

## CHAPTER 29. CANNABIS

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### Sec. 5-29.01. Purpose and intent.

It is the purpose and intent of this Chapter to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA") to accommodate the needs of medically-ill persons in need of and provide access to cannabis for medicinal purposes only as recommended by their health care provider(s) while imposing sensible regulations on the use of land to protect the City's residents, neighborhoods, and businesses from disproportionately negative impacts. As such, it is the purpose and intent of this Chapter to regulate the retail sale of medicinal cannabis and the testing of medicinal and adult-use cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of Thousand Oaks and to enforce rules and regulations consistent with state law. It is the further purpose of intent of this Chapter to require all commercial cannabis operators to obtain, and renew annually a permit to operate within Thousand Oaks. Nothing in this Chapter is intended to authorize the possession, use, or provision of cannabis for purposes that violate state law. The provisions of this Title are in addition to any other permits, licenses and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses and approval required under state, county, or other law.

On January 16, 2019, Title 16, Section 5416(d) of the California Code of Regulations adopted by the State of California went into effect. Section 5416(d) permits commercial cannabis delivery of both recreational and medicinal product from State of California-licensed retail operators to any county or city within California even if such entity previously banned deliveries. Based on the State's regulation requiring the City of Thousand Oaks to permit deliveries of cannabis product to addresses within the City's jurisdiction, this Title and Chapter of the Thousand Oaks Municipal Code is amended to remain consistent with state law.

(§ 2, Ord. 1636-NS, eff. December 29, 2017, as amended by § 2, Ord. 1662-NS, eff. July 12, 2019)

### Sec. 5-29.02. Legal authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter "MAUCRSA"), any subsequent state legislation and/or regulations regarding same, the City of Thousand Oaks is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City of Thousand Oaks to all commercial cannabis activity.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

### Sec. 5-29.03. Commercial cannabis activities prohibited unless specifically authorized.

Except as specifically authorized in this chapter, the commercial cultivation, manufacture, processing, storing, laboratory testing, labeling, sale, delivery, distribution or transportation, other than as provided under Business & Professions Code Section 26090(e), of cannabis or cannabis product is expressly prohibited in the City of Thousand Oaks.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

### Sec. 5-29.04. Compliance with laws.

It is the responsibility of the owners and operators of the commercial cannabis business to ensure that it is, at all times, operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder as well as any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis business permit. Nothing in this chapter shall be construed as authorizing any actions that violate State law regarding the operation of a commercial cannabis business.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

### Sec. 5-29.05. Definitions.

The following words and phrases, as used in this chapter shall have the following meanings:

"A-license" means a state license issued under this chapter for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess physician's recommendations.

"A-licensee" means any person holding a license under this division for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess physician's recommendations.

"Applicant" means an owner applying for a state license pursuant to this chapter.

"Batch" means a specific quantity of homogeneous cannabis or cannabis product that 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 of the following:

(i) An amount of cannabis concentrates or extract that is produced in one production cycle using the same extraction methods and standard operating procedures.

(ii) An amount of a type of manufactured cannabis produced in one production cycle using the same formulation and standard operating procedures.

"Bureau" means the Bureau of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Marijuana Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation.

"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 division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.

"Cannabis accessories" has the same meaning as in Section 11018.2 of the Health and Safety Code.

"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 division. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or drug, as defined by Section 109925 of the Health and Safety Code.

"Cannabis product" means a product containing cannabis or cannabis concentrate, including, but not limited to, manufactured cannabis, intended to be sold for use by cannabis patients in California pursuant to the Compassionate Use Act of 1996, found at Section 11362.5 of the California Health and Safety Code, as the same may be amended from time-to-time, or pursuant to the Adult Use of Cannabis Act. For purposes of this chapter, "cannabis" does not include industrial hemp as defined by Section 11018.5 of the California Health and Safety Code.

"Cannabis products" has the same meaning as in Section 11018.1 of the Health and Safety Code.

"Caregiver" or "primary caregiver" has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.

"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.

"City" or "City of Thousand Oaks" means the City of Thousand Oaks, a California General Law City.

"Commercial cannabis activity" includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products as provided for in this chapter.

"Commercial cannabis business" means any business or operation which engages in medicinal or adult-use commercial cannabis activity.

"Commercial cannabis business permit" means a regulatory permit issued by the City of Thousand Oaks pursuant to this chapter to a commercial cannabis business, and is required before any commercial cannabis activity may be conducted in the City. The initial permit and annual renewal of a commercial cannabis business permit is made expressly contingent upon the business' ongoing compliance with all of the requirements of this Title and any regulations adopted by the City governing the commercial cannabis activity at issue.

"Customer" means a natural person of 21 years of age or over or a natural person of 18 years of age or older who possesses a physician's recommendation.

"Day care center" has the same meaning as in Section 1596.76 of the Health and Safety Code.

"Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer.

"Director" means the Director of the Department of Consumer Affairs, a State agency.

"Dispensing" means any activity involving the retail sale of cannabis or cannabis products from a retailer.

"Distribution" means the procurement, sale, and transport of cannabis and cannabis products between licensees.

"Distributor" means a person holding a valid commercial cannabis state license for distribution, required by state law to engage in the business of purchasing cannabis from a licensed cultivator, or cannabis products from a licensed manufacturer, for sale to a licensed retailer.

"Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves

and stems.

“Edible cannabis product” means 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 Division 15, commencing with Section 32501 of the Food and Agricultural Code. 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.

“Fund” means the Cannabis Control Fund established pursuant to Business and Professions Code, Section 26210.15.

“Kind” means applicable type or designation regarding a particular cannabis variant or cannabis product type, including, but not limited to, strain name or other grower trademark, or growing area designation.

“Labeling” means any label or other written, printed, or graphic matter upon a cannabis product, or upon its container.

“Labor peace agreement” means an agreement between a licensee and any 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.

“License” means a state license issued under this chapter, and includes both an A-license and an M-license, as well as a testing laboratory.

“Licensee” means any person holding a license under this chapter, regardless of whether the license held is an A-license or an M-license, and includes the holder of a testing laboratory license.

“Licensing authority” means the state agency responsible for the issuance, renewal, or reinstatement of the license, or the State agency authorized to make disciplinary action against the licensee.

“Live plants” means living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.

“Local jurisdiction” means a city, county, or city and county.

“Lot” means a batch or a specifically identified portion of a batch.

“M-license” means a State license issued under this chapter for commercial cannabis activity involving medicinal cannabis.

“M-licensee” means any person holding a license under this chapter for commercial cannabis activity involving medicinal cannabis.

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

“Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.

“Manufacturer” means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or 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 cannabis or cannabis products or labels or container.

