

DRAFT

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING CHAPTER 6.88 OF TITLE 6 OF THE SAN JOSE MUNICIPAL CODE TO UPDATE THE TERM OF REGISTRATION TO BE BASED ON FISCAL YEAR TO ALIGN WITH THE ANNUAL OPERATING FEE; INCREASE THE NUMBER OF ALLOWED DELIVERY LOCATIONS TO CORRESPOND WITH THE NUMBER OF ALLOWED RETAIL STOREFRONT LOCATIONS PER BUSINESS; APPROVE OTHER CHANGES TO UPDATE THE SAN JOSE MUNICIPAL CODE TO BETTER ALIGN WITH STATE REGULATIONS; AND MAKE OTHER TECHNICAL, NON-SUBSTANTIVE, OR FORMATTING CHANGES

WHEREAS, pursuant to the provisions and requirements of the California Environmental Quality Act of 1970, together with related State CEQA Guidelines and Title 21 of the San José Municipal Code (collectively, "CEQA"), the Director of Planning, Building and Code Enforcement has determined that the provisions of this Ordinance do not constitute a project, under File No. PP17-008 (General Procedure and Policy Making resulting in no changes to the physical environment); and

WHEREAS, the City Council of the City of San José is the decision-making body for this Ordinance; and

WHEREAS, this Council has reviewed and considered the "not a project" determination under CEQA prior to taking any approval actions on this Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. Section 6.88.205 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.205 Cannabis activity

Each of the following is considered a “Cannabis Activity”, whether for medical or non-medical use, or both:

- A. Cultivation of cannabis;
- B. Manufacture of cannabis;
- C. Distribution of cannabis;
- D. Retail sales or transfers of cannabis at a retail storefront or dispensary and/or by delivery; or
- E. Testing of cannabis at a testing laboratory.

SECTION 2. Section 6.88.213 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.213 Dispensary

“Dispensary” means the property, Location, or Premises where transfers of ~~medical~~ cannabis to customers occur.

SECTION 3. Section 6.88.287 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.287 Retail storefront

“Retail Storefront” means the property, Location, or Premises where transfers of ~~non-~~
~~medical~~ cannabis to customers occur.

SECTION 4. Section 6.88.300 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.300 Registration required

- A. No Cannabis Business shall operate in the City of San José unless and until it has first filed a registration application in accordance with the provisions of this Chapter, has paid all fees required by this Chapter, and has received a Notice of Completed Registration from the City Manager.
- B. Effective January 1, 2018 or upon issuance of licenses by the State of California, no Cannabis Business shall operate in the City of San José unless and until it has first obtained the appropriate state license or licenses for the Cannabis Activity in which it is engaged.
- C. It shall be unlawful for a Person to maintain, manage, operate, conduct, control or own a Cannabis Business unless the Cannabis Business is maintained and operated in strict compliance with a Notice of Completed Registration issued by the City Manager.
- D. It shall be unlawful for a Person to maintain, manage, operate, conduct, control or own a Cannabis Business unless the Cannabis Business is maintained and operated in strict compliance with state law, including without limitation, possessing any applicable state licenses.
- E. Only a Medical Cannabis Collective or Medical Cannabis Business in possession of a Notice of Completed Registration from the City of San José as of December

18, 2015 and continually registered since that date is eligible to apply for and receive registration to cultivate, dispense, or deliver Medical and Non-medical Cannabis.

- F. Notwithstanding Section 6.88.300 E., up to ten (10) new cannabis businesses may be registered as retail storefronts or dispensaries, retail storefronts or dispensaries with delivery, or delivery only to equity business owners and only to conduct transfers of cannabis to customers (i.e., not eligible to engage in cultivation).
- G. To be eligible to register, a Cannabis Business must be able to provide a cannabis business tax return evidencing payment of any applicable taxes due to the City pursuant to Chapter 4.66 of this Code and have no outstanding compliance orders under Chapter 1.14 of this Code.

SECTION 5. Section 6.88.310 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.310 Number of locations

- A. A Cannabis Business shall have a Notice of Completed Registration from the City for each Cannabis Activity and for each Location, and shall also have any applicable state license for each Cannabis Activity at each Location.
- B. A Cannabis Business shall comply with the provisions of this Chapter and of Title 20 of this Code at each of its Locations.
- C. All registered locations must remain registered to, and controlled by, the registered cannabis business listed on its Registration.

