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TOWN OF YUCCA VALLEY
TOWN CLERKS OFFICE

Notice of Intent to Circulate Petition

Notice is hereby given by the persons whose names appear hereon of their intention to circulate a petition within the Town of Yucca Valley for the purpose of enacting an ordinance to incorporate California commercial cannabis regulations, exempt from local prohibition, restrict, and limit commercial cannabis activity within the Town of Yucca Valley. A statement of the reasons for the proposed action as contemplated in the petition is as follows:

The People of the Town of Yucca Valley, California, find that the intent of this proposed ordinance is to give meaning and effect to state cannabis laws, provide a limited exemption from enforcement of the Town’s prohibition on commercial cannabis activity, to make exempted commercial cannabis activity a permitted and taxable use in certain zones of the Town, to advance local control, to restrict the location and operation of exempted commercial cannabis activity, and to impose civil and criminal enforcement for violation of these local requirements. Nothing proposed in this petition would allow for cannabis stores or dispensaries of any type to operate anywhere within the Town.

The printed names of the proponents are as follows:

David Zeigler | Sandra Zeigler

Signatures and residence addresses of the proponents are on file with the Town of Yucca Valley Town Clerk.

Initiative Measure to Be Submitted to the Voters

Text of proposed initiative:

AN ACT TO IMPROVE THE TOWN OF YUCCA VALLEY BY IMPLEMENTING STATE COMMERCIAL CANNABIS REGULATIONS

Section 1 — Title

This initiative shall be known and may be cited as *An Act to Improve the Town of Yucca Valley by Implementing State Commercial Cannabis Regulations*.

Section 2 — Findings and Declarations

A. Currently in the Town of Yucca Valley, cannabis businesses are unregulated, untaxed, and operate without any consumer or community protections. The State of California has legalized cannabis for those over the age of 21, and established laws to regulate cannabis cultivation, distribution, sale, and use in order to protect Californians and the environment from potential dangers. It established the Bureau of Cannabis Control within the Department of Consumer Affairs to regulate and license the cannabis industry.

B. Abuse of the medical cannabis system in the Town of Yucca Valley has long been widespread, but recent State of California legislation has established a comprehensive regulatory

scheme for commercial cannabis activity. These regulations will consolidate and streamline regulation and taxation for both nonmedical and medical cannabis across the entire state.

C. Currently, cannabis growth and manufacturing is not being taxed by the Town of Yucca Valley, which means it is missing out on millions of dollars in potential tax revenue every year, in spite of several surrounding local communities having had successfully regulated and taxed commercial cannabis activity, and are now enjoying revenue from the same. This act will not only implement the State of California's commercial cannabis regulatory scheme, but it will also provide the Town of Yucca Valley with the opportunity to pass a measure to tax the cultivation and manufacture of cannabis, which could generate millions of dollars annually. The revenues could provide funds to: invest in public health programs that educate youth to prevent and treat serious substance abuse; train local law enforcement to enforce the new regulations with a focus on shutting down illegal cannabis businesses; invest in the local community to reduce the illicit market and create economic opportunities; provide for environmental cleanup and beautification of local areas damaged by illegal commercial cannabis activity; fight the blight that exists in certain parts of the Town; and generally make the Town a nicer place to live, work, and visit.

D. Currently, cannabis is cultivated and manufactured on the black market in all parts of the Town of Yucca Valley, including in residential neighborhoods and around children. By regulating commercial cannabis activity locally, this act will incapacitate the black market, and move commercial cannabis into a legal structure with strict safeguards against children accessing it. This act prohibits commercial cannabis activity from being conducted near children and all those under the age of 21, and provides the potential for new resources to educate youth against drug abuse and train local law enforcement to enforce the new regulations. It bars commercial cannabis activity from being located within 600 feet of schools, and it keeps it out of residential zones. It incorporates the state's mandatory and strict safety and consumer protection requirements for the cultivation of cannabis and manufacturing of cannabis products. It also mandates that cannabis and cannabis products cannot be advertised or marketed towards children.

E. The Town of Yucca Valley currently has no regulations in place to govern cannabis businesses to ensure that they operate in accordance with existing California laws. This act sets up a comprehensive system governing cannabis businesses at the local level and safeguards local control, allowing the Town of Yucca Valley to regulate commercial cannabis-related activities, to subject cannabis businesses to location requirements, and to tax cannabis businesses by a future vote of Town residents.

F. Currently, illegal cannabis businesses steal or divert local resources and do damage to the local community without any accountability. This act will create strict regulations to ensure that cannabis businesses stay responsible and legal. It will also enable officials to crack down on the bad actors, while providing the opportunity to raise revenue for the Town of Yucca Valley, which, like most cities and towns across the country, could be improved greatly with the aid of an increase in local public funds. If a cannabis business does not demonstrate they are in full compliance with the applicable regulations, the Town will have the means to immediately shut them down.