“Manufacturing site” means a location that produces, prepares, propagates, or compounds cannabis or 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 person issued a valid commercial cannabis business permit for manufacturing from the City of Thousand Oaks and, a valid state license as required for manufacturing of cannabis products.

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

“Operation” means any act for which licensure is required under the provisions of this chapter, or any commercial transfer of cannabis or cannabis products.

“Owner” means any of the following:

- (1) A person with an aggregate ownership interest of 20 percent or more in the company, business, corporation or other entity applying for a license or a licensee, unless said interest is solely a security, lien or encumbrance.
- (2) The chief executive officer of a nonprofit or other entity.
- (3) A member of the board of directors of a nonprofit.
- (4) An individual who will be participating in the direction, control, or management of the person applying for a license.

“Package” means any container or receptacle used for holding cannabis or cannabis products.

“Patient” or “qualified patient” shall have the same definition as California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health & Safety Code Section 11362.5.

“Person” includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

“Person with an identification card” shall have the meaning given that term by California Health and Safety Code Section 11362.7.

“Physician's recommendation” means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996, found at Section 11362.5 of the Health and Safety Code.

“Premises” means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee.

“Purchaser” means the customer who is engaged in a transaction with a licensee for purposes of obtaining cannabis or cannabis products.

“Retailer” means a commercial cannabis business facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid commercial cannabis business permit from the City of Thousand Oaks authorizing the operation of a retailer, and a valid state license as required by state law to operate a retailer.

“Sell,” “sale,” and “to sell” include any transaction whereby, for any consideration, title to cannabis or cannabis products are 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, but does not include the return of cannabis or cannabis products by a licensee to the licensee from whom the cannabis or cannabis product was purchased.

“State License” means a permit or license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same to engage in commercial cannabis activity.

“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.
- (2) Licensed by the bureau.

“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 Section 109925 of the California Health and Safety Code.

“Transport” means the transfer of 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 by MAUCRSA which may be amended or repealed by any subsequent State of California legislation regarding the same.

“Unique identifier” means an alphanumeric code or designation used for reference to a specific plant on a licensed premises and any cannabis or cannabis product derived or manufactured from that plant.

“Youth center” has the same meaning as in Section 11353.1 of the Health and Safety Code.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.06. Commercial cannabis business permit required.**

(a) No person may engage in any commercial cannabis business or in any commercial cannabis activity within the City including cultivation, delivery manufacturing, processing, laboratory testing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the person: (1) has a valid commercial cannabis business permit issued by City Council; (2) has a valid Seller's Permit; and (3) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis business and the commercial cannabis activities, including the duty to obtain any required state licenses.

(b) Until Health & Safety Code Section 11362.775, subdivision (a), is repealed, the City intends that eligibility to operate collectives or cooperatives under that subdivision shall be eligible to apply for a City conditional permit to conduct commercial cannabis activities, but only to the degree those activities are authorized under state law for collectives and cooperatives. When the Health & Safety Code Section 11362.775, subdivision (a), is repealed, or as soon as collectives and cooperatives are no longer permitted to engage in commercial cannabis activity without a state license under state law, any conditional permit issued to a commercial cannabis business that has not obtained a state license for the commercial cannabis activities shall expire and shall be null and void. Such businesses shall no longer be authorized to engage in any

commercial cannabis activities in the City until they obtain both a City issued commercial cannabis business permit and a state license for that commercial cannabis activity.

(§ 2, Ord. 1636-NS, eff. December 29, 2017, as amended by § 2, Ord. 1662-NS, eff. July 12, 2019)

**Sec. 5-29.07. Cannabis employee permit required.**

(a) Any person who is an employee or who otherwise works within a commercial cannabis business identified in Section 5-29.08(a), (b) or (c) must be legally authorized to do so under applicable state law.

(b) Any person who is an employee or who otherwise works within a commercial cannabis business identified in Section 5-29.08(a) or (b) must obtain a commercial cannabis employee work permit from the City prior to performing any work at any commercial cannabis business.

(c) Applications for a commercial cannabis employee work permit shall be developed, made available, and processed by the applicable Department Head or designee(s), and shall include, but not be limited to, the following information:

- (1) Name, address, and phone number of the applicant;
- (2) Age and verification of applicant. A copy of a birth certificate, driver's license, government issued identification card, passport or other proof that the applicant is at least eighteen (18) years of age must be submitted with the application;
- (3) Name, address of the commercial cannabis businesses where the person will be employed, and the name of the primary manager of that business;
- (4) A list of any crimes enumerated in California Business and Professions Code Section 26057(b)(4) for which the applicant has been convicted;
- (5) Name, address, and contact person for any previous employers from which the applicant was fired, resigned, or asked to leave and the reasons for such dismissal or firing;
- (6) The application shall be accompanied by fingerprints and a recent photograph of the applicant in a form and manner as required by the City Manager or his/her designee(s).
- (7) A signed statement under penalty of perjury that the information provided is true and correct.
- (8) If applicable, verification that the applicant is a qualified patient or primary caregiver.
- (9) A fee paid in an amount set by resolution of the City Council in an amount necessary to cover the costs of administering the employee work permit programs. The fee is nonrefundable and shall not be returned in the event the employee permit is denied or revoked.

(d) The applicable Department Head or designee(s) shall review the application for completeness, shall conduct a background check to determine whether the applicant was convicted of a crime or left a previous employer for reasons that show the applicant:

- (1) Is dishonest; or
- (2) Has committed a felony or misdemeanor involving fraud, deceit, embezzlement; or
- (3) Was convicted of a violent felony; or
- (4) Was convicted of a crime of moral turpitude; or
- (5) Was convicted of the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, except for cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

Discovery of these facts showing that the applicant is dishonest or has been convicted of the preceding identified types of crimes are grounds for denial of the permit. Where the applicant's sentence, including any term of probation, incarceration, or supervised release for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is completed, such underlying conviction shall not be the sole ground for denial of a commercial cannabis work permit.

(e) The applicable Department Head or designee(s) shall issue the commercial cannabis work permit or a written denial to the applicant within thirty (30) days of the date the application was deemed complete. In the event the cannabis work permit cannot be issued within this time period then the City Manager or his/her designee(s) may issue a temporary work permit for an employee upon completing a preliminary background check, and if the business can demonstrate to the applicable Department Head or designee(s), that the employee is necessary for the operation of the business. The temporary permit may be immediately revoked by the applicable Department Head designee(s) upon determination that the applicant has failed the background check or upon the issuance of the permanent work permit.

(f) An employee permit shall be valid for a twelve (12) month period and must be renewed on an annual basis. Renewal applications shall contain all the information required in subsection (c) above, including the payment of a renewal application fee in an amount to be set by resolution of the City Council.