- D. A Cannabis Business's number of locations shall conform to the regulations and limitations set forth in Table 6.88-310.

Table 6.88.310
Number of Cannabis Business Locations

	Per business registered on or before December 18, 2015, and continuously registered since that date	Per business registered after December 18, 2015	Notes
Cultivation	Up to 2	None	
Processing	Up to 2	Up to 2	
Manufacturing	Up to 2	Up to 2	
Distributing	Up to 2	Up to 2	
Retail Storefront or Dispensary	Up to 2	Up to 1	1, 2, 3
Delivery	Up to <u>24</u>	Up to 1	3
Testing	Up to 2	Up to 2	
MAXIMUM LOCATIONS	3	3	4

Notes:

1. Businesses registered on or before December 18, 2015, and continuously registered since that date: No more than a total of thirty-two (32) Retail Storefronts or Dispensaries or Delivery-Only locations in the City.
2. Businesses registered after December 18, 2015: No more than a total of ten (10) Retail Storefronts or Dispensaries or Delivery-Only locations in the City.
3. No Medical Cannabis Transfers or Non-medical Cannabis Transfers from more than two (2) locations, including from any delivery location(s).
4. No cannabis business shall operate at more than three (3) locations in any combination of cannabis activities.

SECTION 6. Section 6.88.330 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.330 Registration process

- A. Registration review. Pursuant to Section 6.88.300, no Collective or Cannabis Business shall operate in the City of San José without a Notice of Completed Registration from the City Manager. A Collective or Cannabis Business desiring to obtain a Notice of Completed Registration shall file a registration application with the City Manager that shall contain such accurate, complete and truthful information as is required pursuant to the application process set forth in the regulations promulgated by the City Manager pursuant to Section 6.88.315.
- B. Consent for inspection of records and Location.
 - 1. Required consent for inspection and copying of records.
 - a. As part of the registration process, the Cannabis Business shall provide written consent for the inspection and copying by the Chief of Police, and any other City official charged with enforcing the provisions of this Code, of any recordings and records required to be maintained under this Chapter without requirement for a search warrant, subpoena or court order.
 - b. The Cannabis Business shall be subject to the inspection and copying set forth in Subsection 6.88.330 B.1 .a. at any time and without notice during the Cannabis Business's hours of operation and at any other time upon reasonable notice.

- c. Nothing in this Chapter requires the disclosure of any Qualified Patient's Private Medical Record.
- 2. Required consent for inspection of Location and Premises.
 - a. As part of the registration process, the Cannabis Business shall provide written consent for the inspection of the Location and the Premises by the Chief of Police, and any other City official charged with enforcing the provisions of this Code, without requirement for a search warrant or court order.
 - b. The Cannabis Business Location and Premises shall each be subject to the inspection set forth in Subsection 6.88.330 B.2.a. at any time and without notice during hours of operation and at any other time upon reasonable notice.
- C. Signatories to registration. The person or persons authorized to sign on behalf of and legally bind the Cannabis Business shall print his or her name and sign the registration application under penalty of perjury certifying that all the information contained therein, and any attachments thereto, is true, complete and correct.
- D. Investigation and determination.
 - 1. Upon receiving a Cannabis Business's registration application, the City Manager shall proceed to investigate the information provided by the Cannabis Business and evaluate the compliance of the Cannabis Business with the requirements of this Chapter.

2. The City Manager shall also investigate the Location and the Premises for the purpose of assuring that each Cannabis Business complies with the requirements of this Chapter, including, but not limited to Part 4, and all public health, safety, welfare and zoning laws set forth in this Code and in state and local laws.
 3. The Chief of Police shall also verify the age of any Owner of the Cannabis Business and on any individual persons who participate in the cultivation, processing, manufacturing, distributing, transporting, transferring, dispensing, delivering, testing, or disposing of cannabis.
- E. Disqualification from registration.
1. Any Cannabis Business may be disqualified from the registration process for any of the following reasons:
 - a. The Cannabis Business or any person applying on behalf of a Cannabis Business knowingly made a false statement of fact or omitted a fact required to be revealed in the registration process, or any amendment or report or other information required to be made thereunder;
 - b. The Cannabis Business Location or Premises is in violation of any building, zoning, health, safety or other provision of this Code; or of any state or local law which substantially affects the public health, welfare or safety;
 - c. The Cannabis Business violates or has violated the terms and conditions of any requirement of this Code or any state law related

to the operation of a Cannabis Business, other than solely because of its existence after the effective date of this Chapter;

