

RESOLUTION NO. 2025-50

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COACHELLA, CALIFORNIA, AUTHORIZING THE USE OF LIVE SCAN TECHNOLOGY TO ASSIST THE CITY IN IMPLEMENTING ITS CANNABIS BUSINESS REGULATORY PERMIT REGULATIONS.

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) authorize cities, counties, districts, and joint powers authorities to access state and local summary criminal history information for employment, licensing or certification purposes; and

WHEREAS, Penal Code Section 11105(b)(11) authorizes cities, counties, districts, and joint powers authorities to access 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; and

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) require 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; and

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) require the city council, board of supervisors, governing body of a city, county, or district or joint powers authority to specifically authorize access to summary criminal history information for employment, licensing, or certification purposes; and

WHEREAS, Coachella Municipal Code Sections 5.68.050 and 5.69.040 provide that the City of Coachella (“City”) requires owners of commercial cannabis businesses and retail cannabis businesses, as defined in Chapters 5.68 and 5.69, respectively, to submit to criminal background checks. The City shall provide each applicant with ‘request for live scan service’ forms, which must be taken to a live scan operator for fingerprinting. Owners must submit their fingerprint images to the California Department of Justice for fingerprint-based criminal history records review and reporting to the City with owners completing such checks prior to issuance or transfer of a regulatory permit.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Coachella:

SECTION 1. The City of Coachella is hereby authorized to access state and federal level summary criminal history information for owners of commercial cannabis businesses and retail cannabis businesses (collectively, “cannabis businesses”) as defined in Coachella Municipal Code Chapters 5.68 and 5.69, respectively, for the purposes of permitting of the following cannabis-related businesses:

1. **Commercial cannabis activity businesses** (Coachella Municipal Code Chapter 5.68) including:
 - a. Indoor and outdoor cultivation,
 - b. Manufacturing,
 - c. Testing,
 - d. Distribution, and
 - e. Non-retail microbusiness.
2. **Retail cannabis businesses** (Coachella Municipal Code Chapter 5.69) including:
 - a. Non-storefront retail microbusiness
 - b. Non-storefront retailer,
 - c. Storefront retailer,
 - d. Storefront retail microbusiness.

SECTION 2. Chapters 5.68 and 5.69 of the Coachella Municipal Code define “owner” as any of the following:

(1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a regulatory permit or a permittee, unless the interest is solely a security, lien, or encumbrance.

(2) The chief executive officer of a nonprofit or other entity.

(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 regulatory permit. “Partnership” has the same definitions as in California Corporations Code section 16101(9), as amended.

Under this definition, “entity” means any form of business organization recognized under California law, including but not limited to a corporation, limited liability company, partnership, limited partnership, limited liability partnership, joint venture, association, trust, estate, or sole proprietorship, whether formed under the laws of this state or another jurisdiction. This term includes any structure that may hold an ownership interest in a cannabis business.

Under this definition, “ownership” means the possession of an equity interest or financial stake in an entity applying for or holding a cannabis business regulatory permit, including but not limited to shares of stock in a corporation, membership interests in a limited liability company, or partnership interests in a partnership, that confers rights to profits, capital, voting, or control.

Under this definition, “management” means the process of directing, controlling, and overseeing the day-to-day operations of a cannabis business, including making strategic decisions, managing personnel, setting policies, and allocating resources to ensure operational efficiency and compliance with legal and ethical standards.

Undefined terms shall have the meanings ascribed to them under Coachella Municipal Code Chapters 5.68 and 5.69, or, if not defined therein, the common and ordinary meaning as supplemented by applicable state law, including the Compassionate Use Act of 1996, the

Medical Marijuana Program, and the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”).

SECTION 3. Coachella Municipal Code Sections 5.68.070 and 5.69.060 provide that cannabis business regulatory permits will not be issued to applicants/permittees who have been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the city manager determines that the applicant or permittee is otherwise suitable to be issued a permit and granting the permit would not compromise public safety, the city manager shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, and shall evaluate the suitability of the applicant or permittee to be issued a permit based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the city manager shall include, but not be limited to, the following:

- (1) A violent felony, as defined by California Penal Code Section 667.5 or equivalent offense in other states;
- (2) A serious felony, as defined by California Penal Code Section 1192.7 or equivalent offense in other states;
- (3) A felony hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor;
- (4) A felony for drug trafficking with enhancements pursuant to California Health and Safety Code Sections 11370.4 or 11379.8;
- (5) A felony conviction involving fraud, deceit, or embezzlement.

SECTION 4. Coachella Municipal Code Sections 5.68.050 and 5.69.040 further provide that evidence of a conviction of any of the offenses enumerated in subsection (C) of those sections shall be grounds for denial or revocation of a cannabis business regulatory permit and/or disqualification from serving as an owner with a cannabis business permit in the City of Coachella.

SECTION 5. The City shall not disseminate criminal history information to a private entity and shall comply with all applicable state and federal laws governing the confidentiality and use of such information, including but not limited to Penal Code Sections 11105 and 13300.

SECTION 6. This resolution shall take effect immediately upon adoption and shall remain in effect until amended or repealed by the City Council.

PASSED, APPROVED AND ADOPTED this 22nd day of October, 2025.

Steven A. Hernandez, Mayor

ATTEST:

Angela M. Zepeda,
City Clerk

APPROVED AS TO FORM:

BEST, BEST & KRIEGER

City Attorney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF COACHELLA)

I HEREBY CERTIFY that the foregoing Resolution No. 2025-50 was duly adopted by the City Council of the City of Coachella at a regular meeting thereof, held on this 22nd day of October 2025 by the following vote of Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Delia Granados
Deputy City Clerk