

**ORDINANCE NO. 1791**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA HABRA, COUNTY OF ORANGE, CALIFORNIA, APPROVING ZONE CHANGE 18-02 REPEALING SECTION 18.08.140 (“CULTIVATION OF MARIJUANA PROHIBITED”) OF CHAPTER 18.08 (“GENERAL REGULATIONS”) OF TITLE 18 (“ZONING”) AND ADDING CHAPTER 18.22 (“COMMERCIAL CANNABIS ACTIVITY”) TO TITLE 18 (“ZONING”) OF THE LA HABRA MUNICIPAL CODE RELATING TO COMMERCIAL CANNABIS ACTIVITIES.**

**WHEREAS**, in 1970, Congress enacted the Controlled Substances Act (21 U.S.C. Section 801 et seq.) which, among other things, makes it illegal to import, manufacture, distribute, possess, or use marijuana for any purpose in the United States and further provides criminal penalties for marijuana possession, cultivation and distribution; and

**WHEREAS**, the People of the State of California have enacted Proposition 215, the Compassionate Use Act of 1996 (codified at Health and Safety Code Section 11362.5 et seq.) (the “CUA”), which exempts qualified patients and their primary caregivers from criminal prosecution under enumerated Health and Safety Code sections for use of marijuana for medical purposes; and

**WHEREAS**, the California Legislature enacted Senate Bill 420 in 2003, the Medical Marijuana Program Act (codified at Health and Safety Code Section 11362.7 et seq.) (the “MMPA”), as amended, which created a state-wide identification card scheme for qualified patients and primary caregivers; and

**WHEREAS**, on October 11, 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Cannabis Regulation and Safety Act (MCRSA) formerly known as (the Medical Marijuana Regulation and Safety Act or MMRSA), effective January 1, 2016, which established a state licensing system for medical marijuana cultivation, manufacturing, delivery, and dispensing, regulating these activities with licensing requirements and regulations that are only applicable if cities and counties also permit marijuana cultivation, manufacturing, dispensing, and delivery within their jurisdictions. Under the MCRSA, cities and counties may continue to regulate and/or prohibit medical marijuana cultivation, manufacturing, dispensing, and delivery, consistent with their respective police powers, in which case the new law would not allow or permit these activities within the cities and counties where such activities are not otherwise permitted; and

**WHEREAS**, on February 3, 2016, Assembly Bill 21 (Wood) was signed by the Governor, amending provisions of MCRSA pertaining to cultivation licenses by eliminating a March 1, 2016 deadline for local jurisdictions for the promulgation of cultivation regulations or cultivation bans other local jurisdictions would lose the ability to regulate to the State. Assembly Bill 21 also modified language in Health & Safety Code section 11362.777(g), which pertained to exemptions from licensing

requirements for qualified patients and caregivers. The prior language, which specifically stated that local governments retained the right to prohibit cultivation without exception, was revised to state: “Exemption from the requirements of this section does not limit or prevent a city, county, or city and county from exercising its police authority under Section 7 of Article XI of the California Constitution.”; and

**WHEREAS**, on November 8, 2016, the electorate of the State of California approved Proposition 64 (“Prop 64”) which enacted the Adult Use of Marijuana Act (“AUMA”), to be codified in California Health and Safety Code at various sections and in California Business and Professions Code at various sections. The AUMA allows adults 21 and over to use, possess, and cultivate limited amounts of marijuana, establishes a state licensing and regulatory scheme for marijuana businesses serving the recreational market; and will expressly allow local jurisdictions to prohibit outdoor cultivation of marijuana for personal use, to regulate indoor cultivation of marijuana for personal use, and to prohibit all non-medical and recreational marijuana businesses from locating and operating within their jurisdictions; and

**WHEREAS**, on June 27, 2017, the Governor approved Senate Bill 94 which combined the regulatory schemes for MMRSA and AUMA into a single, comprehensive regulatory scheme known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”),

**WHEREAS**, notwithstanding the CUA, the MMPA, MMRSA, and MAUCRSA as amended, marijuana remains a schedule I substance pursuant to California Health & Safety Code § 11054 (d) (13); and

**WHEREAS**, marijuana also remains a schedule I substance pursuant to federal law, 21 U.S.C. § 812, Schedule 1 (c) (10), and federal law does not provide for any medical use defense or exception (Gonzales v. Raich, 545 U.S. 1 (2005); United States v. Oakland Cannabis Buyers’ Coop., 532 U.S. 483 (2001)); and

**WHEREAS**, the California Supreme Court has established that neither the CUA nor the MMPA preempt local regulation in the case of City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc., 56 Cal.4th 729 (2013); and

**WHEREAS**, the City of La Habra on December 12, 2016 enacted Urgency Interim Ordinance No. 1786, prohibiting the development of all marijuana related uses whether for medical or recreational use, and then renewed this ordinance on January 17, 2017, and again on October 2, 2017; and,

**WHEREAS**, the City of La Habra (“**City**”) wishes to amend provisions of Title 18 (The Zoning Code) to establish permanent regulations for Cannabis operations consistent with MAUCRSA; and,

**WHEREAS**, it is the purpose and intent of the City to regulate the commercial distribution of Cannabis within the City in a manner that is consistent with California law and promotes the health, safety, and general welfare of the residents and businesses

within the City, while limiting any negative impacts and while continuing to prohibit all other types of commercial cannabis activities; and,

**WHEREAS**, the City desires to reduce the illegal market for Cannabis while minimizing the chances of social harm and creating jobs and tax revenue for the City; and,

**WHEREAS**, nothing in this Ordinance No. 1791 (this “**Ordinance**”) shall be construed to allow persons to engage in conduct that violates the law, endangers others, causes a public nuisance, allows the illegal use or diversion of Cannabis, or allows any activity relating to Cannabis that is otherwise illegal under California state law, as amended, except to the extent otherwise specifically set forth.

**WHEREAS**, the City Council of the City of La Habra, pursuant to the provisions of the California Environmental Quality Act (“CEQA”) (California Public Resources Code Sections 21000 et seq.) and State CEQA guidelines (Sections 15000 et seq.) has determined that the Ordinance is exempt pursuant to Section 15061(b)(3) of Title 14 the California Code of Regulations; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LA HABRA DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** The above recitals are true and correct and are incorporated herein.

**SECTION 2.** Section 18.08.140 (“Cultivation of marijuana prohibited”) of Chapter 18.08 (“General Regulations”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby repealed in its entirety.

