

## **Article 2: Health Regulated Businesses and Activities**

### **Division 15: Cannabis Outlets, Cannabis Production Facilities, and Transportation of Cannabis**

*(“Medical Marijuana Consumer Cooperatives” added 4-27-2011 by O-20043 N.S.; effective 5-27-2011.)*

*(Retitled from “Medical Marijuana Consumer Cooperatives” to “Marijuana Outlets” on 2-22-2017 by O-20795 N.S.; effective 4-12-2017.)*

*(“Retitled from “Marijuana Outlets” to “Marijuana Outlets, Marijuana Production Facilities, and Transportation of Marijuana” and amended 10-17-2017 by O-20858 N.S.; effective 11-16-2017.)*

*(Retitled from “Marijuana Outlets, Marijuana Production Facilities, and Transportation of Marijuana” to “Cannabis Outlets, Cannabis Production Facilities, and Transportation of Cannabis” on 1-8-2020 by O-21163 N.S.; effective 2-9-2020.)*

#### **§42.1501 Purpose and Intent**

It is the intent of this Division to promote and protect the public health, safety, and welfare of the citizens of San Diego by allowing but strictly regulating the retail sale of *cannabis* at *cannabis outlets*, and the raising, harvesting, processing, wholesaling, distributing, storing, and producing of *cannabis* and *cannabis* products at *cannabis production facilities* in accordance with state law. It is further the intent of this Division to ensure that *cannabis* is not diverted for illegal purposes, and to limit its use to those persons authorized under state law. Nothing in this Division is intended to authorize the cultivation, sale, distribution, possession of *cannabis*, or other transaction, in violation of state law.

It is not the intent of this Division to supersede or conflict with state law, but to implement the Compassionate Use Act (California Health and Safety Code section 11362.5), the Medical Marijuana Program Act (California Health and Safety Code sections 11362.7-11362.83), the Medicinal and Adult-Use Cannabis Regulation and Safety Act, and the Adult Use of Marijuana Act.

*(Added 4-27-2011 by O-20043 N.S.; effective 5-27-2011.)*

*(Amended 2-22-2017 by O-20795 N.S.; effective 4-12-2017.)*

*(Amended 10-17-2017 by O-20858 N.S.; effective 11-16-2017.)*

*(Amended 1-8-2020 by O-21163 N.S.; effective 2-9-2020.)*

**§42.1502     Definitions**

For the purpose of this Division, the following definitions shall apply and appear in italicized letters:

*Cannabis* has the same meaning as in California Business and Professions Code section 26001.

*Cannabis outlet* means a retail establishment operating with a Conditional Use Permit in accordance with section 141.0504, where *cannabis*, *cannabis* products, and *cannabis* accessories, as defined in California Health and Safety Code sections 11018, 11018.1, and 11018.2, respectively, are sold to the public in accordance with dispensary or retailer licensing requirements contained in the California Business and Professions Code sections governing *cannabis* and medical *cannabis*. A *cannabis outlet* shall not include clinics licensed by the State of California pursuant to Chapters 1, 2, 3.01, 3.2, or 8 of Division 2 of the California Health and Safety Code.

*Cannabis production facility* means individual or combined uses, operating with a Conditional Use Permit in accordance with section 141.1004, engaged in the agricultural raising, harvesting, and processing of *cannabis*; wholesale distribution and storage of *cannabis* and *cannabis* products; and production of goods from *cannabis* and *cannabis* products consistent with the requirements of State of California Statutes and the California Departments of Food and Agriculture, Consumer Affairs, and Public Health regulations.

*Primary caregiver* has the same meaning as in San Diego Municipal Code section 42.1302.

*Qualified patient* has the same meaning as in San Diego Municipal Code section 42.1302.

*Responsible person* has the same meaning as in San Diego Municipal Code section 11.0210, and includes a corporate director or officer, manager or member-manager, partner, trustee, or sole proprietor of an entity or trust operating or owning a *cannabis outlet* or a *cannabis production facility*, and persons responsible for the operation, management, direction, or policy of a *cannabis outlet* or a *cannabis production facility*.

*State identification card* means the card issued to a *qualified patient* or *primary caregiver* in accordance with California Health and Safety Code sections 11362.71-11362.76.

