

ORDINANCE NO. 573

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ADELANTO, COUNTY OF SAN BERNARDINO, CALIFORNIA, AMENDING ADELANTO MUNICIPAL CODE SECTION 17.80.100 REGARDING MEDICAL CANNABIS DISTRIBUTION AND TRANSPORTATION, AND ADDING SECTION 17.80.101 REGARDING MEDICAL CANNABIS TRANSPORTATION, TO CONFORM WITH STATE REGULATIONS

WHEREAS, on October 9, 2015, Governor Brown approved the Medical Marijuana Regulation and Safety Act ("MMRSA"), effective January 1, 2016, which establishes a comprehensive State licensing and regulatory framework for the cultivation, manufacturing, testing, distribution, transportation, and dispensing of medical cannabis, and which recognizes the authority of local jurisdictions to prohibit or impose additional restrictions on any such medical cannabis activity.

WHEREAS, on June 27, 2016, Governor Brown approved Senate Bill number 837 ("SB 837"), effective immediately, which amends the MMRSA and renames it the Medical Cannabis Regulation and Safety Act ("MCRSA").

WHEREAS, on April 28, 2017, the Bureau of Marijuana Control ("BMC") issued its proposed regulations ("Proposed Regulations") to supplement the MCRSA and further regulate medical cannabis distribution and transportation within the State.

WHEREAS, the Proposed Regulations provide that medical cannabis distributors will not be permitted to conduct any transportation of cannabis.

WHEREAS, the City of Adelanto ("City") has previously adopted Adelanto Municipal Code ("AMC") section 17.80.100 to regulate medical cannabis distribution and transportation within the City.

WHEREAS, AMC section 17.80.100 currently provides one combined permit for both distribution and transportation of medical cannabis.

WHEREAS, the City now wishes to amend AMC section 17.80.100 to require separate permits for distribution and transportation of medical cannabis in order to conform with the Proposed Regulations.

WHEREAS, the Adelanto Planning Commission ("Planning Commission") adopted Resolution No. PC-17-26 on June 6, 2017 recommending to the City Council approval of this Ordinance after finding that the proposed amendments are consistent with the goals, policies, and objectives of the General Plan, and will not adversely affect surrounding properties.

WHEREAS, nothing in this Ordinance shall be construed to allow persons to engage in conduct that violates the law, endangers others, causes a public nuisance, allows the use or

diversion of cannabis for nonmedical purposes, or allows any activity relating to cannabis that is otherwise illegal under California law.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ADELANTO DOES ORDAIN AS FOLLOWS:

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

SECTION 2. Section 17.80.100 (Medical Cannabis Distribution/Transportation) is hereby amended, and is to read in its entirety as follows:

17.80.100 Medical Cannabis Distribution

- (a) **Purpose.** The purpose and intent of this Section is to regulate the distribution of medical cannabis between Medical Cannabis Permittees in accordance with State law in order to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to the MCRSA.
- (b) **Definitions.** For purposes of this Section, the following definitions shall apply, unless the context clearly indicates otherwise:
 - (1) "City" means the City of Adelanto, California.
 - (2) "City Manager" means the individual duly appointed by a majority of the City Council to serve in the capacity as executive officer of the City on a permanent or interim basis.
 - (3) "CUP" means a Conditional Use Permit issued by the City in accordance with this Code.
 - (4) "Distribute," "Distribution," and "Distributor" shall be defined in accordance with the MCRSA, Business and Professions Code section 19300.5, and other applicable State laws. Distribution shall include the commercial acts of shipping, storing, and warehousing medical cannabis.
 - (5) "Distribution Permit" means a City permit to distribute medical cannabis between Medical Cannabis Permittees in accordance with the terms and conditions of this Section and the conditions of approval for the permit.
 - (6) "Distribution Permittee" means a person or entity that has been issued a Distribution Permit by the City pursuant to the terms and conditions of this Section.
 - (7) "Fully enclosed and secure structure" means a space within a building, greenhouse or other structure which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which

is secure against unauthorized entry, provides complete visual screening, and which is accessible only through one or more lockable doors and is inaccessible to minors.

- (8) "Medical cannabis" also means "medical marijuana" and shall be defined in accordance with the MCRSA, Business and Professions Code section 19300.5, Health and Safety Code section 11018, and other applicable State laws.
 - (9) "Medical Cannabis Permittee" means a person or entity that has been issued a permit by the City, or another city in the State of California in accordance with the MCRSA or other applicable State laws, to participate in a commercial medical cannabis activity, such as cultivation, manufacturing, distribution, transportation, testing, dispensing, or delivering.
 - (10) "MCRSA" means the California Medical Cannabis Regulation and Safety Act.
 - (11) "Physical Location" means a physical place of business, facility, office, or warehouse owned or operated by a Distribution Permittee for the distribution or storage of cannabis.
- (c) **Cannabis Distribution Prohibited.** All cannabis distribution within the City is prohibited except as expressly permitted by this Section.
- (d) **Distribution of Medical Cannabis Conditionally Permitted.** Distribution of medical cannabis is conditionally permitted in the City only as expressly specified in this Section.
- (1) Medical Cannabis Distribution Standards. Medical cannabis distribution within the City shall be in conformance with the following standards:
 - A. Medical cannabis distribution shall only be allowed upon application and approval of a Distribution Permit and a CUP in accordance with the criteria and process set forth in this Section and this Code.
 - B. Physical Location. A Distribution Permittee shall not be required to own or operate a Physical Location within the City. Provisions in this Section pertaining solely to a Physical Location within the City shall not apply to Distribution Permittees who do not have a Physical Location within the City. The City Manager or the City Manager's designee shall have sole and ultimate authority to determine whether a provision in this Section solely pertains to a Physical Location, and, therefore, is not applicable to Distribution Permittees who do not have a Physical Location within the City.

