

PUBLIC DRAFT

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLITS, CALIFORNIA, REPEALING CHAPTER 9.20 OF THE WILLITS MUNICIPAL CODE ENTITLED MEDICAL MARIJUANA DISPENSARIES, REPEALING CHAPTER 17.86 ENTITLED MEDICAL MARIJUANA CULTIVATION, AND ADDING CHAPTER 17.85 ENTITLED MEDICAL CANNABIS ACTIVITIES RELATING TO THE CULTIVATION, DISTRIBUTION, TESTING, DISPENSING AND MANUFACTURING OF MEDICAL CANNABIS.

The City Council of the City of Willits hereby ordains as follows.

Chapter 9.20 of the Willits Municipal Code entitled Medical Marijuana Dispensaries and Chapter 17.86 entitled Medical Marijuana Cultivation are hereby repealed.

Title 17-Zoning of the Willits Municipal Code is hereby amended by adding Chapter 17.85 entitled Medical Cannabis Activities relating to the cultivation, distribution, testing, dispensing and manufacturing of medical cannabis, to read as follows.

Chapter 17.85 MEDICAL CANNABIS ACTIVITIES

Sections:

17.85.010 FINDINGS AND PURPOSE

The City Council adopts the ordinance codified in this Chapter based upon the following findings:

(A) In 1970, Congress enacted the Controlled Substances Act (“CSA”) that, among other things, makes it illegal to import, manufacture, distribute, possess or use marijuana in the United States.

(B) In 1996, the voters of the state of California approved Proposition 215, or the Compassionate Use Act of 1996, codified at Health and Safety Code §§ 11362.5 *et seq.* (the “Act”).

(C) The Act creates a limited exception from criminal liability for seriously ill persons who are in need of medical marijuana for specified medical purposes and who obtain and use medical marijuana under limited, specified circumstances.

(D) On January 1, 2004, SB 420 went into effect. SB420, codified as Health and Safety Code §§ 11362.7 - 11362.83 and known as the “Medical Marijuana Program” (“MMP”) was enacted by the state legislature to clarify the scope of the act and to allow cities and other governing bodies to adopt and enforce rules and regulations consistent with SB 420.

(E) On October 9, 2015 the Governor signed into law AB 266, AB 243, and SB 643, which together comprises the Medical Marijuana Regulation and Safety Act, later renamed the Medical Cannabis Regulation and Safety Act (“MCRSA”). The MCRSA went into effect on January 1, 2016, and created a statewide regulatory structure for the medical cannabis industry that also allows local governments to regulate the operation of cannabis businesses within their jurisdiction, pursuant to local

ordinance. The MCRSA expressly protects local licensing practices, zoning ordinances and other local actions taken under the City's constitutional police power. Specifically, the MCRSA allows the City of Willits to issue permits or licenses to regulate the operation and location of cannabis businesses, or to prohibit their operation. Pursuant to MCRSA, if the City opts not to expressly prohibit or regulate the cultivation, processing, delivery, and/or dispensing of medical cannabis, the State will be the sole licensing authority for these activities in the City.

(F) On November 8, 2016, California voters approved the Adult Use of Marijuana Act (AUMA) – Proposition 64. Under AUMA, and subject to the limitation set forth therein, adults aged 21 years or older may possess and use cannabis for recreational, or non-medical, purposes. Further, under AUMA, an individual is permitted to grow up to six plants within a private home, as long as the area is locked and not visible from a public place. While the City Council recognizes this limited right under AUMA to cultivate up to six cannabis plants for recreational purposes, it is the Council's intention that the commercial medical cannabis activities authorized and regulated pursuant to this ordinance be consistent with and subject to the limitations and requirements of the MCRSA, and that any other commercial cannabis activities, including the cultivation, distribution, testing, dispensing and manufacturing of non-medical cannabis is prohibited within the City of Willits.

(G) To protect the public health, safety and welfare, it is the desire of the City Council to modify the City Code consistent with the MMP and the MCRSA, regarding the location and operation of medical cannabis dispensaries, delivery of medical cannabis with the boundaries of the City, and cultivation of medical cannabis within the boundaries of the City.

(H) There have been a number of marijuana dispensing-relating incidents in California, some including acts of violence committed by persons without a legitimate medical need to use cannabis. The City Council finds that Medical Cannabis Activities that exceeds the limitations set forth in these regulations will likely result in an unreasonable risk of crime and other adverse impacts and will likely create offensive odors to persons living nearby.

(I) It is the City Council's intention that nothing in this Chapter will be construed to (1) allow persons to engage in conduct that endangers others or causes a public nuisance; or (2) allow any activity relating to the cultivation, manufacturing, distribution or consumption of cannabis that is otherwise illegal.

(J) It is the purpose and intent of the City Council to regulate medical cannabis cultivation, distribution, testing, dispensing and manufacturing in a manner that is consistent with State law and promotes the health, safety, and general welfare of the residents and businesses within the City, while limiting the negative impacts associated with such medical cannabis activities.

(K) It is the purpose and intent of this Chapter to accommodate the needs of medically-ill persons in need of cannabis for medical purposes while imposing regulations on the use of land to protect City neighborhoods, residents, and businesses from negative impacts. The City intends to be on the forefront of ground breaking research, science, innovation, and development of treatment for

symptoms and cures in the field of medical cannabis, as scientific research, studies, and data has established that cannabis can help patients with a vast array of medical conditions.

(L) This Chapter will not be detrimental to the public health, safety and general welfare or adversely affect the orderly development of property because the uses permitted under this Chapter will be subject to careful review, limited in scope and location, and subject to strict operating requirements, avoiding or limiting potential negative effects.

17.85.020 INTERPRETATION AND APPLICABILITY.

(A) This Chapter is not intended to create a positive conflict with the CSA, but rather to implement the MCRSA and related state laws.

(B) Nothing in this Chapter is intended, nor shall it be construed, to exempt any cannabis-related activity from any and all applicable local and state construction, electrical, plumbing, land use, or any other building, fire, or land use standards or permitting requirements.

(C) Nothing in this Chapter is intended, nor shall it be construed, to make legal any cultivation, transportation, sale, or other use of cannabis that is otherwise prohibited under California law.

(D) All Processing and distribution of medical cannabis within City limits will be subject to the provisions of this Chapter, even if it existed or occurred prior to adoption of this Chapter.

(E) Nothing in this Chapter is intended, nor shall it be construed, to allow or permit any "commercial cannabis activity," as defined in Business and Professions Code § 19300.5(j), or any commercial or non-commercial activity involving cannabis use for recreational or other non-medical purpose that is not otherwise authorized in the Willits Municipal Code.

17.85.030 - Definitions.

As used herein, the following definitions shall apply.

- A. "City" means the City of Willits, California.
- B. "City Manager" means the individual duly appointed by a majority of the City Council of the City to serve in the capacity as executive officer of the City on a permanent or interim basis.
- C. "Chief of Police" means the individual duly appointed by the City Manager to serve as the top official of the City of Willits Police Department whose primary duties are the enforcement of all state and municipal criminal statutes and ordinances as well as the planning, directing, supervising and coordinating of the duties and responsibilities of the police department and its personnel.
- D. "Code Enforcement Officer" means the individual duly appointed by the City Manager whose primary duties are the prevention, detection, investigation, and enforcement of violations of laws

regulating public nuisance, public health, safety, and welfare, public works, business activities and consumer protection, building standards, land-use, or municipal affairs.

