
 - (4) Homogenized to ensure uniform disbursement of cannabinoids throughout the product.
 - (5) Manufactured and sold under sanitation standards established by the Department of Public Health, in consultation with the bureau, for preparation, storage, handling and sale of food products.
 - (6) Provided to customers with sufficient information to enable the informed consumption of such product, including the potential effects of the marijuana product and directions as to how to consume the marijuana product, as necessary.
- (b) Marijuana, including concentrated cannabis, included in a marijuana product manufactured in compliance with law is not considered an adulterant under state law.

Chapter 14. Protection of Minors

26140.

- (a) No licensee shall:
 - (1) Sell marijuana or marijuana products to persons less than 21 years of age.
 - (2) Allow any person less than 21 years of age on its premises.
 - (3) Employ or retain persons less than 21 years of age.

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- (4) Sell or transfer marijuana or marijuana products unless the person to whom the marijuana or marijuana product is to be sold first presents documentation which reasonably appears to be a valid government-issued identification card showing that the person is 21 years of age or older.
- (b) Persons under 21 years of age may be used by peace officers in the enforcement of this division and to apprehend licensees, or employees or agents of licensees, or other persons who sell or furnish marijuana to minors. Notwithstanding any provision of law, any person under 21 years of age who purchases or attempts to purchase any marijuana while under the direction of a peace officer is immune from prosecution for that purchase or attempt to purchase marijuana. Guidelines with respect to the use of persons under 21 years of age as decoys shall be adopted and published by the bureau in accordance with the rulemaking portion of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).
- (c) Notwithstanding subdivision (a), a licensee that is also a dispensary licensed under Chapter 3.5 (commencing with Section 19300) of Division 8 may:
 - (1) Allow on the premises any person 18 years of age or older who possesses a valid identification card under Section 11362.71 of the Health and Safety Code and a valid government-issued identification card;
 - (2) Sell marijuana, marijuana products, and marijuana accessories to a person 18 years of age or older who possesses a valid identification card under Section 11362.71 of the Health and Safety Code and a valid government-issued identification card.

Chapter 15. Advertising and Marketing Restrictions

26150.

For purposes of this chapter:

- (a) "Advertise" means the publication or dissemination of an advertisement.
- (b) "Advertisement" includes any written or verbal statement, illustration, or depiction which is calculated to induce sales of marijuana or marijuana products, including any written, printed, graphic, or other material, billboard, sign, or other outdoor display, public transit card, other periodical literature, publication, or in a radio or television broadcast, or in any other media; except that such term shall not include:
 - (1) Any label affixed to any marijuana or marijuana products, or any individual covering, carton, or other wrapper of such container that constitutes a part of the labeling under provisions of this division.
 - (2) Any editorial or other reading material (e.g., news release) in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or promised, directly or indirectly, by any licensee, and which is not written by or at the direction of the licensee.
- (c) "Advertising sign" is any sign, poster, display, billboard, or any other stationary or permanently-affixed advertisement promoting the sale of marijuana or marijuana products which are not cultivated, manufactured, distributed, or sold on the same lot.

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- (d) "Health-related statement" means any statement related to health, and includes statements of a curative or therapeutic nature that, expressly or by implication, suggest a relationship between the consumption of marijuana or marijuana products and health benefits, or effects on health.
- (e) "Market" or "Marketing" means any act or process of promoting or selling marijuana or marijuana products, including but not limited to, sponsorship of sporting events, point of sale advertising, development of products specifically designed to appeal to certain demographics, etc.

26151.

- (a) All advertisements and marketing shall accurately and legibly identify the licensee responsible for its content.
- (b) Any advertising or marketing placed in broadcast, cable, radio, print and digital communications shall only be displayed where at least 71.6 percent of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, up-to-date audience composition data.
- (c) Any advertising or marketing involving direct, individualized communication or dialogue controlled by the licensee shall utilize a method of age affirmation to verify that the recipient is 21 years of age or older prior to engaging in such communication or dialogue controlled by the licensee. For purposes of this section, such method of age affirmation may include user confirmation, birth date disclosure, or other similar registration method.
- (d) All advertising shall be truthful and appropriately substantiated.

26152.

No licensee shall:

- (a) Advertise or market in a manner that is false or untrue in any material particular, or that, irrespective of falsity, directly, or by ambiguity, omission, or inference, or by the addition of irrelevant, scientific or technical matter tends to create a misleading impression;
- (b) Publish or disseminate advertising or marketing containing any statement concerning a brand or product that is inconsistent with any statement on the labeling thereof;
- (c) Publish or disseminate advertising or marketing containing any statement, design, device, or representation which tends to create the impression that the marijuana originated in a particular place or region, unless the label of the advertised product bears an appellation of origin, and such appellation of origin appears in the advertisement;
- (d) Advertise or market on a billboard or similar advertising device located on an Interstate Highway or State Highway which crosses the border of any other state;
- (e) Advertise or market marijuana or marijuana products in a manner intended to encourage persons under the age of 21 years to consume marijuana or marijuana products;
- (f) Publish or disseminate advertising or marketing containing symbols, language, music, gestures, cartoon characters or other content elements known to appeal primarily to persons below the legal age of consumption; or

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- (g) Advertise or market marijuana or marijuana products on an advertising sign within 1,000 feet of a day care center, school providing instruction in kindergarten or any grades 1 through 12, playground, or youth center.

26153.

No licensee shall give away any amount of marijuana or marijuana products, or any marijuana accessories, as part of a business promotion or other commercial activity.

26154.

No licensee shall publish or disseminate advertising or marketing containing any health-related statement that is untrue in any particular manner or tends to create a misleading impression as to the effects on health of marijuana consumption.

26155.

- (a) The provisions of subsection (g) of section 26152 shall not apply to the placement of advertising signs inside a licensed premises and which are not visible by normal unaided vision from a public place, provided that such advertising signs do not advertise marijuana or marijuana products in a manner intended to encourage persons under the age of 21 years to consume marijuana or marijuana products.
- (b) This chapter does not apply to any noncommercial speech.

Chapter 16. Records

26160.

- (a) A licensee shall keep accurate records of commercial marijuana activity.
- (b) All records related to commercial marijuana activity as defined by the licensing authorities shall be maintained for a minimum of seven years.
- (c) The bureau may examine the books and records of a licensee and inspect the premises of a licensee as the licensing authority, or a state or local agency, deems necessary to perform its duties under this division. All inspections shall be conducted during standard business hours of the licensed facility or at any other reasonable time.
- (d) Licensees shall keep records identified by the licensing authorities on the premises of the location licensed. The licensing authorities may make any examination of the records of any licensee. Licensees shall also provide and deliver copies of documents to the licensing agency upon request.
- (e) A licensee, or its agent or employee, that refuses, impedes, obstructs, or interferes with an inspection of the premises or records of the licensee pursuant to this section, has engaged in a violation of this division.
- (f) If a licensee, or an agent or employee of a licensee, fails to maintain or provide the records Required pursuant to this section, the licensee shall be subject to a citation and fine of up to thirty thousand dollars (\$30,000) per individual violation.

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26161.

- (a) Every sale or transport of marijuana or marijuana products from one licensee to another licensee must be recorded on a sales invoice or receipt. Sales invoices and receipts may be maintained electronically and must be filed in such manner as to be readily accessible for examination by employees of the bureau or Board of Equalization and shall not be commingled with invoices covering other commodities.
- (b) Each sales invoice required by subdivision (a) shall include the name and address of the seller and shall include the following information:
 - (1) Name and address of the purchaser.
 - (2) Date of sale and invoice number.
 - (3) Kind, quantity, size, and capacity of packages of marijuana or marijuana products sold.
 - (4) The cost to the purchaser, together with any discount applied to the price as shown on the invoice.
 - (5) The place from which transport of the marijuana or marijuana product was made unless transport was made from the premises of the licensee.
 - (6) Any other information specified by the bureau or the licensing authority.

Chapter 17. Track and Trace System

26170.

- (a) The Department of Food and Agriculture, in consultation with the bureau and the State Board of Equalization, shall expand the track and trace program provided for under Article 7.5 (commencing with Section 19335) of Chapter 3.5 of Division 8 to include the reporting of the movement of marijuana and marijuana products throughout the distribution chain and provide, at a minimum, the same level of information for marijuana and marijuana products as required to be reported for medical cannabis and medical cannabis products, and in addition, the amount of the cultivation tax due pursuant to Part 14.5 (commencing with Section 34010) of Division 2 of the Revenue and Taxation Code. The expanded track and trace program shall include an electronic seed to sale software tracking system with data points for the different stages of commercial activity including, but not limited to, cultivation, harvest, processing, distribution, inventory, and sale.
- (b) The department, in consultation with the bureau, shall ensure that licensees under this division are allowed to use third-party applications, programs and information technology systems to comply with the requirements of the expanded track and trace program described in subdivision (a) to report the movement of marijuana and marijuana products throughout the distribution chain and communicate such information to licensing agencies as required by law.
- (c) Any software, database or other information technology system utilized by the Department to implement the expanded track and trace program shall support interoperability with third-party cannabis business software applications and allow all licensee-facing system activities to be performed through a secure application programming interface (API) or comparable

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technology which is well documented, bi-directional, and accessible to any third-party application that has been validated and has appropriate credentials. The API or comparable technology shall have version control and provide adequate notice of updates to third-party applications. The system should provide a test environment for third-party applications to access that mirrors the production environment.

Chapter 18. License Fees

26180.

Each licensing authority shall establish a scale of application, licensing, and renewal fees, based upon the cost of enforcing this division, as follows:

- (a) Each licensing authority shall charge each licensee a licensure and renewal fee, as applicable. The licensure and renewal fee shall be calculated to cover the costs of administering this division. The licensure fee may vary depending upon the varying costs associated with administering the various regulatory requirements of this division as they relate to the nature and scope of the different licensure activities, including, but not limited to, the track and trace program required pursuant to Section 26170, but shall not exceed the reasonable regulatory costs to the licensing authority.
- (b) The total fees assessed pursuant to this division shall be set at an amount that will fairly and proportionately generate sufficient total revenue to fully cover the total costs of administering this division.
- (c) All license fees shall be set on a scaled basis by the licensing authority, dependent on the size of the business.
- (d) The licensing authority shall deposit all fees collected in a fee account specific to that licensing authority, to be established in the Marijuana Control Fund. Moneys in the licensing authority fee accounts shall be used, upon appropriation by the Legislature, by the designated licensing authority for the administration of this division.

26181.

The State Water Resources Control Board, the Department of Fish and Wildlife, and other agencies may establish fees to cover the costs of their marijuana regulatory programs.

Chapter 19. Annual Reports; Performance Audit

26190.

Beginning on March 1, 2020, and on or before March 1 of each year thereafter, each licensing authority shall prepare and submit to the Legislature an annual report on the authority's activities concerning commercial marijuana activities and post the report on the authority's website. The report shall include, but not be limited to, the same type of information specified in Section 19353, and a detailed list of the petitions for regulatory relief or rulemaking changes

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received by the office from licensees requesting modifications of the enforcement of rules under this division.

26191.

- (a) Commencing January 1, 2019, and by January 1 of each year thereafter, the Bureau of State Audits shall conduct a performance audit of the bureau's activities under this division, and shall report its findings to the bureau and the Legislature by July 1 of that same year. The report shall include, but not be limited to, the following:
 - (1) The actual costs of the program.
 - (2) The overall effectiveness of enforcement programs.
 - (3) Any report submitted pursuant to this section shall be submitted in compliance with Section 9795 of the Government Code.
- (b) The Legislature shall provide sufficient funds to the Bureau of State Audits to conduct the annual audit required by this section.

Chapter 20. Local Control

26200.

- (a) Nothing in this division shall be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances to regulate businesses licensed under this division, including, but not limited to, local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to second hand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed under this division within the local jurisdiction.
- (b) Nothing in this division shall be interpreted to require a licensing authority to undertake local law enforcement responsibilities, enforce local zoning requirements, or enforce local licensing requirements.
- (c) A local jurisdiction shall notify the bureau upon revocation of any local license, permit, or authorization for a licensee to engage in commercial marijuana activity within the local jurisdiction. Within 10 days of notification, the bureau shall inform the relevant licensing authorities. Within 10 days of being so informed by the bureau, the relevant licensing authorities shall commence proceedings under Chapter 3 (commencing with section 26030) to determine whether a license issued to the licensee should be suspended or revoked.
- (d) Notwithstanding paragraph (1) of subdivision (a) of Section 11362.3 of the Health and Safety Code, a local jurisdiction may allow for the smoking, vaporizing, and ingesting of marijuana or marijuana products on the premises of a retailer or microbusiness licensed under this division if:
 - (1) Access to the area where marijuana consumption is allowed is restricted to persons 21 years of age and older;
 - (2) Marijuana consumption is not visible from any public place or non-age restricted area; and
 - (3) Sale or consumption of alcohol or tobacco is not allowed on the premises.

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26201.

Any standards, requirements, and regulations regarding health and safety, environmental protection, testing, security, food safety, and worker protections established by the state shall be the minimum standards for all licensees under this division statewide. A local jurisdiction may establish additional standards, requirements, and regulations.

26202.

- (a) A local jurisdiction may enforce this division and the regulations promulgated by the bureau or any licensing authority if delegated the power to do so by the bureau or a licensing authority.
- (b) The bureau or any licensing authority shall implement the delegation of enforcement authority in subdivision (a) through a memorandum of understanding between the bureau or licensing authority and the local jurisdiction to which enforcement authority is to be delegated.

Chapter 21. Funding

216210

- (a) The Medical Marijuana Regulation and Safety Act Fund established in Section 19351 of Chapter 3.5 of Division 8 is hereby renamed the Marijuana Control Fund.
- (b) Upon the effective date of this section, whenever "Medical Marijuana Regulation and Safety Act Fund" appears in any statute, regulation, or contract, or in any other code, it shall be construed to refer to the Marijuana Control Fund.

26211.

- (a) Funds for the initial establishment and support of the regulatory activities under this division, including the public information program described in subdivision (c), and for the activities of the Board of Equalization under Part 14.5 (commencing with Section 34010) of Division 2 of the Revenue and Taxation Code until July 1, 2017, or until the 2017 Budget Act is enacted, whichever occurs later, shall be advanced from the General Fund and shall be repaid by the initial proceeds from fees collected pursuant to this division, any rule or regulation adopted pursuant to this division, or revenues collected from the tax imposed by Sections 34011 and 34012 of the Revenue and Taxation Code, by January 1, 2025.
 - (1) Funds advanced pursuant to this subdivision shall be appropriated to the bureau, which shall distribute the moneys to the appropriate licensing authorities, as necessary to implement the provisions of this division, and to the Board of Equalization, as necessary, to implement the provisions of Part 14.5 (commencing with Section 34010) of Division 2 of the Revenue and Taxation Code.
 - (2) Within 45 days of this section becoming operative:
 - (A) The Director of Finance shall determine an amount of the initial advance from the General Fund to the Marijuana Control Fund that does not exceed thirty million dollars (\$30,000,000); and

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- (B) There shall be advanced a sum of five million dollars (\$5,000,000) from the General Fund to the Department of Health Care Services to provide for the public information program described in subdivision (c).
- (b) Notwithstanding subdivision (a), the Legislature shall provide sufficient funds to the Marijuana Control Fund to support the activities of the bureau, state licensing authorities under this division, and the Board of Equalization to support its activities under Part 14.5 of Division 2 of the Revenue and Taxation Code. It is anticipated that this funding will be provided annually beginning on July 1, 2017.
- (c) The State Department of Health Care Services shall establish and implement a public information program no later than September 1, 2017. This public information program shall, at a minimum, describe the provisions of the Control, Regulate, and Tax Adult Use of Marijuana Act of 2016, the scientific basis for restricting access of marijuana and marijuana products to persons under the age of 21 years, describe the penalties for providing access to marijuana and marijuana products to persons under the age of 21 years, provide information regarding the dangers of driving a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation while impaired from marijuana use, the potential harms of using marijuana while pregnant or breastfeeding, and the potential harms of overusing marijuana or marijuana products.

SECTION 6.2

Section 147.6 is added to the Labor Code, to read:

147.6.

- (a) By March 1, 2018, the Division of Occupational Safety and Health shall convene an advisory committee to evaluate whether there is a need to develop industry-specific regulations related to the activities of licensees under Division 10 (commencing with Section 26000) of the Business and Professions Code, including but not limited to, whether specific requirements are needed to address exposure to second-hand marijuana smoke by employees at facilities where on-site consumption of marijuana is permitted under subdivision (d) of Section 26200 of the Business and Professions Code, and whether specific requirements are needed to address the potential risks of combustion, inhalation, armed robberies or repetitive strain injuries.
- (b) By October 1, 2018, the advisory committee shall present to the board its findings and recommendations /or consideration by the board. By October 1, 2018, the board shall render a decision regarding the adoption of industry-specific regulations pursuant to this section.

Section 13276 of the Water Code is amended of read:

13276.

- (a) The multiagency task force, the Department of Fish and Wildlife and State Water Resources Control Board pilot project to address the Environmental Impacts of Cannabis Cultivation,

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assigned to respond to the damages caused by marijuana cultivation on public and private lands in California, shall continue its enforcement efforts on a permanent basis and expand them to a statewide level to ensure the reduction of adverse impacts of marijuana cultivation on water quality and on fish and wildlife throughout the state.

- (b) Each regional board shall, and the State Water Resources Control Board may, address discharges of waste resulting from medical marijuana cultivation and commercial marijuana cultivation under Division 10 of the Business and Profession Code and associated activities, including by adopting a general permit, establishing waste discharge requirements, or taking action pursuant to Section 13269. In addressing these discharges, each regional board shall include conditions to address items that include, but are not limited to, all of the following:
- (1) Site development and maintenance, erosion control, and drainage features.
 - (2) Stream crossing installation and maintenance.
 - (3) Riparian and wetland protection and management.
 - (4) Soil disposal.
 - (5) Water storage and use.
 - (6) Irrigation runoff.
 - (7) Fertilizers and soil.
 - (8) Pesticides and herbicides.
 - (9) Petroleum products and other chemicals.
 - (10) Cultivation-related waste.
 - (11) Refuse and human waste.
 - (12) Cleanup, restoration, and mitigation.

SECTION 7. MARIJUANA TAX.

Section 7.1 Part 14.5 (Commencing with Section 34010) is added to Division 2 of the Revenue and Taxation Code, to read:

Part 14.5. Marijuana Tax 34010.

For purposes of this part:

- (a) "Board" shall mean the Board of Equalization or its successor agency.
- (b) "Bureau" shall mean the Bureau of Marijuana Control within the Department of Consumer Affairs.
- (c) "Tax Fund" means the California Marijuana Tax Fund created by Section 34018.
- (d) "Marijuana" shall have the same meaning as set forth in Section 11018 of the Health and Safety Code and shall also mean medical cannabis.
- (e) "Marijuana products" shall have the same meaning as set forth in Section 11018.1 of the Health and Safety Code and shall also mean medical concentrates and medical cannabis products.
- (f) "Marijuana flowers" shall mean the dried flowers of the marijuana plant as defined by the Board.
- (g) "Marijuana leaves" shall mean all parts of the marijuana plant other than marijuana flowers that are sold or consumed.

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- (h) "Gross receipts" shall have the same meaning as set forth in Section 6012.
- (i) "Retail sale" shall have the same meaning as set forth in Section 6007.
- (j) "Person" shall have the same meaning as set for in section 6005.
- (k) "Microbusiness" shall have the same meaning as set for in Section 26070(a) (3) of the Business and Professions Code.
- (l) "Nonprofit" shall have the same meaning as set for in Section 26070.5 of the Business and Professions Code.

34011.

- (a) Effective January 1, 2018, a marijuana excise tax shall be imposed upon purchasers of marijuana or marijuana products sold in this state at the rate of fifteen percent of the gross receipts of any retail sale by a dispensary or other person required to be licensed pursuant to Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code or a retailer, microbusiness, nonprofit, or other person required to be licensed pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code to sell marijuana and marijuana products directly to a purchaser.
- (b) Except as otherwise provided by regulation, the tax levied under this section shall apply to the full price, if non-itemized, of any transaction involving both marijuana or marijuana products and any other otherwise distinct and identifiable goods or services, and the price of any goods or services, if a reduction in the price of marijuana or marijuana products is contingent on purchase of those goods or services.
- (c) A dispensary or other person required to be licensed pursuant to Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code or a retailer, microbusiness, nonprofit, or other person required to be licensed pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code shall be responsible for collecting this tax and remitting it to the board in accordance with rules and procedures established under law and any regulations adopted by the board.
- (d) The excise tax imposed by this section shall be in addition to the sales and use tax imposed by the state and local governments.
- (e) Gross receipts from the sale of marijuana or marijuana products for purposes of assessing the sales and use tax under Part 1 of this division shall include the tax levied pursuant to this section.
- (f) No marijuana or marijuana products may be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.
- (g) The sales and use tax imposed by Part 1 (commencing with Section 6001) of this division shall not apply to retail sales of medical cannabis, medical cannabis concentrate, edible medical cannabis products or topical cannabis as those terms are defined in Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code when a qualified patient (or primary caregiver for a qualified patient) provides his or her card issued under Section 11362.71 of the Health and Safety Code and a valid government-issued identification card.

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34012.

- (a) Effective January 1, 2018, there is hereby imposed a cultivation tax on all harvested marijuana that enters the commercial market upon all persons required to be licensed to cultivate marijuana pursuant to Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code or Division 10(commencing with Section 26000) of the Business and Professions Code. The tax shall be due after the marijuana is harvested.
- (1) The tax for marijuana flowers shall be nine dollars and twenty-five cents (\$9.25) per dry weight ounce.
- (2) The tax for marijuana leaves shall be set at two dollars and seventy five cents (\$2.75) per dry-weight ounce.
- (b) The board may adjust the tax rate for marijuana leaves annually to reflect fluctuations in the relative price of marijuana flowers to marijuana leaves.
- (c) The board may from time to time establish other categories of harvested marijuana, categories for unprocessed or frozen marijuana or immature plants, or marijuana that is shipped directly to manufacturers. These categories shall be taxed at their relative value compared with marijuana flowers.
- (d) The board may prescribe by regulation a method and manner for payment of the cultivation tax that utilizes tax stamps or state-issued product bags that indicate that all required tax has been paid on the product to which the tax stamp is affixed or in which the marijuana is packaged.
- (e) The tax stamps and product bags shall be of the designs, specifications and denominations as may be prescribed by the board and may be purchased by any licensee under Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code or under Division 10 (commencing with Section 26000) of the Business and Professions Code.
- (f) Subsequent to the establishment of a tax stamp program, the board may by regulation provide that no marijuana may be removed from a licensed cultivation facility or transported on a public highway unless in a state-issued product bag bearing a tax stamp in the proper denomination.
- (g) The tax stamps and product bags shall be capable of being read by a scanning or similar device and must be traceable utilizing the track and trace system pursuant to Section 26170 of the Business and Professions Code.
- (h) Persons required to be licensed to cultivate marijuana pursuant to Chapter 3.5(commencing with Section 19300) of Division 8 of the Business and Professions Code or Division 10 (commencing with Section 26000) of the Business and Professions Code shall be responsible for payment of the tax pursuant to regulations adopted by the board. No marijuana may be sold unless the tax has been paid as provided in this part.
- (i) All marijuana removed from a cultivator's premises, except for plant waste, shall be presumed to be sold and thereby taxable under this section.
- (j) The tax imposed by this section shall be imposed on all marijuana cultivated in the state pursuant to rules and regulations promulgated by the board, but shall not apply to marijuana cultivated for personal use under Section 11362.1 of the Health and Safety Code or

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cultivated by a qualified patient or primary caregiver in accordance with the Compassionate Use Act.

- (k) Beginning January 1, 2020, the rates set forth in subdivisions (a), (b), and (c) shall be adjusted by the board annually thereafter for inflation.

34013.

- (a) The board shall administer and collect the taxes imposed by this part pursuant to the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code). For purposes of this part, the references in the Fee Collection Procedures Law to "fee" shall include the tax imposed by this part, and references to "fee payer" shall include a person required to pay or collect the tax imposed by this part.
- (b) The board may prescribe, adopt, and enforce regulations relating to the administration and enforcement of this part, including, but not limited to, collections, reporting, refunds, and appeals.
- (c) The board shall adopt necessary rules and regulations to administer the taxes in this part. Such rules and regulations may include methods or procedures to tag marijuana or marijuana products, or the packages thereof, to designate prior tax payment.
- (d) The board may prescribe, adopt, and enforce any emergency regulations as necessary to implement, administer and enforce its duties under this division. Any emergency regulation prescribed, adopted, or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with section 1340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding any other provision of law, the emergency regulations adopted by the board may remain in effect for two years from adoption.
- (e) Any person who fails to pay the taxes imposed under this part shall, in addition to owing the taxes not paid, be subject to a penalty of at least one-half the amount of the taxes not paid, and shall be subject to having its license revoked pursuant to Section 26031 of the Business and Professions Code or pursuant to Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code.
- (f) The board may bring such legal actions as are necessary to collect any deficiency in the tax required to be paid, and, upon the board's request, the Attorney General shall bring the actions.