- C. Medical cannabis distribution is a conditionally permitted use only on properties within the City's Cannabis Overlay Zones, except for shipping activities, which shall be permitted upon established commercial trucking routes.
- D. Medical cannabis distribution activities may include the receiving and releasing of cannabis plants, flowers, and products for inspection, testing, and quality assurance.
- E. No cannabis distribution shall be established, developed, or operated within 2,500 feet of a school, public playground or park, child care or day care facility, youth center, or church, except for shipping activities, which must follow to established commercial trucking routes. All distances shall be measured in a straight line, without regard to intervening structures, from the nearest point of the building or structure in which the cannabis distribution activity is, or will be, located to the nearest property line of those uses described in this Subsection.
- F. Cannabis distribution may not be located within the same unit of a building or structure as an indoor cannabis cultivation facility, manufacturing facility, transportation facility, testing facility, or dispensary.
- G. Subject to the further requirements of this Section, only State Distributor license classification Type 11 will be allowed to operate in the City in accordance with the MCRSA and Business and Professions Code sections 19300.7 and 19334. A Distribution Permittee may concurrently hold a Type 11 Distributor State license, and a Type 12 Transporter State license, but may not hold or use any other State or City cannabis activity permits or licenses that would otherwise be a violation of the MCRSA or Business and Professions Code section 19328.
- H. Except for commercial shipping operations—medical cannabis distribution shall only be allowed within fully enclosed and secure structures that are inaccessible to minors, and shall not exceed the square footage authorized pursuant to the applicable CUP.
- I. From any public right-of-way, there shall be no visible exterior evidence of any cannabis distribution activity.
- J. Cannabis distribution shall not adversely affect the health or safety of the nearby residents by creating 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.

- K. Any cannabis distribution facility shall fully comply with all of the applicable restrictions and mandates set forth in State law. Any cannabis distribution facility shall operate within a legal structure that is compliant with all applicable State and local laws. Any cannabis distribution facility shall comply with all size requirements for such facility as imposed by State law. Any cannabis distribution facility shall not engage in any activities not allowed by medical cannabis distribution facilities pursuant to State law. Any cannabis distribution facility shall comply with all horticultural, labeling, processing, and other standards required by State law.
- L. There is no set restriction on the hours of operation of medical cannabis distribution activities; however, restricted hours of operation may be established as a condition of approval of the Distribution Permit or the applicable CUP.
- M. All cannabis shall be kept in a secured manner during all business and nonbusiness hours.
- N. Each Distribution Permittee must pay all applicable sales taxes pursuant to all federal, State, and local laws. Each Distribution Permittee shall pay the City's Cannabis Excise Tax provided in AMC chapter 3.60.
- O. On-site smoking, ingestion, or consumption of cannabis or alcohol shall be prohibited on the premises of any cannabis distribution facility. The term "premises" as used in this Subsection includes the actual cannabis distribution building, as well as any accessory structures and parking areas. The cannabis distribution facility building entrance shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming cannabis or alcohol on the premises, or in the vicinity of the facility, is prohibited.
- P. Signage for any cannabis distribution facility shall be limited to name of business only, shall be in compliance with the City's sign code, and shall contain no advertising of any companies, brands, products, goods, or services. Signage shall not include any drug-related symbols.
- Q. Alcoholic beverages shall not be sold, stored, distributed, or consumed on the premises. Distribution Permittees shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. In addition, alcohol shall not be provided, stored, kept, located, sold, dispensed, or used on the premises of any cannabis distribution facility.

- R. Physician services shall not be provided on the cannabis distribution premises.
- S. The building in which any cannabis distribution facility is located, as well as the operations conducted therein, shall fully comply with all applicable rules, regulations, and laws including, but not limited to, zoning and building codes, the City's business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, and the MCRSA. Compliance with all requirements of State law pertaining to medical cannabis distribution is also required.
- T. A Distribution Permittee shall not grow, cultivate, manufacture, process, transport, dispense, or administer cannabis, unless expressly and affirmatively authorized by State law. Any cannabis distribution facility shall not be operated as a cannabis cultivation, manufacturing, transportation, or testing facility, or as a cannabis dispensary, unless expressly and affirmatively authorized by State law.
- U. The operators of any cannabis distribution facility shall provide the City Manager, or the City Manager's designee, with the name, phone number, facsimile number, and email address of an on-site representative to whom the City and the public can provide notice if there are any operational problems associated with the cannabis distribution facility. Any cannabis distribution facility shall make every good faith effort to encourage residents and the public to call this representative to resolve any operational problems before any calls or complaints are made to the City or law enforcement.
- V. Any cannabis distribution facility shall be operated in accordance with the conditions of approval associated with the applicable CUP for the parcel of real property upon which the cannabis distribution activities occur.
- W. Any cannabis distribution facility shall have a security plan including the following measures:
 - 1. Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 120 concurrent hours of digitally recorded documentation in a format approved by the City Manager or the City Manager's designee. The cameras shall be in use 24 hours per day, seven days per week. The areas to be covered by the security cameras include, but are not limited to, the storage areas, distribution areas, all doors and windows, and any other areas as determined by the City Manager or the City

Manager's designee. Remote log-in information shall be provided to the City Manager, the Code Enforcement Manager, and the Chief of Police to allow them to view the security camera images and recordings from their own facilities at any time. Any disruption in security camera images shall be cured expeditiously in good faith.

2. The cannabis distribution facility shall be secured with an alarm system that is operated and monitored by a reputable security company.
 3. Entrance to the distribution area, and all storage areas, shall be locked at all times, and under the control of the medical cannabis distribution facility's staff.
 4. The entrances and all window areas shall be illuminated during evening hours. The 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.
 5. All windows on the building that houses the cannabis distribution facility shall be appropriately secured and all cannabis securely stored.
- X. Recordings made by the security cameras shall be made available to the City Manager, the City Manager's designee, or law enforcement upon verbal request—no search warrant or subpoena shall be needed to view the recorded materials.
- Y. The City Manager, the City Manager's designee, and law enforcement shall have the right to enter any cannabis distribution facility at any time, unannounced, for the purpose of making reasonable inspections to observe and enforce compliance with this Section and all laws of the City and the State.
- Z. A Distribution Permittee shall only distribute medical cannabis between the business locations of Medical Cannabis Permittees.
- AA. A Distribution Permittee shall inspect all cannabis and cannabis products received for quality assurance prior to distributing to any Medical Cannabis Permittee.
- BB. A Distribution Permittee shall distribute batches of cultivated cannabis and cannabis products to dispensaries only after those batches have been inspected and quality tested by a qualified third party testing facility as required by the MCRSA, Business and

Professions Code sections 19326 and 19342, the Department of Food and Agriculture regulations, and the State Department of Public Health regulations.

