

**ORDINANCE NO. 2235**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HAWTHORNE, CALIFORNIA, ADDING CHAPTER 5.100 (COMMERCIAL CANNABIS BUSINESS) TO TITLE 5 (BUSINESS REGULATION AND LICENSES), DIVISION II (BUSINESSES REGULATED)**

**WHEREAS**, in 2016 California voters passed Proposition 64, The Adult Use of Marijuana Act or AUMA which legalized the adult (21 years and over) use of cannabis; and

**WHEREAS**, in 2017, SB 93 or Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) became law which merged the medicinal licensing with the adult use laws; and

**WHEREAS**, in November 2020, the registered voters of the City of Hawthorne passed Measure CC which approved a 5% tax on gross revenue of cannabis business; and

**WHEREAS**, in October 2021, the City passed Resolution No. 8305 which created the Cannabis Working Committee that endeavored to implement the city’s cannabis program while holding several town-hall meetings and regular open meetings to discuss and inform the community residents regarding the cannabis program; and

**WHEREAS**, based on the series of Cannabis Working Committee meetings and city council meetings, a direction was given to author a comprehensive Commercial Cannabis Business ordinance.

**THE CITY COUNCIL OF THE CITY OF HAWTHORNE, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1.** Chapter 5.100 of the Hawthorne Municipal Code is hereby added to read as follows:

**Chapter 5.100 COMMERCIAL CANNABIS BUSINESS**

**5.100.010 Purpose and Intent.**

**A.** The purpose and intent of this Chapter is to permit and regulate the commercial Cannabis businesses in order to promote the health, safety and general welfare of the residents and businesses within the City. The City is

authorized to regulate this activity pursuant to state law. All commercial cannabis activities must be conducted in compliance with all applicable local and state laws, as they may change from time to time, without exception. Protection of the public shall be the highest priority for the City in exercising its regulatory and disciplinary functions under this chapter. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

B. This chapter is not intended to interfere with the right of an individual 21 years of age or older to possess or cultivate adult-use cannabis, as provided for by Proposition 64 (2016). This chapter is not intended to give any person independent legal authority to grow commercial cannabis; it is intended to impose reasonable regulations on the cultivation, distribution, manufacture, and sale of adult-use cannabis as by and in accordance with California law. Furthermore, it is the purpose and intent of this chapter to require that commercial cannabis (flower or other products) be allowed to be cultivated, distributed, manufactured and sold in appropriately secured, enclosed, and ventilated structures, so as not to be visible to the general public; to provide for the health, safety and welfare of the public; to prevent odor created by cannabis plants from severely impacting adjacent properties; and to ensure that cannabis grown in the City remains secured.

#### **5.100.020 Definitions.**

“California Environmental Quality Act” (CEQA) is the state law (California Public Resources Code Sections 21000 et seq.) requiring public agencies to document and consider the environmental effects of a proposed action, prior to allowing the action to occur.

“California Public Utilities Commission (CPUC)”. is the governmental agency which regulates the terms and conditions of public utilities in the state.

“Cannabis adult-use retail” is the business wherein cannabis, cannabis products, or devices for the use of cannabis, are offered for retail sales or delivery to persons 21 years of age and over and qualifies for an A-license under Division 10 of the Business and Professions Code.

“Cannabis commercial cultivation” is any commercial activity involving planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, except for the personal cultivation allowed for medical patients and adults under state law.

“Cannabis consumption area with on-site adult-use retail”. is a licensed premise where cannabis may be purchased for on-site consumption only by persons 21 years of age and over.

**“Cannabis delivery services” means the commercial transfer of cannabis or cannabis products to a customer, including the use by a retailer of any technology platform owned and controlled by the retailer.**

**“Cannabis distribution” means the procurement, sale, and transport of cannabis and cannabis products between licensees only, not to retail customers or medical patients.**

**“Cannabis manufacturer” is an establishment that conducts production, propagation, blending, infusion, or, compounding of cannabis or cannabis products either directly or indirectly by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis products or labels or relabels its container.**

**“Cannabis medical use dispensary” is an establishment wherein cannabis is sold for medicinal purposes by a medicinal cannabis cooperative, collective, dispensary, operator, or retailer who cultivates, distributes, or sells medicinal cannabis to qualified patients, or primary caregivers of qualified patients, pursuant to Health and Safety Code Section 11362.5 and qualifies for an M-license under Division 10 of the Business and Professions Code.**