*Violent felony* means the same as it does in California Penal Code section 667.5(c) as may be amended from time to time.

(Added 4-27-2011 by O-20043 N.S.; effective 5-27-2011.)  
(Amended 2-6-2015 by O-20460 N.S.; effective 3-8-2015.)  
(Amended 2-22-2017 by O-20795 N.S.; effective 4-12-2017.)  
(Amended 10-17-2017 by O-20858 N.S.; effective 11-16-2017.)  
(Amended 1-8-2020 by O-21163 N.S.; effective 2-9-2020.)

#### **§42.1504 Cannabis Outlets and Cannabis Production Facilities—Permit Required**

- (a) It is unlawful for any person to operate any *cannabis outlet* without a *Cannabis Outlet Permit* or a *cannabis production facility* without a *Cannabis Production Facility Permit* issued pursuant to this Division.
- (b) *Cannabis outlets* and *cannabis production facilities* shall designate one officer or manager to act as a responsible managing officer. The responsible managing officer may complete and sign the permit application on behalf of the *cannabis outlet* or a *cannabis production facility*.
- (c) The issuance of a *Cannabis Outlet Permit* or *Cannabis Production Facility Permit* pursuant to this Division does not relieve any person from the obligation to obtain any other permit, license, certificate, or other similar approval that may be required by the City, the County of San Diego, or state or federal law.
- (d) A permit applicant must obtain a Conditional Use Permit as required by sections 141.0504 and 141.1004 prior to obtaining a permit under this Division.
- (e) Applications for *Cannabis Outlet Permits* and *Cannabis Production Facility Permits* shall be filed with the City Manager.
- (f) The City Manager shall act upon the application within thirty calendar days, except that notice of an incomplete application shall be given within five business days.
- (g) *Cannabis Outlet Permits* and *Cannabis Production Facility Permits* issued pursuant to this Division shall be valid for one year from the date of issuance.

- (h) An application for a *Cannabis Outlet* Permit or a *Cannabis Production Facility* Permit shall be denied if the applicant has had any permit issued pursuant to this Division revoked by the City Manager within the twelve months preceding the date of application.

(Added 4-27-2011 by O-20043 N.S.; effective 5-27-2011.)

(Amended 2-6-2015 by O-20460 N.S.; effective 3-8-2015.)

(Retitled from “Cooperatives–Permit Required” to “Outlets–Permit Required” and amended 2-22-2017 by O-20795 N.S.; effective 4-12-2017.)

(Retitled from “Outlets–Permit Required” to “Marijuana Outlets and Marijuana Production Facilities–Permit Required” and amended 10-17-2017 by O-20858 N.S.; effective 11-16-2017.)

(Retitled from “Marijuana Outlets and Marijuana Production Facilities–Permit Required” to “Cannabis Outlets and Cannabis Production Facilities–Permit Required” and amended 1-8-2020 by O-21163 N.S.; effective 2-9-2020.)

## **§42.1505 Exemptions**

- (a) This Division does not apply to the cultivation of *cannabis* by a *qualified patient* at that patient’s home, so long as the qualified patient is only growing the *cannabis* for his or her own personal medical needs in a manner consistent with state law.
- (b) This Division does not apply to the cultivation of six or fewer *cannabis* plants within a private residence or an accessory structure to that residence that is fully enclosed and secure. For the purposes of this section, a private residence means a house, apartment unit, mobile home, or other similar dwelling.

(Added 4-27-2011 by O-20043 N.S.; effective 5-27-2011.)

(Amended 2-6-2015 by O-20460 N.S.; effective 3-8-2015.)

(Amended 2-22-2017 by O-20795 N.S.; effective 4-12-2017.)

(Amended 1-8-2020 by O-21163 N.S.; effective 2-9-2020.)

**§42.1506 Cannabis Outlets and Cannabis Production Facilities—Cost Recovery Fees**

Notwithstanding any other provision of this Code, the City may recover its costs in the form of a permit fee for the costs of permitting and regulating *cannabis outlets* and *cannabis production facilities*.

(Added 4-27-2011 by O-20043 N.S.; effective 5-27-2011.)

(Retitled from “Cooperatives—Cost Recovery Fees” to “Outlets—Cost Recovery Fees” and amended 2-22-2017 by O-20795 N.S.; effective 4-12-2017.)

