

## **ORDINANCE NO. 1162**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COACHELLA, CALIFORNIA, AMENDING COACHELLA MUNICIPAL CODE TITLE 5 BUSINESS LICENSES AND REGULATIONS, CHAPTERS 5.68 COMMERCIAL CANNABIS ACTIVITY REGULATORY PERMIT AND 5.69 CANNABIS RETAILER AND RETAIL MICROBUSINESS REGULATORY PERMIT TO UPDATE CANNABIS BUSINESS REGULATORY PERMIT REGULATIONS, INCLUDING REGULATIONS SPECIFIC TO NON-STOREFRONT RETAIL CANNABIS BUSINESSES AND MICROBUSINESSES.**

**WHEREAS**, pursuant to the authority granted to the City of Coachella (“City”) by Article XI, Section 7 of the California Constitution, the City has the police power to regulate the use of land and property within the City in a manner designed to promote public convenience and general prosperity, as well as public health, welfare, and safety; and,

**WHEREAS**, adoption and enforcement of comprehensive zoning regulations and other land use regulations lies within the City’s police power; and,

**WHEREAS**, on November 8, 2016, California voters passed Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”), legalizing the use and possession of cannabis and cannabis products by adults aged 21 years and older; and,

**WHEREAS**, on June 27, 2017, Governor Brown signed into law Senate Bill 94, which repealed the Medical Cannabis Regulation and Safety Act (“MCRSA”), included certain provisions of MCRSA in the licensing provisions of AUMA, and created a single regulatory scheme for both medicinal and non-medicinal cannabis known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA” or “Act”); and,

**WHEREAS**, MAUCRSA retains the provisions in the MCRSA and the AUMA that granted local jurisdictions control over whether non-commercial and commercial cannabis activities could occur in a particular jurisdiction. Specifically, California Business and Professions Code section 26200 provides that MAUCRSA shall not be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances that completely prohibit the establishment or operation of one or more businesses licensed under the state licensing authority and shall not approve an application for a state license for a business to engage in commercial cannabis activity if approval by the state license will violate the provisions of any local ordinance or regulation. State licensing authorities began issuing licenses to cannabis businesses beginning January 1, 2018; and,

**WHEREAS**, MAUCRSA establishes a regulatory structure for cultivation, processing, manufacturing, tracking, quality control, testing, inspection, distribution, and retail sale of commercial cannabis, including medicinal and adult-use cannabis. The Act designates applicable responsibilities for oversight of cannabis commerce to several State agencies; and,

**WHEREAS**, the proposed Ordinance would amend Title 5 (Business Licenses and Regulations), Chapters 5.68 and 5.69 to (i) identify non-storefront retailers as a new cannabis

business type allowed within the City, (ii) to clarify the different types of cannabis microbusinesses that may operate within the City, and (iii) comply with current City policies and State law; and,

**WHEREAS**, the subject Municipal Code Amendment is not subject to the California Environmental Quality Act (“CEQA”) pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3). The activity is not subject to CEQA because it will not result in a direct or reasonably foreseeable indirect physical change in the environment; the activity is not a project as defined in Section 15378 of the California Public Resources Code, and the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant impact on the environment. Where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment, the activity is not subject to CEQA; and,

**WHEREAS**, the City Council conducted a properly noticed public hearing on May 13, 2020 at which members of the public were afforded an opportunity to comment on this Ordinance, the recommendations of staff, and other public testimony.

**NOW, THEREFORE, THE PEOPLE OF THE CITY OF COACHELLA DO ORDAIN AS FOLLOWS:**

**SECTION 1. Recitals.** The City Council of the City of Coachella, California, hereby finds that the foregoing recitals are true and correct and are incorporated herein as substantive findings of this Ordinance.

**SECTION 2. Amendment to Coachella Municipal Code.** Section 5.68.010 *Purpose and intent* of Chapter 5.68 *Commercial Cannabis Activity Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.68.010 - Purpose and intent.**

It is the purpose and intent of this chapter to regulate the cultivation, manufacturing, testing, and distribution, ~~and transportation of medicinal and nonmedicinal adult use~~ cannabis (including cannabis products and edible cannabis products) within the city of Coachella.

The regulations and prohibitions in this chapter are enacted to ensure the health, safety, and welfare of the residents of the city. The regulations and prohibitions herein, which are in compliance with the Compassionate Use Act of 1996 (“CUA”), the Medical Marijuana Program (“MMP”), and the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”) ~~the Medical Cannabis Regulation and Safety Act (“MCRSA”), the Control, Use, Tax Adult Use of Marijuana Act (“AUMA”),~~ (collectively, “State law”), do not interfere with the use and possession of cannabis as authorized under state law.

Nothing in this chapter shall be construed to: (1) allow persons to engage in conduct that endangers others or causes a public nuisance, or (2) allow any activity relating to the cultivation, manufacturing, testing, distribution, ~~transportation~~, or use of cannabis that is otherwise illegal under California state law.”

**SECTION 3. Amendment to Coachella Municipal Code.** Section 5.68.020 *Definitions* of Chapter 5.68 *Commercial Cannabis Activity Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.68.020 - Definitions.**

For the purposes of this chapter, the following definitions shall apply, unless the context clearly indicates otherwise. If a word is not explicitly defined in this chapter, the common and ordinary meaning of the word shall apply.

“Applicant” means a person applying for a regulatory permit under this chapter. An “applicant” includes all representatives, agents, parent entities, or subsidiary entities of the applicant.

“Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” also means marijuana as defined in California Health and Safety Code Section 11018. “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 compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, “cannabis” does not mean “industrial hemp” as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

“Cannabis products” has the same meaning as marijuana products in Section 11018.1 of the California Health and Safety Code. When the term “cannabis” is used in this chapter, it shall include “cannabis products.”

“City manager” means the city manager of the city of Coachella or designee.

“Commercial cannabis activity” includes the cultivation, manufacture, ~~distributing,~~ laboratory testing, and ~~transportation~~ distribution (including possession, processing, storing, and labeling incidental to such activities) of cannabis and cannabis products as provided in this chapter. Pursuant to this chapter, “commercial cannabis activity” may include a non-retail microbusiness.

“Cultivate” or “cultivation” means any commercial activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. A cannabis nursery is considered a “cultivation” use.

“Customer” means a natural person twenty-one (21) years of age or older or a natural person eighteen (18) years of age or older who possesses a physician’s recommendation, or a primary caregiver.

“Delivery” means the commercial transfer of cannabis or cannabis products to a customer.

“Distribution” means the procurement, wholesale sale, and transport of cannabis and cannabis products between entities permitted or licensed under this chapter, another local California jurisdiction, or state law.

“Edible cannabis product” means manufactured cannabis that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 of the California Food and Agricultural Code. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code. When the term “cannabis” is used in this chapter, it shall include “edible cannabis products.”

“Indoor” means within a fully enclosed and secure building.

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

“Manufacturer” means a permittee 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 relabels its containers.

“Non-retail microbusiness” means a commercial business that engages in indoor cultivation of cannabis on an area less than ten thousand (10,000) square feet, Level 1 manufacturing, and distribution, provided such permittee can demonstrate compliance with all requirements imposed by this chapter and State law on licensed cultivators, distributors, Level 1 manufacturers, to the extent the permittee engages in such activities.

“Non-storefront retail microbusiness” means a commercial business that engages in non-storefront retail cannabis sales (delivery only) and at least two of the following commercial cannabis activities: indoor cultivation of cannabis on an area less than ten thousand (10,000) square feet, Level 1 manufacturing, and distribution, provided such permittee can demonstrate compliance with all requirements imposed by this chapter and State law on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the permittee engages in such activities.

“Nursery” means a permittee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

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

“Owner” means any of the following: (1) All persons with an aggregate ownership interest of twenty (20) percent or more in the applicant, unless such interest is solely a security, lien, or encumbrance; (2) the chief executive officer of an entity or nonprofit; (3) all members of the board of directors of a nonprofit; or (4) an individual that will be participating in the direction, control, or management of the permitted commercial cannabis activity.

“Permittee” means the individual or applicant to whom a regulatory permit has been issued under this chapter. A permittee includes all representatives, agents, parent entities, or subsidiary entities of the permittee.

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

“Premises” means the designated structures and land specified in the regulatory permit application that are in the possession of an used by the applicant or permittee to conduct the commercial cannabis activity. The premises must be a contiguous area and may only be occupied by one licensee.

~~“Retailer” “Retail cannabis business” means a person or entity that sells and/or delivers cannabis or cannabis products to customers, and includes the following business types: non-storefront retail microbusiness, non-storefront retailer, storefront retailer, and storefront retail microbusiness. The term “retailer” shall also include the term “dispensary,” as defined under MCRSA.~~

“Shared-use facility” means a premises registered by a primary manufacturing permittee at which multiple cannabis manufacturers may operate at separate times.

“Storefront retailer” means a business that has a storefront open to the public where cannabis or cannabis products are offered for retail sale to consumers, where delivery may or may not be included as part of the business’s operation.

“Storefront retail microbusiness” means a commercial business that engages in retail cannabis sales and at least two of the following commercial cannabis activities: indoor cultivation of cannabis on an area less than ten thousand (10,000) square feet, Level 1 manufacturing, and distribution, provided such permittee can demonstrate compliance with all requirements imposed by this chapter and State law on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the permittee engages in such activities.

“Testing” means subjecting cannabis to laboratory testing for active compounds and purity prior to distribution for consumption.

~~“Transportation” means transferring cannabis and/or cannabis products from one person or entity permitted under this chapter, permitted by another local California jurisdiction, and/or licensed under state law to another person or entity permitted under this chapter, permitted by another local California jurisdiction, and/or licensed under state law.~~

Words and phrases not specifically defined in this code shall have the meaning ascribed to them as defined in the following sources:

A. The Compassionate Use Act of 1996 (“CUA”);

B. The Medical Marijuana Program (“MMP”); and

C. ~~The Medical Cannabis Regulation and Safety Act (“MCRSA”)~~ The Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”).; and

~~D. Control, Regulate, and Tax Adult Use of Marijuana Act (“AUMA”).~~”

**SECTION 4. Amendment to Coachella Municipal Code.** Section 5.68.030 *Regulatory permit required* of Chapter 5.68 *Commercial Cannabis Activity Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.68.030 - Regulatory permit required.**

Commercial cannabis activity permitted under this chapter includes cultivation, manufacture (including shared-use facilities), distribution, testing, and non-retail microbusinesses (including possession, processing, storing, and labeling incidental to such activity). Prior to initiating operations and as a continuing requisite to operating a commercial cannabis activity, the legal representative of the persons wishing to operate and/or lease out a facility for commercial cannabis activity shall obtain both a conditional use permit and a regulatory permit from the city manager and shall pay an application fee as established by resolution adopted by the city council as amended from time to time. Regulatory permit requirements for retail cannabis businesses can be found in Chapter 5.69.”

