

## ORDINANCE NO. 1827

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA HABRA, COUNTY OF ORANGE, CALIFORNIA, RECONSIDERING AND APPROVING ZONE CHANGE 19-03 MODIFYING LA HABRA MUNICIPAL CODE TITLE 18 ("ZONING"), CHAPTER 18.22 ("COMMERCIAL CANNABIS ACTIVITY") TO ALLOW FOR COMMERCIAL NON-STOREFRONT RETAILER CANNABIS FACILITIES AND MODIFICATIONS TO EXISTING DEVELOPMENT STANDARDS

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

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

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

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

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

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

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

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

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

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

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

**WHEREAS**, the City of La Habra on April 2, 2018 adopted an Ordinance repealing Section 18.08.140 (Cultivation of Marijuana Prohibited) of Chapter 18.08 (General Regulations) of Title 18 (Zoning) and adding Chapter 18.22 (Commercial Cannabis Activity) to Title 18 (Zoning) relating to commercial cannabis activities; and,

**WHEREAS**, the City of La Habra (“**City**”) wishes to amend provisions of Chapter 18.22 (Commercial Cannabis Activity) of Title 18 (Zoning Code) to allow for the establishment of Commercial Non-Storefront Retailer Cannabis Facilities and modifications to existing development standards consistent with MAUCRSA; and,

**WHEREAS**, it is the purpose and intent of the City to regulate Commercial Non-Storefront Retailer Cannabis Facilities and modifications to existing development standards within the City in a manner that is consistent with California law and promotes the health, safety, and general welfare of the residents and businesses within the City, while limiting any negative impacts and while continuing to prohibit all other types of commercial cannabis activities; and,

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

**WHEREAS**, nothing in this Ordinance No. 1827 (this “**Ordinance**”) shall be construed to allow persons to engage in conduct that violates the law, endangers others, causes a public nuisance, allows the illegal use or diversion of Cannabis, or allows any activity relating to Cannabis that is otherwise illegal under California state law, as amended, except to the extent otherwise specifically set forth; and,

**WHEREAS**, on March 2, 2020, the City Council initially considered Zone Change 19-02 to modifying Chapter 18.22 (“Commercial Cannabis Activity”) of the La Habra Municipal Code to allow for Commercial Non-Storefront Retailer Cannabis Facilities and modifications to existing development standards which was denied by the City Council on a 2-3 vote.

**WHEREAS**, on August 3, 2020, the City Council approved for consideration by the voters at the November 3, 2020 General Municipal Election a ballot measure authorizing the City Council to adopt an ordinance authorizing up to a six percent gross receipts tax on commercial cannabis activity and authorizing up to four licenses for cannabis non-storefront retail facilities (delivery only); and,

**WHEREAS**, on November 3, 2020, Measure W (City of La Habra Cannabis Business Tax/Regulation Ordinance of 2020) was approved by the voters of the City of La Habra, has received 17,726 votes in favor of the measure while 8,550 have voted in opposition to the measure as reported by the Orange County Registrar of Voter’s Office on November 25, 2020; and,

**WHEREAS**, as a result of the passage of Measure W (City of La Habra Cannabis Business Tax/Regulation Ordinance of 2020) which allows for four (4) non-storefront cannabis retail facilities it is the desire of the City Council to reconsider Zone Change 19-02 that would allow non-storefront retail cannabis facilities and modifications to existing development standards; and,

**WHEREAS**, the City Council of the City of La Habra, pursuant to the provisions of the California Environmental Quality Act (“CEQA”) (California Public Resources Code Sections 21000 et seq.) and State CEQA guidelines (Sections 15000 et seq.) find that the proposed modifications to Chapter 18.22 are exempt from the California Environmental Quality Act pursuant to the Business and Professional Code Section 26055(h), which provides that “Without limiting any other statutory exemption or categorical exemption,

Division 13 (commencing with Section 21000) of the Public Resources Code does not apply to the adoption of an ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity. To qualify for this exemption, the discretionary review in any such law, ordinance, rule, or regulation shall include any applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code. This subdivision shall become inoperative on July 1, 2021”; and

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

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

**SECTION 2.** Section 18.22.020 (“Definitions”) of Chapter 18.22 (“Commercial Cannabis Activity”) of Article 1 (“General”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby amended as follows:

- A. 18.22.020. Definitions. The following definitions apply to this chapter:
1. “Adult Use Cannabis” means the non-medical use of cannabis by adults of age 21 and over as permitted by MAUCRSA and other applicable State and City laws.
  2. “Applicant” means a person, partnership, entity, collective or organization that applies for a permit to engage in commercial cannabis activity under this chapter.
  3. “Bureau” means the Bureau of Cannabis Control with the California Department of Consumer Affairs.
  4. “Business and Professions Code” means the California Business and Professions code, as amended from time to time.
  5. “Cannabis” shall have the same meaning as in Section 26001 of the Business and Professions Code.
  6. “Cannabis distribution” means the procurement, sale, and transport of cannabis and cannabis products between those persons or entities holding commercial cannabis licenses.
  7. “Cannabis Distribution Facility” means the designated structure and property specified in the application that is owned, leased or otherwise held under the control of the Distribution Permittee where cannabis distribution is conducted.
  8. “Cannabis Permittee” means a person who holds a Cannabis Permit issued by the City of La Habra and the State of California; and shall be deemed the “operator” as that term is used herein.
  9. “Cannabis Premises” means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the City Permittee where the Commercial Cannabis Activity will be or is conducted. The premises shall be a contiguous area.
  10. “Cannabis Product” shall have the same meaning as in Section 11018.1 of the Health and Safety Code.

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

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

prohibited from being established or operating within the city, except that licensed marijuana transporters are permitted to pass through the city on public roads as mandated by Business and Professions Code Section 26080 or specific uses permitted by this Chapter.

33. "Non-Storefront Retailer" shall mean a State licensed Type 9 facility or premise located in the city where cannabis or cannabis products, in any amount or form, either individually or in combination are offered or provided for retail sale or other sales or transfer to consumers where the premises is closed to the public and sales exclusively conducted by delivery as defined in Business and Professions Code Section 26001 (p).
34. "Non-volatile solvent" means any solvent used in the extraction process that is not a volatile solution as defined by state law. For purposes of this chapter, a nonvolatile solvent includes carbon dioxide (CO<sub>2</sub>) used for extraction and ethanol used for extraction or post-extraction processing.
35. "Person" shall mean any person, firm, corporation, association, club, society, or other organization. The term person shall include any owner, manager, proprietor, employee, volunteer and/or salesperson.
36. "Permit Zone" means, with respect to a Person holding a City Permit, the zones or portions of the City where such City Permit type is permitted to operate. Such Permit Zones may be amended from time-to-time by a majority vote of the City Council. To the extent not otherwise specified in this definition, a City Permittee shall be able to operate in any portion of the City, which complies with the zoning, radius and other requirements of this chapter.
37. "Qualified Cannabis Applicant" means a person who applies for a permit to conduct commercial cannabis activity under this chapter and whose application complies with this Chapter and has not been deemed disqualified.
38. "Qualified patient" or "qualifying patient" shall mean qualified patient and persons with identification cards as those terms are defined by the Health and Safety Code Section 11362.7. This prohibition does not apply or prohibit qualified patients and persons with identification cards to cultivate indoors, possess, and use marijuana for their own personal medical purposes only, as permitted by state law. Nothing herein shall be construed to authorize qualified patients to engage in the collective cultivation of marijuana as described by Health and Safety Code Section 11362.775, nor are they permitted to cultivate marijuana above limits established by state law and guidelines for their own personal use.
39. "Sampler" is a testing laboratory employee who collects samples of cannabis goods for testing.
40. "State" means the State of California.
41. "State Law" means all laws of the State, including all rules and regulations adopted by State agencies and State regulatory entities.
42. "State License" means a State License issued under Division 10, commencing with Section 26000, of the Business and Professions Code, and includes both an A-License and M-Licenses as well as a testing laboratory License.
43. "State Licensee" means a Person that has been issued a State License.

44. "Testing Laboratory" is an entity that is licensed by the State, License Type 8, to conduct sampling and analyses of medical and or adult use cannabis goods and includes the personnel, specialized apparatus, and instruments used to analyze medical and or adult use cannabis goods. This definition does not include the cloning, planting or cultivation of cannabis plants or the direct sales, distribution, delivery, or dispensing of cannabis and cannabis products to the public.
45. "Testing site" shall mean any facility, entity, or site in the city that offers or performs tests of marijuana.
46. "Transport" or "Transportation" means the transfer of Cannabis or Cannabis Products between one or more Cannabis Permittee.
47. "Volatile Solvent" means a solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

**SECTION 3.** Subsection (D) of Section 18.22.030 ("Commercial cannabis activity") of Chapter 18.22 ("Commercial Cannabis Activity") of Article 1 ("General") of Title 18 ("Zoning") of the La Habra Municipal Code is hereby amended to read as follows:

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

1. Cannabis distribution facilities within M-1, M-1(PUD) and PC-I zones.
2. Cannabis testing laboratories within M-1, M-1(PUD) and PC-I zones subject to the provisions within this Chapter, State requirements and following standards:
  - a. The business owner, operator, and employees are prohibited from holding a license for any other cannabis activity while owning, operating or being employed by a testing laboratory. No individual shall be employed by a testing laboratory that is also employed by any other cannabis licensee other than a testing laboratory license.
  - b. Testing laboratories shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each testing laboratory shall be subject to additional regulations as determined from time to time as more regulations are developed under this Chapter and any subsequent State of California legislation regarding the same.
  - c. All cannabis testing laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the Bureau of Cannabis Control.
  - d. Testing laboratory shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the bureau unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the Bureau.