**SECTION 3.** Chapter 18.22 (“Commercial Cannabis Activity”) is hereby added to Title 18 (“Zoning”) of the La Habra Municipal Code as follows:

Chapter 18.22 – Commercial Cannabis Activity

18.22.010 Commercial cannabis activity prohibited.

A. Purpose. The City Council of the City of La Habra hereby finds and determines that it is the purpose and intent of this chapter to prohibit all Commercial Cannabis Activity whether for medical or adult use except as may be permitted by this chapter, in order to promote the health, safety, and general welfare of the residents and the businesses within the City. To this end, the City shall, to the fullest extent of the law, maintain local control over all marijuana related uses and activities within the City by way of permitting and regulating marijuana businesses as set forth herein, and abating illegal marijuana-related uses and activities, including marijuana businesses engaged in prohibited marijuana use and activity.

B. Applicability.

1. Nothing in this section is intended, nor shall it be construed, to burden any defense to criminal prosecution under the Compassionate Use Act (“CUA”).

2. All the provisions of this section shall apply to all property, public and private, within the city.
3. All the provisions of this section shall apply indoors and outdoors.
4. Notwithstanding subsection (A) above, this section shall not be intended to preclude or limit personal possession or use of up to six living marijuana plants and possession of marijuana produced by the plants consistent with State Law. Moreover, in accordance with State Law, not more than six living plants may be planted, cultivated, harvested, dried, or processed within a single private residence or upon the grounds of that private residence at one time. The limitation of six living plants per residence is a maximum number of plants allowed at any residence no matter how many Persons reside within that residence. The growth of living marijuana plants is to be conducted inside of the private residence or inside an accessory structure to a private residence located on the same property that is fully enclosed and secured not more than 64 square feet in size. No outdoor growth of cannabis is permitted. The use of gas products or volatile solvents, including carbon dioxide (CO<sub>2</sub>), methane, or any other flammable or non-flammable gas, for marijuana cultivation or for marijuana processing is prohibited. At no time, shall any cultivation, possession or use of marijuana plants or marijuana produced by the plants or manner of operations arise to the level of a public or private nuisance including but not limited to odor or lighting emanating from a structure.

18.22.020. Definitions. The following definitions apply to this chapter:

1. "Adult Use Cannabis" means the non-medical use of cannabis by adults of age 21 and over as permitted by MAUCRSA and other applicable State and City laws.
2. "Applicant" means a person, partnership, entity, collective or organization that applies for a permit to engage in commercial cannabis activity under this chapter.
3. "Business and Professions Code" means the California Business and Professions code, as amended from time to time.
4. "Cannabis" shall have the same meaning as in Section 26001 of the Business and Professions Code.
5. "Cannabis distribution" means the procurement, sale, and transport of cannabis and cannabis products between those persons or entities holding commercial cannabis licenses.
6. "Cannabis Distribution Facility" means the designated structure and property specified in the application that is owned, leased or otherwise held under the control of the Distribution Permittee where cannabis distribution is conducted.
7. "Cannabis Permittee" means a person who holds a Cannabis Permit issued by the City of La Habra and the State of California; and shall be deemed the "operator" as that term is used herein.
8. "Cannabis 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 City Permittee where the Commercial Cannabis Activity will be or is conducted. The premises shall be a contiguous area.
9. "Cannabis Product" shall have the same meaning as in Section 11018.1 of the Health and Safety Code.
10. "Cannabis review board" means the City Manager, Director of Community and Economic Development, Police Chief, Finance Director, and Director of Public Works, or their respective designees, who shall review the credentials of

businesses wishing to establish Commercial Cannabis Activities within the City of La Habra.

11. "Caregiver" or "primary caregiver" shall have the same definition as that set forth in California Health and Safety Code Section 11362.7(d) and (e).
12. "City Code" means the City of La Habra Municipal Code.
13. "City Permit" means a permit issued by the City, in accordance with this Chapter and State Law, authorizing participation in a Commercial Cannabis Activity.
14. "Commercial Cannabis Activity" means cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of marijuana and marijuana products, including medical and non-medical marijuana, non-medical cannabis products and medical cannabis products within the meaning of California Business and Professions Code Sections 26001(i) and 26001(ai) .
15. "Commercial Cannabis Business" means a person, partnership, entity, corporation, company or other organization that conducts commercial cannabis activity.
16. "Commercial Cannabis Facility" means a building, site, property, or parcel where commercial cannabis activity takes place.
17. "Conditional Use Permit" means a Conditional Use Permit granted by the Planning Commission in accordance with La Habra Municipal Code Chapter 18.66 with appropriate conditions to mitigate impacts from the Commercial Cannabis Activity and subject to a Development Agreement between the City and Cannabis Permittee. The Cannabis Conditional Use Permit is not transferrable. Should complaints be received regarding the business operation, the Conditional Use Permit may be scheduled for reconsideration at which time the Planning Commission, during a public hearing, may reapprove, approve with additional conditions, or revoke the permit per La Habra Municipal Code Chapter 18.66.
18. "Cultivation" shall mean any activity involving the germinating, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. Indoor cultivation of marijuana for personal use by persons twenty-one years of age or older on the grounds of a private residence is permitted to the extent allowed by state law (Health and Safety Code Section 11362.1-11362.2). All cultivation of marijuana outdoors within the city of La Habra is prohibited.
19. "Delivery" shall have the same definition as set forth in California Business and Professions Code Section 26001(i). "Delivery" shall not include transportation of marijuana or marijuana products by a licensed transporter traveling through the city public roads to and from locations outside of the city where marijuana-related activities or uses are permitted.
20. "Director" means the Director of Community and Economic Development for the City of La Habra.
21. "Dispensary" shall mean any location where marijuana or devices for the use of marijuana are offered, either individually, or in combination, and includes retail sales. "Dispensary" includes delivery services, mobile dispensing and distribution.
22. "Dispensing" shall mean any activity involving the provision of marijuana for any purpose.