- d. The Cannabis Business or any one of its Owners have owned or leased a Location or Premises that has been the subject of an administrative, civil or criminal nuisance abatement action and court judgment or administrative determination finding the Location or Premises to be a nuisance within the past five (5) years;
- e. The Cannabis Business was disqualified from the registration process under this Chapter on one or more of the grounds provided in this Section within five (5) years prior to the date of the current attempt to register;
- f. The Cannabis Business's registration under this Chapter has become null and void within the past five (5) years for any of the reasons set forth in Section 6.88.350;
- g. The Cannabis Business's registration, permit, license or any other authorization issued by the City or by any state or local agency and required to operate a cannabis Collective, cooperative, Retail Storefront, Dispensary, business or other such establishment, has been deemed null and void or has been suspended or revoked or otherwise nullified within the past five (5) years;
- h. The Cannabis Business has conducted itself in a manner that creates or results in a public nuisance, as defined in Section 1.13.050 of this Code or Sections 3479 and 3480 of the California Civil Code, on or within three hundred (300) feet of the Location;

- i. If the Cannabis Business is a corporation, the corporation is not in good standing or authorized to do business in the state;
 - j. The Cannabis Business conducted, conducts or anticipates conducting a Cannabis Business on a Location or Premises and such operation is prohibited under the terms of the lease for the Location or Premises or under the terms of another such document which memorializes the Cannabis Business's right to possess the Location or Premises;
 - k. The Cannabis Business has as an Owner who had a cannabis-related application denied by the State~~;~~;
 - l. The Cannabis Business's operation from the Location or Premises results or will result in an imminent threat to the public's health, safety or welfare;
 - m. The Cannabis Business or any one of its Owners owns or has owned or operated a cannabis business with any unpaid liability due to the City; or
2. If, based on the investigation conducted pursuant to this Section or Section 6.88.360, the City Manager finds that there are grounds for disqualification of a Cannabis Business because an Owner, is found in violation of subsection E.1.k. above, and the Cannabis Business proves conclusively to the City Manager that it has terminated its relationship with that individual so that the individual is prohibited from being involved in the Cannabis Business as an Owner, then in the City Manager's discretion,

the Cannabis Business may be allowed to continue the registration process, or amended registration process, as the case may be, subject to compliance with all other requirements of this Code.

- F. Completed registration. After verification that all required application fees, as set forth in Section 6.88.380, have been timely and fully paid and that all necessary information has been provided and that the Cannabis Business is in compliance with all requirements of this Chapter, the City Manager shall notify the Cannabis Business that the annual operating fee and any applicable hourly inspection and/or investigative fee(s), as set forth in Section 6.88.380, are now due and payable to the City. Within ten (10) business days of receiving the Cannabis Business's payment of the annual operating fee, as set forth in Section 6.88.380, and any applicable hourly inspection or investigative fees, the City Manager shall mail a Notice of Completed Registration, and any subsequent updated registration, to the person authorized to accept service of process on behalf of the Cannabis Business.
- G. Notice of disqualification. If the Cannabis Business has not paid the fees or taxes required by this Code, has not provided all necessary information, is not in compliance with all the requirements of this Code, or has otherwise been disqualified from the registration process, the City Manager shall mail notice to the person authorized to accept service of process on behalf of the cannabis business advising the Cannabis Business that it has been disqualified from the registration process.

SECTION 7. Section 6.88.340 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.340 Term of registration

Registration is valid ~~for one (1) year~~ from the date of issuance, as indicated on the Notice of Completed Registration, through the end of the fiscal year.

SECTION 8. Section 6.88.380 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.380 Fees and charges

- A. The City Manager is hereby authorized to charge and collect from each Cannabis Business all fees associated with the registration of that Cannabis Business. Prior to operating in the City of San José, each Cannabis Business shall timely and fully pay all fees associated with the registration of that Cannabis Business.
- B. All fees associated with the registration of a Cannabis Business shall be as set forth in the schedule of fees and charges established by resolution of the City Council.
 - 1. All fees must be paid within thirty (30) days of invoice date. Payment becomes delinquent thirty (30) days after invoice date unless otherwise noted. Failure to pay the total amount due by the due date can be subject to penalties, interest and fees.
 - 2. A Cannabis Business shall pay the annual operating fee in one annual payment.