**SECTION 5. Amendment to Coachella Municipal Code.** Subsection F of Section 5.68.070 *Regulatory permit denial* of Chapter 5.68 *Commercial Cannabis Activity Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

“...

F. The commercial cannabis activity is not properly organized or operating in strict compliance pursuant to the Compassionate Use Act of 1996, the Medical Marijuana Program Act, ~~the 2008 Attorney General Guidelines, Medical Marijuana Regulation and Safety Act (AB 243, AB 266, and SB 643), Control, Regulate, and Tax Adult Use of Marijuana Act (“AUMA”)~~ the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”), and any other applicable law, rules and regulations.”

**SECTION 6. Amendment to Coachella Municipal Code.** Section 5.68.110 *Regulatory permit suspension and revocation* of Chapter 5.68 *Commercial Cannabis Activity Regulatory Permit* is hereby amended to add underlined text and delete stricken text as follows:

**“5.68.110 – Regulatory permit suspension and revocation.**

The city manager may suspend, modify, or revoke a commercial cannabis activity ~~regulatory cultivation~~ permit issued pursuant to the provisions of this chapter for any of the following reasons:

A. One or more of the circumstances upon which a regulatory permit could be denied exists or has occurred;

B. One or more conditions of the regulatory permit has been violated; or

C. The permittee, its owners, officers, directors, partners, agents, or other persons vested with the authority to manage or direct the affairs of the business have violated any provision of this chapter.”

**SECTION 7. Amendment to Coachella Municipal Code.** Section 5.68.120 *Appeals* of Chapter 5.68 *Commercial Cannabis Activity Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text as follows:

**“5.68.120 – Appeals.**

Any decision regarding the denial, suspension, or revocation of a commercial cannabis activity regulatory permit may be appealed to a hearing officer. Notice of and the procedures governing such hearing shall be provided pursuant to Chapter 3.28 of the code.”

**SECTION 8. Amendment to Coachella Municipal Code.** Section 5.68.130 *Operating Standards* of Chapter 5.68 *Commercial Cannabis Activity Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.68.130 - Operating standards.**

A. Indoor cultivation only. A permittee shall only cultivate cannabis in a fully enclosed and secure building. A permittee shall not allow cannabis or cannabis products on the premises to be visible from the public right of way, the unsecured areas surrounding the buildings on the premises, or the premises' main entrance and lobby.

B. Odor control. A permittee shall comply with the odor control plan that is submitted during the application process and approved by the city manager. Commercial cannabis activity premises shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the building(s) that is distinctive to its operation is not detected outside the premises, anywhere on adjacent property or public rights-of-way, on or about any exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for common use by tenants or the visiting public, or within any other unit located within the same building as the commercial cannabis activity. As such, applicants must install and maintain the following equipment or any other equipment which the city manager or designee determines has the same or better effectiveness:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally; or

2. An air system that creates negative air pressure between the cannabis facility's interior and exterior so that the odors generated inside the cannabis facility are not detectable outside the cannabis facility.

3. Should compliance with the odor control plan fail to properly control odor, the city manager may impose additional or modified plan restrictions.

C. ~~'Seed to sale' or 't~~ Track and trace'. Commercial cannabis activity businesses shall have an electronic ~~'seed to sale' or 'track and trace'~~ system that produces historical transactional data for review by the city manager for auditing purposes.

D. Records. A commercial cannabis activity business shall maintain the following records in printed format for at least three years on the premises and shall produce them to the city within twenty-four (24) hours after receipt of the city's request:

1. The name, address, and telephone numbers of the owner and landlord of the property.

2. The name, date of birth, address, and telephone number of each manager and staff of the commercial cannabis activity business; the date each was hired; and the nature of each manager's and staff's participation in the business.

3. A written accounting of all income and expenditures of the commercial cannabis activity business, including, but not limited to, cash and in-kind transactions.

4. A copy of the commercial cannabis activity business' commercial general liability insurance policy and all other insurance policies related to the operation of the business.

5. A copy of the commercial cannabis activity business' most recent year's financial statement and tax return.

6. An inventory record documenting the dates and amounts of cannabis received at the premises, the daily amounts of cannabis on the premises, and the daily amounts of cannabis transported from the premises.

A commercial cannabis activity business shall report any loss, damage, or destruction of these records to the city manager within twenty-four (24) hours of the loss, damage, or destruction.

E. Security. A permittee shall comply with the security plan that is submitted during the application process as approved by the city manager. A permittee shall report to the Coachella Police Department all criminal activity occurring on the premises. Should compliance with the security plan fail to properly secure the commercial cannabis activity premises, the city manager may impose additional or modified plan restrictions.

F. Retail sales prohibited. No person shall conduct any retail sales of any good or services on or from a permitted commercial cannabis activity premises that is regulated under this chapter.



G. Cannabis consumption prohibited. No person shall smoke, ingest, or otherwise consume cannabis in any form on, or within twenty (20) feet of, ~~the~~ a commercial cannabis activity premises regulated under this chapter.

H. Alcohol prohibited. No person shall possess, consume, or store any alcoholic beverage on ~~the cultivation~~ any commercial cannabis activity premises.

I. Juveniles prohibited. No one under the age of eighteen (18) shall be on the commercial cannabis activity premises or operate a commercial cannabis activity in any capacity, including, but not limited to, as a manager, staff, employee, contractor, or volunteer.”