23. "Distribution" means the procurement, sale, and transport of Cannabis and Cannabis Products between State Licensees, including any City Permittees who are State Licensees.
24. "Distribution Permit" means a City Permit for Distribution in accordance with the terms and conditions of a Cannabis Conditional Use Permit and the conditions of approval for the applicable City Permit issued to such Distribution Permittee. Such Permits shall be associated with State License Type 11 or such other Distribution license types created by the State.
25. "Distribution Permittee" means a Person that has been issued a Distribution Permit by the City pursuant to the terms and conditions of this Chapter; and shall be deemed the "operator" as that term is used herein.
26. "Fully Enclosed and Secure Structure" means a space within a building structure which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which is secured against unauthorized entry and provides complete visual screening and which is accessible only through one or more lockable doors and is inaccessible to minors or other barriers that are sufficient to prevent unauthorized access and entry.
27. "Gross Receipts" means the total amount of the sales of a City Permittee, valued in money, whether paid in money or otherwise, without any deduction for the cost of materials used, any costs of transportation of the City Permittee, or any other expenses.
28. "Health and Safety Code" means the California Health and Safety Code, as amended from time to time.
29. "Manufacturer" shall mean a person that conducts the production, preparation, propagation, or compounding of marijuana, either directly or indirectly or by extraction methods, or independently by means of chemical synthesis or by any combination thereof, and includes packaging, repackaging, labeling, and/or relabeling.
30. "Marijuana" shall have the same definition as that set forth in California Health and Safety Code Section 11018. "Marijuana" shall include: "cannabis" as defined in California Business and Professions Code Section 26001(f); "cannabis concentrate" as defined in California Business and Professions Code Section 26001(h); "edible cannabis product" as defined in California Business and Professions Code Section 26001(t); cannabis that is manufactured as defined in California Business and Professions Code Section 26001(ag); "medical cannabis," "medical cannabis product," or "cannabis product" as defined in California Business and Professions Code Section 26001;
31. "Marijuana businesses" shall mean marijuana businesses for any purpose (medical or non-medical) including dispensaries, cooperatives, cultivation, manufacturing, testing facilities, transporting, or distributing; all of which are prohibited from being established or operating within the city, except that licensed marijuana transporters are permitted to pass through the city on public roads as mandated by Business and Professions Code Section 26080.
32. "Person" shall mean any person, firm, corporation, association, club, society, or other organization. The term person shall include any owner, manager, proprietor, employee, volunteer and/or salesperson.

33. "Permit Zone" means, with respect to a Person holding a City Permit, the zones or portions of the City where such City Permit type is permitted to operate. Such Permit Zones may be amended from time-to-time by a majority vote of the City Council. To the extent not otherwise specified in this definition, a City Permittee shall be able to operate in any portion of the City, which complies with the zoning, radius and other requirements of this chapter.
34. "Qualified Cannabis Applicant" means a person who applies for a permit to conduct commercial cannabis activity under this chapter and whose application complies with this Chapter and has not been deemed disqualified.
35. "Qualified patient" or "qualifying patient" shall mean qualified patient and persons with identification cards as those terms are defined by the Health and Safety Code Section 11362.7. This prohibition does not apply or prohibit qualified patients and persons with identification cards to cultivate indoors, possess, and use marijuana for their own personal medical purposes only, as permitted by state law. Nothing herein shall be construed to authorize qualified patients to engage in the collective cultivation of marijuana as described by Health and Safety Code Section 11362.775, nor are they permitted to cultivate marijuana above limits established by state law and guidelines for their own personal use; and
36. "State" means the State of California.
37. "State Law" means all laws of the State, including all rules and regulations adopted by State agencies and State regulatory entities.
38. "State License" means a State License issued under Division 10, commencing with Section 26000, of the Business and Professions Code, and includes both an A-License and M-Licenses as well as a testing laboratory License.
39. "State Licensee" means a Person that has been issued a State License.
40. "Testing site" shall mean any facility, entity, or site in the city that offers or performs tests of marijuana.
41. "Transport" or "Transportation" means the transfer of Cannabis or Cannabis Products between one or more Cannabis Permittee.
42. "Volatile Solvent" means a solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

18.22.030. Commercial Cannabis Activity.

A. All commercial cannabis activity shall be prohibited in all zoning districts and areas that are regulated by specific plans or planned unit developments, except as permitted in this chapter.

B. Declaration of Public Nuisance. Any use, structure, or property that is altered, enlarged, erected, established, maintained, moved, or operated contrary to the provisions of this chapter, is hereby declared to be unlawful and a public nuisance and may be abated by the city through civil, criminal, and/or administrative proceedings by means of a restraining order, preliminary or permanent injunction, or in any other manner provided by law for the abatement of such nuisances.

C. Violations.

1. Violations of this chapter shall be punishable pursuant to Chapter 1.08 of the city of La Habra Municipal Code.

2. This chapter is not the exclusive means for the abatement of cannabis related use and activity within the city. The remedies set forth pursuant to this section shall be in addition to any other existing remedies for violations of the municipal code, including, but not limited to, any action at law or equity. (Ord. 1776 § 3, 2017; Ord. 1775 § 3, 2016; Ord. 1765 § 2, 2016)

D. The following type of commercial cannabis activity is conditionally permitted when conducted in compliance with this chapter:

1. Cannabis distribution facilities within M-1, M-1(PUD) and PC-1 zones.

#### 18.22.040 Commercial Cannabis Activity Business Standards

##### A. Governing Structure and Initial Application Process

A cannabis review board consisting of the City Manager, Director of Community and Economic Development, Police Chief, Finance Director, and Director of Public Works, or their respective designee, shall review the credentials of businesses wishing to establish Commercial Cannabis Activities within the City of La Habra. Within 30 days after the adoption of this Chapter, the Director of Community and Economic Development shall prepare a Commercial Cannabis Activity application form and related administrative policy submittal sheet. The application form shall at a minimum request the following information:

1. The address of the Applicant's current corporate/business operation.
2. The address of the location for which the Conditional Use Permit is sought.
3. The size of the proposed Commercial Cannabis Business operation.
4. A site plan and floor plan for the proposed Commercial Cannabis Activity denoting the use of all areas within the building and the exterior improvements of the property, excluding any security measures or features that would compromise the safe storage of products or cash management.
5. A proposed security plan in compliance with the standards in this Chapter that would be administered between the licensee and the Police Chief or their designee in order to maintain confidentiality of the security plan.
6. The names, addresses, and relevant criminal histories of those with an ownership interest of ten percent (10%) or more and any Person who will be a facility manager or otherwise responsible for the Commercial Cannabis Activity (collectively, the "Applicant's Agents"). A full criminal history which includes all arrests and reasons regardless of convictions as well as any civil court proceedings. A copy of State Driver's Licenses or Identification Cards shall be provided for all ownership with an interest of ten (10%) percent interest or more in the business, any managers, and employees of the business.
7. The name and address of the owner and lessor of the real property upon which the Commercial Cannabis Activity is proposed to be located. In the event the Applicant is not the legal owner of the property, the application must be accompanied with a signed and notarized acknowledgement from the owner of the property that the Commercial Cannabis Activity can occur on the property and is not in conflict with any lending requirements of the property.
8. Copies of the Secretary of State Articles of Incorporation, Certificates of Amendment, Statement of Information and a Copy of the Corporation by Laws for the ownership group.



