

## CHAPTER 5.36 COMMERCIAL CANNABIS

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### **5.36.010 Purpose.**

The Adult Use of Marijuana Act (AUMA), adopted by the voters of the state of California in November 2016, decriminalized nonmedicinal cannabis and established a regulatory system for nonmedicinal cannabis businesses in California. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), enacted by the California Legislature in June 2017, established a comprehensive set of laws regulating both individual and commercial medicinal and nonmedicinal cannabis activity throughout the state of California. Under California law, local jurisdictions are authorized to either permit or prohibit the operation of cannabis businesses within their boundaries.

The City now desires to permit, license, and fully regulate commercial cannabis businesses and commercial cannabis activity within the city.

### 5.36.020 Definitions.

Unless the particular provision of the context otherwise requires, the definitions and provisions contained in this section shall govern the construction, meaning and application of words and phrases used in this chapter. Unless the context otherwise clearly indicates, words used in the singular include the plural and words used in the plural includes the singular.

“**A-License**” means a state license for commercial cannabis activity related to cannabis products for individuals 21 years of age and over without the need for a physician’s recommendation.

“**Applicant**” means the owner or owners applying for a commercial cannabis permit pursuant to this chapter.

“**Backflow preventer**” means a device approved by the General Manager that is designed to keep the undesirable reversal of flow of a liquid, gas, or suspended solid into the city’s potable water supply.

“**Cannabis**” means all parts of the 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 definition, “Cannabis” does not mean or include industrial hemp.

“**Cannabis concentrate**” means 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. Cannabis concentrate does not include any product intended for oral ingestion by the final consumer. A cannabis concentrate is not considered food, as defined by Health and Safety Code Section 109935, or drug, as defined by Health and Safety Code Section 109925.

“**Cannabis product**” means cannabis that has undergone a process whereby the plant material has been concentrated and, with or without the addition of ingredients, been transformed into a product for sale. Cannabis products include but are not limited to: cannabis concentrate, edible cannabis products, topical cannabis, or an inhalant containing cannabis or cannabis product.

“**Cannabis waste**” means waste that is not hazardous waste which contains cannabis and that has been made unusable and unrecognizable in the manner required by the state cannabis laws.

“**City Attorney**” means the City Attorney of the City of Corona, or his/her designee.

“**City Manager**” means the City Manager of the City of Corona, or his/her designee.

**“Commercial cannabis activity”** means the commercial possession, furnishing, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis or cannabis products.

**“Commercial cannabis business”** means any person lawfully engaged in a commercial cannabis activity, which may include businesses operating with an A-License, a M-License or both.

**“Commercial cannabis operational agreement”** means an agreement entered into by and between the City and the owner(s) of a commercial cannabis business setting forth the terms and conditions under which the commercial cannabis business shall operate, in addition to the requirements of this chapter, the state cannabis laws and all other applicable state and local laws, rules and regulations, and such other terms and conditions that will protect and promote the public health, safety and welfare.

**“Commercial cannabis permit”** means the regulatory permit issued by the city pursuant to this chapter that authorizes the permittee to operate a commercial cannabis business or engage in a commercial cannabis activity within the city.

**“Community Development Director”** means the Community Development Director of the City of Corona, or his/her designee.

**“Convicted”** means a plea or verdict of guilty or a conviction following entry of a plea of no contest, but does not include any plea, verdict or conviction that is expunged pursuant to state or federal law.

**“Cultivation”** means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis or industrial hemp, other than for personal use.

**“Day” or “days”** means calendar day(s).

**“Day care center”** has the same meaning as in California Health and Safety Code Section 1596.76, as presently adopted or further amended.

**“Delivery”** means the commercial transfer of cannabis or cannabis products from a storefront or non-storefront retailer premises to a customer at a physical address. Delivery also includes the use by a storefront retailer or a non-storefront retailer of any technology platform to facilitate delivery.

**“Distribution”** means the procurement, sale, and transport of cannabis and cannabis products between commercial cannabis businesses.

**“Distributor”** means a person engaged in distribution.

**“DWP General Manager”** means the General Manager of the Department of Water and Power for the City of Corona, or his/her designee.

**“Edible cannabis product”** means a cannabis product 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 California Food and Agricultural Code Division 15 (commencing with Section 32501). An edible 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.

**“Fire code official”** means the person designated by the Fire Chief pursuant to the California Fire Code and Chapter 15.12 of this code who is charged with the administration and enforcement of the fire code.

**“Financial interest”** has the same meaning as Section 5004 of Division 42 of Title 16 of the California Code of Regulations, as presently adopted or further amended.

**“Hazardous waste”** means the waste that meets the criteria described in California Public Resources Code § 40191, as presently adopted or further amended.

**“Industrial hemp”** means a crop 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 resin produced therefrom.

**“Labor peace agreement”** means an agreement between a permittee and any bona fide labor organization that is required by state cannabis laws and this chapter and that, at a minimum, protects public interests with the following provisions: (1) a prohibition on labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with a permittee’s commercial cannabis business; (2) an agreement by the permittee not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the permittee’s employees; access for a bona fide labor organization at reasonable times to areas in which the permittee’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.

**“Limited-access area”** means an area in which cannabis and cannabis products are stored or held and is only accessible to a permittee and its employees and authorized persons.

**“M-License”** means a state license for commercial cannabis activity involving medicinal cannabis for individuals 18 years of age and over with a physician’s recommendation.

**“Manager”** means any individual person(s) designated by a commercial cannabis business to manage day-to-day operations of the commercial cannabis business or any person acting with apparent management authority. Evidence of management authority includes, but is not limited to,

evidence that the person has the power to direct, supervise, or hire and dismiss employees or volunteers, control hours of operation, create policy rules, or purchase supplies.

“**Manufacture**” or “**manufacturing**” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

“**Manufacturer**” means a person engaged in manufacturing.

“**Medicinal cannabis**” means cannabis or a cannabis product for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at California Health and Safety Code Section 11362.5, by a medicinal cannabis patient in California who possesses a physician’s recommendation.

“**Microbusiness**” means a person engaged in manufacturing, distribution and the retail sale of cannabis on the same premises.

“**Minor**” means an individual under 18 years of age.

“**Non-Storefront Retailer**” means a person that offers cannabis, cannabis products, or devices for the use of cannabis or cannabis products, either individually or in any combination, for retail sale to customers exclusively by delivery.

“**Officer**” means any of the following:

- (1) The chief executive officer of an entity engaged in a commercial cannabis business.
- (2) A member of the board of directors of an entity engaged in a commercial cannabis business.
- (3) A person participating in the direction or control of an applicant for a commercial cannabis permit or any owner of a commercial cannabis business within the city.

“**Owner**” means a person with an aggregate ownership interest, direct or indirect, of 20 percent (20%) or more in a commercial cannabis business, whether a partner, shareholder, member, or the like, including any security, lien, or encumbrance in an ownership interest that, upon default, could become an ownership interest of 20 percent (20%) or more in a commercial cannabis business.

“**Permittee**” means any person who has been issued a commercial cannabis permit pursuant to this chapter.

“**Permittee representative**” means any owner, officer, manager or employee of a commercial cannabis business.

“**Person**” means any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination of persons acting as a unit.