- e. The state licensee must submit proof of ISO (International Organization for Standardization) accreditation to the City prior to commencing operations.
  - f. Only samplers trained in accordance with established industry standards employed by the licensed testing laboratory may obtain samples for the laboratory.
  - g. The state licensee must follow established chain-of-custody protocols consistent with industry standards to ensure that sample integrity is such that it may be maintained from the point of collection, receipt of the samples at the laboratory, testing, and destruction.
  - h. Upon completion of testing, documentation of samples being incinerated shall be maintained.
  - i. The state licensee must submit to the City a copy of its Standard Operating Procedures and shall maintain a copy of these procedures on site and available to City inspection at all times.
  - j. The state licensee shall conduct an internal audit at least once per year or according to the ISO accrediting body's requirements, whichever is more frequent. The internal audit must cover everything required to be covered by ISO 17025 internal-audit standards.
  - k. All testing laboratory records must be kept for a minimum of 7 years.
  - l. A testing laboratory cannot operate on a parcel that contains another commercial cannabis facility unless there is at least one commercial unit of separation between the testing laboratory and another commercial cannabis facility, except that a testing laboratory may be located adjacent to another testing laboratory on the same parcel.
3. Cannabis non-storefront retailer facilities within M-1, M-1(PUD) and PC-I zones subject to the provisions within this chapter, State requirements and the following standards:
- a. General: Conduct retail cannabis sales exclusively by delivery as defined in Business and Professions Code section 26001 (p). The licensed premises of a non-storefront retailer licensee shall be closed to the public.
  - b. Permit Requirements: Non-Storefront Retailers (delivery) and Microbusinesses in the City which conduct deliveries into or within the City of La Habra shall be required to obtain a business license permit from the City of La Habra in order to conduct retail sales.
  - c. Employees
    - i. All deliveries of cannabis and cannabis products shall be performed by a delivery employee that is directly employed by the licensed non-storefront retailer.
    - ii. Each delivery employee of licensed retailer shall be at least 21 years of age.
    - iii. All deliveries of cannabis and cannabis products shall be made in person. A delivery of cannabis or cannabis products shall not be made through the use of an unmanned vehicle.

- iv. The process of delivery begins when the delivery employee leaves the retailer's licensed premises with the cannabis or cannabis products for delivery. The process of delivering ends when the delivery employee returns to the retailer's licensed premises after delivering the cannabis or cannabis products to the customer(s). During the process of delivery, the retailer's delivery employee may not engage in any activities except for cannabis or cannabis product delivery and necessary rest, fuel, or vehicle repair stops.
  - v. A delivery employee of a licensed retailer shall, during deliveries, carry a copy of the retailer's current license, the employee's City issued work permit, and an identification badge provided by the employer pursuant to the Bureau of Cannabis Control regulations.
  - vi. Prior to providing cannabis or cannabis products to a delivery customer, a delivery employee shall confirm the identity and age of the delivery customer as required by the Bureau of Cannabis Control and place the cannabis or cannabis products in a resealable child-resistant opaque exit package.
  - vii. A licensed retailer shall maintain an accurate list of the retailer's delivery employees and shall provide the list to the City upon request.
- d. Delivery to a Physical Address
- i. A delivery employee may only deliver cannabis or cannabis products to a physical address in California.
  - ii. A delivery employee shall not leave the State of California while possessing cannabis or cannabis products.
  - iii. A delivery employee shall not deliver cannabis or cannabis products to an address located on publicly owned land or any address on land or in a building leased by a public agency. This prohibition applies to land held in trust by the United States for a tribe or an individual tribal member unless the delivery is authorized by and consistent with applicable tribal law.
  - iv. A delivery employee may deliver to any jurisdiction within the State of California.
- e. Delivery Vehicle Requirements
- i. A retailer's delivery employee, carrying cannabis or cannabis products for delivery, shall only travel in an enclosed motor vehicle. Any vehicle used in the delivery of cannabis or cannabis products shall be operated by a delivery employee of the licensee. Only the licensee or an employee of the retailer licensee for whom delivery is being performed shall be in the delivery vehicle.
  - ii. While carrying cannabis or cannabis products for delivery, a retailer's delivery employee shall ensure the cannabis and cannabis products are not visible to the public. Cannabis and cannabis products shall be locked in a box, container, or cage that is secured on the inside of the vehicle. The inside of the vehicle includes the trunk.