9. Authorization for the City Manager or the City Manager's designee to seek verification of the information contained within the application.
10. Evidence that the Commercial Cannabis Activity is compliant with all applicable State and City laws.
11. List the experience of the operators of the Commercial Cannabis Activity as it relates to the type of operation proposed within other communities, including out of state operations. Provide a governmental contact person within each of those communities that can address questions regarding that facility.
12. A statement in writing as to the Applicant hiring practices and a description of community involvement that will accrue as a result of the Commercial Cannabis facility.
13. A statement in writing by the Applicant that certifies under penalty of perjury that all the information contained in the application is true and correct.
14. Any such additional and further information as reasonably necessary by the City Manager or the City Manager's designee to administer this Chapter.

B. The Police Chief or his/her designee shall conduct a background check of any Applicant seeking a Conditional Use Permit, including the Applicant's Agents and those who have a 10% or more interest in the marijuana business, and shall prepare a report on the acceptability of the Applicant and the Applicant's Agents and the suitability of the proposed location of the Commercial Cannabis facility.

C. Each application shall be accompanied by a fee as established by City Council resolution to offset the cost of required police investigation and application processing. The fee is non-refundable and shall not be returned in the event the application is denied, revoked, or suspended.

D. The Cannabis Review Board shall review all qualified applications and identify those that best satisfy the requirements of this Chapter. The Cannabis Review Board may establish criteria to rank qualified applications based on compliance with this Chapter, the applicant's experience, the proffered business plan, the accuracy of information provided in the application, and the level of community service and employment opportunities for residents of the City.

#### 18.22.050 Disqualification of Applications

A. The Director or his or her designee shall determine whether each application demonstrates compliance. Should an application involve any of the following matters, the application shall be disqualified:

1. The Applicant or the Applicant's Agents made one or more false or misleading statements or omissions in the application or during the application process.
2. The proposed Commercial Cannabis facility at the proposed location is not allowed by State Law or City Zoning Code.
3. The Applicant is not a legal representative of the proposed business operator.
4. The Applicant or the Applicant's Agents or business partners have been convicted of a felony, or a misdemeanor involving moral turpitude, or the illegal

use, possession, distribution, transportation, or any such similar activity related to controlled substances, for which the conviction occurred prior to passage of Compassionate Use Act of 1996. A conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere.

5. The Applicant or the Applicant's Agents have engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
6. The Applicant has not been or is not in good standing with the City related to other or previous business activities operated in the City.
7. The Applicant has not satisfied all requirements of this Chapter.

B. Each application that complies with this Chapter and not deemed disqualified shall be placed on the "Qualified Cannabis Applicant List" for the particular Commercial Cannabis Business operation proposed and the Director of Community and Economic Development shall notify the Applicant in writing that it is a "Qualified Cannabis Applicant".

#### 18.22.060 Development Agreement

The highest ranked qualified cannabis applicants for the commercial cannabis facility permitted by this Chapter shall be permitted to submit an application for a Conditional Use Permit, based on the total number of available permits being offered by the City. Those Applicants that are selected must enter into a negotiated Development Agreement with the City, which must be completed within 120 days of notification to proceed to the Conditional Use Permit process and may be extended by the Community Development Director one time for a maximum of 60 days if good faith negotiations are proceeding. Upon completion of the Development Agreement, the Qualified Cannabis Applicant has 60 days to submit an application for a Conditional Use Permit. Failure to reach agreement on a Development Agreement or submittal of an application for a Conditional Use Permit will remove the Applicant from the Qualified Cannabis Application List and Waitlist. Should at any time the Development Agreement become void, the Conditional Use Permit shall also immediately become null and void or should the Conditional Use Permit become void or revoked, the Development Agreement would become void.

#### 18.22.070 Waitlist

A. Qualified Cannabis Applicants will appear on a "Qualified Cannabis Applicant List" for the particular activity the application was submitted for in the order they are ranked pursuant to this chapter. This list will serve as a waitlist which will be used to select another qualified cannabis applicant in the event that:

1. An Applicant with a higher ranking on the Qualified Cannabis Applicant List is disqualified
2. A request from a higher ranked applicant to be removed from the list is received
3. Additional permits become available as determined by the City Council. A Qualified Cannabis Applicant's ability to submit an application for a Conditional Use Permit is determined by the Applicant's position on the waitlist.

B. A Qualified Cannabis Applicant that moves from the waitlist to the submittal of a Conditional Use Permit must complete the Development Agreement process as outlined in this chapter following issuance of a written notice advising the Applicant of that opportunity. Failure to complete this process per the noted time will remove the Applicant from the Qualified Cannabis Applicant List for that particular business activity.

C. The Director of Community and Economic Development shall maintain the waitlist and update it on an annual basis as needed. A Qualified Cannabis Applicant on the waitlist must submit a written request each year to maintain their status on the waitlist. A Qualified Cannabis Applicant can modify their application by submitting a new application and the required fee. The Director of Community and Economic Development shall place new or modified applicants on the waitlist in the order in which they are ranked.

#### 18.22.080 Zoning and Land Use

A. Location. All Commercial Cannabis facilities allowed by this Chapter are permitted only within those zones as designated by this chapter and subject to issuance of a Conditional Use Permit. All commercial cannabis facilities shall not be located within 600 feet of a school providing instruction in kindergarten or any grades 1 through 12, day care center, youth center or public park (minimum 0.6 acres in size). All distances shall be measured from the property where the facility to a school, day care center, youth center or public park (minimum 0.6 acres in size) is located along any public street/roadway from the nearest point of the property, which the Commercial Cannabis Facility is to be located, to the nearest property line of those uses describe in this Subsection. No property containing a commercial cannabis operation be immediately adjacent to a property containing a school, day care center, youth center or public park (minimum 0.6 acres in size).