(Retitled from “Outlets—Cost Recovery Fees” to “Marijuana Outlets and Marijuana Production Facilities—Cost Recovery Fees” and amended 10-17-2017 by O-20858 N.S.; effective 11-16-2017.)

(Retitled from “Marijuana Outlets and Marijuana Production Facilities—Cost Recovery Fees” to “Cannabis Outlets and Cannabis Production Facilities—Cost Recovery Fees” and amended 1-8-2020 by O-21163 N.S.; effective 2-9-2020.)

**§42.1507 Cannabis Outlets and Cannabis Production Facilities—Background Checks and Reporting Convictions**

- (a) Prior to acting as a *responsible person* in a *cannabis outlet* or a *cannabis production facility*, all persons shall undergo fingerprinting. The fingerprints shall be provided to and kept on file with the City.
- (b) The City shall conduct a background check of all *responsible persons*. Any person who has been convicted of a *violent felony* or a crime of moral turpitude within the past seven years cannot act as a *responsible person* for a *cannabis outlet* or a *cannabis production facility*.

A conviction is complete upon entry of judgment upon a finding of guilty, or upon entry of a plea of guilty, or upon entry of a plea of nolo contendere or “no contest,” regardless of the pendency of any appeal, or expungement pursuant to California Penal Code sections 1203.4, 1203.4a, or 1203.41.

- (c) It is unlawful for any *responsible person* to act as a *responsible person* for a *cannabis outlet* or a *cannabis production facility* if he or she fails to provide their fingerprints to the City.
- (d) The cost of the fingerprinting and attendant background check shall be borne by the *responsible person*.

- (e) A *responsible person* who is convicted of a *violent felony* or crime of moral turpitude shall report the conviction to the City Manager within 48 hours.

(Added 4-27-2011 by O-20043 N.S.; effective 5-27-2011.)

(Amended 2-6-2015 by O-20460 N.S.; effective 3-8-2015.)

(Retitled from "Cooperatives–Background Checks" to "Outlets– Background Checks" and amended 2-22-2017 by O-20795 N.S.; effective 4-12-2017.)

(Retitled from "Outlets–Background Checks" to "Marijuana Outlets and Marijuana Production Facilities–Background Checks and Reporting Convictions" and amended 10-17-2017 by O-20858 N.S.; effective 11-16-2017.)

(Retitled from "Marijuana Outlets and Marijuana Production Facilities–Background Checks and Reporting Convictions" to "Cannabis Outlets and Cannabis Production Facilities–Background Checks and Reporting Convictions" and amended 1-8-2020 by O-21163 N.S.; effective 2-9-2020.)

## **§42.1508 Cannabis Outlets and Cannabis Production Facilities–Operational Requirements**

- (a) The *responsible person* for a *cannabis outlet* and a *cannabis production facility* shall maintain and provide, upon request by the City, a current list of all *responsible persons*.

### **(b) Age Limitations**

- (1) No person under the age of 21 is allowed at or in any *cannabis outlet* or *cannabis production facility* unless the person is a *qualified patient* or *state identification card holder*, and if under the age of 18, is accompanied by a parent, legal guardian, or a *primary caregiver* who is over the age of 18.

- (2) No person under the age of 21 may be employed by or act as a *responsible person* on behalf of a *cannabis outlet* or a *cannabis production facility*.

(Retitled from "Cooperatives–Verification and Documentation" to "Cooperatives– Operational Requirements" and amended 2-6-2015 by O-20460 N.S.; effective 3-8-2015.)

(Retitled from "Cooperatives–Operational Requirements" to "Outlets–Operational Requirements" and amended 2-22-2017 by O-20795 N.S.; effective 4-12-2017.)

(Retitled from "Outlets–Operational Requirements" to "Marijuana Outlets and Marijuana Production Facilities–Operational Requirements" and amended 10-17-2017 by O-20858 N.S.; effective 11-16-2017.)