- CC. A Distribution Permittee shall not distribute or arrange for the distribution to a dispensary of any batch of medical cannabis or cannabis products that a qualified third party testing facility has determined fails to comply with the health and safety standards promulgated by the State Department of Public Health, unless remedial measures can bring the cannabis into compliance.
- DD. A Distribution Permittee must destroy any batch of medical cannabis or cannabis products that a qualified third party testing facility has determined fails to comply with with health and safety standards promulgated by the State Department of Public Health, unless remedial measures can bring the cannabis into compliance.
- EE. Each Distribution Permittee shall register with the City every Physical Location the Distribution Permittee owns or operates within the City.
- FF. A Distribution Permittee shall identify in its application for a Distribution Permit every Physical Location the Distribution Permittee owns or operates throughout the State.
- GG. Storage of Medical Cannabis. A Distribution Permittee may store medical cannabis and medical cannabis products subject to the following requirements:
1. Each batch of cannabis shall be stored separately and distinctly from every other batch of cannabis.
 2. Each batch of stored cannabis shall have a label attached thereto that includes at least the following information: the Distribution Permittee's name and Distribution Permit number; the date of entry into the Distribution Permittee's storage area; the unique identifiers and batch number associated with the batch; description of the cannabis product with enough detail to easily identify the batch; and the weight of the batch, or quantity of units in the batch.
 3. Each batch of cannabis or cannabis products shall be stored in a building that is designed to permit control of temperature and humidity, and also prevents the entry of environmental contaminants such as smoke or dust. The storage area shall not be exposed to direct sunlight. Employee breakrooms,

changing facilities, and bathrooms shall be completely separated from each storage area.

4. Cannabis shall not be stored outdoors.

HH. Packaging and Labeling of Medical Cannabis. Each Distribution Permittee must comply with all applicable medical cannabis packaging and labeling laws, including, but not limited to, Business and Professions Code section 19347. A Distribution Permittee may package, re-package, label, and re-label medical cannabis in the form of dried flower on behalf of a cultivator or another distributor. A Distribution Permittee shall not package, re-package, label, or re-label manufactured medical cannabis or medical cannabis products. Prior to distributing any medical cannabis or medical cannabis products to a dispensary, each Distribution Permittee shall ensure that the label and packaging of each batch of medical cannabis or medical cannabis products complies with all applicable medical cannabis packaging and labeling laws, including, but not limited to, Business and Professions Code section 19347.

II. A Distribution Permittee shall not hire an employee or volunteer who simultaneously works or volunteers for another Medical Cannabis Permittee, unless expressly and affirmatively authorized by State law. A Distribution Permittee shall ensure its employees do not have a financial interest in any other State or City cannabis activity permits or licenses.

JJ. Inventory Log. Each Distribution Permittee shall maintain an inventory log, containing at least the following information for each batch of medical cannabis distributed or stored: information regarding the origin of the batch; the date and time of physical transfer to the Distribution Permittee; the unique identifiers of the batch; the total weight or amount of the batch; the storage conditions the batch is held in; the best-by, sell-by, or expiration date of each batch, if any; shipping manifests and bills of lading; a copy of the service or sale contract pertaining to the batch; and warehouse receipts. Each Distribution Permittee shall reconcile all of its inventories of medical cannabis or medical cannabis products at least once per week.

KK. A Distribution Permittee shall notify the City Manager or the City Manager's designee within 24 hours of discovering any of the following:

1. Significant discrepancies identified during inventory. The level of significance shall be determined by the City Manager or the City Manager's designee.

2. Diversion, theft, loss, or any criminal activity involving the distribution facility or any agent or employee of the Distribution Permittee.
 3. The loss or unauthorized alteration of records related to medical cannabis distribution activity.
 4. Any other breach of security.
- (2) Distribution Permit Applications. All applicants wishing to obtain a Distribution Permit from the City shall file an application with the City upon a form provided by the City and shall pay a Distribution Permit Application Fee as established by the City. An application for a Distribution Permit shall include at least the following information:
- A. The address of the applicant's headquarters.
 - B. The names, addresses, and relevant criminal histories of all potential employees, facility managers, and other relevant parties for the proposed distribution activities. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.
 - C. Evidence that the applicant has identified every Physical Location the applicant owns or operates throughout the State.
 - D. Authorization for the City Manager or the City Manager's designee to seek verification of the information contained within the application.
 - E. A statement in writing by the applicant that the applicant certifies under penalty of perjury that all the information contained in the application is true and correct.
 - F. Any such additional and further information as is deemed necessary by the City Manager or the City Manager's designee to administer this Section.
 - G. An application for a Distribution Permit involving a Physical Location shall also include at least the following information:
 1. An estimate of the size of the proposed medical cannabis distribution facility.
 2. The address of the location for which the Distribution Permit is sought. Only one Distribution Permit will be issued per location.

3. A site plan and floor plan for the proposed premises denoting the use of all areas on the premises, including storage, distribution areas, lighting, signage, etcetera.
 4. A proposed security plan in compliance with the Medical Cannabis Distribution Standards.
 5. The name and address of the owner and lessor of the real property upon which the medical cannabis distribution activity is proposed to be conducted. 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 medical cannabis distribution facility will be operated on the property.
 6. Evidence that the medical cannabis distribution facility will be located in a legal structure that is compliant with all applicable State and local laws.
 7. Evidence that the applicant has registered with the City every Physical Location the applicant owns or operates within the City.
- H. The City Manager or the City Manager's designee shall conduct a background check of any applicant seeking a Distribution Permit, including all potential employees and any person who may be a facility manager or otherwise responsible for the proposed distribution activities ("Applicant's Agents"), and shall prepare a report on the acceptability of the applicant and the Applicant's Agents and the suitability of the proposed Physical Location, if any.
- I. The City Manager or the City Manager's designee shall rank all qualified applications in order of those that best satisfy the requirements of this Section and provide the highest level of service and opportunities for residents of the City based on the requirements of this Section and the following criteria ("Merit List"):
1. The operational plan for the distribution activities.
 2. The security plan for the distribution activities.
 3. The experience of the operators of the distribution activities.
 4. The adequacy of capitalization for the Physical Location, if any, and its operations.
 5. The employment of City residents and other public benefits to the City.

(3) Distribution Permit. The following conditions apply to Distribution Permits:

- A. A Distribution Permit will not be awarded to an applicant if:
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 medical cannabis distribution activity or Physical Location, if any, is not allowed by State or local law.
 3. The applicant or the Applicant's Agents 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, with the exception of cannabis related offenses for which the conviction occurred prior to passage of Compassionate Use Act. A conviction within the meaning of this Section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.
 4. The applicant or the Applicant's Agents have engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
 5. The applicant has not satisfied each and every requirement of this Section.
- B. A Distribution Permit shall be awarded by the City to eligible Distribution Permit applicants in order of the Merit List as established by the City Manager or the City Manager's designee. The number of Distribution Permits shall be limited to those that may be reasonably accommodated within the City's Cannabis Overlay Zones as determined by the City Manager or the City Manager's designee.
- C. Before a Distribution Permit can be issued to an applicant, Distribution Permit fees must be paid to offset all related costs to the City, and the proposed Physical Location, if any, must pass all applicable inspections.
- D. Only one Distribution Permit may be possessed or used by the same person or entity, including the representatives, agents, parent entities, or subsidiary entities of that person or entity.