B. Co-Location. To the extent not prohibited under State Law, another Commercial Cannabis Facility may be located within the same building, facility or real property parcel subject to a Conditional Use Permit for the added facility.

C. Conditional Use Permits.

1. Prior to commencing operation of a commercial cannabis activity, all persons shall obtain a Conditional Use Permit from the City for all parcels of real property (or portion thereof) upon which the commercial cannabis activity will operate.
2. All Commercial Cannabis Facilities shall operate in accordance with the conditions of approval associated with the applicable Conditional Use Permit for the specified parcel of real property (or sub-portion thereof).
3. The issued Conditional Use Permit shall be subject to an approved Development Agreement. Should the Development Agreement become void, the Conditional Use Permit shall immediately become null and void.
4. Commercial Cannabis Facilities shall not exceed the square footage authorized pursuant to the applicable Conditional Use Permit.
5. The Commercial Cannabis Facility operator shall have a valid State License for the specific classification permitted by this Chapter prior to business operations.

Unless determined by the Planning Commission that cross permitting would negatively affect public safety, the Conditional Use Permit can be for both commercial Adult-Use and Medicinal Cannabis activity. The business operator must conduct Commercial Cannabis activities in accordance with this Chapter and State Law. The applicant must inform the City in writing if they will be conducting commercial Adult-Use Cannabis activity or commercial Medicinal Cannabis activity or both as part of the Conditional Use Permit application.

6. Commercial Cannabis Facilities are allowed only within fully enclosed and secure structures that are inaccessible to minors unless allowed by State Law. The business operator shall deter and prevent unauthorized entrance into the areas containing cannabis or cannabis products and theft of cannabis or cannabis products. All Commercial Cannabis Facilities shall have a security plan that satisfies the following requirements, but shall not be limited to, all of the following:

- a. Security cameras shall be installed and maintained in good condition at all times. The areas to be covered by the security cameras would be executed per the public safety and security plan between the licensee and the Police Chief that shall include, but are not limited to all operation areas, all doors and windows, and any other areas as reasonably determined by the Police Chief. Requirements for the camera system include:

- (i) The cameras shall be in use 24 hours per day, seven days per week.
- (ii) The operator shall maintain at least 90 days of concurrent hours of digitally recorded documentation.
- (iii) Any disruption in security camera images shall be cured expeditiously within 24 hours.

- b. If the commercial cannabis facility directly serves the public, all customer and public access to the facility must be through a secured single point of entry. Entry into the facility from the outside must be completed through a secured vestibule area that is designed to allow for identification confirmation prior to entry into the main lobby or customer service area.

- c. Prevent persons from remaining on the premises of the Commercial Cannabis Business if they are not engaging in the activity expressly related to the operations of the Commercial Cannabis Business. An armed security guard shall monitor the premise. Panic buttons shall be installed in all Commercial Cannabis Businesses in locations approved by the Police Chief or his/her designee.

d. Establish limited access areas accessible only to authorized Commercial Cannabis Business personnel. Sensors shall be installed to detect entry and exit from all secured areas. An employee safety plan shall be created and submitted to the Police Chief for review and approval.

e. Commercial Cannabis Facilities shall be secured with an alarm system that is operated and monitored by an independent third party security company as approved by the Chief of Police. All Security personnel, whether employed by the Commercial Cannabis Business or contracted by the Commercial Cannabis Business, shall be subject to prior review and approval of the Chief of Police or his/her designee.

f. Entrance to the Commercial Cannabis Facility, and all storage areas therein, shall be locked at all times, and under the control of the person operating the commercial cannabis facility.

g. The entrances and all window areas of the Commercial Cannabis Facility shall be illuminated during evening hours as required by the Chief of Police to assure security cameras have the proper lighting to function. The commercial cannabis facility shall comply with the City's lighting standards regarding fixture type, wattage, illumination levels, shielding, etcetera, and shall secure the necessary lighting approvals and permits as needed from the Chief Building Official.

h. All windows on the Commercial Cannabis premises shall be appropriately secured and all Cannabis securely stored as approved by the Chief of Police. Should any bars be installed on the windows or the doors of the Commercial Cannabis facility, they shall be located only within the interior of the building if allowed by the California Building Code.

i. Recordings made by the security cameras shall be made available to law enforcement upon verbal request—no search warrant or subpoena shall be needed to view the recorded materials. City code enforcement or law enforcement officers are authorized to conduct reasonable inspections of the Commercial Cannabis facility. No search warrant or subpoena shall be needed to inspect the facility at any time, unannounced, for making reasonable inspections to observe and enforce compliance with this Chapter and all City and State Laws. Law enforcement and other agents and employees of the City (collectively, the "City Parties") shall have access to Commercial Cannabis Facility, video footage, business records, data, inventory levels and information relating to customers, vendors, products, plans and agreements (collectively, "Confidential

Information”). To the extent Confidential Information is viewed or possessed by any City Parties, the City Parties shall, to the maximum extent possible, keep such Confidential Information confidential, not disclose the Confidential Information to any third parties, and shall only use the Confidential Information for purposes specified in this Ordinance or other laws and regulations of the City related to the City Permittees from whom such Confidential Information has been received. Notwithstanding the foregoing, the City may disclose Confidential Information: (i) as may be required by the California Public Records Act or pursuant to a valid subpoena or court order, provided, however, that the City shall first notify the applicable business operator and provide a reasonable opportunity to obtain a protective order before disclosing the Confidential Information, and (ii) in connection with any City enforcement proceeding relating to compliance with the City’s Municipal Code and this Chapter, but only to the extent the Confidential Information is relevant to the proceeding.

j. The security system installed for the facility shall be by a licensed Underwriters Laboratory certified security firm.

k. A yearly service maintenance contract for the security system shall be submitted for review and approval by the Police Chief. Should the business operator wish to terminate the service contract, the Police Chief shall be informed 30 days prior to such termination. The business operator shall submit a substitute yearly service contract for review and approval by the Police Chief. Termination of the existing contract shall not occur until after the substitute contract has been approved by the Police Chief.

l. A contract for yearly staff training of the security system is to be submitted and approved by the Police Chief.

m. Quarterly maintenance reports of the security system shall be submitted to the Police Chief.