(g) In the event a person changes employment from one commercial cannabis business in the City to another, the work

permit holder shall notify the applicable Department Head or designee(s) in writing of the change within ten (10) days, or the work permit shall be suspended or revoked and such person shall not be permitted to work at any commercial cannabis business in the City.

(h) The City may immediately revoke the commercial cannabis work permit should the permit holder be convicted of a crime listed in subsection (c) and (d) above, or if facts become known to the City that the permit holder has engaged in activities showing that he or she is dishonest.

(i) The City Manager or his/her designee(s) is hereby authorized to promulgate all regulations necessary to implement the work permit process and requirements.

(j) The applicable Department Head or designee(s) shall issue a permit in the form of a personal identification card that can be worn in a prominent and visible location. The identification card shall be maintained in good and readable condition at all times.

(k) The applicant may appeal the denial or revocation of a commercial cannabis work permit by filing a notice of appeal with the City Manager not more than ten (10) days following the mailing of the notice of denial, which appeal shall be conducted as follows pursuant to subsection (l).

(l) Employee work permit appeals

(1) Any person denied approval of a commercial cannabis work permit under this chapter whose permit has been suspended, revoked or conditioned may appeal. Such appeal must be in writing and must be filed with the City Manager or designee not more than ten (10) days following the mailing of the notice of denial, suspension, revocation, or conditioning sent to the applicant. The written appeal must contain all reasons and documentary support why the denial, revocation, suspension, or conditioning should be overturned. Any successful appeal will result in approval or reinstatement of an approval and refund of any fines collected by the City.

(i) The City Manager shall not accept an appeal, and no hearing shall be held, unless the appellant has paid a filing fee, in an amount set by resolution of the City Council, to defray the cost of such appeal. The filing fee must be submitted with the appeal records. Any appeal without the timely payment of fees shall be considered to be untimely.

(ii) The scope of the appeal hearing pursuant to this section shall be limited to those issues raised by the appellant in the written appeal, as submitted pursuant to subsection (a) of this section.

(2) City Manager action.

(i) Upon receipt of a timely filed appeal, the City Manager or designee shall set the matter for hearing which shall be held not fewer than ten (10) calendar days nor more than thirty (30) calendar days from the date of the appeal request. The hearing may be continued from time to time upon the mutual consent of the parties.

(ii) The appellant shall be provided with notice of the time and place of the appeal hearing, as well as a copy of all relevant materials at least seven (7) calendar days prior to the hearing.

(iii) At the time of such hearing, the City Manager shall review the records and files relating to the decision.

(iv) The City Manager shall permit any interested person to present any relevant evidence bearing on the issues involved in the matter.

(v) In conducting the hearing, technical rules relating to evidence and witnesses shall not apply. Any relevant evidence may be admitted if it is material and if it is evidence customarily relied upon by responsible persons in the conduct of their affairs regardless of the existence of any common law or statutory rule which might make admission of such evidence improper over objection in civil actions. Hearsay evidence may be admissible if it is the sort upon which reasonable persons are accustomed to rely in the conduct of serious affairs. The rules of privilege shall be applicable to the extent they are permitted in civil actions. Irrelevant, collateral, and repetitious testimony shall be excluded.

(vi) The appellant shall have the burden of proving that he or she meets the requirements for issuing the permit in the first instance; the City shall have the burden in proving that grounds exist for revoking or failing to renew a certificate.

(vii) Based upon the evidence presented at the hearing, the City Manager shall determine whether the decision should be affirmed, modified or reversed.

(viii) The City Manager's decision shall be communicated in writing to the appellant within seven (7) calendar days after the close of the hearing and submission of the matter to the City Manager for decision. The City Manager's decision shall state whether the decision is affirmed, modified or reversed and shall state the reasons therefor.

(ix) The decision of the City Manager shall include notice that the decision is final and conclusive, that judicial review may be sought therefrom pursuant to California Civil Procedure Code Section 1094.5, and that any action filed in the superior court shall be filed within ninety (90) days following the City Manager's notice pursuant to California Civil Procedure Code Section 1094.6.

(§ 2, Ord. 1636-NS, eff. December 29, 2017, as amended by § 2, Ord. 1662-NS, eff. July 12, 2019)

**Sec. 5-29.08. Maximum number and type of authorized commercial cannabis businesses permitted.**

The number of each type of commercial cannabis business that shall be permitted to operate in the City at any one given

time shall be as follows:

- (a) Cannabis Retailer M-license: maximum of two (2).
- (b) Cannabis Testing Laboratory: maximum of two (2).
- (c) Delivery Service from a California-Licensed Retailer: no limit.

Section 5-29.08 is only intended to create a maximum number of commercial cannabis businesses that may be issued permits to operate in the City under each category. Nothing in this Chapter creates a mandate that the City Council must issue any or all of the commercial cannabis business permits if it is determined that the applicants do not meet the standards which are established in the application requirements or further amendments to the application process.

Each year following the City Council's initial award of permits, if any, or at any time in the City Council's discretion, the City Council may reassess the number of commercial cannabis business permits which are authorized for issuance.

(§ 2, Ord. 1636-NS, eff. December 29, 2017, as amended by § 2, Ord. 1662-NS, eff. July 12, 2019, as amended by Part 2, Ord. 1673-NS, eff. February 14, 2020)

#### **Sec. 5-29.09. Commercial cannabis business permit; Initial application procedure.**

(a) The City Council shall adopt by resolution the procedures for application processing, and the manner in which the decision will ultimately be made regarding the issuance of any commercial cannabis business permit(s) for businesses permitted to operate in Thousand Oaks identified in Section 5-29.08. The resolution shall include or require the City Manager or designee to provide detailed objective review criteria to be evaluated on a point system or equivalent quantitative evaluation scale tied to each set of review criteria ("Review Criteria"). The resolution shall authorize the City Manager or his/her designee(s) to prepare the necessary forms, adopt any necessary rules to the application, regulations and processes, solicit applications, conduct initial evaluations of the applicants, and to ultimately provide a final recommendation to the City Council.

(b) At the time of filing, each applicant shall pay an application fee established by resolution of the City Council, to cover all costs incurred by the City in the application process.

(c) After the initial review, ranking, and scoring under the Review Criteria, the City Manager or his/her designee(s) will make a recommendation to the City Council, and the City Council shall make a final determination in accordance with this Chapter.

(d) Preservation of Rights. The City reserves the right to reject any or all applications. Prior to permit issuance, the City may also modify, postpone, or cancel any request for applications, or the entire program under this Chapter, at any time without liability, obligation, or commitment to any party, firm, or organization, to the extent permitted under California law. Persons submitting applications assume the risk that all or any part of the program, or any particular category of permit potentially authorized under this Chapter, may be cancelled at any time prior to permit issuance. The City further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to any other reasons for rejecting an application set forth in this chapter an application may be rejected for any of the following reasons:

- (1) Proposal received after designated time and date.
- (2) Proposal not containing the required elements, exhibits, nor organized in the required format.
- (3) Proposal considered not fully responsive to the request for permit application.