34014.

- (a) All persons required to be licensed involved in the cultivation and retail sale of marijuana or marijuana products must obtain a separate permit from the board pursuant to regulations adopted by the board. No fee shall be charged to any person for issuance of the permit. Any person required to obtain a permit who engages in business as a cultivator, dispensary, retailer, microbusiness or nonprofit pursuant to Chapter 3.5 (commencing with Section

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19300) of Division 8 of the Business and Professions Code or Division 10 (commencing with Section 26000) of the Business and Professions Code without a permit or after a permit has been canceled, suspended, or revoked, and each officer of any corporation which so engages in business, is guilty of a misdemeanor.

- (b) The board may require every licensed dispensary, cultivator, microbusiness, nonprofit, or other person required to be licensed, to provide security to cover the liability for taxes imposed by state law on marijuana produced or received by the cultivator, microbusiness, nonprofit, or other person required to be licensed in accordance with procedures to be established by the board. Notwithstanding anything herein to the contrary, the board may waive any security requirement it imposes for good cause, as determined by the board. "Good cause" includes, but is not limited to, the inability of a cultivator, microbusiness, nonprofit, or other person required to be licensed to obtain security due to a lack of service providers or the policies of service Providers that prohibit service to a marijuana business. A person may not commence or continue any business or operation relating to marijuana cultivation until any surety required by the board with respect to the business or operation have been properly prepared, executed and submitted under this part.
- (c) In fixing the amount of any security required by the board, the board shall give consideration to the financial hardship that may be imposed on licensees as a result of any shortage of available surety providers.

34015.

- (a) The marijuana excise tax and cultivation tax imposed by this part is due and payable to the board quarterly on or before the last day of the month following each quarterly period of three months. On or before the last day of the month following each quarterly period, a return for the preceding quarterly period shall be filed with the board by each person required to be licensed for cultivation or retail sale under Chapter 3.5 (commencing with Section 19300) of Division 8 or Division 10 (commencing with Section 26000) of the Business and Professions Code using Electronic media. Returns shall be authenticated in a form or pursuant to methods as may be prescribed by the board. If the cultivation tax is paid by stamp pursuant to Section (d) 34012 the board may by regulation determine when and how the tax shall be paid.
- (b) The board may require every person engaged in the cultivation, distribution or retail sale of marijuana and marijuana products required to be licensed pursuant to Chapter 3.5(commencing with Section 19300) of Division 8 or Division 10 (commencing with Section 2600) of the Business and Professions Code to file, on or before the 25th day of each month, a report using electronic media respecting the person's inventory, purchases, and sales during the preceding month and any other information as the board may require to carry out the purposes of this part. Reports shall be authenticated in a form or pursuant to methods as may be prescribed by the board.

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- (a) Any peace officer, or board employee granted limited peace officer status pursuant to paragraph (6) of subdivision (a) of Section 830.11 of the Penal Code, upon presenting appropriate credentials, is authorized to enter any place as described in paragraph (3) and to conduct inspections in accordance with the following paragraphs, inclusive.
 - (1) Inspections shall be performed in a reasonable manner and at times that are reasonable under the circumstances, taking into consideration the normal business hours of the place to be entered.
 - (2) Inspections may be at any place at which marijuana or marijuana products are sold to purchasers, cultivated, or stored, or at any site where evidence of activities involving evasion of tax may be discovered.
 - (3) Inspections shall be requested or conducted no more than once in a 24-hour period.
- (b) Any person who fails or refuses to allow an inspection shall be subject to a misdemeanor. Each offense shall be punished by a fine not to exceed five thousand dollars (\$5,000), or imprisonment not exceeding one year in a county jail, or both the fine and imprisonment. The court shall order any fines assessed be deposited in the California Marijuana Tax Fund.
- (c) Upon discovery by the board or a law enforcement agency that a licensee or any other person possesses, stores, owns, or has made a retail sale of marijuana or marijuana products, without evidence of tax payment or not contained in secure packaging, the board or the law enforcement agency shall be authorized to seize the marijuana or marijuana products. Any marijuana or marijuana products seized by a law enforcement agency or the board shall within seven days be deemed forfeited and the board shall comply with the procedures set forth in Sections 30436 through 30449, inclusive.
- (d) Any person who renders a false or fraudulent report is guilty of a misdemeanor and subject to a fine not to exceed one thousand dollars (\$1,000) for each offense.
- (e) Any violation of any provisions of this part, except as otherwise provided, is a misdemeanor and is punishable as such.
- (f) All moneys remitted to the board under this part shall be credited to the California Marijuana Tax Fund.

34017.

The Legislative Analyst's Office shall submit a report to the Legislature by January 1, 2020, with recommendations to the Legislature for adjustments to the tax rate to achieve the goals of undercutting illicit market prices and discouraging use by persons younger than 21 years of age while ensuring sufficient revenues are generated for the programs identified in Section 34019.

34018.

- (a) The California Marijuana Tax Fund is hereby created in the State Treasury. The Tax Fund shall consist of all taxes, interest, penalties, and other amounts collected and paid to the board pursuant to this part, less payment of refunds.
- (b) Notwithstanding any other law, the California Marijuana Tax Fund is a special trust fund established solely to carry out the purposes of the Control, Regulate and Tax Adult Use of Marijuana Act and all revenues deposited into the Tax Fund, together with interest or

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dividends earned by the fund, are hereby continuously appropriated for the purposes of the Control, Regulate and Tax Adult Use of Marijuana Act without regard to fiscal year and shall be expended only in accordance with the provisions of this part and its purposes.

- (c) Notwithstanding any other law, the taxes imposed by this part and the revenue derived therefrom, including investment interest, shall not be considered to be part of the General Fund, as that term is used in Chapter 1 (commencing with section 16300) of Part 2 of Division 4 of the Government Code, shall not be considered General Fund revenue for purposes of Section 8 of Article XVI of the California Constitution and its implementing statutes, and shall not be considered "moneys" for purposes of subdivisions (a) and (b) of Section 8 of Article XVI of the California Constitution and its implementing statutes.

34019.

- (a) Beginning with fiscal year 2017-2018 the Department of Finance shall estimate revenues to be received pursuant to sections 34011 and 34012 and provide those estimates to the Controller no later than June 15 of each year. The Controller shall use these estimates when disbursing funds pursuant to this section. Before any funds are disbursed pursuant to subdivisions (b), (c), (d), and (e) of this section the Controller shall disburse from the Tax Fund to the appropriate account, without regard to fiscal year, the following:
- (1) Reasonable costs incurred by the board for administering and collecting the taxes imposed by this part; provided, however; such costs shall not exceed four percent of tax revenues received.
 - (2) Reasonable costs incurred by the Bureau, the Department of Consumer Affairs, the Department of Food and Agriculture, and the Department of Public Health for implementing, administering, and enforcing Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code and Division 10 (commencing with Section 26000) of the Business and Professions Code to the extent those costs are not reimbursed pursuant to Section 26180 of the Business and Professions Code or pursuant to Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code. This paragraph shall remain operative through fiscal year 2022-2023.
 - (3) Reasonable costs incurred by the Department of Fish and Wildlife, the State Water Resources Control Board, and the Department of Pesticide Regulation for carrying out their respective duties under Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code or Division 10 (commencing with Section 26000) of the Business and Professions Code to the extent those costs are not otherwise reimbursed.
 - (4) Reasonable costs incurred by the Controller for performing duties imposed by the Control, Regulate and Tax Adult Use of Marijuana Act, including the audit required by Section 34020.
 - (5) Reasonable costs incurred by the State Auditor for conducting the performance audit pursuant to Section 26191 of the Business and Professions Code.

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- (6) Reasonable costs incurred by the Legislative Analyst's Office for performing duties imposed by Section 34017.
 - (7) Sufficient funds to reimburse the Division of Labor Standards Enforcement and Occupational Safety and Health within the Department of Industrial Relations and the Employment Development Department for the costs of applying and enforcing state labor laws to licensees under Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code and Division 10(commencing with Section 26000) of the Business and Professions Code.
- (b) The Controller shall next disburse the sum of ten million dollars (\$10,000,000) to a public university or universities in California annually beginning with fiscal year 2018-2019 until fiscal year 2028-2029 to research and evaluate the implementation and effect of the Control, Regulate and Tax Adult Use of Marijuana Act, and shall, if appropriate, make recommendations to the Legislature and Governor regarding possible amendments to the Control, Regulate and Tax Adult Use of Marijuana Act. The recipients of these funds shall publish reports on their findings at a minimum of every two years and shall make the reports available to the public. The Bureau shall select the universities to be funded. The research funded pursuant to this subdivision shall include but not necessarily be limited to:
- (1) Impacts on public health, including health costs associated with marijuana use, as well as whether marijuana use is associated with an increase or decrease in use of alcohol or other drugs.
 - (2) The impact of treatment for maladaptive marijuana use and the effectiveness of different treatment programs.
 - (3) Public safety issues related to marijuana use, including studying the effectiveness of the packaging and labeling requirements and advertising and marketing restrictions contained in the Act at preventing underage access to and use of marijuana and marijuana products, and studying the health-related effects among users of varying potency levels of marijuana and marijuana products.
 - (4) Marijuana use rates, maladaptive use rates for adults and youth, and diagnosis rates of marijuana-related substance use disorders.
 - (5) Marijuana market prices, illicit market prices, tax structures and rates, including an evaluation of how to best tax marijuana based on potency, and the structure and function of licensed marijuana businesses.
 - (6) Whether additional protections are needed to prevent unlawful monopolies or anti-competitive behavior reform occurring in the nonmedical marijuana industry and, if so, recommendations as to the most effective measures for preventing such behavior.
 - (7) The economic impacts in the private and public sectors, including but not necessarily limited to, job creation, workplace safety, revenues, taxes generated for state and local budgets, and criminal justice impacts, including, but not necessarily limited to, impacts on law enforcement and public resources, short and long term consequences of involvement in the criminal justice system, and state and local government agency administrative costs and revenue.

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- (8) Whether the regulatory agencies tasked with implementing and enforcing the Control, Regulate and Tax Adult Use of Marijuana Act are doing so consistent with the purposes of the Act, and whether different agencies might do so more effectively.
 - (9) Environmental issues related to marijuana production and the criminal prohibition of marijuana production.
 - (10) The geographic location, structure, and function of licensed marijuana businesses, and demographic data, including race, ethnicity, and gender, of license holders.
 - (11) The outcomes achieved by the changes in criminal penalties made under the Control, Regulate, and Tax Adult Use of Marijuana Act for marijuana-related offenses, and the outcomes of the juvenile justice system, in particular, probation-based treatments and the frequency of up- charging illegal possession of marijuana or marijuana products to a more serious offense.
- (c) The Controller shall next disburse the sum of three million dollars (\$3,000,000) annually to the Department of the California Highway Patrol beginning fiscal year 2018-2019 until fiscal year 2022-2023 to establish and adopt protocols to determine whether a driver is operating a vehicle while impaired, including impairment by the use of marijuana or marijuana products, and to establish and adopt protocols setting forth best practices to assist law enforcement agencies. The department may hire personnel to establish the protocols specified in this subdivision. In addition, the department may make grants to public and private research institutions for the purpose of developing technology for determining when a driver is operating a vehicle while impaired, including impairment by the use of marijuana or marijuana products.
- (d) The Controller shall next disburse the sum of ten million dollars (\$10,000,000) beginning fiscal year 2018-2019 and increasing ten million dollars (\$10,000,000) each fiscal year thereafter until fiscal year 2022-2023, at which time the disbursement shall be fifty million dollars (\$50,000,000) each year thereafter, to the Governor's Office of Business and Economic Development, in consultation with the Labor and Workforce Development Agency and the Department of Social Services, to administer a Community Reinvestments grants program to local health departments and at least fifty-percent to qualified community-based nonprofit organizations to support job placement, mental health treatment, substance use disorder treatment, system navigation services, legal services to address barriers to reentry, and linkages to medical care for communities disproportionately affected by past federal and state drug policies. The Office shall solicit input from community-based job skills, job placement, and legal service providers with relevant expertise as to the administration of the grants program. In addition, the Office shall periodically evaluate the programs it is funding to determine the effectiveness of the programs, shall not spend more than four percent (4%) for administrative costs related to implementation, evaluation and oversight of the programs, and shall award grants annually, beginning no later than January 1, 2020.
- (e) The Controller shall next disburse the sum of two million dollars (\$2,000,000) annually to the University of California San Diego Center for Medicinal Cannabis Research to further the objectives of the Center including the enhanced understanding of the efficacy and adverse effects of marijuana as a pharmacological agent.

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- (f) By July 15 of each fiscal year beginning in fiscal year 2018-2019, the Controller shall, after disbursing funds pursuant to subdivisions (a), (b), (c), (d), and (e), disburse funds deposited in the Tax Fund during the prior fiscal year into sub-trust accounts, which are hereby created, as follows:
- (1) Sixty percent shall be deposited in the Youth Education, Prevention, Early Intervention and Treatment Account, and disbursed by the Controller to the Department of Health Care Services for programs for youth that are designed to educate about and to prevent substance use disorders and to prevent harm from substance use. The Department of Health Care services shall enter into inter-agency agreements with the Department of Public Health and the Department of Education to implement and administer these programs. The programs shall emphasize accurate education, effective prevention, early intervention, school retention, and timely treatment services for youth, their families and caregivers. The programs may include, but are not limited to, the following components:
 - (A) Prevention and early intervention services including outreach, risk survey and education to youth, families, caregivers, schools, primary care health providers, behavioral health and substance use disorder service providers, community and faith-based organizations, foster care providers, juvenile and family courts, and others to recognize and reduce risks related to substance use, and the early signs of problematic use and of substance use disorders.
 - (B) Grants to schools to develop and support Student Assistance Programs, or other similar programs, designed to prevent and reduce substance use, and improve school retention and performance, by supporting students who are at risk of dropping out of school and promoting alternatives to suspension or expulsion that focus on school retention, remediation, and professional care. Schools with higher than average dropout rates should be prioritized for grants.
 - (C) Grants to programs for outreach, education and treatment for homeless youth and out of school youth with substance use disorders.
 - (D) Access and linkage to care provided by county behavioral health programs for youth, and their families and caregivers, who have a substance use disorder or who are at risk for developing a substance use disorder.
 - (E) Youth-focused substance use disorder treatment programs that are culturally and gender competent, trauma-informed, evidence-based and provide a continuum of care that includes, screening and assessment (substance use disorder as well as mental health), early intervention, active treatment, family involvement, case management, overdose prevention, prevention of communicable diseases related to substance use, relapse management for substance use and other co-occurring behavioral health disorders, vocational services, literacy services, parenting classes, family therapy and counseling services, medication-assisted treatments, psychiatric medication and psychotherapy. When indicated, referrals must be made to other providers.
 - (F) To the extent permitted by law and where indicated, interventions shall utilize a two-generation approach to addressing substance use disorders with the capacity to treat

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youth and adults together. This would include supporting the development of family-based interventions that address substance use disorders and related problems within the context of families, including parents, foster parents, caregivers and all their children.

- (G) Programs to assist individuals, as well as families and friends of drug using young people, to reduce the stigma associated with substance use including being diagnosed with a substance use disorder or seeking substance use disorder services. This includes peer-run outreach and education to reduce stigma, anti-stigma campaigns, and community recovery networks.
 - (H) Workforce training and wage structures that increase the hiring pool of behavioral health staff with substance use disorder prevention and treatment expertise. Provide ongoing education and coaching that increases substance use treatment providers' core competencies and trains providers on promising and evidenced-based practices.
 - (I) Construction of community-based youth treatment facilities.
 - (J) The departments may contract with each county behavioral health program for the provision of services.
 - (K) Fund shall be allocated to counties based on demonstrated need, including the number of youth in the county, the prevalence of substance use disorders among adults, and confirmed through statistical data, validated assessments or submitted reports prepared by the applicable county to demonstrate and validate need.
 - (L) The departments shall periodically evaluate the programs they are funding to determine the effectiveness of the programs.
 - (M) The departments may use up to 4 percent of the moneys allocated to the Youth Education, Prevention, Early Intervention and Treatment Account for administrative costs related to implementation, evaluation and oversight of the programs.
 - (N) If the Department of Finance ever determines that funding pursuant to marijuana taxation exceeds demand for youth prevention and treatment services in the state, the departments shall provide a plan to the Department of Finance to provide treatment services to adults as well as youth using these funds.
 - (O) The departments shall solicit input from volunteer health organizations, physicians who treat addiction, treatment researchers, family therapy and counseling providers, and professional education associations with relevant expertise as to the administration of any grants made pursuant to this paragraph.
- (2) Twenty percent shall be deposited in the Environmental Restoration and Protection Account, and disbursed by the Controller as follows:
- (A) To the Department of Fish and Wildlife and the Department of Parks and Recreation for the cleanup, remediation, and restoration of environmental damage in watersheds affected by marijuana cultivation and related activities including, but not limited to, damage that occurred prior to enactment of this part, and to support local partnerships for this purpose. The Department of Fish and Wildlife and the Department of Parks and Recreation may distribute a portion of the funds they receive

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from the Environmental Restoration and Protection Account through grants for purposes specified in this paragraph.

- (B) To the Department of Fish and Wildlife and the Department of Parks and Recreation for the stewardship and operation of state-owned wildlife habitat areas and state park units in a manner that discourages and prevents the illegal cultivation, production, sale and use of marijuana and marijuana products on public lands, and to facilitate the investigation, enforcement and prosecution of illegal cultivation, production, sale, and use of marijuana or marijuana products on public lands.
 - (C) To the Department of Fish and Wildlife to assist in funding the watershed enforcement program and multiagency taskforce established pursuant to subdivisions (b) and (c) of Section 12029 of the Fish and Game Code to facilitate the investigation, enforcement, and prosecution of these offenses and to ensure the reduction of adverse impacts of marijuana cultivation, production, sale, and use on fish and wildlife habitats throughout the state.
 - (D) For purposes of this paragraph, the Secretary of the Natural Resources Agency shall determine the allocation of revenues between the departments. During the first five years of implementation, first consideration should be given to funding purposes specified in subparagraph (a).
 - (E) Funds allocated pursuant to this paragraph shall be used to increase and enhance activities described in subparagraphs (a), (b), and (c), and not replace allocation of other funding for these purposes. Accordingly, annual General Fund appropriations to the Department of Fish and Wildlife and the Department of Parks and Recreation shall not be reduced below the levels provided in the Budget Act of 2014 (Chapter 25 of Statutes of 2014).
- (3) Twenty percent shall be deposited into the State and Local Government Law Enforcement Account and disbursed by the Controller as follows:
- (A) To the Department of the California Highway Patrol for conducting training programs for detecting, testing and enforcing laws against driving under the influence of alcohol and other drugs, including driving under the influence of marijuana. The Department may hire personnel to conduct the training programs specified in this subparagraph.
 - (B) To the Department of the California Highway Patrol to fund internal California Highway Patrol programs and grants to qualified nonprofit organizations and local governments for education, prevention and enforcement of laws related to driving under the influence of alcohol and other drugs, including marijuana; programs that help enforce traffic laws, educate the public in traffic safety, provide varied and effective means of reducing fatalities, injuries and economic losses from collisions; and for the purchase of equipment related to enforcement of laws related to driving under the influence of alcohol and other drugs, including marijuana.
 - (C) To the Board of State and Community Corrections for making grants to local governments to assist with law enforcement, fire protection, or other local programs addressing public health and safety associated with the implementation of the Control, Regulate and Tax Adult Use of Marijuana Act. The Board shall not make any

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grants to local governments which have banned the cultivation, including personal cultivation under Section 11362.2 (b)(3) of the Health and Safety Code, or retail sale of marijuana or marijuana products pursuant to Section 26200 of the Business and Professions Code or as otherwise provided by law.

- (D) For purposes of this paragraph the Department of Finance shall determine the allocation of revenues between the agencies; provided, however, beginning in fiscal year 2022-2023 the amount allocated pursuant to subparagraph (A) shall not be less than ten million dollars (\$10,000,000) annually and the amount allocated pursuant to subparagraph (B) shall not be less than forty million dollars (\$40,000,000) annually. In determining the amount to be allocated before fiscal year 2022-2023 pursuant to this paragraph, the Department of Finance shall give initial priority to subparagraph (A).
- (g) Funds allocated pursuant to subdivision (f) shall be used to increase the funding of programs and purposes identified and shall not be used to replace allocation of other funding for these purposes.
- (h) Effective July 1, 2028, the Legislature may amend this section by majority vote to further the purposes of the Control, Regulate and Tax Adult Use of Marijuana Act, including allocating funds to programs other than those specified in subdivisions (d) and (f) of this section. Any revisions pursuant to this subdivision shall not result in a reduction of funds to accounts established pursuant to subdivisions (d) and (f) in any subsequent year from the amount allocated to each account in fiscal year 2027-2028. Prior to July 1, 2028, the Legislature may not change the allocations to programs specified in subdivisions (d) and (f) of this section.

34020.

The Controller shall periodically audit the Tax Fund to ensure that those funds are used and accounted for in a manner consistent with this part and as otherwise required by law.

34021.

The taxes imposed by this Part shall be in addition to any other tax imposed by a city, county, or city and county.

34021.5

- (a)
- (1) A county may impose a tax on the privilege of cultivating, manufacturing, producing, processing, preparing, storing, providing, donating, selling, or distributing marijuana or marijuana products by a licensee operating under Chapter 3.5 (commencing with Section 19300) of Division 8 or Division 10 (commencing with Section 26000) of the Business and Professions Code.
 - (2) The board of supervisors shall specify in the ordinance proposing the tax the activities subject to the tax, the applicable rate or rates, the method of apportionment, if necessary, and the manner of collection of the tax. The tax may be imposed for general governmental purposes or for purposes specified in the ordinance by the board of supervisors.

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- (3) In addition to any other method of collection authorized by law, the board of supervisors may provide for the collection of the tax imposed pursuant to this section in the same manner, and subject to the same penalties and priority of lien, as other charges and taxes fixed and collected by the county. A tax imposed pursuant to this section is a tax and not a fee or special assessment. The board of supervisors shall specify whether the tax applies throughout the entire county or within the unincorporated area of the county.
- (4) The tax authorized by this section may be imposed upon any or all of the activities set forth in paragraph (1), as specified in the ordinance, regardless of whether the activity is undertaken individually, collectively, or cooperatively, and regardless of whether the activity is for compensation or gratuitous, as determined by the board of supervisors.
- (b) A tax imposed pursuant to this section shall be subject to applicable voter approval requirements imposed by law.
- (c) This section is declaratory of existing law and does not limit or prohibit the levy or collection of any other fee, charge, or tax, or a license or service fee or charge upon, or related to, the activities set forth in subdivision (a) as otherwise provided by law. This section shall not be construed as a limitation upon the taxing authority of a county as provided by law.
- (d) This section shall not be construed to authorize a county to impose a sales or use tax in addition to the sales and use tax imposed under an ordinance conforming to the provisions of Sections 7202 and 7203 of the Revenue and Taxation Code.

SECTION 8. CRIMINAL OFFENSES, RECORDS, AND RESENTENCING.