**“Cannabis product” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate. This includes but is not limited to, concentrated cannabis, an edible or topical product containing cannabis, or concentrated cannabis with other ingredients.**

**“Cannabis Screening Application (CSA)” is the initial application required for all prospective cannabis businesses proposed within the city.**

**“Cannabis testing laboratory” means a laboratory or facility that offers or performs tests of both adult use and medical cannabis or cannabis products and that is both of the following: (1) accredited by an accrediting body (i.e., International Organization for Standardization (ISO)) that is independent from all other persons involved in commercial cannabis activity in the state; and (2) is licensed by the Bureau of Cannabis Control.**

**“City Official” means any person who is (1) a member of the City Council; (2) appointed by the City Council to serve on a board or commission (3) the City Treasurer; (4) the City Clerk.**

**“Department Head” for this Chapter means a city staff that is the top manager or director, including an interim or temporary of the particular department of the city. If there is no permanent or temporary director for the department, then a staff member in the department selected by the city manager to carry out the duties as prescribed in this Chapter.**

**“FUSUS” is the security surveillance system compatible with the Hawthorne Police Department.**

**“MAUCRSA” means The Medicinal and Adult Use Cannabis Regulation and Safety Act of the State of California (Business and Professions Code Section 26000 et seq.)**

**“Retail Area” is a building, room, or other area that is open to the public, upon the licensed retailer premises authorized to engage in retail sales in which cannabis goods are sold or displayed.**

**“Top applicants” are those applicants selected by the Cannabis Evaluation Panel to proceed to the zoning phase in the selection and licensing process in each cannabis activity area that may be permitted.**

**“Waitlist” is a list of qualified applicants with total scores equal to or above 75% of the total possible points but not selected for the particular type of license due to other higher scoring applicants.**

#### **5.100.030 RESERVED.**

**5.100.040 Minimum Criteria for Issuing a Cannabis Business License. The following criteria are the minimum requirements for issuing a Commercial Cannabis Business License:**

- A. The applicant, owner, and any existing or prospective manager must be at least 21 years of age.**
- B. The applicant, owner, or any existing or prospective manager must not have or had a similar type of license previously revoked or denied for good cause within the immediately preceding 5 years prior to the license application.**
- C. An applicant may not apply for or possess, more than one of the same type of cannabis license within the City. This includes partial ownership of any percentage.**
- D. An applicant, owner, partner, investor, manager, or other individual benefiting from the profits or equity of the business, or any individual or business entity with any financial or economic interest in the business, shall not be a current, former, or prospective City official, employee, consultant, or contractor of the City of Hawthorne. Discovery of non-compliance with this section, will result in immediate disqualification of the application with no refund of application fee.**
- E. The applicant, owners, and proposed manager shall undergo a background investigation by the Hawthorne Police Department. Neither the applicant, nor any proposed or prospective manager, shall have a record of conviction for any of the following offenses:**

1. Any offense relating to possession, manufacture, sales, or distribution of a controlled substance, with the exception of cannabis related offenses.

2. Any offense involving the use of force or violence upon another;

3. Any offense involving theft, fraud, dishonesty, or deceit.

4. For purposes of this subsection, a conviction includes a plea or verdict of guilty or a conviction following a plea of *nolo contendere*.

F. The location for which the license is sought shall comply with the following distances from identified sensitive uses:

1. A licensed cannabis retailer or a cannabis area with on-site adult-use retail must be outside of a 600-foot radius of any public park, private or public K-12 school, and outside of a 150-foot radius of a commercial daycare center, treatment or recovery center, and other licensed cannabis retailers or consumption businesses.

2. A licensed cannabis cultivation, manufacturing, distribution, delivery, or testing business must be outside of a 150-foot radius of any public park, private or public K-12 school, commercial daycare center, treatment or recovery center, and other licensed cannabis retailers or consumption businesses.

3. For purposes of this Section, day care center shall have the same meaning as in Health and Safety Code Section 1596.76; and school shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels kindergarten through 12, notwithstanding city jurisdiction. School does not include: businesses providing online instruction only; tutoring; martial arts; instruction focused solely on fine arts; dance, or music; or counseling services.

**5.100.050 Cannabis License Types and Number of Licenses.** A. There shall be no more than the following number of cannabis business licenses issued at any one time in the following activity categories.