“**Police Chief**” means the Chief of the Corona Police Department, or his/her designee.

“**Premises**” means the designated structure or structures and land, or portions thereof, specified in an application for a commercial cannabis permit or, if a commercial cannabis permit is issued, that is owned, leased, or otherwise held under the control of the permittee, and is designated as the structure or structures and land, or portions thereof, where the commercial cannabis business will be or is operated.

“**Private parks**” means privately owned outdoor premises, available for community use, containing recreational areas or playground equipment, including tot-lots, swings, or similar equipment, designed for use by minors. Where a private park is located within a parcel containing other uses, the private park premises shall be defined as the area within which all recreational areas or playground equipment designed for use by minors is contained.

“**Public parks**” means outdoor premises containing existing or proposed parks, including community parks, neighborhood parks, mini-parks, and urban parks that are currently or proposed to be owned or operated by the city or other governmental agency.

“**Residential zone**” means an A, A-14.4, R-1A, R-20.0, R-12.0, R-1-9.6, R-1.8.4, R-1-7.2, R-1-14.4, R-2, R-3, R-3-C, R-G or MP zone, a residential land use adopted by a specific plan, or an equivalent residential zone, in each case within which residential uses are allowed by right.

“**Retail area**” means a building, room, or other area on the premises of a storefront retailer or storefront retail microbusiness that is open to the public and upon which the permittee is authorized to engage in the retail sale of cannabis or cannabis products.

“**Storefront Retail Microbusiness**” means a microbusiness that includes a storefront retailer as a component of the business.

“**Retailer**” means a person engaged in the retail sale of cannabis and/or cannabis products directly to a consumer. Retailer shall include storefront retailer and non-storefront retailer.

“**Sell**” and “**sale**” mean any transaction whereby, for any consideration, title to cannabis or cannabis products is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same.

“**State**” means the state of California.

“**State cannabis laws**” means the laws of the state of California, as presently adopted or further amended, which include, but are not limited to, California Health and Safety Code Section 11000 et seq.; California Health and Safety Sections 11362.1 through 11362.45; California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Section 11362.7 et seq. (Medical Marijuana Program); California Health and Safety Code Section 26000 et seq. (Medicinal and Adult-Use Cannabis Regulation and Safety Act



(“MAUCRSA”), as such laws may be amended from time to time; the California Attorney General’s Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August 2008, as such guidelines may be revised from time to time by action of the Attorney General; California Labor Code Section 147.5; California Revenue and Taxation Code Sections 31020 and 34010 through 34021.5; California Fish and Game Code Section 12029; California Water Code Section 13276; all state regulations adopted pursuant to MAUCRSA; and all other applicable laws of the state of California, as presently adopted or further amended.

“**State license**” means a license issued by the state of California, or one of its departments or divisions, under the state cannabis laws to engage in commercial cannabis activity.

“**Storefront retailer**” means a person that offers cannabis, cannabis products, or devices for the use thereof, either individually or in any combination, for retail sale to customers exclusively at premises providing access to the public.

“**Testing laboratory**” means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following:

- (1) Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state; and
- (2) Licensed by the state.

“**Topical cannabis**” means a product intended for external application and/or absorption through the skin. A topical cannabis product is not considered a drug as defined by California Health and Safety Code Section 109925.

“**Track and trace system**” means the program used statewide to record the inventory and movement of cannabis and cannabis products through the commercial cannabis supply chain— from seed to sale.

“**Transfer**” means to sell, transfer, pledge, assign, grant an option, or otherwise dispose of a commercial cannabis business or a commercial cannabis permit. The transfer, or attempted transfer, of all or any portion of a permitted commercial cannabis business shall constitute the transfer, or attempted transfer, of the underlying commercial cannabis permit.

“**Transport**” means transfer of cannabis or cannabis products from the premises of one commercial cannabis business to the premises of another commercial cannabis business, for the purposes of conducting commercial cannabis activity authorized by the state cannabis laws and this chapter.

“**Youth center**” has the same meaning as in California Health and Safety Code Section 11353.1, as presently adopted or further amended..

**5.36.030 Permitted and prohibited commercial cannabis activities.**

(A) **Permitted types of commercial cannabis activities.** To the extent expressly authorized in this chapter and Title 17 of this code, the following commercial cannabis activities are permitted in the City of Corona, subject to the satisfaction of all requirements set forth in this chapter, Title 17 of this code, the state cannabis laws, and all other applicable federal, state and local laws, rules and regulations:

- (1) Storefront retailer
- (2) Non-storefront retailer
- (3) Manufacturing
- (4) Distribution
- (5) Testing Laboratory
- (6) Microbusiness

(B) **Prohibited types of commercial cannabis activities.** Notwithstanding anything herein to the contrary, cultivation, indoors or outdoors, is expressly prohibited. No commercial cannabis permit shall be approved or issued for the commercial cannabis activity of cultivation within the city and no person shall otherwise establish or conduct cannabis cultivation within the city.

(C) **Industrial hemp prohibited.** Nothing in this chapter shall be construed or interpreted to permit the commercial possession, furnishing, manufacture, cultivation, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of industrial hemp.

**5.36.040 Promulgation of rules, regulations, standards, policies and other requirements.**

(A) **Adoption.**

(1) City Council. The City Council shall adopt, by resolution, rules and regulations for permitting commercial cannabis businesses.

(2) City Manager. In addition to any rules and regulations adopted by the City Council, the City Manager is authorized to establish, consistent with the terms of this chapter and any such rules and regulations adopted by the City Council, any additional administrative rules, regulations, standards, policies or other requirements governing: (1) applications for commercial cannabis permits under this chapter; (2) the issuance, denial or renewal of commercial cannabis permits under this chapter; (3) the city's oversight of the ongoing operation of commercial cannabis businesses; and (4) any other subject determined to be necessary to carry out the purposes of this chapter.

(B) **Publication.** Rules, regulations, standards, policies and other requirements promulgated by the City Council or the City Manager shall be published on the city's website and maintained and available to the public in the office of the City Clerk.



(C) **Effective date.** Rules, regulations, standards, policies and other requirements promulgated by the City Council or the City Manager shall be effective not only for future permittees, but shall also apply to existing valid commercial cannabis permits. Such rules, regulations, standards, policies and other requirements shall become effective and enforceable upon the date of publication on the city's website or, with respect to existing valid commercial cannabis permits, upon the date specified in a written notice to the permittee.

**5.36.050 City permit - required.**

(A) **Permit required.** No person shall establish or operate a commercial cannabis business or engage in commercial cannabis activity within the city unless such business or activity is currently in compliance with all applicable state and local laws, rules and regulations and that person has:

- (1) A valid city business license to conduct such business or activity;
- (2) A valid commercial cannabis permit issued by the city pursuant to this chapter to conduct such business or activity;
- (3) A valid state license authorizing such business or activity in the city;
- (4) A valid commercial cannabis operational agreement with the city to conduct such business or activity; and
- (5) A valid certificate of occupancy issued by the city's building division to the applicant or permittee to conduct the commercial cannabis business or commercial cannabis activity at the premises identified in the commercial cannabis permit.

(B) **Separate permits required.** A separate commercial cannabis permit shall be required for each type of commercial cannabis business listed in § 5.36.060(A) whether conducted or engaged in on the same premises or on different premises.