Section 8.1. Section 11357 of the Health and Safety Code is amended to read:

11357. Possession

- (a) Except as authorized by law, possession of not more than 28.5 grams of marijuana, or not more than four grams of concentrated cannabis, or both, shall be punished or adjudicated as follows:
 - (1) Persons under the age of 18 shall be guilty of an infraction and shall be required to:
 - (A) Upon a finding that first offense has been committed, complete four hours of drug education or counseling and up to 10 hours of community service over a period not to exceed 60 days.
 - (B) Upon a finding that a second offense or subsequent offense has been committed, complete six hours of drug education or counseling and up to 20 hours of community service over a period not to exceed 90 days.
 - (2) Persons at least 18 years of age but less than 21 years of age shall be guilty of an infraction and punishable by a fine of not more than one hundred dollars (\$100).
- (b) Except as authorized by law, possession of more than 28.5 grams of marijuana, or more than four grams of concentrated cannabis, shall be punished as follows:

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- (1) Persons under the age of 18 who possess more than 28.5 grams of marijuana or more than four grams of concentrated cannabis, or both, shall be guilty of an infraction and shall be required to:
 - (A) Upon a finding that first offense has been committed, complete eight hours of drug education or counseling and up to 40 hours of community service over a period not to exceed 90 days.
 - (B) Upon a finding that a second or subsequent offense has been committed, complete 10 hours of drug education or counseling and up to .60 hours of community service over a period not to exceed 120 days.
- (2) Persons 18 years of age or over who possess more than 28.5 grams of marijuana, or more than four grams of concentrated cannabis, or both, shall be punished by imprisonment in a county jail for a period of not more than six months or by a fine of not more than five hundred dollars (\$500), or by both such fine and imprisonment.
- (c) Except as authorized by law, every person 18 years of age or over who possesses not more than 28.5 grams of marijuana, or not more than four grams of concentrated cannabis, upon the grounds of, or within, any school providing instruction in kindergarten or any of grades 1 through 12 during hours the school is open for classes or school-related programs is guilty of a misdemeanor and shall be punished as follows:
 - (1) A fine of not more than two hundred fifty dollars (\$250), upon a finding that a first offense has been committed.
 - (2) A fine of not more than five hundred dollars (\$500), or by imprisonment in a county jail for a period of not more than 10 days, or both, upon a finding that a second or subsequent offense has been committed.
- (d) Except as authorized by law, every person under the age of 18 who possesses not more than 28.5 grams of marijuana, or not more than four grams of concentrated cannabis, upon the grounds of, or within, any school providing instruction in kindergarten or any of grades 1 through 12 during hours the school is open for classes or school-related programs is guilty of an infraction and shall be punished in the same manner provided in paragraph (1) of subdivision (b) of this section.

SECTION 8.2.

Section 11358 of the Health and Safety Code is amended to read:

11358. Planting, harvesting, or processing

Every person who plants, cultivates, harvests, dries, or processes marijuana plants, or any part thereof, except as otherwise provided by law, shall be punished as follows:

- (a) Every person under the age of 18 who plants, cultivates, harvests, dries, or processes any marijuana plants shall be punished in the same manner provided in paragraph (1) of subdivision (b) of section 11357.

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- (b) Every person at least 18 years of age but less than 21 years of age who plants, cultivates, harvests, dries, or processes not more than six living marijuana plants shall be guilty of an infraction and a fine of not more than one hundred dollars (\$100).
- (c) Every person 18 years of age or over who plants, cultivates, harvests, dries, or processes more than six living marijuana plants shall be punished by imprisonment in a county jail for a period of not more than six months or by a fine of not more than five hundred dollars (\$500), or by both such fine and imprisonment.
- (d) Notwithstanding subdivision (c), a person 18 years of age or over who plants, cultivates, harvests, dries, or processes more than six living marijuana plants, or any part thereof, except as otherwise provided by law, may be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code if:
 - (1) The person has one or more prior convictions for an offense specified in clause (iv) of subparagraph (C) of paragraph (2) of subdivision (e) of Section 667 of the Penal Code or for an offense requiring registration pursuant to subdivision (c) of Section 290 of the Penal Code;
 - (2) The person has two or more prior convictions under subdivision (c); or
 - (3) The offense resulted in any of the following:
 - (A) Violation of Section 1052 of the Water Code relating to illegal diversion of water;
 - (B) Violation of Section 13260, 13264, 13272, or 13387 of the Water Code relating to discharge of waste;
 - (C) Violation of Fish and Game Code Section 5650 or Section 5652 of the Fish and Game Code relating to waters of the state;
 - (D) Violation of Section 1602 of the Fish and Game Code relating to rivers, streams and lakes;
 - (E) Violation of Section 374.8 of the Penal Code relating to hazardous substances or Sections 25189.5, 25189.6, or 25189.7 of the Health and Safety Code relating to hazardous waste;
 - (F) Violation of Section 2080 of the Fish and Game Code relating to endangered and threatened species or Section 3513 of the Fish and Game Code relating to the Migratory Bird Treaty Act; or
 - (G) Intentionally or with gross negligence causing substantial environmental harm to public lands or other public resources.

SECTION 8.3

Section 11359 of the Health and Safety Code is amended to read:

11359. Possession for sale

Every person who possesses for sale any marijuana, except as otherwise provided by law, shall be punished as follows:

- (a) Every person under the age of 18 who possesses marijuana for sale shall be punished in the same manner provided in paragraph (1) of subdivision (b) of section 11357.

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- (b) Every person 18 years of age or over who possesses marijuana for sale shall be punished by imprisonment in a county jail for a period of not more than six months or by a fine of not more than five hundred dollars (\$500), or by both such fine and imprisonment.
- (c) Notwithstanding subdivision (b) , a person 18 years of age or over who possesses marijuana for sale may be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code if:
 - (1) The person has one or more prior convictions for an offense specified in clause (iv) of subparagraph (C) of paragraph (2) of subdivision (e) of Section 667 of the Penal Code or for an offense requiring registration pursuant to subdivision (c) of Section 290 of the Penal Code;
 - (2) The person has two or more prior convictions under subdivision (b) ; or
 - (3) The offense occurred in connection with the knowing sale or attempted sale of marijuana to a person under the age of 18 years.
- (d) Notwithstanding subdivision (b), a person 21 years of age or over who possesses marijuana for sale may be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code if the offense involves knowingly hiring, employing, or using a person 20 years of age or younger in unlawfully cultivating, transporting, carrying, selling, offering to sell, giving away, preparing for sale, or peddling any marijuana.

SECTION 8.4.

Section 11360 of the Health and Safety Code is amended to read:

11360. Unlawful transportation, importation, sale, or gift

- (a) Except as otherwise provided by this section or as authorized by law, every person who transports, imports into this state, sells, furnishes, administers, or gives away, or offers to transport, import into this state, sell, furnish, administer, or give away, or attempts to import into this state or transport any marijuana shall be punished as follows:
 - (1) Persons under the age of 18 years shall be punished in the same manner as provided in paragraph (1) of subdivision (b) of section 11357.
 - (2) Persons 18 years of age or over shall be punished by imprisonment in a county jail for a period of not more than six months or by a fine of not more than five hundred dollars (\$500.00), or by both such fine and imprisonment.
 - (3) Notwithstanding paragraph (2), a person 18 years of age or over may be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code for a period two, three, or four years if:
 - (A) The person has one or more prior convictions for an offense specified in clause (iv) of subparagraph (c) of paragraph (2) of subdivision (e) of Section 667 of the Penal Code or for an offense requiring registration pursuant to subdivision (c) of Section 290 of the Penal Code;
 - (B) The person has two or more prior convictions under paragraph (2);

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- (C) The offense involved the knowing sale, attempted sale, or the knowing offer to sell, furnish, administer or give away marijuana to a person under the age of 18 years; or
 - (D) The offense involved the import, offer to import, or attempted import into this state, or the transport for sale, offer to transport for sale, or attempted transport for sale out of this state, of more than 28.5 grams of marijuana or more than four grams of concentrated cannabis.
- (b) Except as authorized by law, every person who gives away, offers to give away, transports, offers to transport, or attempts to transport not more than 28.5 grams of marijuana, other than concentrated cannabis, is guilty of an infraction and shall be punished by a fine of not more than one hundred dollars (\$100). In any case in which a person is arrested for a violation of this subdivision and does not demand to be taken before a magistrate, such person shall be released by the arresting officer upon presentation of satisfactory evidence of identity and giving his or her written promise to appear in court, as provided in Section 853.6 of the Penal Code, and shall not be subjected to booking.
- (c) For purposes of this section, "transport" means to transport for sale.
- (d) This section does not preclude or limit prosecution for any aiding and abetting or conspiracy offenses.

SECTION 8.5.

Section 11361.1 is added to the Health and Safety Code, to read:

11361.1.

- (a) The drug education and counseling requirements under Section 11361.1 is added to the Health and Safety Code, to read:
- (1) Mandatory, unless the court finds that such drug education or counseling is unnecessary for the person, or that a drug education or counseling program is unavailable;
 - (2) Free to participants, and the drug education provide at least four hours of group discussion or instruction based on science and evidence-based principles and practices specific to the use and abuse of marijuana and other controlled substances.
- (b) For good cause, the court may grant an extension of time not to exceed 30 days for a person to complete the drug education and counseling required under sections 11357, 11358, 11359; and 11360.

SECTION 8.6.

Section 11361.5 of the Health and Safety Code is amended to read:

11361.5. Destruction of Arrest and Conviction Records; Procedure; Exceptions

- (a) Records of any court of this state, any public or private agency that provides services upon referral under Section 1000.2 of the Penal Code, or of any state agency pertaining to the arrest or conviction of any person for a violation of Section 11357 or subdivision (b) of Section

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11360, or pertaining to the arrest or conviction of any person under the age of 18 for a violation of any provision of this article except Section 11357.5, shall not be kept beyond two years from the date of the conviction, or from the date of the arrest if there was no conviction, except with respect to a violation of subdivision (d) of Section 11357, or any other violation by a person under the age of 18 occurring upon the grounds of or within any school providing instruction in kindergarten or any of grades 1 through 12 during hours the school is open for classes or school-related programs, the records shall be retained until the offender attains the age of 18 years at which time the records shall be destroyed as provided in this section. Any court or agency having custody of the records, including the statewide criminal databases, shall provide for the timely destruction of the records in accordance with subdivision (c), and such records must also be purged from the statewide criminal databases. As used in this subdivision, "records pertaining to the arrest or conviction" shall include records of arrests resulting in the criminal proceeding and records relating to other offenses charged in the accusatory pleading, whether defendant was acquitted or charges were dismissed. The two-year period beyond which records shall not be kept pursuant to this subdivision shall not apply to any person who is, at the time at which this subdivision would otherwise require record destruction, incarcerated for an offense subject to this subdivision. For such persons, the two-year period shall begin to run from the date the person is released from custody. The requirements of this subdivision do not apply to records of any conviction occurring prior to January 1, 1976, or records of any arrest not followed by a conviction occurring prior to that date, or records of any arrest for an offense specified in subdivision (c) of Section 1192.7, or subdivision (c) of Section 667.5 of the Penal Code.

- (b) This subdivision applies only to records of convictions and arrests not followed by conviction occurring prior to the January 1, 1976, for any of the following offenses:
- (1) Any violation of Section 11357 or statutory predecessor thereof.
 - (2) Unlawful possession of a device, contrivance instrument, or paraphernalia used for unlawfully smoking marijuana, in violation of Section 13364, as it existed prior to January 1, 1976, or a statutory predecessor thereof.
 - (3) Unlawful visitation or presence in a room or place which marijuana is being unlawfully smoked or used, in violation of Section 11365, as it existed prior to January 1, 1976 or statutory predecessor thereof.
 - (4) Unlawfully using or being under the influence of marijuana in violation of Section 11550, as it existed prior to January 1, 1976, or a statutory predecessor thereof.

Any persons subject to an arrest or conviction for those offenses may apply to the Department of Justice for destruction of records pertaining to the arrest or conviction if two or more years have elapsed since the date of the conviction, or since the date of arrest of not followed by a conviction. The application shall be submitted upon a form supplied by the Department of Justice and shall be accompanied by a fee, which shall be established by the department in an amount which will defray the cost of administering this subdivision and costs incurred by the state under subdivision (c), but which shall not

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exceed thirty seven dollars and fifty cents (\$37.50). The application form may be made available at every local police or sheriff's department and from the Department of Justice and may require that information which the department determines is necessary for purposes of identification.

The department may request, but not require, the applicant to include a self-administered fingerprint upon the application. If the department is unable to sufficiently identify the applicant for the purposes of this subdivision without the fingerprint or without additional fingerprints, it shall so notify the applicant and shall request the applicant to submit any fingerprints which may be required to effect identification, including a complete set if necessary, or, alternatively, to abandon the application and request a refund of all or a portion of the fee submitted with the application, as provided in this section. If the applicant fails or refuses to submit fingerprints in accordance with the department's request within a reasonable time which shall be established by the department or if the applicant requests a refund of the fee, the department shall promptly mail a refund to the applicant at the address specified in the application or at any other address which may be specified by the applicant. However, if the department has notified the applicant that election to abandon the application will result in forfeiture of a specified amount which is a portion of the fee, the department may retain a portion of the fee which the department determines will defray the actual costs of processing the application, provided the amount of the portion retained shall not exceed ten dollars (\$10).

Upon receipt of a sufficient application, the Department of Justice shall destroy records of the department, if any, pertaining to the arrest or conviction in the manner prescribed by subdivision (c) and shall notify the Federal Bureau of Investigation, the law enforcement agency which arrested the applicant, and, if the applicant was convicted, the probation department which investigated the applicant and Department of Motor Vehicles, of the application.

- (c) Destruction of the records of arrest or conviction pursuant to subdivision (a) or (b) shall be accomplished by permanent obliteration of all entries or notations upon the records pertaining to the arrest or conviction, and the record shall be prepared again so that appears that the arrest or conviction never occurred. However, where (1) the only entries upon record pertain to the arrest or conviction and (2) the record can be destroyed without necessarily effecting the destruction of other records, then the document constituting the record shall be physically destroyed.
- (d) Notwithstanding subdivision (a) or (b) written transcriptions of oral testimony in the court proceedings and published judicial appellate court proceedings and published judicial appellate reports are not subject to this section. Additionally, no records shall be destroyed pursuant to subdivision (a) if the defendant or a codefendant has filed a civil action against the peace officers or law enforcement jurisdiction which made the arrest or instituted the prosecution and if the agency which is the custodian of the records has received a certified copy of the complaint in the civil action, until the civil action has been finally resolved.

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Immediately following the final resolution of the civil action, records subject to subdivision (a) shall be destroyed pursuant to subdivision (c) if more than two years have elapsed from the date of the conviction or arrest without conviction.

SECTION 8.7

Section 11361.8 is added to the Health and Safety Code to read:

11361.8

- (a) A person currently serving a sentence for a conviction, whether by trial or by open or negotiated plea, who would not have been guilty of an offense or who would have been guilty of a lesser offense under the Control, Regulate and Tax Adult Use of Marijuana Act had that Act been in effect at the time of the offense may petition for a recall or dismissal of sentence before the trial court that entered the judgment of conviction in his or her case to request resentencing or dismissal in accordance with Sections 11357, 11358, 11359, 11360, 11362.1, 11362.2, 11362.3, and 11362.4 as those sections have been amended or added by this Act.
- (b) Upon receiving a petition under subdivision (a), the court shall presume the petitioner satisfies the criteria in subdivision (a) unless the party opposing the petition proves by clear and convincing evidence that the petitioner does not satisfy the criteria. If the petitioner satisfies the criteria in subdivision (a), the court shall grant the petition to recall the sentence or dismiss the sentence because it is legally invalid unless the court determines that granting the petition would pose an unreasonable risk of danger to public safety.
 - (1) In exercising its discretion, the court may consider, but shall not be limited to evidence provided for in subdivision (b) of Section 1170.18 of the Penal Code.
 - (2) As used in this section, "unreasonable risk of danger to public safety" has the same meaning as provided in subdivision (c) of Section 1170.18 of the Penal Code.
- (c) A person who is serving a sentence and resentenced pursuant to subdivision (b) shall be given credit for any time already served and shall be subject to supervision for one year following completion of his or her time in custody or shall be subject to whatever supervision time he or she would have otherwise been subject to after release, whichever is shorter, unless the court, in its discretion, as part of its resentencing order, releases the person from supervision. Such person is subject to parole supervision under Penal Code Section 3000.08 or post-release community supervision under subdivision (a) of Section 3451 of the Penal Code by the designated agency and the jurisdiction of the court in the county in which the offender is released or resides, or in which an alleged violation of supervision has occurred, for the purpose of hearing petitions to revoke supervision and impose a term of custody.

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- (d) Under no circumstances may resentencing under this section result in the imposition of a term longer than the original sentence, or the reinstatement of charges dismissed pursuant to a negotiated plea agreement.
- (e) A person who has completed his or her sentence for a conviction under Sections 11357, 11358, 11359, and 11360, whether by trial or open or negotiated plea, who would not have been guilty of an offense or who would have been guilty of a lesser offense under the Control, Regulate and Tax Adult Use of Marijuana Act had that Act been in effect at the time of the offense, may file an application before the trial court that entered the judgment of conviction in his or her case to have the conviction dismissed and sealed because the prior conviction is now legally invalid or predesignated as a misdemeanor or infraction in accordance with Sections 11357, 11358, 11359, 11360, 11362.1, 11362.2, 11362.3, and 11362.4 as those sections have been amended or added by this Act.
- (f) The court shall presume the petitioner satisfies the criteria in subdivision (e) unless the party opposing the application proves by clear and convincing evidence that the petitioner does not satisfy the criteria in subdivision (e). Once the applicant satisfies the criteria in subdivision (e), the court shall redesignate the conviction as a misdemeanor or infraction or dismiss and seal the conviction as legally invalid as now established under the Control, Regulate and Tax Adult Use of Marijuana Act.
- (g) Unless requested by the applicant, no hearing is necessary to grant or deny an application filed under subdivision (e).
- (h) Any felony conviction that is recalled and resentenced under subdivision (b) or designated as a misdemeanor or infraction under subdivision (f) shall be considered a misdemeanor or infraction for all purposes. Any misdemeanor conviction that is recalled and resentenced under subdivision (b) or designated as an infraction under subdivision (f) shall be considered an infraction for all purposes.
- (i) If the court that originally sentenced the petitioner is not available, the presiding judge shall designate another judge to rule on the petition or application.
- (j) Nothing in this section is intended to diminish or abrogate any rights or remedies otherwise available to the petitioner or applicant.
- (k) Nothing in this and related sections is intended to diminish or abrogate the finality of judgments in any case not falling within the purview of the Control, Regulate and Tax Adult Use of Marijuana Act.
- (l) A resentencing hearing ordered under this act shall constitute a "post-conviction release proceeding" under paragraph (7) of subdivision (b) of Section 28 of Article I of the California Constitution (Marsy's Law).
- (m) The provisions of this section shall apply equally to juvenile delinquency adjudications and dispositions under Section 602 of the Welfare and Institutions Code if the juvenile would not have been guilty of an offense or would have been guilty of a lesser offense under the Control, Regulate and Tax Adult Use of Marijuana Act.
- (n) The Judicial Council shall promulgate and make available all necessary forms to enable the filing of the petitions and applications provided in this section.

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SECTION 9. INDUSTRIAL HEMP.

Section 11018.5 of the Health and Safety Code is amended to read as follows:

11018.5. Industrial hemp

- (a) "Industrial hemp" means a fiber or oilseed crop, or both, that is limited to types of the plant *Cannabis sativa* L. having no more than three-tenths of 1 percent tetrahydrocannabinol (THC) contained in the dried flowering tops, whether growing or not; the seeds of the plant, the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or produced therefrom.
- (b) The possession, use, purchase, sale, cultivation, processing, manufacture, packaging, labeling, transporting, storage, distribution, use and transfer of industrial hemp shall not be subject to the provisions of this division or of Division 10 (commencing with Section 26000) of the Business and Professions Code, but instead shall be regulated by the Department of Food and Agriculture in accordance with the provisions of Division 24 (commencing with Section 81000) of the Food and Agricultural Code, inclusive.

SECTION 9.2

Section 81000 of the Food and Agricultural Department Code is amended to read:

81000. Definitions

For purposes of this division, the following terms have the following meanings:

- (a) "Board" means the Industrial Hemp Advisory Board.
- (b) "Commissioner" means the county agricultural commissioner.
- (c) "Established agricultural research institution" any institution that is either:
 - (1) A public or private institution or organization that maintains land or facilities for agricultural research, including colleges, universities, agricultural research centers, and conservation research centers; or
 - (2) An institution of higher education (as defined in Section 1001 of the Higher Education Act of 1965 (20 U.S.C. 1001)) that grows, cultivates or manufactures industrial hemp for purposes of research conducted under an agricultural pilot program or other agricultural or academic research.
- (d) "Industrial hemp" has the same meaning as that term is defined in Section 11018.5 of the Health and Safety Code.
- (e) "Secretary" means the Secretary of Food and Agriculture.
- (f) "Seed breeder" means an individual or public or private institution or organization that is registered with the commissioner to develop seed cultivars intended for sale or research.
- (g) "Seed cultivar" means a variety of industrial hemp.
- (h) "Seed development plan" means a strategy devised by a seed breeder, or applicant seed breeder, detailing his or her planned approach to growing and developing a new seed cultivar for industrial hemp.

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SECTION 9.3.

Section 11018-5 of the Health and Safety Code is amended to read:

81006. Industrial Hemp Growth Limitations; Prohibitions; Imports; Laboratory Testing

- (a)
- (1) Except when grown by an established agricultural research institution or a registered seed breeder, industrial hemp shall be grown only as a densely planted fiber or oilseed crop, or both, in acreages of not less than one-tenth of an acre at the same time,
 - (2) Registered seed breeders, for purposes of seed production, shall only grow industrial hemp as a densely planted crop in acreages of not less than one-tenth of an acre at the same time,
 - (3) Registered seed breeders, for purposes of developing a new California seed cultivar, shall grow industrial hemp as densely as possible in dedicated acreage of not less than one-tenth of an acre and in accordance with the seed development plan. The entire area of the dedicated acreage is not required to be used for the cultivation of the particular seed cultivar.
- (b) Ornamental and clandestine cultivation of industrial hemp is prohibited. All plots shall have adequate signage indicating they are industrial hemp.
- (c) Pruning and tending of individual industrial hemp plants is prohibited, except when grown by an established agricultural research institution or when the action is necessary to perform the tetrahydrocannabinol (THC) testing described in this section.
- (d) Culling of industrial hemp is prohibited, except when grown by an established agricultural research institution, when the action is necessary to perform the THC testing described in this section, or for purposes of seed production and development by a registered seed breeder.
- (e) Industrial hemp shall include products imported under the Harmonized Tariff Schedule of the United States (2013) of the United States International Trade Commission, including, but not limited to, hemp seed, per subheading 1207.99.03, hemp oil, per subheading 1515.90.80, oilcake, per subheading 2306.90.01, true hemp, per heading 5302, true hemp yarn, per subheading 5308.20.00, and woven fabrics of true hemp fibers, per subheading 5311.00.40.
- (f) Except when industrial hemp is grown by an established agricultural research institution, a registrant that grows industrial hemp under this section shall, before the harvest of each crop and as provided below, obtain a laboratory test report indicating the THC levels of a random sampling of the dried flowering tops of the industrial hemp grown.
- (1) Sampling shall occur as soon as practicable when the THC content of the leaves surrounding the seeds is at its peak and shall commence as the seeds begin to mature, when the first seeds of approximately 50 percent of the plants are resistant to compression.

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- (2) The entire fruit-bearing part of the plant including the seeds shall be used as a sample. The sample cut shall be made directly underneath the inflorescence found in the top one-third of the plant.
- (3) The sample collected for THC testing shall be accompanied by the following documentation:
 - (A) The registrant's proof of registration.
 - (B) Seed certification documentation for the seed cultivar used.
 - (C) The THC testing report for each certified seed cultivar used.
- (4) The laboratory test report shall be issued by a laboratory registered with the federal Drug Enforcement Administration, shall state the percentage content of THC, shall indicate the date and location of samples taken, and shall state the Global Positioning System coordinates and total acreage of the crop. If the laboratory tests report indicates a percentage content of THC that is equal to or less than three-tenths of 1 percent, the words "PASSED AS CALIFORNIA INDUSTRIAL HEMP" shall appear at or near the top of the laboratory test report. If the laboratory test report indicates a percentage content of THC that is greater than three-tenths of 1 percent, the words "FAILED AS CALIFORNIA INDUSTRIAL HEMP" shall appear at or near the top of the laboratory test report.
- (5) If the laboratory test report indicates a percentage content of THC that is equal to or less than three-tenths of 1 percent, the laboratory shall provide the person who requested the testing not less than 10 original copies signed by an employee authorized by the laboratory and shall retain one or more original copies of the laboratory test report for a minimum of two years from its date of sampling.
- (6) If the laboratory test report indicates a percentage content of THC that is greater than three tenths of 1 percent and does not exceed 1 percent, the registrant that grows industrial hemp shall submit additional samples for testing of the industrial hemp grown.
- (7) A registrant that grows industrial hemp shall destroy the industrial hemp grown upon receipt of a first laboratory test report indicating a percentage content of THC that exceeds 1 percent or a second laboratory test report pursuant to paragraph (6) indicating a percentage content of THC that exceeds three-tenths of 1 percent but is less than 1 percent. If the percentage content of THC exceeds 1 percent, the destruction shall take place within 48 hours after receipt of the laboratory test report. If the percentage content of THC in the second laboratory test report exceeds three- tenths of 1 percent but is less than 1 percent, the destruction shall take place as soon as practicable, but no later than 45 days after receipt of the second test report.
- (8) A registrant that intends to grow industrial hemp and who complies with this section shall not be prosecuted for the cultivation or possession of marijuana as a result of a laboratory test report that indicates a percentage content of THC that is greater than three-tenths of 1 percent but does not exceed 1 percent.
- (9) Established agricultural research institutions shall be permitted to cultivate or possess industrial hemp with a laboratory test report that indicates a percentage content of THC that is greater than three-tenths of 1 percent if that cultivation or possession contributes

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to the development of types of industrial hemp that will comply with the three-tenths of 1 percent THC limit established in this division.