- E. "Community Development Director" means the individual duly appointed by the City Manager whose primary duties are the planning, directing and coordinating of the full range of community development activities including planning, building, zoning administration, code enforcement, and economic development.
- F. "Cultivation" shall be defined in accordance with the MCRSA, Business and Professions Code section 19300.5, and other applicable State laws.
- G. "Cultivation Permit" means a City permit to operate an Indoor Medical Cannabis Cultivation facility pursuant to the terms and conditions of this Chapter and the conditions of approval for the permit.
- H. "Cultivation Permittee" means an applicant who has applied for and has been issued a Cultivation Permit by the City pursuant to the terms and conditions of this Chapter.
- I. "Dispensary Permit" means a City permit to operate a Medical Cannabis Dispensary pursuant to the terms and conditions of this Chapter and the conditions of approval for the permit.
- J. "Dispensary Permittee" means an applicant who has applied for and has been issued a Dispensary Permit by the City pursuant to the terms and conditions of this Chapter.
- K. "Fully Enclosed and Secure Structure" means a space within a building which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which is secure against unauthorized entry, provides complete visual screening, and which is accessible only through one or more lockable doors and is inaccessible to minors. Use of greenhouses or similar structures for commercial cannabis cultivation is prohibited.
- L. "Indoors" means within a Fully Enclosed and Secure Structure.
- M. "Manufacturer" and "Manufacturing" shall be defined in accordance with the MCRSA, Business and Professions Code section 19300.5, and other applicable State laws.
- N. "Manufacturing Permit" means a City permit to operate a Medical Cannabis Manufacturing facility pursuant to the terms and conditions of this Section and the conditions of approval for the permit.
- O. "Manufacturing Permittee" means an applicant who has applied for and has been issued a Manufacturing Permit by the City pursuant to the terms and conditions of this Chapter.
- P. "Medical Cannabis" shall be defined in accordance with the MCRSA, Business and Professions Code section 19300.5, Health and Safety Code Section 11018, and other applicable State laws.

- Q. "Medical Cannabis Dispensary" or "Dispensary". Any facility or location where medical cannabis is made available to and/or distributed by a primary caregiver, a qualified patient, or a person with an identification card, in strict accordance with Health and Safety Code Section 11362.5.
- R. "MCRSA" means the State Medical Cannabis Regulation and Safety Act.
- S. "Outdoors" means any location within the City that is not within a Fully Enclosed and Secure Structure.
- T. "Primary Caregiver" shall have the same definition as Health and Safety Code Section 11362.5.
- U. "Qualified Patient" shall have the same definition as Health and Safety Code Section 11362.5.
- V. "School" shall have the same definition as Health and Safety Code Section 11362.768.
- W. "Track and Trace" means a monitoring system providing traceability throughout the production and distribution lifecycle of permitted cannabis utilizing a unique identifier pursuant to Health and Safety Code Section 11362.777.

17.85.040 - Cannabis Cultivation Prohibition.

All cannabis cultivation within the City is prohibited except as expressly permitted by this Chapter.

17.85.050 - Cultivation Permit; Exemptions.

- A. The planting, cultivation, harvesting, drying, or processing of no more than six living cannabis plants per legal parcel, for medical or non-medical purposes, is exempt from the provisions of this Chapter, subject to the following requirements:
 - 1. All planting, cultivation, harvesting, drying and processing shall exclusively occur within a Fully Enclosed and Secure Structure.
 - 2. Odor from the planting, cultivation, harvesting, drying and processing of cannabis shall not be detectable from beyond property boundaries. Adequate odor controls shall be provided to ensure compliance with this standard. Failure to adequately control odors shall be declared a public nuisance and as such shall be subject to abatement procedures found in Chapter 1.12 of the Willits City Code.
 - 3. This limitation shall be imposed regardless of the number of qualified patients residing at such location. Further, this limitation shall be imposed notwithstanding any assertion that the person(s) cultivating cannabis are the primary caregivers for qualified patients.

4. Any and all cannabis cultivated shall be for personal use of those over 21 years of age and shall not be sold.

17.85.060 - Indoor Medical Cannabis Cultivation Permitted.

Indoor Medical Cannabis Cultivation is permitted in the City only as expressly specified in this Section.

A. Indoor Medical Cannabis Cultivation Standards: Indoor Medical Cannabis Cultivation, within the City, shall be in conformance with the following standards:

1. Indoor Medical Cannabis Cultivation shall only be allowed upon application and approval of a Cultivation Permit in accordance with the criteria and process set forth in this Section and this Code.
2. Indoor Medical Cannabis Cultivation activity may include growing cannabis plants, harvesting cannabis plants, drying cannabis, and processing cannabis grown on-site, but shall not include any extraction procedures to produce concentrated cannabis.
3. Indoor Medical Cannabis Cultivation facilities shall not distribute, sell, dispense, or administer cannabis from the facility to the public. Indoor Medical Cannabis Cultivation facilities shall not be operated as Medical Cannabis Dispensaries.
4. Indoor Medical Cannabis Cultivation is a permitted use only on properties within the Limited Industrial (ML), Heavy Industrial (MH) and Industrial Park (I-P) zoning designations.
5. No Indoor Medical Cannabis Cultivation shall be established, developed, or operated within 200 feet of a school, public playground or park, or licensed child care or licensed day care facility. All distances shall be measured in a straight line, without regard to intervening structures, from the nearest point of the building or structure in which the Indoor Medical Cannabis Cultivation is, or will be located, to the nearest property line of those uses describe in this Subsection.
6. Indoor Medical Cannabis Cultivation facilities may be located within the same building or structure as another type of medical cannabis facility only if the Indoor Medical Cannabis Cultivation Facility is located in separate rooms of the building or structure, and only if the Indoor Medical Cannabis Cultivation facility has its own separate entrance into the building or structure.
7. Subject to the further requirements of this Section, only the following State cultivator license classification types specified in the MCRSA and Business and Professions Code sections 19300.7 and 19332 will be allowed to operate in the City: 1A, 2A, 3A, and 4. (Type 1A: Indoor – up to

5,000 sq ft; Type 2A: Small Indoor – 5,001 to 10,000 sq ft; Type 3A: Medium Indoor – 10,001 to 22,000 sq ft; Type 4: Nursery Indoor only – up to one acre.)

8. Indoor Medical Cannabis Cultivation is allowed only within Fully Enclosed and Secure Structures that are inaccessible to minors.
9. Indoor Medical Cannabis Cultivation shall not exceed the square footage authorized pursuant to the Cultivation Permit.
10. From any public right-of-way, there shall be no visible exterior evidence of any Indoor Medical Cannabis Cultivation activity.
11. Indoor Medical Cannabis Cultivation shall not adversely affect the health or safety of the nearby residents and businesses by creating dust, glare, heat, noise, odors, smoke, traffic, vibration, or other impacts, and shall not be hazardous due to use or storage of materials, processes, products, or wastes.
12. All Indoor Medical Cannabis Cultivation facilities shall fully comply with all of the applicable restrictions and mandates set forth in State law. All Indoor Medical Cannabis Cultivation facilities shall comply with all size requirements for such facilities as imposed by State law. Indoor Medical Cannabis Cultivation facilities shall not engage in any activities not allowed by Indoor Medical Cannabis Cultivation facilities pursuant to State law. All Indoor Medical Cannabis Cultivation facilities shall comply with all horticultural, labeling, processing, and other standards required by State law.
13. All Indoor Medical Cannabis Cultivation facilities shall have an air system that creates negative air pressure between the facility's interior and exterior so that the odors generated inside the facility are not detectable on the outside of the facility. Additional odor controls may be necessary to ensure that odors from the facility are not detectable from the outside of the facility. Failure to control odors from being detectable from outside the commercial cannabis business shall be grounds for revocation of the Cultivation Permit.
14. All medical cannabis shall be kept in a secured manner during all business and non-business hours.
15. All Indoor Medical Cannabis Cultivation facilities shall operate within a legal structure that is compliant with all applicable State and local laws.
16. All Indoor Medical Cannabis Cultivation facilities must pay all applicable taxes and fees pursuant to all Federal, State, and local laws.