G. Nothing in this act would allow for cannabis stores or dispensaries of any type to operate anywhere within the Town.

NOW, THEREFORE, The People of the Town of Yucca Valley ordain as follows:

Section 3 — Amendment to the Yucca Valley Municipal Code to add Chapter 9.54

The People of the Town of Yucca Valley do hereby enact and ordain that Chapter 9.54, “Exempted Commercial Cannabis Activity” is added to Yucca Valley Municipal Code to read as follows:

Section 9.54 — EXEMPTED COMMERCIAL CANNABIS ACTIVITY

- 9.54.010 Purpose
- 9.54.020 Definitions
- 9.54.030 Operating Standards
- 9.54.040 Application for Exempted Commercial Cannabis Activity Status
- 9.54.050 Effect of Exempted Commercial Cannabis Activity Status
- 9.54.060 Violation and Enforcement; Public Nuisance Declared

9.54.010 Purpose

The purpose of this ordinance is to give meaning and effect to state commercial cannabis laws, provide a limited exemption from enforcement of the Town’s prohibition on commercial cannabis activity, to make exempted commercial cannabis activity a permitted and taxable use, to advance local control, to restrict the location and operation of exempted commercial cannabis activity, and to impose civil and criminal enforcement for violation of these local requirements.

9.54.020 Definitions

For purposes of this Chapter, all definitions, other than the definitions explicitly set forth herein this Chapter, shall have the same meaning as the definitions set forth in California’s Medicinal and Adult-Use Cannabis Regulation and Safety Act, as set forth in Division 10 of the Business and Professions Code, Section 26000, et seq., as of its initial effective date.

- A. “Act” means California’s Medicinal and Adult-Use Cannabis Regulation and Safety Act, as set forth in Division 10 of the Business and Professions Code, Section 26000, et seq., and/or any later enacted state law or regulation governing commercial cannabis activity.
- B. “Applicant” means an owner applying for exempted commercial cannabis activity status pursuant to this Chapter.
- C. “Application” means application for exempted commercial cannabis activity status.
- D. “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the

mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the Health and Safety Code.

E. “Code” means: Town Code of the Town of Yucca Valley, California; Town of Yucca Valley Municipal Code; Yucca Valley Municipal Code; Town Code; or other words to the same effect.

F. “Commercial cannabis activity” means any cannabis-related activity that requires a state license pursuant to California’s Medicinal and Adult-Use Cannabis Regulation and Safety Act, as set forth in Division 10 of the Business and Professions Code, Section 2600, et seq., and/or any other later enacted state law regulating the same.

G. “Exempted commercial cannabis activity” means commercial cannabis activity conducted by any exemption holder in full compliance with each of the requirements and standards set forth in this Chapter.

H. “Exempted commercial cannabis activity status” means the status conferred to an applicant that has been provided with written notice from the Town Clerk indicating that his/her/its application pursuant to this Chapter has been deemed complete, which causes the exemption holder to be exempted from enforcement for violations of this Code relating to commercial cannabis activity, and is thus eligible to engage in commercial cannabis activity upon an exempted premises, so long as such activity fully complies with each of the requirements and standards set forth in this Chapter.

I. “Exemption holder” means any person who has been provided written notice from the Town Clerk indicating that his/her/its application for exempted commercial cannabis activity status has been deemed complete.

J. “Exempted premises” means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant, where the exempted commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one exemption holder.

K. “License” means a state license issued under California’s Medicinal and Adult-Use Cannabis Regulation and Safety Act, as set forth in Division 10 of the Business and Professions Code, Section 26000, et seq., and includes both A-licenses and M-licenses, as well as testing laboratory licenses.

L. “Naked eye,” also called bare eye or unaided eye, means the practice of engaging in visual perception unaided by a magnifying or light-collecting optical instrument, such as a telescope or binoculars.

M. “Owner” means any of the following: (i) a person with an aggregate ownership interest of twenty percent or more in the person applying for exempted commercial cannabis activity

status, unless the interest is solely a security, lien, or encumbrance; (ii) the chief executive officer of a nonprofit or other entity; (iii) a member of the board of directors of a nonprofit; and (iv) an individual who will be participating in the direction, control, or management of the person applying for exempted commercial cannabis activity status.

N. "Person" includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

O. "Town" means the Town of Yucca Valley, California.

P. "Volatile solvent" means a solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

9.54.030 Operating Standards

Notwithstanding any other provision(s) of this Code, there shall be a limited exemption from enforcement for violations of this Code for exempted commercial cannabis activity conducted in accordance with all of the applicable requirements of the Act, in addition to the following local requirements:

A. All signage upon the exempted premises shall be limited to one wall sign in compliance with this Code, shall not be externally or internally illuminated, and shall not reference or otherwise depict narcotics, narcotic paraphernalia, cannabis, cannabis products, and/or cannabis paraphernalia.

