



**CITY MANAGER REGULATIONS
FOR
MEDICAL AND NON-MEDICAL CANNABIS**

Issued and Amended by the City Manager

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Leland Wilcox, Chief of Staff
Office of the City Manager

EFFECTIVE: MAY 19, 2020

PART I - GENERAL PROVISIONS

SECTION 1-1. PURPOSE AND AUTHORITY

The San José Municipal Code (“SJMC” or “Code”) sets forth the requirements and procedures for medical and non-medical cannabis businesses (“cannabis businesses”) in the City of San José (“City”) in Chapter 6.88 of Title 6 (Business Licenses and Regulations) and Title 20 (the Zoning Code). These regulations implement the provisions of SJMC Chapter 6.88 and are issued by the City Manager under the authorization granted pursuant to SJMC Section 6.88.315. These regulations are not intended to be exhaustive and can be amended at any time by the City Manager.

These regulations shall be referred to as the “City Manager Regulations for Medical and Non-Medical Cannabis.” Any persons interested in cannabis businesses shall review these regulations carefully. Failure to comply with any of these regulations may impact a person’s ability to raise an affirmative defense to prosecution by the City under its Code for unlawful cultivation, storage, manufacture, processing, dispensing, transferring, or transporting cannabis in the City.

SECTION 1-2. DEFINITIONS AND CONSTRUCTION

The definitions set forth in Chapter 6.88, and herein, shall govern the application and interpretation of these regulations. Any reference to federal, state or local statutes and ordinances includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute, ordinance or regulatory provision.

PART II – REGISTRATION AS A CANNABIS BUSINESS

The City is only accepting applications for existing registered businesses to renew registration, or for new cannabis manufacture, distribution and testing businesses to request registration.

SECTION 2-1. REGISTRATION PROCESS

A. Registration Review.

1. Pursuant to SJMC Section 6.88.300, no cannabis business shall operate in the City of San José without a Notice of Completed Registration (“NOCR”). A cannabis business desiring to obtain a NOCR shall file all required registration applications with the Police Department that shall contain accurate, complete and truthful information. The City Manager has the authority to investigate the truthfulness of the statements set forth in the registration application(s), including, but not limited to, a criminal history investigation by the Chief of Police with the California Department of Justice and any other law enforcement agencies.

2. The registration application(s) shall contain the following:
 - a. Written consent by the person authorized to sign on behalf of and legally bind the cannabis business to provide the City Manager with the information and authorization described in the City Manager Regulations, on the registration application(s) and in SJMC Chapter 6.88 including the inspection and copying of records as specified in SJMC Section 6.88.330.B.;
 - b. A dated statement signed by the person authorized to represent and legally bind the cannabis business, certifying under penalty of perjury that the information provided in the registration application and any attachment thereto is true, complete and correct;
 - c. Proof of payment of any applicable fees, taxes, penalties and interest due to the City pursuant to Chapters 4.66 and 4.76 of the Code; and
 - d. Any other information reasonably required by the City Manager to show that the cannabis business is compliant with the provisions of the Code.
- B. Background Clearance.** Each owner, manager, or individual member or person who will be participating in any cannabis activity such as the cultivation, processing, manufacturing, distributing, testing, transporting or dispensing of cannabis for the cannabis business must provide one set of fingerprints in a form acceptable to the Chief of Police.
- C. Business Sites.**
1. Each Cannabis Business shall disclose the following:
 - a. All sites operated by the cannabis business;
 - b. Plans for San José sites:
 1. Overall site plan;
 2. Floor plan for each site; and
 3. Surveillance camera plan.
 2. Each Cannabis Business shall provide written operations plans for each business site which include, but are not limited to, the following:
 - a. Management Plan
 - b. Security Plan
 - c. Inventory Control Plan
 - d. Quality Control Plan
 - e. Odor Management Plan
 - f. Waste Management Plan
 - g. Hazardous Materials Plan

SECTION 2-2. REGISTRATION AMENDMENT PROCESS

Any time a cannabis business desires to change or add a location or premises for any cannabis activity, or share a location with another registered cannabis business, or engage in cannabis deliveries, it shall adhere to the following procedures, submit all required applications, forms and plans, and pay all required fees. In addition to these procedures, a cannabis business shall complete any required State procedures for changes in operations, locations or premises.