- (10) Except for an established agricultural research institution, a registrant that grows industrial hemp shall retain an original signed copy of the laboratory test report for two years from its date of sampling, make an original signed copy of the laboratory test report available to the department, the commissioner, or law enforcement officials or their designees upon request, and shall provide an original copy of the laboratory test report to each person purchasing, transporting, or otherwise obtaining from the registrant that grows industrial hemp the fiber, oil, cake, or seed, or any component of the seed, of the plant.
- (g) If, in the Attorney General's opinion issued pursuant to Section 8 of the act that added this division, it is determined that the provisions of this section are not sufficient to comply with federal law, the department, in consultation with the board, shall establish procedures for this section that meet the requirements of federal law.

SECTION 9.5.

Section 81008 of the Food and Agricultural Code is amended to read:

81008. Attorney General reports; Requirements

- (a) Not later than January 1, 2019, the Attorney General shall report to the Assembly and Senate Committees on Agriculture and the Assembly and Senate Committees on Public Safety the reported incidents, if any, of the following:
- (1) A field of industrial hemp being used to disguise marijuana cultivation.
 - (2) Claims in a court hearing by persons other than those exempted in subdivision (f) of Section 81006 that marijuana is industrial hemp.
- (b) A report submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.
- (c) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2023, or four years after the date that the report is due, whichever is later.

SECTION 9.6.

Section 81010 of the Food and Agricultural Code is amended to read:

81010. Operation of division

- (a) This division, and Section 221 of the Food and Agricultural Code, shall not become operative on January 1, 2017.
- (b) The possession, use, purchase, sale, production, manufacture, packaging, labeling, transporting, storage, distribution, use, and transfer of industrial hemp shall be regulated in accordance with this division. The Bureau of Marijuana Control has authority to regulate and control plants and products that fit within the definition of industrial hemp but that are produced, processed, manufactured, tested, delivered, or otherwise handled pursuant to a license

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issued under Division 10 (commencing with Section 26000) of the Business and Professions Code.

SECTION 10. AMENDMENT

This Act shall be broadly construed to accomplish its purposes and intent as stated in Section 3. The Legislature may by majority vote amend the provisions of this Act contained in Sections 5 and 6 to implement the substantive provisions of those sections, provided that such amendments are consistent with and further the purposes and intent of this Act as stated in Section 3. Amendments to this Act that enact protections for employees and other workers of licensees under Section 6 of this Act that are in addition to the protections provided for in this Act or that otherwise expand the legal rights of such employees or workers of licensees under Section 6 of this Act shall be deemed to be consistent with and further the purposes and intent of this Act. The Legislature may by majority vote amend, add, or repeal any provisions to further reduce the penalties for any of the offenses addressed by this Act. Except as otherwise provided, the provisions of the Act may be amended by a two-thirds vote of the Legislature to further the purposes and intent of the Act.

SECTION 11. CONSTRUCTION AND INTERPRETATION

The provisions of this Act shall be liberally construed to effectuate the purposes and intent of the Control, Regulate and Tax the Adult Use of Marijuana Act; provided, however, no provision or provisions of this Act shall be interpreted or construed in a manner to create a positive conflict with federal law, including the federal Controlled Substances Act, such that the provision or provisions of this Act and federal law cannot consistently stand together.

SECTION 12. SEVERABILITY

If any provision in this Act, or part thereof, or the application of any provision or part to any person or circumstance is held for any reason to be invalid or unconstitutional, the remaining provisions and parts shall not be affected, but shall remain in full force and effect, and to this end the provisions of this Act are severable.

SECTION 13. CONFLICTING INITIATIVES

In the event that this measure and another measure or measures concerning the control, regulation, and taxation of marijuana, medical marijuana, or industrial hemp appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measure shall be null and void.

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ORDINANCE NO. 823-U

**AN INTERIM URGENCY ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF BELL GARDENS DECLARING AND IMPOSING A CITYWIDE
MORATORIUM ON THE ESTABLISHMENT AND OPERATION OF
MEDICAL MARIJUANA DISPENSARIES**

WHEREAS, during the past year, City staff has received an increasing number of inquiries from members of the public regarding the possibility of establishing and operating medical marijuana dispensaries within the City; and

WHEREAS, the Bell Gardens Municipal Code, including the Zoning Code, does not address or regulate in any manner the existence or location of medical marijuana dispensaries;

WHEREAS, after receiving inquiries from persons interested in establishing medical marijuana dispensaries, numerous other cities in the State of California have adopted ordinances prohibiting or heavily regulating such dispensaries; and

WHEREAS, because a significant number of cities throughout the State of California have prohibited or heavily regulated medical marijuana dispensaries, there is a substantially increased likelihood that such establishments will seek to locate in the City of Bell Gardens; and

WHEREAS, other California cities that have permitted the establishment of medical marijuana dispensaries have witnessed an increase in crime such as burglaries, robberies, and the sales of illegal drugs in areas immediately surrounding such dispensaries; and

WHEREAS, the United States Controlled Substances Act classifies marijuana as a Schedule 1 illegal drug, with high potential for abuse; and

WHEREAS, in 1996, California voters approved Proposition 215, which was codified as Health and Safety Code Section 11362.5 et seq., and entitled the Compassionate Use Act of 1996, which allows a patient or a patient's caregiver to possess or cultivate marijuana for the personal medical purposes of the patient; and

WHEREAS, as a result of the federal and state laws, California cities are currently caught in a conflict between the federal and state law as to the legality of marijuana for medical purposes and the interpretation of the state law as it relates to whether cities may prohibit the establishment of medical marijuana dispensaries; and

WHEREAS, in *Gonzalez v. Raich*, 125 S. Ct. 2195 (2005), the United States Supreme Court upheld Congress' authority to regulate and prohibit the manufacture and possession of marijuana under the Commerce Clause; the Federal Controlled Substance Act continues to prohibit marijuana use, distribution, and possession; and no medical exception to this prohibition exists. However, since the U.S. Supreme Court was not presented with and did not address the issue of whether federal law preempts state law with respect to medical marijuana dispensaries, the Court did not resolve the conflict between federal and California laws regarding the legality of medical marijuana dispensaries; and

WHEREAS, the federal-state conflict and the interpretation of the scope of the state law continue to exist as the pending case of *Qualified Patients Association v. City of Anaheim* demonstrates; and

WHEREAS, in *Qualified Patients Association v. City of Anaheim*, a medical marijuana group consisting of approximately 50 members, challenged the City of Anaheim's ban against medical marijuana dispensaries on the basis that the ban contravenes California's Proposition 215 and Health & Safety Code Sections 11362.5 and 11362.7, and violates Civil Code Section 51 ("Unruh Civil Rights Act"); and

WHEREAS, the medical marijuana group's argument is that they are a "primary caregiver" under the Compassionate Use Act and are allowed to operate medical marijuana dispensaries, whereas the City of Anaheim argues that the sale of marijuana is illegal under federal law and states do not have the authority to override federal law, and a dispensary is not a "primary caregiver" under the state law; therefore, the medical marijuana group is prohibited under federal and state law from dispensing an illegal drug and Anaheim's Ordinance should be upheld; and

WHEREAS, the City of Anaheim prevailed in the Orange County Superior Court, and *Qualified Patients Association* appealed; the case is now pending in the California 4th District Court of Appeals; and

WHEREAS, California cities expect that, with the currently pending appeal of *Qualified Patients Association v. City of Anaheim*, the Courts will settle this conflict in late 2009, or at least shed some guidance on the issue of banning marijuana dispensaries so cities will better understand how to proceed and enact planning regulations; and

WHEREAS, with respect to the City of Bell Gardens ("City"), the decision to prohibit or authorize the establishment of medical marijuana dispensaries and, if permitted, the appropriate zone(s) and related development standards, has not been commenced or completed by the City; and

WHEREAS, the City currently does not permit such use, and as such, has not established any express criteria regarding the establishment, location or scope of operations for medical marijuana dispensary uses; and

WHEREAS, the establishment of medical marijuana dispensaries before appropriate procedures and regulations are enacted has the potential to cause adverse impacts to surrounding development and risks to the public health, safety and welfare of the City's residents and the general public and it is, therefore, urgent that the City have the opportunity to consider whether such facilities must or should be allowed or prohibited in the City and, if so allowed, to develop regulations governing the location and operation of medical marijuana dispensaries to prevent adverse impacts to the public health, safety and welfare that may result from unregulated placement and operation of such uses; and

WHEREAS, the City intends to undertake a study of whether medical marijuana dispensaries must or should be permitted or prohibited, and if so permitted, the appropriate regulations for such uses, within a reasonable time. Given the time required to undertake the necessary study and planning, the City Council finds that it is necessary that this interim ordinance be immediately enacted to ensure that no medical marijuana dispensaries that may be in conflict with any state or federal law, or the City's general plan, zoning, and/or development policies are permitted in the interim; and

WHEREAS, based upon the Recitals above, the City Council finds that there is a current and immediate threat to the public health, safety and welfare presented by the unregulated development of medical marijuana dispensaries; and

WHEREAS, further based upon the Recitals above, the City Council finds and determines that the current and immediate preservation of the public health, safety and welfare requires that this interim Ordinance be enacted as an urgency ordinance pursuant to Government Code Section 65858 and take effect immediately upon adoption, and its urgency is hereby declared; and

WHEREAS, the City Council now desires to adopt this interim Ordinance as an urgency ordinance, effective immediately, and prohibit the establishment of medical marijuana dispensaries, as defined hereafter, in any zone of the City of Bell Gardens pursuant to the authority set forth in California Government Code Section 65858; and

WHEREAS, the City Council finds that this Ordinance should be adopted on an urgency basis pursuant to the authority in Government Code Section 36937(b), which provides that an ordinance passed by the City Council takes effect "immediately" if it is passed by a four-fifths vote of the City Council "for the immediate preservation of the public space, health or safety" and contains "a declaration of facts constituting the urgency;" and

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred.

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Bell Gardens as follows:

SECTION 1. IMPOSITION OF MORATORIUM

A. The City Council of the City of Bell Gardens finds that the facts set forth in the Recitals of this Ordinance are true and correct.

B. In accordance with the authority granted to the City of Bell Gardens under Government Code Section 65858 from and after the date of this ordinance no use permit, variance, building permit, business license, or other applicable entitlement for use shall be approved or issued for the establishment or operation of a medical marijuana dispensary for a period of forty-five (45) days

C. For purposes of this Ordinance medical marijuana dispensary shall mean any facility or location where a primary caregiver intends to or does make available, sell, transmit, give, exchange for consideration, or otherwise provide medical marijuana to any of the following: a qualified patient a person with an identification card or a primary caregiver For purposes of this ordinance the terms primary caregiver qualified patient and person with an identification card shall have the same meanings as those set forth in Health and Safety Code Section 11362.5 *et seq.*

D. For purposes of this Ordinance a medical marijuana dispensary shall not include the following uses as long as the location of such uses is otherwise regulated by applicable law and as long as such uses strictly comply with applicable law including but not limited to Health and Safety Code Section 11362.5 *et seq.*: (1) a clinic licensed pursuant to Chapter 1 of Division 2 of the Health and Safety Code; (2) a health care facility licensed pursuant to Chapter 2 of

Division 2 of the Health and Safety Code; (3) a residential care facility for persons with chronic life threatening illness licensed pursuant to Chapter 3.01 of Division 2 of the Health and Safety Code; (4) a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code; or (5) a residential hospice or home health agency licensed pursuant to Chapter 8 of the Health Safety Code.

E. This Ordinance is an Interim Urgency Ordinance adopted pursuant to the authority granted to the City of Bell Gardens by Government Code Section 65858 and is for the immediate preservation of the public health safety and welfare. The facts constituting the urgency are:

(1) California cities that have permitted the establishment of medical marijuana dispensaries have found that such dispensaries have resulted in negative and harmful secondary effects such as an increase in crime including robberies burglaries and the sales of illegal drugs in areas immediately surrounding medical marijuana dispensaries;

(2) After receiving inquiries from persons interested in establishing medical marijuana dispensaries numerous other cities in California have adopted ordinances prohibiting or heavily regulating such dispensaries and because a significant portion of the region has prohibited or heavily regulated medical marijuana dispensaries there is a substantially increased likelihood that such establishments will seek to locate in the City of Bell Gardens;

(3) The City of Bell Gardens does not currently have standards in its City Code or Zoning Ordinance related to the location operation or concentration of medical marijuana dispensaries within the City;

(4) Absent the adoption of this Interim Urgency Ordinance the establishment and operation of medical marijuana dispensaries in the City of Bell Gardens would result in the negative and harmful secondary effects other cities have experienced as identified above;

(5) Currently the state and federal laws related to medical marijuana dispensaries appear to be in conflict and;

(6) As a result of the conflict in federal and state laws on the matter, the negative and harmful secondary effects associated with medical marijuana dispensaries, the current and immediate threat such secondary effects pose to the public health safety and welfare and the potential zoning conflicts that would be created by the establishment and operation of a medical marijuana dispensary, it is necessary to establish a temporary forty-five (45) day moratorium on the establishment and operation of medical marijuana dispensaries in the City pending resolution of the conflict between federal and state law, completion of the City's study of the potential impacts of medical marijuana dispensaries and possible amendments to the City's Zoning Ordinance.

F. City staff is directed to study the applicable legal and land use issues and develop appropriate zoning and licensing guidelines or regulations governing such uses, and/or a possible prohibition on such uses if that is authorized by law and desired by the City Council.

G. The violation of any the provisions of this Ordinance shall constitute a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars (\$1,000.00) or by imprisonment for a period not to exceed six (6) months, or by both such fine and

imprisonment. Each and every day such a violation exists shall constitute a separate and distinct violation of this Ordinance.

SECTION 2. COMPLIANCE WITH CALIFORNIA ENVIRONMENTAL QUALITY ACT.

The City Council on the basis of the whole record and exercising independent judgment finds that this Interim Urgency Ordinance is not subject to environmental review pursuant to Sections 15060(c)(2) and 15060(c)(3) of the State Guidelines for Implementation of the California Environmental Quality Act CEQA Sections 15060(c)(2) and 15060(c)(3) pertain to activities that will not result in a direct or reasonably foreseeable indirect change to the environment and that are not defined as a project under Section 15378 This Ordinance has no potential for resulting in physical change to the environment directly or indirectly in that it prevents change to the environment pending the completion of the contemplated research and studies.

SECTION 3. SEVERABILITY. If any section subsection sentence clause or phrase or word of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction or preempted by state legislation such decision or legislation shall not affect the validity of the remaining portions of this Ordinance The City Council of the City of Bell Gardens hereby declares that it would have passed this Ordinance and each and every section subsection sentence clause or phrase or word not declared invalid or unconstitutional without regard to any such decision or preemptive legislation.

SECTION 4. EFFECTIVE DATE. This Interim Urgency Ordinance shall become effective immediately upon adoption if adopted by at least four-fifths (4/5) vote of the City Council and shall be in effect for forty five 45 days from the date of adoption unless extended by the City Council as provided for in Section 65858(a) of the Government Code.

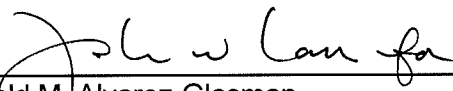
SECTION 5. PUBLICATION. The City Clerk shall certify to the adoption of this Ordinance and cause it or a summary of it to be published once in a newspaper of general circulation printed and published within the City of Bell Gardens.

PASSED, APPROVED AND ADOPTED this 8TH day of June, 2009.




PRISCILLA FLORES, MAYOR

APPROVED AS TO FORM:



Arnold M. Alvarez-Glasman
City Attorney

ATTEST:


Vida Barone
Interim City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF BELL GARDENS)

I, the undersigned, hereby certify that the foregoing Ordinance No. 823-U was duly adopted by the City of Bell Gardens City Council at their regular meeting of June 8, 2009 by the following vote:

AYES: Mayor Flores, Mayor Pro Tem Rodriguez; Councilmembers Crespo, Infanzon and Aceituno.

NOES:

ABSTAIN:

ABSENT:



Vida Barone, Interim City Clerk

ORDINANCE NO. 824-U

**AN INTERIM ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF BELL GARDENS EXTENDING FOR AN ADDITIONAL
TEN (10) MONTHS AND FIFTEEN (15) DAYS A CITYWIDE MORATORIUM
ON THE ESTABLISHMENT AND OPERATION OF MEDICAL MARIJUANA
DISPENSARIES**

WHEREAS, during the past year, The City of Bell Gardens ("City") staff has received an increasing number of inquiries from members of the public regarding the possibility of establishing and operating medical marijuana dispensaries within the City; and

WHEREAS, the Bell Gardens Municipal Code, including the Zoning Code, does not address or regulate in any manner the existence or location of medical marijuana dispensaries;

WHEREAS, after receiving inquiries from persons interested in establishing medical marijuana dispensaries, numerous other cities in the State of California have adopted ordinances prohibiting or heavily regulating such dispensaries; and

WHEREAS, because a significant number of cities throughout the State of California, including many in Los Angeles County and nearby areas, have prohibited or heavily regulated medical marijuana dispensaries, there is a substantially increased likelihood that such establishments will seek to locate in the City of Bell Gardens; and

WHEREAS, other California cities that have permitted the establishment of medical marijuana dispensaries have witnessed an increase in crime such as burglaries, robberies, and the sales of illegal drugs in areas immediately surrounding such dispensaries; and

WHEREAS, California cities that have permitted the establishment of medical marijuana dispensaries have witnessed an increased number of complaints from residents, neighbors, business owners, and concerned citizens regarding the negative impacts of medical marijuana dispensaries, including constant activity during all hours, patrons smoking marijuana outdoors, and flyers being distributed to passersby regarding marijuana; and

WHEREAS, the United States Department of Justice's California Medical Marijuana Information Report has advised that large-scale drug traffickers have been posing as lawful caregivers to obtain and sell marijuana, thus increasing the likelihood that such persons would traffic in illegal drugs in the City, thereby endangering the public health, safety, and welfare; and

WHEREAS, the United States Controlled Substances Act classifies marijuana as a Schedule 1 illegal drug, with high potential for abuse; and

WHEREAS, in 1996, California voters approved Proposition 215, which was codified as Health and Safety Code Section 11362.5 *et seq.*, and entitled the Compassionate Use Act of 1996, which allows a patient or a patient's caregiver to possess or cultivate marijuana for the personal medical purposes of the patient; and

WHEREAS, as a result of the Federal and State laws, California cities are currently caught in a conflict between the federal and state law as to the legality of marijuana for medical purposes and the interpretation of the state law as it relates to whether cities may prohibit the establishment of medical marijuana dispensaries; and

WHEREAS, in *Gonzalez v. Raich*, 125 S. Ct. 2195 (2005), the United States Supreme Court upheld Congress' authority to regulate and prohibit the manufacture and possession of marijuana under the Commerce Clause; the Federal Controlled Substance Act continues to prohibit marijuana use, distribution, and possession; and no medical exception to this prohibition exists. However, since the U.S. Supreme Court was not presented with and did not address the issue of whether federal law preempts state law with respect to medical marijuana dispensaries, the Court did not resolve the conflict between federal and California laws regarding the legality of medical marijuana dispensaries; and

WHEREAS, the Federal-State conflict and the interpretation of the scope of the State law continue to exist as the pending case of *Qualified Patients Association v. City of Anaheim* demonstrates; and

WHEREAS, in *Qualified Patients Association v. City of Anaheim*, a medical marijuana group consisting of approximately 50 members challenged the City of Anaheim's ban against medical marijuana dispensaries on the basis that the ban contravenes California's Proposition 215 and Health & Safety Code Sections 11362.5 and 11362.7, and violates Civil Code Section 51 ("Unruh Civil Rights Act"); and

WHEREAS, the medical marijuana group's argument is that they are a "primary caregiver" under the Compassionate Use Act and are allowed to operate medical marijuana dispensaries, whereas the City of Anaheim argues that the sale of marijuana is illegal under Federal law and states do not have the authority to override Federal law, and a dispensary is not a "primary caregiver" under the State law; therefore, the medical marijuana group is prohibited under Federal and State law from dispensing an illegal drug and Anaheim's Ordinance should be upheld; and

WHEREAS, the City of Anaheim prevailed in the Orange County Superior Court, and Qualified Patients Association appealed; the case is now pending in the California 4th District Court of Appeals; and

WHEREAS, California cities expect that, with the currently pending appeal of *Qualified Patients Association v. City of Anaheim*, the Courts will settle this conflict in late 2009, or at least shed some guidance on the issue of banning marijuana dispensaries so cities will better understand how to proceed and enact planning regulations; and

WHEREAS, with respect to the City of Bell Gardens, the decision to prohibit or authorize the establishment of medical marijuana dispensaries and, if permitted, the appropriate zone(s) and related development standards, has not been commenced or completed by the City; and

WHEREAS, the City currently does not permit such use, and as such, has not established any express criteria regarding the establishment, location or scope of operations for medical marijuana dispensary uses; and

WHEREAS, the establishment of medical marijuana dispensaries before appropriate procedures and regulations are enacted has the potential to cause adverse impacts to surrounding development and risks to the public health, safety and welfare of the City's residents and the general public and it is, therefore, urgent that the City have the opportunity to consider whether such facilities must or should be allowed or prohibited in the City and, if so allowed, to develop regulations governing the location and operation of medical marijuana

dispensaries to prevent adverse impacts to the public health, safety and welfare that may result from unregulated placement and operation of such uses; and

WHEREAS, the City intends to undertake a study of whether medical marijuana dispensaries must or should be permitted or prohibited, and if so permitted, the appropriate regulations for such uses, within a reasonable time. Given the time required to undertake the necessary study and planning, the City Council finds that it is necessary that this interim ordinance be immediately enacted to ensure that no medical marijuana dispensaries that may be in conflict with any state or federal law, or the City's general plan, zoning, and/or development policies are permitted in the interim; and

WHEREAS, based upon the Recitals above, the City Council finds that there is a current and immediate threat to the public health, safety and welfare presented by the unregulated development of medical marijuana dispensaries; and

WHEREAS, further based upon the Recitals above, the City Council finds and determines that the current and immediate preservation of the public health, safety and welfare requires that this interim ordinance be enacted as an urgency ordinance pursuant to Government Code Section 65858 and take effect immediately upon adoption, and its urgency is hereby declared; and

WHEREAS, the City Council now desires to adopt this interim ordinance as an urgency ordinance, effective immediately, and prohibit the establishment of medical marijuana dispensaries, as defined hereafter, in any zone of the City of Bell Gardens pursuant to the authority set forth in California Government Code Section 65858; and

WHEREAS, on June 8, 2009 the City Council adopted by a five (5) to zero (0) vote Urgency Ordinance No. 823-U declaring and imposing a forty-five (45) day Citywide moratorium on the establishment and operation of medical marijuana dispensaries; and

WHEREAS, the moratorium enacted pursuant to Ordinance No. 823-U is scheduled to expire on July 23, 2009;

WHEREAS, pursuant to Government Code Section 65858(a), after notice and a public hearing, the City Council may extend the interim ordinance for an additional ten (10) months and fifteen (15) days; and

WHEREAS, pursuant to Government Code Section 65858(d), ten (10) days prior to extending the interim ordinance, the City Council on June 22, 2009 issued a written report describing the measures taken to alleviate the condition which led to the establishment of the moratorium; and

WHEREAS, pursuant to Government Code Section 65090, notice of the public hearing for the moratorium extension was published in the Bell Gardens Sun on Thursday, July 2, 2009; and

WHEREAS, pursuant to Government Code Section 65858(a), a public hearing on this action was held by the City Council on July 13, 2009; and

WHEREAS, the City Council finds that this ordinance should be adopted on an urgency basis pursuant to the authority in Government Code Section 36937(b), which provides that an

ordinance passed by the City Council takes effect "immediately" if it is passed by a four-fifths vote of the City Council "for the immediate preservation of the public space, health or safety" and contains "a declaration of facts constituting the urgency;" and

WHEREAS, all legal prerequisites to the adoption of this ordinance have occurred.

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Bell Gardens as follows:

SECTION 1. IMPOSITION OF MORATORIUM. The City Council of the City of Bell Gardens finds and determines the following:

A. The City of Bell Gardens hereby declares and imposes the extension for an additional ten (10) months and fifteen (15) days of an existing citywide moratorium on the establishment and operation of medical marijuana dispensaries.