B. Not more than two hundred dollars in cash reserves may be stored overnight at the premises.

C. An applicant shall provide the name and phone number of an on-site staff person to the Town Clerk for notification if there are operational problems at the exempted premises.

D. Manufacturing cannabis products using volatile solvents shall not take place upon any exempted premises located within two hundred and fifty feet of any established residential zoning district. The distance specified in this paragraph shall be the horizontal distance measured in a straight line from any property line of the exempted premises to the closest property line of the nearest lot located within an established residential zoning district.

E. Exempted premises shall only be located in the following zones of the Town: "I," Industrial Zoning District; and "OTIC," Old Town Industrial/Commercial, Old Town Yucca Valley Specific Plan.

F. Prior to commencement of commercial cannabis activity, an exemption holder shall apply for and obtain any and all Town permits, Town licenses, Town certificates, and/or Town approvals that are ordinarily required to be obtained by all persons who conduct lawful business within the Town. The Town shall not use an exemption holder's involvement with exempted

commercial cannabis activity as a basis for denial of any right, privilege, license, and/or approval of any kind whatsoever.

G. Retail cannabis sales of any type, outdoor cannabis cultivation of any type, and cannabis microbusinesses of any type shall remain absolutely prohibited in all zones of the Town. Under no circumstances shall any of the activity referenced in this paragraph qualify as exempted commercial cannabis activity, as described in this Chapter.

H. All cannabis cultivation shall be enclosed in a secure, opaque structure in a manner that prevents cannabis from being identified by the naked eye from any public right-of-way.

I. An exemption holder shall at all times be in good standing with his/her/its Town tax and fee payment obligations, including any later enacted Town taxes and/or fees relating to commercial cannabis activity.

J. No person under the age of 21 shall be permitted entry upon any exempted premises where cannabis is present.

9.54.040 Application for Exempted Commercial Cannabis Activity Status

A. Within thirty (30) calendar days following the date of enactment of this Chapter, the Town Clerk shall cause to be prepared an application form for use by the applicant for exempted commercial cannabis activity status.

B. The application form shall require, at a minimum, the applicant to: (i) pay a reasonable application fee, which is to be determined and set by the Town in accordance with the its ordinary practices related to setting administrative fees, up to the maximum extent allowable under the law; (ii) list the address or assessor's parcel number of the proposed exempted premises; (iii) indicate whether the applicant intends on manufacturing cannabis products using volatile solvents at the exempted premises; and (iv) provide the name, mailing address, and telephone phone number of the applicant.

C. Thirty-one (31) calendar days following the date of enactment of this Chapter, the Town Clerk shall begin accepting applications.

D. The Town Clerk shall ensure that each application is date- and time-stamped, and processed in the order in which it was received.

E. Any application that indicates the applicant intends to manufacture cannabis products using volatile solvents upon proposed exempted premises which are located within two hundred and fifty feet of an established residential zoning district, as described in Subsection D of Section 9.54.030 of this Chapter, shall be deemed incomplete.

F. Any application submitted by an applicant that does not fully comply with the location requirements set forth in this Chapter and/or the Act shall be deemed incomplete.

G. Within ten (10) business days following the application being submitted, the Town Clerk shall determine if the application is complete, and shall either:

1. Notify the applicant in writing that the application is complete; or
2. Notify the applicant in writing that the application is incomplete, and set forth the reason(s) therefore, including all additional information and documentation necessary to render the application complete.

H. The applicant shall have fifteen (15) business days from the date of notice of incomplete application to submit all additional information and documentation identified by the Town Clerk to complete the application.

I. Within ten (10) business days following receipt of an amended application, the Town Clerk shall determine whether the application is complete, and shall either:

1. Notify the applicant in writing that the amended application is complete; or
2. Notify the applicant in writing that the amended application is incomplete, and set forth the reason(s) therefore, including all additional information and documentation necessary to render the amended application complete.

J. The applicant shall have fifteen (15) business days from the date of notice of incomplete amended application to submit all additional information and documentation identified by the Town Clerk to complete the amended application.

K. Within ten (10) business days following receipt of an amended application, the Town Clerk shall determine whether the application is complete, and shall either:

1. Notify the applicant in writing that the amended application is complete; or
2. Notify the applicant in writing that the amended application remains incomplete, setting forth the reasons therefore, and shall be considered rejected and null and void.

L. Nothing shall prevent an applicant that applied for exemption but was rejected from thereafter resubmitting an application together with full payment of the application fee to the Town Clerk, as set forth in this Chapter.