7. There shall be no consumption of any cannabis or cannabis products on site. The entrance of the Commercial Cannabis Premises shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming cannabis, cannabis products or alcohol on the premises is prohibited. Should an employee be found to be under the influence of any behavior-impairing drug, action to terminate employment shall be taken as allowed by law.

8. Commercial Cannabis Facilities shall not adversely affect the health or safety of the nearby property owners/business operators by creating odor, dust, glare, heat, noise, smoke, traffic, vibration, or other impacts, and shall not be hazardous due to use

or storage of materials, processes, products, or wastes. Any person issued a Conditional Use Permit pursuant to this Chapter must follow all local, state and federal requirements for solid waste and hazardous waste disposal.

9. The hours of operation of all commercial cannabis activity shall be established as part of the Conditional Use Permit application as approved by the Planning Commission. Modification of operation hours shall be subject to a recommendation made by the Director to the Planning Commission.

10. All Cannabis and Cannabis Products shall be kept in a secured manner during all business and nonbusiness hours.

11. All Commercial Cannabis Facilities shall pay all applicable taxes pursuant to federal, State, and local laws, in addition to any payment terms established within the Development Agreement.

12. All Commercial Cannabis facilities shall provide sufficient odor absorbing ventilation and exhaust systems so that odors outside the premises is not detected on any adjacent property, 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 or premises as the Commercial Cannabis Business. Any violation of this Chapter shall be remedied within fourteen (14) days of the operator receiving notice of such violation unless extended by the Director of Community and Economic Development.

13. Prior to the sale or the delivery of any edible cannabis or edible cannabis product the same shall be labelled and in tamper-evident packaging which at least meets the requirements of the State.

14. Inventory Control.

a. All Commercial Cannabis Facilities shall utilize product and inventory tracking software and accounting software that is in-line with State Law and as approved by the Director of Finance. Each Commercial Cannabis Business shall file with the Finance Director or his/her designee a report (the "Quarterly Report") showing:

(i) Gross Receipts (or Net Receipts based on the terms of the Development Agreement) from Operations for the immediate prior quarter by the Commercial Cannabis Business operator, and a cumulative total of all amounts of Gross Receipts from Operations received by the Commercial Cannabis Business operator for the calendar year,

(ii) a calculation of the quarterly payment due to the City for the prior quarter, and

(iii) a calculation of the cumulative total of all quarterly payments for the calendar year.

b. The Commercial Cannabis Business operator shall keep complete, accurate and appropriate books and records of all receipts from operations in accordance with generally acceptable accounting principles. For purposes herein “books and records” shall mean all bookkeeping or accounting documents the Commercial Cannabis Business operator utilizes in managing its business operations relating to the Commercial Cannabis Business. Such books and records, as well as all other relevant documents as City shall reasonably require, shall, upon reasonable written notice, be open for inspection by City, its auditors or other authorized representatives. If, at any time such books and records prove inadequate in the reasonable judgement of City to record the Gross Receipts from business operations as herein required, the Commercial Cannabis Business operator shall, upon the written request of City, procure and maintain such books and records as shall be of a character and form adequate for such purpose.

c. City shall have the right to audit and examine such books, records and documents and other relevant items in the possession of the Commercial Cannabis Business operator, but only to the extent necessary for a proper determination of Gross Receipts from the Commercial Cannabis Business operation, and all such books, records, documents and other items shall be held available for such audit and examination.

d. Upon request by the City, the Commercial Cannabis Business operator shall make such books, records and documents available to the City, and provide removable copies thereof, within thirty (30) days of the date of the City’s request. The cost for any audit shall be shared equally by the Commercial Cannabis Business operator and the City of La Habra. The Commercial Cannabis Business operator shall preserve such books, records, documents, and other items for a period of not less than seven (7) years for the purpose of auditing or re-auditing these accounts upon reasonable notice; except that, if an audit is made within the seven-year period and the Commercial Cannabis Business operator claims that errors or omissions have occurred, the books and records shall be retained and made available until those matters are resolved.

e. The City Council has found and determined that the disclosure of confidential financial statements and certain other confidential records in the possession of the City that relate to or concern a permitted Commercial Cannabis Business is outweighed by the public interest in non-disclosure of such records. City shall keep strictly confidential all statements of revenue furnished by the Commercial Cannabis Business and all other information concerning the Commercial Cannabis Business operation obtained by the City by way of the City’s inspection, audit and examination privileges hereunder, except as otherwise required by law or judicial order. Upon receipt of a request for such records pursuant to the Public Records Act (California Government Code Section 6250 et seq.) or by way of a subpoena duces tecum or other civil discovery method, City shall provide notice of same to the Commercial Cannabis Business operator prior



to disclosing any such records and/or the information contained therein. It shall be the sole responsibility of the Commercial Cannabis Business to seek a protective order, as deemed necessary to protect such records and/or information from disclosure.

f. Within seven (7) years after receipt of any statement of receipts, City at any time shall be entitled to carry out an audit of such revenue either by the City or agents to be designated by the City. If it shall be determined as a result of such audit that there has been a deficiency in any payment due to the City made on the basis of such statement, then such deficiency shall become immediately due and payable. If such statement of revenue for the relevant year shall be found to have understated receipts by more than two percent and City is entitled to any additional payment as a result of such understatement, then the Commercial Cannabis Business operator shall, in addition, pay all of City's reasonable costs and expenses connected with such audit, including the expense incurred in retaining such agent; otherwise City shall bear the cost and expense of such audit.

15. Signage for all Commercial Cannabis Facilities shall comply with the City's sign code and any restrictions placed on the facility within the Development Agreement.

16. The Commercial Cannabis Facility shall fully comply with all applicable rules, regulations, and laws including, but not limited to, zoning and building city codes, the City's business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, and the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

17. The owner or operator of each Commercial Cannabis Facility shall provide the Chief of Police with the name, cellphone number(s), facsimile number, and email address of the on-site representative of such facility whom the City and the public can provide notice if there are any operational problems associated with the facility.

18. Each Commercial Cannabis facility shall have the capacity to remain secure and operational during a power outage through the use of an emergency generator or other means approved by the Police Chief 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.

19. Each Commercial Cannabis Business shall submit to the Chief of Police or his/her designee for review and approval, a Transportation Plan describing the procedures for safely and securely transporting cannabis and cannabis products, drivers and currency. Delivery vehicles shall be equipped with video recording equipment that monitors the inside and outside of the vehicle. All recordings shall be stored up to seven (7) calendar days and be available to City personnel upon request. In addition, each vehicle shall also be equipped with GPS tracking system and an alarm system. All drivers shall have active Motor Carrier Permits issued by the California Department of Motor Vehicles.