17. On-site smoking, ingestion, or consumption of cannabis shall be prohibited on the premises of all Indoor Medical Cannabis Cultivation facilities. The term “premises” as used in this section includes the actual Indoor Medical Cannabis Cultivation facility building, as well as any accessory structures and parking areas. The Indoor Medical Cannabis Cultivation facility building entrance shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming cannabis on the premises or in the vicinity of the facility is prohibited.
18. Signage for all Indoor Medical Cannabis Cultivation facilities shall be limited to name of business only, shall be in compliance with the City’s sign code, and shall contain no advertising of any companies, brands, products, goods, or services. Signage shall not include any cannabis related symbols.
19. The building in which any Indoor Medical Cannabis Cultivation facility is located, as well as the operations as conducted therein, shall fully comply with all applicable rules, regulations, and laws including, but not limited to, zoning and building codes, the City’s business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, and the MCRSA. Compliance with all requirements of State law pertaining to Indoor Medical Cannabis Cultivation is also required.
20. The operators of all Indoor Medical Cannabis Cultivation facilities shall provide the Code Enforcement Officer or his/her designee with the name, phone number, facsimile number, and email address of an on-site representative to whom the City and the public can provide notice if there are any operational problems associated with the Indoor Medical Cannabis Cultivation facility. All operators of Indoor Medical Cannabis Cultivation facilities shall make every good faith effort to encourage residents and the public to call this representative to resolve any operational problems before any calls or complaints are made to the City or law enforcement.
21. All Indoor Medical Cannabis Cultivation facilities shall be operated in accordance with the conditions of approval associated with the applicable Cultivation Permit for the parcel of real property upon which the Indoor Medical Cannabis Cultivation activities occur.
22. All Indoor Medical Cannabis Cultivation facilities shall have a security plan including the following measures:
 - a. Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 30 concurrent days of digitally recorded documentation in a format approved by the Chief of Police or his/her designee. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras include, but are not limited to, the storage areas, cultivation areas, all doors and windows, and any other areas as determined by the Chief of Police or his/her designee. Remote log-in information shall be provided to the Chief of Police or his/her designee to allow them to view the security camera images and recordings from their own facilities at any time. Any disruption in security camera

images shall be cured expeditiously in good faith.

- b. The Indoor Medical Cannabis Cultivation facility shall be alarmed with an alarm system that is operated and monitored by a licensed security company.
 - c. Entrance to the cultivation area, and all storage areas, shall be locked at all times, and under the control of the Indoor Medical Cannabis Cultivation facility's staff.
 - d. The entrances and all window areas shall be illuminated during evening hours. Lighting shall be shielded, downcast or shall be positioned in a manner that will not shine or allow light glare to exceed the boundaries of the parcel on which it is placed.
 - e. All windows on the building that houses the Indoor Medical Cannabis Cultivation facility shall be appropriately secured and all cannabis securely stored.
23. Recordings made by the security cameras shall be made available to the Chief of Police or his/her designee upon verbal request—no search warrant or subpoena shall be needed to view the recorded materials.
24. City, fire department and law enforcement officials shall have the right to enter the Indoor Medical Cannabis Cultivation facility at any time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this Section and all laws of the City and the State.
25. All batches of final cultivated cannabis must be inspected and quality tested by a qualified third party distributor and testing facility prior to distribution to a dispensary as required by the MCRSA, Business and Professions Code sections 19326 and 19342, the Department of Food and Agriculture regulations, and the State Department of Public Health regulations.
26. Until such time as state regulations are implemented under the Track and Trace program required by section 19335 of the California Business and Professions Code, the applicant shall complete and maintain up-to-date records regarding Medical Cannabis transfers throughout the distribution chain from cultivation, to manufacturing, to its dispensing location, including the date and time of the transfer; the name and address of the cultivation and manufacturing facility and the name and address of the supplier if different from the cultivation or manufacturing facility; the amount, form, type, batch and lot number of cannabis transferred; the time of departure from the cultivation or manufacturing facility; the time of arrival at the dispensing location; the names of the employees transporting the product; and the name of the employee who received the product at the dispensing location.
27. Placeholder for Willits certification requirements.

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

1. The size of the proposed Indoor Medical Cannabis Cultivation facility.
2. The address of the location for which the Cultivation Permit is sought. Only one Cultivation Permit will be issued per location.
3. A site plan and floor plan for the proposed premises denoting the use of all areas on the premises, including storage, cultivation areas, lighting, signage, etcetera.
4. A operations plan to include a detailed description of the applicant's cultivation, transportation, inventory and quality control procedures.
5. A description of how the Medical Cannabis Cultivation facility will track inventory of cannabis product from seed to sale.
6. A proposed security plan in compliance with the Indoor Medical Cannabis Cultivation Standards.
7. The names, addresses, and relevant criminal histories of all potential employees, facility managers, and other relevant parties for the Indoor Medical Cannabis Cultivation facility. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.
8. The name and address of the owner and lessor of the real property upon which the Indoor Medical Cannabis Cultivation activity is proposed to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied with a notarized acknowledgement from the owner of the property that an Indoor Medical Cannabis Cultivation facility will be operated on the property.
9. Authorization for the City Manager or his/her designee to seek verification of the information contained within the application.
10. Evidence that the medical cannabis cultivation facility will be located in a legal structure that is compliant with all applicable State and local laws.
11. A statement in writing by the applicant that the applicant certifies under penalty of perjury that all the information contained in the application is true and correct.

12. Any such additional and further information as is deemed necessary by the Community Development Director or his/her designee to administer this Section.

13. All owners, applicants, potential employees and any person who may be a facility manager or otherwise responsible for the activities of the Indoor Medical Cannabis Cultivation facility ("Applicant's Agents"), must submit to a California Department of Justice Live Scan criminal history check at their expense.

C. Cultivation Permit. The following conditions apply to all Cultivation Permits.

1. A Cultivation Permit will not be awarded to an applicant if:

- a. 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.
- b. The proposed Indoor Medical Cannabis Cultivation facility is not allowed by State or local law.
- c. The applicant is not a legal representative of the Indoor Medical Cannabis Cultivation facility.
- d. The applicant or the Applicant's Agents have been convicted of a felony, or a misdemeanor involving moral turpitude, or the illegal use, possession, transportation, distribution, or any such similar activity related to controlled substances with the exception of cannabis related offenses for which the conviction occurred prior to passage of the Compassionate Use Act. A conviction within the meaning of this Section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.
- e. The applicant or the Applicant's Agents have engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
- f. The applicant has not satisfied each and every requirement of this Section.

2. Before a Cultivation Permit can be issued to an applicant, Cultivation Permit fees must be paid to offset all related costs to the City, and the proposed Indoor Medical Cannabis Cultivation facility location must pass all applicable inspections.

3. Only two Cultivation Permits may be possessed or used by the same person or entity, including the representatives, agents, parent entities, or subsidiary entities of that person or entity.

4. All Cultivation Permits are subject to the conditions of approval in the applicable Cultivation Permit for the parcel of real property upon which the Indoor Medical Cannabis Cultivation activity occurs.

5. All Cultivation Permits are subject to any additional conditions that may be applied by the City at the time of issuance or renewal as necessary to properly regulate the activity and protect the public.
6. All cultivation activities shall be subject to an excise tax to be established by the City and the voters.
7. Cultivation Permittees may not hold or use any other cannabis activity permits or licenses that would otherwise be a violation of the MCRSA or Business and Professions Code section 19328.
8. All Cultivation Permittees shall enter into an agreement with the City to fully reimburse the City for all fiscal impacts, costs, expenses, fees, and attorneys' fees incurred by the City related to the Cultivation Permit and the Indoor Medical Cannabis Cultivation activity.
9. All Cultivation Permittees shall:
 - a. Carry liability insurance in the amounts and types prescribed by the City, and name the City as an additional insured on all such insurance policies.
 - b. Execute an Indemnification Agreement prepared by the City that fully indemnifies the City for all liabilities associated with the Cultivation Permit, the Cultivation Permittee's cannabis related activities, and any action taken by the Cultivation Permittee pursuant to this Section.
 - c. Agree to defend the City, at the Cultivation Permittee's sole expense, in any action against the City or its agents, officers, or employees associated with the Cultivation Permit, the Cultivation Permittee's cannabis related activities, or any action taken by the Cultivation Permittee pursuant to this Section.
 - d. Agree to reimburse the City for all costs, expenses, fees, and attorney fees incurred by the City related to any action against the City or its agents, officers, or employees associated with the Cultivation Permit, the Cultivation Permittee's cannabis related activities, or any action taken by the Cultivation Permittee pursuant to this Section. The City may, at its sole discretion, participate in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.
10. All Cultivation Permittees shall keep the City and law enforcement updated with the names, addresses, and relevant criminal histories of all employees, facility managers, and other relevant parties for the Indoor Medical Cannabis Cultivation facility at all times. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.