1. **Adult-Use Retail (Storefront): Six Adult-Use Retail Business Licenses (storefront)** comprised of any of the following licensed activities:

a. **Adult-Use Retail.**

b. **Adult-Use Retail with Consumption.**

c. **Adult-Use Retail with Delivery.**

**2. Consumption Area with Retail: Three Consumption Area Business Licenses (smoking, vaping, ingestion), issued with a licensed retail business.**

**3. Delivery Service Based in Hawthorne: Eight Hawthorne-based Delivery Service Business Licenses, including those operating in conjunction with an adult-use retail business (storefront) and standalone delivery services (no storefront retail).**

**4. Delivery Service Based outside of Hawthorne: There shall be no limit on the number of cannabis business licenses issued for cannabis delivery services located outside of the City limits that deliver cannabis to customer within the City of Hawthorne. Such delivery businesses are required to have a valid Cannabis Delivery Business License from the outside jurisdiction and a cannabis delivery license in the City of Hawthorne.**

**5. Cultivation, Manufacturing, Distribution, Testing: There shall be no limit on the number of cultivation, manufacturing, distribution, or testing business licenses, however, the City Manager may set processing limits based on staffing availability.**

**6. Multiple Business: A separate business license is required for each cannabis business activity but multiple cannabis business activities are permitted at one location subject to the zoning restrictions in Chapter 17.090.**

**7. Testing: Testing labs must operate independently from other cannabis activities and applicants who are granted a testing lab license may not obtain any other cannabis licenses, in accordance with state law.**

**5.100.060 Fees.**

**A. Application fees shall be established and amended by resolution of the City Council. B. The amount of any fee, cost or charge imposed pursuant to this chapter shall be deemed a debt to the City of Hawthorne that is recoverable via an authorized administrative process as set forth in this Code, or in any court of competent jurisdiction.**

**5.100.070 Application contents.**

**Cannabis screening applications shall include the following components:**

- A. Cover letter;**
- B. Applicant and owners' information form;**
- C. Release Form. An executed release of liability and hold harmless in the form set forth in the city's application;**

**D. Authorization for the City to verify the information and representations contained in the application;**

**E. Acknowledgement of the “No Contact” regulation;**

**G. Proof of payment of fees. Only a City of Hawthorne cashier’s receipt will be accepted as proof of payment;**

**F. Narrative. All applications for a license to conduct a cannabis business shall contain a narrative section related to the applicant’s business plan, relevant experience, security, and the physical design concept for customer-facing facilities.5.100.080 Application Submittal, Screening and Scoring Process.**

**A. There shall be an initial 30-day application period to be determined by the City Manager. Subsequent application periods shall commence upon certification by the Cannabis Evaluation Panel that additional Cannabis Licenses are available and shall close approximately 30 days after such certification.**

**B. A Cannabis Evaluation Panel shall be composed of 7 city staff, including 2 sworn police officers of the Hawthorne Police Department, an Assistant City Attorney and 4 Department Heads from Finance, Licensing, Planning and Public Works. All panelists must have no business interests in the City of Hawthorne or cannabis businesses anywhere. The panel shall review and score each application based on the general criteria listed below. The specific criteria and scoring for each license type will be determined prior to the commencement of the initial application period and posted publicly. Each complete application will be scored and ranked by the Cannabis Evaluation Panel as a body.**

**C. Prior to scoring applications, City staff shall review applications for general compliance with this Municipal Code or any other applicable laws and shall reject any application which does not meet such requirements. Rejected applications shall not be scored. The City shall also disqualify any application that contains false or misleading information. Applicants of rejected or disqualified applications will be notified of such. Paid application fees will not be refunded for rejected or disqualified applications. All eligible applicants will be posted publicly on the City’s cannabis webpage within 60 days of the initial application submission deadline.**

**D. The following general criteria shall be used to score the narrative portion of the applications:**

**1. Business model. This section of the application must include the applicant’s understanding and description of the market they plan to serve, and how the applicant plans to integrate the business into the Hawthorne business marketplace. Also, a detailed description of the marketing planned for the business, including media, target audiences, and approximate annual budget devoted to marketing.**

**2. Design concept of storefront facilities.** This section is for describing the design plans for any customer-facing facilities. If there is a design concept or theme intended, it should be described in this section. At a minimum, the exterior and interior design intentions, fixtures and display methods, construction materials, and branding and signs are all to be addressed.