- a. The annual operating fee shall be paid on a fiscal year basis beginning July 1, 2017, and will be prorated accordingly.
 - b. The ~~initial~~ annual operating fee shall be paid prior to obtaining a Notice of Completed Registration.
3. No refund of any operating fee collected pursuant to this Chapter shall be made because of the discontinuation, dissolution or other termination of a Cannabis Business.
4. Whenever the amount of any operating fee, penalty or interest has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the City under this Chapter, it may be refunded to the Cannabis Business that paid the operating fee provided that a written claim for refund is filed with the Chief of Police.
5. The Chief of Police shall have the right to examine and audit all the books and business records of the Cannabis Business in order to determine the eligibility of the Cannabis Business to the claimed refund. No claim for refund shall be allowed if the Cannabis Business refuses to allow such examination of its books and business records after request by the Chief of Police to do so.
6. The Chief of Police shall initiate a refund of any operating fee which has been overpaid or erroneously collected whenever the overpayment or erroneous collection is uncovered by a City audit of operating fee receipts. In the event that the operating fee was erroneously paid and the error is attributable to the City, the entire amount of the operating fee erroneously paid shall be refunded to the Cannabis Business. If the error is attributable

to the Cannabis Business, the City shall retain the amount to cover processing expenses from the amount to be refunded, as set forth in the schedule of fees and charges established by resolution of the City Council.

SECTION 6. Section 6.88.440 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.440 Cannabis business operations

- A. Only a Dispensary or Retail Storefront shall be open to the public. Cannabis Business Locations that are not Dispensaries or Retail Storefronts shall not be open to the public. A Dispensary or Retail Storefront shall be open to the public during hours of the day that are in accordance with the regulations promulgated by the City Manager pursuant to Section 6.88.315.
- B. All cannabis cultivated, processed, manufactured, distributed, transported, transferred, obtained, purchased, dispensed, delivered, or tested by the Cannabis Business must be stored and dispensed in strict accordance with state law, this Chapter and other provisions of this Code.
- C. All cannabis dispensed by a Cannabis Business must comply with all other provisions of this Chapter, all regulations promulgated by the City Manager pursuant to Section 6.88.315, and state law.
- D. All contributions (whether in-kind, monetary or property) shall be fully documented, in writing, at the time of their receipt by the Cannabis Business and in accordance with Part 5 of this Chapter.

- E. All sales and transfers of cannabis by a Medical or Non-medical Cannabis Business shall be fully documented, in writing, at the time of the sale or transfer.
- F. Each Cannabis Business shall account for all monetary contributions or payments. Monetary contributions or payments shall be made by cash, personal check, cashier's check, debit card or credit card. All accountings, billings, and contributions (whether in-kind, monetary or property) shall be fully documented, in writing and in accordance with Part 5 of this Chapter and shall be submitted to the Director of Finance on a quarterly basis.
- G. No persons under the age of twenty-one (21) shall be allowed at the Location. When enforcing this subsection, the Chief of Police shall consider circumstances such as site configuration, shared Location with other tenants or other constraints related to the unique circumstances of the incident.
- H. No person age twenty-one (21) or older accompanied by any person under age 21 shall be allowed at the Location, and shall be prohibited from receiving any cannabis transfers for the remainder of the business day.
- I. A Dispensary or Retail Storefront shall verify the age of every person entering the Premises with an Electronic Age Verification Device, excepting verified employees of the Retail Storefront or Dispensary; and City, County and/or State officials on official business. Manually entering identification information (for example, birthdate) is prohibited.
- J. No Medical Cannabis Transfers shall be made by a Cannabis Business to a person under the age of twenty-one (21).

- K. No Medical Cannabis shall be provided, sold, or transferred to any person who is not a Qualified Patient or Primary Caregiver, and who is not age twenty-one (21) or older.
- L. No Non-medical Cannabis shall be provided, sold, or transferred to any person who is not age twenty-one (21) or older.
- M. Prior to transferring Medical or Non-medical Cannabis to any person, an Electronic Age Verification Device shall be used to determine the age of the person attempting to obtain cannabis, without exception. The Electronic Age Verification Device may be mobile or fixed, and must retain a log of all scans that includes the following information: date, time, and age (or birthdate, or both).
- N. The electronic age verification log shall be kept for a minimum of one hundred eighty (180) days.
- O. Notwithstanding any other provision of state law, no Medical Cannabis provided to a Primary Caregiver may be provided by the Primary Caregiver to any person other than the Primary Caregiver's Qualified Patient for whose care the Primary Caregiver is responsible.
- P. No Cannabis Business shall cause or permit the sale, dispensing, or consumption of alcoholic beverages at the Premises and/or Location or in the parking area for the Premises and/or Location.
- Q. Cannabis may not be inhaled, smoked, eaten, ingested, vaped, or otherwise used or consumed at the Premises and/or Location, in the parking areas of the Premises and/or Location, within three hundred (300) feet of the Premises and/or