- E. Each Distribution Permit involving a Physical Location is subject to the conditions of approval in the applicable CUP for the parcel of real property upon which the medical cannabis distribution activity occurs.
- F. Each Distribution Permit is subject to any additional conditions that may be applied by the City at the time of issuance or renewal as necessary to properly regulate the cannabis distribution activities and to protect the public.
- G. All distribution activities shall be subject to the City's Cannabis Excise Tax provided in AMC chapter 3.60.
- H. Each Distribution Permittee shall enter into an agreement with the City to fully reimburse the City for all fiscal impacts, costs, expenses, fees, and attorneys' fees incurred by the City related to the Distribution Permit and the cannabis distribution activity.
- I. Each Distribution Permittee shall:
 - 1. Carry liability insurance in the amounts and types set by the City Manager or the City Manager's designee, and name the City as an additional insured on all such insurance policies.
 - 2. Execute an Indemnification Agreement prepared by the City that fully indemnifies the City for all liabilities associated with the Distribution Permit, the Distribution Permittee's cannabis related activities, and any action taken by the Distribution Permittee pursuant to this Section.
 - 3. Defend the City, at the Distribution Permittee's sole expense, in any action against the City or its agents, officers, or employees associated with the Distribution Permit, the Distribution Permittee's cannabis related activities, or any action taken by the Distribution Permittee pursuant to this Section. The City may, at its sole discretion, participate in the defense of any such action, but such participation shall not relieve the Distribution Permittee of its indemnification and reimbursement obligations.
 - 4. Reimburse the City for all costs, expenses, fees, and attorney fees incurred by the City related to any action against the City or its agents, officers, or employees associated with the Distribution Permit, the Distribution Permittee's cannabis related activities, or any action taken by the Distribution Permittee pursuant to this Section.

- J. A Distribution Permittee shall keep the City and law enforcement updated with the names, addresses, and relevant criminal histories of all employees, facility managers, and other relevant parties for the medical cannabis distribution activities at all times. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.
 - K. A Distribution Permittee shall account for job creation in the City and shall commit to employing a workforce that resides in the City. For Distribution Permittees with a Physical Location, a minimum of 50% of all employees employed by the Distribution Permittee at the Physical Location shall be residents of the City. A Distribution Permittee shall use good faith efforts to comply with this Subsection and shall report the residential composition of its workforce to the City every year and at any other time upon demand by the City Manager or the City Manager's designee.
 - L. A Distribution Permit issued pursuant to this Section is not transferable to any third parties under any circumstances.
 - M. A Distribution Permit shall expire and be null and void 12 months after issuance to the Distribution Permittee unless properly renewed. Upon payment of the applicable Distribution Permit fees, and passing any requisite Distribution Permit inspections, a Distribution Permittee that has maintained compliance with all City, State, and other applicable cannabis and business related laws shall be entitled to renew its Distribution Permit subject to all prevailing laws at the time of renewal.
 - N. 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 cannabis distribution activities, or for the activities of any Distribution Permittee.
- (4) Conditional Use Permit. All parcels of real property within the City's Cannabis Overlay Zones, upon which cannabis distribution activities may occur, must obtain a CUP from the City for all such activities.
- (e) **Enforcement.**
- (1) Any cannabis distribution within the City in violation of this Section is hereby declared to be unlawful and a public nuisance.
 - (2) Any party who engages in a violation of this Section, or who owns, possesses, controls, or has charge of any parcel of real property in the City

upon which a violation of this Section is maintained, shall be subject to the penalties and remedies provided by this Section.

- (3) Any violation of this Section shall constitute a separate offense for each and every day the violation occurs or persists.
- (4) Any person in violation of any provision of this Section shall be guilty of a misdemeanor and shall be punishable by a fine of up to \$1,000 and up to six months imprisonment per offense per day.
- (5) Any person in violation of any provision of this Section shall be punishable by an administrative fine of up to a \$1,000 per offense per day.
- (6) Any violation of this Section or any other City or State cannabis law by a Distribution Permittee, or a Distribution Permittee's agent, is grounds for revoking the relevant Distribution Permit. In addition, the City Manager or the City Manager's designee may revoke a Distribution Permit if any of the following occur:
 - A. The City Manager or the City Manager's designee determines that the Distribution Permittee has failed to comply with this Section, any condition of approval, or any agreement or covenant as required pursuant to this Section.
 - B. The medical cannabis distribution operations cease for more than 90 calendar days.
- (7) For Distribution Permits involving a Physical Location, the City Manager or the City Manager's designee may also revoke the Distribution Permit if any of the following occur:
 - A. Ownership of the Physical Location is changed or transferred to a third party.
 - B. The Physical Location fails to maintain 120 hours of security recordings.
 - C. The Physical Location fails to provide remote access to the security cameras to the City Manager, the City Manager's designee, or the Chief of Police, or fails to allow inspection of the security recordings, the activity logs, or of the premises by authorized City officials.
- (8) Any decision regarding the revocation of a Distribution Permit may be appealed to an independent neutral third party administrative hearing officer appointed by the City Manager or the City Manager's designee ("Hearing Officer"). Said appeal shall be made by a notice of appeal from the person appealing within 15 days from the date of the decision to revoke the

Distribution Permit. The appeal shall be accompanied by a written verified declaration setting forth the basis for the claim that the Distribution Permit was improperly revoked. The Hearing Officer's decision shall be final and binding upon the City and the appellant.

- (9) These penalties and remedies are cumulative, and in addition to any other penalties and remedies available to the City.

SECTION 3. Section 17.80.101 (Medical Cannabis Transportation) is hereby added to the AMC, and is to read in its entirety as follows:

17.80.101 Medical Cannabis Transportation

- (a) **Purpose.** The purpose and intent of this Section is to regulate the transportation of medical cannabis between Medical Cannabis Permittees in accordance with State law in order to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to the MCRSA.
- (b) **Definitions.** For purposes of this Section, the following definitions shall apply, unless the context clearly indicates otherwise:
- (1) "City" means the City of Adelanto, California.
 - (2) "City Manager" means the individual duly appointed by a majority of the City Council to serve in the capacity as executive officer of the City on a permanent or interim basis.
 - (3) "CUP" means a Conditional Use Permit issued by the City in accordance with this Code.
 - (4) "Fully enclosed and secure structure" means a space within a building, greenhouse or other structure which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which is secure against unauthorized entry, provides complete visual screening, and which is accessible only through one or more lockable doors and is inaccessible to minors.
 - (5) "Medical cannabis" also means "medical marijuana" and shall be defined in accordance with the MCRSA, Business and Professions Code section 19300.5, Health and Safety Code section 11018, and other applicable State laws.
 - (6) "Medical Cannabis Permittee" means a person or entity that has been issued a permit by the City, or another city in the State of California in accordance with the MCRSA or other applicable State laws, to participate in a commercial medical cannabis activity, such as cultivation, manufacturing, distribution, transportation, testing, dispensing, or delivering.