## 20. Employee Work Permits; Identification

a. **Work Permit Required.** Any Person who is an employee or who otherwise works or volunteers within a Commercial Cannabis Business must obtain a work permit from the Police Chief or his/her designee. No person under the age of twenty-one may be employed by or act as a responsible person on behalf of a commercial cannabis operation. The Police Chief or his/her designee is hereby authorized to establish all regulations necessary to implement the work permit process contemplated in this section including, but not limited to, the reasons for denial of a work permit to any Person. A work permit shall be valid for a twelve (12) month period and must be renewed on an annual basis. Applications for work permits shall be submitted under oath and shall contain a statement of the past criminal record, if any, of the Applicant and such information as may be deemed necessary by the Police Chief or his/her designee to determine whether the applicant should be issued a work permit. The applicant for a work permit will be required to submit to Live Scan fingerprinting and a photograph for the purpose of the City performing a background investigation and issuance of a Work Permit. A union employee for which a Live Scan and background investigation has been successfully completed, shall provide proof of such action to obtain a work permit from the Police Chief. Any determination made by the Police Chief or designee based on the background check who had a cannabis or marijuana-related conviction that has been subsequently reclassified, dismissed or sealed would not prohibit that employee from receiving a work permit.

b. **Employee Records.** Each owner or operator of a Commercial Cannabis Business shall maintain on-site a register of all the employees currently employed by the Commercial Cannabis Business and shall produce such register to the Chief of Police or his/her designee or any other City of La Habra official authorized to enforce the La Habra Municipal Code for purposes of determining compliance with this Chapter. A copy of the employee's work permit shall also be contained in the register.

c. **Employee Termination.** The Commercial Cannabis Business operator shall notify the Chief of Police or his/her designee within ten (10) calendar days when an employee terminates employment with the business. Failure to notify the Chief of Police shall automatically void the work permit.

d. **Fee.** Each application for a work permit and renewal of an existing work permit shall be accompanied by a fee set by resolution of the City Council. The fee is non-refundable and shall not be returned in the event the work permit is denied, revoked, or suspended.

21. Commercial Cannabis facilities shall obtain and have in place non-automotive insurance to protect employees for a minimum of \$1 million.

#### 18.22.090 Permit Conditions

A maximum of four (4) Commercial Cannabis Facility Conditional Use Permits are allowed for each type of commercial cannabis activity permitted by this Chapter within the City of La Habra.

- A. Each Commercial Cannabis Facility is subject to the conditions of approval placed on the Conditional Use Permit by the Planning Commission.
- B. The business operator shall keep the Chief of Police updated with the names, addresses, and relevant criminal histories of the owners and business operators of the facility. Failure to report or inaccurately report a change in ownership or business operator is grounds for reconsideration of the Conditional Use Permit for suspension or revocation by the Planning Commission.
- C. Any transfer of ownership of a Conditional Use Permit shall be approved by the Planning Commission. The owner must submit a request to modify the Conditional Use Permit to the new owner. The new owner shall submit all necessary information as would be required from a new operator with appropriate background check conducted by the Chief of Police. The cost of the background check shall be bore by the owner requesting the transfer of the Conditional Use Permit as per a fee established by the City Council. Upon completion of the background check, the Chief of Police shall make a recommendation to the Planning Commission. Any attempt to transfer or any transfer of a Commercial Cannabis facility without approval of the Planning Commission is hereby declared void and the Conditional Use Permit is deemed immediately revoked and no longer of any force or effort.
- D. A Conditional Use Permit shall expire and be null and void twelve (12) months after issuance if no action is taken to operate the facility or should the business cease operation due to inactivity.
- E. To the fullest extent permitted by law, the City does not assume any liability, and expressly does not waive sovereign immunity, with respect to any Commercial Cannabis Facility or for any other activities taking place at a Commercial Cannabis Facility.

#### 18.22.100 Enforcement.

1. Immediate Notification to Police Chief. A Commercial Cannabis Business shall notify the Chief of Police or his/her designee immediately upon discovering that the security system required by this chapter has become inoperative or is malfunctioning. In addition, notification to the Chief of Police must be made within twenty-four (24) hours after discovering any of the following:
  - a. Significant discrepancies identified in a Commercial Cannabis Business's inventory. The level of significance shall be determined by the regulations established by the Chief of Police or his/her designee
  - b. Diversion, theft, loss, or any criminal activity involving the Commercial Cannabis Business or any agent or employee of the Commercial Cannabis Business.

- c. The loss of unauthorized alteration of records related to cannabis, or employees or agents of the Commercial Cannabis Business.
- d. Any other breach of security.

B. Any Person who willfully or knowingly (i) engages in a violation of this Chapter or (ii) owns, possesses, controls, or has charge of any parcel of real property in the City upon which a violation of this Chapter is maintained and who has actual knowledge of such violation (or would have actual knowledge of such violation after a reasonable inquiry), shall be subject to the penalties and remedies provided by this Chapter.

C. Any violation of this Chapter shall constitute a separate offense for each day the violation occurs or persists.

D. Any Person in violation of any provision of this Chapter or who causes another Person to be in violation of this Chapter shall have committed a misdemeanor. In addition, such violation may be punishable by a fine of up to one thousand dollars (\$1,000) for each violation and for each day, the applicable violation continues to persist.

E. Any Person in violation of any provision of this Chapter may be subject to an administrative fine of up to a \$1,000 per offense.

F. Revocation of Conditional Use Permit. Any violation of this Chapter or any other relevant City or State Law or regulation by a Commercial Cannabis Business is grounds for revoking the relevant Conditional Use Permit by the Planning Commission, including but not limited to the following:

1. The Director of Community and Economic Development determines that the operator allowed by a Conditional Use Permit has failed to comply with this Chapter, any condition of approval, or any agreement or covenant as required pursuant to this Chapter.
2. The operations and/or the particular Commercial Cannabis Activity permitted by a Conditional Use Permit cease for more than 1 year.
3. The City Permittee and/or operator of the Commercial Cannabis Business that is the subject of a Conditional Use Permit fails to obtain and maintain a State License. Revocation, termination, non-issuance or suspension of a license issued by the State of California, or any of its departments or divisions, shall immediately suspend the Conditional Use Permit and the ability of a Commercial Cannabis Business to operate within the City until the State of California, or its respective department or division, reinstates or issues the State License. City may suspend and/or revoke a Conditional Use Permit in the event the State takes action against the Commercial Cannabis Business and/or its operators, employees, or agents.
4. Ownership of the use allowed by a Conditional Use Permit is changed or transferred to a third party, without approval from the Planning Commission.
5. The use allowed by a Conditional Use Permit fails to materially comply with its approved security plan.