**5.36.060 City permit - Maximum number and types.**

(A) **Maximum number.** The maximum number of commercial cannabis permits for each type of commercial cannabis business that are available for issuance within the city shall be as follows:

- (1) Storefront retailer and/or storefront retail microbusiness: Seventeen (17) total or as established by City Council resolution pursuant to § 5.36.060(E).
- (2) Non-storefront retailer: No numerical limit
- (3) Manufacturer: No numerical limit
- (4) Distribution: No numerical limit
- (5) Testing laboratory: No numerical limit
- (6) Microbusiness that includes a non-storefront retailer component: No numerical limit

(B) **No other commercial cannabis businesses permitted.** No commercial cannabis permit shall issue for any type of business involving a commercial cannabis activity other than those identified in subsection (A) above.

(C) **Multiple retail locations prohibited.** A retail commercial cannabis business shall not be permitted to operate at multiple locations in the city. A commercial cannabis permit shall not be issued for a retail commercial cannabis business to any person who is the owner of, or has

a financial interest in, another retail commercial cannabis business that is operating in the city or that has obtained a commercial cannabis permit to operate in the city.

(D) **Increase or decrease of maximum number.** The City Council reserves the right at any time to consider whether the City should increase or decrease the maximum number of commercial cannabis permits available for issuance within the city for any or all types of commercial cannabis activities, or to impose a cap on previously uncapped commercial cannabis activities. If the City Council proceeds with a decrease in the total number of commercial cannabis permits for any or all types of commercial cannabis activities within the City, any such action shall include provisions for determining which, if any, existing commercial cannabis permits shall be eliminated and when operations for eliminated commercial cannabis permits shall cease.

(E) **Resolution required.** The City Council shall increase or decrease the maximum number of commercial cannabis permits available for issuance for any or all commercial cannabis activities by resolution.

#### **5.36.070 City permit - Separation requirements.**

(A) **Retailers and storefront retail microbusinesses.** No retailer or storefront retail microbusiness shall be located within a 1,000-foot radius, measured from the public entrance of the retailer, of the perimeter of any of the following that are in existence at the time the commercial cannabis permit for the retailer or storefront retail microbusiness is issued:

- (1) Public or private school providing instruction in kindergarten or any of grades 1 to 12;
- (2) Youth center;
- (3) Day care center;
- (4) Public or private park;
- (5) Residential zone; or
- (6) Any other retailer or storefront retail microbusiness

(B) **Manufacturers, Distributors and Testing Laboratories.** No manufacturer, distributor, or testing laboratory shall be located within a 600-foot radius, measured from the primary entrance of such commercial cannabis business, of the perimeter of any of the following that are in existence at the time the commercial cannabis permit for the manufacturer, distributor or testing laboratory is issued:

- (1) Public or private school providing instruction in kindergarten or any of grades 1 to 12;
- (2) Youth center;
- (3) Day care center;
- (4) Public or private park; or
- (5) Residential zone.

(C) **Freeway excluded.** For purposes of measuring the distance between commercial cannabis businesses and the uses described in subsections (A) and (B) above, the measurement shall stop at, and shall not include, State Route 91 and Interstate 15, as applicable, provided that the distance between the commercial cannabis business and the uses described in subsections (A) and (B) above comply with the requirements of the state cannabis laws. Currently, the state

cannabis laws prohibit a commercial cannabis business from being located within a 600-foot radius of the uses identified in Subsections (A)(1) through (A)(3) and (B)(1) through (B)(3) above.

### **5.36.080 City permit - Application procedures.**

#### **(A) Adoption.**

(1) **City Council.** Within the rules and regulations for permitting commercial cannabis businesses provided for in § 5.36.040, the City Council shall include procedures to govern the application process and the manner in which the decision will ultimately be made regarding the issuance of any commercial cannabis permit(s). For purposes of applications for storefront retailers and storefront retail microbusinesses, such procedures shall include detailed objective review criteria and a point system or equivalent evaluation scale tied to each set of review criteria.

(2) **City Manager.** As provided for in § 5.36.040, the City Manager shall be authorized to take any of the following actions, so long as they are consistent with the terms of this chapter and any rules and regulations adopted by the City Council: (1) prepare any necessary forms; (2) adopt any necessary rules, regulations, standards, policies and other requirements regarding applications; (3) solicit applications; (4) oversee the evaluation of the applicants; and (5) adopt any other rules, regulations, standards, policies and other requirements determined to be necessary to carry out the purposes of this chapter or any rules and regulations adopted by the City Council.

(B) **Payment of application fee.** At the time of filing, each applicant shall pay an application fee established by resolution of the City Council.

(C) **Rejection of applications.** Applications may be rejected due to untimely submission, failure to provide the required information or documentation, not being fully responsive to the requirements of the application process or the inclusion of any false, misleading or fraudulent statement in or the omission of any pertinent fact from the application or during the application process.

### **5.36.090 City permit - Denial.**

(A) **Grounds for denial.** An application for a commercial cannabis permit shall be denied if one or more of the following conditions exist:

- (1) The applicant has not paid all fees required pursuant to this chapter.
- (2) The application is incomplete, filed late, or is otherwise not responsive to the requirements of this chapter.
- (3) The application contains a false or misleading statement or omission of a material fact.
- (4) The applicant or any owner, officer or manager is not at least twenty-one (21) years old.
- (5) The applicant or any owner, officer or manager has unpaid and overdue administrative penalties imposed for violations of the Corona Municipal Code.

(6) The applicant or any owner, officer or manager has an unpaid civil judgment imposed for violation(s) of the Corona Municipal Code.

(7) The applicant or any owner, officer or manager has been convicted of any of the following charges:

(a) Any felony offense within the past ten (10) years;

(b) A crime involving use of money to engage in criminal activity within the past ten (10) years;

(c) Unlawful possession or use of a firearm within the past ten (10) years; or

(d) Drug-related misdemeanor (other than cannabis) within the past three (3) years.

(8) The applicant or any owner, officer or manager is on probation or parole for the sale of drugs (other than cannabis).

(9) The applicant or any owner, officer or manager has been denied a license or permit or other authorization to engage in commercial cannabis activity by a state or local licensing or permitting authority.

(10) The premises or the operation of the applicant's commercial cannabis business, as described in its application, would fail to comply with any provision of the Corona Municipal Code, or any state law or regulation.

#### **5.36.100 City permit – Amendment for physical modification of premises.**

(A) **No physical modifications without approval.** No permittee shall, without the prior written approval of the city, make a physical change, alteration, or modification to the premises that materially or substantially alters the premises or the use of the premises from the premises diagram and floorplan originally filed with the application for a commercial cannabis permit.

(B) **Request for premises modification.** A permittee who proposes to materially or substantially change, alter or modify the premises shall submit a request for premises modification to the city on a form issued or approved by the City Manager. The request for premises modification shall include a new premises diagram and floorplan that depicts the proposed changes, alterations or modifications to the premises and any other documentation requested by the city to evaluate the permittee's request. At the time of filing the request for premises modification, the permittee shall pay a fee in an amount established by resolution of the City Council.