- (7) "MCRSA" means the California Medical Cannabis Regulation and Safety Act.
 - (8) "Physical Location" means a physical place of business, facility, office, or warehouse owned or operated by a Transportation Permittee for the transportation or storage of cannabis.
 - (9) "Transport," "Transporter," and "Transportation" shall be defined in accordance with the MCRSA, Business and Professions Code section 19300.5, and other applicable State laws.
 - (10) "Transportation Permit" means a City permit to distribute or transport medical cannabis between Medical Cannabis Permittees in accordance with the terms and conditions of this Section and the conditions of approval for the permit.
 - (11) "Transportation Permittee" means a person or entity that has been issued a Distribution/Transportation Permit by the City pursuant to the terms and conditions of this Section.
 - (12) "Transport Vehicle" means a commercial vehicle or trailer owned or operated by a Transportation Permittee to transport medical cannabis that has been approved by the Bureau of Marijuana Control for medical cannabis transportation and complies with all of the requirements of this Section. Transport vehicle does not include aircrafts, watercrafts, drones, rails, human powered vehicles, or unmanned vehicles.
- (c) **Cannabis Transportation Prohibited.** All cannabis transportation within the City is prohibited except as expressly permitted by this Section.
- (d) **Transportation of Medical Cannabis Conditionally Permitted.** Transportation of medical cannabis is conditionally permitted in the City only as expressly specified in this Section.
- (1) Medical Cannabis Transportation Standards. Medical cannabis transportation within the City shall be in conformance with the following standards:
 - A. Medical cannabis transportation shall only be allowed upon application and approval of a Transportation Permit and a CUP in accordance with the criteria and process set forth in this Section and this Code.
 - B. Physical Location. A Transportation Permittee shall not be required to own or operate a Physical Location within the City. Provisions in this Section pertaining solely to a Physical Location within the City shall not apply to Transportation Permittees who do not have a

Physical Location within the City. The City Manager or the City Manager's designee shall have sole and ultimate authority to determine whether a provision in this Section solely pertains to a Physical Location, and, therefore, is not applicable to Transportation Permittees who do not have a Physical Location within the City.

- C. Medical cannabis transportation is a conditionally permitted use only on properties within the City's Cannabis Overlay Zones, except for shipping activities, which shall be permitted upon established commercial trucking routes.
- D. Medical cannabis transportation activities may include the receiving and releasing of cannabis plants, flowers, and products for inspection, testing, and quality assurance.
- E. No cannabis transportation shall be established, developed, or operated within 2,500 feet of a school, public playground or park, child care or day care facility, youth center, or church, except for shipping activities, which must follow to established commercial trucking routes. All distances shall be measured in a straight line, without regard to intervening structures, from the nearest point of the building or structure in which the cannabis transportation activity is, or will be, located to the nearest property line of those uses described in this Subsection.
- F. Cannabis transportation may not be located within the same unit of a building or structure as an indoor cannabis cultivation facility, manufacturing facility, distribution facility, testing facility, or dispensary.
- G. Subject to the further requirements of this Section, only State Transporter license classification Type 12 will be allowed to operate in the City in accordance with the MCRSA and Business and Professions Code sections 19300.7 and 19334. A Transportation Permittee may concurrently hold a Type 12 State Transporter License and a Type 11 Distributor State license, but may not hold or use any other State or City cannabis activity permits or licenses that would otherwise be a violation of the MCRSA or Business and Professions Code section 19328.
- H. Medical cannabis transportation is allowed only within Transport Vehicles or fully enclosed and secure structures that are inaccessible to minors.
- I. Except for commercial shipping operations, medical cannabis transportation activities shall not exceed the square footage authorized pursuant to the applicable CUP.

- J. From any public right-of-way, there shall be no visible exterior evidence of any cannabis transportation activity.
- K. Cannabis transportation shall not adversely affect the health or safety of the nearby residents by creating 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.
- L. Any cannabis transportation facility shall fully comply with all of the applicable restrictions and mandates set forth in State law. Any cannabis transportation facility shall operate within a legal structure that is compliant with all applicable State and local laws. Any cannabis transportation facility shall comply with all size requirements for such facility as imposed by State law. Any cannabis transportation facility shall not engage in any activities not allowed by medical cannabis transportation facilities pursuant to State law. Any cannabis transportation facility shall comply with all horticultural, labeling, processing, and other standards required by State law.
- M. There is no set restriction on the hours of operation of medical cannabis transportation activities; however, restricted hours of operation may be established as a condition of approval of the Transportation Permit or the applicable CUP.
- N. All cannabis shall be kept in a secured manner during all business and nonbusiness hours.
- O. Each Transportation Permittee must pay all applicable sales taxes pursuant to all federal, State, and local laws. Each Transportation Permittee shall pay the City's Cannabis Excise Tax provided in AMC chapter 3.60.
- P. On-site smoking, ingestion, or consumption of cannabis or alcohol shall be prohibited on the premises of any cannabis transportation facility or on any Transport Vehicle. The term "premises" as used in this Subsection includes the actual cannabis transportation building, as well as any accessory structures and parking areas. The cannabis transportation facility building entrance shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming cannabis or alcohol on the premises, or in the vicinity of the facility, is prohibited.
- Q. Signage for any cannabis transportation facility shall be limited to name of business only, shall be in compliance with the City's sign code, and shall contain no advertising of any companies, brands,

products, goods, or services. Signage shall not include any drug-related symbols.