**3. Operations.** The operations section deals primarily with the implementation of industry best practices for the type of licenses requested, including, but not limited to, cannabis, related products, and hazardous materials (if applicable) storage and handling procedures, employee and customers relations, adherence to and documentation of various key operational procedures and regulations, records retention, environmental impact policy or plan, odor control measures, property maintenance, and the financial plans for starting up and continued operations.

**4. Owner and management experience and diversity.** This section is for the applicants to describe the experience and knowledge of the owners and management. Cannabis industry knowledge, transferable experience such as with alcohol, and the involvement of each individual involved in the startup and operations phases of the business. This is also where diversity of the team is to be presented.

**5. Security plan.** A comprehensive security plan is required with each application. The plan must address, at a minimum, cash management and movement, employee safety and screening procedures, product delivery protocols, security guards, surveillance equipment, surveillance data retention, lighting, electronic security systems, and cannabis product access protocols.

**6. Community engagement.** This section is for the applicant to address their plan for community engagement. This includes their knowledge and understanding of the community, plan to engage community organizations, plan to support appropriate community- and City-sponsored programs, and plan for local business partnerships.

**E. Eligible applications will be scored by the Cannabis Evaluation Panel.** The Cannabis Evaluation Panel shall score using the criteria publicly posted and included in the initial application package. After all applications are scored, the top applications in each license category shall be revealed by the Panel and posted publicly on the City's cannabis webpage. **F. Top Applicants:**

**1. The top applicants in each license category (including applicants applying for vacated licenses and applicants moved up from the waitlist pursuant to subsection G(1)), after being notified that their application is selected, are required to secure a viable business location and a conditional use permit from the Planning Department.**



**2. In the event of a tie in determining top applicants in any cannabis licensing category, the applicants with the higher scores in the Business Model category (D)(1) of the scoring criteria will be selected to be top candidates. The remaining applicants from the tie, will be placed on the waitlist.**

**a. In the event of an additional tie in the Business Model category, for license types with storefront, the applicant with the higher score in Design Concept (D)(2) of the narrative scoring criteria will be selected to be the top candidate. The remaining applicants from the tie will be placed on the waitlist.**

**b. In the event of an additional tie in the Business Mode category, for license types without storefront, the applicant with the higher score in Operations (D)(3) of the scoring criteria will be selected to be the top candidate. The remaining applicants form the tie will be placed on the waitlist.**

**c. In the event of any additional ties after (a) or (b), the tied applications shall be entered into a random lottery for a selection of a top candidate with the remaining applicants to be placed on the waitlist.**

**3. Each top applicant shall have one year from the date of acceptance notification to obtain a conditional use permit. A conditional use permit can only be accomplished after a physical location is secured. Application fees for conditional use permits are separate from any other cannabis-related fees and must be paid as part of a completed application.**

**4. The City Manager may extend the one year deadline to obtain a conditional use permit by no more than 60 days upon request of the Planning Director, and only for unanticipated delays such as lack of Planning Commission quorum, regular meeting timing, or other reasons not within the control of the applicant.**

**5. If there is no qualified application for a cannabis license type, the Cannabis Evaluation Panel may reopen the application acceptance process for that application type subject to the same procedures described herein for the initial applications. G. Waitlist. Qualified applications with a score equal to or above 75% of the total possible points, but not selected due to other applications scoring higher, will be kept on a waitlist for the particular license type in the order of their total score for 18 months.**

**1. The applicant on the top of the waitlist with the highest score for the particular license category will be selected and given a notice of top candidate status in the following circumstances:**

**a. A selected applicant in that license category is eliminated for failure to obtain a conditional use permit or a physical location within the required timeframe.**

b. A selected applicant in that license category withdraws from the process or is disqualified for any reason.

**5.100.090 Applicant Communications with City During Screening Process.**

A. During the application screening process, the City of Hawthorne strictly prohibits cannabis applicants or their representatives from directly contacting, in any fashion, any member of the Cannabis Evaluation Panel or the City's cannabis consultants or contractors. Applicants may have direct in-person contact with designated staff only during the prescribed application intake dates and times. All other communication must be made via email at: [cannabis@cityofhawthorne.org](mailto:cannabis@cityofhawthorne.org). Any violation will result in the dismissal or disqualification of the applicant's screening application without refund of any paid fees.

B. Notwithstanding part (A), applicants may discuss zoning matters related to site acquisition and development or design standards for a cannabis business with staff of the Planning Department during the application screening department.