A. Change of location or premises within the City of San José.

1. Any time a cannabis business desires to change an existing location or premises within San José city limits, it shall first obtain a zoning code verification certificate for the new location/premises pursuant to Title 20 of the Code.
2. Prior to beginning operations at the new location or premises, the cannabis business will complete the following:
 - a. Submit all required applications and forms identifying the new location/premises;
 - b. Submit amended operations plans identifying any changes in the cannabis business's operations pertaining to the new location or premises;
 - c. Submit updated site, floor and surveillance plans;
 - d. Submit any other relevant forms or plans related to operations at the new location or premises deemed necessary by the Chief of Police;
 - e. Pass an inspection by the Chief of Police, and any other City official charged with enforcing the provisions of the Code, including building and fire codes; and
 - f. Pay all fees related to the review and inspection of the proposed location or premises.
3. Upon completion of all requirements, the Chief of Police will authorize the issuance of an Amended Notice of Completed Registration.

B. Add a location or premises for any cannabis activity within the City of San José.

1. Any time a cannabis business desires to add a location or premises for any cannabis activity within San José city limits, it shall first obtain a zoning code verification certificate pursuant to Title 20 of the Code.
2. Prior to beginning operations at the new location or premises, the cannabis business will complete the following:
 - a. Submit all required applications and forms identifying the new location/premises;
 - b. Submit amended operations plans identifying any changes in the cannabis business's operations pertaining to the new location or premises;
 - c. Submit updated site, floor and surveillance plans;
 - d. Submit any other relevant forms or plans related to operations at the new location or premises deemed necessary by the Chief of Police;

- e. Pass an inspection by the Chief of Police, and any other City official charged with enforcing the provisions of the Code, including building and fire codes; and
 - f. Pay all fees related to the review and inspection of the proposed location or premises.
3. Upon completion of all requirements, the Chief of Police will authorize the issuance of a Notice of Completed Registration.

C. Change of location or premises for any cannabis activity outside the City of San José.

1. Any time a cannabis business desires to change a location or premises for any cannabis activity outside San José city limits, it shall disclose the location and intended use of the location or premises to the Chief of Police.
2. The cannabis business/owner should ensure the intended cannabis activity does not violate the local law of the jurisdiction within which the location or premises is located.

D. Add a location or premises for any cannabis activity outside of the City of San José.

1. Any time a cannabis business owner desires to add a location or premises for any cannabis activity outside San José city limits, it shall disclose the location and intended use of the location or premises to the Chief of Police.
2. The cannabis business/owner should ensure the intended cannabis activity does not violate the local law of the jurisdiction within which the location or premises is located.

E. Share a location with another registered cannabis business within the City of San José.

1. Any time two registered cannabis businesses desire to share a location or premises for any cannabis activity within San José city limits, they shall first obtain a zoning code verification certificate pursuant to Title 20 of the Code.
2. Prior to beginning operations at the shared location or premises, the cannabis businesses will complete the following:
 - a. Each business will submit their own required applications and forms identifying the shared location/premises;
 - b. Each business will submit their own operations plans identifying the cannabis business's operations pertaining to the location or premises;
 - c. Each business will submit their own site, floor and surveillance plans;
 - d. Each business will submit any other relevant applications, forms or plans related to operations at the new location or premises deemed necessary by the Chief of Police;
 - e. Both businesses will submit one, jointly signed application;

- f. Both businesses must pass an inspection by the Chief of Police, and any other City official charged with enforcing the provisions of the Code, including building and fire codes; and
 - g. Pay all fees related to the review and inspection of the proposed location or premises.
 3. Upon completion of all requirements, the Chief of Police will authorize the issuance of an Amended Notice of Completed Registration.

F. Engage in cannabis deliveries.

1. Prior to engaging in cannabis deliveries, the cannabis business shall complete the following:
 - a. Submit all required applications and forms identifying how the business will meet all delivery requirements;
 - b. Submit any other relevant forms or plans related to delivery operations deemed necessary by the Chief of Police;
 - c. Have each driver for the cannabis business submit a Delivery Driver Supplemental Application, and receive a Delivery Driver badge (in addition to submitting an Employee Application and completing a background investigation, if one is not already on file);
 - d. Have each delivery vehicle pass an inspection conducted by the Chief of Police; and
 - e. Pay all fees related to the review and inspection of the business's delivery plans, drivers, vehicles and operations.
2. Upon completion of all requirements, the Chief of Police will authorize the issuance of an Amended Notice of Completed Registration.