- R. Alcoholic beverages shall not be sold, stored, distributed, or consumed on the premises of any cannabis transportation facility or on a Transport Vehicle. Transportation Permittees shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. In addition, alcohol shall not be provided, stored, kept, located, sold, dispensed, or used on the premises of any cannabis transportation facility or on a Transport Vehicle.
- S. Physician services shall not be provided on the cannabis transportation premises.
- T. The building in which any cannabis transportation facility is located, as well as the operations conducted therein, shall fully comply with all applicable rules, regulations, and laws including, but not limited to, zoning and building codes, the City's business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, and the MCRSA. Compliance with all requirements of State law pertaining to medical cannabis transportation is also required.
- U. Transportation Permittees shall not grow, cultivate, manufacture, process, distribute, dispense, or administer cannabis, unless expressly and affirmatively authorized by State law. Any cannabis transportation facility shall not be operated as a cannabis cultivation, manufacturing, distribution, or testing facility, or as cannabis dispensary, unless expressly and affirmatively authorized by State law.
- V. The operators of any cannabis transportation facility shall provide the City Manager, or the City Manager's designee, with the name, phone number, facsimile number, and email address of an on-site representative to whom the City and the public can provide notice if there are any operational problems associated with the cannabis transportation facility. Any cannabis transportation facility shall make every good faith effort to encourage residents and the public to call this representative to resolve any operational problems before any calls or complaints are made to the City or law enforcement.
- W. Any cannabis transportation facility shall be operated in accordance with the conditions of approval associated with the applicable CUP for the parcel of real property upon which the cannabis transportation activities occur.

- X. Any cannabis transportation facility shall have a security plan including the following measures:
1. Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 120 concurrent hours of digitally recorded documentation in a format approved by the City Manager or the City Manager's designee. The cameras shall be in use 24 hours per day, seven days per week. The areas to be covered by the security cameras include, but are not limited to, the storage areas, transportation areas, all doors and windows, and any other areas as determined by the City Manager or the City Manager's designee. Remote log-in information shall be provided to the City Manager, the Code Enforcement Manager, and the Chief of Police to allow them to view the security camera images and recordings from their own facilities at any time. Any disruption in security camera images shall be cured expeditiously in good faith.
 2. The cannabis transportation facility shall be secured with an alarm system that is operated and monitored by a reputable security company.
 3. Entrance to the transportation area, and all storage areas, shall be locked at all times, and under the control of the medical cannabis transportation facility's staff.
 4. The entrances and all window areas shall be illuminated during evening hours. The 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.
 5. All windows on the building that houses the cannabis transportation facility shall be appropriately secured and all cannabis securely stored.
- Y. Recordings made by the security cameras shall be made available to the City Manager, the City Manager's designee, or law enforcement upon verbal request—no search warrant or subpoena shall be needed to view the recorded materials.
- Z. The City Manager, the City Manager's designee, and law enforcement shall have the right to enter any cannabis transportation facility at any time, unannounced, for the purpose of making reasonable inspections to observe and enforce compliance with this Section and all laws of the City and the State. Transport Vehicles

may be inspected by the City Manager, the City Manager's designee, or law enforcement at any transportation facility or during transport.

- AA. A Transportation Permittee shall only transport medical cannabis between the business locations of Medical Cannabis Permittees.
- BB. A Transportation Permittee shall inspect all cannabis and cannabis products received for quality assurance prior to transporting to any Medical Cannabis Permittee.
- CC. A Transportation Permittee shall transport batches of cultivated cannabis and cannabis products to dispensaries only after those batches have been inspected and quality tested by a qualified third party testing facility as required by the MCRSA, Business and Professions Code sections 19326 and 19342, the Department of Food and Agriculture regulations, and the State Department of Public Health regulations.
- DD. Each Transportation Permittee shall register with the City every Physical Location the Transportation Permittee owns or operates within the City.
- EE. A Transportation Permittee shall identify in its application for a Transportation Permit every Physical Location the Transportation Permittee owns or operates throughout the State.
- FF. A Transportation Permittee may not hold title to medical cannabis or medical cannabis products it transports, unless such title is held under a different State or City commercial cannabis activity license or permit.
- GG. Transport Vehicles. Transportation of cannabis by means of aircraft, watercraft, drones, rail, human powered vehicles, and unmanned vehicles is prohibited. Transportation of cannabis shall only occur inside of a Transport Vehicle. Transportation of cannabis shall not be visible or identifiable from outside a Transport Vehicle. Cannabis goods shall be locked in a box that is secured to the inside of a Transport Vehicle. While left unattended, a Transport Vehicle shall be locked and secured. A Transportation Permittee shall not leave a Transport Vehicle carrying medical cannabis goods unattended at any time or parked overnight. Each Transport Vehicle shall be equipped with, and utilize, a vehicle alarm system. Each Transport Vehicle shall have an internal partition between the driver and all passengers from the cannabis storage containers that prevents access by the driver and passengers to all cannabis products

from inside the Transport Vehicle. A Transport Vehicle shall not carry more cannabis than allowed by State law.

- HH. A Transportation Permittee shall only travel to and from the business of another Medical Cannabis Permittee when engaged in the transportation of medical cannabis or medical cannabis products.
- II. A Transportation Permittee may transport multiple shipments of medical cannabis or medical cannabis products at once in accordance with State law and the requirements of this Section.
- JJ. Packages or containers containing medical cannabis or medical cannabis products shall not be tampered with during transport.
- KK. During Transport, only a Transportation Permittee shall be allowed inside of a Transport Vehicle. No person under the age of 21 years old shall be allowed inside of a Transport Vehicle at any time.
- LL. Storage of Medical Cannabis. A Transportation Permittee may store medical cannabis and medical cannabis products at its transportation facility subject to the following requirements:
 - 1. Cannabis may be stored for a maximum of 72 hours.
 - 2. Each batch of cannabis shall be stored separately and distinctly from every other batch of cannabis.
 - 3. Each batch of stored cannabis shall have a label attached thereto that includes at least the following information: the Transportation Permittee's name and Transportation Permit number; the date of entry into the Transportation Permittee's storage area; the unique identifiers and batch number associated with the batch; description of the cannabis product with enough detail to easily identify the batch; and the weight of the batch, or quantity of units in the batch.
 - 4. Each batch of cannabis or cannabis products shall be stored in a building that is designed to permit control of temperature and humidity, and also prevents the entry of environmental contaminants such as smoke or dust. The storage area shall not be exposed to direct sunlight. Employee breakrooms, changing facilities, and bathrooms shall be completely separated from each storage area.
 - 5. Cannabis shall not be stored outdoors.

MM. Shipment Manifest. Before transporting any cannabis goods, each Transportation Permittee shall complete an electronic shipment manifest ("Shipment Manifest"). Every Shipment Manifest shall be maintained for three years from the date created and shall be open to inspection by the City Manager, the City Manager's designee, Code Enforcement, and law enforcement. The Shipment Manifest shall include at least the following information:

1. The Transportation Permittee's name.
2. The names of authorized drivers.
3. The type, weight, and quantity or amount of medical cannabis or medical cannabis products being transported.
4. The time and location of departure, as well as the time and location of expected arrival.
5. The make, model, and license plate number of the Transport Vehicle.