(§ 2, Ord. 1636-NS, eff. December 29, 2017, as amended by § 2, Ord. 1662-NS, eff. July 12, 2019)

#### **Sec. 5-29.10. Expiration of commercial cannabis business permits.**

Each commercial cannabis business permit issued pursuant to this chapter shall expire twelve (12) months after the date of its issuance. Commercial cannabis permits may be renewed as provided in Section 5-29.12.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.11. Revocation of permits.**

A commercial cannabis business permit may be revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to Sections 5-29.13 and 5-29.14 or any Operations Agreement entered into between City and the selected Cannabis Retailer M-license or Cannabis Testing Laboratory Operator. The process for revocation shall be made part of the Operations Agreement.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.12. Renewal applications.**

(a) An application for renewal of a commercial cannabis business permit for a Cannabis Retailer M-license or Cannabis Testing Laboratory shall be filed at least sixty (60) calendar days prior to the expiration date of the current permit. A permit for Delivery from licensed facilities shall be renewed before the Delivery permit expiration date.

(b) The renewal application shall contain all the information required for new applications.

(c) The applicant shall pay a fee in an amount to be set by City Council Resolution, to cover the costs of processing the renewal permit application, and any costs incurred by the City to administer the program created under this Chapter.

(d) An application for renewal of a commercial cannabis business permit shall be rejected if any of the following exists:

(1) The application is filed less than sixty (60) days before its expiration unless the permit is for Delivery service from a licensed retail facility.

(2) The commercial cannabis business permit is suspended or revoked at the time of the application.

(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 commercial cannabis business has failed to conform to the requirements of this Chapter, any regulations adopted pursuant to this Chapter, any conditions, or requirements.

(5) The permittee fails or is unable to renew its State of California license.

(6) If the City or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this Chapter, or of State rules and regulations, and the City or State has determined that the violation is grounds for termination or revocation of the commercial cannabis business permit.

(e) The City Manager or his/her designee(s) is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the City Manager or his/her designee(s) is authorized to impose additional conditions to a renewal 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. Appeals from the decision of the City Manager or his/her designee(s) shall be handled pursuant to Section 5-29.15.

(f) If a renewal application is rejected, a person may file a new application pursuant to this Chapter no sooner than one (1) year from the date of the rejection.

(§ 2, Ord. 1636-NS, eff. December 29, 2017, as amended by § 2, Ord. 1662-NS, eff. July 12, 2019, as amended by Part 3, Ord. 1673-NS, eff. February 14, 2020)

#### **Sec. 5-29.13. Effect of State license suspension, revocation, or termination.**

Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a commercial cannabis business to operate within the City, until the State, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a commercial cannabis business, such revocation or termination shall also revoke or terminate the ability of a commercial cannabis business to operate within the City of Thousand Oaks.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.14. Effect of federal enforcement to suspend, prohibit, revoke, terminate California or local entity licensing laws for recreational or commercial cannabis.**

Federal government action suspending, prohibiting, revoking or otherwise terminating State of California's or City's laws permitting recreational or medicinal marijuana licensing as currently permitted under MAUCRSA shall immediately result in the complete ban of all commercial licenses permitted under this chapter. Such Federal government action shall also result in the immediate ban of all personal or recreational use permitted under MAUCRSA or any other State law permitting the use or possession of cannabis permitted under this chapter or any other Title of the City's municipal code and make null and void any City permits to a commercial Cannabis Retailer M-license or Testing Facility M-license previously issued under this chapter.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.15. Appeals.**

Unless specifically provided elsewhere to the contrary, whenever an appeal is provided for in this chapter from a decision of the City Manager or his/her designee(s), the appeal shall be conducted as prescribed in Sections 5-29.16 through 5-29.17.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.16. Written request for appeal.**

(a) Within ten (10) calendar days after the date of a decision of the City Manager or his/her designee(s) to revoke, suspend or deny a permit, or to add conditions to a permit, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper.

(b) At the time of filing the appellant shall pay the designated appeal fee, established by City Council Resolution.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.17. Appeal hearing.**

(a) Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council. The City Council shall hear the matter de novo, and shall conduct the hearing pursuant to the procedures set forth by the City.

(b) The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than ninety (90) days from the date of such filing. The City shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.

(c) At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.

(d) At the conclusion of the hearing the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be final.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.18. Commercial cannabis business permit selection process.**

(a) The City Council shall adopt by resolution a procedure guideline, and review criteria by which the top applicant or applicants in each category of each commercial cannabis business under Section 5-29.08 (a) or (b) will be presented to the City Council for a final determination at a public hearing.

(b) The top final applicants for a Cannabis Retailer M-license may be invited to attend the City Council meeting, where they may be expected to make a public presentation, and provide an overview of their proposal.

(c) At least ten (10) days prior to the hearing, notice of the hearing shall be sent to all property owners located within five hundred (500) feet of the proposed business locations proposed of each of the finalists to be considered by the City Council. The five hundred (500) feet shall be measured from the property line of the property the proposed business is located.

(d) The City Council shall either deny or approve the final applicants, and shall select the top applicants in each category of commercial cannabis businesses. The City Council's decision as to the selection of the prevailing candidates shall be final.

(e) Official issuance of the commercial cannabis business permit(s) is conditional upon the prevailing applicant(s) obtaining all required approvals. Following the City Council's selection, the prevailing candidate(s) shall apply to the Community Development Department to obtain any required approvals for the permittee's location, if any. Approvals shall include compliance with all applicable provisions of CEQA. The City Manager or designee(s) shall formally issue the commercial cannabis business permit(s) once the Community Development Director or designee(s) affirms that all required approvals have been obtained.

(f) Issuance of a commercial cannabis business permit does not create a land use entitlement. The commercial cannabis business permit shall be for a term of twelve (12) months and shall expire at the end of the twelve (12) month period unless it is renewed as provided herein. For the purposes of determining the expiration date of the permit, the date shall begin on the first day of business operation under an approval. Furthermore, no permittee may begin operations, notwithstanding the issuance of a permit, unless all of the State and local laws and regulations, including but not limited to the requirements of this Chapter and of the permit, have been complied with. Until a State license is available and obtained by the City permittee, this shall mean compliance with all provisions of the Medical Cannabis Collective Laws as set forth at Section 5-29.06.