- iii. A retailer's delivery employee shall not leave cannabis or cannabis products in an unattended motor vehicle unless the motor vehicle is locked and equipped with an active alarm system.
  - iv. A vehicle used for delivery of cannabis or cannabis products shall be outfitted with a dedicated Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle. The device shall remain active and inside of the delivery vehicle at all times during delivery. At all times the licensed retailer shall be able to identify the geographic location of all delivery vehicles that are making deliveries for the licensed retailer and shall provide that information to the City upon request.
  - v. Upon request, the licensed retailer shall provide the City with information regarding any motor vehicle used for the delivery of cannabis and cannabis products, including the vehicle's make, model, color, vehicle identification number, license plate number and Department of Motor Vehicles registration information.
  - vi. Any motor vehicle used by a licensed retailer to deliver cannabis or cannabis products is subject to inspection by the City. Vehicles used to deliver cannabis or cannabis products may be stopped and inspected by the City at any licensed premises or during delivery.
  - vii. A direct communication system with the retailer's business location and the retailer's delivery employee shall be incorporated in each vehicle.
  - viii. No display of any logo, signage, or other information that identifies, advertises, or lists the services or products offered shall be placed on the vehicle.
- f. Cannabis and Cannabis Products Carried During Delivery
- i. A retailer's delivery employee shall not carry cannabis or cannabis products in the delivery vehicle in excess of \$10,000 at any time.
  - ii. A delivery employee may only carry cannabis or cannabis products in the delivery vehicle and may only perform deliveries for one licensed retailer at a time. The vehicle shall not carry more cannabis or cannabis products than allowed by State and local law and required to fulfill all immediate delivery requests.
  - iii. A retailer's delivery employee shall not leave the licensed premises with cannabis or cannabis products without at least one delivery order that has already been received and processed by the licensed retailer.
  - iv. Before leaving the licensed premises, the retailer's delivery driver must have a delivery inventory ledger of all cannabis and cannabis products provided to the retailer's delivery driver. After each customer delivery, the delivery inventory ledger must be updated to reflect the current inventory in possession of the retailer's delivery driver.
  - v. The retailer's delivery driver shall maintain a log that includes all stops from the time the retailer's delivery driver leaves the licensed

premises to the time that the retailer's delivery driver returns to the licensed premises, and the reason for each stop. The log shall be turned in to the retailer when the retailer's delivery driver returns to the licensed premises. The licensed retailer must maintain the log as a commercial cannabis activity record as required by the State.

- vi. Prior to arrival at any delivery location, the licensed retailer must have received a delivery request from the customer and provided the delivery request receipt to the retailer's delivery driver electronically or in hard copy. The delivery request provided to the retailer's delivery driver shall contain all of the information required by the Bureau of Cannabis Control except for the date and time the delivery was made, and the signature of the customer.
  - vii. Immediately upon request by the Bureau of Cannabis Control or any law enforcement officer, the retailer's delivery driver shall provide
    - (a) All delivery inventory ledgers from the time the retailer's delivery driver left the licensed premises up to the time of the request;
    - (b) All delivery request receipts for cannabis and cannabis products carried by the driver, in the delivery vehicle, or any deliveries that have already been made to customers; and
    - (c) The log of all stops from the time the retailer's delivery driver left the licensed premises up to the time of the request.
  - viii. If a retailer's delivery driver does not have any delivery requests to be performed for a 30-minute period, the retailer's delivery driver shall not make any additional deliveries and shall return to the licensed premises. Required meal breaks shall not count towards the 30-minute period.
  - ix. Upon returning to the licensed premises, all undelivered cannabis and cannabis products shall be returned to inventory.
- g. Delivery Request Receipt
- A licensed retailer shall prepare a hard copy or electronic delivery request receipt for each delivery of cannabis or cannabis products.
- i. The delivery request receipt shall contain the following
    - (a) The name and address of the licensed retailer
    - (b) The first name and employee number of the retailer's delivery employee who delivered the order
    - (c) The first name and employee number of the retailer's employee who prepared the order for delivery
    - (d) The first name of the customer and retailer assigned customer number for the person who requested the delivery
    - (e) The date and time the delivery request was made
    - (f) The delivery address
    - (g) A detailed description of all cannabis and cannabis products requested for delivery as required by the Bureau of Cannabis Control
    - (h) The total amount paid for the delivery as required by the Bureau of Cannabis Control