B. For purposes of this ordinance, "medical marijuana dispensary" shall mean any facility or location where a primary caregiver intends to or does make available, sell, transmit, give, exchange for consideration or otherwise provide medical marijuana to any of the following: a qualified patient; a person with an identification card; or a primary caregiver. For purposes of this ordinance, the terms "primary caregiver," "qualified patient" and "person with an identification card" shall have the same meanings as those set forth in Health and Safety Code Section 11362.5 *et seq.*

C. For purposes of this ordinance, a medical marijuana dispensary shall not include the following uses, as long as the location of such uses is otherwise regulated by applicable law and as long as such uses strictly comply with applicable law including, but not limited to, Health and Safety Code Section 11362.5 *et seq.*: (1) a clinic, licensed pursuant to Chapter 1 of Division 2 of the Health and Safety Code; (2) a healthcare facility, licensed pursuant to Chapter 2 of Division 2 of the Health and Safety Code; (3) a residential care facility for persons with chronic life threatening illness, licensed pursuant to Chapter 3.01 of Division 2 of the Health and Safety Code; (4) a residential care facility for the elderly, licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code; or (5) a residential hospice or home health agency, licensed pursuant to Chapter 8 of the Health and Safety Code.

D. This ordinance is an interim ordinance adopted pursuant to the authority granted to the City of Bell Gardens by Government Code Section 65858 and is for the immediate preservation of the public health, safety and welfare. The facts constituting the urgency are:

(1) California cities that have permitted the establishment of medical marijuana dispensaries have found that such dispensaries have resulted in negative and harmful secondary effects such as an increase in crime including robberies, burglaries and the sales of illegal drugs in areas immediately surrounding medical marijuana dispensaries;

(2) After receiving inquiries from persons interested in establishing medical marijuana dispensaries, numerous other cities in California have adopted ordinances prohibiting or heavily regulating such dispensaries, and because a significant portion of the region has prohibited or heavily regulated medical marijuana dispensaries, there is a substantially increased likelihood that such establishments will seek to locate in the City of Bell Gardens;

(3) The City of Bell Gardens does not currently have standards in the Bell Gardens City Code or Zoning Ordinance related to the location, operation or concentration of medical marijuana dispensaries within the City;

(4) Absent the adoption of this interim ordinance, the establishment and operation of medical marijuana dispensaries in the City of Bell Gardens would result in the negative and harmful secondary effects other cities have experienced, as identified above;

(5) Currently, Federal and State laws related to medical marijuana dispensaries appear to be in conflict; and

(6) As a result of the conflict in Federal and State laws on the matter, the negative and harmful secondary effects associated with medical marijuana dispensaries, the current and immediate threat such secondary effects pose to the public health, safety and welfare and the potential zoning conflicts that would be created by the establishment and operation of a medical marijuana dispensary, it is necessary to extend for ten (10) months and fifteen (15) days the existing moratorium on the establishment and operation of medical marijuana dispensaries in the City of Bell Gardens pending resolution of the conflict between Federal and State law, completion of the City's study of the potential impacts of medical marijuana dispensaries and possible amendments to the City's Zoning Ordinance.

SECTION 2. COMPLIANCE WITH CALIFORNIA ENVIRONMENTAL QUALITY ACT.

The City Council, on the basis of the whole record and exercising independent judgment, finds that this interim urgency ordinance is not subject to environmental review pursuant to Sections 15060(c)(2) and 15060(c)(3) of the State Guidelines for Implementation of the California Environmental Quality Act. Sections 15060(c)(2) and 15060(c)(3) pertain to activities that will not result in a direct or reasonably foreseeable indirect change to the environment and that are not defined as a project under Section 15378. This ordinance has no potential for resulting in physical change to the environment, directly or indirectly, in that it prevents change to the environment pending the completion of the contemplated research and studies.

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause or phrase or word of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction or preempted by State legislation, such decision or legislation shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Bell Gardens hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause or phrase or word not declared invalid or unconstitutional without regard to any such decision or preemptive legislation.

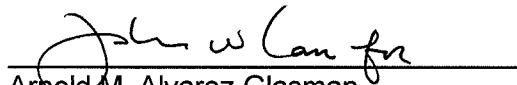
SECTION 4. EFFECTIVE DATE. This interim ordinance extending the existing moratorium shall become effective immediately on July 23, 2009 and shall be in effect for a period of ten (10) months and fifteen (15) days (June 7, 2010) as provided for in Section 65858(a) of the Government Code.

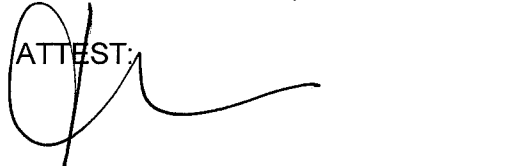
SECTION 5. PUBLICATION. The City Clerk shall certify to the passage and adoption of this ordinance and shall cause same to be posted as required by law, and it shall thereafter be in full force and effect until June 7, 2010, unless otherwise extended in compliance with state law

PASSED AND ADOPTED this 13th day of July 2009.


PRISCILLA FLORES, MAYOR

APPROVED AS TO FORM:


Arnold M. Alvarez-Glasman
City Attorney

ATTEST:

Vida Barone
Interim City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF BELL GARDENS)


I, the undersigned, hereby certify that the foregoing Ordinance No. 824-U was duly adopted by the City of Bell Gardens City Council at their regular meeting of July 13, 2009 by the following vote:

AYES: Mayor Flores, Mayor Pro Tem Rodriguez; Councilmembers Crespo, Infanzon and Aceituno.

NOES:

ABSTAIN:

ABSENT:


Vida Barone, Interim City Clerk

ORDINANCE NO. 835-U

**AN INTERIM ORDINANCE OF THE CITY
COUNCIL OF THE CITY OF BELL GARDENS
EXTENDING FOR AN ADDITIONAL ONE
YEAR A CITYWIDE MORATORIUM ON THE
ESTABLISHMENT AND OPERATION OF
MEDICAL MARIJUANA DISPENSARIES**

WHEREAS, during the past year, the City of Bell Gardens (“City”) staff has received an increasing number of inquiries from members of the public regarding the possibility of establishing and operating medical marijuana dispensaries within the City; and

WHEREAS, the Bell Gardens Municipal Code, including the Zoning Code, does not address or regulate in any manner the existence or location of medical marijuana dispensaries;

WHEREAS, after receiving inquiries from persons interested in establishing medical marijuana dispensaries, numerous other cities in the State of California have adopted ordinances prohibiting or heavily regulating such dispensaries; and

WHEREAS, because a significant number of cities throughout the State of California, including many in Los Angeles County and nearby areas, have prohibited or heavily regulated medical marijuana dispensaries, there is a substantially increased likelihood that such establishments will seek to locate in the City of Bell Gardens; and

WHEREAS, other California cities that have permitted the establishment of medical marijuana dispensaries have witnessed an increase in crime such as burglaries, robberies, and the sales of illegal drugs in areas immediately surrounding such dispensaries; and

WHEREAS, California cities that have permitted the establishment of medical marijuana dispensaries have witnessed an increased number of complaints from residents, neighbors, business owners, and concerned citizens regarding the negative impacts of medical marijuana dispensaries, including constant activity during all hours, patrons smoking marijuana outdoors, and flyers being distributed to passersby regarding marijuana; and

WHEREAS, the United States Department of Justice’s California Medical Marijuana Information Report has advised that large-scale drug traffickers have been posing as lawful caregivers to obtain and sell marijuana, thus increasing the likelihood that such persons would traffic in illegal drugs in the City, thereby endangering the public health, safety, and welfare; and

WHEREAS, the United States Controlled Substances Act classifies marijuana as a Schedule 1 illegal drug, with high potential for abuse; and

WHEREAS, in 1996, California voters approved Proposition 215, which was codified as Health and Safety Code Section 11362.5 *et seq.*, and entitled the Compassionate Use Act of 1996, which allows a patient or a patient's caregiver to possess or cultivate marijuana for the personal medical purposes of the patient; and

WHEREAS, as a result of the Federal and State laws, California cities are currently caught in a conflict between the federal and state law as to the legality of marijuana for medical purposes and the interpretation of the State law as it relates to whether cities may prohibit the establishment of medical marijuana dispensaries; and

WHEREAS, in *Gonzalez v. Raich*, 125 S. Ct. 2195 (2005), the United States Supreme Court upheld Congress' authority to regulate and prohibit the manufacture and possession of marijuana under the Commerce Clause; the Federal Controlled Substance Act continues to prohibit marijuana use, distribution, and possession; and no medical exception to this prohibition exists. However, since the U.S. Supreme Court was not presented with and did not address the issue of whether Federal law preempts state law with respect to medical marijuana dispensaries, the Court did not resolve the conflict between Federal and California laws regarding the legality of medical marijuana dispensaries; and

WHEREAS, the Federal-State conflict and the interpretation of the scope of Federal preemption of the State law continue to exist as the pending case of *Qualified Patients Association v. City of Anaheim* demonstrates; and

WHEREAS, the outcome of the currently pending *Qualified Patients Association v. City of Anaheim* case will settle or at least provide additional legal guidance as to the degree of authority California cities possess to regulate or otherwise ban marijuana dispensaries, which will allow cities to better understand how to proceed and enact planning regulations; and

WHEREAS, the proposed initiative to legalize marijuana scheduled to be considered by California voters at the November 2010 general election will undoubtedly have significant impacts on land use regulations already enacted or currently being considered by cities and will likely result in more litigation, specifically, on the issue of whether the initiative is pre-empted by Federal law as an illegal Schedule 1 Drug; and

WHEREAS, with respect to the City of Bell Gardens, the decision to prohibit or authorize the establishment of medical marijuana dispensaries and, if permitted, the appropriate zone(s) and related development standards, has not been commenced or completed by the City; and

WHEREAS, the City currently does not permit such use, and as such, has not established any criteria regarding the establishment, location or scope of operations for medical marijuana dispensary uses; and

WHEREAS, the establishment of medical marijuana dispensaries before appropriate procedures and regulations are enacted has the potential to cause adverse impacts to surrounding development and risks to the public health, safety and welfare of the City's residents and the general public and it is, therefore, urgent that the City have the opportunity to consider whether such facilities must or should be allowed or prohibited in the City and, if so allowed, to develop regulations governing the location and operation of medical marijuana dispensaries to prevent adverse impacts to the public health, safety and welfare that may result from unregulated placement and operation of such uses; and

WHEREAS, the City intends to undertake a study of whether medical marijuana dispensaries must or should be permitted or prohibited, and if so permitted, the appropriate regulations for such uses, within a reasonable time. Given the time required to undertake the necessary study and planning, the City Council finds that it is necessary that this interim ordinance be immediately enacted to ensure that no medical marijuana dispensaries that may be in conflict with any State or Federal law, or the City's general plan, zoning, and/or development policies are permitted in the interim; and

WHEREAS, the City Council now desires to adopt this interim ordinance as an urgency ordinance, effective immediately, and prohibit the establishment of medical marijuana dispensaries, as defined hereafter, in any zone of the City of Bell Gardens pursuant to the authority set forth in California Government Code Section 65858; and

WHEREAS, on June 8, 2009 the City Council adopted by a five to zero vote Urgency Ordinance No. 823-U declaring and imposing a 45 day Citywide moratorium on the establishment and operation of medical marijuana dispensaries; and

WHEREAS, on July 13, 2009 the City Council adopted by a five to zero vote Urgency Ordinance No. 824-U extending the existing medical marijuana dispensary moratorium for an additional 10 months and 15 days on the establishment and operation of medical marijuana dispensaries; and

WHEREAS, the moratorium enacted pursuant to Ordinance No. 824-U is scheduled to expire on June 8, 2010;

WHEREAS, pursuant to Government Code Section 65858(a), after notice and a public hearing, the City Council may extend the interim ordinance for an additional one year; and

WHEREAS, pursuant to Government Code Section 65858(d), 10 days prior to extending the interim ordinance, the City Council on April 26, 2010 issued a written report describing the measures taken to alleviate the condition which led to the establishment of the moratorium; and

WHEREAS, pursuant to Government Code Section 65090, notice of the public hearing for the moratorium extension was published in the Bell Gardens Sun on Thursday, April 29, 2010; and

WHEREAS, pursuant to Government Code Section 65858(a), a public hearing on this action was held by the City Council on May 10, 2010; and

WHEREAS, the City Council finds that this ordinance should be adopted on an urgency basis pursuant to the authority in Government Code Section 36937(b), which provides that an ordinance passed by the City Council takes effect "immediately" if it is passed by a four-fifths vote of the City Council "for the immediate preservation of the public space, health or safety" and contains "a declaration of facts constituting the urgency;" and

WHEREAS, all legal prerequisites to the adoption of this ordinance have occurred.

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Bell Gardens as follows:

SECTION 1. IMPOSITION OF MORATORIUM. The City Council of the City of Bell Gardens finds and determines the following:

A. Based upon the above Recitals, staff's report and presentation, all of which are incorporated herein by this reference, the City Council finds that there is a current and immediate threat to the public health, safety and welfare presented by the unregulated development of medical marijuana dispensaries; and

B. The City Council also finds and determines that the current and immediate preservation of the public health, safety and welfare requires that this interim ordinance be enacted as an urgency ordinance pursuant to Government Code Section 65858 and take effect immediately upon adoption, and its urgency is hereby declared

C. The City of Bell Gardens hereby declares and imposes the extension for an additional one year of an existing Citywide moratorium on the establishment and operation of medical marijuana dispensaries.

D. For purposes of this ordinance, "medical marijuana dispensary" shall mean any facility or location where a primary caregiver intends to or does make available, sell, transmit, give, exchange for consideration or otherwise provide medical

marijuana to any of the following: a qualified patient; a person with an identification card; or a primary caregiver. For purposes of this ordinance, the terms "primary caregiver," "qualified patient" and "person with an identification card" shall have the same meanings as those set forth in Health and Safety Code Section 11362.5 *et seq.*

E. For purposes of this ordinance, a medical marijuana dispensary shall not include the following uses, as long as the location of such uses is otherwise regulated by applicable law and as long as such uses strictly comply with applicable law including, but not limited to, Health and Safety Code Section 11362.5 *et seq.*: (1) a clinic, licensed pursuant to Chapter 1 of Division 2 of the Health and Safety Code; (2) a healthcare facility, licensed pursuant to Chapter 2 of Division 2 of the Health and Safety Code; (3) a residential care facility for persons with chronic life threatening illness, licensed pursuant to Chapter 3.01 of Division 2 of the Health and Safety Code; (4) a residential care facility for the elderly, licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code; or (5) a residential hospice or home health agency, licensed pursuant to Chapter 8 of the Health and Safety Code.

F. This ordinance is an interim ordinance adopted pursuant to the authority granted to the City of Bell Gardens by Government Code Section 65858 and is for the immediate preservation of the public health, safety and welfare. The facts constituting the urgency are:

(1) California cities that have permitted the establishment of medical marijuana dispensaries have found that such dispensaries have resulted in negative and harmful secondary effects such as an increase in crime including robberies, burglaries and the sales of illegal drugs in areas immediately surrounding medical marijuana dispensaries;

(2) After receiving inquiries from persons interested in establishing medical marijuana dispensaries, numerous other cities in California have adopted ordinances prohibiting or heavily regulating such dispensaries, and because a significant portion of the region has prohibited or heavily regulated medical marijuana dispensaries, there is a substantially increased likelihood that such establishments will seek to locate in the City of Bell Gardens;

(3) The City of Bell Gardens does not currently have standards in the Bell Gardens Municipal Code or Zoning Ordinance related to the location, operation or concentration of medical marijuana dispensaries within the City;

(4) Absent the adoption of this interim ordinance, the establishment and operation of medical marijuana dispensaries in the City of Bell Gardens would result in the negative and harmful secondary effects other cities have experienced, as identified above;

(5) Currently, Federal and State laws related to medical marijuana dispensaries appear to be in conflict; and

(6) As a result of the conflict in Federal and State laws on the matter, the negative and harmful secondary effects associated with medical marijuana dispensaries, the current and immediate threat such secondary effects pose to the public health, safety and welfare and the potential zoning conflicts that would be created by the establishment and operation of a medical marijuana dispensary, it is necessary to extend for one year the existing moratorium on the establishment and operation of medical marijuana dispensaries in the City of Bell Gardens pending resolution of the conflict between Federal and State law, completion of the City's study of the potential impacts of medical marijuana dispensaries and possible amendments to the City's Zoning Ordinance.

G. City staff is directed to study the applicable legal and land use issues and develop appropriate zoning and licensing guidelines or regulations governing such uses, and/or a possible prohibition on such uses if that is authorized by law and desired by the City Council.

H. The violation of any the provisions of this Ordinance shall constitute a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars (\$1,000.00) or by imprisonment for a period not to exceed six (6) months, or by both such fine and imprisonment. Each and every day such a violation exists shall constitute a separate and distinct violation of this Ordinance.

SECTION 2. COMPLIANCE WITH CALIFORNIA ENVIRONMENTAL QUALITY ACT. The City Council, on the basis of the whole record and exercising independent judgment, finds that this interim urgency ordinance is not subject to environmental review pursuant to Title 14, Sections 15060(c)(2) and 15060(c)(3) of the State Guidelines for Implementation of the California Environmental Quality Act. Sections 15060(c)(2) and 15060(c)(3) pertain to activities that will not result in a direct or reasonably foreseeable indirect change to the environment and that are not defined as a project under Section 15378. This ordinance has no potential for resulting in physical change to the environment, directly or indirectly, in that it prevents change to the environment pending the completion of the contemplated research and studies.

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause or phrase or word of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction or preempted by State legislation, such decision or legislation shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Bell Gardens hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause or phrase or word not declared invalid or unconstitutional without regard to any such decision or preemptive legislation.

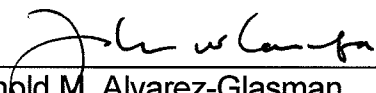
SECTION 4. EFFECTIVE DATE. This interim ordinance extending the existing moratorium shall become effective immediately upon the expiration of Urgency Ordinance No. 824-U on June 8, 2010 and shall be in effect for a period of one year (June 8, 2011) as provided for in Section 65858(a) of the Government Code.

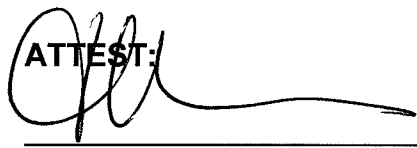
SECTION 5. PUBLICATION. The City Clerk shall certify to the passage and adoption of this ordinance and shall cause same to be posted as required by law, and it shall thereafter be in full force and effect until June 7, 2011, unless otherwise extended in compliance with State law.

PASSED AND ADOPTED this 10th day of May 2010.


PRISCILLA FLORES, MAYOR

APPROVED AS TO FORM:


Arnold M. Alvarez-Glasman
City Attorney

ATTEST:

Vida Barone
Interim City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF BELL GARDENS)

I, the undersigned, hereby certify that the foregoing Ordinance No. 835-U was duly adopted by the City of Bell Gardens City Council at their regular meeting of May 10, 2010 by the following vote:

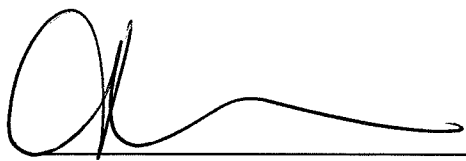
AYES: Mayor Flores, Mayor Pro Tem Rodriguez; Councilmembers Crespo, Infanzon and Aceituno.

NOES:

ABSTAIN:

ABSENT:

EXCUSED:


Vida Barone, Interim City Clerk

ORDINANCE NO. 840

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELL GARDENS, CALIFORNIA AMENDING THE CITY OF BELL GARDENS ZONING CODE TO PROHIBIT THE OPERATION AND ESTABLISHMENT OF MEDICAL MARIJUANA DISPENSARIES WITHIN CITY LIMITS AND PROHIBIT LAND USES NOT EXPRESSLY AUTHORIZED UNDER THE CITY OF BELL GARDENS ZONING CODE

WHEREAS, the City of Bell Gardens ("City") is a general law city, incorporated under the laws of the State of California;

WHEREAS, pursuant to its police power, the City may enact and enforce laws within its boundaries which promote the public health, morals, safety, or general welfare of the community, and are not in conflict with general laws;

WHEREAS, comprehensive zoning regulations lie within the police power of the City;

WHEREAS, the possession, dispensing, cultivation, or transportation of marijuana is generally a crime under California Law;

WHEREAS, in 2006 California voters approved Proposition 215, which was codified in Health and Safety Code Section 11362.5, and entitled the Compassionate Use Act of 1996 ("CUA");

WHEREAS, the CUA allows a patient or a patient's caregiver to possess or cultivate marijuana for the personal medical purposes of the patient;

WHEREAS, marijuana is a Schedule 1 Drug pursuant to the Federal United States Controlled Substances Act ("CSA") and thus the use, sale, cultivation, or possession of marijuana is illegal under Federal law;

WHEREAS, CSA Schedule 1 Drugs are categorized as such because of their high potential for abuse, lack of any accepted medical use, and absence of any accepted safety for use in medically supervised treatment;

WHEREAS, there is no exception under Federal law for the growth, cultivation, use or possession of marijuana for medical use and all such activity remains illegal;

WHEREAS, California cities are currently caught in conflict between the Federal and State law as to the legality of marijuana for medical purposes;

WHEREAS, the City enacted a moratorium on June, 2009, through Ordinance No. 823-U, prohibiting the establishment of Medical Marijuana Dispensaries ("MMD") within City limits ("Moratorium");

WHEREAS, the Moratorium was enacted because the establishment of medical marijuana dispensaries before appropriate procedures and regulations were approved had the potential for causing adverse impacts to the surrounding community and risks to the public health, safety, and welfare of City residents and the general public;

WHEREAS, the Moratorium was extended by subsequent City Council action and is set to expire on June 9, 2011;

WHEREAS, according to California Police Chiefs Association's Task Force ("Task Force"), MMD's have significant adverse secondary effects and impacts on the surrounding community;

WHEREAS, most MMD's are "cash only" businesses and the presence of large amounts of cash and marijuana make them, their employees and qualified patients the target of a disproportionate amount of violent crime;

WHEREAS, the Task Force identified criminal secondary effects of MMD's as: armed robberies, murders, burglaries, traffic, noise, drug dealing, organized crime, firearms violations; and poisonings;

WHEREAS, MMD's attract loitering and marijuana smoking on or near the premises which negatively affects the quality of life in the community;

WHEREAS, MMD's attract an illegal resale market for marijuana in light of the prevalent use of marijuana for non-medical purposes;

WHEREAS, MMD's are linked to large marijuana grow operations, organized criminal gangs, money laundering operations, an increase in driving under the influence incidents, loss of trade for surrounding businesses; property damage, and the sale of illegal drugs other than marijuana;

WHEREAS, MMD's and pharmacies are not "similarly situated" for public health and safety purposes and need not be treated equally;

WHEREAS, the Federal Food and Drug Administration ("FDA") issued an advisory concluding that no sound scientific studies have supported marijuana use for treatment in the United States;

WHEREAS, the FDA has approved safe and effective drugs providing superior treatment for many medical problems for which medical marijuana use is endorsed;

WHEREAS, the Office of Environmental Health Hazard Assessment of the California Environmental Protection (OEHHA) agency added marijuana smoke to the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) list;

WHEREAS, marijuana smoke was considered by the Carcinogen Identification Committee of the OEHHA Science Advisory Board and determined that marijuana smoke was clearly shown to cause cancer;

WHEREAS, the American Medical Association, the National Cancer Institute, the American Cancer Society, and the National Multiple Sclerosis Society do not support the smoked form of marijuana as medicine;

WHEREAS, the daily use of marijuana compromises lung function and increases the risk for respiratory diseases, similar to those associated with cigarettes;

WHEREAS, marijuana has a high potential for abuse and addiction;

WHEREAS, chronic use of marijuana may increase the risk of psychotic symptoms in people with a past history of schizophrenia;

WHEREAS, marijuana use by young people may lead to severe impairment of higher brain function and neuropsychiatric disorders, as well as a higher risk for addiction and polydrug abuse problems;

WHEREAS, in 2003 the California Legislature added the "Medical Marijuana Program Act" ("MMPA") to the Health & Safety Code which includes guidelines for implementation of the CUA;

WHEREAS, the MMPA in Health & Safety Code Section 11362.83 provides that cities and other local governments may adopt and enforce laws consistent with the CUA;

WHEREAS, Health & Safety Code Section 11362.768(f) grants local governments authority to adopt ordinances or policies that further regulate and restrict a medical marijuana dispensary, cooperative, collective, operator, establishment or provider within its jurisdiction;

WHEREAS, the CUA does not create a broad right to use marijuana without regard to local zoning and business licensing laws;

WHEREAS, a medical marijuana dispensary within City limits would be inconsistent with the General Plan of the City;

WHEREAS, the City Council desires to prohibit those uses of land which are not expressly permitted under the land use matrixes; and

WHEREAS, expressly prohibiting those uses which are not expressly permitted under the land use matrixes provide greater land use controls and serve the public health, safety, and welfare of the residents and businesses within the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BELL GARDENS DOES ORDAIN AS FOLLOWS:

SECTION 1. Findings & Purpose. In adopting this Ordinance, the City Council finds as follows:

- i. The above recitals are true and correct and incorporate them herein by this reference.
- ii. The City Council finds that the City's prohibition of medical marijuana dispensaries is consistent with Federal law because Federal law expressly prohibits use, sale, or dissemination of marijuana; the City's prohibition of medical marijuana dispensaries is also consistent with State law because State law does not specifically permit medical marijuana dispensaries and this Ordinance will not impact a qualified patient or primary caregiver's right to cultivate and possess medical marijuana pursuant to State law.
- iii. This Ordinance serves the public health, safety, and welfare of the residents and businesses within the City and to prohibit the operation or establishment of Medical Marijuana Dispensaries within the City.
- iv. This Ordinance is consistent with the City's General Plan.