Location on the public right-of-way, or in those areas restricted under the provisions of California Health and Safety Code Section 11362.79.

- R. No cannabis shall be taken into a restroom at the Premises and/or Location, including temporary restrooms in the parking areas of the Premises and/or Location.
- S. Each Cannabis Business shall operate and maintain an on-site twenty-four (24)-hour landline telephone number at the Premises for receiving complaints and other inquiries regarding the Cannabis Business. A person engaged in the management of the Cannabis Business shall be responsible for receiving, logging, and responding to these complaints and other inquiries on a daily basis. The log shall be maintained in the records of the Cannabis Business and in accordance with Part 5 of this Chapter.
- T. None of the following items shall be allowed on the Premises or at the Location or in the parking area for the Premises or Location:
 - 1. Any controlled substances, other than cannabis as defined herein;
 - 2. Any paraphernalia used for the ingestion of any type of controlled substance, except for cannabis;
 - 3. Alcoholic beverages; or
 - 4. Firearms, except in strict compliance with federal, state and local laws and with Section 6.88.420 J.

- U. A sign shall be posted in a conspicuous location inside the Premises advising, in English, Spanish and Vietnamese, the following: "Both the sale of cannabis and the diversion of cannabis to persons under age twenty-one (21) are violations of state law. The use of cannabis may impair a person's ability to operate a motor vehicle or heavy machinery. Loitering at the Location of a Cannabis Business for an illegal purpose is prohibited by California Penal Code Section 647(h). This Cannabis Business is registered in accordance with the laws of the City of San José."
- V. All water used in any Cannabis Activity shall be legally obtained and shall be applied in accordance with state and local laws.
- W. All electricity used in any Cannabis Activity shall be legally obtained and shall be used in accordance with state and local laws.
- X. The extraction and refinement of chemical compounds from cannabis by way of a Solvent-based method utilizing compressed flammable gases or alcohol in violation of state law is prohibited. No Cannabis Business shall possess, dispense or transport any cannabis manufactured unlawfully. All extraction and refinement equipment used by a Cannabis Business shall be subject to review by, and approval of, the City pursuant to Chapter 17.12 of this Code or Title 24 of this Code.
- Y. Any hazardous materials shall be used and stored in full compliance with Chapter 17.68 of this Code.
- Z. All activities conducted at a Cannabis Business shall at all times fully comport with the provisions of California Health & Safety Code Section 11362.5 et seq., the Compassionate Use Act, the Medical Marijuana Program Act, the Adult Use

of Marijuana Act, the Medicinal and Adult-Use Cannabis Regulation and Safety Act, and any other applicable state laws or regulations, as the same may be amended from time to time; provided, however, that if there is a conflict between the provisions of this Code and the provisions of state law, the most restrictive law allowed to apply shall govern and control.

SECTION 6. Section 6.88.445 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.445 Deliveries of cannabis

- A. Except as provided in Subsections B and C below, Cannabis Businesses are prohibited from delivering cannabis to any person or location within the City.
- B. Cannabis retail storefronts or dispensaries that are registered pursuant to this Chapter may apply for registration to deliver Medical Cannabis, Non-medical Cannabis, or both.
- C. Delivery-only cannabis businesses that are registered pursuant to this Chapter may apply for registration to deliver Medical Cannabis, Non-medical Cannabis, or both.
- D. The City Manager shall promulgate regulations pursuant to Section 6.88.315 to establish an application process and procedures to allow Cannabis Businesses registered pursuant to this Chapter to deliver cannabis within the City. The regulations shall also include security procedures, vehicle requirements, cannabis storage requirements, age verification requirements, and hours of the day during which deliveries may be made. The fees associated with the

registration process for delivery shall be as set forth in the schedule of fees and charges established by resolution of the City Council.