- ii. An accurate measurement of the quality of the item
  - iii. The date and time the cannabis or cannabis products was received by the licensed retailer
  - iv. The sell by or expiration date provided on the package of cannabis or cannabis products, if any
  - v. The name and license number of the licensed distributor or licensed microbusiness that transported the cannabis or cannabis products to the licensed retailer and
  - vi. The price the licensed retailer paid for the cannabis or cannabis products, including taxes, delivery costs, and any other costs.
- k. Inventory Reconciliation  
The licensed retailer shall perform reconciliation of its inventory in the time and manner required by 16 CCR 5424.
- l. Record of Sales
- i. A licensed retailer shall maintain an accurate record of sales made to a customer
  - ii. A record of cannabis and cannabis products sold to a customer shall contain the following information:
    - (a) The first name and employee number of the retailer employee who processed the sale
    - (b) The first name and the retailer assigned customer number for the customer who made the purchase
    - (c) The date and time of the transaction
    - (d) A list of all the cannabis and cannabis products purchased, including the quantity purchased; and
    - (e) The total amount paid for the sale including the individual prices paid for each amount of cannabis or cannabis products purchased and any amounts paid for taxes
  - iii. The point of sales for all sale transactions performed by the licensed retailer shall be credited to the City of La Habra.
- m. Records  
All licensed retailer specific records shall be maintained in accordance with the requirements of 16 CCR 5037.
- n. Retailer Premises to Retailer Premises Transfer
- i. A licensee who holds multiple retail licenses may arrange for the transfer of cannabis and cannabis products from one licensed retail premises to another licensed retail premises if both retail licenses are held under the same ownership
  - ii. Cannabis and cannabis products transferred to a licensed retail premises under subsection i. of this subsection (m) may be sold by the licensed retailer receiving the cannabis or cannabis products if the receiving retailer is in compliance with all requirements of the Bureau of Cannabis Control
  - iii. The transportation of cannabis and cannabis products under this subsection must comply with all requirements of the Bureau of Cannabis Control

- iv. Any movement of cannabis or cannabis products under this section shall be properly entered into the state track and trace system

**SECTION 4.** Subsection (A) of Section 18.22.040 (“Commercial cannabis activity business standards”) of Chapter 18.22 (“Commercial Cannabis Activity”) of Article 1 (“General”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby amended to read as follows:

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

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

1. The address of the Applicant’s current corporate/business operation.
2. The address of the location for which the Conditional Use Permit is sought.
3. The size of the proposed Commercial Cannabis Business operation and State Cannabis License Type.
4. A site plan and floor plan for the proposed Commercial Cannabis Activity denoting the use of all areas within the building, façade improvements including any exterior signage and the exterior improvements of the property, excluding any security measures or features that would compromise the safe storage of products or cash management.
5. A proposed security plan in compliance with the standards in this Chapter that would be administered between the licensee and the Police Chief or their designee in order to maintain confidentiality of the security plan.
6. The names, addresses, and relevant criminal histories of those with an ownership interest and any Person who will be a facility manager or otherwise responsible for the Commercial Cannabis Activity (collectively, the “Applicant’s Agents”). A full criminal history which includes all arrests and reasons regardless of convictions as well as any civil court proceedings. A copy of State Driver’s Licenses or Identification Cards shall be provided for all ownership in the business, any managers, and employees of the business.
7. The name and address of the owner and lessor of the real property upon which the Commercial Cannabis Activity is proposed to be located. In the event the Applicant is not the legal owner of the property, the application must be accompanied with a signed and notarized acknowledgement from the owner of the property that the Commercial Cannabis Activity can occur on the property and is not in conflict with any lending requirements of the property.
8. A description of the statutory entity or business form that will serve as the legal structure for the applicant and a copy of its formation and organizing documents, including, but not limited to, articles of incorporation, certificate of

- amendment, statement of information, articles of association, bylaws, partnership agreement, operating agreement, and fictitious business name statement.
9. Authorization for the City Manager or the City Manager's designee to seek verification of the information contained within the application.
  10. Evidence that the Commercial Cannabis Activity is compliant with all applicable State and City laws.
  11. List the experience of the operators of the Commercial Cannabis Activity as it relates to the type of operation proposed within other communities, including out of state operations. Provide a governmental contact person within each of those communities that can address questions regarding that facility.
  12. A statement in writing as to the Applicant hiring practices and a description of community involvement that will accrue as a result of the Commercial Cannabis facility.
  13. A statement in writing by the Applicant that certifies under penalty of perjury that all the information contained in the application is true and correct.
  14. The applicant's certificates of automobile and general commercial liability insurance coverage and evidence of worker's compensation insurance (if required) related to the operation of the commercial cannabis business.
  15. An executed release of liability and indemnity agreement in the form set forth by the City; and
  16. Any such additional and further information as reasonably necessary by the City Manager or the City Manager's designee to administer this Chapter.