SECTION 2. Title 9, Division 3 of the Bell Gardens Municipal Code entitled "SPECIAL USES" is hereby amended and re-named as follows:

SPECIAL USES AND PROHIBITED USES

SECTION 3. Chapter 9.21, entitled "Prohibited Uses," is hereby added to Title 9, Division 3, of the Bell Gardens Municipal Code.

SECTION 4. Section 9.21.010 entitled "Medical Marijuana Dispensaries" is hereby added to Title 9, Division 3, Chapter 9.21 of the Bell Gardens Municipal Code and enacted as follows:

Section 9.21.010 (A) Definitions.

"*Identification card*" is a document issued by the California Department of Public Health which identifies a person authorized to engage in the medical use of marijuana and the person's designated primary caregiver,

if any. This term shall have the same meaning as in California Health and Safety Code Section 11362.7(g) as it may be amended from time to time.

“Medical Marijuana” is marijuana used for medical purposes where that medical use is deemed appropriate and has been recommended by a physician who has determined that the person’s health would benefit from the use of marijuana in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other serious medical condition for which marijuana is deemed to provide relief as defined in subsection (h) of Health and Safety Code Section 11362.7.

“Qualified Patient” is a person who is entitled to the protections of the California Health and Safety Code Section 11362.5, but who does not have an identification card issued by the State Department of Health Services. This term shall have the same meaning as in California Health and Safety Code Section 11362.7(f) as it may be amended from time to time.

“Primary Caregiver” is the individual, designated by a qualified patient or by a person with an identification card, who has consistently assumed responsibly for the housing, health, or safety of that patient or person. This term shall have the same meaning as in California Health and Safety Code Section 11362.7(d) as it may be amended from time to time.

“Physician” is an individual who possesses a recognition in good standing to practice medicine or osteopathy issued by the Medical Board of California or the Osteopathic Medical Board of California and who has taken responsibility for an aspect of the medical care, treatment, diagnosis, counseling, or referral of a patient and who has conducted a medical examination of that patient before recording in the patient’s medical record the physician’s assessment of whether the patient has a serious medical condition and whether the medical use of marijuana is appropriate. This term shall have the same meaning as in California Health and Safety Code Section 11362.7(a) as it may be amended from time to time.

“Medical Marijuana Dispensary or Dispensary” means any location, structure, facility, store, residence, or similar facility where medical marijuana is made available, sold, traded, exchanged, bartered, or otherwise distributed to three or more of the following: a qualified patient, a person with an identification card, or a primary caregiver.

Section 9.21.010 (B) Medical Marijuana Dispensaries Prohibited.

It shall be unlawful for any person or entity to own, manage, establish, conduct, or operate any medical marijuana dispensary anywhere within the City of Bell Gardens or to participate as an employee, contractor,

agent, or volunteer, or in any other manner or capacity, in any medical marijuana dispensary anywhere within the City of Bell Gardens.

Section 9.21.010 (C) Use or Activity Prohibited by State and Federal Law.

Nothing contained in this chapter shall be deemed to permit or authorize any use or activity prohibited by any State or Federal law.

Section 9.21.010 (D) Enforcement.

Violation of any provision of this section is declared to be a public nuisance and contrary to the public interest and may be abated pursuant to Section 1.12.020.

Section 9.21.010 (E) Exceptions.

Nothing in this section shall be interpreted to preclude a person with an identification card, qualified patient, or a patient's primary caregiver, from using, possessing, or cultivating marijuana for the personal medical purposes of the patient upon the written/oral recommendation or approval of a physician, so long as such use, possession or cultivation strictly complies with applicable law, including but not limited to, Health and Safety Code Section 11362.5.

SECTION 5. Section 9.08.030 of the Bell Gardens Municipal Code entitled "Permitted Land Uses," establishing the permitted land uses in Open Space Zones, is hereby repealed in its entirety and replaced with the following:

Section 9.08.030 Permitted Land Uses.

The following Open Space Land Use Matrix, Table 9.08A, establishes the land uses that are permitted, conditionally permitted, permitted as accessory uses only, temporarily permitted, or strictly prohibited in the Open Space Zone. Uses that are not listed in Table 9.08A shall be expressly prohibited. Uses not listed but similar to those permitted or conditionally permitted may be found to fall within the intent and purpose of this zone by the Planning Commission. The Commission must find that the use(s) will not be more obnoxious or materially detrimental to the public welfare and must be comparable in nature and of the same class as the uses enumerated in this section.

SECTION 6. Section 9.10.030 of the Bell Gardens Municipal Code entitled "Permitted Land Uses," establishing the permitted land uses in Residential Land Zones, is hereby repealed in its entirety and replaced with the following:

Section 9.10.030 Permitted Land Uses.

The following Residential Land Use Matrix, Table 9.10A, establishes the land uses that are permitted, conditionally permitted, permitted as accessory uses only, temporarily permitted, or strictly prohibited in the residential zones. Uses that are not listed in Table 9.10A shall be expressly prohibited. Uses not listed but similar to those permitted or conditionally permitted may be found to fall within the intent and purpose of this zone by the Planning Commission. The Commission must find that the use(s) will not be more obnoxious or materially detrimental to the public welfare and must be comparable in nature and of the same class as the uses enumerated in this section.

SECTION 7. Section 9.12.030 of the Bell Gardens Municipal Code entitled "Permitted Land Uses," establishing the permitted land uses in Commercial Land Zones, is hereby repealed in its entirety and replaced with the following:

Section 9.12.030 Permitted Land Uses.

The following Commercial Land Use Matrix, Table 9.12A, establishes the land uses that are permitted, conditionally permitted, permitted as accessory uses only, temporarily permitted, or strictly prohibited in the commercial zones. Uses that are not listed in Table 9.12A shall be expressly prohibited. Uses not listed but similar to those permitted or conditionally permitted may be found to fall within the intent and purpose of this zone by the Planning Commission. The Commission must find that the use(s) will not be more obnoxious or materially detrimental to the public welfare and must be comparable in nature and of the same class as the uses enumerated in this section.

SECTION 8. Section 9.14.030 of the Bell Gardens Municipal Code entitled "Permitted Land Uses," establishing the permitted land uses in the Industrial Land Zone, is hereby repealed in its entirety and replaced with the following:

Section 9.14.030 Permitted Land Uses.

The following Industrial Land Use Matrix, Table 9.14A, establishes the land uses that are permitted, conditionally permitted, permitted as accessory uses only, temporarily permitted, or strictly prohibited in the commercial zones. Uses that are not listed in Table 9.12A shall be expressly prohibited. Uses not listed but similar to those permitted or conditionally permitted may be found to fall within the intent and purpose of this zone by the Planning Commission. The Commission must find that the use(s) will not be more obnoxious or materially detrimental to the public welfare and must be comparable in nature and of the same class as the uses enumerated in this section.

SECTION 9. Section 9.16.030 of the Bell Gardens Municipal Code entitled "Permitted Land Uses," establishing the permitted land uses in Institutional Zones, is hereby repealed in its entirety and replaced with the following:

Section 9.16.030 Permitted Land Uses.

The following Institutional Land Use Matrix, Table 9.16A, establishes the land uses that are permitted, conditionally permitted, permitted as accessory uses only, temporarily permitted, or strictly prohibited in the Institutional Zone. Uses that are not listed in Table 9.16A shall be expressly prohibited. Uses not listed but similar to those permitted or conditionally permitted may be found to fall within the intent and purpose of this zone by the Planning Commission. The Commission must find that the use(s) will not be more obnoxious or materially detrimental to the public welfare and must be comparable in nature and of the same class as the uses enumerated in this section.

SECTION 10. Section 9.01.050 of the Bell Gardens Municipal Code entitled "Prohibited Uses" is hereby amended as follows:

Section 9.01.050 Prohibited Uses.

A person shall not use any premises in any zone except as hereafter specifically permitted in this title and subject to all the regulations and conditions enumerated in this title. Wherever this title prohibits the use of any premises for any purpose, such premises and any building, structure, or improvement on such premises shall not be used, occupied, altered, or improved for such purpose, and no building, structure, or improvement on such premises shall be erected, constructed, established, maintained, allowed to remain, altered, moved onto, or enlarged which is designed, arranged, or intended to be occupied or used for such purpose. ~~Where this title is silent on any land use, the planning commission shall be responsible for making a determination on its permitted status.~~

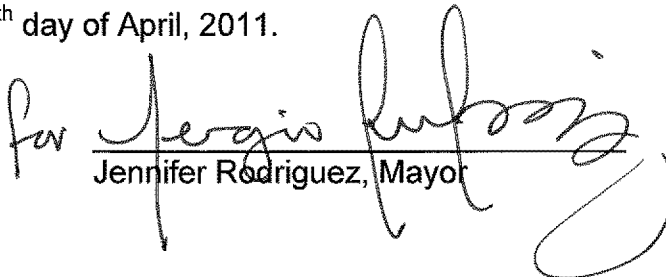
SECTION 11. Compliance with California Environmental Quality Act. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act pursuant to Section 15060(c)(2) constituting an activity that will not result in a direct or reasonably foreseeable indirect physical change in the environment; and pursuant to Section 15060(b)(3) constituting an activity that is not a project as defined in Section 15378.

SECTION 12. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reasons held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the invalidity of the remaining portions of this Ordinance. The City Council hereby declares


that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases or portions might subsequently be declared invalid or unconstitutional.

SECTION 13. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause this Ordinance to be published or posted as required by law, which shall take full force and effect thirty (30) days from its adoption.


PASSED AND ADOPTED this 25th day of April, 2011.

for 
Jennifer Rodríguez, Mayor

ATTEST:



Rosalia A. Conde, CMC
City Clerk

APPROVED AS TO FORM:


Arnold M. Alvarez-Glasman
City Attorney

I, ROSALIA A. CONDE, CMC, City Clerk of the City of Bell Gardens, hereby CERTIFY that **Ordinance No. 840** was introduced and placed upon its first reading at a regular meeting of the Bell Gardens City Council held April 11, 2011, and that thereafter said Ordinance was duly adopted at a regular meeting of the City Council held April 25, 2011, and was approved and passed by the following vote:

- AYES: Council Members Aceituno, Crespo, Flores, Mayor Pro-Tem Infanzon, Mayor Rodriguez
- NOES: None
- ABSTAIN: None
- ABSENT: None


Rosalia A. Conde, CMC
City Clerk

ORDINANCE NO. 873

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELL GARDENS, CALIFORNIA AMENDING THE CITY OF BELL GARDENS ZONING AND PLANNING REGULATIONS, CHAPTER 9.21, "PROHIBITED USES," SECTION 9.21.010, "MEDICAL MARIJUANA DISPENSARIES," PROHIBITING ALL COMMERCIAL MEDICAL MARIJUANA USES IN THE CITY AND PROHIBITING CULTIVATION (ZONING CODE AMENDMENT NO. 2015-118)

WHEREAS, the City of Bell Gardens ("City") is a general law city, incorporated under the laws of the State of California;

WHEREAS, pursuant to its police power, the City may enact and enforce laws within its boundaries which promote the public health, morals, safety, or general welfare of the community, and are not in conflict with general laws;

WHEREAS, comprehensive zoning regulations lie within the police power of the City;

WHEREAS, in 1996, the voters of the State of California approved Proposition 215 (codified as California Health and Safety Code § 11362.5 and entitled "The Compassionate Use Act of 1996" or "CUA");

WHEREAS, the intent of Proposition 215 was to enable persons who are in need of marijuana for medical purposes to use it without fear of criminal prosecution under limited, specified circumstances. The proposition further provides that "nothing in this section shall be construed to supersede legislation prohibiting persons from engaging in conduct that endangers others, or to condone the diversion of marijuana for non-medical purposes." The ballot arguments supporting Proposition 215 expressly acknowledged that "Proposition 215 does not allow unlimited quantities of marijuana to be grown anywhere;"

WHEREAS, in 2004, the Legislature enacted Senate Bill 420 (codified as California Health & Safety Code § 11362.7 et seq. and referred to as the "Medical Marijuana Program" or "MMP") to clarify the scope of Proposition 215 and to provide qualifying patients and primary caregivers who collectively or cooperatively cultivate marijuana for medical purposes with a limited defense to certain specified State criminal statutes. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the Medical Marijuana Program to expressly recognize the authority of counties and cities to adopt local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective and to civilly and criminally enforce such ordinances;

WHEREAS, in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal.4th 729, the California Supreme Court held that "nothing in

the CUA or the MMP expressly or impliedly limits the inherent authority of a local jurisdiction, by its own ordinances, to regulate the use of its land. . . .” Additionally, in *Maral v. City of Live Oak* (2013) 221 Cal.App.4th 975, the Court of Appeal held that “there is no right – and certainly no constitutional right – to cultivate medical marijuana. . . .” The Court in *Maral* affirmed the ability of a local governmental entity to prohibit the cultivation of marijuana under its land use authority;

WHEREAS, the Federal Controlled Substances Act, 21 U.S.C. § 801 et seq., classifies marijuana as a Schedule 1 Drug, which is defined as a drug or other substance that has a high potential for abuse, that has no currently accepted medical use in treatment in the United State, and that has not been accepted as safe for use under medical supervision. The Federal Controlled Substances Act makes it unlawful under federal law for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense, marijuana. The Federal Controlled Substances Act contains no exemption for medical purposes, although there is recent case law that raises a question as to whether the Federal Government may enforce the Act where medical marijuana is allowed;

WHEREAS, on October 9, 2015 Governor Brown signed three bills into law (AB 266, AB 243, and SB 643) which collectively are known as the Medical Marijuana Regulation and Safety Act (hereafter “MMRSA”). The MMRSA set up a State licensing scheme for commercial medical marijuana uses while protecting local control by requiring that all such businesses must have a local license or permit to operate in addition to a State license. The MMRSA allows the City to completely prohibit commercial medical marijuana activities;

WHEREAS, commercial medical marijuana activities, as well as cultivation for personal medical use as allowed by the CUA and MMP can adversely affect the health, safety, and well-being of City residents. Citywide prohibition is proper and necessary to avoid the risks of criminal activity, degradation of the natural environment, malodorous smells and indoor electrical fire hazards that may result from such activities. Further, as recognized by the Attorney General’s August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, marijuana cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that surrounding homes or businesses may be negatively impacted by nuisance activity such as loitering or crime;

WHEREAS, the limited immunity from specified state marijuana laws provided by the Compassionate Use Act and Medical Marijuana Program does not confer a land use right or the right to create or maintain a public nuisance;

WHEREAS, the MMRSA contains language that requires the City to prohibit cultivation uses by March 1, 2016 either expressly or otherwise under the principles of permissive zoning, or the State will become the sole licensing authority. The MMRSA also contains language that requires delivery services to be expressly prohibited by

local ordinance, if the City wishes to do so. The MMRSA is silent as to how the City must prohibit other type of commercial medical marijuana activities;

WHEREAS, while the City Council believes that cultivation and all commercial medical marijuana uses are prohibited under the City's permissive zoning regulations, it desires to enact this Ordinance to expressly make clear that all such uses are prohibited in all zones throughout the City;

WHEREAS, the Planning Commission held a duly noticed public hearing on December 16, 2015 at which time it considered all evidence presented, both written and oral and at the end of the hearing voted to adopt a resolution recommending that the City Council adopt this Ordinance;

WHEREAS, the City Council held a duly noticed public hearing on this Ordinance on January 11, 2016, at which time it considered all evidence presented, both written and oral.

NOW, THEREFORE, the City Council of the City of Bell Gardens does hereby ordain as follows:

SECTION 1. Findings and Purpose. In adopting this Ordinance, the City Council finds and declares as follows:

- i. That the above recitals are true and correct and hereby incorporates them herein by this reference.
- ii. Ordinance No. 873 serves the public health, safety, and welfare of the residents and businesses within the City to regulate the development of industrial land use within the City.
- iii. Ordinance No. 873 is consistent with the City's General Plan.
- iv. Ordinance No. 873 amending the City of Bell Gardens Municipal Code, will not present any risk to the public health and safety.

SECTION 2. Authority. This Ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including but not limited to Article XI, Section 7 of the California Constitution, the Compassionate Use Act, the Medical Marijuana Program, and The Medical Marijuana Regulation and Safety Act.

SECTION 3. Section 9.21.010 of the Bell Gardens Municipal Code ("BGMC"), "Medical marijuana dispensaries," is amended in its entirety to read as follows:

9.21.010 Medical marijuana dispensaries and cultivation.

A. Definitions.

“Cannabis” shall have the same meaning as set forth in Business & Professions Code § 19300.5(f) as the same may be amended from time to time.

“Caregiver” or “primary caregiver” shall have the same meaning as set forth in Health & Safety Code § 11362.7 as the same may be amended from time to time.

“Commercial cannabis activity” shall have the same meaning as that set forth in Business & Professions Code § 19300.5(k) as the same may be amended from time to time.

“Cooperative” shall mean two or more persons collectively or cooperatively cultivating, using, transporting, possessing, administering, delivering or making available medical marijuana, with or without compensation.

“Cultivation” shall have the same meaning as set forth in Business & Professions Code § 19300.5(l) as the same may be amended from time to time.

“Cultivation site” shall have the same meaning as set forth in Business & Professions Code § 19300.5 (x) as the same may be amended from time to time.

“Delivery” shall have the same meaning as set forth in Business & Professions Code § 19300.5(m) as the same may be amended from time to time.

“Dispensary” shall have the same meaning as set forth in Business & Professions Code § 19300.5(n) as the same may be amended from time to time. For purposes of this Section, “Dispensary” shall also include a cooperative. “Dispensary” shall not include the following uses: (1) a clinic licensed pursuant to Chapter 1 of Division 2 of the California Health and Safety Code, (2) a health care facility licensed pursuant to Chapter 2 of Division 2 of the California Health and Safety Code, (3) a residential care facility for persons with chronic life-threatening illnesses licensed pursuant to Chapter 3.01 of Division 2 of the California Health and Safety Code, (4) a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the California Health and Safety Code, (5) a residential hospice or home health agency licensed pursuant to Chapter 8 of Division 2 of the California Health and Safety Code.

“Dispensing” shall have the same meaning as set forth in Business & Professions Code § 19300.5(o) as the same may be amended from time to time.

“Distribution” shall have the same meaning as set forth in Business & Professions Code § 19300.5(p) as the same may be amended from time to time.

“Distributor” shall have the same meaning as set forth in Business & Professions Code § 19300.5(q) as the same may be amended from time to time.

“Manufacturer” shall have the same meaning as set forth in Business & Professions Code § 19300.5(y) as the same may be amended from time to time.

“Manufacturing site” shall have the same meaning as set forth in Business & Professions Code § 19300.5(af) as the same may be amended from time to time.

“Medical cannabis,” “medical cannabis product,” or “cannabis product” shall have the same meanings as set forth in Business & Professions Code § 19300.5(ag) as the same may be amended from time to time.

“Medical Marijuana Regulation and Safety Act” or “MMRSA” shall mean the following bills signed into law on October 9, 2015 as the same may be amended from time to time: AB 243, AB 246, and SB 643.

“Nursery” shall have the same meaning as set forth in Business & Professions Code § 19300.5(ah) as the same may be amended from time to time.

“Qualifying patient” or “Qualified patient” shall have the same meaning as set forth in Health & Safety Code § 11362.7 as the same may be amended from time to time.

“Testing laboratory” shall have the same meaning as set forth in Business & Professions Code § 19300.5(z) as the same may be amended from time to time.

“Transport” shall have the same meaning as set forth in Business & Professions Code § 19300.5(am) as the same may be amended from time to time.

“Transporter” shall have the same meaning as set forth in Business & Professions Code § 19300.5(aa) as the same may be amended from time to time.

B. Prohibition.

1. Commercial cannabis activities of all types are expressly prohibited in all zones, all specific plan areas, and all overlay districts in the City of Bell Gardens. No person shall establish, operate, conduct or allow a commercial cannabis activity anywhere within the City.
2. To the extent not already covered by subsection A above, all deliveries of medical cannabis are expressly prohibited within the City of Bell Gardens. No person shall conduct any deliveries that either originate or terminate within the City.
3. This section is meant to prohibit all activities for which a State license is required. Accordingly, the City shall not issue any permit, license or other entitlement for any activity for which a State license is required under the MMRSA.
4. Cultivation of cannabis for non-commercial purposes, including cultivation by a qualified patient or a primary caregiver, is expressly prohibited in all zones, all specific plan areas, and all overlay districts in the City of Bell Gardens. No person, including a qualified patient or primary caregiver, shall cultivate any amount of cannabis in the City, even for medical purposes.

C. Public nuisance. Any use or condition caused, or permitted to exist, in violation of any provision of this Section 9.21.010 shall be, and hereby is declared to be, a public nuisance and may be summarily abated by the City pursuant to Code of Civil Procedure Section 731, BGMC 1.12.020, or any other remedy available to the City.

D. Enforcement. In addition to any other enforcement permitted by this Section 9.21.010, the City Attorney may bring a civil action for injunctive relief and civil penalties pursuant to Chapters 1.12 and 9.66 of this code against any person or entity that violates this Section. In any civil action brought pursuant to this Section, a court of competent jurisdiction may award reasonable attorney's fees and costs to the prevailing party.

SECTION 4. Nothing in this Ordinance shall be interpreted to mean that the City's permissive zoning scheme allows any other use not specifically listed therein.

SECTION 5. CEQA. This Ordinance is exempt from CEQA pursuant to Section 15061 (b)(3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. The City's permissive zoning provisions already prohibit all uses that are being expressly prohibited by this

Ordinance. Therefore, this Ordinance has no impact on the physical environment as it will not result in any changes.

SECTION 6. If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 7. To the extent the provisions of the Bell Gardens Municipal Code as amended by this Ordinance are substantially the same as the provisions of that Code as they read immediately prior to the adoption of this Ordinance, then those provisions shall be construed as continuations of the earlier provisions and not as new enactments.

SECTION 8. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be published in the manner prescribed by law.

PASSED, APPROVED, AND ADOPTED this 25th day of January, 2016.