9.54.050 Effect of Exempted Commercial Cannabis Activity Status

An applicant that has been provided with written notice from the Town Clerk indicating that his/her/its application pursuant to this Chapter has been deemed complete shall be conferred exempted commercial cannabis activity status and is thus eligible to operate at the exempted premises, so long as such exempted commercial cannabis activity fully complies with each of the requirements and standards set forth in this Chapter and the Act. For State of California regulatory purposes, exempted commercial cannabis activity status shall be deemed the functional equivalent of local municipal authorization for the exemption holder to conduct

commercial cannabis activity at his/her/its exempted premises. Upon receiving a written request from an exemption holder or representative of a governmental agency requesting confirmation of the exemption holder's exempted commercial cannabis activity status, the Town Clerk shall provide timely written response in a form and manner that comports with the request.

9.54.060 Violation and Enforcement; Public Nuisance Declared

A. A violation of this Chapter or noncompliance with any of the requirements of this Chapter shall be subject to any criminal or civil enforcement remedies available under the law and this Code. In addition, an exemption holder may, at the Town's discretion, have his/her/its exempted commercial cannabis activity status revoked when, following proceedings conducted in accordance with Chapters 9.84 and 9.85 of this Code, the exemption holder is found to have violated this Chapter or the Act. Furthermore, the Town may prosecute a violation of this Chapter by means of civil enforcement through a restraining order, a preliminary or permanent injunction, or by any other means authorized by law or equity. Notwithstanding any other provision of this code, no conduct which is protected from criminal liability pursuant to state law shall be made criminal by this Chapter.

B. Any violation of the provisions of this Chapter is declared to be a public nuisance and may be abated by the Town either pursuant to the Yucca Valley Municipal Code, including but not limited to procedures provided for in Chapter 6.04 (Abatement of Public Nuisances), or any other available remedies at law or equity.

C. Any person violating or causing or permitting the violation of any of the provisions of this Chapter shall be guilty of a misdemeanor.

Section 4 — Amendment to the Yucca Valley Municipal Code Section 9.10.020, Industrial Land Uses, Table 2-18

The People of the Town of Yucca Valley do hereby enact and ordain that the Yucca Valley Municipal Code Section 9.10.020, Industrial Land Uses, Table 2-18 is amended as follows:

A. Adding: Exempted commercial cannabis activity: "SPR," added under "Other Uses."

B. Adding: See Chapter 9.54, "Exempted Commercial Cannabis Activity" of this title, added under "Notes and Other Regulations."

Section 5 — Amendment to Chapter 9.13, Specific Plan Districts of the Yucca Valley Municipal Code to add Section 9.13.052

The People of the Town of Yucca Valley do hereby enact and ordain that Section 9.13.052 is added to Chapter 9.13, Specific Plan Districts as follows:

A. Adding: Section 9.13.052, Additional Permitted Uses: Exempted commercial cannabis activity, as set forth in Chapter 9.54 of this Code, is a permitted use in the Old Town Industrial/Commercial use district located within the Old Town Yucca Valley Specific Plan.

Section 6 — Statewide Regulation

This initiative, and the provisions herein, shall be read to be consistent with any statewide regulation of commercial cannabis activity now operative or that is duly promulgated in the future.

Section 7 — Later Amendments

For a period of twenty-four months following enactment by the voters of the Town of Yucca Valley, this initiative and every part thereof can only be amended by the voters of the Town of Yucca Valley and cannot be amended by the Yucca Valley Town Council. Upon expiration of the twenty-four month period described herein this paragraph, each and every Yucca Valley Municipal Code section affected by this initiative can be amended by the Yucca Valley Town Council, up to the maximum extent allowable under the law.

Section 8 — Special or Regular Election

The voters of the Town of Yucca Valley hereby expressly request that this initiative be set for a special or regular election at the earliest time allowable by law.

Section 9 — Severability

Should any provision of this initiative ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, voidable, or invalid, that determination shall have no effect on any other provision, or the application of this initiative to any other person or circumstance and, to that end, the provisions hereof are severable. By approving this ordinance, the voters intend that each section and subsection be explicitly severable, part-by-part, phrase-by-phrase, and word-by-word, thus that the minimum language held invalid be severed.

Section 10 — Competing Initiative

In the event another initiative—“competing initiative/measure”—appears on the same election ballot for the Town of Yucca Valley and addresses a subject matter that overlaps with the subject matter of this initiative, excluding local taxation and fees related to commercial cannabis activity, the initiatives shall be deemed to be in conflict. If this initiative receives a greater number of affirmative votes than the competing initiative, the provisions of this initiative shall prevail in their entirety, and the competing initiative shall be null and void.

Section 11 — Effective Date

If approved by a majority of the voters voting on this initiative, this initiative shall be considered adopted upon the date that the vote is declared by the Yucca Valley Town Council and shall go into effect ten days following that date.