(g) Notwithstanding anything in this Chapter to the contrary, the City Council reserves the right to reject any or all applications if it determines it would be in the best interest of the City, taking into account any health, safety and welfare impacts on the community. Applicants shall have no right to a commercial cannabis business permit until a permit is actually issued, and then only for the duration of the permit's term. Each applicant assumes the risk that, at any time prior to the issuance of a permit, the City Council may terminate or delay the program created under this Chapter.

(h) If an application is denied, a new application by that applicant may not be filed for one (1) year from the date of the denial.

(i) Each person granted a commercial cannabis business permit shall be required to pay the permit fee established by resolution of the City Council Resolution, to cover the costs of administering the commercial cannabis business permit program created in this Chapter.

(§ 2, Ord. 1636-NS, eff. December 29, 2017, as amended by § 2, Ord. 1662-NS, eff. July 12, 2019)

#### **Sec. 5-29.19. Change in location; Updated registration form.**

A proposed change to the location of a commercial cannabis permitted business specified in the regulatory permit shall require the same process set forth for registration in Section 5-29.09, except review shall focus on location and no new applicants shall be allowed.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.20. Transfer of commercial cannabis business permit.**

(a) The owner of a cannabis business permit shall not transfer ownership or control of the permit to another person or entity unless and until the transferee obtains an amendment to the permit from the City Council stating that the transferee is

now the permittee. A change of ownership shall be defined as a change of more than 51% of the original ownership. Failure to comply with this provision is grounds for permit revocation. Such an amendment may be obtained only if the transferee files an application with the City Manager or designee in accordance with all provisions of this chapter, as though the transferee were applying for an original cannabis business permit, accompanied by a transfer fee in an amount set by City Council Resolution, and the City Council determines, after hearing, in accordance with this section that the transferee passed the background check required for permittees and meets all other requirements of this chapter.

(b) Commercial cannabis business permits issued through the grant of a transfer by the City Council shall be valid for a period of one year beginning on the day the City Council approves the transfer of the permit. Before the transferee's permit expires, the transferee shall apply for a renewal permit in the manner required by this chapter.

#### **Sec. 5-29.20 Thousand Oaks Municipal Code**

(c) A permittee may change the form of business entity without applying to the City Council for a transfer of permit, provided that either:

(1) The membership of the new business entity is substantially similar to original permit holder business entity (at least 51% of the membership is identical), or

(2) If the original permittee is an unincorporated association, mutual or public benefit corporation, agricultural or consumer cooperative corporation and subsequently transitions to or forms a new business entity as allowed under the MAUCRSA and to comply with Section subdivision (b), provided that the Board of Directors (or in the case of an unincorporated association, the individual(s) listed on the City permit application) of the original permittee entity are the same as the new business entity.

Although a transfer is not required in these two circumstances, the permit holder is required to notify the City Manager or designee in writing of the change within ten (10) days of the change. Failure to comply with this provision is grounds for permit revocation.

(d) No commercial cannabis business permit may be transferred when the City Manager or Police Chief has notified the permittee that the permit has been or may be suspended or revoked.

(e) Any attempt to transfer a commercial cannabis business permit either directly or indirectly in violation of this section is hereby declared void, and such a purported transfer shall be deemed a ground for revocation of the permit.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.21. City business tax certificate.**

Prior to commencing operations, a commercial cannabis business shall obtain a Business Tax Certificate pursuant to Section 3-1.04. The Business Tax Certificate shall be displayed pursuant to Section 3-3.22.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.22. Building permits and inspection.**

Prior to commencing operations, a commercial cannabis business with a facility permitted in the City's jurisdiction under Section 5-29.08(a) or (b) shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes but is not limited to obtaining any required building permit(s), Fire Department approvals, Health Department approvals and other zoning and land use permit(s) and approvals.

(§ 2, Ord. 1636-NS, eff. December 29, 2017, as amended by § 2, Ord. 1662-NS, eff. July 12, 2019)

#### **Sec. 5-29.23. Certification from the Community Development Director.**

Prior to submittal of a commercial cannabis business permit application, a certification from the Community Development Director or his/her designee(s) certifying that the business is located on a site that meets all of the requirements of Title 9, Chapter 4, and this chapter shall be obtained. A fee shall be established by City Council Resolution for submittal and processing of this Certification.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.24. Location and design of commercial cannabis businesses.**

Medicinal cannabis businesses permitted to engage in Retail M-type License and Testing Laboratory that tests cannabis and cannabis products are subject to the following zoning and locational requirements:

(a) The commercial cannabis business must be located on property in a zone pursuant to Title 9, Chapter 4, and must meet all of the requirements for development in that zone; and

(b) The property on which the commercial cannabis business is located must also meet all of the following distance requirements:

(1) It shall be no closer than six hundred (600) feet of any of the following:

(i) Any residentially used parcel as of the date the medicinal cannabis business permit is issued.

(ii) Any school providing instruction in kindergarten or any grades 1 through 12, whether public, private, or charter, including pre-school, transitional kindergarten, and K-12;

(iii) Any commercial daycare center licensed by the State or County that is in existence at the time the license is issued, unless the State licensing authority or the City specifies a different radius.

(iv) Any youth center that is in existence at the time the license is issued, unless the State licensing authority or the City specifies a different radius.

(2) The distance specified in this section shall be the horizontal distance measured in a straight line from the property line of the identified sensitive use to the front door of the medical cannabis cooperative, collective, dispensary, operator, establishment, or provider without regard to intervening structures, except as modified herein.

(3) The distance between a sensitive use and a medical cannabis cooperative, collective, dispensary, operator, establishment, or provider may be closer than six hundred (600) feet in the following situation:

(i) The commercial cannabis business and the sensitive use are separated by a freeway, with no direct pedestrian or vehicular access between the two uses.

(c) Notwithstanding the requirements of this section, a person authorized to make a Delivery in Thousand Oaks from a State-licensed Retail M-1 operator located inside City of Thousand Oaks' jurisdiction may conduct such deliveries subject to a requirement that only medicinal cannabis is permitted for delivery and the person making the delivery maintains and controls all product as required for deliveries under the Bureau's regulations, including a prohibition from storing any cannabis product in a dwelling, commercial office, storage facility, hotel room, motel room or any other structure in Thousand Oaks other than the approved Medical Cannabis Retail M-license facility. Any delivery person completing scheduled deliveries as legally permitted by the Bureau and the City of Thousand Oaks, must return the unsold product to the retail operator.