**SECTION 5.** Subsection (B) of Section 18.22.040 ("Commercial cannabis activity business standards") of Chapter 18.22 ("Commercial Cannabis Activity") of Article 1 ("General") of Title 18 ("Zoning") of the La Habra Municipal Code is hereby amended to read as follows:

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

**SECTION 6.** Subsection (A) of Section 18.22.050 ("Disqualification of applications") of Chapter 18.22 ("Commercial Cannabis Activity") of Article 1 ("General") of Title 18 ("Zoning") of the La Habra Municipal Code is hereby amended to read as follows:

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

1. The Applicant or the Applicant's Agents made one or more false or misleading statements or omissions in the application or during the application process.

2. The proposed Commercial Cannabis facility at the proposed location is not allowed by State Law or City Zoning Code.
3. The Applicant is not a legal representative of the proposed business operator.
4. The Applicant or the Applicant's Agents or business partners have been convicted of a felony, or a misdemeanor involving moral turpitude, or the illegal use, possession, distribution, transportation, or any such similar activity related to controlled substances, for which the conviction occurred prior to passage of Compassionate Use Act of 1996. Neither the applicant, any owner, nor any proposed or prospective manager, shall have been convicted of:
  - a. An offense related to possession, manufacture, sales, or distribution of a controlled substance, with the exception of cannabis-related offenses;
  - b. Any offense involving the use of force or violence upon another person;
  - c. Any offense involving theft, fraud, dishonesty or deceit;
  - d. Any offense involving sales of cannabis, alcohol, or cigarettes to a minor or use of a minor to distribute cannabis, alcohol, or cigarettes;
  - e. Any common law felony. For the purpose of this subsection, a conviction includes a plea or verdict of guilty or a conviction following a plea of nolo contendere. The above criteria are in addition to any applicable provisions of state law.
5. The Applicant or the Applicant's Agents have engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
6. The Applicant has not been or is not in good standing with the City related to other or previous business activities operated in the City.
7. The applicant, each owner, and any existing or prospective manager is not at least twenty-one (21) years of age.
8. The applicant, each owner, and any existing or prospective manager, must not have had a similar type of license or permit previously revoked or denied for good cause within the immediately preceding two years prior to the permit application within another community or by the state.
9. The Applicant has not satisfied all requirements of this Chapter.

**SECTION 7.** Section 18.22.060 ("Development Agreement") of Chapter 18.22 (Commercial Cannabis Activity") of Article 1 ("General") of Title 18 ("Zoning") of the La Habra Municipal Code is hereby amended to read as follows:

18.22.060 Development Agreement/Cannabis Business Tax

The highest ranked qualified cannabis applicants for the commercial cannabis facility permitted by this Chapter shall be permitted to submit an application for a Conditional Use Permit, based on the total number of available permits being offered by the City. Those Applicants that are selected must enter into a negotiated Development Agreement with the City, which must be completed within 120 days of notification to proceed to the Conditional Use Permit process and may be extended by the Community Development Director one time for a maximum of 60 days if good faith negotiations are proceeding. Upon completion of the Development Agreement, the Qualified Cannabis Applicant has 60 days to submit

an application for a Conditional Use Permit. Failure to reach agreement on a Development Agreement or submittal of an application for a Conditional Use Permit will remove the Applicant from the Qualified Cannabis Application List and Waitlist.

Applicant shall pay any applicable cannabis business tax and comply with all terms of any applicable development agreement. Should at any time the Conditional Use Permit become void or revoked, the Development Agreement would become void.

**SECTION 8.** Subsection (B) of Section 18.22.070 (“Waitlist”) of Chapter 18.22 (“Commercial Cannabis Activity”) of Article 1 (“General”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby amended to read as follows:

B. A Qualified Cannabis Applicant that moves from the waitlist to the submittal of a Conditional Use Permit must comply with Section 18.22.060 as outlined in this chapter following issuance of a written notice advising the Applicant of that opportunity. Failure to complete this process per the noted time will remove the Applicant from the Qualified Cannabis Applicant List for that particular business activity.