**SECTION 9. Amendment to Coachella Municipal Code.** Section 5.68.160 *Premises restricted* of Chapter 5.68 *Commercial Cannabis Activity Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.68.160 - Premises restricted.**

- A. No permittee shall open their commercial cannabis activity premises to the public.
- B. No permittee shall allow anyone on the premises, except for managers, staff, and other persons with a bona fide business or regulatory purpose for being there, such as contractors, inspectors, and cannabis distributors ~~transporters~~.
- C. A manager must be on the premises at all times that any other person, except for security guards, is on the premises.

**SECTION 10. Amendment to Coachella Municipal Code.** Section 5.68.230 *Compliance with state law* of Chapter 5.68 *Commercial Cannabis Activity Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.68.230 - Compliance with state law.**

All commercial cannabis activity shall comply fully with all of the applicable restrictions and mandates set forth in state law, including without limitation the Compassionate Use Act of 1996, the Medical Marijuana Program Act, ~~the 2008 Attorney General Guidelines, the Medical Cannabis Regulation and Safety Act, and the Control, Regulate, and Tax Adult Use of Marijuana Act~~ and the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”).”

**SECTION 11. Amendment to Coachella Municipal Code.** The title of Chapter 5.69 shall be changed from *Cannabis Retailer and Retail Microbusiness Regulatory Permit* to *Retail Cannabis Business Regulatory Permit*.

**SECTION 12. Amendment to Coachella Municipal Code.** Section 5.69.000 *Purpose and intent* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* is hereby added as follows:

**“5.69.000 Purpose and intent.**

It is the purpose and intent of this chapter to regulate retail cannabis businesses, including the retail sale and delivery of cannabis (including cannabis products and edible cannabis products), within the city of Coachella.

The regulations and prohibitions in this chapter are enacted to ensure the health, safety, and welfare of the residents of the city. The regulations and prohibitions herein, which are in compliance with the Compassionate Use Act of 1996 (“CUA”), the Medical Marijuana Program (“MMP”), and the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”) (collectively, “State law”), do not interfere with the use and possession of cannabis as authorized under state law.

Nothing in this chapter shall be construed to: (1) allow persons to engage in conduct that endangers others or causes a public nuisance, or (2) allow any activity relating to the retail sale, delivery, or use of cannabis that is otherwise illegal under California state law.”

**SECTION 13. Amendment to Coachella Municipal Code.** Section 5.69.010 *Definitions* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.69.010 - Definitions.**

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

“Applicant” means an owner applying for a regulatory permit under this chapter.

“Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; 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 chapter, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the Health and Safety Code.

“Cannabis products” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

“City manager” means the city manager of the city of Coachella or designee.

“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.

“Non-storefront retailer” means a cannabis retailer that provides cannabis exclusively through delivery.

“Non-storefront retail microbusiness” means a commercial business that engages in non-storefront retail cannabis sales and at least two of the following commercial cannabis activities: indoor cultivation of cannabis on an area less than ten thousand (10,000) square feet, Level 1 manufacturing, and distribution, provided such permittee can demonstrate compliance with all requirements imposed by this chapter and State law on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the permittee engages in such activities.

“Owner” means any of the following: (1) a person with an aggregate ownership interest of twenty (20) percent or more in the person applying for the permit, unless such 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; or (4) an individual who will be participating in the direction, control, or management of the person applying for the permit.

“Permittee” means any person holding a valid permit under this chapter.

“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.

“Premises” means the designated structure or structures and land specified in the regulatory permit application that is owned, leased, or otherwise held under the control of the applicant or permittee where the retailer or retail microbusiness will be or is conducted. These premises shall be a contiguous area and shall only be occupied by one permittee.

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

“Retail cannabis business” means a person or entity that sells or sells and delivers cannabis or cannabis products to customers, and includes the following business types: non-storefront retail microbusiness, non-storefront retailer, storefront retailer, and storefront retail microbusiness.

~~“Retail microbusiness” means a retailer that includes up to ten thousand (10,000) square feet of cannabis cultivation on the same premises.~~

“Sell,” “sale,” and “to sell” include any transaction, whereby, for any consideration title to cannabis or cannabis products is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a permittee to the permittee from who the cannabis or cannabis product was purchased.

“State license” means a license issued by the state of California, as listed in California Business and Professions Code Section 26050.

“Storefront retailer” means a business that has a storefront open to the public where cannabis or cannabis products are offered for retail sale to consumers, where delivery may or may not be included as part of the business’s operation.

“Storefront retail microbusiness” means a commercial business that engages in retail cannabis sales and at least two of the following commercial cannabis activities: indoor cultivation of cannabis on an area less than ten thousand (10,000) square feet, Level 1 manufacturing, and distribution, provided such permittee can demonstrate compliance with all requirements imposed by this chapter and State law on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the permittee engages in such activities.

**SECTION 14. Amendment to Coachella Municipal Code.** Section 5.69.020 *Regulatory permit required* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.69.020 - Regulatory permit required.**

A. Prior to initiating operations and as a continuing request to operating a ~~retailer or microbusiness~~ retail cannabis business, the owner of the proposed ~~retailer or retail microbusiness~~ retail cannabis business shall obtain (i) a regulatory permit from the city manager and shall pay application fees as established by resolution adopted by the city council as amended from time to time, and (ii) either a development agreement or a conditional use permit from the city as required by this code.

B. This chapter, and the requirement to obtain a regulatory permit, does not apply to the individual possession or cultivation of cannabis for personal use, as allowed by state law. Personal cannabis cultivation is regulated under Chapter 17.84. Personal possession and use of cannabis pursuant to state law are permitted in the city of Coachella.”