SECTION 2-3. NOTICE OF COMPLETED REGISTRATION

- A. Once the Cannabis Business completes all requirements, the Police Department shall issue a "Notice of Completed Registration" to the Cannabis Business.
- B. The Notice of Completed Registration shall be posted in a conspicuous place at the Business's site(s).
- C. After the Cannabis Business receives a Notice of Completed Registration from the City, and after receiving any corresponding State license(s), the Business may begin operating in the City and shall operate in strict compliance with the Code and City Manager Regulations.

SECTION 2-4. NOTIFICATION OF APPLICATION FOR STATE LICENSE

- A. A Cannabis Business shall notify the Chief of Police in writing within 15 calendar days of any application, or any change in application, made to the State for a State cannabis

license. The notification shall include the type of license the cannabis business is seeking.

- B.** A copy of the completed application and all supporting documentation sent to the State shall be made available upon request.

SECTION 2-5. NOTIFICATION OF DISCIPLINARY ACTION

- A.** A Cannabis Business shall notify the Chief of Police in writing within 48 hours of receiving any notice to comply, citation, suspension or revocation from the State. The notification shall include the following:
 - 1. The name of the State agency initiating the action;
 - 2. A copy of the notice to comply, citation, suspension or revocation order;
 - 3. A written explanation of circumstances which lead to the disciplinary action; and
 - 4. A written explanation of how the cannabis business will respond to the action.
- B.** The cannabis business shall notify the Chief of Police within 48 hours of any subsequent hearing or informal conference, and the final disposition of the disciplinary action.
- C.** Notifications may be made via email to dcr@sanjoseca.gov.

SECTION 2-6. REGISTRATION NONTRANSFERABLE/CHANGE OF OWNERSHIP

- A.** Pursuant to SJMC Section 6.88.840.B, a cannabis business may change ownership or management if the cannabis business submits all required forms and pays any associated fees. Required forms and fees may include, but are not limited to:
 - 1. Submit an Application for Amendment: Transfer of Ownership
 - 2. Submit a new Cannabis Business Registration Application containing all the information related to the new ownership
 - 3. All forms and fees required by the California Secretary of State to document a change of ownership, management or business structure pursuant to corporate law;
 - 4. All forms and fees required to document any new, or change to, a “doing business as” (“dba”) or fictitious business name;
 - 5. Any associated By-Laws changes;
 - 6. Any associated operating plans or documents (if different than those previously submitted to the Chief of Police).
- B.** Prior to a transfer of ownership, all potential new owners shall be fingerprinted and have completed the required criminal history background check by the Chief of Police.
- C.** In addition to any changes of information provided in the cannabis business’s registration forms, copies of any forms filed with the State of California or the County of Santa Clara must be made available to the Chief of Police within fifteen calendar days as specified in SJMC Chapter 6.88.

PART III – DISQUALIFICATION FROM THE REGISTRATION PROCESS

SECTION 3-1. CRIMES OF MORAL TURPITUDE

Pursuant to SJMC Section 6.88.330E, any cannabis business may be disqualified from the registration process if the cannabis business has an Owner, Manager, or person participating in cannabis business activities, who has been convicted of a crime of moral turpitude.

- A.** For purposes of SJMC Chapter 6.88, moral turpitude shall include crimes which evidence a general readiness to do evil or corrupt others. By way of example only and not as an exhaustive list, crimes involving an act of baseness, vileness or depravity in the private and social duties which a person owes to other individuals or to society in general are crimes of moral turpitude. Moral turpitude may also include crimes without excuse and crimes involving dishonesty or immoral acts. The essential question that shall be considered is whether the crime indicates the type of dishonest or immoral character that suggests that the business or individual seeking registration with the City would not live up to the standards of conduct required for registration.
- B.** When evaluating whether a cannabis business should be disqualified from registration due to an Owner, Manager, or person participating in cannabis business activities having been convicted of a crime of moral turpitude, the Chief of Police may consider the following:
 - 1. The nature and severity of the act or offense;
 - 2. The individual's criminal record as a whole;
 - 3. The time that has elapsed since the conviction for the act or offense;
 - 4. If applicable, a certificate of rehabilitation obtained under Penal Code section 4852.01 or another state's similar law; and
 - 5. Any other evidence of rehabilitation submitted by the individual or the business.