C. Cannabis Evaluation Panel members, City staff and consultants are required to immediately report any attempted contact by an applicant (email, phone, in person, by mail, etc.) to the City Manager.

D. City Officials are strictly prohibited from contacting the Cannabis Evaluation Panel members directly or through a third party to discuss or influence the Panel's scoring decisions until all complete applications are screened and the results posted.

**5.100.100 Post Screening Process.**

A. If a conditional use permit is required pursuant to Chapter 17.90, The top applicants from the screening process should make an application for conditional use permit to the Planning Department within 6 months of screening application approval to ensure time for the approval before the deadline pursuant to section 5.100.080(F)(3).

B. Planning department review and approval of the facade consistent with the application shall be obtained before a business license will be issued. A conditional use permit approval also serves to meet this requirement.

C. A business license for a cannabis application may be obtained after approval of a conditional use permit where required.

D. Applicants that have approved licenses issued by the City shall obtain a license from the state, as well as any other required permits from the City or county Building, public works, fire, and health departments may require permits depending on the extent of construction or planned operations.

#### **5.100.110 Cannabis Business Requirements, Generally.**

All cannabis business licensees in the City shall operate in conformance with the following operating requirements:

##### **A. Insurance**

1. Every cannabis business operating in Hawthorne that is required to have a Hawthorne business license shall obtain and maintain in full force and effect a worker's compensation insurance policy as required by law.

2. Prior to the issuance or renewal of a business license under this chapter, the licensee shall provide proof of worker's compensation insurance.

3. If the insurance policies issued to the licensee pursuant to this chapter are canceled for any reason, the business license issued under this chapter is automatically suspended. To reinstate the license, the licensee shall file a new certificate of insurance to the Business License Division.

##### **B. Security**

1. Adult-Use cannabis businesses shall provide adequate security and on-site lighting to ensure the safety of persons and to protect the premises from theft, in conformance with the security plan submitted with the screening application.

2. All security guards employed shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card." Security guards shall possess firearms and Tasers.

3. Business must purchase, install, and enroll in the Hawthorne Police Department's FUSUS video surveillance system (requires one-time purchase of compatible equipment).

##### **C. Compliance with regulations**

1. Hawthorne Code Enforcement Officers, Hawthorne Police Officers, Los Angeles County Fire Department staff, and other agents or employees of the City requesting admission for the purpose of determining compliance with these standards or conditional use permits shall be given unrestricted access.

2 Cannabis business operators must be available to meet with representatives of the Hawthorne Police Department, Los Angeles County Fire Department, the City Manager, the City Attorney, Building and Safety Department, Planning Department and the Code Enforcement Division to review public safety issues that arise from the operations.

**3. Inspection and Enforcement.** The City Manager and the City Attorney or their designee(s) are charged with enforcing the provisions of the Hawthorne City Municipal Code, or any provision thereof, may enter the location of a cannabis business at any time during the hours of operation without notice, and inspect the location as well as any recordings and records required to be maintained pursuant to this chapter or under applicable provisions of State law.

**4.** It is unlawful for any person having responsibility over the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis business under this chapter or under state or local law.

**5.** The person or members of a business entity to whom a Business License for cannabis activity is issued pursuant to this Chapter shall be responsible for all violations of the laws of the State of California or of the regulations and ordinances of the City of Hawthorne, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises whether or not said violations occur within the permit holder's presence.

#### **5.100.120 Cannabis Retail Requirements.**

All adult-use cannabis retailers in the City shall be established and operate in conformance with the following requirements:

##### **A. Security**

**1.** At least one security guard shall be present during hours of operation and until all staff have left the premises after hours.

**2.** Cannabis retail businesses shall provide the Hawthorne Police Department with the name and phone number of on-site managers to notify if there are operational problems with the establishment.

##### **B. Operations**

**1.** Cannabis retailers shall notify patrons of the following through posting of a sign in conspicuous location readily visible and near the customer entrance: "Entry into the premises by persons under the age of 21 is prohibited."

**2.** Hours of operation shall be limited to: Monday through Sunday, 6:00 am to 2:00 am, or as further limited by state law.

3. All cannabis sales must be between the hours of 6:00 am and 10:00 pm, as mandated by state law.

4. There shall be no sales of alcohol or tobacco products.

5. Cannabis shall only be provided to an individual in an amount consistent with personal possession and use limits allowed by the state. Cannabis products may not be sold to customers who are inebriated by alcohol, drugs, or cannabis.