6. The use allowed by a Conditional Use Permit fails to provide access to the security cameras to the Chief of Police, or fails to allow inspection of the security recordings, the activity logs, or of the premises by authorized City officials.
7. The Development Agreement entered into as part of the Conditional Use Permit process becomes void.
8. The property and/or the Commercial Cannabis Business and/or activities conducted thereon are declared a public nuisance negatively impacting the health, safety, or welfare of the community.

G. The Director of Community and Economic Development shall schedule the Conditional Use Permit for possible revocation or any other action deemed appropriate by the Planning Commission. Notice of such hearing shall be provided to the property owner, business operator, and public as is required for any Conditional Use Permit by Section 18.66 of the La Habra Municipal Code. Any decision made by the Planning Commission is final 10 working days after such determination, unless appealed to the City Council. Notice of such hearing before the City Council shall be provided to the property owner, business operator, and public as required for any Conditional Use Permit. The decision of the City Council shall be final. These penalties and remedies are cumulative, and in addition to any other penalties and remedies available to the City.

#### 18.22.110 State and City License Requirement.

1. State License. Commercial Cannabis operations permitted through a Conditional Use Permit by the City of La Habra must obtain the appropriate State License, either an A-License or M-License or both A-License and M-License, within six months of the building permit becoming final and prior to business operation. Failure to obtain the required State license, will result in the automatic expiration of the Conditional Use Permit. Except as otherwise set forth in this Ordinance, there shall be no prohibitions or restrictions on an M-Permittee obtaining and holding an A-Permit in the specific classification, or an A-Permittee obtaining and holding an M-Permit or vis versa unless a specific condition has been placed on the facility by the Planning Commission.
2. City Business License. An application for a Commercial Cannabis Business License shall be consistent with this chapter, section and regulations adopted by the City Council. Each Commercial Cannabis Business License issued by this Chapter shall be renewed annually twelve (12) months after the date of its issuance. The issuance of a Commercial Cannabis Business License shall not entitle any person to engage in any Cannabis Business without first complying with the requirements of this code and all other applicable laws.
3. City Business License Denial. A Commercial Cannabis Business License can be denied or revoked if any of the following exists:
  - a. The Conditional Use Permit is suspended or revoked that allows for the Commercial Cannabis activity.
  - b. The Commercial Cannabis Business has not been in continuous operation the four (4) months prior to the renewal application.

- c. The Commercial Cannabis Business fails to conform to the requirements of this Chapter, any regulations adopted pursuant to this Chapter, or the conditions imposed as part of any Conditional Use Permit or zoning requirements.
- d. The permittee fails to renew its State of California license.

**SECTION 4.** Recognizing that there is a potential conflict between Federal and State law, it is the City Council's intention that this Ordinance shall be deemed to comply with applicable State Law.

**SECTION 5.** The City Council determines that it is in the best interest of the residents of the City of La Habra to allow certain Commercial Cannabis Activities in compliance with applicable State Law, including MAUCRSA, be established and operated as permitted uses within certain areas of the City subject to the regulations and restrictions provided in this Ordinance. It is the City Council's intention that nothing in this Ordinance shall be construed to:

1. Allow a Person to engage in conduct that endangers others or causes a public nuisance.
2. Allow any activity relating to Cannabis that is otherwise not permitted by the City and/or under State law.

**SECTION 6.** The City Council finds that the actions contemplated by this Ordinance are exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15061 and 15305 of Title 14, Division 6, Chapter 3 of the California Code of Regulations, in that the Ordinance alone does not have the potential for causing a significant effect on the environment. Further, any specific operation site shall be reviewed for possible environmental impacts in accordance with CEQA.

**SECTION 7.** If any section or provision of this Ordinance is for any reason held to be invalid, unconstitutional, illegal, or unenforceable by any court of competent jurisdiction, or contravened due to any preemptive legislation, then such section or provision shall be severed and shall be inoperative, and the remainder of this Ordinance shall remain in full force and effect.

**SECTION 8.** By regulating Commercial Cannabis Activities, the City is undertaking action to preserve the general welfare through implementation of MAUCRSA. The City Council is not assuming, nor is it imposing on its officers and employees, an obligation for which a breach thereof would expose the City to liability in money damages to any Person who claims that such breach proximately caused injury. To the fullest extent permitted by law, the City shall assume no liability whatsoever, and expressly does not waive sovereign immunity, with respect to any provision of this Ordinance or for the activities of any permitted Cannabis operation. To the fullest extent permitted by law, any actions taken by a public officer or employee under the provisions of this Ordinance shall not become a personal liability of any public officer or employee of the City. Nothing in this Ordinance

shall be deemed or considered in any respects to constitute authorization to violate any law.

**SECTION 9:** This ordinance shall be effective 30 days after its final adoption.

**SECTION 10:** The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published and posted pursuant to the provisions of law in that regard.

PASSED, APPROVED, AND ADOPTED this 16th day of April, 2018.

\_\_\_\_\_  
Tim Shaw, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Richard D. Jones, City Attorney

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) SS.  
CITY OF LA HABRA )

I, Laurie Swindell, Deputy City Clerk of the City of La Habra, do hereby certify that the above and foregoing is a true and correct copy of Ordinance No. 1791 introduced at a regular meeting of the City Council of the City of La Habra held on the 2nd day of April, 2018, and duly adopted at a regular meeting held on the 16th day of April, 2018, by the following vote:

AYES: COUNCILMEMBERS: BEAMISH, BLAZEY, SHAW  
NOES: COUNCILMEMBERS: GOMEZ  
ABSTAIN: COUNCILMEMBERS: NONE  
ABSENT: COUNCILMEMBERS: ESPINOZA

Witness my hand and the official seal of the City of La Habra on the 16th day of April, 2018.

\_\_\_\_\_  
Laurie Swindell, CMC, Deputy City Clerk