SECTION 3-2. CRIMES INVOLVING THEFT

Pursuant to SJMC Section 6.88.330E, any cannabis business may be disqualified from the registration process if the cannabis business has an Owner, Manager, or person participating in cannabis business activities, who has been convicted of a crime involving theft within the last ten (10) years.

SECTION 3-3. FALSE OR MISLEADING STATEMENTS

Pursuant to SJMC Section 6.88.330.E, a cannabis business may be disqualified from the registration or have a Notice of Completed Registration deemed null and void if the Cannabis Business, or any person on behalf of a Cannabis Business, knowingly made a false or misleading statement of fact or omitted a fact required to be revealed pursuant to any state or local law or regulation.

SECTION 3-4. DISQUALIFICATION TERM

Any person who is disqualified for employment for false or misleading statements, or omitting relevant information, may reapply for employment at a cannabis business in San Jose after a 180-day waiting period.

PART IV – OPERATING REGULATIONS AND CONDITIONS

SECTION 4-1. SECURITY

A. Video Surveillance Recording System.

1. Recordings of the monitoring required by SJMC Section 6.88.420 shall be maintained in an unalterable format with a documented system for regular information backup that is satisfactory to the City Manager.
 - a. Video surveillance system shall export video footage to common media and in a standard format viewable by contemporary video software applications.
 - b. Remote video surveillance monitoring and playback must be of adequate quality, rendition and resolution to fully observe activities depicted on the recording, and to allow the identification of any individual committing a crime on or adjacent to the Premises or Location.
 - c. Video surveillance recordings shall not be altered or deleted by any person.
 - d. Physical media or storage device on which video surveillance recordings are stored shall be secured in a manner to protect the recordings and the recording device from tampering or theft.
2. The video surveillance system shall record all cameras continuously twenty-four (24) hours per day.
 - a. Video surveillance shall be recorded at minimum resolution of 1280 x 720 pixels.
 - b. Video surveillance shall be recorded at a minimum of 15 frames per second.
3. The video surveillance system shall at all times effectively and clearly record images of the area under surveillance.
 - a. Video cameras shall not be blocked by any object or material.
 - b. Video surveillance recordings shall clearly and accurately display the time and date. Time is to be set to the Pacific Time Zone and measured in accordance with standards set by the United States National Institute of Standards and Technology.
4. Monitors displaying employee exits and parking lots shall be mounted in a visible location near the door(s) from which employees arrive and depart so that employees may monitor the outside environment prior to departing the facility.

5. Video cameras shall not be repositioned, removed or otherwise rendered inoperative without first notifying the Division of Cannabis Regulation at least 72 hours prior to repositioning, removal or rendering inoperative.
6. Video surveillance systems shall not be intentionally powered down (e.g., performing maintenance) without first notifying the Division of Cannabis Regulation at least 72 hours prior to powering down.
 - a. Notification shall include the date and time of the scheduled shut-down, the expected duration of the shutdown, and what security measures will be taken during the scheduled shutdown to ensure the safety and security of the business and people on the premises.
 - b. Video surveillance shutdowns and maintenance shall not occur during operating hours.
 - c. During video surveillance shutdowns, only badged employees or managers of the business and persons working on the restoration of the video surveillance system may be on the premises.
 - d. During video surveillance shutdowns, an “on-site designated representative” as defined in SJMC Section 6.88.245 shall be onsite during the entire time of the video surveillance shutdown.
7. Selling, receiving, delivering, transferring, manufacturing, distributing, processing, and testing cannabis and cannabis products are prohibited during any video surveillance shutdown.
8. The video surveillance system shall be equipped with, and at all times utilize, a failure notification system that provides notification to the business/licensee, as well as the Chief of Police, of any interruption or failure of the video surveillance system or video surveillance-system storage device.
9. Video surveillance systems may utilize an uninterruptible power supply to continue operations so long as the video surveillance system remains fully functional.
10. In the event of an unexpected interruption, failure, or shutdown (e.g., an unexpected power outage to the premises) of the video surveillance recording system, the business shall do the following:
 - a. Immediately notify the Division of Cannabis Regulation of the following:
 1. The name of the responsible “on-site designated representative” of the business during the interruption and that on-site designated representative shall immediately inspect the video surveillance system for full functionality upon restoration of the system;

2. The nature of the event that caused the unexpected interruption, failure, or shutdown;
 3. The date and time of the interruption, failure, or shutdown;
 4. The expected duration of the interruption, failure, or shutdown if known; and
 5. The date and time of restoration of power and video recording.
- b. Immediately stop conducting all activities listed above in Section 4-1, A.7, and remove all non-badged personnel from the premises, except for persons working on the restoration of the video surveillance system.