6. Patrons must leave the site after purchase and not consume cannabis until at home or at an equivalent private location. If the business has a valid cannabis consumption license issued by the City, customers may consume the cannabis in the designated consumption area. Employees shall monitor the site to ensure compliance.

7. Cannabis offered for sale shall be acquired from an off-site location cultivated in accordance with applicable state law and zoning regulations in the jurisdiction in which it is cultivated.

8. Cannabis retailers shall comply with the provisions of state law.

9. A responsible person must be on the premises to act as manager and supervise employees during business hours.

10. Delivery of cannabis from adult-use retailers to customers in Hawthorne and surrounding areas is permitted, in accordance with delivery operating requirements of this chapter.

11. Sales of cannabis to a minor or use of a minor to distribute cannabis are grounds for permit and license revocation and subject to criminal prosecution.

C. Employee training and customer education.

1. The business shall train the employees about the various products for sale, including potency of the products, absorption time, and how to use the products responsibly.

2. Employees must be trained to recognize the signs of inebriation from alcohol, drugs, or cannabis.

#### **5.100.130 Cannabis Consumption Area With On-Site Adult-Use Retail Requirements.**

Cannabis consumption areas shall be established and operate in conformance with the following operating requirements:

**A. Configuration and Equipment**

**1. Cannabis consumption areas shall be limited to one of the following cannabis consumption methods, which is to be indicated on the business license:**

- a. Consumption of cannabis by smoking, vaping, or ingestion; or**
- b. Consumption by ingestion only.**

**2. Cannabis consumption areas shall not be visible to the public or by any persons under 21 years of age**

**3. The space devoted to cannabis consumption shall not exceed 50% of the total floor area of interior, but in no case more than 1,500 square feet.**

**4. An odor absorbing ventilation and exhaust system must be installed if smoking or vaping is permitted. The system must be adequate to prevent odor generated inside the consumption area from being detected outside the property or leased area boundaries.**

**5. Cannabis consumption areas that share premises shall ensure that the ventilations system also prevents smoke from entering any other area of the establishment.**

**6. Cannabis consumption areas that allow smoking and vaping shall comply with applicable sections of Title 8, Chapter 8.48 of this Code (Ordinance 2227, adopted December 14, 2021).**

**7. The structure housing the consumption area shall be adequately soundproofed so that interior noise is not audible beyond the property line.**

**8. Consumption areas must provide restroom facilities for customers.**

**9. The management of the consumption area shall provide sufficient trash receptacles and recycle bins to service the needs of the customers. Additionally, sidewalks and parking areas adjacent to the business must have litter removed daily.**

**B. Security**

**Cannabis consumption with on-site adult-use retail shall provide an additional security guard to control access to the consumption area, to assist in monitoring entering and departing patrons for signs of intoxication, and to ensure the peace in the vicinity of the premises for at least one hour after the last consumption area patron leaves for the day.**

**C. Operations**

1. Hours of operation shall be limited to: Monday through Sunday, 6:00am to 2:00am, or as further limited by the City through ordinance, as a condition of approval from the planning commission, or by state law.

2. No one under 21 years of age is allowed in the consumption area. A sign must be posted in conspicuous location readily visible and near the entrance to the consumption area that reads: "Entry into this area by persons under the age of 21 is prohibited." If a space is shared with retail, one sign posted at each customer entrance is sufficient.

3. There shall be no consumption of alcohol or tobacco products by patrons or employees on the premises.

4. The sale or service of food and beverages (non-alcohol) is allowed on the premises if in compliance with the required permits and licenses mandated by the laws of the state, county and city.

5. Cannabis consumption areas shall have a responsible person on the premises to act as manager and supervise employees during business hours. No employee of a cannabis business facility shall be permitted to consume cannabis at the facility.

6. An announcement at the closing of the consumption area each day must be made requesting patrons to respect the residents of the adjacent neighborhoods by being quiet when leaving.

7. Signs shall be posted in the parking area requesting patrons to respect residents of the adjacent neighborhood by being quiet.

**5.100.140 Cannabis Delivery Services Requirements.**

A. Cannabis delivery services require a Hawthorne cannabis delivery service business license. This applies to businesses with delivery as the primary service, as well as to cannabis retailers that offer delivery services.