THE CITY OF BELL GARDENS



Jennifer Rodriguez, Mayor

ATTEST:

APPROVED AS TO FORM:



**Kristina Santana
City Clerk**



**Arnold M. Alvarez-Glasman
City Attorney**

I, KRISTINA SANTANA, City Clerk of the City of Bell Gardens, hereby CERTIFY that **Ordinance No. 869** was introduced and placed upon its first reading at a regular meeting of the Bell Gardens City Council held January 11, 2016 and that thereafter said ordinance was duly adopted at a regular meeting of the City Council held January 25, 2016, and was approved and passed by the following vote:

AYES: Councilmembers Flores, Mendoza, Pulido; Mayor Pro Tem Aceituno; Mayor Rodriguez
NOES: None
ABSTAIN: None
ABSENT: None



**Kristina Santana
City Clerk**

ORDINANCE NO. 890

**AN ORDINANCE OF THE CITY OF BELL GARDENS, CALIFORNIA,
AMENDING SECTION 9.21.010 OF BELL GARDENS MUNICIPAL CODE
TO PROHIBIT SPECIFIC OUTDOOR AND COMMERCIAL MARIJUANA
RELATED USES AND ACTIVITIES IN ALL LAND USE ZONES AND
OVERLAY DISTRICTS**

WHEREAS, on November 5, 1996, the voters of the State of California approved Proposition 215, codified as Health and Safety Code Section 11362.5 *et seq.*, and entitled the Compassionate Use Act of 1996 ("CUA"). The CUA exempted qualified patients and their primary caregivers from criminal liability under state law for the possession and cultivation of marijuana for personal medical use;

WHEREAS, the intent of the CUA was to enable persons in the State of California who are in need of marijuana for medicinal purposes to use it under limited, specified circumstances;

WHEREAS, the State enacted Senate Bill 420 in October 2003, codified at Health and Safety Section 11362.7 *et seq.*, ("Medical Marijuana Program Act," or "MMPA") to clarify the scope of the Compassionate Use Act of 1996 and to allow cities and other governing bodies to adopt and enforce rules and regulations consistent with SB 420;

WHEREAS, the MMPA created a state-approved voluntary medical marijuana identification card program and provided for certain additional immunities from state marijuana laws. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the Medical Marijuana Program to expressly recognize the authority of counties and cities to "[a]dopt local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective" and to civilly and criminally enforce such ordinances;

WHEREAS, the CUA and MMPA did not "legalize" marijuana, but provided limited defenses to certain categories of individuals with respect to certain conduct and certain state criminal offenses;

WHEREAS, in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal.4th 729, the California Supreme Court held that "[n]othing in the CUA or the MMP expressly or impliedly limits the inherent authority of a local jurisdiction, by its own ordinances, to regulate the use of its land" Additionally, in *Maral v. City of Live Oak* (2013) 221 Cal.App.4th 975, the Court of Appeal held that "there is no right - and certainly no constitutional right - to cultivate medical marijuana. . . ." and affirmed local government's authority to prohibit the cultivation of marijuana under its land use authority;

WHEREAS, the Federal Controlled Substances Act, 21 U.S.C. § 801 *et seq.*, classifies marijuana as a Schedule 1 Drug, which is defined as a drug or other substance

that has a high potential for abuse, that has no currently accepted medical use in treatment in the United State, and that has not been accepted as safe for use under medical supervision;

WHEREAS, the Federal Controlled Substances Act makes it unlawful under federal law for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense, marijuana and contains no exemption for medical purposes;

WHEREAS, on October 9, 2015 Governor Brown signed three bills into law (AB 266, AB 243, and SB 643) which collectively are known as the Medical Marijuana Regulation and Safety Act ("MMRSA") establishing a State licensing scheme for commercial medical marijuana uses while protecting local control by requiring that all such businesses must have a local license or permit to operate in addition to a State license, which allows cities to completely prohibit commercial medical marijuana activities;

WHEREAS, on November 8, 2016, the voters of the State of California passed Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA") decriminalizing possession and use of marijuana under California law and regulating the cultivation, processing, manufacture, distribution, testing and sale of nonmedical marijuana, including marijuana products, for use by adults 21 years of age or older;

WHEREAS, AUMA expressly preserves local control over the regulation of marijuana-related businesses and marijuana-related land uses, including the authority to completely prohibit any marijuana business licensed under Division 10 within its jurisdiction pursuant to Business & Professions Code § 26200 *et seq.*;

WHEREAS, although marijuana-related land uses and activities are already technically prohibited pursuant to the City's permissive zoning regulations, the proposed ordinance would expressly state that all such uses are prohibited in all zones, districts, and specific plan areas throughout the City;

WHEREAS, on June 20, 2018 the Bell Gardens Planning Commission conducted a duly noticed public hearing in connection with this Ordinance and adopted Planning Commission Resolution No. 2018-02 recommending approval to the Bell Gardens City Council;

WHEREAS, on August 13, 2018 the Bell Gardens City Council held a duly noticed public hearing and introduced this Ordinance amending Chapter 9.21 of the Bell Gardens Municipal Code; and

WHEREAS, on September 10, 2018 the Bell Gardens City Council adopted this Ordinance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BELL GARDENS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby finds as follows:

A. The City Council hereby finds the above recitals accurate and true and makes them a part of the findings.

B. Marijuana-related land uses and activities can adversely affect the health, safety, and well-being of City residents. Marijuana cultivation and distribution can attract crime, lead to fires, expose minors to marijuana, negatively impact neighborhoods, damage buildings, require dangerous electrical alterations and use, and create the nuisance of strong and noxious odors. (White Paper on Marijuana Dispensaries, California Police Chiefs Association's Task Force on Marijuana Dispensaries, April 22, 2009, p. 12.).

C. In Colorado, where recreational marijuana is legal and commercialized, marijuana-related traffic deaths increased 92% from 2010 to 2014 while all traffic deaths increased only 8 percent during the same time period. (The Legalization of Marijuana in Colorado: The Impact, Rocky Mountain High Intensity Drug Trafficking Area, Vol. 3, September 2015, pp. 14-15.).

D. Use of marijuana by Colorado teens ages 12-17 is at least 56% higher than the national average. (Id. at pp. 35-36.). A study released in May 2016 by AAA Foundation for Traffic Research found that fatal crashes involving drivers who recently used marijuana doubled in the state of Washington after it legalized marijuana. (Prevalence of Marijuana Involvement in Fatal Crashes: Washington, 2010-2014, May 2016, AAA Foundation for Traffic Safety.).

E. Based on these facts and other evidence, there is a concern that the proliferation of marijuana-related uses and activities in the City would result in increased crime and other negative secondary effects like those experienced in other communities throughout California and around the country.

F. To safeguard against these deleterious secondary effects, the City Council finds it is necessary for the City to prohibit marijuana-related uses and activities in all zones and specific plan areas to the maximum extent permissible under State law.

G. This Ordinance is adopted in accordance with the authority conferred pursuant to the California Constitution and State law, including but not limited to Article XI, Section 7 of the California Constitution, the Compassionate Use Act, the Medical Marijuana Program Act, the Medical Marijuana Regulation and Safety Act, and the Control, Regulate and Tax Adult Use of Marijuana Act.

SECTION 2. Section 9.21.010 of the Bell Gardens Municipal Code is hereby repealed in its entirety and replaced with the following:

9.21.010 Marijuana Related Uses and Activities

A. Definitions.

For purposes of this Section, the following definitions shall apply:

"Commercial marijuana activity" means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, delivery, or sale of marijuana and marijuana products. "Commercial marijuana activity" shall not include deliveries by a licensee acting in compliance with Division 10 of the Business & Professions Code and local law under Business & Professions Code Section 26200; or transportation or distribution of marijuana or marijuana products on public roads by a licensee transporting marijuana or marijuana products in compliance with Division 10 of the Business & Professions Code.

"Cultivation" means any activity involving the planting, growing, cultivating, harvesting, drying, curing, grading, trimming or processing of marijuana.

"Delivery" means the commercial transfer of marijuana or marijuana products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this division that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.

"Dispensary" means a facility or location, whether fixed or mobile, where marijuana, marijuana products, or devices for the use of marijuana are offered, made available to, or provided, either individually or in any combination, with or without remuneration, for medical, recreational, or other purposes.

"Distribution" means the procurement, sale, and transport of marijuana and marijuana products between entities for commercial use purposes.

"Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a marijuana product.

"Marijuana" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, resin, or preparation of the plant, its seeds or resin, including marijuana infused in foodstuff or any other ingestible or consumable product containing marijuana. "Marijuana" also means the separated resin, whether crude or purified, obtained from cannabis. "Marijuana" 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, "marijuana" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. The term "marijuana" includes "medical marijuana" for the purposes set forth in the Medical Marijuana Program Act (Health & Safety Code Sections 11362.7 to 11362.83) and the Medical Marijuana Regulation and Safety Act (AB 266, AB 243, and SB 643.)

"Marijuana accessories" means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing marijuana or marijuana products into the human body.

"Marijuana-related activity" means any commercial marijuana activity, cultivation of marijuana, delivery of marijuana or marijuana products, distribution of marijuana or marijuana products, dispensing of marijuana or marijuana products, manufacture of marijuana or marijuana products, sale of marijuana or marijuana products, and the operation or establishment of a marijuana or medical marijuana cooperative, dispensary, delivery service, or provider. "Marijuana-related activity" does not include indoor cultivation as permitted under Section 9.21.010(C)(2); deliveries by a licensee acting in compliance with Division 10 of the Business & Professions Code and local law under Business & Professions Code Section 26200; or transportation or distribution of marijuana or marijuana products on public roads by a licensee transporting marijuana or marijuana products in compliance with Division 10 of the Business & Professions Code.

"Marijuana cultivation facility" means a facility where marijuana is cultivated, prepared, and packaged for sale to marijuana dispensaries, to marijuana product manufacturing facilities, or to other marijuana cultivation facilities, but not to consumers.

"Marijuana establishment" means a marijuana cultivation facility, marijuana storage facility, marijuana testing facility, a marijuana product manufacturing facility, or marijuana dispensary.

"Marijuana product manufacturing facility" means a facility where marijuana and marijuana products are manufactured, prepared and packaged for sale to other marijuana product manufacturing facilities or to marijuana dispensaries, but not to consumers.

"Marijuana products" means marijuana 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 marijuana or concentrated cannabis and other ingredients.

"Marijuana storage facility" means a facility used for the storage of marijuana, marijuana products or marijuana accessories.

"Marijuana testing facility" means a facility where marijuana is analyzed and certified for safety and potency.

"Private residence" means a house, an apartment unit, a mobile home, or other similar habitable dwelling.

B. Prohibited Uses and Activities. The establishment or operation of any commercial marijuana activity, marijuana-related activity, or marijuana establishment, including any business licensed by the state or other government entity pursuant to Division 10 of the Business & Professions Code, as it may be amended from time to time, is prohibited in all land use zones, overlay districts, and specific plan areas of the City. No use permit, variance, building permit, or any other entitlement or permit, whether administrative or discretionary, shall be approved or issued for the establishment or operation of any such business or activity.

C. Marijuana Cultivation for Personal Use.

1. Outdoor Cultivation Prohibited. Outdoor cultivation of marijuana by any person owning, leasing, occupying, or having charge or possession of any land use zone, overlay district, and specific plan areas of the City in the City is prohibited. It shall be unlawful for any person or entity to own, manage, conduct, or operate, or as a landlord or land owner (or as such landlord or land owner's agent, property manager or similar person having control over real property on behalf of its owner) to allow or permit to exist, or be established, conducted, operated, owned or managed on or within real property owned or controlled by such person, the outdoor cultivation of marijuana or to participate as a landlord, lessor, land owner, employee, contractor, agent or volunteer, or in any other manner or capacity, in the outdoor cultivation of marijuana. Each day a violation of this provision of this chapter is committed, or permitted to continue, shall constitute a separate offense.

2. Indoor Cultivation. Not more than six (6) plants may be cultivated, planted, harvested, dried, processed, or possessed at one time by a person 21 years of age or older when conducted within a fully enclosed and secured, private residence, or legally permitted accessory structure that is not visible by normal unaided vision from a public place and conducted in a manner consistent with California Health & Safety Code Section 11362.2 and any other applicable regulations, as amended from time to time. Any

areas used for indoor cultivation shall comply with the building code under Chapter 6.04, the mechanical code under Chapter 6.08, and fire code under Chapter 16.44.

D. Interpretation. The intent of this Section is to prohibit all marijuana-related uses and activities, including the personal outdoor cultivation of marijuana, whether medical or recreational in nature, to the maximum extent allowed under state law. Nothing in this Section should be interpreted as allowing behavior otherwise prohibited by state law and nothing in this Section should be interpreted as prohibiting conduct that the city is expressly preempted from prohibiting under state law.

E. Penalties. Any person violating any provision of this Section shall be guilty of a separate offense for each and every day, or part thereof, during which a violation of this Section or of any law or regulation referenced herein, is allowed, committed, continued, maintained or permitted by such person, and shall be punishable in accordance with penalties set forth in Chapter 1.12 of the Code.

F. Public Nuisance. In addition to the penalties provided Chapter 1.12, any condition or activity caused or permitted to exist in violation of any provision, restriction, or requirement of this Section or any notice, or order pursuant to this Section, shall be deemed a public nuisance and may be summarily abated by the City by any and all means (civil, administrative, and/or equitable) as provided by law or in equity.

SECTION 3. CEQA. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15061(b) (3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. To the extent it is determined that CEQA applies, the proposed ordinance is exempt under CEQA pursuant to Section 15060(c)(2), because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment, and pursuant to Section 15060 (c)(3) because the activity is not a project as defined in Section 15378 of the CEQA Guidelines. This Ordinance amends the Bell Gardens Municipal Code by clarifying existing code and expressly prohibit activities that the BGMC already prohibits such as medical and commercial cannabis activity in the City. Furthermore, this Ordinance does not authorize any development or other activity that would alter the physical environment but rather prohibits such activities that may have environmental impacts. As such, it can be see with near certainty that there is no possibility that the ordinance will have a significant effect on the environment.

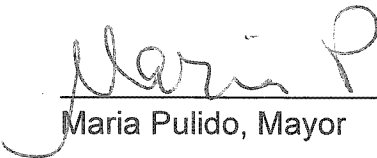
SECTION 4. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this

Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance irrespective of the fact that one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional or invalid or ineffective. To this end, the provisions of this Ordinance are declared to be severable.

SECTION 5. The City Clerk shall certify to the passage and adoption of this Ordinance, causing it to be posted as required by law and it shall be effective thirty (30) days after its adoption.

PASSED, APPROVED, AND ADOPTED this 10th day of September, 2018.

THE CITY OF BELL GARDENS




Maria Pulido, Mayor

APPROVED AS TO FORM:

ATTEST:



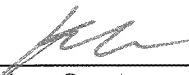
Arnold M. Alvarez-Glasman
City Attorney



Kristina Santana
City Clerk

I, KRISTINA SANTANA, City Clerk of the City of Bell Gardens, hereby CERTIFY that **Ordinance No. 890** was introduced and placed upon its first reading at a regular meeting of the Bell Gardens City Council held August 13, 2018 and that thereafter said ordinance was duly adopted at a regular meeting of the City Council held September 10, 2018 and was approved and passed by the following vote:

AYES: Council Member Rodriguez; Mayor Pro Tem Mendoza; Mayor Pulido
NOES: None
ABSTAIN: None
ABSENT: Council Members Aceituno, Flores



Kristina Santana
City Clerk



**CITY OF BELL GARDENS
CITY COUNCIL
CLOSED SESSION AND REGULAR MEETING
MONDAY, FEBRUARY 10, 2020, 6:00 PM
MINUTES**

LOCATION: CITY COUNCIL CHAMBER, 7100 GARFIELD AVENUE, BELL GARDENS, CA

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the City Clerk at (562) 806-7704. Notification 48 business hours prior to the m CC Minutes 2019-11-11 Closed Session & Regular Meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

CALL TO ORDER - Mayor Cortez called the meeting to order at 5:02 p.m.

ROLL CALL OF CITY COUNCIL

Present: Council Members Aceituno, Barcena; Mayor Pro Tem Flores (Arrived at 5:12 p.m.), Mayor Cortez

Absent: None

PUBLIC COMMENTS ON AGENDA ITEMS ONLY

(Three minutes per person, subject to a total period of 30 minutes)

Mayor Cortez opened the public comment period. There were no speakers. Mayor Cortez closed the public comment period and asked City Attorney Rick Olivarez to announce the Closed Session items. City Attorney Olivarez announced that the Council would recess to discuss the item posted on the agenda. The Council then recessed to the Council Chamber Conference Room (see page 2 for report on Closed Session) at 5:03 p.m. to discuss the following matter:

CLOSED SESSION: (Item. No. 1)

1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

One case: People of the State of California v. Jennifer Rodriguez, Case No. BC694949.

Closed Session adjourned at 5:22 p.m.



**CITY OF BELL GARDENS
CITY COUNCIL
CLOSED SESSION AND REGULAR MEETING
MONDAY, FEBRUARY 10, 2020, 6:00 PM
MINUTES**

LOCATION: CITY COUNCIL CHAMBER, 7100 GARFIELD AVENUE, BELL GARDENS, CA

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CALL TO ORDER - Mayor Cortez called the meeting to order at 6:01 p.m.

INVOCATION – was given by Pastor Reynaldo Leal Jr.

PLEDGE OF ALLEGIANCE – was led by the Girl Scout Brownie Troop #2543.

ROLL CALL OF CITY COUNCIL MEMBERS

Present: Council Members Aceituno, Barcena; Mayor Pro Tem Flores, Mayor Cortez
Absent: None

City Attorney Rick Olivarez announced due to Mayor Pro Tem Flores impending birth of her child in early March, she would be absent for the next two regular meetings and would be given the courtesy of excused absences. Mayor Pro Tem Flores will be in communication with the City Attorney if a third or fourth excused absence is needed and the City Council would be informed.

The Mayor called for any objections for excused absences for the next two regular meetings and there were none.

CLOSED SESSION REPORT

City Attorney, Rick Olivarez announced that the City Council recessed into Closed Session, all Council Members were present with the exception of Mayor Pro Tem Flores who arrived in Closed Session at 5:12 p.m. With respect to the item, No. 1 City Council received an update from outside legal counsel, Mr. Bacio on the status. There was no direction given. There was no final action to report.

PRESENTATION

• VSAP VOTING EXPERIENCE

PowerPoint presentation was given by Jeff Klein, Manager of Civic Engagement, Community Relations and Legislation, Los Angeles County, Registrar-Recorders/ County Clerk on the new voting system.

PUBLIC HEARING (Item No. 1)

1. **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FY 2020-2021**
Approval of Community Development Block Grant Program 2020-2021 Fiscal Year Budget upon consideration of public testimony and discussion.

Recommendation:

It is staff's recommendation that the City Council conduct a public hearing on the proposed budget for the Community Development Block Grant Program 2020-2021 Fiscal Year, and upon consideration of public testimony and discussion of relevant issues, approve the proposed budget by adopting the attached Resolution.

City Manager Michael O'Kelly introduced the item.

Community Development Director Gustavo Romo stated that the Block Grant program budget allocation this year identified \$200,000 for a beautification program. The beautification program would bring about commercial rehab along different portions of the city. Staff has looked at most needs, identified the northern border to the southern border. The commercial rehab guidelines have been approved by the LACDA approved. If commercial rehab guidelines go forward, they will be brought before Council's approval. For this budget allocation, total funds available are \$629,000, in the past it has been used for residential rehab, graffiti removal, code enforcement activities and the aquatic center. We will continue to do that, by taking a portion, \$200,000 again, for the beautification program.

City Manager Mr. O'Kelly stated that there was an agenda item No. 8 CalHome grant program requesting authorization to submit a grant application on the residential side.

Mayor Cortez opened the public comment period at 6:23 p.m.

Pastor Leal inquired if the grant would be available for homeowners and if the church would fall under this program.

Community Development Director Gustavo Romo stated the church would fall in the commercial area as long as it was in the target areas and was restricted to the eastern avenue.

City Manager Mr. O'Kelly stated that it would not be available for residential, but item no. 8 would be.

Mayor Cortez closed the public comment period at 6:24 p.m.

A motion was made by Mayor Cortez, second by Council Member Barcena to approve the proposed budget by adopting Resolution No. 2020-08.

The motion carried 4-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Pro Tem Flores; Mayor Cortez
NOES: None
ABSENT: None
ABSTAIN: None

PUBLIC COMMENTS ON AGENDA ITEMS ONLY

Alma Jiminez spoke in opposition of marijuana.

Maria Cardiel resident of 30 years; requested good examples from the Council for the community

Jennifer Rodriguez spoke about cannabis issues to be placed on the ballot; STAR program; Seniors exercise equipment; lifted sidewalks and campaigns

Norma Flores supported Jennifer Rodriguez' comments; value of community; and cost of police officers at meetings

Esteban Figueroa – 25-year resident of Bell Gardens; expressed his opposition of marijuana

Rogelio Rodriguez – resident since 1986; expressed his opposition of marijuana

Maria Martin – resident since 1990; expressed her opposition of cannibas dispensaries; supports the DARE program

Mayor Pro Tem Flores – thanked the community in attendance; sought the support of the Council to adopt an Ordinance prohibiting voting for an excused absence in open session.

CITY MANAGER'S REPORT

City Manager Michael O'Kelly thanked the Police Chief and department for addressing a recent situation.

CONSENT CALENDAR (Items No. 2-8)

Council Member Aceituno pulled Item No. 7 and 8 for further discussion.

A motion was made by Mayor Cortez, and seconded by Mayor Pro Tem Flores, to approve the consent calendar with the exception of Item No. 7 and 8.

The motion carried 4-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Pro Tem Flores; Mayor Cortez
NOES: None
ABSENT: None
ABSTAIN: None

2. GENERAL MOTION TO WAIVE FULL READING AND APPROVE ORDINANCES BY TITLE ONLY PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 36934

In order to expedite the conduct of business at City Council meetings, California State Law (California Government Code Section 36934) allows Ordinances to be read by title if a majority of the legislative body supports the motion to waive the full reading.

Recommendation:

It is staff recommendation that the City Council approve a general motion to waive full reading and approve Ordinances by title only pursuant to California Government Code Section 36934.

3. WARRANT REGISTERS AND WIRE TRANSFERS

In approving the action of receiving and filing the warrant registers, the official minutes of the Bell Gardens City Council should state that each individual member of the City Council is not voting on, influencing the outcome of, or participating in approving, accepting, receiving or filing any warrant which bears the name of the same council member, or pays for any costs or expenses, or otherwise benefits the same named council member. Each council member will not be participating, influencing or voting on any such warrant bearing their name or which benefits the same named council member, but with that exception is voting in favor of receiving and filing all other warrants contained in this report, unless otherwise noted on the record at the time of the approval of the action required by this report.

Recommendation:

It is staff recommendation that the City Council receive and file the warrant registers, wire transfers, and net payrolls dated 01/14/20, 01/16/20 and 01/21/20.

4. APPROVE MINUTES OF THE JANUARY 13, 2020 AND JANUARY 27, 2020 CITY COUNCIL CLOSED SESSION AND REGULAR MEETING

January 13 and January 27, 2020 - Closed Session and Regular City Council Meeting Minutes

Recommendation:

It is staff recommendation that the City Council approve the attached minutes.

5. ADOPTION OF ORDINANCE NO. 903, 2019 CALIFORNIA BUILDING CODE

Adoption of the 2019 California Building, Electrical, Plumbing, Mechanical, Residential, Green Building, and Fire Codes.

Recommendation:

It is recommended that the City Council consider the adoption of Ordinance No. 903 adopting by reference Titles 26 through 31, 2019 Los Angeles County Building Codes and Title 32, 2019 Los Angeles County Fire Code.

6. ADOPT A RESOLUTION AUTHORIZING THE INSTALLATION OF RED CURBS "NO PARKING" AT THE INTERSECTION OF PURDY AVENUE AND LUBEC STREET

City Council relayed resident's concerns pertaining to the intersection of Purdy Avenue and Lubec Street. Residents state that there have been several traffic collisions at this location and request the addition of stop signs on eastbound and westbound Lubec Street. Several factors must be warranted in order to add stop signs and after careful review of the field configuration, analyzing the volume and speed data and traffic accident collision reports, it is staff's recommendation to deny the request to add stop signs on eastbound and westbound Lubec Street. However, staff is recommending the installation of 10' feet of red curb from the back of curb returns on the northeast, southwest and southeast corners of Lubec Street and Purdy Avenue.

Recommendation:

It is staff recommendation that the City Council, by motion:

1. Adopt Resolution No. 2020-10 authorizing parking restrictions in Bell Gardens; and
2. Authorize the installation of ten (10') feet of red curb (no parking) from the back of the curb returns on the northeast, southwest and southeast corner of Lubec Street and Purdy Avenue.

7. NOTICE OF TERMINATION OF MOU FOR REIMBURSEMENT OF PERSONNEL AND EQUIPMENT COSTS ASSOCIATED WITH INVESTIGATIONS OF VIOLENT CRIMINAL STREET GANGS

In January 2020, the Bell Gardens Police Department served both written and oral notification to Immigration and Customs Enforcement (ICE), terminating the Memorandum of Understanding (MOU) between The City of Bell Gardens and ICE. The purpose of the MOU, which was approved by the Bell Gardens City Council at the April 22, 2019 City Council Meeting, was to establish an agreement for ICE to reimburse the City of Bell Gardens for the cost associated with a criminal investigation pertaining to violent gang crimes that were taking place in the City.

Recommendation:

It is staff recommendation that the City Council receive and file this report.

Council Member Aceituno asked for a brief summary.

Police Chief, Scott Fairfield stated that on April 22, 2019 City Council Meeting, a Memorandum of Understanding was brought before Council that was for the reimbursement by Homeland Security and ICE for overtime expenditures and costs incurred during a violent gang criminal investigation, which was approved by Council. We

worked with other outside agencies, and were able to come to a quick resolution of that case; therefore, never utilized the MOU. In January 2020, ICE was served with a written and verbal notification to terminate the MOU.