**SECTION 9.** Subsection (A) of Section 18.22.080 (“Zoning and land use”) of Chapter 18.22 (“Commercial Cannabis Activity”) of Article 1 (“General”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby amended to read as follows:

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

**SECTION 10.** Subsection (C) (3) of Section 18.22.080 (“Zoning and land use”) of Chapter 18.22 (“Commercial Cannabis Activity”) of Article 1 (“General”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby amended to read as follows:

3. The issued Conditional Use Permit shall be subject to compliance with Section 18.22.060.

**SECTION 11.** Subsection (C) (9) of Section 18.22.080 (“Zoning and land use”) of Chapter 18.22 (“Commercial Cannabis Activity”) of Article 1 (“General”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby amended to read as follows:

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

**SECTION 12.** Subsection (C) (11) of Section 18.22.080 (“Zoning and land use”) of Chapter 18.22 (“Commercial Cannabis Activity”) of Article 1 (“General”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby amended to read as follows:

11. All Commercial Cannabis Facilities shall pay all applicable taxes pursuant to federal, State, and local laws, in addition to any payment terms pursuant to Section 18.22.060 as applicable.

**SECTION 13.** Subdivision (a) of Subsection (C) (14) (“Inventory control”) of Section 18.22.080 (“Zoning and land use”) of Chapter 18.22 (“Commercial Cannabis Activity”) of Article 1 (“General”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby amended to read as follows:

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

- (i) Gross Receipts from operations for the immediate prior quarter by the Commercial Cannabis Business operator, and a cumulative total of all amounts of Gross Receipts from Operations received by the Commercial Cannabis Business operator for the calendar year;
- (ii) a calculation of the quarterly payment due and paid to the City for the prior quarter within 30 days upon completion of the completed quarter; and
- (iii) a calculation of the cumulative total of all quarterly payments for the calendar year.

**SECTION 14.** Subsection (C) (15) of Section 18.22.080 (“Zoning and land use”) of Chapter 18.22 (“Commercial Cannabis Activity”) of Article 1 (“General”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby amended to read as follows:

15. Signage for all Commercial Cannabis Facilities shall comply with the City’s sign code and any restrictions placed on the facility within the Conditional Use Permit.

**SECTION 15.** Section 18.22.090 (“Permit conditions”) of Chapter 18.22 (“Commercial Cannabis Activity”) of Article 1 (“General”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby amended to read as follows:

A maximum of four (4) Commercial Cannabis Distribution Facility Conditional Use Permits; four (4) Cannabis Testing Laboratory Conditional Use Permits and four (4) Non-Storefront Retailer Conditional Use Permits are permitted by this Chapter within the City of La Habra.

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

**SECTION 16.** Subsection (B) of Section 18.22.100 (“Enforcement”) of Chapter 18.22 (“Commercial Cannabis Activity”) of Article 1 (“General”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby amended to read as follows:

- B. Any Person who willfully or knowingly (i) engages in a violation of this Chapter or (ii) owns, possesses, controls, or has charge of any parcel of real property in the City upon which a violation of this Chapter is maintained and who has actual knowledge of such violation (or would have actual knowledge of such violation after a reasonable inquiry), shall be subject to the penalties and remedies provided by this Chapter. The permittee shall be responsible for all violations of this Chapter and MAUCRSA or its implementing regulations, whether committed by the permittee, its owners, or any employee, volunteer

worker, director, manager or other agent of the permittee, for violations that occur in or about the premises of the commercial cannabis business whether or not said violations occur within the permit holder's presence.

**SECTION 17.** Subdivision (7) of Subsection (F) of Section 18.22.100 ("Enforcement") of Chapter 18.22 ("Commercial Cannabis Activity") of Article 1 ("General") of Title 18 ("Zoning") of the La Habra Municipal Code is hereby amended to read as follows:

7. The Development Agreement entered into as part of the Conditional Use Permit process becomes void.

**SECTION 18.** Subsection (G) of Section 18.22.100 ("Enforcement") of Chapter 18.22 ("Commercial Cannabis Activity") of Article 1 ("General") of Title 18 ("Zoning") of the La Habra Municipal Code is hereby amended to read as follows:

The Director of Community and Economic Development shall schedule the Conditional Use Permit for possible revocation or any other action deemed appropriate by the Planning Commission. Notice of such hearing shall be provided to the property owner, business operator, and public as is required for any Conditional Use Permit by Section 18.66 of the La Habra Municipal Code. Any decision made by the Planning Commission is final 10 working days after such determination, unless appealed to the City Council. Notice of such hearing before the City Council shall be provided to the property owner, business operator, and public as required for any Conditional Use Permit. The appeal shall be processed in compliance with Section 18.22.105.

**SECTION 19.** Section 18.22.105 ("Appeals") of Chapter 18.22 ("Commercial Cannabis Activity") of Article 1 ("General") of Title 18 ("Zoning") of the La Habra Municipal Code is hereby added as follows:

A. Written Request for Appeal.

1. Within ten (10) calendar days after the date of a decision of the Community and Economic Development Director or his/her designee(s) and or the Planning Commission to revoke, suspend or deny a permit, or to add conditions to a permit, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper.
2. At the time of filing the appellant shall pay the designated appeal fee, established by resolution of the City Council from time to time.