11. All Cultivation Permittees shall account for job creation in the City and shall commit to employing a workforce of people that reside in the local area. All Cultivation Permittees shall use good faith efforts to comply with this subsection and shall report the residential composition of their workforce to the City every year.
12. Cultivation Permits issued pursuant to this Section are not transferable to any third parties under any circumstances.
13. All Cultivation Permits shall expire and be null and void 12 months after issuance to the Cultivation Permittee unless properly renewed. Upon payment of the applicable Cultivation Permit fees and passing the requisite Cultivation Permit inspections, Cultivation Permittees that have maintained compliance with all City, State, and other applicable cannabis and business related laws shall be entitled to renew their Cultivation Permit subject to all prevailing laws at the time of renewal. Cultivation Permits may be renewed for a period exceeding 12 months based on a history of compliance with all City, State, and other applicable cannabis and business related laws at the discretion of the Community Development Director or his/her designee.
14. A complete Cultivation Permit renewal application must be submitted to the Community Development Department at least 90 days prior to the Cultivation Permit expiration date.
15. 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 medical cannabis cultivation activities or for the activities of any Indoor Medical Cannabis Cultivation facility.

D. Enforcement.

1. Any cannabis cultivation within the City in violation of this Section is hereby declared to be unlawful and a public nuisance.
2. Any party who engages in a violation of this Section, or who owns, possess, controls, or has charge of any parcel of real property in the City upon which a violation of the Section is maintained, shall be subject to the penalties and remedies provided by this Section.
3. Any violation of this Section shall constitute a separate offense for each and every day the violation occurs or persists.
4. Any violation of this Section or any other City or State cannabis law by a Cultivation Permittee or a Cultivation Permittee's agent is grounds for revoking the Cultivation Permittee's Cultivation Permit. In addition, the Community Development Director or his/her designee may revoke a Cultivation Permit if any of the following occur:

- a. The Community Development Director or his/her designee determines that the Indoor Medical Cannabis Cultivation facility has failed to comply with this Section, any condition of approval, or any agreement or covenant as required pursuant to this Section.
 - b. Ownership of the Indoor Medical Cannabis Cultivation facility is changed or transferred to third party.
 - c. The Indoor Medical Cannabis Cultivation facility fails to maintain 30 concurrent days of security recordings.
 - d. The Indoor Medical Cannabis Cultivation facility fails to provide remote access to the security cameras to the Chief of Police or his/her designee, or fails to allow inspection of the security recordings, the activity logs, or of the premise by authorized City officials.
5. Any decision regarding the revocation of a Cultivation Permit may be appealed to the Planning Commission consistent with Chapter 17.82 of the Willits City Code.
 6. These penalties and remedies are cumulative, and in addition to any other penalties and remedies available to the City.

17.85.070 - Cannabis Manufacturing Prohibition.

All cannabis manufacturing within the City is prohibited except as expressly permitted by this Chapter.

17.85.080 - Medical Cannabis Manufacturing Permitted.

Medical Cannabis Manufacturing is permitted in the City only as expressly specified in this Section.

- A. Medical Cannabis Manufacturing Standards. Medical Cannabis Manufacturing, within the City, shall be in conformance with the following standards:
1. Medical Cannabis Manufacturing shall only be allowed upon application and approval of a Manufacturing Permit in accordance with the criteria and process set forth in this Section and this Code.
 2. Medical Cannabis Manufacturing facilities shall not distribute, sell, dispense, or administer cannabis from the facility to the public.
 3. Medical Cannabis Manufacturing is a permitted use only on properties within the Limited Industrial (ML), Heavy Industrial (MH) and Industrial Park (I-P) zoning designations.

4. No cannabis manufacturing shall be established, developed, or operated within 200 feet of a school, public playground or park, or licensed child care or licensed day care facility. All distances shall be measured in a straight line, without regard to intervening structures, from the nearest point of the building or structure in which the Medical Cannabis Manufacturing is, or will be located, to the nearest property line of those uses describe in this Subsection.
5. Medical Cannabis Manufacturing facilities may be located within the same building or structure as another medical cannabis facility only if the Medical Cannabis Manufacturing facility is located in separate rooms of the building or structure, and only if the Medical Cannabis Manufacturing facility has its own separate entrance into the building or structure.
6. Subject to the further requirements of this Section, only State manufacturer license classification type 6 level 1 (manufacturing using non-volatile solvents) will be allowed to operate in the City using nonvolatile solvents in accordance with the MCRSA and Business and Professions Code sections 19300.7 and 19341.
7. Medical Cannabis Manufacturing is allowed only within Fully Enclosed and Secure Structures that are inaccessible to minors.
8. Medical Cannabis Manufacturing shall not exceed the square footage authorized pursuant to the Manufacturing Permit.
9. From any public right-of-way, there shall be no visible exterior evidence of any Medical Cannabis Manufacturing activity.
10. Medical Cannabis Manufacturing shall not adversely affect the health or safety of the nearby residents by creating dust, glare, heat, noise, odors, smoke, traffic, vibration, or other impacts, and shall not be hazardous due to use or storage of materials, processes, products, or wastes.
11. All Medical Cannabis Manufacturing facilities shall fully comply with all of the applicable restrictions and mandates set forth in State law. All Medical Cannabis Manufacturing facilities shall comply with all size requirements for such facilities as imposed by State law. Medical Cannabis Manufacturing facilities shall not engage in any activities not allowed by Medical Cannabis Manufacturing facilities pursuant to State law. All Medical Cannabis Manufacturing facilities shall comply with all horticultural, labeling, processing, and other standards required by State law.
12. There is no set restriction on the hours of operation of Medical Cannabis Manufacturing facilities; however, restricted hours of operation may be established as a condition of approval of the Manufacturing Permit.

13. All Medical Cannabis Manufacturing facilities shall install odor control systems to ensure that odors from the facility are not detectable on the outside of the facility. Failure to control odors from being detectable from outside the facility shall be grounds for revocation of the Manufacturing Permit.
14. All medical cannabis shall be kept in a secured manner during all business and non-business hours.
15. All Medical Cannabis Manufacturing facilities shall operate within a legal structure that is compliant with all applicable State and local laws.
16. All Medical Cannabis Manufacturing facilities must pay all applicable taxes and fees pursuant to all Federal, State, and local laws.
17. On-site smoking, ingestion, or consumption of cannabis shall be prohibited on the premises of all Medical Cannabis Manufacturing facilities. The term “premises” as used in this section includes the actual Medical Cannabis Manufacturing facility building, as well as any accessory structures and parking areas. The Medical Cannabis Manufacturing facility building entrance shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming cannabis on the premises or in the vicinity of the facility is prohibited.
18. Signage for all Medical Cannabis Manufacturing facilities shall be limited to name of business only, shall be in compliance with the City’s sign code, and shall contain no advertising of any companies, brands, products, goods, or services. Signage shall not include any cannabis-related symbols.
19. The building in which any Medical Cannabis Manufacturing facility is located, as well as the operations as conducted therein, shall fully comply with all applicable rules, regulations, and laws including, but not limited to, zoning and building codes, the City’s business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, and the MCRSA. Compliance with all requirements of State law pertaining to Medical Cannabis Manufacturing is also required.
20. The operators of all Medical Cannabis Manufacturing facilities shall provide the Code Enforcement Officer or his/her designee with the name, phone number, facsimile number, and email address of an on-site representative to whom the City and the public can provide notice if there are any operational problems associated with the Medical Cannabis Manufacturing facility. All Medical Cannabis Manufacturing facilities shall make every good faith effort to encourage residents and the public to call this representative to resolve any operational problems before any calls or complaints are made to the City or law enforcement.