NN. During transport, each Transport Vehicle driver shall carry a copy of the Transportation Permit, a copy of the Shipment Manifest, a form of government-issued identification, a valid commercial driver's license, and all other information required by State law. The driver shall present these documents upon the request of law enforcement, Code Enforcement, the City Manager, or the City Manager's designee.

OO. Each Transportation Permittee shall do regular monthly inventories, and shall record the total quantity of cannabis transported. These records shall be maintained for three years from the date created and shall be open to inspection by the City Manager, the City Manager's Designee, Code Enforcement, and law enforcement.

PP. Each Transportation Permittee shall maintain maintenance and ownership records for every Transport Vehicle. These records shall be open to inspection by the City Manager, the City Manager's designee, Code Enforcement, and law enforcement.

(2) Transportation Permit Applications. All applicants wishing to obtain a Transportation Permit from the City shall file an application with the City upon a form provided by the City and shall pay a Transportation Permit Application Fee as established by the City. An application for a Transportation Permit shall include at least the following information:

- A. The address of the applicant's headquarters.

- B. The names, addresses, and relevant criminal histories of all potential employees, facility managers, and other relevant parties for the proposed transportation activities. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.
- C. Evidence that the applicant has identified every Physical Location the applicant owns or operates throughout the State.
- D. Information regarding Transport Vehicles including, but not limited to: proof of ownership or lease of each Transport Vehicle; the year, make, model, license plate number, and Vehicle Identification Number ("VIN") for each Transport Vehicle; and proof of insurance in the amount of \$1,000,000 for each Transport Vehicle. Transportation Permittees shall provide the City with the information required by this Subsection of any new Transport Vehicle prior to using the Transport Vehicle to transport cannabis goods. A Transportation Permittee shall provide the City with any changes to the information required by this Subsection in writing within 30 calendar days of such change.
- E. Authorization for the City Manager or the City Manager's designee to seek verification of the information contained within the application.
- F. A statement in writing by the applicant that the applicant certifies under penalty of perjury that all the information contained in the application is true and correct.
- G. Any such additional and further information as is deemed necessary by the City Manager or the City Manager's designee to administer this Section.
- H. An application for a Transportation Permit involving a Physical Location shall also include at least the following information:
 - 1. An estimate of the size of the proposed medical cannabis transportation facility.
 - 2. The address of the location for which the Transportation Permit is sought. Only one Transportation Permit will be issued per location.
 - 3. A site plan and floor plan for the proposed premises denoting the use of all areas on the premises, including storage, transportation areas, lighting, signage, etcetera.

4. A proposed security plan in compliance with the Medical Cannabis Transportation Standards.
 5. The name and address of the owner and lessor of the real property upon which the medical cannabis transportation activity is proposed to be conducted. 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 medical cannabis transportation facility will be operated on the property.
 6. Evidence that the medical cannabis transportation facility will be located in a legal structure that is compliant with all applicable State and local laws.
 7. Evidence that the applicant has registered with the City every Physical Location the applicant owns or operates within the City.
- I. The City Manager or the City Manager's designee shall conduct a background check of any applicant seeking a Transportation Permit, including all potential employees and any person who may be a facility manager or otherwise responsible for the proposed transportation activities ("Applicant's Agents"), and shall prepare a report on the acceptability of the applicant and the Applicant's Agents and the suitability of the proposed Physical Location, if any.
- J. The City Manager or the City Manager's designee shall rank all qualified applications in order of those that best satisfy the requirements of this Section and provide the highest level of service and opportunities for residents of the City based on the requirements of this Section and the following criteria ("Merit List"):
1. The operational plan for the transportation activities.
 2. The security plan for the transportation activities.
 3. The experience of the operators of the transportation activities.
 4. The adequacy of capitalization for the Physical Location, if any, and its operations.
 5. The employment of City residents and other public benefits to the City.

(3) Transportation Permit. The following conditions apply to Transportation Permits:

- A. A Transportation Permit will not be awarded to an applicant if:
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 medical cannabis transportation activity or Physical Location, if any, is not allowed by State or local law.
 3. The applicant or the Applicant's Agents 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, with the exception of cannabis related offenses for which the conviction occurred prior to passage of Compassionate Use Act. A conviction within the meaning of this Section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.
 4. The applicant or the Applicant's Agents have engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
 5. The applicant has not satisfied each and every requirement of this Section.
- B. A Transportation Permit shall be awarded by the City to eligible Transportation Permit applicants in order of the Merit List as established by the City Manager or the City Manager's designee. The number of Transportation Permits shall be limited to those that may be reasonably accommodated within the City's Cannabis Overlay Zones as determined by the City Manager or the City Manager's designee.
- C. Before a Transportation Permit can be issued to an applicant, Transportation Permit fees must be paid to offset all related costs to the City, and the proposed Physical Location, if any, must pass all applicable inspections.
- D. Only one Transportation Permit may be possessed or used by the same person or entity, including the representatives, agents, parent entities, or subsidiary entities of that person or entity.

- E. Each Transportation Permit involving a Physical Location is subject to the conditions of approval in the applicable CUP for the parcel of real property upon which the medical cannabis transportation activity occurs.
- F. Each Transportation Permit is subject to any additional conditions that may be applied by the City at the time of issuance or renewal as necessary to properly regulate the cannabis transportation activities and to protect the public.
- G. All transportation activities shall be subject to the City's Cannabis Excise Tax provided in AMC chapter 3.60.
- H. Each Transportation Permittee shall enter into an agreement with the City to fully reimburse the City for all fiscal impacts, costs, expenses, fees, and attorneys' fees incurred by the City related to the Transportation Permit and the cannabis transportation activity.
- I. Each Transportation Permittee shall:
 - 1. Carry liability insurance in the amounts and types provided in this Section or set by the City Manager or the City Manager's designee, and name the City as an additional insured on all such insurance policies.
 - 2. Execute an Indemnification Agreement prepared by the City that fully indemnifies the City for all liabilities associated with the Transportation Permit, the Transportation Permittee's cannabis related activities, and any action taken by the Transportation Permittee pursuant to this Section.
 - 3. Defend the City, at the Transportation Permittee's sole expense, in any action against the City or its agents, officers, or employees associated with the Transportation Permit, the Transportation Permittee's cannabis related activities, or any action taken by the Transportation Permittee pursuant to this Section. The City may, at its sole discretion, participate in the defense of any such action, but such participation shall not relieve the Transportation Permittee of its indemnification and reimbursement obligations.
 - 4. Reimburse the City for all costs, expenses, fees, and attorney fees incurred by the City related to any action against the City or its agents, officers, or employees associated with the Transportation Permit, the Transportation Permittee's cannabis related activities, or any action taken by the Transportation Permittee pursuant to this Section.