B. Appeal Hearing Process.

1. Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council. The City Council shall hear the matter de novo and shall conduct the hearing pursuant to the procedures set forth by the City.
2. The appeal shall be held within a reasonable time after date of filing, but in no event later than forty-five (45) working days from that date. The City shall

notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.

3. At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.
4. The City Council may grant or deny the appeal and may issue appropriate orders and/or instruction. All decisions of the City Council shall be final.

**SECTION 20.** Section 18.22.112 (“Nonconforming use”) of Chapter 18.22 (“Commercial Cannabis Activity”) of Article 1 (“General”) of Title 18 (“Zoning”) of the La Habra Municipal Code is hereby added as follows:

Nonconforming Use. No use which purports to have provided cannabis prior to enactment of this chapter shall be deemed to have been a legally established use under the provisions of the City of La Habra Zoning Code, the La Habra Municipal Code, or any other local ordinance, rule or regulation, and such use shall not be entitled to claim legal nonconforming status.

**SECTION 21.** Recognizing that there is a potential conflict between Federal and State law, it is the City Council’s intention that this Ordinance shall be deemed to comply with applicable State Law.

**SECTION 22.** The City Council determines that it is in the best interest of the residents of the City of La Habra to allow certain Commercial Cannabis Activities in compliance with applicable State Law, including MAUCRSA, be established and operated as permitted uses within certain areas of the City subject to the regulations and restrictions provided in this Ordinance. It is the City Council’s intention that nothing in this Ordinance shall be construed to:

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

**SECTION 23.** The City Council finds pursuant to the provisions of the California Environmental Quality Act (“CEQA”) (California Public Resources Code Sections 21000 et seq.) and State CEQA guidelines (Sections 15000 et seq.) find that the proposed modifications to Chapter 18.22 are exempt from the California Environmental Quality Act pursuant to the Business and Professional Code Section 26055(h), “Without limiting any other statutory exemption or categorical exemption, Division 13 (commencing with Section 21000) of the Public Resources Code does not apply to the adoption of an ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity. To qualify for this exemption, the discretionary review in any such law, ordinance, rule, or regulation shall include any applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code. This subdivision shall become inoperative on July 1, 2021”.

**SECTION 24.** If any section or provision of this Ordinance is for any reason held to be invalid, unconstitutional, illegal, or unenforceable by any court of competent jurisdiction, or contravened due to any preemptive legislation, then such section or provision shall be severed and shall be inoperative, and the remainder of this Ordinance shall remain in full force and effect.

**SECTION 25.** By regulating Commercial Non-Storefront Retailer Cannabis Facilities and modifications to existing development standards, the City is undertaking action to preserve the general welfare through implementation of MAUCRSA. The City Council is not assuming, nor is it imposing on its officers and employees, an obligation for which a breach thereof would expose the City to liability in money damages to any Person who claims that such breach proximately caused injury. To the fullest extent permitted by law, the City shall assume no liability whatsoever, and expressly does not waive sovereign immunity, with respect to any provision of this Ordinance or for the activities of any permitted Cannabis operation. To the fullest extent permitted by law, any actions taken by a public officer or employee under the provisions of this Ordinance shall not become a personal liability of any public officer or employee of the City. Nothing in this Ordinance shall be deemed or considered in any respects to constitute authorization to violate any law.

**SECTION 26.** The City Council held a duly noticed public hearing on December 7, 2020 to consider the request for Zone Change 20-04 modifying Chapter 18.22 (“Commercial Cannabis Activity”) of the La Habra Municipal Code to allow for Commercial Non-Storefront Retailer Cannabis Facilities and modifications to existing development standards. The City Council after considering all the written and oral evidence offered including the staff report and all attachments along with the previous Planning Commission’s recommendation, approves the code amendments.

**SECTION 27:** This ordinance shall be effective 30 days after its final adoption.

**SECTION 28:** The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published and posted pursuant to the provisions of law in that regard.

**PASSED, APPROVED, AND ADOPTED** this 21st day of December, 2021.

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, Mayor

APPROVED AS TO FORM:

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Richard D. Jones  
City Attorney

ATTEST:

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Laurie Swindell, CMC  
City Clerk

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

I, Laurie Swindell, City Clerk of the City of La Habra, do hereby certify that the above and foregoing is a true and correct copy of Ordinance No. 1827 introduced at a regular meeting of the City Council of the City of La Habra held on the 7th day of December, 2020, and duly adopted at a regular meeting held on the 21st day of December, 2021, by the following vote:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSTAIN:       COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

Witness my hand and the official seal of the City of La Habra on the 21st day of December, 2021.

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Laurie Swindell, CMC  
City Clerk