(§ 2, Ord. 1636-NS, eff. December 29, 2017, as amended by § 3, Ord. 1644-NS, eff. May 25, 2018, as amended by § 2, Ord. 1662-NS, eff. July 12, 2019, as amended by Part 4, Ord. 1673-NS, eff. February 14, 2020)

#### **Sec. 5-29.25. Right to occupy and to use property.**

As a condition precedent to the City's issuance of a commercial cannabis business permit pursuant to this chapter, any person intending to open and to operate a commercial cannabis business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from another person, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this chapter and consents to the operation of the commercial cannabis business on the owner's property.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.26. Limitations on City's liability.**

To the fullest extent permitted by law, the City of Thousand Oaks shall not assume any liability whatsoever with respect to having issued a commercial cannabis business permit pursuant to this chapter or otherwise approving the operation of any commercial cannabis business. As a condition to the approval of any commercial cannabis business permit, the applicant shall be required to meet all of the following conditions before they can receive the commercial cannabis business permit:

(a) They must execute an agreement, in a form approved by the city attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City of Thousand Oaks, and its officers, officials, employees, agents and volunteers, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of the commercial cannabis business permit, the City's decision to approve the operation of the commercial cannabis business or activity, to process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the commercial cannabis business or any of its officers, employees or agents.

(b) Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the city attorney.

(c) Reimburse the City of Thousand Oaks for all costs and expenses, including but not limited to attorney fees and costs and court costs, which the City of Thousand Oaks may be required to pay as a result of any legal challenge related to the City's approval of the applicant's commercial cannabis business permit, or related to the City's approval of a commercial cannabis activity. The City of Thousand Oaks may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.27. Records and recordkeeping.**

(a) Each owner and operator of a commercial cannabis business shall maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, as well as all of its assets and liabilities. On no less than an annual basis, at or before the time of the renewal of a commercial cannabis business permit issued pursuant to

this Chapter, or at any time upon reasonable request of the City, each commercial cannabis business shall file a sworn statement detailing the number of sales by the commercial cannabis business during the previous twelve-month period, or shorter period based upon the timing of the request, provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid. On an annual basis, each owner and operator shall submit to the City a financial audit of the 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 or his/her designee(s).

(b) Each owner and operator of a commercial cannabis business shall maintain a current register of the name, address, telephone number, and email of anyone owning or holding an interest in the commercial cannabis business and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the commercial cannabis business. The register required by this paragraph shall be provided to the City Manager or his/her designee(s) upon a reasonable request.

(c) Prior to State licensing, each commercial cannabis business shall maintain a record of all persons, patients, collectives and primary caregivers served by the commercial cannabis business, for a period of no less than four (4) years. Once a State license is obtained, the commercial cannabis business must maintain such records only to the extent permitted or required by the MAUCRSA.

(d) All commercial cannabis businesses 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 and production or manufacturing, laboratory testing and distribution processes until purchase as set forth MAUCRSA and the Bureau.

(e) Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPAA) regulations, each commercial cannabis business shall allow City of Thousand Oaks officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (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.

(§ 2, Ord. 1636-NS, eff. December 29, 2017, as amended by § 2, Ord. 1662-NS, eff. July 12, 2019)

#### **Sec. 5-29.28. Security measures.**

(a) A permitted commercial cannabis business 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 commercial cannabis business. Except as may otherwise be determined by the Chief of Police or his/her designee(s), these security measures shall include, but shall not be limited to, all of the following:

(1) Preventing individuals from remaining on the premises of the commercial cannabis business if they are not engaging in an activity directly related to the permitted operations of the commercial cannabis business.

(2) Establishing limited access areas accessible only to authorized commercial cannabis business personnel.

(3) All cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products shall be kept in a manner as to prevent diversion, theft, and loss.

(4) Installing 24-hour security surveillance cameras of at least hi-definition quality, on the interior and exterior of the business, to monitor all entrances and exits to and from the premises, all interior spaces within the commercial cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash or currency is being stored for any period of time on a regular basis, and all interior spaces where diversion of cannabis could reasonably occur. Camera placement shall be in locations on the interior and exterior approved by the Police Chief or designee. Cameras shall record at least 30 frames per second. The commercial cannabis business shall be responsible for ensuring that the security surveillance camera's footage, both live and stored video, is captured in a method acceptable to the Police Chief or designee, is remotely accessible, and that it is compatible with the City's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the Chief of Police or his/her designee(s). Video recordings shall be maintained for a minimum of forty-five (45) days, and shall be made available to the Chief of Police or his/her designee(s) upon request. It shall be a violation of this chapter to fail to maintain video surveillance cameras, recording devices or other items related to compliance with this requirement.

(5) Audible sensors shall be installed to detect entry and exit from all secure areas.

(6) Panic buttons shall be installed in all commercial cannabis businesses and monitored at all times by a licensed alarm company.

(7) Having a professionally installed, maintained, and monitored alarm system.

(8) Any bars installed on the windows or the doors of the commercial cannabis business shall be installed only on the interior of the building, and in compliance with the California Building Code.

(9) Security personnel shall be on-site 24 hours a day or alternative security as authorized by the Police Chief or his/her designee(s). Security personnel must be licensed by the State of California Bureau of Security and Investigative Services

personnel and shall be subject to the prior review and approval of the Chief of Police or his/her designee(s), with such approval not to be unreasonably withheld.

(10) Each commercial cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

(b) Each commercial cannabis business shall identify a designated security representative/liaison to the City of Thousand Oaks, who shall be reasonably available to meet with the Chief of Police or his/her designee(s) regarding any security related measures or and operational issues.

(c) As part of the application and permitting process each commercial cannabis business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.

(d) The commercial cannabis business shall cooperate with the City whenever the City Manager or his/her designee(s) makes a request, upon reasonable notice to the commercial cannabis business, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter.

(e) A commercial cannabis business shall notify the Chief of Police or his/her designee(s) within twenty-four (24) hours after discovering any of the following:

(1) Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the Chief of Police or his/her designee(s).

(2) Diversion, theft, loss, or any criminal activity involving the commercial cannabis business, any agent, or employee of the commercial cannabis business.

(3) The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the commercial cannabis business.

(4) Any other breach of security.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.29. Restriction on alcohol and tobacco sales.**

(a) No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the commercial cannabis business.

(b) No person shall cause or permit the sale of tobacco products on or about the premises of the commercial cannabis business.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.30. Compliance with laws.**

It is the responsibility of the owners and operators of the commercial cannabis business to ensure that it is, at all times, operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this chapter shall be construed as authorizing any actions that violate State law or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and the operators of the commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis business permit. Nothing in this Title shall be construed as authorizing any actions which violate state law with regard to the operation of a commercial cannabis business.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.31. Fees and charges.**

(a) No person may commence or continue any commercial cannabis activity in the City, without paying in full all fees and charges required for the operation of a commercial cannabis activity. Fees and charges associated with the operation of a commercial cannabis activity shall be established by resolution of the City Council which may be amended from time to time.