B. In addition to a worker's compensation insurance policy required of all cannabis businesses, every cannabis delivery business that is required to have a Hawthorne business license shall demonstrate proof of commercial automobile insurance coverage.

C. Only delivery to persons 21 years of age or over are permitted. All drivers and anyone accompanying the driver must also be 21 years of age or over.

D. No signs on the exterior of the vehicle that identify the vehicle as a cannabis delivery vehicle shall be allowed.

**E. The amount of cannabis allowed in each delivery vehicle shall be in compliance with state law.**

**F. All cannabis delivery service customers are required to be pre-registered with the delivery service prior to receiving deliveries of cannabis, in compliance with state law.**

**5.100.150 Cultivation and Manufacturing Requirements.**

**A. If manufacturing or cultivation is planned, a Hazard Analysis Plan or equivalent document must be submitted to and approved by the Los Angeles County Fire Department prior to issuance of cannabis business license.**

**B. Outdoor cultivation is prohibited within the City.**

**C. Indoor Cultivation is permitted only on properties within the applicable zone, and with a Business License for commercial cannabis cultivation. Indoor cultivation may include growing Cannabis plants, harvesting Cannabis plants, and drying Cannabis flowers but shall not include the Manufacturing or of Cannabis Products, unless otherwise authorized by state law.**

**D. Entrances to the Cultivation and storage areas on the premises shall be secured at all times.**

**E. An odor absorbing ventilation and exhaust system must be installed. The system must be adequate to prevent odor generated inside the facility from being detected outside the property or leased area boundaries.**

**F. All manufacturing or cultivation operators must employ at least one member of its personnel dedicated to quality control.**

**G. Manufacturing operators must establish standard operating procedures and batch records that comply with current good manufacturing practices and applicable state law, including MAUCRSA.**

**H. Manufacturing operators may conduct cannabis manufacturing using any type of solvents, including volatile solvents in the manufacturing processes if such manufacturing complies with the requirements of this Chapter and state and local laws, including but not limited to Health and Safety Code Section 11362.775, or any successor law, all applicable fire and building codes in the City and any other laws of the City designed to ensure the safety of such operation.**

**I. Manufacturing operators using volatile solvents for manufacturing cannabis must operate in a manner to reduce the risk of explosion or danger to public health, including through the use of a close-loop or solvent dispersion**



systems consistent with the requirements of Health and Safety Code Section 11362.775 (or any successor law).

J. If hazardous materials, flammable gases, flammable liquefied gas, flammable or combustible liquids, or other flammable material, as those terms are defined in California Fire Code Section 202, are to be used in the processing of commercial cannabis, then the provisions of California Fire Code Section 407 shall be applicable where hazardous materials are subject to permits under the California Fire Code Section 50 (Hazardous Materials) are located on the Premises or where required by the applicable building or fire official.

K. Storage, use, and handling of compressed gases in compressed gas containers, cylinders, tanks, or other systems shall comply with California Fire Code Chapter 53. Partially full compressed gas containers, cylinders, or tanks containing residual gases shall be considered as full for the purposes of the controls required. Compressed gases classified as hazardous materials shall also comply with California Fire Code Chapter 50 for general requirements and California Fire Code Chapter 53 addressing specific hazards, including California Fire Code Chapter 58 (Flammable Gases), California Fire Code Chapter 60 (Highly Toxic and Toxic Materials), California Fire Code Chapter 63 (Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids, and California Fire Code Chapter 64 (Pyrophoric Materials). Prevention, control, and mitigation of dangerous conditions related to storage, use, dispensing, mixing, and handling of flammable and combustible liquids shall be in accordance with California Fire Code Chapters 50 and 57.

L. All cannabis and cannabis products must be packaged and labeled in compliance with state law.

#### **5.100.160 Annual Renewal.**

All Business Licenses for cannabis businesses shall be renewed annually on a form provided by the Licensing Division. All fees and debts to the City must be paid prior to license renewal. All cannabis businesses must consent to an annual compliance inspection and remedy any identified deficiencies, as prescribed in the inspection report, prior to the issuance of license renewal.

#### **5.100.170 Public Nuisance Prohibited.**

A. It is hereby declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any parcel within the city to create a public nuisance in the course of cultivating, manufacturing, distributing or selling cannabis or cannabis products without a cannabis business license.