A motion was made by Mayor Cortez, and second by Council Member Barcena, to approve Item No. 7.

The motion carried 4-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Pro Tem Flores; Mayor Cortez
NOES: None
ABSENT: None
ABSTAIN: None

8. ADOPT A RESOLUTION AUTHORIZING SUBMISSION OF APPLICATION FOR CALHOME GRANT

A Resolution authorizing the submission of a grant application to obtain funding from the California Department of Housing and Community Development (HCD) under the CalHome Program.

Recommendation:

It is Staff recommendation that the City Council approve Resolution No. 2020-11 authorizing the submission of an application to HCD for funding under the CalHome Program; authorize the City Manager to execute a Standard Agreement with HCD if selected to receive CalHome Program funding and any amendments thereto; and authorize the City Manager to execute and file any related documents necessary to participate in the CalHome Program.

Council Member Aceituno asked for clarification on the grant the City is applying for and what the restrictions are for mobile homes?

City Manager O'Kelly stated that the grant was giving the City authority to apply.

Community Development Director Gustavo Romo stated it was for first time homebuyers, single-family homeowners having a property that need rehab and mobile home owners. Homeowners would need to apply and qualify.

A motion was made by Mayor Cortez, a second by Council Member Barcena.

The motion carried 4-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Pro Tem Flores; Mayor Cortez
NOES: None
ABSENT: None
ABSTAIN: None

DISCUSSION (Items No. 9-16)

9. UPDATE REGARDING LEGISLATIVE ENACTMENTS

Update on general legislative enactments, including new housing legislation.

Recommendation:

It is staff recommendation that the City Council receive and file this report.

City Manager Michael O'Kelly introduced the item.

Veronica Tam, Principal, Veronica Tam Associates, Inc., and Assistant City Attorney Norma D. Tabares gave a PowerPoint presentation with the following updates: AB 648 Gaming Room Employed; AB571-Default Contribution Limits; AB1100 – EV-vehicle charging stations; AB931-Local Boards and Commission; AB201-Campaign Disclosure; AB377-Micro-enterprise Kitchens; AB1486-Surplus Land Act; AB1763-Density Bonus; AB68, 671, 881, 587 and SB13 – Accessory Dwelling Units; AB1483-Housing Data; AB SB300 – Housing Crisis Act; AB101-Housing Development and Financing.

A motion was made by Mayor Cortez, and a second by Mayor Pro Tem Flores, to receive and file the report.

The motion carried 4-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Pro Tem Flores; Mayor Cortez
NOES: None
ABSENT: None
ABSTAIN: None

Mayor Pro Tem Flores left the dais at 7:16 p.m.

10. BELL GARDENS CHAMBER OF COMMERCE UPDATE

Chamber of Commerce 4th Quarter Activity Report.

Recommendation:

It is staff recommendation that the City Council receive and file the report.

City Manager Michael O'Kelly introduced the item.

Chamber of Commerce President Michael Salazar gave a PowerPoint presentation, summarizing the activities the Chamber conducts throughout the year. Upcoming events for 2020 include: 2020 State of the City Address; Job Fair – will work with Mr. Romo; Annual Golf Tournament – late August or early September; Ms. Bell Gardens Pageant; BGHS Homecoming Fair – will work with the high school and Coffee Connections (Every Wednesday)

A motion was made by Mayor Cortez, and seconded by Council Member Barcena, to receive and file the report.

The motion carried 3-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Cortez
NOES: None
ABSENT: Mayor Pro Tem Flores
ABSTAIN: None

11. DISCUSSION AND DIRECTION REGARDING DANGEROUS CONDITIONS OF PUBLIC PROPERTY INCLUDING BUT NOT LIMITED TO SIDEWALKS AND OTHER PUBLIC FACILITIES AND INFRASTRUCTURE

Staff provided a presentation on the City's sidewalk policy on April 22, 2019. A sidewalk update presentation was given to City Council on July 8, 2019 and a memo on sidewalk repairs was provided on December 4, 2019. Sidewalk inspections, in accordance with this program, are done approximately every twelve months. Public Works repairs sidewalks throughout the year, if weather permits.

Recommendation:

It is staff recommendation that the City Council receive and file this update on the City's sidewalks.

City Manager Michael O'Kelly introduced the item.

Director of Public Works Chau Vu gave an oral presentation summarizing the repairs being done throughout the year. Ms. Vu reported that back in April 2019 we provided you with a policy as well as guidelines that the City was advised by California JPIA our insurance carrier. They advise us on how to protect the City on lawsuits. We were advised to do sidewalk surveys, keeping inventories, establish a policy, do inspections, we do a sidewalk survey once a year, we identify a lift, repair, fix and grind sidewalks throughout the year. In the last six months, Public Works crews have repaired 107 yards of concrete within the sidewalks. Back in 2018, we received three slip and fall claims and those claims are still pending. Our insurance provider has also confirmed that in the course of 2013–2017 there have been no loss payments. This demonstrates the program's success Director Vu stated.

A motion was made by Mayor Cortez, and seconded by Council Member Barcena, to receive and file the report.

The motion carried 3-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Cortez
NOES: None
ABSENT: Mayor Pro Tem Flores
ABSTAIN: None

12. DISCUSSION AND DIRECTION REGARDING SPEED LIMITS ON CERTAIN CITY STREETS TO REDUCE THE INCIDENCE OF AUTOMATIVE AND PEDESTRIAN RELATED INJURIES AND FATALITIES

Staff was requested to provide an update on traffic safety as it relates to speeding in the City. The survey for speed limits is regularly conducted every (5) five years for the purpose of complying with the California Vehicle Code. The last speed

survey was conducted in February 2015. The engineering and traffic surveys are essential in maintaining a safe and orderly movement of traffic by setting speed limits that are reasonable and enforceable by the use of radar by police officers. Staff has prepared a Complete Street Plan which includes evaluating existing conditions, identifying low stress networks, corridor improvements, project prioritization and implementation strategies. There are proposed projects to discourage speeding and improve crossings at specific streets in the Plan. The Complete Streets Plan will be presented for adoption at the February 24, 2020 City Council Meeting. Speed Humps were recently approved by City Council: five (5) on Colmar and three (3) on Specht. The following stop signs were approved by the City Council within the last two (2) years: Priory and Purdy on January 8, 2018; Loveland and Granger on July 8, 2019.

Recommendation:

It is staff recommendation to receive and file this update

City Manager Michael O’Kelly introduced the item.

Director of Public Works Chau Vu gave an oral presentation summarizing items that are currently being worked on or have been completed: traffic safety measures, speed surveys which are done every 5 years; the last one was completed in 2015 and currently in the process of doing another one which is being done by a traffic engineer. There will be a Complete Street Plan before Council on February 24, 2020. Two stop signs were installed, which are recommended by a traffic engineer and there have been two approved speed humps.

A motion was made by Mayor Cortez, and seconded by Council Member Aceituno, to receive and file the report.

The motion carried 3-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Cortez
NOES: None
ABSENT: Mayor Pro Tem Flores
ABSTAIN: None

13. DISCUSSION AND DIRECTION REGARDING THE STAR PROGRAM GARDEN

A program overview of the Community Garden located at Ford Park and inclusion of STAR Program programming.

Recommendation:

It is staff recommendation that the City Council receive and file the report.

City Manager Michael O’Kelly introduced the item.

Director of Recreation and Community Services Rozanne Adanto gave an oral presentation. She reported that the garden is ½ acre, 74 plots, 5 vacant, two assigned to the STAR program. There are adjustments being made to the plots, our participants to the STAR program with some being wheelchair bound, therefore the terrain is being adjusted. Director Adanto stated that there is a

purchase for raised plots with delivered shortly. We are also looking at a grant from AARP to make additional improvements to the site. We have contracted with a contractor with a birdhouse, and have had a discussion with Little Green Fingers.

Other needed improvements have been identified such as: umbrellas, benches, security lighting, signage, irrigation, just to get some direction; we are looking at what we can do to improve. She hopes to have some type of a celebration once the participants start there

Mayor Cortez thanked Mrs. Adanto for the improvements she had made and were echoed by Council Member Barcena.

A motion was made by Mayor Cortez, and seconded by Council Member Barcena, to receive and file the report.

The motion carried 3-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Cortez
NOES: None
ABSENT: Mayor Pro Tem Flores
ABSTAIN: None

14. DISCUSSION AND DIRECTION REGARDING SENIOR CENTER EXERCISE EQUIPMENT

Update of gymnasium equipment at Senior Center(s).

Recommendation:

It is staff recommendation that City Council receive and file this report.

City Manager Michael O'Kelly introduced the item.

Director of Recreation and Community Services Rozanne Adanto gave an overview of equipment at both centers. There are two centers one at Veterans Park and the other at Clara Street. The equipment is about ten years old. The City has contracted with a company that works on the equipment and will be accessing to see what is required to repair any of the equipment. The maintenance contract is \$95.00 per month. The company will provide an assessment and she will keep the Council apprised of the report. Director Adanto also stated that she had been contacted by AARP noting that the City is being considered for a fit lot at no expense.

A motion was made by Mayor Cortez, and seconded by Council Member Barcena, to receive and file the report.

The motion carried 3-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Cortez
NOES: None
ABSENT: Mayor Pro Tem Flores

ABSTAIN: None

15. REQUEST FOR DIRECTION ON CONSIDERATION OF AN INITIATIVE PERTAINING TO CANNABIS-RELATED USES CITYWIDE

Request for Direction on Consideration of a Ballot Initiative Pertaining to Cannabis Related Uses Citywide.

Recommendation:

It is staff recommendation that the City Council consider whether or not to begin a ballot initiative process that would put the question of permitting or prohibiting cannabis-related uses citywide to voters, and provide direction to staff regarding whether to prepare materials for a City Council-sponsored ballot initiative.

City Manager Michael O'Kelly introduced the item.

Director of Community Development Gustavo Romo gave an oral presentation. He stated the report was to inquire if City Council would like to consider a ballot measure at the next general election. City Council at previous meetings decided not to take any further action. At the request of Mayor Pro Tem Flores the item was being presented to City Council.

Director Romo stated that the question was being posed, again. Does City Council want the decision left up to the voters? Director Romo stated that based on two past ordinances the City Council's position is they do not want cannabis, whether it is the cultivation side or retail in dispensaries.

Council Member Aceituno stated that an individual is misleading the community as if this City Council is moving forward with the cannabis industry. He asked what actions City Council had taken previously.

Director of Community Development Gustavo Romo responded that the record of the City Council is against any type of cannabis operation. The first ordinance was approved there would be no cultivation - no manufacturing. The second ordinance was to further clarify that no other type of operation would be permitted in the City of Bell Gardens. As it stands the Council has a record of not permitting any type of cannabis operation in the city.

Council Member Aceituno, asked that the translator interpret in Spanish the Council's position on cannabis.

The translator reiterated the City's position on cannabis.

Mayor Cortez thanked Council Member Aceituno for clarifying the record. She stated that she was not seated as a Council Member at the time the action was taken. This is a product that was banned in the community. An individual is misleading our community. The reason we have not touched this subject is that it is not up for consideration. The Council has not discussed it, why put an item on the agenda when it doesn't pertain to the community? She added that any questions the public has, they may make an appointment with the City Council.

A motion was made by Mayor Cortez, and seconded by Council Member Aceituno, to receive and file the report.

The motion carried 3-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Cortez
NOES: None
ABSENT: Mayor Pro Tem Flores
ABSTAIN: None

16. DISCUSSION AND DIRECTION REGARDING LOCAL, STATE AND FEDERAL STRATEGIES AND PROGRAMS TO COMBAT THE INCREASE IN THE HOMELESS POPULATION

Update on Homelessness Crisis and State Legislation per Council Member request.

Recommendation:

Staff recommends that the City Council provide direction on the next steps they would like to see with regards to the homeless crisis and receive and file this report.

City Manager Michael O'Kelly introduced the item.

Director of Community Development Gustavo Romo introduced Kim Barnett, Manager at Los Angeles Housing Authority (LAHSA).

Director Romo gave a PowerPoint presentation. He stated that Governor Newsom had signed several bills to assist agencies with regard to the homeless crisis in the state. The bills became effective January 1, 2020, to assist agencies with emergency shelters and programs in order to assist the homeless. The new legislation included CEQA exemptions. Mr. Romo there were concerns in the communities that continue to impact them, such as trespassing, littering and vandalism as well as concerns for the health and safety that homeless individuals suffer. The Bell Gardens Police Department has worked with LA County Mental Health Department and (LAHSA) to help homeless individuals and their families. They have been able to assist 360 homeless/mentally ill individuals in 2019. The Police Department and Public Works have worked to clean up some homeless encampments.

Director Romo added that the General Investigation Unit Detectives have assisted the Public Works during the cleanup of the Florence Avenue Bridge and Rio Hondo riverbed bike path. They have disposed of several truckloads of debris after there were public health and safety concerns.

Director Romo further stated that the governor's budget includes grants that jurisdictions can apply for. The grants included: \$650 million to local governments for homelessness emergency aid; \$120 million for expanded Whole Person Care services, \$150 million for strategies to address the shortage of mental health professionals in the public mental health system, \$25 million for Supplemental Security income advocacy and \$40 million for student rapid rehousing and basic needs initiatives for students that are homeless,

\$20 million in legal assistance for eviction prevention and \$400 million to increase grants to families in the CalWORKs program. Director Romo stated, that based on the 2019 data from Los Angeles County, the homeless population in the County grew by 6,171 from 52,765 in 2018 to 58,936 in 2019.

Kim Barnett, manager of LAHSA responded to Council Member Aceituno's question regarding homeless individuals that are affecting business owners. She thanked the City Council for their efforts to address homelessness. There is a web portal for businesses and residents that anyone can enter information. Ms. Barnett stated that she would be happy to come back to a future Council Meeting and show the Council how the homeless delivery system works.

Ms. Barnett will be coming back to City Council on a report on how Measure H money is being spent within the City.

A motion was made by Mayor Cortez, and seconded by Council Member Aceituno, to receive and file the report.

The motion carried 3-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Cortez
NOES: None
ABSENT: Mayor Pro Tem Flores
ABSTAIN: None

Mayor Cortez requested a break at 8:00 p.m.

Meeting resumed at 8:05 p.m.

PUBLIC COMMENTS ON NON-AGENDA ITEMS UNDER THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL

Jennifer Rodriguez spoke in support of a cannabis ballot measure on the 2020 ballot.

Rogelio Rodriguez spoke in opposition of cannabis and commented on police officers in attendance.

Maria Cardiec spoke on the senior citizen's exercise equipment.

CITY COUNCIL MEMBER COMMENTS

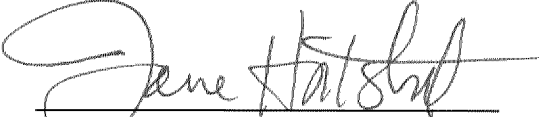
Council Member Aceituno thanked staff for the manner in which they dealt with the meeting. He stated that an individual and family will not take ownership for their actions regarding a recent court ruling.

Council Member Barcena thanked members of the public that spoke in a respectful manner. He encouraged the public to approach him and invited everyone to get to know

their Council Members. He suggested that residents report to the City if they have a problem.

Mayor Cortez stated that the reason for police presence was for the purpose of conducting a civilized meeting which is a mutual benefit to the Council and citizens. She clarified a statement that was made about the City Council receiving money. She stated that the public could request copies of expenditures and it is a matter of public record. Mayor Cortez commented on an individual that has been absent from City Council Meetings that was removed by a court judgement entered on February 5, 2020. She stated that it is a matter of public record. She announced that there is an immigration workshop at Suva Intermediate on February 26, 2020. Lastly, she thanked Chief Fairfield for all his work and efforts.

ADJOURNMENT – Mayor Cortez adjourned the City Council meeting at 8:35 p.m. in memory of Jake Cortez an advocate for Los Angeles County and cities.



Jane Halstead
City Clerk

Table 1. Los Angeles County Municipalities Permitting Commercial Cannabis Activity

Municipality	Storefront	Delivery	Distribution	Manufacturing	Cultivation	Testing
Artesia	Allowed	Allowed	Prohibited	Prohibited	Prohibited	Prohibited
Avalon (Catalina Island)	Prohibited	LMO	Prohibited	Prohibited	Prohibited	Prohibited
Baldwin Park	Prohibited	Prohibited	Allowed	Allowed	Limited	Prohibited
Bell	Prohibited	Prohibited	LMO	LMO	LMO	LMO
Bellflower	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed
Carson	Prohibited	Prohibited	Allowed	Allowed	Limited	Allowed
Commerce	Prohibited	Allowed	Allowed	Allowed	Limited	Allowed
Cudahy	Allowed	Allowed	LMO	LMO	LMO	LMO
Culver City	Allowed	Allowed	Allowed	Allowed	Limited	Allowed
El Monte	Allowed	Allowed	Allowed	Allowed	Limited	Allowed
Huntington Park	LMO	Allowed	Prohibited	Allowed	Allowed	Prohibited
Lancaster	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed
Long Beach	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed
Los Angeles	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed
Lynwood	Allowed	Allowed	Allowed	Allowed	Limited	Allowed
Malibu	Allowed	Allowed	Prohibited	Prohibited	Prohibited	Prohibited
Maywood*	Allowed	Allowed	Allowed	Allowed	Limited	Allowed
Monrovia	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Allowed
Montebello	Prohibited	Allowed	Allowed	Allowed	Allowed	Allowed
Pasadena	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed
Pomona	Allowed	Allowed	Allowed	Allowed	Limited	Allowed
Rolling Hills	Prohibited	LMO	LMO	Prohibited	Prohibited	Prohibited
Santa Monica	LMO	Prohibited	Prohibited	LMO	Prohibited	Prohibited
West Hollywood	Allowed	Allowed	Prohibited	Prohibited	Prohibited	Prohibited

LMO: Limited Medical Only

* Maywood no longer permits cannabis operations as of August 28, 2019 (pursuant Maywood Ordinance No. 12-03). All cannabis licenses issued, and businesses established prior to this date are considered legal nonconforming uses. No new licenses have been issued.

Source: <https://cannabis.ca.gov/cannabis-laws/where-cannabis-businesses-are-allowed/>

Figure 1: Schools and Parks Locations

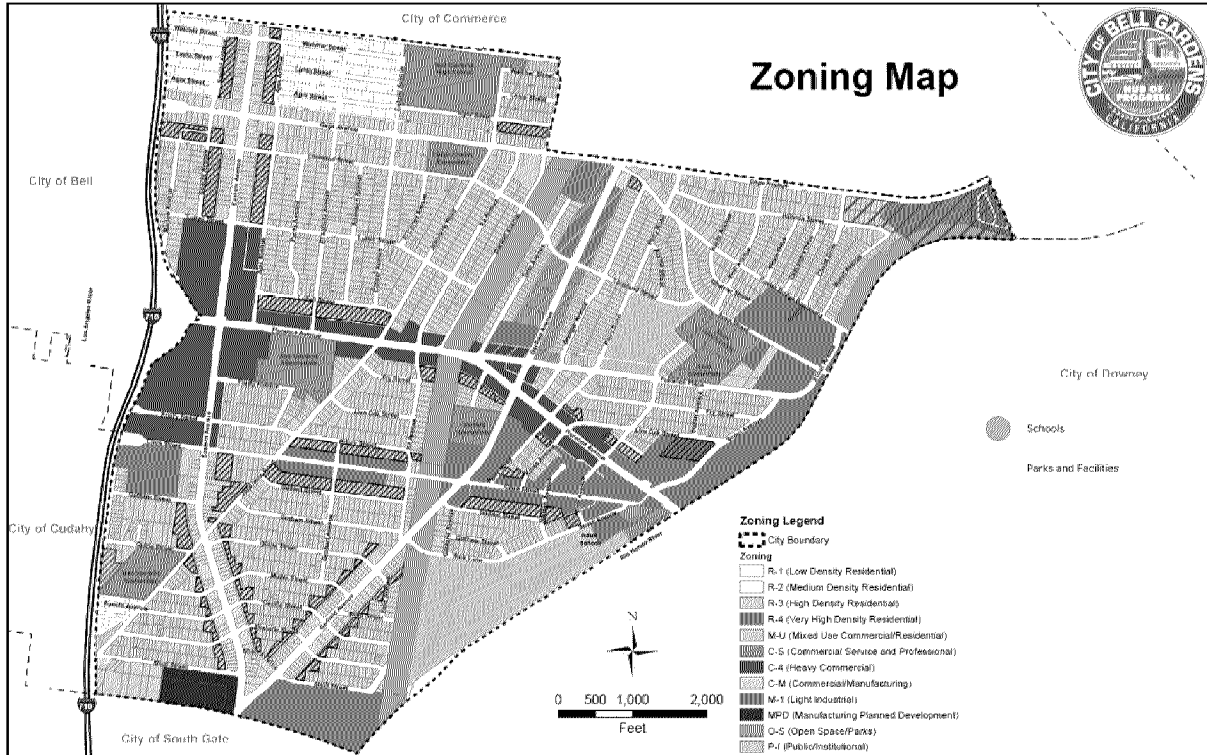


Figure 1 - This depiction demonstrates areas known to have sensitive receptors that currently exist, excluding day care centers and youth centers, which would restrict locations where commercial cannabis activity could potentially occur.

Figure 2: Approximate Potential Commercial Cannabis Activity Locations based on Distancing and Siting Criteria Presented in Exhibit 1

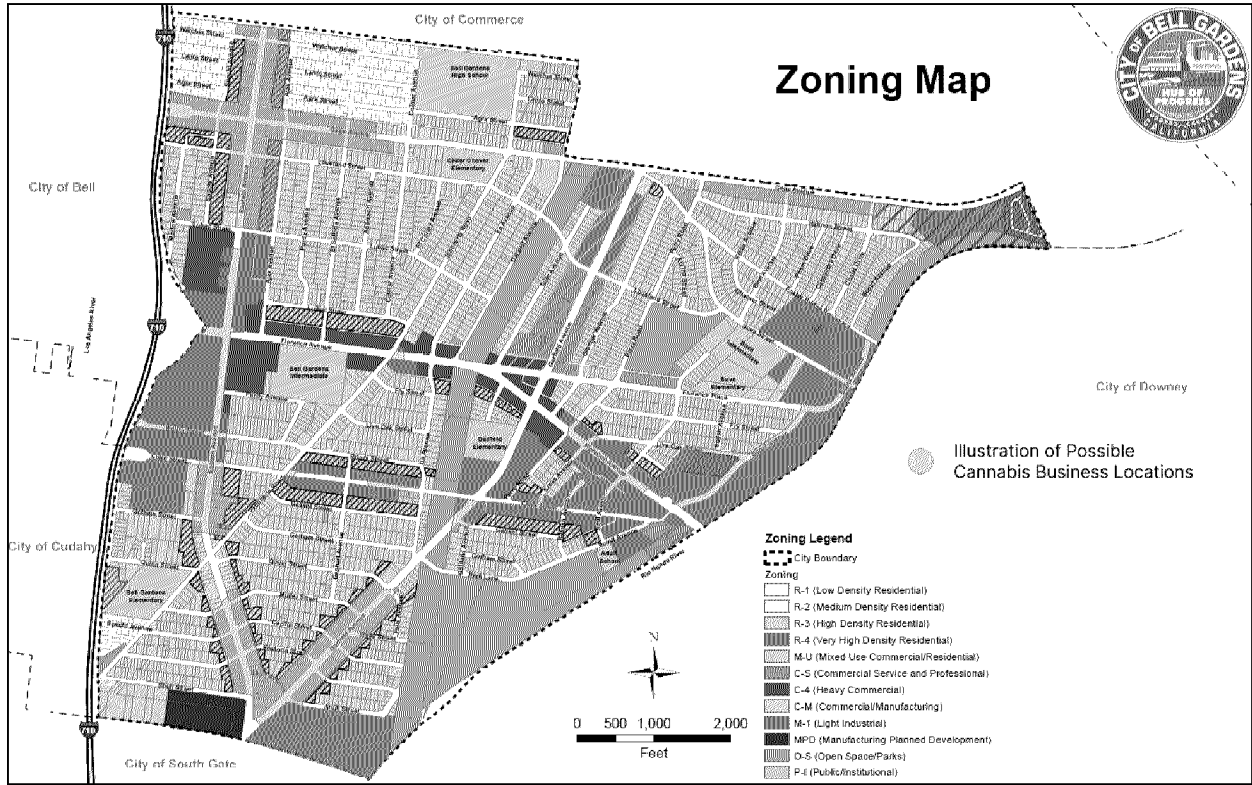


Figure 1 is an Illustration of potential commercial cannabis activity locations with approximate distance and zoning criteria considered.