(b) All commercial cannabis businesses authorized to operate under this Title shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under Federal, State, and local law. Each commercial cannabis business shall cooperate with City with respect to any reasonable request to audit the commercial cannabis business 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.

(c) Prior to operating in the city and as a condition of issuance of a regulatory permit, the operator of the Retailer M-License facility and Testing Laboratory shall enter into an Operating Agreement with the city setting forth the terms and conditions under which the Retailer M-License facility and Cannabis Testing Laboratory will operate that are in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of

fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety and welfare.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

**Sec. 5-29.32. Miscellaneous operating requirements.**

(a) Cannabis or cannabis products shall not be consumed by any retail customer or employee on the premises of any commercial cannabis businesses.

(b) No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a commercial cannabis business permit, or on any vehicle(s) owned or used as part of the commercial cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

(c) Each commercial cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales by weight, and by sale, and other information which may be deemed necessary by the City. The commercial cannabis business shall ensure that such information is compatible with the City's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager or his/her designee(s) prior to being used by the permittee.

(d) There shall not be a physician located in or around any commercial cannabis business at any time for the purpose of evaluating patients for the issuance of a cannabis recommendation or card where applicable.

(e) Prior to dispensing medicinal cannabis or medicinal cannabis products to any person, the commercial medicinal cannabis business shall obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient.

(f) Each commercial cannabis business shall provide the Police Chief or his/her designee(s) with the name, telephone number, both land line and mobile, if available, of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.

(g) Signage and Notices.

(1) In addition to the requirements otherwise set forth in this section, business identification signage for a commercial cannabis business shall conform to the requirements of the Thousand Oaks Municipal Code, including, but not limited to, seeking the issuance of a City sign permit, pursuant to Title 9, Chapter 4, Article 23.

(2) No signs placed on the premises of a commercial cannabis business shall obstruct any entrance or exit to the building or any window.

(3) Each entrance to a commercial cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the commercial cannabis business is prohibited.

(4) Business identification signage shall be limited to that needed for identification only. Specific building signage shall be further defined in the Operations Agreement. No commercial cannabis business shall advertise by having a person holding a sign and advertising the business to any passersby, whether such person is on the premises of the commercial cannabis business or elsewhere including, but not limited to, the public right-of-way.

(5) Signage shall not be directly illuminated, internally or externally. No banners, flags, billboards or other prohibited signs may be used at any time.

(6) In accordance with State law and regulations or as stipulated in the regulatory permit, holders of a commercial cannabis business permit shall agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the holder of the permit shall be prohibited from advertising any commercial cannabis business located in the City utilizing a billboard, fixed or mobile, bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the state. This paragraph is not intended to place limitations on the ability of a commercial cannabis business to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.

(h) Persons under the age of eighteen (18) years shall not be allowed on the premises of a commercial cannabis business. It shall be unlawful and a violation of this chapter for any person to employ any person at a commercial cannabis business who is not at least eighteen (18) years of age. A sign shall be placed at all entrances to the commercial cannabis business stating that no person under the age of eighteen years of age is permitted to enter the premises.

(i) Odor control devices and techniques shall be incorporated in all commercial cannabis businesses to ensure that odors from cannabis are not detectable off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the commercial cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights- of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business. As such, commercial cannabis businesses must install and maintain the following equipment, or any other equipment which the Community Development Director or his/her designee(s) determine is a more effective method or

technology:

- (1) An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
- (2) An air system that creates negative air pressure between the commercial cannabis business's interior and exterior, so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.

(j) Background Check. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes city authorities to access state and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee or volunteer, of the commercial cannabis business must submit fingerprints and other information deemed necessary by the Chief of Police or his/her designee(s) for a background check by the Thousand Oaks Police Department. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which mandates that there be a requirement or exclusion from employment, licensing or certification based on specific criminal conduct on the part of the subject of the record, no person shall be issued a permit to operate a commercial cannabis business or a related work permit unless they have first cleared the background check, as determined by the Chief of Police or his/her designee(s), as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City of Thousand Oaks to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis business permit is submitted.

(k) Loitering. The owner and/or operator of a commercial cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.

(l) If a commercial cannabis business permittee is operating as a collective or cooperative under Health and Safety Code Section 11362.775, subdivision (a), members of the applicant authorized to possess cannabis shall sign an agreement with the commercial cannabis business which states that members shall not distribute cannabis or cannabis products to non-members or in violation of the "Memorandum for all United States Attorneys," issued by the United States Department of Justice, from James M. Cole, Deputy Attorney General and any other applicable state and federal laws, regulations, or guidelines.

(m) If the commercial cannabis business permittee is operating as a collective or cooperative under Health and Safety Code Section 11362.775, subdivision (a), the commercial cannabis business shall terminate the membership of any member violating any of the provisions of this chapter.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.33. Other operational requirements.**

The City Manager or his/her designee may develop other commercial cannabis business operational requirements or regulations not already in this chapter, that are determined to be necessary to protect the public health, safety and welfare.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.34. Operating requirements for retailer facilities.**

(a) Retailer facilities.

(1) Retailer M-license Owners and Operators are required to verify the age and the necessary documentation of each medical customer to ensure the customer is not under the age of eighteen (18) years, and to verify that the potential customer has a valid doctor's recommendation.

(2) Operating hours of the Retailer M-license shall be limited between the hours of 8:00 a.m. through 9:00 p.m., seven days a week.

(3) The Retailer M-license shall only sell medicinal cannabis or medicinal cannabis products to qualified patients.

(4) Entrances into the location shall be locked at all times with entry strictly controlled. A "buzz-in" electronic/mechanical entry system shall be utilized to limit access to and entry to the dispensary, to separate it from the reception/lobby area.

(5) Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. The Police Chief at his discretion may authorize or approve the carrying of a firearm by licensed security personnel which shall be specified in the terms of the regulatory permit.

(6) The Retailer M-license facility may have in the retail sales area of the licensed facility only that quantity of cannabis and cannabis products reasonably anticipated to meet the daily demand readily available for sale.

(7) All restroom facilities shall remain locked and under the control of management to ensure no product is taken into a restroom.

(b) Delivery services from licensed retailer. Prior to commencing operations, a cannabis Delivery service shall comply with the following requirements:

(1) Obtain from the City a permit authorizing the delivery of cannabis and cannabis products within the City limits. A copy

of this permit shall be retained by all drivers.

(2) The retail business operating the delivery service shall provide the City Manager or designee with evidence of a valid state license for a commercial cannabis business on whose authorization the delivery service is performing the delivery function.

(3) The retail business operating the delivery service shall furnish to the City Manager the year, make, model, license plate number, and numerical Vehicle Identification Number (VIN) for any and all vehicles that will be used to deliver cannabis goods.