**SECTION 15. Amendment to Coachella Municipal Code.** Section 5.69.030 *Regulatory permit application* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.69.030 - Regulatory permit application.**

An application for a regulatory permit shall include, but shall not be limited to, the following information:

A. The name, address, and telephone number of the applicant.

B. A description of the statutory entity or business form that will serve as the legal structure for the applicant and a copy of its formation and organizing documents, including, but not limited to, articles of incorporation, certificate of amendment, statement of information, articles of association, bylaws, partnership agreement operating agreement, and fictitious business name statement.

C. The name, address, telephone number, title, and function of each of the interested parties described in Section 5.69.130.

D. A legible copy of each applicant’s photo identification, such as a state driver’s license, a passport issued by the United States, or a permanent resident card.

E. A list of the license or permit types (including license or permit numbers) held by the applicant that involve the operation of a ~~retailer or retail microbusiness~~ retail cannabis business, including the date the license or permit was issued and the jurisdiction or state license authority that issued the license or permit.

F. Whether the applicant has been denied a license or permit by the city, any other jurisdiction, and/or the state that involves the operation of a ~~retailer or retail microbusiness~~ retail cannabis business. The applicant shall provide a description of the license or permit applied for, the name of the jurisdiction or state license authority that reviewed the license or permit application, and the date of denial.

G. The proposed ~~retailer or retail microbusiness~~ retail cannabis business' physical address, telephone number, website address, and email address.

H. Contact information for the applicant's designated primary contact person including the name, title, address, phone number, and email address of the individual.

I. A list of every fictitious business name the applicant is operating under including the address where the business is located.

J. Financial information including the following:

1. A list of funds belonging to the ~~retailer or retail microbusiness~~ retail cannabis business held in savings, checking, or other accounts maintained by a financial institution. The applicant shall provide for each account, the financial institution's name, the financial institution's address, account type, account number, and the amount of money in the account.

2. A list of loans made to the ~~retailer or retail microbusiness~~ retail cannabis business. For each loan, the applicant shall provide the amount of the loan, the date of the loan, term(s) of the loan, security provided for the loan, and the name, address, and phone number of the lender.

3. A list of investments made into the ~~retailer or retail microbusiness~~ retail cannabis business. For each investment, the applicant shall provide the amount of the investment, the date of the investment, term(s) of the investment, and the name, address, and phone number of the investor.

4. A list of all gifts of any kind given to the applicant for its use in conducting ~~retailer or retail microbusiness~~ retail cannabis business. For each gift the applicant shall provide the value of the gift or description of the gift, and the name, address, and phone number of the provider of the gift.

K. A copy of the applicant's completed application for electronic fingerprint images submitted to the Department of Justice and Federal Bureau of Investigation.

L. A list of each applicant's misdemeanor and felony convictions, if any. For each conviction, the list must set forth the date of arrest, the offense charged, the offense convicted, the

jurisdiction of the court, and whether the conviction was by verdict, plea of guilty, or plea of nolo contendere.

M. A complete and detailed diagram of the proposed premises showing the boundaries of the property and the proposed premises to be permitted, showing all boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, doorways, and common or shared entryways, storage areas and exterior lighting. The diagram must show the areas in which all business will take place, including but not limited to, limited-access areas.

N. A security plan, as a separate document, outlining the proposed security arrangements to deter and prevent unauthorized entrance into limited access areas and theft of cannabis, in accordance with minimum security measures required by state law. The security plan shall be reviewed by the Coachella Police Department and the city manager and shall be exempt from disclosure as a public record pursuant to Government Code Section 6255(a).

O. A comprehensive business operations plan that includes the following:

1. Business plan. A plan describing how the ~~retailer or retail microbusiness~~ retail cannabis business will operate in accordance with this code, state law, and other applicable regulations. The business plan must include plans for ensuring cannabis will be dispensed only to adults over twenty-one (21) years of age, qualified patients, or primary caregivers, controls to acquire, possess, transport, and distribute cannabis to and from State licensed cannabis entities, if applicable.

2. Community relations plan. A plan describing who is designated as being responsible for outreach and communication with the surrounding community, including the neighborhood and businesses, and how the designee can be contacted.

3. Neighborhood responsibility plan. A plan addressing any adverse impacts of the proposed ~~retailer or retail microbusiness~~ retail cannabis business on the surrounding area.

4. Insurance. The applicant's certificate of commercial general liability insurance and endorsements and certificates of all other insurance related to the operation of the retailer or retail microbusiness.

5. Budget. A copy of the applicant's most recent annual budget for operations.

P. The name and address of the owner and lessor of the real property upon which the ~~retailer or retail microbusiness~~ retail cannabis business is to be operated. In the event the applicant is not the legal owner of the property, the application must be accompanied with a notarized acknowledgement from the owner of the property that a ~~retailer or retail microbusiness~~ retail cannabis business will be operated on his or her property.

Q. Authorization for the city manager to seek verification of the information contained within the application.

R. A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.

S. A full and complete copy of the applicant's most current application submitted to and approved by the applicable State licensing authority.

T. Any such additional and further information as is deemed necessary by the city manager to administer this chapter."

**SECTION 16. Amendment to Coachella Municipal Code.** Section 5.69.040 *Background check* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**"5.69.040 - Background check.**

The city will provide each applicant, including any management personnel who are responsible for the day-to-day operations of the ~~retailer or retail microbusiness~~ retail cannabis business, with a 'request for live scan service' form, which must be taken to a live scan operator for fingerprinting. Each applicant must submit their fingerprint images to the Coachella Police Department, California Department of Justice, and the Federal Bureau of Investigation for fingerprint-based criminal history records review and reporting to the city."