SECTION 9. Section 6.88.500 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.500 Maintenance of Records

- A. Each Cannabis Business shall maintain all records and documents required by Title 4 of the California Code of Regulations Section 15037 and Parts 3 and 4 of this Chapter and all the information and records listed below:
1. The name, address, and telephone number(s) of the Owner, landlord and/or lessee of the Location;
 2. For Medical Cannabis transactions, the following information concerning each patient or Primary Caregiver served by the Medical Cannabis Business:
 - a. Name and a confidential patient or Primary Caregiver number unique to that individual which is used solely for the log identified in Subsection 2.h. below;
 - b. A copy of a valid government issued photo identification card or license;
 - c. A copy of the patient's or Primary Caregiver's Identification Card or the Physician's Recommendation for the patient or Primary Caregiver;

- d. The date the patient or Primary Caregiver started being served by the Medical Cannabis Business;
 - e. The name and telephone number of each Primary Caregiver, along with a copy of every written designation for every Qualified Patient that designated the person as his or her Primary Caregiver;
 - f. The name, business address and telephone number of each Attending Physician who provided a Physician's Recommendation for any patient or Primary Caregiver;
 - g. The records of all Qualified Patients with a valid Identification Card and Primary Caregivers with a valid Identification Card may be maintained using only the Identification Card number issued by the state pursuant to California Health and Safety Code Section 11362.7 et seq., in lieu of the information required by Subsections 6.88.500 A.2.a. through f.; and
 - h. An up-to-date log documenting each and every transfer of Medical Cannabis reflecting the amount provided, the form or product category in which the Medical Cannabis was provided, the date provided, the time provided and the patient or Primary Caregiver number to whom it was provided.
3. Up-to-date information for all savings accounts, checking accounts, investment accounts, credit or debit card processing accounts and trusts associated with the operation of the Cannabis Business;

4. All receipts of the Cannabis Business, including but not limited to all sales, contributions and all expenditures incurred by the Cannabis Business;
 5. An up-to-date log documenting each and every sale or transfer of cannabis reflecting the amount sold or transferred, the form or product category in which the cannabis was sold or transferred, and the date and time sold or transferred;
 6. An up-to-date log documenting the date, time, nature, and response by the Cannabis Business to all complaints received by the Cannabis Business pursuant to Subsection 6.88.440 R. of this Chapter;
 7. A copy of the annual audit reports required pursuant to Section 6.88.600 of this Chapter; and
 8. Proof of completed registration with the City Manager in conformance with this Chapter.
 9. A copy of all licenses or certifications required by any state, county or local law or regulation for any aspect of the business's operations. These include, but are not limited to, the following:
 - a. State cannabis license(s);
 - b. Food safety or handling;
 - c. Pesticide safety or handling; and
 - d. Equipment or machinery operation;
- B. All records required by this Chapter shall be maintained by the Cannabis Business for a period of seven (7)~~five (5)~~ years and shall be made available by

the Cannabis Business to the City Manager, any City official charged with enforcing the provisions of this Code, or any state official charged with enforcing state law regarding Cannabis Businesses, in accordance with Sections 6.88.330 B. and 6.88.700 of this Chapter.

- C. At the request of the City Manager, any City official charged with enforcing the provisions of this Code, or any state official charged with enforcing state law regarding Cannabis Businesses, all records required by this Section shall be made available in standard electronic format which shall be compatible with Microsoft Office programs and which can easily be imported into either Excel, Access, or any other contemporary software program designated by the City Manager.
- D. In addition to all other formats that the Cannabis Business may maintain, all records required by this Section shall be stored by the Cannabis Business at the Location in a printed format in a fire-proof safe or in an unalterable electronic format with a documented system for regular information backup that is satisfactory to the City Manager.

SECTION 6. Section 6.88.800 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.800 Existing cannabis operations

- A. Any existing cannabis Collective, Retail Storefront, Dispensary, operator, establishment, business or provider that does not hold a Notice of Completed Registration from the City of San José at the time of the effective date of this Chapter is not in compliance with the San José Municipal Code and shall immediately cease operations. This Chapter does not create any defense to civil

or criminal enforcement of the provisions of the San José Municipal Code until such time, if any, that all requirements of this Chapter are met.

- B. No cannabis Collective, Retail Storefront, Dispensary, operator, establishment, business or provider is a legally established use under the provisions of this Code whether in existence before or after the effective date of this Chapter.

PASSED FOR PUBLICATION of title this ____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk