

**ORDINANCE NO. 19-03**

**AN ORDINANCE OF THE CITY OF MAYWOOD AMENDING CHAPTER 45 OF THE MAYWOOD MUNICIPAL CODE AND THE ZONING ORDINANCE TO PROHIBIT THE COMMERCIAL CULTIVATION, DISPENSING, MANUFACTURE, DISTRIBUTION AND TESTING OF CANNABIS, EXCEPT FOR LEGAL NONCONFORMING USES, CITYWIDE, AND MAKING A FINDING OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

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

**SECTION 1.** Section 5-45.01 through 5-45.12 of Chapter 45 of Title 5 of the Maywood Municipal Code are repealed and replaced in their entirety as follows:

**"5-45.01 Definitions.**

- (a) "Applicant" means the owner or owners of a proposed facility, including all persons or entities having ownership interest other than a security interest, lien, or encumbrance on property that will be used by the facility, who is applying for a license pursuant to this Chapter. If the applicant is an entity, "owner" includes within the entity each person participating in the direction, control, or management of, or having a financial interest in, the proposed facility. If the applicant is a publicly traded company, "owner" means the chief executive officer or any person or entity with an aggregate ownership interest of 5 percent or more.
- (b) "Building Official" means the Director of the Department of Building and Planning, or designee.
- (c) "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.
- (d) "Cannabis brick-and-mortar dispensing" means commercial cannabis activity involving the retail sale of cannabis or marijuana to qualified patients, primary caregivers, or customers within a licensed premises.
- (e) "Cannabis cultivation" means commercial cannabis activity involving the propagation, cutting, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis or marijuana.
- (f) "Cannabis distribution" means commercial cannabis activity involving the procurement, sale, or transport of cannabis or marijuana between persons engaged in commercial cannabis activity.
- (g) "Cannabis manufacturing" means commercial cannabis activity where cannabis or marijuana products are produced, prepared, propagated, or compounded, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis.

(h) "Cannabis microbusiness" means a licensee who engages in at least three of the following five commercial cannabis activities in accordance to State law: cannabis brick-and-mortar dispensing, cannabis cultivation, cannabis distribution, cannabis manufacturing, or cannabis vehicle dispensing.

(i) "Cannabis testing" means commercial cannabis activity involving the performance of tests on cannabis or marijuana pursuant to a valid certificate of accreditation.

(j) "Cannabis vehicle dispensing" means commercial cannabis activity involving the retail sale of cannabis or marijuana to qualified patients, primary caregivers, or customers where a vehicle is used to convey the cannabis or marijuana from a licensed premises to the qualified patient, primary caregiver, or customer. The licensed facility shall not be open to the public.

(k) "Commercial cannabis activity" means any cultivation, possession, manufacture, processing, storing, testing, labeling, transporting, delivering, distribution, or sale of cannabis or marijuana within the City that may be permitted by the City under the State cannabis laws.

(l) "Enclosed locked structure" means a structure that:

- (1) does not allow for the visibility of the interior from the outside;
- (2) is secured with a lock;
- (3) is completely surrounded on all sides by a wall or other barrier; and
- (4) is roofed or otherwise secured from entry. Enclosed locked structures may include greenhouses and accessory buildings. All enclosed locked structures shall comply with the city building code, fire code, and all other applicable laws.

(m) "Fire Chief" means the Chief of the Los Angeles County Fire Department, or designee.

(n) "Good cause" means:

(1) The licensee has violated any of the terms, conditions or provisions of this chapter, of state law, of any regulations and rules promulgated pursuant to state law, any applicable local rules and regulations, or any special terms or conditions placed upon its state license, City license or conditional use permit;

(2) The licensed premises have been operated in a manner that adversely affects the public health, safety or welfare or the safety of the City or the immediate neighborhood in which the establishment is located;

(3) The licensee has knowingly made false or misleading statements, misrepresentations or material omissions on an application form, renewal form, or any other document submitted to the City;

(4) The licensee, or any of owner or persons with a financial interest in the cannabis business, has been convicted of any crime set forth in Business and Professions Code section 26057(b)(4), Fish and Game Code sections 12025 or 12025.1, Penal Code section 186.22 or any other offense which is substantially related to the qualifications, functions, or duties of the cannabis business for which application is made. In determining whether such offense is "substantially related," the City Manager shall consult with the City Attorney and thereafter apply the analysis set forth in section 5017 of Title 16 of the California Code of Regulations, as the same may be amended from

time to time.

(5) The licensee fails to allow inspection of the security recordings, activity logs, or business records of the licensed premises by the city officials; or

(6) The licensee operated a commercial cannabis business in violation of this chapter; or

(7) The licensee has failed to pay any fees or taxes associated with the conduct of commercial cannabis activity.

(o) "License" means a document issued under this chapter, specifically authorizing a person to engage in commercial cannabis activity pursuant to the terms and conditions of this chapter and the conditions of approval for the license and may also be referred to as a "Commercial Cannabis Business Permit".

(p) "Licensed premises" means premises to which a valid license issued under this chapter applies. A "licensed premises" is only one premises.

(q) "Licensee" means a person holding a license issued under this chapter.

(r) "Live plants" means living cannabis or marijuana flowers and plants, including seeds, immature plants, and vegetative stage plants.

(s) "Outdoors" means any location within the city that is not within an enclosed locked structure.

(t) "Person" means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number, who is an Applicant for a License under this Chapter.

(u) "Police Chief" means the Chief of the Los Angeles County Sheriff's Department, or designee.

(v) "Premises" means a single parcel of land or any portion thereof, whether vacant or occupied by a building, group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area where commercial cannabis activity is or will be conducted.

(w) "Processing room" means a room used for the propagation, cutting, drying, curing, grading, and storage of cannabis or marijuana.

(x) "State cannabis laws" means Section 11362.5 of the Health and Safety Code, Article 2.5 of Chapter 6 of Division 10 of the Health and Safety Code, Chapter 3.5 of Division 8 of the Business and Professions Code, or Division 10 of the Business and Professions Code, as those laws may be amended from time to time.

(y) "Total canopy size" means the aggregate area of vegetative growth of live plants within a licensed premises.

(z) "Vehicle" means a device by which any person or property may be propelled, moved, or drawn upon a street, sidewalk or waterway, including but not limited to a device moved exclusively by human power. A "vehicle" is not a location.

#### **“5-45.02 Prohibition of New Licenses.**

Commercial cannabis activity is expressly prohibited in all zones and all specific plan areas. Beginning on the effective date of Ordinance No. 19-03 adopting this Chapter (“Effective Date”), the City shall not issue any new commercial cannabis licenses, as that term is defined in Section 5-45.01. Renewals of commercial cannabis licenses issued as of the Effective Date shall be processed in accordance with this Chapter 5-45.

#### **5-45.03 Exception for Nonconforming uses**

(a) A person with a valid license and valid conditional use permit, both of which were issued prior to the Effective Date, may continue to engage in commercial cannabis activity within the City of Maywood in accordance and compliance with the provisions of this Chapter, the Maywood Municipal Code Zoning Ordinance and state law. As set forth in Maywood Municipal Code Zoning Ordinance and Appendix C, such commercial cannabis activity shall be considered a nonconforming use as defined by Section 2020.140 of the Maywood Municipal Code Zoning Ordinance.

(b) Licensees with a license issued prior to the Effective Date may continue to engage in such activity provided that:

(1) The person obtains a renewed license in the manner prescribed by this chapter prior to the expiration of the license under which the commercial cannabis activity is authorized as of the Effective Date; and

(2) The person does not have any uncured violations of the Maywood Municipal Code as of the date the application for license renewal is submitted.

#### **5-45.04 Renewal of Previously Issued License**

(a) The Licensee shall file an application for renewal of a commercial cannabis license at least sixty (60) calendar days prior to the expiration date of a valid, current commercial cannabis license. The application shall be on the form approved by the City Manager and shall include, but not be limited to, the following:

(1) The applicant shall provide a list of all owners and managers. All owners and managers shall submit to a complete criminal background check administered by the City. All background check fees shall be paid by the applicant.

(2) The applicant shall provide the name and address, and a copy of a valid State driver’s license or identification card for all employees, including contractors and volunteers, who are involved in commercial cannabis activities in the facility.

(3) The applicant shall pay a license renewal fee, set by the City Council by Resolution, in an amount sufficient to recover any past, present or future costs incurred by the City in the course of investigating the renewal application including consultant fees incurred for facility inspections, and financial audits.

(b) The Building Official shall cause investigations to be made by the Chief of Police, Fire Chief and Building Official to verify the information contained in the renewal application and the original application on file with the City. The Building official shall also ascertain whether or not the applicants have been convicted of or plead guilty or no-contest to: (i) a felony or misdemeanor involving the illegal possession,

for sale, sale, manufacture, transportation, or cultivation of a controlled substance within the past four (4) years, (ii) a violation of a city, county, or city and county law for unlicensed commercial cannabis activity within the past three (3) years, or (iii) any crime involving theft, embezzlement, or moral turpitude. The Building Official shall also cause to investigate and report as to compliance with building and fire regulations.

(c) Nothing in this section is intended to limit the City Manager or Building Official's ability to request additional information deems necessary or relevant to determining an applicant's suitability for renewal of a license. An application shall provide any additional information requested by the City no later than seven days after the request, unless otherwise specified by the City.

#### **5-45.05 Grounds for Denial; One Year Term**

(a) Once the renewal application is deemed complete by the Building Official, the application and the recommendation by the Building Official shall be forwarded to the City Council for review and decision.

(b) No license shall be renewed under this Chapter if the City Council determines that one or more of the following conditions exist:

Does not qualify for licensure under this chapter or state law;

- (1) The applicant does not qualify for licensure under this Chapter or state law;
- (2) The applicant files the renewal application less than sixty (60) days before its expiration;
- (3) The applicant has made any false or misleading statements during the renewal application;
- (4) The applicant has failed to pay any fees associated with the renewal application;
- (5) The applicant lacks the adequate right to occupy or use the premises as described in the renewal application;
- (6) The Premises is substantially different from that originally submitted and approved by the City;
- (7) The applicant has been denied a license or permit or other authorization to engage in commercial cannabis activity by any state cannabis licensing authority or any local licensing or permitting authority;
- (8) The applicant has failed to demonstrate ability to adequately satisfy requirements of this Chapter, based on evidence submitted during the renewal application process.
- (9) There is good cause, as defined in Section 5-45.02, to deny the renewal application.

(c) The City Council shall notify the applicant in writing whether the license renewal application is approved or denied within 60 days of the completed application. If the City Council denies the license, the notice of denial shall set forth the reasons for denial. Any licensee aggrieved by the decision of the City Council may obtain review of the order within ninety (90) days of notice by filing with the Los Angeles County Superior Court a petition for review pursuant to California Code of Civil Procedure section 1094.5. For purposes of this subsection, notice shall be the date that the decision of the Council is mailed by first-class mail, postage prepaid, with a certificate of mailing.

(d) The license shall be valid for a term of one year. Otherwise, neither a license nor any other provision of the Maywood Municipal Code or action, failure to act, statement, representation, certificate, approval, or permit issued by the City or its departments, or their respective representatives, agents, employees, attorneys or assigns, shall create, confer, or convey any vested or nonconforming right or benefit regarding commercial cannabis activity.

#### **5-45.06 Approval and Issuance.**

(a) Based on the information set forth in the application, the Council may impose such terms, conditions, and restrictions upon the operation, management, and conduct of such business, not in conflict with any paramount law, as the Council may deem necessary or expedient to protect the health, safety, or welfare of the City of its inhabitants. Any failure to comply with such terms, conditions or restrictions shall constitute a violation of this chapter.

(b) If the license is renewed, the City Clerk shall issue the license. The City Clerk, in issuing licenses, shall strictly limit such licenses to the terms of the application and such to other terms as the Council may specify.

(c) The license shall provide a unique identifier- including a number or alphanumeric code- specifically designating the business. Such number may be used for any verification of license validity.

(d) The license shall be valid for a term of one year.

(e) As part of the renewal application fee required in section 5-45.04, the city may require the applicant submit a bond or other security (including cash or other assets) in order to cover expected liabilities or risks presented by the application. Such bond or security requirement shall be reasonably related to the probable financial risks presented by the proposed operation.

#### **5-45.07 Operation and Notification Requirements.**

(a) It shall be unlawful for any person with a license to operate any commercial cannabis activity to violate any of the following rules and regulations:

(1) All licensees shall comply with state law at all times;

(2) All licensees shall maintain a record system which provides adequate tracking capability, including, but not limited to, a point of sale and a track-and-trace system.

(3) All licensees shall pay any applicable sales tax or other tax obligations under state or local law;

(4) All products shall be secured in a safe and lawful manner, including the use of commercial grade locks, security alarms, and camera systems;

(5) All food product handling or preparation shall comply with applicable California Department of Public Health and County of Los Angeles Public Health Department rules, and regulations.

(6) All licensees shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the facility that is distinctive to its operation is not detected outside the facility, anywhere on adjacent property or public rights-of-way, on or about any exterior or interior

common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for common use by tenants or the visiting public, or within any other unit located within the same building as the facility in a manner to constitute a nuisance.

(b) A licensee shall ensure that the City Manager is notified in writing of the criminal conviction of the licensee, owner, or employee or when a licensee, owner, or employee has been charged with a criminal offense. Notice shall either be by mail or electronic mail and shall occur within forty-eight (48) hours of the conviction or charge. The written notification shall include the date of conviction or charge, the court docket number, the name of the court in which the licensee was convicted or charged, and the specific offense(s) for which the licensee was convicted or charged.

(c) A licensee shall ensure that the City Manager is notified in writing of a civil penalty or judgment rendered against the licensee or any owner either by mail or electronic mail, within forty-eight (48) hours of delivery of the verdict or entry of judgment, whichever is earlier. The written notification shall include the date of verdict or entry of judgment, the court docket number, the name of the court in which the matter was adjudicated, and a description of the civil penalty or judgment rendered against the licensee.

(d) A licensee shall ensure that the City Manager is notified in writing of the revocation or suspension of a license or other authorization for a cannabis business issued by a state or local licensing authority within forty-eight (48) hours of receiving notice of the revocation. The written notification shall include the name of the licensing authority involved, a written explanation of the proceeding or enforcement action, and the specific violation(s) that led to revocation or suspension.

(e) A licensee shall notify the City Manager and the Chief of Police within twenty-four (24) hours of discovery of any of the following situations: (i) The licensee discovers a significant discrepancy in its inventory; (ii) The licensee becomes aware of, or has reason to suspect, diversion, theft, loss or any other criminal activity pertaining to the operations of the licensee by any owner, person with a financial interest in the cannabis business, employee, agent or volunteer of the cannabis business or by any third party; or (iii) the licensee becomes aware of, or has reason to suspect, any breach of security. The notification required by this Section shall be in writing and include the date and time of discovery of the occurrence of the theft or loss, the date of the occurrence of the theft or loss and a description of the incident including, when applicable, the items that were taken or lost.

#### **5-45.08 Inspections.**

The Building Official or designated officials shall have the right to enter all cannabis businesses from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter. Such inspections shall be limited to observing the licensed premises for purposes of determining whether the commercial cannabis business is being operated or maintained in compliance with this code, state law, and other applicable laws and regulations. Failure to comply shall result in commercial cannabis license revocation.

#### **5-45.09 Transfer**

(a) The issued license is not transferable and does not run with the land. Accordingly, the owner of a commercial cannabis business permit may not transfer ownership or control of the license to another person or entity.