**SECTION 17. Amendment to Coachella Municipal Code.** Section 5.69.050 *Additional terms and conditions* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**"5.69.050 - Additional terms and conditions.**

Based on the information set forth in the application, the city manager may impose reasonable terms and conditions on the proposed operations of the ~~retailer or retail microbusiness~~ retail cannabis business in addition to those specified in this chapter."

**SECTION 18. Amendment to Coachella Municipal Code.** Section 5.69.060 *Regulatory permit denial* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**"5.69.060 - Regulatory permit denial.**

The city manager may deny an application for a regulatory permit or renewal of a regulatory permit upon making any of the following findings:

- A. The applicant or the premises for which a regulatory permit is applied does not qualify for a permit under this chapter.
- B. The applicant made a material misrepresentation of the application.
- C. The applicant fails to comply with the provisions of this chapter.

D. The applicant has failed to provide information required by the city manager.

E. The applicant or permittee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the city manager determines that the applicant or permittee is otherwise suitable to be issued a license and granting the license 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 felony conviction for the illegal possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance.

2. A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the California Penal Code.

3. A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the California Penal Code.

4. A felony conviction involving fraud, deceit, or embezzlement.

F. The applicant, or any of its officers, directors, or owners, has been sanctioned by a State licensing authority or a city, county, or city and county for unlicensed commercial cannabis activities (including, but not limited to, retail, cultivation, manufacturing, distribution, testing) or has had a State license or local permit revoked in the three years immediately preceding the date the application is filed with the city manager.

G. The ~~retailer or retail microbusiness~~ retail cannabis business is not properly organized or operating in strict compliance pursuant to the Compassionate Use Act of 1996, the Medical Marijuana Program Act ("MMP"), Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), and any other applicable law, rules and regulations."

**SECTION 18. Amendment to Coachella Municipal Code.** Section 5.69.080 *Regulatory permit renewal process* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**"5.69.080 - Regulatory permit renewal process.**

A. To renew a regulatory permit, a completed permit renewal form and renewal permit fee shall be received by the city manager from the permittee no earlier than sixty (60) calendar days before the expiration of the permit and no later than the last business day before the expiration of the permit.



B. In the event the regulatory permit is not renewed prior to the expiration date, the permittee must cease all operations as a ~~retailer or retail microbusiness~~ retail cannabis business.”

**SECTION 19. Amendment to Coachella Municipal Code.** Section 5.69.090 *Regulatory permit surrender* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.69.090 - Regulatory permit surrender.**

Every permittee who surrenders, abandons, or quits the permitted premises after a certificate of occupancy is issued, or who closes the permitted premises for a period exceeding sixty (60) consecutive calendar days after a certificate of occupancy is issued, shall, within sixty (60) calendar days after closing, surrendering, quitting, or abandoning the permitted premises, surrender the permit to the city manager. The city manager may seize the permit of a permittee who fails to comply with the surrender provisions of this section and may proceed to revoke the permit. If a permittee wishes to close a ~~retailer or retail microbusiness~~ retail cannabis business for repair or refurbishment for a period of longer than sixty (60) calendar days, the permittee shall notify the city manager of same in writing.”

**SECTION 20. Amendment to Coachella Municipal Code.** Section 5.69.120 *Onsite consumption permit* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.69.120 - Onsite consumption permit.**

A. A ~~retailer or retail microbusiness~~ storefront retailer or storefront retail microbusiness must obtain an onsite consumption permit (in addition to a regulatory permit under this chapter, and a conditional use permit or development agreement under Coachella Municipal Code Chapter 17) in order for cannabis to be consumed on the premises of the ~~retailer or retail microbusiness~~ storefront retailer or storefront retail microbusiness.

B. An onsite consumption permit may be issued at the discretion of the city manager to existing ~~retailers or retail microbusinesses~~ storefront retailers or storefront retail microbusinesses in good standing. An application for an onsite consumption permit may be denied for failure to meet requirements of the city building code, fire code, zoning code, this chapter, and/or any violation of state or local law relevant to the operation of ~~retailers or retail microbusinesses~~ storefront retailers or storefront retail microbusinesses.

C. The city manager shall establish conditions of approval for each onsite consumption permit, including, but not limited to a parking plan, ventilation plan, and anti-drugged driving plan.

D. The permit shall be subject to suspension or revocation in accordance with Section 5.69.100, and the owner or operator shall be liable for excessive police costs related to enforcement.

E. The application fee and annual fee for the onsite consumption permit shall be determined by city council resolution.

F. All onsite consumption permits shall be issued for a term of one year. No property interest, vested right, or entitlement to receive a future license to operate a ~~retailer or retail microbusiness~~ retail cannabis business shall ever inure to the benefit of such permit holder as such permits are revocable at any time with or without cause by the city manager subject to Section 5.69.100.

**SECTION 21. Amendment to Coachella Municipal Code.** Section 5.69.140 *Operating standards* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.69.140 - Operating standards.**

A. Limited access areas. A permitted ~~retailer~~ cannabis retail business shall only permit authorized individuals to enter the ~~retailer or retail microbusiness~~ limited-access areas.

B. Retail area. Individuals shall only be granted access to the area to purchase cannabis goods after the permittee has identified the individual as a medical cannabis patient, primary caregiver, or person over the age of twenty-one (21), depending on whether the ~~retailer or retail microbusiness~~ storefront retailer or storefront retail microbusiness sells medicinal or nonmedicinal cannabis or both.