21. All Medical Cannabis Manufacturing facilities shall be operated in accordance with the conditions of approval associated with the applicable Manufacturing Permit for the parcel of real property upon which the Medical Cannabis Manufacturing activities occur.
22. All Medical Cannabis Manufacturing facilities shall have a security plan including the following measures:
 - a. Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 30 concurrent days of digitally recorded documentation in a format approved by the Chief of Police or his/her designee. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras include, but are not limited to, the storage areas, manufacturing areas, all doors and windows, and any other areas as determined by the Chief of Police or his/her designee. Remote log-in information shall be provided to the Chief of Police or his/her designee to allow them to view the security camera images and recordings from their own facilities at any time. Any disruption in security camera images shall be cured expeditiously in good faith.
 - b. The Medical Cannabis Manufacturing facility shall be alarmed with an alarm system that is operated and monitored by a licensed security company.
 - c. Entrance to the manufacturing area, and all storage areas, shall be locked at all times, and under the control the Medical Cannabis Manufacturing facility's staff.
 - d. The entrances and all window areas shall be illuminated during evening hours. Lighting shall be downcast and shielded or shall be positioned in a manner that will not shine or allow light glare to exceed the boundaries of the parcel on which it is placed.
 - e. All windows on the building that houses the Medical Cannabis Manufacturing facility shall be appropriately secured and all cannabis securely stored.
23. Recordings made by the security cameras shall be made available to the Chief of Police or his/her designee upon verbal request—no search warrant or subpoena shall be needed to view the recorded materials.
24. City, fire department and law enforcement officials shall have the right to enter the Medical Cannabis Manufacturing facility at any time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this Section and all laws of the City and the State.
25. All Medical Cannabis Manufacturing facilities must employ full time quality control personnel. The Manufacturing Permittee must establish Standard Operating Procedures and Batch Records that

comply with current Good Manufacturing Practices and the MCRSA for all products, as outlined by the State Department of Public Health and the Food and Drug Administration.

26. All finished products produced by a Medical Cannabis Manufacturing facility must be labeled in compliance with the MCRSA, Business and Profession Code section 19347, and the labeling requirements outlined by the State Department of Public Health.
27. All finished products produced by a Medical Cannabis Manufacturing facility must be packaged in child resistant containers prior to leaving the facility or becoming commercially available in accordance with the MCRSA, Business and Profession Code section 19347, the State Department of Public Health regulations, and other applicable State laws.
28. All batches of final cannabis products must be tested by a qualified third party testing facility prior to distribution to a dispensary as required by the MCRSA, Business and Professions Code sections 19326, 19341, and 19342, and the State Department of Public Health regulations.
29. Until such time as state regulations are implemented under the Track and Trace program required by section 19335 of the California Business and Professions Code, the applicant shall complete and maintain up-to-date records regarding Medical Cannabis transfers throughout the distribution chain from cultivation, to manufacturing, to its dispensing location, including the date and time of the transfer; the name and address of the cultivation and manufacturing facility and the name and address of the supplier if different from the cultivation or manufacturing facility; the amount, form, type, batch and lot number of cannabis transferred; the time of departure from the cultivation or manufacturing facility; the time of arrival at the dispensing location; the names of the employees transporting the product; and the name of the employee who received the product at the dispensing location.
30. Medical Cannabis Manufacturing facilities shall only use nonvolatile solvents that have been approved by the State Department of Public Health for medical cannabis level 1 manufacturing. Until such time as any such nonvolatile solvents are approved by the State Department of Public Health for medical cannabis level 1 manufacturing, Medical Cannabis Manufacturing facilities shall only use nonvolatile solvents that have been approved by the Food and Drug Administration for the processing and preparation of botanical dietary supplements or food grade products.
31. All processing and analytical testing devices used for Medical Cannabis Manufacturing facilities must be UL listed, or otherwise approved for the intended use by the City's Building Official and the Fire Department. Any processing devices using only non-pressurized water are exempt from such approval.
32. All hazardous material must be disposed of in a manner which is compliant with all local, State, and Federal guidelines for the disposal of hazardous materials.

- B. Manufacturing Permit Applications. All applicants wishing to obtain a Manufacturing Permit from the City shall file an application with the City upon a form provided by the City and shall pay a Manufacturing Permit Application Fee as established by the City. An application for a Manufacturing Permit shall include at least the following information:
1. The size of the proposed Medical Cannabis Manufacturing facility.
 2. The address of the location for which the Manufacturing Permit is sought. Only one Manufacturing Permit will be issued per location.
 3. A site plan and floor plan for the proposed premises denoting the use of all areas on the premises, including storage, manufacturing areas, lighting, signage, etcetera.
 4. A operations plan to include a detailed description of the applicant's extraction methods, transportation, inventory and quality control procedures.
 5. A description of how the Medical Cannabis Manufacturing facility will track inventory of cannabis from seed to sale.
 6. A proposed security plan in compliance with the Medical Cannabis Manufacturing Standards.
 7. The names, addresses, and relevant criminal histories of all potential employees, facility managers, and other relevant parties for the Medical Cannabis Manufacturing facility. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.
 8. The name and address of the owner and lessor of the real property upon which the Medical Cannabis Manufacturing activity is proposed to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied with a notarized acknowledgement from the owner of the property that a Medical Cannabis Manufacturing facility will be operated on the property.
 9. Authorization for the City Manager or his/her designee to seek verification of the information contained within the application.
 10. Evidence that the Medical Cannabis Manufacturing facility will be located in a legal structure that is compliant with all applicable State and local laws.
 11. A statement in writing by the applicant that the applicant certifies under penalty of perjury that all the information contained in the application is true and correct.

12. Any such additional and further information as is deemed necessary by the Community Development Director or his/her designee to administer this Section.
13. All owners, applicants, potential employees and any person who may be a facility manager or otherwise responsible for the activities of the Indoor Medical Cannabis Cultivation facility (“Applicant’s Agents”), must submit to a California Department of Justice Live Scan criminal history check at their expense.

C. Manufacturing Permit. The following conditions apply to all Manufacturing Permits:

1. A Manufacturing Permit will not be awarded to an applicant if:
 - a. 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.
 - b. The proposed Medical Cannabis Manufacturing facility is not allowed by State or local law.
 - c. The applicant is not a legal representative of the Medical Cannabis Manufacturing facility.
 - d. The applicant or the Applicant’s Agents have been convicted of a felony, or a misdemeanor involving moral turpitude, or the illegal use, possession, transportation, distribution, or any such similar activity related to controlled substances, with the exception of cannabis related offenses for which the conviction occurred prior to passage of the Compassionate Use Act. A conviction within the meaning of this Section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.
 - e. The applicant or the Applicant’s Agents have engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
 - f. The applicant has not satisfied each and every requirement of this Section.
2. Before a Manufacturing Permit can be issued to an applicant, Manufacturing Permit fees must be paid to offset all related costs to the City, and the proposed Medical Cannabis Manufacturing facility location must pass all applicable inspections.
3. Only two Manufacturing Permits may be possessed or used by the same person or entity, including the representatives, agents, parent entities, or subsidiary entities of that person or entity.
4. All Manufacturing Permits are subject to the conditions of approval in the applicable Manufacturing Permit for the parcel of real property upon which the Medical Cannabis Manufacturing activity occurs.