(b) Any attempt to transfer a commercial cannabis business license either directly or indirectly in violation of this section is hereby declared void, and such a purported transfer shall be deemed a ground for revocation of the license, subject to an appeal to the City Council.

### **5-45.10 Confidentiality**

(a) The City shall treat all financial information provided pursuant to this chapter as financial data in accordance with the California Open Records Act (Sections 6254 (d), (k), (l), and 6276).

(b) The City shall Maintain information identifying the names, addresses, or social security numbers of qualified patients, ID card holders, disclosing an individual's medical conditions and any treatment prescribed, recommended, or discussed, or disclosed, or the names of their primary caregivers received pursuant to this chapter in a manner that is in compliance with the Confidentiality of Medical Information Act (Civil Code Section 56, et seq.) and shall not be disclosed by any City official except in accordance with the restrictions on disclosure of "individually identifiable medical information" under the Confidentiality of Medical Information Act (Civil Code Section 56, et seq.).

(c) The information required by section 5-45.07, including recordings from security cameras, as well as operating plans and security plans required by section 5- 45.04, shall be confidential and shall not be subject to public inspection or disclosure except to City employees for purposes of law enforcement.

### **5-45.11 Suspension; Revocation**

(a) The City Manager may suspend, modify, further condition or revoke any permit pursuant to the provisions of this Chapter for any of the following reasons:

(1) The licensee or any of its owners, has violated a term or condition of its license issued pursuant to this chapter or a term or condition of a license issued by a state licensing authority.

(2) The licensee, or any of its owners, has violated the Maywood Municipal Code or the laws or regulations of the state.

(3) The licensee failed to pay a fine or administrative penalty when due.

(4) The licensee failed to take reasonable steps, as defined in Section 5808 of Title 16 of the California Code of Regulations, as the same may be amended from time to time, to correct nuisance conditions on the premises, including the immediately adjacent area that is owned, leased, or occupied by the licensee, within a reasonable time after receipt of notice to abate the condition.

(5) The licensee knowingly engaged in the illegal sale, or negotiations for the sale, of controlled substances, as defined in Section 5805 of Title 16 of the California Code of Regulations, upon the premises. Successive sale, or negotiations for sale, over any continuous period of time shall be deemed evidence of permission.

(b) A licensee whose permit has been suspended shall conspicuously display a notice on the exterior of the licensee's premises for the duration of the suspension, and ensure that the notice remains continuously in place for the time specified. The notice shall be in at least twenty-four (24) point type and provide as follows:

#### **NOTICE OF SUSPENSION**

**THE CANNABIS RETAILER REGULATORY PERMIT ISSUED FOR THIS PREMISES HAS BEEN  
SUSPENDED FOR VIOLATION OF THE MAYWOOD MUNICIPAL CODE**

(c) A licensee whose permit has been revoked shall conspicuously display a notice on the exterior of the premises indicating that the permit has been revoked. The notice shall remain



continuously on the premises for at least fifteen (15) calendar days. The notice shall be in at least twenty-four (24) point type and provide as follows:

### NOTICE OF REVOCATION

#### THE CANNABIS RETAILER REGULATORY PERMIT ISSUED FOR THIS PREMISES HAS BEEN REVOKED FOR VIOLATION OF THE MAYWOOD MUNICIPAL CODE

(d) Action taken by the City Manager with respect to the suspension, modification, or revocation of a cannabis regulatory permit shall be final and conclusive. Any permit aggrieved by the suspension, modification or revocation of a cannabis regulatory permit may obtain review of such decision by appeal to the City Council pursuant to Maywood Zoning Ordinance.

#### **5-45.12 Initiation of Suspension or Revocation.**

The City Manager may initiate suspension or revocation proceedings on a licensee by sending written notice to the licensee of the disciplinary action and grounds for the action by certified mail return receipt requested, to the licensee's business address, as set forth in the license. The notice shall inform the licensee of its right to appeal the determination of the City Manager to the City Council by sending written notice of appeal and the grounds for such appeal to the City Clerk no later than ten (10) calendar days after the date in which the notice of suspension or revocation was mailed. Failure to timely appeal shall result in a forfeiture of the right of appeal, and the determination of the City Manager shall be final. The City Council maintains the right to initiate suspension or revocation proceedings on a licensee subject to the same procedures imposed on the City Manager.