(§ 2, Ord. 1636-NS, eff. December 29, 2017, as amended by § 2, Ord. 1662-NS, eff. July 12, 2019, as amended by Part 5, Ord. 1673-NS, eff. February 14, 2020)

#### **Sec. 5-29.35. Retailer non-store front and delivery services shall not be permitted.**

Except as permitted in Chapter 29, it shall be unlawful for any person, limited liability company, corporation, collective, cooperative or any other entity to manage or operate a retailer facility or non-store front facility which sells, exchanges, barter, transfers, and/or promotes, any cannabis or cannabis products in the City for commercial purpose.

(§ 2, Ord. 1636-NS, eff. December 29, 2017, as amended by § 2, Ord. 1662-NS, eff. July 12, 2019)

#### **Sec. 5-29.36. Packaging and labeling.**

(a) Before a retailer of commercial cannabis sells any edible cannabis or edible cannabis product to a customer, it shall be labeled and placed in tamper-evident packaging which at least meets the requirements of the MAUCRSA and all implementing rules and regulations.

(b) Labeling must include a warning if nuts or other known allergens are used, and must include the total weight, in ounces or grams, of cannabis in the package.

(c) A warning that the item is a medication and not a food must be clearly legible on the front of the package and/or must comply with State packing requirements.

(d) The package must have a label warning that the product is to be kept away from children.

(e) The label must also state that the product contains cannabis and must specify the date of manufacture.

(f) Any edible cannabis product that is made to resemble a typical food product must be in a properly labeled opaque, or non-see-through package, before it leaves the commercial cannabis retail business.

(g) Retail products must be in a properly labeled opaque package when purchased.

The City Council may impose additional packaging and labeling requirements on cannabis or cannabis products as permitted by law.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.37. Operating requirements for testing laboratory.**

(a) A Testing Laboratory shall be required to conduct all testing in a manner pursuant to Business and Professions Code 26100 and shall be subject to State and local law. Each Testing Laboratory shall be subject to additional regulations as determined from time to time as more regulations are developed under this Section, and any subsequent State legislation regarding the same.

(b) A Testing Laboratory shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.

(c) A Testing Laboratory performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the Bureau of Cannabis Control.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.38. Promulgation of regulations, standards and other legal duties.**

(a) In addition to any regulations adopted by the City Council, the City Manager or his/her designee is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of commercial cannabis business permits, the ongoing operation of commercial cannabis businesses and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.

(b) Regulations promulgated by the City Manager or designee shall become effective upon date of publication. Commercial cannabis businesses shall be required to comply with all State and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager or designee.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.39. Community relations.**

(a) Each commercial cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the commercial cannabis business can be provided. Each commercial cannabis business shall also provide the above information to all businesses and residences located within one hundred (100) feet of the commercial cannabis business, as measured from the property line of the property the commercial cannabis business is located.

(b) During the first year of operation pursuant to this chapter, the owner, manager, and community relations representative from each commercial cannabis business holding a permit issued pursuant to this chapter shall attend a quarterly meeting with the City Manager or his/her designee(s) and other interested parties as deemed appropriate by the City Manager, to discuss costs, benefits, and other community issues arising as a result of implementation of this Title. After the first year of operation, the owner, manager, and community relations representative from each such commercial cannabis business shall meet with the City Manager or his/her designee(s) when and as requested by the City Manager or his/her designee(s).

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.40. Fees deemed debt to City of Thousand Oaks.**

The amount of any fee, cost or charge imposed pursuant to this chapter shall be deemed a debt to the City of Thousand Oaks that is recoverable via an authorized administrative process as set forth in the Municipal Code, or in any court of competent jurisdiction.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.41. Permit holder responsible for violations.**

The person to whom a permit is issued pursuant to this chapter shall be responsible for all violations of the laws of the State of California or of the regulations and/or the ordinances of the City of Thousand Oaks, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the commercial cannabis business whether or not said violations occur within the permit holder's presence.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.42. Personal cultivation.**

Personal cultivation of up to a maximum of six plants, not for commercial purposes, shall be allowed without a permit under the following conditions:

(a) All cultivation of cannabis shall only occur within a secured room in a residence or secured fully enclosed accessory building located on a residential property. The term "secured" as used in this section shall mean able to be fully locked.

(b) No cultivation activity shall be visible from a public right-of-way, private street, or any neighboring property.

(c) Cannabis cultivation shall not produce any odor detectable from any surrounding neighboring property, a public right-of-way, or private street.

(d) Any building, or portion thereof, utilized for personal cannabis cultivation shall have all necessary City permits and land use approvals, including but not limited to building, plumbing, electrical, and mechanical permits, and all land use entitlements and zone clearances, and shall be maintained in accordance with approvals.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.43. Inspection and enforcement.**

(a) The City Manager, Chief of Police or his/her designee(s) charged with enforcing the provisions of the Thousand Oaks Municipal Code, or any provision thereof, may enter the location of a commercial cannabis business at any time, without notice, and inspect the location of any commercial cannabis business as well as any recordings and records required to be maintained pursuant to this chapter or under applicable provisions of State law.

(b) It is unlawful for any person having responsibility over the operation of a commercial cannabis business, 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.

(c) The City Manager, Chief of Police or his/her designee(s) charged with enforcing the provisions of this chapter may enter the location of a commercial cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City shall be logged, recorded, and maintained for evidence.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

#### **Sec. 5-29.44. Compliance with State regulation.**

It is the stated intent of this chapter to regulate commercial cannabis activity in the City of Thousand Oaks in compliance

with all provisions MAUCRSA and any subsequent state legislation.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

**Sec. 5-29.45. Violations declared a public nuisance.**

Each and every violation of the provisions of this chapter is hereby deemed unlawful and a public nuisance.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

**Sec. 5-29.46. Each violation a separate offense.**

Each and every violation of this chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Municipal Code. Additionally, as a nuisance per se, any violation of this chapter shall be subject to injunctive relief, any permit issued pursuant to this Title being deemed null and void, disgorgement and payment to the City of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The City may also pursue any and all remedies and actions available and applicable under State and local laws for any violations committed by the commercial cannabis business or persons related to, or associated with, the commercial cannabis activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the City Manager, Chief of Police or his/her designee(s), may take immediate action to temporarily suspend a commercial cannabis business permit issued by the City, pending a hearing before the City Council.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

**Sec. 5-29.47. Violations and penalties.**

Any person, firm, company or corporation that violates any provision of this chapter shall be guilty of a misdemeanor, punishable as provided in Section 1-2.03 of this Municipal Code.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)

**Sec. 5-29.48. Remedies cumulative and not exclusive.**

The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided by law.

(§ 2, Ord. 1636-NS, eff. December 29, 2017)