B. A public nuisance may be deemed to exist if such activity produces:

1. **Odors or excessive noise that are disturbing to people of reasonable sensitivity residing or present on adjacent or nearby property or areas open to the public.**
2. **Repeated responses to the business by law enforcement personnel.**
3. **A repeated disruption to the free passage of persons or vehicles in the neighborhood.**
4. **Any other impacts on the neighborhood that are disruptive of normal activity in the area including, but not limited to, grow lighting visible outside the business and excessive vehicular traffic or parking occurring at or near the business.**
5. **Unabated violations of this chapter.**

**5.100.180 Penalties Not Exclusive—Violation Constitutes a Crime.**

**A. The remedies and penalties provided herein are cumulative, alternative and nonexclusive. The use of one does not prevent the use of any other criminal, civil, or administrative remedy or penalty authorized by, or set forth in, this Code. None of the penalties or remedies authorized by, or set forth in this Code shall prevent the City from using any other penalty or remedy under state statute which may be available to enforce this chapter or to abate a public nuisance. Violation of this chapter shall constitute a crime punishable as a misdemeanor or infraction in the discretion of the City Attorney.**

**B. Any person in violation of any provision of this chapter shall be punishable by an administrative fine of up to \$1,000 per offense, in addition to any other penalties and remedies available to the City, and otherwise subject to the administrative fine provisions of this Code. Any violation of this chapter shall constitute a separate offense for each and every day the violation occurs or persists.**

**5.100.190 Assignment of License Prohibited.**

**No license provided for in this Chapter shall be transferred or interest therein be assigned, hypothecated, leased, or divested, in accordance with Section 5.14.010 of this Code. The assignment of, or attempt to assign, any cannabis license is unlawful and any such assignment or attempt to assign a license shall render the license null and void.**

**5.100.200 Non-Compliance Prohibited.**

**No person or entity shall dispense, distribute, sell, convey, exchange or give away cannabis in the City except in compliance with the provisions of this chapter and in accordance with state law. Dispensing, distributing, selling,**

conveying, exchanging or giving away cannabis in the City without a business license is a misdemeanor punishable as provided in this Code. Nothing in this chapter shall be interpreted to conflict with state law, including, without limitation, the Compassionate Use Act, the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA) and the MAUCRSA, as may be amended.

#### **5.100.210 State License Required.**

**All cannabis business must obtain a state license from the Department of Cannabis Control (or successor agency) to operate. Operation without a state license will constitute a violation of this chapter and may result in business license or conditional use permit revocation.**

**SECTION 2.** If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

**SECTION 3.** This Ordinance shall take effect and be in force thirty (30) days after its passage.

**SECTION 4. CEQA.** The City Council hereby finds, in the exercise of its independent judgement and analysis, that this Ordinance is exempt from the State CEQA Guidelines, the proposed Ordinance is a project subject to the California Environmental Quality Act (CEQA) and qualifies for an exemption from CEQA pursuant to Section 15061(b)(3) (Common Sense Exemption) of the State CEQA Guidelines (Chapter 3 of Division 6 of Title 14 of the California Code of Regulations). The activity is covered by the Common Sense Exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The amendments to Title 5 of the Hawthorne Municipal Code relate to the selection process and regulation of cannabis businesses. There is no possibility that the change to the municipal code may have a significant effect to the environment, therefore the activity is not subject to CDQA. No special circumstances exist that the proposed change would create a significant adverse effect on the environment. Each proposed development that will be subject to discretionary permits will be assessed individually to ensure CEQA is applied accordingly. A

Notice of Exemption has been completed and will be filed in compliance with CEQA and CEQA Guidelines.

**SECTION 5.** Authorization To Publish Summary Of Ordinance. Pursuant to Government Code Section 36933(c)(1), the City Attorney is authorized to prepare a summary of this ordinance. The City Clerk is also authorized to publish a summary of the text of this ordinance in the Hawthorne Press Tribune at least five days prior to the adoption of this ordinance. Within 15 days after adoption of the ordinance, the City Clerk is directed to publish a summary of this ordinance in the Hawthorne Press Tribune.

**PASSED, APPROVED AND ADOPTED THIS DAY 8<sup>th</sup> OF NOVEMBER, 2022.**

\_\_\_\_\_  
**ALEX VARGAS, Mayor**  
**City of Hawthorne, California**

**ATTEST:**

\_\_\_\_\_  
**PAUL JIMENEZ, City Clerk**  
**City of Hawthorne, California**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**ROBERT M. KIM, City Attorney**  
**City of Hawthorne, California**