**SECTION 2.** Section 5-45.13 is added to Chapter 45 of Title 5 of the Maywood Municipal Code as follows:

#### **"5-45.13 Violations**

(a) Any commercial cannabis activity conducted contrary to the provisions of this chapter is unlawful and a public nuisance, will be grounds for license revocation, and the city attorney may in the exercise of discretion, in addition to or in lieu of prosecuting a criminal action hereunder, commence an action or actions, proceeding or proceedings, for the abatement, removal and enjoinder thereof, in a manner provided by law.

(b) The prohibition in Subsection (a), above, includes renting, leasing, or otherwise permitting a person to occupy or use a location, vehicle, or other mode of transportation for the conduct of commercial cannabis activity contrary to the provisions of this chapter.

(c) Any person violating the provisions of this chapter shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished in accordance with the provisions of Title 1, Chapter 2 of the Maywood Municipal Code. In addition to the provisions of Title 1, Chapter 2 of the Maywood Municipal Code, any person violating the provisions of this chapter shall be punishable by an administrative fine of up to one-thousand dollars (\$1,000.00) per offense.

(d) Each day of violation shall constitute a separate offense.

(e) The penalties and remedies contained in this Section and chapter are cumulative, and in addition to any other penalties and remedies available to the City.”

**SECTION 3.** Section 5-45.14 is added to Chapter 45 of Title 5 of the Maywood Municipal Code as follows:

**“5-45.14 Maintenance of Records.**

(a) A licensee shall maintain all the records required for retention by Section 5037 of Title 16 of the California Code of Regulations, as the same may be amended from time to time, for a period of at least seven (7) years.

(b) Records shall be kept in a manner that allows the records to be produced to the City at the premises in either hard copy or electronic form, whichever the City requires.

(c) A licensee shall report any loss, damage, or destruction of these records to the City Manager within twenty-four (24) hours of the loss, damage or destruction.”

**SECTION 4.** Section 5-45.15 is added to Chapter 45 of Title 5 of the Maywood Municipal Code as follows:

**“5-45.15 Site Management.**

(a) A licensee shall prevent and immediately abate conditions at the premises that constitute a nuisance or other violation of the Maywood Municipal Code.

(b) The licensee shall maintain the exterior of the premises, including any parking lots and landscaped areas under the control of the licensee, free of litter, debris, trash and unused equipment.

(c) The licensee shall remove all graffiti from the cannabis business site and parking lots under the control of the licensee within twenty-four (24) hours of its application.”

**SECTION 5.** Section 5-45.16 is added to Chapter 45 of Title 5 of the Maywood Municipal Code as follows:

**“5-45.16 Indemnification**

To the fullest extent permitted by law, the city shall not assume any liability whatsoever, with respect to approving any license pursuant to this chapter or the operation of any commercial cannabis business approved for such license pursuant to this chapter. As a condition of approval of a license granted under this chapter, the applicant or its legal representative shall:

(a) Execute an agreement indemnifying and holding the city harmless from any and all claims, damages, legal or enforcement actions, including, but not limited to, any actions or claims associated with violation of federal law associated with the operation of the commercial cannabis business, and

(b) Agree to defend, at its sole expense, any action against the city, its agents, officers, and employees related to the approval of a license or the operation of the commercial cannabis business; and

(c) Agree to reimburse the city for any court costs and attorney fees that the city may be required to pay as a result of any legal challenge (or federal enforcement action) related to the city's approval of a license. The city may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder."

**SECTION 6.** Section 5-45.17 is added to Chapter 45 of Title 5 of the Maywood Municipal Code as follows:

**"5-45.17 Joint and Several Liability.** All licensees and owners shall be jointly and severally liable for violation of any provision set forth in this chapter, whether committed by the licensee or any employee or agent of the licensee."