*(Retitled from “Marijuana Outlets and Marijuana Production Facilities—Operational Requirements” to “Cannabis Outlets and Cannabis Production Facilities—Operational Requirements” and amended 1-8-2020 by O-21163 N.S.; effective 2-9-2020.)*

**§42.1509 Cannabis Outlets and Cannabis Production Facilities—Regulatory Actions on Permit**

- (a) In addition to any penalties and remedies provided by law, and any other bases for regulatory action provided by law, a *Cannabis Outlet* Permit and a *Cannabis Production Facility* Permit are subject to regulatory actions for the following reasons:
- (1) non-compliance with this Division or any condition of this permit;
  - (2) conviction of any crime which would have been grounds for denial of the permit;
  - (3) failure to take corrective action after timely written notice of a violation;
  - (4) failure to supervise the business, resulting in a pattern of violations of the San Diego Municipal Code or other provisions of law by the *responsible persons* or patrons, or both. A revocation based on the act or omission of a patron may be based on a determination that a *responsible person* caused or condoned the act or omission, or failed to take reasonable corrective action after a timely written notice of violation; or
  - (5) violation of any state or local law or regulation pertaining to the business.
- (b) Regulatory action includes the following:
- (1) Issuance of a verbal warning;
  - (2) Issuance of a written warning;
  - (3) Issuance of a notice of violation;

- (4) Placing conditions upon the permit which are reasonably related to any violation. Unless otherwise stated as part of the condition, all such conditions expire when the permit expires, excluding any time stayed during an appeal;
  - (5) Suspension of the *Cannabis Outlet Permit* or the *Cannabis Production Facility Permit*; or
  - (6) Revocation of the *Cannabis Outlet Permit* or the *Cannabis Production Facility Permit*.
- (c) Written notice of the regulatory actions taken pursuant to section 42.1509(b)(2) through (b)(6) shall be provided to the individual identified as the responsible managing officer pursuant to section 42.1504(b).
  - (d) A request for an appeal hearing of the regulatory actions taken pursuant to section 42.1509(b)(2) through (b)(6) may be made by the responsible managing officer.
  - (e) The request for an appeal hearing must be made in writing to the City Manager within ten calendar days of the receipt of the notice of regulatory action.
  - (f) Upon receiving the request for a hearing, the City Manager shall set hearing not more than thirty calendar days from the date of the receipt of the request, unless a later date is agreed to by the City and the responsible managing officer in writing.
  - (g) The City Manager shall notify the responsible managing officer of the date, time, and place of the hearing by means of registered or certified mail, or hand delivery.
  - (h) The hearing shall be conducted by a hearing officer provided by the City Manager.
  - (i) The hearing officer may affirm, deny, or modify the regulatory action, and shall furnish the reason for the decision to the responsible managing officer in writing within thirty calendar days of the conclusion of the hearing.

- (j) The regulatory action shall be suspended while an appeal is pending, or until the time for filing such an appeal has expired, except for regulatory action taken when the City Manager determines there is a need to take immediate action to protect the public from injury or harm or when the *Cannabis Outlet Permit* or the *Cannabis Production Facility Permit* was based on material misrepresentations in the application and the permit would not have been issued but for the material misrepresentations.

(*Retitled from “Cooperatives–Not-for-Profit” to “Cooperatives–Regulatory Actions on Permit” and amended 2-6-2015 by O-20460 N.S.; effective 3-8-2015.*)

(*“Retitled from “Cooperatives–Regulatory Actions on Permit” to “Outlets–Regulatory Actions on Permit” and amended 2-22-2017 by O-20795 N.S.; effective 4-12-2017.*)

(*“Retitled from “Outlets–Regulatory Actions on Permit” to “Marijuana Outlets and Marijuana Production Facilities–Regulatory Actions on Permit” and amended 10-17-2017 by O-20858 N.S.; effective 11-16-2017.*)

(*Retitled from “Marijuana Outlets and Marijuana Production Facilities–Regulatory Actions on Permit” to Cannabis Outlets and Cannabis Production Facilities–Regulatory Actions on Permit” and amended 1-8-2020 by O-21163 N.S.; effective 2-9-2020.*)

#### **§42.1510 Transportation**

The transportation of *cannabis* and *cannabis* products between facilities licensed by the State of California pursuant to Business and Professions Code, Division 10, is permitted.

(*“Transportation” added 10-17-2017 by O-20858 N.S.; effective 11-16-2017.*)

(Amended 1-8-2020 by O-21163 N.S.; effective 2-9-2020.)