C. Delivery. All deliveries of cannabis must be performed in compliance with State law and corresponding state-issued regulations.

D. Track and trace program. ~~Retailers and retail microbusinesses~~ Retail cannabis businesses shall have an electronic ‘track and trace’ system that produces historical transactional data for review by the city manager for auditing purposes.

E. Records. A ~~retailer or retail microbusiness~~ retail cannabis business shall maintain the following records in printed format for at least three years on the premises and shall produce them to the city manager within twenty-four (24) hours after receipt of the city’s request:

1. The name, address, and telephone numbers of the owner and landlord of the property.

2. The name, date of birth, address, and telephone number of each manager and staff of the retailer or retail microbusiness; the date each was hired; and the nature of each manager’s and staff’s participation in the business.

3. A written accounting of all income and expenditures of the ~~retailer or retail microbusiness~~ retail cannabis business, including, but not limited to, cash and in-kind transactions.

4. A copy of the ~~retailer’s or retail microbusiness’~~ retail cannabis business’ commercial general liability insurance policy and all other insurance policies related to the operation of the business.

5. A copy of the ~~retailer’s or retail microbusiness’~~ retail cannabis business’ most recent year’s financial statement and tax return.

6. An inventory record documenting the dates and amounts of cannabis received at the premises, the daily amounts of cannabis on the premises, and the daily amounts of cannabis transported from the premises. A ~~retailer or retail microbusiness~~ retail cannabis business shall report any loss, damage, or destruction of these records to the city manager within twenty-four (24) hours of the loss, damage, or destruction.

F. Security. A permittee shall comply with the security plan that is submitted during the application process as approved by the city manager. A permittee shall report to the Coachella Police Department all criminal activity occurring on the premises. Should compliance with the security plan fail to properly secure the ~~retailer or retail microbusiness~~ retail cannabis business premises, the city manager may impose additional or modified plan restrictions.

G. Cannabis consumption prohibited. No person shall smoke, ingest, or otherwise consume cannabis in any form on the premises of a ~~retailer or retail microbusiness~~ storefront retailer or storefront retail microbusiness unless the retailer has a valid onsite consumption permit. No person shall smoke, ingest, or otherwise consume cannabis in violation of state law.

H. Alcohol and tobacco sale prohibited. A permittee shall not sell alcoholic beverages or tobacco products on or at any premises permitted under this chapter.

I. State law compliance. All ~~retailers and retail microbusinesses~~ retail cannabis businesses must operate in full compliance with state law.

J. No cannabis odors shall be detectable outside of the permitted ~~retailer or retail microbusiness~~ retail cannabis business.”

**SECTION 22. Amendment to Coachella Municipal Code.** Section 5.69.150 *Interested parties* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.69.150 - Interested parties.**

A. A permittee shall provide the city with names and addresses of all of the following interested parties:

1. Persons with at least a ten-percent interest in the ~~retailer or retail microbusiness~~ retail cannabis business;

2. Partners, officers, directors, and stockholders of every corporation, limited liability company, or general or limited partnership that owns at least ten (10) percent of the stock, capital, profits, voting rights, or membership interest of the ~~retailer or retail microbusiness~~ retail cannabis business or that is one of the partners in the ~~retailer or retail microbusiness~~ retail cannabis business;

3. The managers of the ~~retailer or retail microbusiness~~ retail cannabis business; and

4. The staff of the ~~retailer or retail microbusiness~~ retail cannabis business.

B. The permittee shall notify the city of any change in the information above within thirty (30) calendar days of the change.

C. All interested parties, as described in subsection A, must submit to fingerprinting and a criminal background check by the city.

D. No person shall be an interested party, as described in subsection A of this section, if he or she is charged with or convicted of a felony; has been charged with or convicted of a violation of California Penal Code section 186.22 (participation in a criminal street gang); or is currently on parole or probation for an offense relating to the sale or distribution of a controlled substance. "Convicted" within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere was entered, but does not include any plea, verdict, or conviction that is expunged pursuant to California law or a similar federal or state law where the expungement was granted. "Charged" within the meaning of this section means (1) an indictment was issued by a grand jury, or an information, complaint, or similar pleading was issued by the United States Attorney, district attorney, city attorney, or other governmental official or agency authorized to prosecute crimes, and (2) the criminal proceedings are currently pending."

**SECTION 23. Amendment to Coachella Municipal Code.** Section 5.69.160 *Emergency contact manager* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**"5.69.160 - Emergency contact manager.**

A ~~retailer or retail microbusiness~~ retail cannabis business permittee shall provide the city manager with the current name and primary and secondary telephone numbers of at least one 24-hour on-call manager to address and resolve complaints and to respond to operating problems or concerns associated with the ~~retailer or retail microbusiness~~ retail cannabis business."

**SECTION 24. Amendment to Coachella Municipal Code.** Section 5.69.170 *Community relations manager* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**"5.69.170 - Community relations manager.**

Each ~~retailer or retail microbusiness~~ retail cannabis business shall provide the city manager with the name, phone number, facsimile number, and email address of an on-site community relations or staff person or other representative to whom the city can provide notice if there are operating problems associated with the ~~retailer or retail microbusiness~~ retail cannabis business or refer members of the public who may have any concerns or complaints regarding the operation of the ~~retailer or retail microbusiness~~ retail cannabis business. Each ~~retailer or retail microbusiness~~ retail cannabis business shall also provide the above information to its business neighbors located within one hundred (100) feet of the ~~retailer or retail microbusiness~~ retail cannabis business as measured in a straight line without regard to intervening structures, between the front doors of each establishment."