**SECTION 7.** Section 5-45.18 is added to Chapter 45 of Title 5 of the Maywood Municipal Code as follows:

**"5-45.18 Promulgation of Procedures and Regulations.** The City Manager is authorized to establish any additional procedures and regulations governing the issuance, denial or renewal of commercial cannabis licenses and the ongoing operation of commercial cannabis businesses and the City's oversight necessary to carry out the purposes of this Chapter. Once established, the licensee shall be required to abide by such procedures and regulations."

**SECTION 8.** Appendix C of the Maywood Municipal Code Zoning Ordinance is hereby amended to insert the following text as part of the provisions regarding Commercial Cannabis Activity, Cannabis Cultivation, Cannabis Manufacturing, Cannabis Distribution, Cannabis Testing, Cannabis Brick-and-Mortar Dispensing and Cannabis Vehicle Dispensing previously adopted by Ordinance No. 18-12. The text below shall be inserted prior to the heading entitled "A. Commercial Cannabis Activity (In General)" and shall read as follows:

**"15.1. Prohibition of Commercial Cannabis Activity**

(a) Beginning on the effective date of Ordinance No. 19-03 adopting this section and Section 15.2 ("Effective Date") and notwithstanding the provisions regarding commercial cannabis activity as set forth below in this Appendix C, including those set forth in paragraph A.1 and A.2 of Appendix C, Commercial cannabis activity is expressly prohibited in all zones and all specific plan areas in the City of Maywood. As of the Effective Date, no person shall establish, operate, maintain, conduct or allow commercial cannabis activity anywhere within the city nor shall any application for a building permit, conditional use permit, business license, regulatory license or any other entitlement or license authorizing the establishment, operation, maintenance, development, or construction of any use that allows for commercial cannabis activity be approved except as otherwise provided for in Section 15.2 below.

(b) This provision is meant to prohibit all activities for which a State license is required pursuant to the State cannabis laws. Accordingly, the City shall not issue any permit, license or other entitlement for any commercial cannabis activity for which a State license is required under State cannabis laws.

(c) As of the Effective Date, an "Event" type license, temporary or otherwise, or any other type of on-premises cannabis consumption license is prohibited.

(d) The intent of Ordinance No. 19-03 is to prohibit all commercial cannabis activity in all zones and all specific plan areas. To the extent there is any inconsistency between the provisions set forth in Appendix C (specifically Paragraph A.1 and A.2) and this Section 15.1 and Section 15.2, Sections 15.1 and 15.2 shall prevail. All other provisions in Appendix C applicable to commercial cannabis activities such as operation requirements, building size and plan requirements, security and safety requirements, signage, parking, etc. shall continue to apply to the nonconforming use.

**15.2. Exception; Nonconforming Use.**

(a) Notwithstanding the prohibition in Section 15.1 above, only persons with: (i) a valid license issued pursuant to Chapter 5-45 prior to the Effective Date and (ii) a valid conditional use permit issued prior to the Effective Date, may engage in commercial cannabis activity as defined in Section 5-45.01 within the City of Maywood. Any activity authorized under such a license and conditional use permit shall additionally comply with all provisions of Chapter 5-45, the applicable provisions of the Maywood Zoning Ordinance related to commercial cannabis activities (including those set forth in Appendix C) and state law at all times and shall be considered a nonconforming use as defined by Section 2020.140 of the Maywood Zoning Ordinance.

(b) A person with a license and a valid conditional use permit to engage in commercial cannabis activity as described in paragraph (a) above and existing as of the Effective Date, may continue to engage in such activity provided that:

(1) The licensee renews its license in the manner prescribed by Chapter 5.45 prior to the expiration of the license under which the commercial cannabis activity is authorized as set forth therein; and

(2) The commercial cannabis activity complies with the Maywood Municipal Code, including the provisions of this Appendix C regarding Commercial Cannabis Activity, Cannabis Cultivation, Cannabis Manufacturing, Cannabis Distribution, Cannabis Testing, Cannabis Brick-and-Mortar Dispensing and Cannabis Vehicle Dispensing as applicable to the licensee. If there is a conflict between the cannabis provisions in Appendix C and the provisions set forth in the State cannabis laws and/or regulations adopted by any state cannabis licensing authority, the provisions set forth in the State cannabis law and the regulations shall prevail.