5. All Manufacturing Permits are subject to any additional conditions that may be applied by the City at the time of issuance or renewal as necessary to properly regulate the activity and protect the public.
6. All manufacturing activities shall be subject to an excise tax to be established by the City and the voters.
7. Manufacturing Permittees may not hold or use any other cannabis activity permits or licenses that would otherwise be a violation of the MCRSA or Business and Professions Code section 19328.
8. All Manufacturing Permittees shall enter into an agreement with the City to fully reimburse the City for all fiscal impacts, costs, expenses, fees, and attorneys' fees incurred by the City related to the Manufacturing Permit and the Medical Cannabis Manufacturing activity.
9. All Manufacturing Permittees shall:
 - a. Carry liability insurance in the amounts and types prescribed by the City, and name the City as an additional insured on all such insurance policies.
 - b. Execute an Indemnification Agreement prepared by the City that fully indemnifies the City for all liabilities associated with the Manufacturing Permit, the Manufacturing Permittee's cannabis related activities, and any action taken by the Manufacturing Permittee pursuant to this Section.
 - c. Agree to defend the City, at the Manufacturing Permittee's sole expense, in any action against the City or its agents, officers, or employees associated with the Manufacturing Permit, the Manufacturing Permittee's cannabis related activities, or any action taken by the Manufacturing Permittee pursuant to this Section.
 - d. Agree to reimburse the City for all costs, expenses, fees, and attorney fees incurred by the City related to any action against the City or its agents, officers, or employees associated with the Manufacturing Permit, the Manufacturing Permittee's cannabis related activities, or any action taken by the Manufacturing Permittee pursuant to this Section. The City may, at its sole discretion, participate in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.
10. All Manufacturing Permittees shall keep the City and law enforcement updated with the names, addresses, and relevant criminal histories of all employees, facility managers, and other relevant parties for the Medical Cannabis Manufacturing facility at all times. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.

11. All Manufacturing Permittees shall account for job creation in the City and shall commit to employing a workforce that reside in the local area. All Manufacturing Permittees shall use good faith efforts to comply with this subsection and shall report the residential composition of their workforce to the City every year.
 12. Manufacturing Permits issued pursuant to this Section are not transferable to any third parties under any circumstances.
 13. All Manufacturing Permits shall expire and be null and void 12 months after issuance to the Manufacturing Permittee unless properly renewed. Upon payment of the applicable Manufacturing Permit fees and passing the requisite Manufacturing Permit inspections, Manufacturing Permittees that have maintained compliance with all City, State, and other applicable cannabis and business related laws shall be entitled to renew their Manufacturing Permit subject to all prevailing laws at the time of renewal. Manufacturing Permits may be renewed for a period exceeding 12 months based on a history of compliance with all City, State, and other applicable cannabis and business related laws at the discretion of the Community Development Director or his/her designee.
 14. A complete Cultivation Permit renewal application must be submitted to the Community Development Department at least 90 days prior to the Cultivation Permit expiration date.
 15. 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 Medical Cannabis Manufacturing activities or for the activities of any Medical Cannabis Manufacturing facility.
- D. Enforcement.
1. Any cannabis manufacturing within the City in violation of this Section is hereby declared to be unlawful and a public nuisance.
 2. Any party who engages in a violation of this Section, or who owns, possess, controls, or has charge of any parcel of real property in the City upon which a violation of the Section is maintained, shall be subject to the penalties and remedies provided by this Section.
 3. Any violation of this Section shall constitute a separate offense for each and every day the violation occurs or persists.
 4. Any violation of this Section or any other City or State cannabis law by a Manufacturing Permittee or a Manufacturing Permittee's agent is grounds for revoking the Manufacturing Permittee's Manufacturing Permit. In addition, the Community Development Director or his/her designee may revoke a Manufacturing Permit if any of the following occur:

- a. The Community Development Director or his/her designee determines that the Medical Cannabis Manufacturing facility has failed to comply with this Section, any condition of approval, or any agreement or covenant as required pursuant to this Section.
 - b. Ownership of the Medical Cannabis Manufacturing facility is changed or transferred to third party.
 - c. The Medical Cannabis Manufacturing facility fails to maintain 30 concurrent days of security recordings.
 - d. The Medical Cannabis Manufacturing facility fails to provide remote access to the security cameras to the Chief of Police or his/her designee, or fails to allow inspection of the security recordings, the activity logs, or of the premise by authorized City officials.
5. Any decision regarding the revocation of a Manufacturing Permit may be appealed to the Planning Commission consistent with Chapter 17.82 of the Willits City Code..
6. These penalties and remedies are cumulative, and in addition to any other penalties and remedies available to the City.

17.85.090 - Cannabis Dispensaries Prohibited.

All cannabis dispensing within the City is prohibited except as expressly permitted by this Chapter.

17.85.100 - Medical Cannabis Dispensaries Permitted.

A Medical Cannabis Dispensary is permitted in the City only as expressly specified in this Section.

- A. Medical Cannabis Dispensary Standards. A Medical Cannabis Dispensary within the City, shall be in conformance with the following standards:
- 1. A Medical Cannabis Dispensary shall only be allowed upon application and approval of a Dispensary Permit in accordance with the criteria and process set forth in this Section and this Code.
 - 2. A Medical Cannabis Dispensary may include the dispensing of Medical Cannabis and Medical Cannabis products to Qualified Patients but shall not include dispensing of cannabis for recreational purposes.
 - 3. No more than three Medical Cannabis Dispensaries shall be permitted to obtain a Dispensary Permit and operate within the City at any given time. Dispensary selection procedures are provided in Section 17.85.110.

4. A Medical Cannabis Dispensary is a permitted use only on properties within the Limited Industrial (ML), Heavy Industrial (MH), Industrial Park (I-P) and Heavy Commercial (C2) zoning designations.
5. No Medical Cannabis Dispensary shall be established, developed, or operated within 600 feet of a school, or within 200 feet of a public playground or park or licensed child care or licensed day care facility. All distances shall be measured in a straight line, without regard to intervening structures, from the nearest point of the building or structure in which the Medical Cannabis Dispensary is, or will be located, to the nearest property line of those uses describe in this Subsection.
6. Medical Cannabis Dispensary facilities may be located within the same building or structure as another medical cannabis facility only if the Medical Cannabis Dispensary facility is located in separate rooms of the building or structure, and only if the Medical Cannabis Dispensary facility has its own separate entrance into the building or structure.
7. A Medical Cannabis Dispensary is allowed only within Fully Enclosed and Secure Structures that are inaccessible to minors.
8. A Medical Cannabis Dispensary shall not exceed the square footage authorized pursuant to the Dispensary Permit.
9. From any public right-of-way, there shall be no visible exterior evidence of any Medical Cannabis Dispensary activity.
10. A Medical Cannabis Dispensary shall not adversely affect the health or safety of the nearby residents by creating dust, glare, heat, noise, odors, smoke, traffic, vibration, or other impacts, and shall not be hazardous due to use or storage of materials, processes, products, or wastes.
11. All Medical Cannabis Dispensary facilities shall fully comply with all of the applicable restrictions and mandates set forth in State law. All Medical Cannabis Dispensary facilities shall comply with all size requirements for such facilities as imposed by State law. Medical Cannabis Dispensary facilities shall not engage in any activities not allowed by Medical Cannabis Dispensary facilities pursuant to State law. All Medical Cannabis Dispensary facilities shall comply with all labeling and other standards required by State law.
12. All Medical Cannabis Dispensary facilities shall install odor control systems to ensure that odors from the facility are not detectable from the outside of the facility. Failure to control odors from being detectable from outside the facility shall be grounds for revocation of the Dispensary Permit.
13. Public hours of operation of Medical Cannabis Dispensary facilities shall be restricted between the hours of 9:00 a.m. and 9:00 p.m. each day.