**SECTION 25. Amendment to Coachella Municipal Code.** Section 5.69.190 *Inspections and enforcement* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.69.190 - Inspections and enforcement.**

A. Recordings made by security cameras at any ~~retailer or retail microbusiness~~ retail cannabis business shall be made immediately available to the city manager upon verbal request; no search warrant or subpoena shall be needed to view the recorded materials.

B. The city manager shall have the right to enter all retail cannabis business facilities from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter.

C. Operation of the ~~retailer or retail microbusiness~~ retail cannabis business in non-compliance with any conditions of approval or the provisions of this chapter shall constitute a violation of the municipal code and shall be enforced pursuant to the provisions of this code.

D. The city manager may summarily suspend or revoke a retail cannabis business regulatory permit if any of the following, singularly or in combination, occur:

1. The city manager or designee determines that the ~~retailer or retail microbusiness~~ retail cannabis business has failed to comply with this chapter or any condition of approval or a circumstance or situation has been created that would have permitted the city manager or designee to deny the permit under Section 5.69.060.

2. Operations cease for more than thirty (30) calendar days, including during change of ownership proceedings, unless otherwise authorized by the city manager;

3. Ownership is changed without securing a regulatory permit; or

4. The ~~retailer or retail microbusiness~~ retail cannabis business fails to allow inspection of the records, security recordings, the activity logs, or the premises by authorized city officials.”

**SECTION 26. Amendment to Coachella Municipal Code.** Section 5.69.210 *Liability and indemnification* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**“5.69.210 - Liability and indemnification.**

A. To the fullest extent permitted by law, any actions taken by a public officer or employee under the provisions of this chapter shall not become a personal liability of any public officer or employee of the city.

B. To the maximum extent permitted by law, the permittees under this chapter shall defend (with counsel acceptable to the city), indemnify and hold harmless the city of Coachella, the Coachella City Council, and its respective officials, officers, employees, representatives, agents and volunteers (hereafter collectively called city) from any liability damages, actions,

claims, demands, litigation, loss (direct or indirect), causes of action, proceedings or judgment (including legal costs, attorneys' fees, expert witness or consultant fees, city attorney or staff time, expenses or costs (collectively called "action") against the city to attack, set aside, void or annul, any cannabis-related approvals and actions and comply with the conditions under which such permit is granted, if any. The city may elect, in its sole discretion, to participate in the defense of said action and the permittee shall reimburse the city for its reasonable legal costs and attorneys' fees.

C. Within ten (10) calendar days of the service of the pleadings upon the city of any action as specified in Subsection B., above, the permittee shall execute a letter of agreement with the city, acceptable to the office of the city attorney, which memorializes the above obligations. These obligations and the letter of agreement shall survive termination, extinguishment or invalidation of the cannabis-related approval. Failure to timely execute the letter of agreement does not relieve the applicant of any of the obligations contained in this section or any other requirements or performance or operating standards that may be imposed by the city.

To the fullest extent permitted by law, the city shall not assume any liability whatsoever, with respect to approving any regulatory permit pursuant to this chapter or the operation of any ~~retailer or retail microbusiness~~ retail cannabis business approved pursuant to this chapter."

**SECTION 27. Amendment to Coachella Municipal Code.** Section 5.69.220 *Compliance with state law* of Chapter 5.69 *Retail Cannabis Business Regulatory Permit* of the Coachella Municipal Code is hereby amended to add underlined text and delete stricken text as follows:

**"5.69.220 - Compliance with state law.**

All ~~retailer or retail microbusinesses~~ retail cannabis business shall comply fully with all of the applicable restrictions and mandates set forth in state law, including without limitation the Compassionate Use Act of 1996 ("CUA"), the Medical Marijuana Program Act ("MMP"), and the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA")."

**SECTION 28. Effective Date.** This Ordinance shall take effect thirty (30) days after its adoption.

**SECTION 29. California Environmental Quality Act.** The City Council finds that this Ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15061(c)(3) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment), 15060(c)(3) and 15378 (the activity is not a project under CEQA) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly. This is because the prohibition adopted by this Ordinance merely prohibits uses that do have impacts on public health, safety, and welfare, and does not permit any development that could result in a significant change to the environment. In addition, the Ordinance is categorically exempt from CEQA pursuant to Section 15308 of the CEQA Guidelines, because this ordinance is a regulatory action taken by the City in accordance with California Government Code Section 65858 to assure maintenance and protection of the environment.

**SECTION 30. Severability.** If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each and every section, subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

**SECTION 31. Certification and Publication.** The City Clerk of the City of Coachella shall certify to the adoption of this Ordinance and cause publication to occur in a newspaper of general circulation and published and circulated in the City in a manner permitted under California Government Code Section 36933.

**PASSED, APPROVED and ADOPTED** this 27<sup>th</sup> day of May 2020.

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Steven A. Hernandez  
Mayor

**ATTEST:**

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Angela M. Zepeda  
City Clerk

**APPROVED AS TO FORM:**

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Carlos Campos  
City Attorney



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

**I HEREBY CERTIFY** that the foregoing Ordinance No. 1162 was duly and regularly introduced at a meeting of the City Council on the 13<sup>th</sup> day of May 2020, and that thereafter the said ordinance was duly passed and adopted at a regular meeting of the City Council on the 27<sup>th</sup> day of May 2020.

AYES:

NOES:

ABSENT:

ABSTAIN:

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Andrea J. Carranza, MMC  
Deputy City Clerk