- J. A Transportation Permittee shall keep the City and law enforcement updated with the names, addresses, and relevant criminal histories of all employees, facility managers, and other relevant parties for the medical cannabis transportation activities at all times. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.
 - K. A Transportation Permittee shall account for job creation in the City and shall commit to employing a workforce that resides in the City. For Transportation Permittees with a Physical Location, a minimum of 50% of all employees employed by the Transportation Permittee at the Physical Location shall be residents of the City. A Transportation Permittee shall use good faith efforts to comply with this Subsection and shall report the residential composition of its workforce to the City every year and at any other time upon demand by the City Manager or the City Manager's designee.
 - L. A Transportation Permit issued pursuant to this Section is not transferable to any third parties under any circumstances.
 - M. A Transportation Permit shall expire and be null and void 12 months after issuance to the Transportation Permittee unless properly renewed. Upon payment of the applicable Transportation Permit fees, and passing the requisite Transportation Permit inspections, a Transportation Permittee that has maintained compliance with all City, State, and other applicable cannabis and business related laws shall be entitled to renew its Transportation Permit subject to all prevailing laws at the time of renewal.
 - N. 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 cannabis transportation activities, or for the activities of any Transportation Permittee.
- (4) Conditional Use Permit. All parcels of real property within the City's Cannabis Overlay Zones, upon which cannabis transportation activities may occur, must obtain a CUP from the City for all such activities.
- (e) **Enforcement.**
- (1) Any cannabis transportation within the City in violation of this Section is hereby declared to be unlawful and a public nuisance.
 - (2) Any party who engages in a violation of this Section, or who owns, possesses, controls, or has charge of any parcel of real property in the City

upon which a violation of this Section is maintained, shall be subject to the penalties and remedies provided by this Section.

- (3) Any violation of this Section shall constitute a separate offense for each and every day the violation occurs or persists.
- (4) Any person in violation of any provision of this Section shall be guilty of a misdemeanor and shall be punishable by a fine of up to \$1,000 and up to six months imprisonment per offense per day.
- (5) Any person in violation of any provision of this Section shall be punishable by an administrative fine of up to a \$1,000 per offense per day.
- (6) Any violation of this Section or any other City or State cannabis law by a Transportation Permittee, or a Transportation Permittee's agent, is grounds for revoking the relevant Transportation Permit. In addition, the City Manager or the City Manager's designee may revoke a Transportation Permit if any of the following occur:
 - A. The City Manager or the City Manager's designee determines that the Transportation Permittee has failed to comply with this Section, any condition of approval, or any agreement or covenant as required pursuant to this Section.
 - B. The medical cannabis transportation operations cease for more than 90 calendar days.
- (7) For Transportation Permits involving a Physical Location, the City Manager or the City Manager's designee may also revoke the Transportation Permit if any of the following occur:
 - A. Ownership of the Physical Location is changed or transferred to a third party.
 - B. The Physical Location fails to maintain 120 hours of security recordings.
 - C. The Physical Location fails to provide remote access to the security cameras to the City Manager, the City Manager's designee, or the Chief of Police, or fails to allow inspection of the security recordings, the activity logs, or of the premises by authorized City officials.
- (8) Any decision regarding the revocation of a Transportation Permit may be appealed to an independent neutral third party administrative hearing officer appointed by the City Manager or the City Manager's designee ("Hearing Officer"). Said appeal shall be made by a notice of appeal from the person appealing within 15 days from the date of the decision to revoke the

Transportation Permit. The appeal shall be accompanied by a written verified declaration setting forth the basis for the claim that the Transportation Permit was improperly revoked. The Hearing Officer's decision shall be final and binding upon the City and the appellant.

- (9) These penalties and remedies are cumulative, and in addition to any other penalties and remedies available to the City.

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 California law as established by the MCRSA.

SECTION 5. The City Council finds that these amendments to the Zoning Code are consistent with the goals, policies, and objectives of the City's General Plan, and that they will not adversely affect properties surrounding properties.

SECTION 6. The City Council finds that the actions contemplated by this Ordinance are exempt from the California Environmental Quality Act ("CEQA") pursuant to Guidelines section 15061(b)(3), in that the Ordinance alone does not have the potential for causing a significant effect on the environment. Further permits and approvals will be required before any activity that will affect the environment will be permitted.

SECTION 7. Any existing Distribution/Transportation Permittee with a valid Distribution/Transportation Permit from the City on the effective date of this Ordinance shall have the right to convert its Distribution/Transportation Permit into either a Distribution Permit or a Transportation Permit, so long as the permittee fully complies with all the standards and requirements enumerated in this Ordinance.

SECTION 8. 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 by reason of 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.

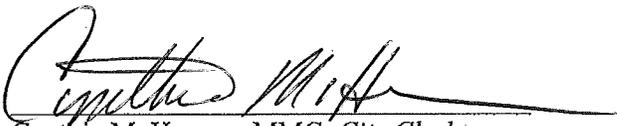
SECTION 9. By regulating medical cannabis distribution and transportation, the City is only undertaking to preserve the general welfare through implementing the MCRSA. The City Council is not assuming, nor is it imposing on its officers and employees, an obligation for which a breach thereof would expose 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 medical cannabis distributor or transporter. 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 10. The Mayor shall sign and the City Clerk shall certify passage and adoption of this Ordinance, and the City Clerk shall cause the same to be published and posted pursuant to the provisions of law in this regard, and this Ordinance shall take effect 30 days after its final passage.

PASSED, APPROVED, and ADOPTED this 12th day of July, 2017.

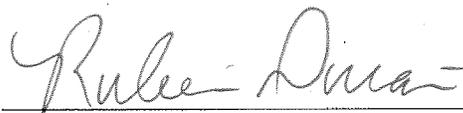


Rich Kerr, *Mayor*



Cynthia M. Herrera, MMC, *City Clerk*

APPROVED AS TO FORM:



Ruben Duran, *City Attorney*

Ordinance No. 573
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I, Cindy Herrera, City Clerk of the City of Adelanto, California, do hereby certify that the foregoing Ordinance No. 573 was duly introduced for the first reading on the 28th day of June, 2017 and regularly adopted at a regular meeting of the City Council of the City of Adelanto on this 12th day of July, 2017 by the following vote, to wit:

AYES: Council Members Camargo, Glasper, Woodard, and Mayor Kerr

NOES: None

ABSENT: Mayor Pro Tem Wright

ABSTAIN: None

IN WITNESS THEREOF, I hereunto set my hand and affix the official seal of the City of Adelanto on the 12th day of July, 2017.


Cynthia M. Herrera, MMC, City Clerk

SEAL