14. All medical cannabis shall be kept in a secured manner during all business and non-business hours.
15. All Medical Cannabis Dispensary facilities shall operate within a legal structure that is compliant with all applicable State and local laws.
16. All Medical Cannabis Dispensary facilities must pay all applicable taxes and fees pursuant to all federal, State, and local laws.
17. On-site smoking, ingestion, or consumption of cannabis shall be prohibited on the premises of all Medical Cannabis Dispensary facilities. The term “premises” as used in this section includes the actual Medical Cannabis Dispensary facility building, as well as any accessory structures and parking areas. The Medical Cannabis Dispensary facility building entrance shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming cannabis on the premises or in the vicinity of the facility is prohibited. Applicant shall ensure that patients do not use restroom facilities to use cannabis.
18. A Medical Cannabis Dispensary shall meet all the operating criteria for the dispensing of Medical Cannabis as is required pursuant to Health and Safety Code Section 11362.5.
19. A Medical Cannabis Dispensary shall maintain records of all patients and primary caregivers using only the identification card number issued pursuant to Health and Safety Code Section 11362.71 as a protection of the confidentiality of the cardholders, or a copy of the written recommendation from a physician stating the need for medical cannabis.
20. Signage for all Medical Cannabis Dispensary facilities that is visible from public areas and public right-of-ways shall be limited to name of business only, shall be in compliance with the City’s sign code, and shall contain no advertising of any companies, brands, products, goods, or services. Signage shall not include any cannabis-related symbols.
21. The original copy of the permit issued by the City of Willits pursuant to this Chapter and the business license issued by the City of Willits pursuant to the Willits Municipal Code shall be posted inside the Dispensary in a location readily-visible to the public.
22. No Medical Cannabis Dispensary shall conduct or engage in the commercial sale of any product, good or service except for the provision of medical cannabis on terms and conditions consistent with this chapter and applicable law.
23. The owner and/or operator of a Medical Cannabis Dispensary shall prohibit loitering by persons outside the Dispensary both on the premises and within fifty (50) feet of the premises.
24. The building in which any Medical Cannabis Dispensary is located, as well as the operations as conducted therein, shall fully comply with all applicable rules, regulations, and laws including, but

not limited to, zoning and building codes, the City's business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, and the MCRSA. Compliance with all requirements of State law pertaining to a Medical Cannabis Dispensary is also required.

25. The operators of all Medical Cannabis Dispensary shall provide the Code Enforcement Officer or his/her designee with the name, phone number, facsimile number, and email address of an on-site representative to whom the City and the public can provide notice if there are any operational problems associated with the Medical Cannabis Dispensary facility. All operators of Medical Cannabis Dispensary facilities shall make every good faith effort to encourage residents and the public to call this representative to resolve any operational problems before any calls or complaints are made to the City or law enforcement.
26. All Medical Cannabis Dispensary facilities shall be operated in accordance with the conditions of approval associated with the applicable Dispensary Permit for the parcel of real property upon which the Medical Cannabis Dispensary activities occur.
27. A mobile delivery service may operate within the City limits only as a part of and in conjunction with a Medical Cannabis Dispensary permitted within the City limits and pursuant to State law and this section. Delivery of Medical Cannabis from a Dispensary permitted pursuant to this Chapter can only be made in a city or county that does not prohibit delivery services.
 - a. A list of the names and cellular telephone contact numbers for all employees of a Medical Cannabis Dispensary mobile delivery service shall be provided to the Chief of Police or his/her designee. Such list shall at all times be kept current and up to date. All drivers must be at least 21 years of age at the time of Dispensary Permit application submittal.
 - b. Listing of all vehicles and devices to be used for delivery of cannabis or cannabis product within the City, which includes the vehicle's make, model, year, license plate number and vehicle identification number.
 - c. Delivery services must operate within the same hours as the associated Medical Cannabis Dispensary public hours of operation.
 - d. No person shall deliver Medical Cannabis to any person or location within the City except for Medical Cannabis transfers made to a Qualified Patient.
28. All Medical Cannabis Dispensary facilities shall have a security plan including the following measures:
 - a. Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 30 concurrent days of digitally recorded documentation in a format approved by the Chief of Police or his/her designee. The cameras shall be in use 24 hours per

- day, 7 days per week. The areas to be covered by the security cameras include, but are not limited to, the storage areas, waiting areas, sales areas, all doors and windows, and any other areas as determined by the Chief of Police or his/her designee. Remote log-in information shall be provided to the Chief of Police or his/her designee to allow them to view the security camera images and recordings from their own facilities at any time. Any disruption in security camera images shall be cured expeditiously in good faith.
- b. The Medical Cannabis Dispensary shall be alarmed with an alarm system that is operated and monitored by a licensed security company.
 - c. Entrances into the Medical Cannabis Dispensary shall be locked at all times with entry strictly controlled. A “buzz-in” electronic/mechanical entry system shall be utilized to limit access to and entry to the Dispensary to separate it from the reception/lobby area. Individuals must show their medical cannabis card or doctor's recommendation in order to gain access into the Dispensary sales area.
 - d. The entrances and all window areas shall be illuminated during evening hours. Lighting shall be downcast and shielded or shall be positioned in a manner that will not shine or allow light glare to exceed the boundaries of the parcel on which it is placed.
 - e. All windows on the building that houses the Medical Cannabis Dispensary facility shall be appropriately secured and all cannabis securely stored.
 - f. Security personnel shall be employed to monitor site activity, control loitering and site access.
29. Recordings made by the security cameras shall be made available to the Chief of Police or his/her designee upon verbal request—no search warrant or subpoena shall be needed to view the recorded materials.
30. City, fire department and law enforcement officials shall have the right to enter the Medical Cannabis Dispensary facility at any time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this Section and all laws of the City and the State.
31. All products sold by a Medical Cannabis Dispensary facility must be labeled in compliance with the MCRSA, Business and Profession Code section 19347, and the labeling requirements outlined by the State Department of Public Health.
32. All finished products sold by a Medical Cannabis Dispensary facility must be packaged in child resistant containers prior to leaving the facility or as otherwise required in accordance with the MCRSA, Business and Profession Code section 19347, the State Department of Public Health regulations, and other applicable State laws.

33. All cannabis products sold must be tested by a qualified third party testing facility prior to distribution to the public as required by the MCRSA, Business and Professions Code sections 19326, 19341, and 19342, and the State Department of Public Health regulations.
 34. Until such time as state regulations are implemented under the Track and Trace program required by section 19335 of the California Business and Professions Code, the applicant shall complete and maintain up-to-date records regarding Medical Cannabis transfers throughout the distribution chain from cultivation, to manufacturing, to its dispensing location, including the date and time of the transfer; the name and address of the cultivation and manufacturing facility and the name and address of the supplier if different from the cultivation or manufacturing facility; the amount, form, type, batch and lot number of cannabis transferred; the time of departure from the cultivation or manufacturing facility; the time of arrival at the dispensing location or patient location; the names of the employees transporting or the delivering the product; and the name of the employee or patient who received the product at the dispensing location or from the delivery service.
- B. Dispensary Permit Applications. All applicants wishing to obtain a Dispensary Permit from the City shall file an application with the City upon a form provided by the City and shall pay a Dispensary Permit Application Fee as established by the City. An application for a Dispensary Permit shall include at least the following information:
1. The size of the proposed Medical Cannabis Dispensary.
 2. The address of the location for which the Dispensary Permit is sought. Only one Dispensary Permit will be issued per location.
 3. A site plan and floor plan for the proposed premises denoting the use of all areas on the premises, including storage, dispensary areas, lighting, signage, etcetera.
 4. A operations plan to include a detailed description of the applicant's dispensing, transportation, delivery, inventory and quality control procedures.
 5. A description of how the Medical Cannabis Dispensary will track inventory of cannabis product from seed to sale.
 6. A proposed security plan in compliance with the Medical Cannabis Dispensary Standards.
 7. The names, addresses, and relevant criminal histories of all potential employees, facility managers, and other relevant parties for the Medical Cannabis Dispensary facility. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.

