

**STRIKEOUT ORDINANCE****OLD LANGUAGE: ~~Struck Out~~****NEW LANGUAGE: Double Underline**

ORDINANCE NUMBER O-\_\_\_\_\_ (NEW SERIES)

DATE OF FINAL PASSAGE \_\_\_\_\_

AN ORDINANCE AMENDING CHAPTER 4, ARTICLE 2, DIVISION 15 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 42.1502, 42.1504 AND 42.1507; AMENDING CHAPTER 12, ARTICLE 6, DIVISION 1 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 126.0108, 126.0110, AND 126.0114; AND CHAPTER 14, ARTICLE 1, DIVISION 5 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTION 141.0504 RELATING TO CANNABIS OUTLETS AND CANNABIS PRODUCTION FACILITIES.

**§42.1502 Definitions**

*Officer* means any natural individual serving as an officer of a corporation, a member of a partnership, a member or manager of a limit liability company, or in a similar executive capacity in any other legal entity, who is under a duty to perform on behalf of the corporation, partnership, limited liability company or other legal entity.

*Operator* means any person engaged in Cannabis Business as the owner of such Cannabis Business, whether such ownership is partial or full. Where an *Operator* is a corporation, partnership, limited liability company or other legal entity, the acts and omissions of the Operator shall be deemed to be the acts and omissions of its *Officers*. Independent contractors engaged in Cannabis Business are *Operators* for the purposes of this Article.

**§42.1504 Cannabis Outlets and Cannabis Production Facilities–Permit Required**

(a) through (g) [No change in text.]

(h) An application for a *Cannabis Outlet Permit* or a *Cannabis Production Facility Permit* shall be denied if ~~the applicant, or any operator associated with this permit application, has had any permit issued pursuant to this Division~~ has acted as an operator on any permit issued pursuant to this Division that was revoked by the City Manager within the ~~twelve months~~ five years preceding the date of application.

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

(a) through (d) [No change in text.]

(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.*~~ It is unlawful to act as an operator for any cannabis outlet or cannabis production facility operating within the City at any time if that operator meets any of the following criteria:

(1) Was an operator for a cannabis outlet or cannabis production facility at the time it became delinquent on any taxes that are currently owed to the City.

(2) Was a operator for a cannabis outlet or cannabis production facility at the time it became delinquent on any cost recovery fees that are currently owed to City pursuant to Section 42.1506.

(3) Was a operator for a cannabis outlet or cannabis production facility at the time it incurred a deposit account deficit that is currently owed to the City.

**§126.0108 Utilization of a Development Permit**

(a) through (d) [No change in text.]

(e) After initial utilization per (b) or (c) above, the continued utilization of a Conditional Use Permit for a cannabis outlet or cannabis production facility is contingent upon demonstrating the following to the satisfaction of the City Manager:

(1) Each cannabis business operating at the permitted premises shall have, or be in the process of obtaining, a valid license from the California Department of Cannabis Control (DCC) for the proposed business activities.

(2) Each cannabis business operating at the permitted premises shall have, or be in the process of obtaining, a valid operating permit per Chapter 4, Article 2, Division 15 of the San Diego Municipal Code one, and shall be current on any fees owed pursuant to SDMC 42.1506. Fees delinquent longer than sixty days are immediate cause to cancel a Conditional Use Permit per section (7) below.

- (3) Each cannabis business operating at the permitted premises shall ensure timely payment of all current and future Cannabis Business Tax owed pursuant to Chapter 3, Article 4, Division 1 of the San Diego Municipal Code. Taxes delinquent longer than sixty days are immediate cause to cancel a Conditional Use Permit per section (7) below.
- (4) Each cannabis business operating at the permitted premises shall have a valid, non-delinquent Business Tax Certificate or be in the process of obtaining one.
- (5) Code compliance issues related to non-compliance with permit conditions must be resolved within sixty days.
- (6) Continued compliance with all other applicable federal, state, and local laws. Violation of the provisions of SDMC 141.0504 or SDMC 141.1004 must be resolved within sixty days. Other code compliance issues must be resolved promptly as directed by code enforcement staff.
- (7) In the event a Conditional Use Permit for a *cannabis outlet* and/or *cannabis production facility* does not comply with paragraphs (1) through (6) of this section, the City Manager may make a determination to rescind the Conditional Use Permit through a Process 1 cancellation.

**§126.0110 Cancellation or Rescission of a Development Permit**

(a) through (c) [No change in text.]

- (d) For cannabis development permits, if the City Manager determines a *cannabis outlet* or *cannabis production facility* is no longer in operation or has not been utilized pursuant to section 126.0108(e) and has been abandoned by the Conditional Use Permit holder, the City Manager may cancel the Conditional Use Permit through a Process 1 decision.

**§126.0114 Amendments to a Development Permit**

(a) through (c) [No change in text.]

- (d) An amendment to an existing *development permit* will not affect the original expiration date of the permit, unless a change is specifically requested. In such cases, the application must be *deemed complete* prior to the *development permit* expiration date and the *development permit* will automatically be extended until a decision on the amendment request is

final and all available administrative appeals of the project decision have been exhausted. [This automatic extension does not apply to development permits that have their applications closed pursuant to Section 126.0115.](#)

**§141.0504 Cannabis Outlets**

*Cannabis outlets* that are consistent with the requirements for retailer or dispensary license requirements in the California Business and Professions Code may be permitted with a Conditional Use Permit decided in accordance with Process Three in the zones indicated with a “C” in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones), ~~provided that no~~. [No more than four \*cannabis outlets\* are permitted in each City Council District except that any permitted \*cannabis outlet\* that changes City Council Districts as a result of redistricting is allowed to remain at its originally permitted location in perpetuity, regardless of the number of permitted cannabis outlets in the new district, and subject to continued compliance with this section.](#) *Cannabis outlets* are subject to the following regulations.

(a) through (m) [No change in text.]

(n) [No change in text]

(1) through (3) [No change in text.]

(4) [No change in text.]

(A) [No change in text.]

(B) An amendment application to extend the expiration date of a Conditional Use Permit must be submitted and *deemed complete* prior to the Conditional Use Permit expiration date ~~and~~. [In that case](#), the Conditional Use Permit shall automatically be extended until a decision on the amendment request is final, and all available administrative appeals of the project decision have been exhausted. [This automatic extension does not apply to development permits that have their applications closed pursuant to Section 126.0115.](#)

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