(C) **Material or substantial modifications.** For purposes of this section, the following changes, alterations, or modifications to the premises shall be considered material or substantial:

(1) The removal, creation, or relocation of a common entryway, doorway, passage, or a means of public entry or exit, when such common entryway, doorway, or passage alters or changes limited-access areas within the premises;

(2) The removal, creation, or relocation of a wall or barrier;

(3) Changing the activities conducted in or the use of an area identified in the last premises diagram provided to and approved by the city; or

(4) Changes or alterations that violate any applicable provision of this code, the California Building Code or the California Fire Code.

(D) **Building permits.** Notwithstanding anything in this chapter to the contrary, a physical change, alteration, or modification to the premises shall be subject to all other requirements of this code, including, but not limited to the building permit requirements.

### **5.36.110 City permit - Expiration.**

A commercial cannabis permit issued pursuant to this chapter shall expire one (1) year after the date of issuance. No permit issued pursuant to this chapter shall confer any vested right to any person or business for more than the permit period. Commercial cannabis permits may be renewed pursuant to Section 5.36.120.

### **5.36.120 City permit - Renewal.**

(A) **Renewal application.** An application for renewal of a commercial cannabis permit shall be filed with the City Manager's office at least sixty (60) days prior to the expiration date of the current commercial cannabis permit.

(B) **Payment of fees.** At the time of filing the application for renewal, the applicant shall pay a fee in an amount established by resolution of the City Council. Any applicant submitting an application less than sixty (60) days before its expiration shall be required to pay a late renewal application fee, as established by resolution of the City Council.

(C) **Application form.** The application for renewal shall be submitted on a form issued or approved by the City Manager and shall contain all the information required for a new application for a commercial cannabis permit.

(D) **Denial of renewal application.** An application for renewal of a commercial cannabis permit may be denied if any of the following grounds exists:

- (1) Any of the grounds for suspension or revocation under § 5.36.120.
- (2) The commercial cannabis permit has been suspended or revoked at the time of the application for renewal.
- (3) The commercial cannabis business has not been in regular and continuous operation in the four (4) months prior to the renewal application.
- (4) The permittee fails to or is unable to renew its state license.
- (5) The permittee has made a false, misleading or fraudulent statement or omission of fact as to any information provided to City pursuant to this chapter.

(F) **City Manager authority.** The City Manager is authorized to make all decisions concerning the renewal of a commercial cannabis permit. In making the decision, the City Manager is authorized to impose additional conditions on the commercial cannabis permit if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare.

(G) **Service of decision on permittee.** The City Manager shall, either personally or by first class mail addressed to the address listed on the renewal application, serve the permittee with dated written notice of the City Manager's decision to approve or deny the renewal, and the right of the permittee to appeal the decision pursuant to Chapter 1.09 of this code.

(H) **Validity of permit pending City Manager decision.** If a permittee submits the required renewal application, but a written approval from the City has not been received prior to

the expiration of the commercial cannabis permit, such permit shall be deemed conditionally renewed until service of the City Manager's written decision on the renewal application.

(I) **Appeal right.** The City Manager's decision on a renewal application may be appealed pursuant to Chapter 1.09 of this code.

(J) **Effect of denial.** If a renewal application is denied, the commercial cannabis permit shall no longer be effective and all related commercial cannabis activity must cease on or prior to the expiration date of the original commercial cannabis permit. A person denied a renewal of a commercial cannabis permit may file a new application pursuant to this chapter no sooner than one (1) year from the date of the denial.

### **5.36.130 City permit - Suspension or revocation.**

(A) **Grounds for suspension or revocation.** The City Manager may suspend, modify, further condition or revoke a commercial cannabis permit issued pursuant to this chapter for any of the following reasons:

(1) Failure of a permittee to comply with any requirement imposed by the provisions of this code (or successor provision or provisions) including any rule, regulation, condition or standard adopted pursuant to this chapter, or any term or condition imposed on the commercial cannabis permit, or any provision of the state cannabis laws, or any applicable local law or regulations. Any act or omission of any permittee representative constituting a violation of the provisions of this chapter shall be deemed the act or omission of the permittee for purposes of determining whether the commercial cannabis permit shall be suspended and/or revoked.

(2) Any change in the ownership of a commercial cannabis business that does not have City's prior written approval, to the extent required under this chapter.

(3) Revocation of a permittee's state license.

(4) Denying the city and/or its representatives access to the premises or records of a permittee.

(5) The conviction of permittee, or any permittee representative of the commercial cannabis business, of any of the following charges:

(a) Any felony offense within the past ten (10) years;

(b) A crime involving use of money to engage in criminal activity within the past ten (10) years;

(c) Unlawful possession or use of a firearm within the past ten (10) years; or

(d) Drug-related misdemeanor (other than cannabis) within the past three (3) years.

(6) The placement on probation or parole of permittee, or any permittee representative of the commercial cannabis business for the sale of drugs (other than cannabis).

(B) **Notice to permittee.** If the City Manager determines that a ground for suspension and/or revocation of a commercial cannabis permit exists, the City Manager shall give written notice of suspension and/or revocation to the permittee, either personally or by first class mail addressed to the address listed on the application. This notice shall state the reasons for the action, the effective date of the suspension and/or revocation, and the right of the permittee to appeal the decision pursuant to Chapter 1.09 of this code.



### **5.36.140 City permit - Effect of state license suspension, revocation, or termination.**

(A) **Effect of state license suspension.** Suspension of a state license shall immediately suspend the commercial cannabis permit and the ability of a commercial cannabis business to operate within the city, unless and until the state of California, or its respective department or division, reinstates or reissues the State license.

(B) **Effect of state license revocation.** Revocation or termination of a state license shall also immediately revoke or terminate the commercial cannabis permit and the ability of a permittee, or any permittee representative of a commercial cannabis business to operate a commercial cannabis business within the city, unless and until the state of California, or its respective department or division, reinstates or reissues the State license.

### **5.36.150 City permit and permittee - Restrictions on transfer, change or alteration.**

(A) **Transfer of a permit prohibited.** A commercial cannabis permit is valid only as to the permittee. No permittee is allowed to transfer its commercial cannabis permit to any person except pursuant to the terms of this section. Except as permitted, any such transfer or attempted transfer shall be deemed to constitute a voluntary surrender of the commercial cannabis permit and such commercial cannabis permit shall thereafter be null and void, except as set forth in this chapter.

(B) **Transfer of less than majority ownership.** A permittee may transfer less than 50 percent (50%) ownership or control of a commercial cannabis permit with prior written approval of the City Manager after submission of all required application materials, payment of applicable fees as established by resolution of City Council, and a determination that the transferee(s) satisfy(ies) the requirements of this chapter such as to be entitled to the issuance of an original commercial cannabis permit.

(C) **Change in name or form of business entity.** A permittee may change the name or form of business entity without applying to the City Manager for a new commercial cannabis permit if the ownership of the new business entity is the same as the original business entity. Although a new commercial cannabis permit is not required, the permittee shall notify the City in writing of the change within 30 days of the change, and obtain an amendment to the original commercial cannabis permit and the commercial cannabis operational agreement after paying the applicable fee established by resolution of the City Council.

(D) **No transfer for first 12 months.** No permittee shall be allowed to transfer all or any portion of its commercial cannabis permit prior to twelve (12) months after the permittee has opened and continuously operated its commercial cannabis business authorized thereunder.

(E) **Commercial cannabis business name.** No permittee shall operate, conduct, manage, engage in, or carry on the business of a commercial cannabis business under any name other than the name of the commercial cannabis business specified in the commercial cannabis permit.

(F) **No transfer if permit suspended.** No permittee may avail themselves of the provisions of this section if the City Manager has notified the permittee that the commercial cannabis permit has been or may be suspended, revoked, or not renewed.

(G) **No transfer of certificate of occupancy.** A certificate of occupancy issued by the city's building division for a commercial cannabis business is valid only as to the permittee. No permittee is allowed to transfer the certificate of occupancy to any person. A new certificate of

occupancy shall be required for any transfer or change otherwise permitted pursuant to this section that results in a change in the name of the permittee.

(H) **Effect of failure to comply.** Failure to comply with this section constitutes grounds for suspension or revocation of a commercial cannabis permit.

(I) **No extension of permit.** Any change or transfer permitted under this section shall not extend the term of a commercial cannabis permit.

#### **5.36.160 Business premises - Restrictions on transfer, change or alteration.**

(A) **Permit nontransferable to other locations.** A commercial cannabis permit issued under this chapter is valid only as to the premises identified in and approved by the commercial cannabis permit, and is therefore nontransferable to other locations except as authorized in this section. No permittee is authorized to relocate to other areas or units within a building structure without first obtaining written approval from the City Manager, regardless of any possessory interest or right of possession to such additional space.

(B) **City Manager authority.** No permittee shall change the location of the premises identified in and approved by the commercial cannabis permit until any such change of location is approved by the City Manager. As provided in § 5.36.040, the City Manager shall adopt a process (to include any necessary forms and procedures) to change the location of the premises approved in accordance with the commercial cannabis permit that includes, but is not limited to, the following:

(1) The permittee shall submit a change of location application to the city at least ninety (90) days prior to the proposed change, along with any fees established by resolution of the City Council.

(2) The proposed location shall meet all of the requirements under this code, including, but not limited to, this chapter and Title 17.

(3) The proposed location shall be reviewed and evaluated using review criteria as referenced in § 5.36.070.

(4) The change in location of premises shall be subject to the prior review and approval by the Community Development Director and any and all other licenses, approvals, or permits required under State law and this code.

(C) **Other approvals.** All required state and city approvals, plan approvals, permits, and licenses must be obtained before causing, allowing, or licensing alterations to, and/or extensions or expansions of, the existing building(s), structure(s), or portions thereof on the premises approved as a location for a commercial cannabis business. Said alterations, extensions, or expansions shall comply with all applicable laws, regulations and standards, including those concerning building safety and occupancy.

#### **5.36.170 Operating requirements - all commercial cannabis businesses.**

(A) **Cannabis use on premises prohibited.** No person shall consume cannabis and/or cannabis products on the premises of a commercial cannabis business. The permittee shall take reasonable steps to prevent the use and consumption of cannabis or cannabis products on the premises, which, at a minimum, shall include posting, in one or more clearly visible locations on the premises, a clear and legible notice indicating that smoking, ingesting, or otherwise consuming

cannabis or cannabis products on the premises or in the areas adjacent to the commercial cannabis business is prohibited.

(B) **No alcohol or tobacco on premises.** No person shall cause or license the sale, dispensing, or consumption of alcoholic beverages or tobacco products on the premises of a commercial cannabis business.

(C) **No visible cannabis.** No cannabis or cannabis products shall be visible from the exterior of any premises issued a commercial cannabis permit, or on any of the vehicles owned or used as part of a commercial cannabis business.

(D) **No outdoor storage or operations.** Outdoor storage of cannabis or cannabis products is prohibited. All operations of the commercial cannabis business shall be performed within an enclosed building. Special events or temporary uses that would involve outdoor sales or display of cannabis or cannabis products are prohibited. Notwithstanding the foregoing, goods and materials used in the manufacturing, distribution or testing of cannabis or cannabis products, other than cannabis or cannabis products, may be stored outdoors at the rear of the premises of a manufacturer, distributor or testing laboratory provided that such goods and materials are properly secured behind fencing that provides adequate screening of such goods and materials from public rights-of-way and otherwise stored in compliance with the provisions of § 17.44.090 of this code.

(E) **Track and trace requirements.** Commercial cannabis businesses shall create and maintain an active account within the state's track and trace system, as required by the state cannabis laws, prior to commencing any commercial cannabis activity. In the event of system failure, the business shall keep a hard copy record and transfer the information to the track and trace system within twenty-four (24) hours of the system being available.

(F) **Compliance with all laws.** All cannabis and cannabis products sold, tested, distributed or manufactured within the city shall be cultivated, manufactured, and transported only by persons who maintain full conformance with the state cannabis laws, and all other state regulations and local laws, rules and regulations. Except as otherwise specifically provided herein, this chapter incorporates all requirements and procedures set forth in the state cannabis laws. In the event of a conflict between the provisions of this chapter and the provisions of the state cannabis laws or any other applicable state or local law, the more restrictive provision shall apply. To the extent allowed by the state cannabis laws, the city shall have the right, but not the obligation, to enforce all applicable state cannabis laws

(G) **Manager on premises.** All commercial cannabis businesses shall have a manager on the premises at all times during hours of operation.

(H) **Emergency contact.** Each commercial cannabis business shall provide the City Manager with the name, telephone number (both land line and mobile, if available) of an on-site manager or owner to whom emergency notice may be provided at any hour of any day.

(I) **Age restriction.** Persons under the age of 21 years shall not be allowed on the premises of a commercial cannabis business unless that business holds a valid M-License. Persons under the age of 21 years shall not be allowed to serve as a driver for a retailer. It shall be unlawful and a violation of this chapter for any person to employ an individual or otherwise allow an individual to volunteer at a commercial cannabis business who is not at least 21 years of age.

(J) **Odor control.** Each commercial cannabis business premises shall be designed and constructed to ensure that all odors generated by the business are contained on the premises. The premises should be designed so that demising walls are full height and extend to the bottom of the roof deck and joints are sealed unless the permittee can demonstrate to the satisfaction of the

Building Official that the odor control system required by this subsection will adequately prevent odor migration into adjacent units or suites. Each commercial cannabis business shall have installed on the premises an odor control system prepared by a registered design professional specializing in such systems that is designed in accordance with the California Mechanical Code. At a minimum, the odor control system shall:

(1) include makeup and process air for odor control, comfort and proper working conditions for employees of the commercial cannabis business, and to replenish exhausted air;

(2) be designed to prevent cannabis odors from being detected outside of the premises, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common areas that are available for use by common tenants or the visiting public, or within other units or spaces attached to the same building;

(3) be designed so as not to create a violation of other codes or interfere with other fire and life safety systems and devices, including, without limitation, systems for smoke and fire detection or suppression;

(4) include a description of the maintenance to occur on the odor control system for optimum performance; and

(5) include an air balance report and odor control certification prepared by the registered design professional that designed the system to be submitted to the Building Division for review and approval prior to issuance of a certificate of occupancy for the commercial cannabis business.

(K) **Display of commercial cannabis permit and city business license.** A copy of the state license, the commercial cannabis permit and the city business license issued to a commercial cannabis business shall be posted inside the premises of the commercial cannabis business in a location readily visible to the public and/or city personnel.

(L) **Employee identification.** Each and every employee of a permittee must, at all times when present on the premises of a commercial cannabis business or while conducting a delivery, wear an identification badge issued by the Corona Police Department containing the employee's photograph, age, the name of the permittee or commercial cannabis business for whom they are employed, and, if the employee is a manager, the employee's job title.

(M) **Delaying or lingering prohibited.** The permittee shall take reasonable steps to prevent individuals from delaying or lingering on the premises without a lawful purpose.

(N) **Licenses and other approvals.** Throughout the term of a commercial cannabis permit, the permittee shall maintain all applicable planning, zoning, building, fire and other applicable licenses, permits, and approvals from the relevant City department or division that may be applicable to the zoning district in which the commercial cannabis business is located, including, but not limited to, the requirements provided for in Section 5.36.170(O) below.

(O) **City zoning requirements.** A commercial cannabis business shall be permitted to operate only in the zoning districts in which such use is expressly permitted by Title 17 of this code.

(P) **Fees and charges.**

(1) No person may operate a commercial cannabis business without timely paying in full all fees and charges required by this code or any other applicable state or local law, rule or regulation.

(2) Permittees authorized to operate a commercial cannabis business under this chapter shall pay all sales, use, business and other applicable taxes, and all license, registration,

and other fees required under federal, state and local law or under the commercial cannabis operational agreement for the commercial cannabis business. Each commercial cannabis business shall cooperate with City with respect to any reasonable request to audit the commercial cannabis business's books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes required to be paid during any period.

(Q) **Training requirements.** City reserves the right to impose training requirements on permittees, any permittee representative, and others involved in the operation of a commercial cannabis business, with the specific requirements to be determined and implemented through regulations adopted pursuant to § 5.36.040.

(R) **Temporary cannabis events prohibited.** Temporary cannabis events, as described in Chapter 5 of Division 42 of Title 16 of the California Code of Regulations as presently adopted or further amended, are prohibited in the city at all times.

(S) **Signage.** Signs for commercial cannabis businesses shall maintain compliance with Chapter 17.74 of this code.

(T) **Live Scan/Background check.** Every person listed as an owner, officer, manager, employee or volunteer of a commercial cannabis business shall submit fingerprints and other information deemed necessary by the Police Chief for a live scan/background check by the Corona Police Department prior to the issuance of a commercial cannabis permit or renewal of a commercial cannabis permit. No person shall be permitted to operate or work in a commercial cannabis business unless they have first cleared the live scan/background check, as determined by the Police Chief. A fee for the cost of the live scan/background check, as established by resolution of the City Council, shall be paid at the time the application for a commercial cannabis business permit is submitted no later than the time the fingerprints are submitted.

(U) **Security systems.**

(1) **Video surveillance system.** Each commercial cannabis business shall have a video surveillance system that complies with the requirements of Section 5044 of Title 16 of the California Code of Regulations, as presently adopted or further amended, professionally installed and maintained on the premises. The video surveillance system shall be of adequate quality, color rendition and resolution to allow the ready identification of any individual committing a crime anywhere on or adjacent to the premises. The video surveillance system storage device and cameras shall be compatible with the city's software and hardware and shall be transmission control protocol/TCP capable of being accessed through the internet by the Corona Police Department upon request. In addition, the video surveillance system must be capable of providing remote and real-time, live access to the video surveillance footage if required by the Corona Police Department. Permittee shall maintain video surveillance recordings for a minimum of ninety (90) days and shall make them available to the city for inspection or copy upon request.

(2) **Alarm system.** Each commercial cannabis business shall have a silent alarm system that complies with the requirements of Section 5047 of Title 16 of the California Code of Regulations, as presently adopted or further amended, professionally installed and maintained on the premises.

(3) **Monitoring.** The video surveillance and alarm systems required by this subsection shall be monitored by an approved supervising station, which shall be a UL-listed central station alarm monitoring company, as required by the California Fire Code.



(4) **Security plan.** Each commercial cannabis business shall comply with all requirements of the security plan submitted with the application for a commercial cannabis permit for review and approval by the Police Chief.

(5) **Live video and audio feed.** The video surveillance and alarm systems installed on the premises shall be capable of allowing the alarm monitoring company to view and hear live video of the premises upon activation of the alarm that can be relayed to the Corona Police Department.

(6) **Compliance with Chapter 15.52.** In addition to the requirements provided for in this § 5.36.180(T), each commercial cannabis business shall maintain compliance with all requirements set forth in Chapter 15.52 of this code.

(V) **Labor peace agreement.** The permittee or owner of each commercial cannabis business shall enter into a labor peace agreement, regardless of the number of employees, and shall abide by the terms of such agreement.

(W) **Security measures.** Each permittee shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the premises of the commercial cannabis business.

(X) **Power outages.** Each commercial cannabis business shall have the capability to remain secure during a power outage and each permittee shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks remain engaged and are not released during a power outage. Required exit doors shall be manually operable during a power outage to ensure safe egress as required by the California Building and Fire Codes.

(Y) **No liability for city.** As a condition of approval of a commercial cannabis permit, an applicant shall be required to meet all of the following conditions before they can receive the commercial cannabis permit:

(1) Execute an agreement, in a form approved by the City Attorney, agreeing, to the fullest extent permitted by law, to defend (with counsel of city's choosing), indemnify and hold the city, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of, pertaining to, or incident to the city's issuance of the commercial cannabis permit, the process used by the city in making its decision to issue a commercial cannabis permit or approve the operation of the commercial cannabis business, the operation of the commercial cannabis business or the prosecution of the applicant, permittee, or any permittee representative for violation of federal law or the state cannabis laws, including without limitation the payment of all settlement amounts, expert witness fees and attorney's fees and other related costs and expenses;

(2) Maintain insurance in the amounts and types that are acceptable to the City Council or City Attorney;

(3) Name the city as an additional insured on all required insurance policies;

(4) Agree to reimburse the city for any legal fees and court costs that the city may be required to pay as a result of any legal challenge related to the city's approval or issuance of a commercial cannabis permit or the operation of the commercial cannabis business. The city may, at its sole discretion, participate, at its own expense, in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.



(Z) **Violations of law not authorized.** Nothing in this chapter shall be construed as authorizing or condoning any actions that violate federal, state or local law with respect to the operation of a commercial cannabis business.

(AA) **Permittee responsible for compliance.** It shall be the responsibility of the permittee, and the permittee representatives of a commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with this chapter, the state cannabis laws, as well as all applicable federal, state, and local laws and regulations, including any subsequently enacted state or local law or regulatory, licensing, or certification standards or requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of a State license or a commercial cannabis permit.

(BB) **Permittee responsible for actions of employees.** The permittee shall be responsible for all violations of any applicable federal, state, and local laws and regulations committed by the permittee or any permittee representative, whether or not said violations occur within the permittee's presence. Violations by a permittee or any permittee representative may result in revocation or nonrenewal of the commercial cannabis permit.

(CC) **Additional operating requirements.** The City Manager may adopt other operating requirements or regulations as are determined to be necessary to protect the public health, safety and welfare. Each commercial cannabis business shall comply with such additional operating requirements or regulations.

#### **5.36.180 Operating requirements – Additional for retailers and storefront retail microbusinesses.**

(A) **Hours of operation.** The hours of operation for retailers and the retail area of storefront retail microbusinesses shall be 6:00 a.m. to 10:00 p.m. or as otherwise allowed by the state cannabis laws. The hours of operation shall be conspicuously posted near the public entrance of a storefront retailer.

(B) **Age restriction signs.** A storefront retailer or storefront retail microbusiness with an A-License shall conspicuously post and maintain a clear and legible sign, not less than eight (8) inches by ten (10) inches in size, at or near the public entrance of the storefront retailer or the retail area of the storefront retail microbusiness that states substantially as follows: "No persons under 21 years of age allowed inside these premises." A storefront retailer or storefront retail microbusiness with a M-License shall conspicuously post and maintain a clear and legible sign, not less than eight (8) inches by ten (10) inches in size, at or near the public entrance of the storefront retailer or the retail area of the storefront retail microbusiness that states substantially as follows: "No persons under 21 years of age allowed inside these premises, except persons who are at least 18 years of age are allowed with a current qualifying physician's recommendation for medicinal cannabis."

(C) **Video surveillance signs.** Retailers and storefront retail microbusinesses shall conspicuously post and maintain a clear and legible sign, not less than twelve (12) inches by twelve (12) inches in size with letters not less than one (1) inch in height, at or near the public entrance of the storefront retailer or the retail area of the storefront retail microbusiness that states substantially as follows: "All activities monitored by video camera."

(D) **Doors to remain unobstructed during hours of operation.** No door or access point within the premises of a retailer or within the retail area of a storefront retail microbusiness shall be blocked or obstructed by interior or exterior security gates, grilles or shutters during the

hours of operation for the commercial cannabis business. Interior security gates, grilles or shutters are permitted during non-operational hours only on the front main entrance to the premises.

(E) **No permanent window bars.** Permanent security or safety bars are prohibited and shall not be placed on any interior or exterior windows or doors on the premises of a storefront retailer or the retail area of a storefront retail microbusiness.

(F) **Security guards.** Storefront retailers and storefront retail microbusinesses shall hire or contract for on-site security services for the premises of the storefront retailer and for the retail area of the storefront retail microbusiness during the hours of operation pursuant to the requirements of the state cannabis laws. Additionally, each storefront retailer and storefront retail microbusiness shall hire or contract for at least one (1) armed security guard during the hours of operation of the storefront retailer and the retail area of the storefront retail microbusiness.

(G) **Panic buttons.** Panic buttons that transmit a silent alarm to the alarm monitoring company referenced in § 5.36.180(T)(2) of this code shall be installed and maintained on the premises of a storefront retailer and the retail area of the storefront retail microbusiness behind the retail counter and any other locations on the premises where sales transactions take place.

(H) **Exterior lighting.** All off-street parking areas, paths of travel and building entrances to the premises of a storefront retailer and the retail area of the storefront retail microbusiness shall be illuminated during all hours of darkness with a lighting system that is directed downward and is designed to provide an average maintained horizontal illumination of one foot candle of light on the parking surface and/or walkway. The lighting shall be shown on the required diagram of the premises and shall be subject to review by the Police Chief during the commercial cannabis permit application process.

(I) **Window coverings.** No more than twenty-five percent (25%) of the windows of a retailer or the retail area of storefront retail microbusiness shall be opaque or covered with opaque materials.

#### **5.36.190 Operating requirements – Additional for manufacturers, distributors and testing laboratories.**

(A) **View from public right-of-way.** From a public right-of-way, there should be no exterior evidence that the premises are used for manufacturing, distribution or as a testing laboratory except for any signage authorized by this chapter.

(B) **No access by general public.** The general public shall not be permitted to enter the premises of a manufacturer, distributor or testing laboratory.

(C) **Systems and equipment.** All systems and equipment used in manufacturing and testing laboratories shall be UL-listed and approved for the specific intended use of the permittee. Permittees that desire to install or use systems or equipment that are not UL-listed shall be required to submit a technical report prepared by a registered design professional for review and approval by the Building Official and the Fire Code Official prior to installation or use of such systems or equipment. Electrical equipment shall be listed and labeled by a Nationally Recognized Testing Laboratory approved by the Building Official.

(D) **Hazardous materials plans.** At the time of submittal of improvement plans for premises that will be used for manufacturing, distribution or as a testing laboratory, the applicant shall prepare and submit electronically, for review and approval by the Fire Code Official, a hazardous material inventory statement and a hazardous material management plan as required by Chapter 6.5 of Division 20 of the California Health & Safety Code and Chapter 8.40 of this code.

(E) **Hazardous waste.** The permittee for a commercial cannabis permit issued for manufacturing, distribution or testing laboratory shall ensure that any hazardous waste used, possessed, generated or stored on the premises as part of the commercial cannabis business is properly categorized, segregated, stored and disposed of in compliance with the state cannabis laws and all applicable state and local laws. The disposal of hazardous waste is under the direction and oversight of the Riverside County Environmental Health Hazardous Materials Branch.

(F) **Cannabis waste.** No cannabis product shall be disposed of in its packaging. The permittee for a commercial cannabis permit issued for manufacturing, distribution or testing laboratory shall ensure that the cannabis is removed or separated from any packaging or container and that the cannabis is rendered unrecognizable and unusable prior to disposal.

(G) **Backflow preventer.** If required by the DWP General Manager as a condition of approval for a commercial cannabis permit issued for manufacturing, distribution or testing laboratory, the permittee shall ensure that a backflow preventer is installed and maintained on the premises to the satisfaction of the DWP General Manager.

(H) **Wastewater pre-treatment requirements.** If required by the DWP General Manager as a condition of approval for a commercial cannabis permit issued for manufacturing, distribution or testing laboratory, the permittee shall ensure that the commercial cannabis business complies with all wastewater pre-treatment requirements set forth in Chapter 13.08 of this code and any other applicable federal, state or local law, rule or regulation.

(I) **Electric load study.** If required by the DWP General Manager as a condition of approval for a commercial cannabis permit issued for manufacturing, distribution or testing laboratory that is located in the electric service area of the Department of Water and Power for the City of Corona, the permittee shall prepare and, at the time of submittal of improvement plans for the premises, submit for review and approval by the DWP General Manager a power load study for the commercial cannabis business.

#### **5.36.200 Record keeping.**

(A) **Maintenance of books and records.** Each permittee shall maintain accurate books and records in an electronic format, detailing all of the revenues, expenses, assets and liabilities of the commercial cannabis business. On no less than an annual basis, at or before the time of the renewal of a commercial cannabis permit issued pursuant to this chapter, or at any time upon reasonable request of the city, each permittee shall submit to the city, in a form approved by the City Manager, a statement, sworn as to accuracy, detailing their commercial cannabis business's revenue and number of sales during the previous 12-month period, or shorter period based upon the timing of the request, provided on a per-month basis. The statement shall also include gross revenues for each month, and all applicable taxes paid or due to be paid.

(B) **Annual financial audit.** On an annual basis, each permittee shall submit to the City Manager a financial audit of the commercial cannabis business's operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the City Manager.

(C) **Maintenance of ownership list.** Each permittee shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding a financial interest in the commercial cannabis business, and separately of all the owners, officers, managers, employees, agents and volunteers currently employed or otherwise

engaged by the commercial cannabis business. The register required by this subsection shall be provided to the City Manager promptly upon request.

(D) **Retention of records.** All records collected by a permittee pursuant to this chapter shall be maintained for a minimum of seven (7) years and shall be made available by the permittee to the agents or employees of the city upon request, except that private medical records shall be made available only pursuant to a properly executed search warrant, subpoena, or court order.

(E) **Inventory control records.** All permittees shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing, production, manufacturing, laboratory testing, and distribution processes until purchase as set forth under the state cannabis laws.

(F) **City access to books and records.** Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPAA) regulations, each permittee shall allow City officials, employees, and their designees who are authorized to enforce the provisions of this code to have access to each commercial cannabis business's books, records, accounts, together with any other data or documents relevant to its commercial cannabis activities, for the purpose of conducting an audit or examination. Each permittee shall produce books, records, accounts, and any and all relevant data or documents no later than 24 hours after receipt of the city's request, unless otherwise stipulated by the city. The city may require the materials to be submitted in an electronic format that is compatible with the city's software and hardware.

#### **5.36.210 Right of access and testing.**

(A) **City access to premises.** City officials, employees, and their designees authorized to enforce the provisions of this code shall have full access to the premises and records of every commercial cannabis business in order to:

(1) Inspect the premises for compliance with this code, the California Building Code, the California Fire Code and the state cannabis laws.

(2) Test any systems or equipment possessed by, in control of, or used by a permittee, any permittee representative, or any other agent or volunteer of a permittee.

(3) Test any cannabis or cannabis product possessed by, in control of, or used by a permittee, any permittee representative, or any other agent or volunteer of a permittee.

(4) Copy any materials, books, or records of any permittee, any permittee representative or any other agent or volunteer of a permittee.

(B) **Obstruction prohibited.** It is unlawful for any permittee, permittee representative or any other agent or volunteer of a permittee to impede, obstruct, interfere with, or otherwise not to allow, the city to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law. Failure by any permittee, representative or any other agent or volunteer of a permittee to cooperate and participate in any inspection or investigation conducted under this section shall itself be a violation of this chapter.

(C) **Purpose for access.** City officials, employees, and their designees authorized to enforce the provisions of this code shall have rights of access under subsection (A) of this section during any inspection, investigation, review, audit, or as otherwise allowed by law.

(D) **Notice not required.** Prior notice of an inspection, investigation, review, or audit is not required.

(E) **Time of inspection.** Any inspection, investigation, review, or audit of a premises shall be conducted anytime the permittee is exercising privileges under a commercial cannabis permit issued pursuant to this chapter or as otherwise agreed to by the city and permittee.

(F) **No deprivation of constitutional rights.** This subsection shall not be construed to deprive a permittee, permittee representative or any other agent or volunteer of a permittee, of any privileges guaranteed by the Constitutions of the United States and/or the state of California, or any other statutory privileges.

#### **5.36.220 Limitation on city liability.**

To the fullest extent permitted by law, the city shall not incur or assume any direct or indirect liability to any applicant, permittee, permittee representative, government agency or other third party as a result of its review of applications for commercial cannabis permits or its approval or issuance of commercial cannabis permits pursuant to this chapter. As a condition of any application submittal or issuance of a commercial cannabis permit, the applicant, permittee or permittee representative, as applicable shall defend (with counsel of city's choosing), indemnify and hold the city, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of, pertaining to, or incident to the city's issuance of the commercial cannabis permit, the process used by the city in making its decision to issue a commercial cannabis permit or approve the operation of the commercial cannabis business, the operation of the commercial cannabis business or the prosecution of the applicant, permittee, or any permittee representative for violation of federal law or the state cannabis laws, including without limitation the payment of all settlement amounts, expert witness fees and attorney's fees and other related costs and expenses.

#### **5.36.230 Fees and charges.**

(A) No person may commence operation of or continue to operate any commercial cannabis business or engage in any commercial cannabis activity in the city, without timely paying in full all fees and charges required for the operation of a commercial cannabis business. Fees and charges associated with the operation of a commercial cannabis business shall be established by resolution of the City Council, which may be amended from time to time. All fees required under this chapter are nonrefundable unless otherwise specified.

(B) All commercial cannabis businesses authorized to operate under this chapter shall pay all sales, use, business and other applicable taxes including those that may be adopted by the city, and all license, registration, and other fees required under federal, state and local law, including those that may be required in the commercial cannabis operational agreement.

#### **5.36.240 Violations and penalties.**

(A) **Violations.** It is unlawful to:



(1) Own, operate, set up, conduct, maintain, facilitate, or direct a commercial cannabis business or a commercial cannabis activity in the city without a valid commercial cannabis permit authorizing such commercial cannabis business or a commercial cannabis activity;

(2) Participate as an employee, contractor, agent, volunteer, or in any other capacity in a commercial cannabis business or a commercial cannabis activity in the city that is operating without a valid commercial cannabis permit;

(3) Use any parcel or any portion of parcel of land for a commercial cannabis business or a commercial cannabis activity without a valid commercial cannabis permit;

(4) Lease, rent to, or otherwise allow a commercial cannabis business or a commercial cannabis activity to occupy or access any parcel or portion of parcel of land in the city without a valid commercial cannabis permit.

(B) **Penalties.** It shall be unlawful for any person to violate any provision, or to fail to comply with the requirements, of this chapter or any rule, policy or regulation adopted hereunder or any term or condition imposed on a commercial cannabis permit. Violations of any of the provisions or failing to comply with any of the mandatory requirements of this chapter, any rule, policy or regulation adopted hereunder, or any term or condition imposed on the commercial cannabis permit may be enforced pursuant to the provisions of Chapter 1.08 of this code. Each day that a violation continues is deemed to be a new and separate offense. No proof of knowledge, intent, or other mental state is required to establish a violation.

(C) **Public nuisance.** Any condition caused or allowed to exist in violation of any of the provisions of this chapter, any rule, policy or regulation adopted hereunder or any term or condition imposed on a commercial cannabis permit is a public nuisance and may be abated by the city, or by the City Attorney on behalf of the people of the state of California, as a nuisance by means of a restraining order, injunction, or any other order or judgment in law or equity issued by a court of competent jurisdiction. The city, or the City Attorney on behalf of the people of the state of California, may seek injunctive relief to enjoin violations of, or to compel compliance with, this chapter or seek any other relief or remedy available at law or equity, including the imposition of monetary civil penalties. Each day that a violation continues is deemed to be a new and separate offense. Civil penalties for violations of this chapter may be assessed at a rate not to exceed \$10,000 per violation per day.

(D) **Aiding and abetting.** Whenever in this chapter any act or omission is made unlawful, it shall include causing, aiding, abetting, suffering, or concealing the fact of such act or omission.

(E) **Remedies cumulative.** The remedies specified in this section are cumulative and in addition to any other remedies available under state or local law for a violation of this Code.

(F) **City's police power not limited.** Nothing in this section shall be construed as requiring the City to allow, permit, license, authorize, or otherwise regulate commercial cannabis activity, or as abridging the City's police power with respect to enforcement regarding commercial cannabis activity.