8. The name and address of the owner and lessor of the real property upon which the Medical Cannabis Dispensary activity is proposed to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied with a notarized acknowledgement from the owner of the property that a Medical Cannabis Dispensary facility will be operated on the property.
 9. Authorization for the Chief of Police or his/her designee to seek verification of the information contained within the application.
 10. Evidence that the Medical Cannabis Dispensary facility will be located in a legal structure that is compliant with all applicable State and local laws.
 11. A statement in writing by the applicant that the applicant certifies under penalty of perjury that all the information contained in the application is true and correct.
 12. Any such additional and further information as is deemed necessary by the Community Development Director or his/her designee to administer this Section.
 13. All owners, applicants, potential employees and any person who may be a facility manager or otherwise responsible for the activities of the Indoor Medical Cannabis Cultivation facility (“Applicant’s Agents”), must submit to a California Department of Justice Live Scan criminal history check at their expense.
- C. Dispensary Permit. The following conditions apply to all Dispensary Permits:
1. A Dispensary Permit will not be awarded to an applicant if:
 - a. 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.
 - b. The proposed Medical Cannabis Dispensary facility is not allowed by State or local law.
 - c. The applicant is not a legal representative of the Medical Cannabis Dispensary facility.
 - d. The applicant or the Applicant’s Agents have been convicted of a felony, or a misdemeanor involving moral turpitude, or the illegal use, possession, transportation, distribution, or any such similar activity related to controlled substances, with the exception of cannabis related offenses for which the conviction occurred prior to passage of the Compassionate Use Act. A conviction within the meaning of this Section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.

- e. The applicant or the Applicant's Agents have engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
 - f. The applicant has not satisfied each and every requirement of this Section.
2. Before a Dispensary Permit can be issued to an applicant, Dispensary Permit fees must be paid to offset all related costs to the City, and the proposed Medical Cannabis Dispensary facility location must pass all applicable inspections.
 3. Only one Dispensary Permit may be possessed or used by the same person or entity, including the representatives, agents, parent entities, or subsidiary entities of that person or entity.
 4. All Dispensary Permits are subject to the conditions of approval in the applicable Dispensary Permit for the parcel of real property upon which the Medical Cannabis Dispensary activity occurs.
 5. All Dispensary Permits are subject to any additional conditions that may be applied by the City at the time of issuance or renewal as necessary to properly regulate the activity and protect the public.
 6. All dispensary activities shall be subject to an excise tax to be established by the City and the voters.
 7. Dispensary Permittees may not hold or use any other cannabis activity permits or licenses that would otherwise be a violation of the MCRSA or Business and Professions Code section 19328.
 8. All Dispensary Permittees shall enter into an agreement with the City to fully reimburse the City for all fiscal impacts, costs, expenses, fees, and attorneys' fees incurred by the City related to the Dispensary Permit and the Medical Cannabis Dispensary activity.
 9. All Dispensary Permittees shall:
 - a. Carry liability insurance in the amounts and types prescribed by the City, and name the City as an additional insured on all such insurance policies.
 - b. Execute an Indemnification Agreement prepared by the City that fully indemnifies the City for all liabilities associated with the Dispensary Permit, the Dispensary Permittee's cannabis related activities, and any action taken by the Dispensary Permittee pursuant to this Section.
 - c. Agree to defend the City, at the Dispensary Permittee's sole expense, in any action against the City or its agents, officers, or employees associated with the Dispensary Permit, the Dispensary Permittee's cannabis related activities, or any action taken by the Dispensary Permittee pursuant to this Section.

- d. Agree to reimburse the City for all costs, expenses, fees, and attorney fees incurred by the City related to any action against the City or its agents, officers, or employees associated with the Dispensary Permit, the Dispensary Permittee's cannabis related activities, or any action taken by the Dispensary Permittee pursuant to this Section. The City may, at its sole discretion, participate in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.
10. All Dispensary Permittees shall keep the City and law enforcement updated with the names, addresses, and relevant criminal histories of all employees, facility managers, and other relevant parties for the Medical Cannabis Dispensary facility at all times. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.
 11. All Dispensary Permittees shall account for job creation in the City and shall commit to employing a workforce that resides in the local area. All Dispensary Permittees shall use good faith efforts to comply with this subsection and shall report the residential composition of their workforce to the City every year.
 12. Dispensary Permits issued pursuant to this Section are not transferable to any third parties under any circumstances.
 13. All Dispensary Permits shall expire and be null and void 12 months after issuance to the Dispensary Permittee unless properly renewed. Upon payment of the applicable Dispensary Permit fees and passing the requisite Dispensary Permit inspections, Dispensary Permittees that have maintained compliance with all City, State, and other applicable cannabis and business related laws shall be entitled to renew their Dispensary Permit subject to all prevailing laws at the time of renewal. Dispensary Permits may be renewed for a period exceeding 12 months based on a history of compliance with all City, State, and other applicable cannabis and business related laws at the discretion of the Community Development Director or his/her designee.
 14. 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 Medical Cannabis Dispensary activities or for the activities of any Medical Cannabis Manufacturing facility.
- D. Enforcement.
1. Any cannabis dispensary within the City in violation of this Section is hereby declared to be unlawful and a public nuisance.

2. Any party who engages in a violation of this Section, or who owns, possess, controls, or has charge of any parcel of real property in the City upon which a violation of the Section is maintained, shall be subject to the penalties and remedies provided by this Section.
3. Any violation of this Section shall constitute a separate offense for each and every day the violation occurs or persists.
4. Any violation of this Section or any other City or State cannabis law by a Dispensary Permittee or a Dispensary Permittee's agent is grounds for revoking the Dispensary Permittee's Dispensary Permit. In addition, the Community Development Director or his/her designee may revoke a Dispensary Permit if any of the following occur:
 - a. The Community Development Director or his/her designee determines that the Medical Cannabis Dispensary facility has failed to comply with this Section, any condition of approval, or any agreement or covenant as required pursuant to this Section.
 - b. Ownership of the Medical Cannabis Dispensary facility is changed or transferred to third party.
 - c. The Medical Cannabis Dispensary facility fails to maintain 30 concurrent days of security recordings.
 - d. The Medical Cannabis Dispensary facility fails to provide remote access to the security cameras to the Chief of Police or his/her designee, or fails to allow inspection of the security recordings, the activity logs, or of the premise by authorized City officials.
5. Any decision regarding the revocation of a Dispensary Permit may be appealed to the Planning Commission consistent with Chapter 17.82 of the Willits City Code.
6. These penalties and remedies are cumulative, and in addition to any other penalties and remedies available to the City.

17.85.110 Dispensary Permit Selection Process

A. Dispensary Permits shall be awarded by the City to eligible Dispensary Permit applicants in order of the Merit List as established by the Community Development Director or his/her designee. No more than three Medical Cannabis Dispensaries shall be permitted to obtain a Dispensary Permit and operate within the City at any given time

B. Oversight Committee. The City shall create an Medical Cannabis Dispensary Selection Committee to review Dispensary Permit applications. The Medical Cannabis Dispensary Selection Committee shall be appointed by the City Council and shall consist of five total members including the Code Enforcement Officer, Community Development Director, Chief of Police, and two at-large appointments.

C. The Medical Cannabis Dispensary Selection Committee shall have full authority to review all proposed applications when deciding which entities will receive Dispensary Permits as outlined herein.

D. The Medical Cannabis Dispensary Selection Committee shall rank all qualified applications in order of those that best satisfy the requirements of this Chapter and provide the highest level of service and opportunities for residents of the City based on the requirements of this Chapter and the following criteria (“Merit List”):

1. The operational plan for the facility.
2. The security plan for the facility.
3. The neighborhood compatibility plan for the facility.
4. The business plan for the facility.
5. The experience and knowledge of the operators of the facility.
6. The adequacy of capitalization for the facility and its operations.
7. Final location (proof of ownership or lease agreement)
8. Enhanced product safety

E. Dispensary Permits shall be awarded by the City to eligible Dispensary Permit applicants as ranked by Medical Cannabis Dispensary Selection Committee.

Note: Staff is working to add use groups and standards for cannabis testing labs, cannabis distribution centers, and cannabis transportation services consistent with MCRSA.