(c) Notwithstanding any other provision of the Maywood Zoning Ordinance, no nonconforming commercial cannabis activity shall in any way be expanded or extended either on the same or adjoining property, or changed, except to a conforming use.

**SECTION 9.** As of the effective date of Ordinance No. 19-03, Appendix A-1 of the Maywood Municipal Code Zoning Ordinance is hereby amended to reflect the prohibition of commercial cannabis activity as follows:

C:	R-3	RS	CC	C	CM	M	OS	PF
<u>Commercial Cannabis Activity</u>	X	X	X	X	X	X	X	X

In addition, no commercial cannabis activity is permitted in any specific plan zone.

## **SECTION 10. COMPLIANCE WITH STATE LAW**

Commercial cannabis activity under this Ordinance shall be conducted in accordance with state laws and regulations. In the event of a conflict between the City's laws and regulations regarding commercial cannabis activity and state laws and regulations regarding commercial cannabis activity, the state laws and regulations shall control.

## **SECTION 11. SEVERABILITY**

The City Council declares that, should any provision, section, paragraph, sentence, or word of this Ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, or words of this Ordinance as hereby adopted shall remain in full force and effect.

## **SECTION 12. NO WAIVER OF SOVEREIGNTY**

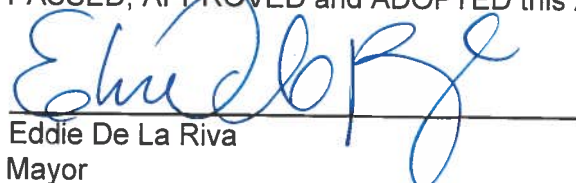
By the regulation of commercial cannabis activity, the City Council is seeking to preserve the general welfare through the implementation of state laws permitting the conduct of commercial cannabis activity. The City Council is not assuming, nor is it imposing on its agent, officers, or employees, an obligation for which a breach thereof would expose the City to a liability in money damages, or otherwise, 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 commercial cannabis activity licensee. 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 in any respects to constitute authorization to violate any state law or regulation.

## **SECTION 13. EXEMPT FROM CEQA**

The City Council finds that the actions contemplated by this Ordinance are exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) and 15305 of Title 14 of the California Code of Regulations, in that the amendment does not have the potential for causing a significant effect on the environment.


**SECTION 14.** The Mayor shall sign and the City Clerk shall certify passage and adoption of this Ordinance, and shall cause the same to be published and posted pursuant to the provisions of law in this regard, and this Ordinance shall take effect thirty (30) days after its final passage.

PASSED, APPROVED and ADOPTED this 28th day of August, 2019.

  
Eddie De La Riva  
Mayor

ATTEST:

APPROVED TO AS FORM:

  
 Gerardo Mayagoitia  
 City Clerk

  
 Roxanne Diaz  
 City Attorney

STATE OF CALIFORNIA )  
 COUNTY OF LOS ANGELES ) SS.  
 CITY OF MAYWOOD )

I, Gerardo Mayagoitia, City Clerk of the City of Maywood, do hereby certify that the foregoing ordinance being Ordinance No. 19-03, was duly passed, approved by the City Council of The City of Maywood, signed by the Mayor of said City, and attested by the City Clerk, all at a regular meeting of the City Council held on the 28th day of August, 2019, that it was duly posted and that the same was passed and adopted by the following vote, to wit:

AYES: Marquez, Lara, and DeLaRiva  
 NAYS: Alvarez and Medina  
 ABSTAIN:  
 ABSENT:

  
 Gerardo Mayagoitia  
 City Clerk

Publish: September 12, 2019