B. Fire Alarm System. The centrally monitored fire alarm system required by SJMC Section 6.88.420B shall comply with the Building standards set forth in the Code.

C. Burglar Alarm System.

1. For the purpose of meeting the burglar alarm system required by SJMC Section 6.88.420.B, each premises shall be equipped and maintain a burglar alarm system with:
 - a. A valid UL Certificate in accordance with UL Standard 827 (“Central Station – Burglar”) Extent Number 1 or 2, with line security; or
 - b. A valid UL Certificate in accordance with UL Standard 681 (“Mercantile – Burglar”) Extent Number 2, with line security.
2. Notwithstanding City Manager Regulations Section 4-1.C.1, motion detection is not required in the interior space of a fully enclosed cultivation room if the entire perimeter of the room is protected by the burglar alarm system. To qualify for this exception, alarm protection shall include all doors leading to the interior of, and all sides of, the cultivation space.
3. The burglar alarm system must maintain a valid UL certificate for the life of the system.
4. Burglar alarm activations shall cause the following:
 - a. Notification of any on-site security officer (if applicable);
 - b. Dispatch of a properly licensed private patrol, which shall provide a timely response to the location of the alarm not to exceed 20 minutes; and
 - c. Notification to an On-Site Designated Representative of the business.
 1. An On-Site Designated Representative shall be available to respond to an alarm activation within one hour.
 2. An On-Site Designated Representative shall respond to an alarm activation within one hour if either of the following occur:
 - i. Evidence of criminal activity is discovered by the private patrol; or
 - ii. A properly licensed private patrol does not respond to the alarm for any reason.

5. If evidence of criminal activity is discovered by the private patrol operator or the On-Site Designated Representative, those responding shall:
 - a. Immediately notify the San Jose Police Department Communications - Dispatch Center;
 - b. Maintain a position of safety and observation; and
 - c. Assist law enforcement with all necessary access (including access to the video surveillance recording system) as needed to investigate.
6. The burglar alarm system “secondary power” shall provide at least 24 hours of continued operation time in case of power failure.
7. A log shall be maintained that shows when the alarm system was armed and disarmed, and by whom. This log shall be made available to 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 the San Jose Municipal Code.
8. A holdup alarm system shall be employed near the following locations:
 - a. Lobby/waiting area(s);
 - b. Cannabis secure storage area(s);
 - c. Cash handling/storage area(s);
 - d. Secure loading and transportation area;
 - e. Manager’s office(s);
 - f. Security office.
9. Holdup alarm system activations shall immediately be reported to the San Jose Police Department Communications - Dispatch Center.
10. Holdup alarm wireless personal panic transmitters are optional.

D. Exterior Requirements for the Premises and Location.

1. Broken or damaged exterior lighting shall be repaired or replaced within 48 hours of being noted.
2. All mature landscaping shall meet the following requirements:
 - a. Ground cover shall be no higher than two feet;
 - b. Lower tree canopies of mature trees shall be above six feet; and
 - c. Tree canopies shall not interfere with or block lighting.
3. All solid core exterior doors shall be equipped with a 180-degree viewing device for screening people before admitting, or for screening the area before exiting.

SECTION 4-2. TRANSACTIONS AND TRANSFERS WITH LICENSED PROVIDERS

- A. Compliance.** All cannabis transactions shall fully comply with the SJMC, the City Manager Regulations for Medical and Non-Medical Cannabis, and State law.
- B. Valid Registration.** All cannabis businesses must hold both a valid registration from the City of San José and a license issued by the State of California to operate.
- C. State License(s).** All cannabis business sites (including combined or shared sites) must have the required State license(s) for each cannabis business and each activity occurring at the site.

SECTION 4-3. OPERATIONS

- A. Hours of Operation.** No dispensing location for the cannabis business shall be open to the public between the hours of 9:00 p.m. and 9:00 a.m. on any given day.
- B. Secured Doors.** All areas of the business not open to the public shall be secured from unauthorized entry by closed and locked doors during public operating hours.
- C. Requirements for Visitors and Customers.** All persons who are not owners, employees or managers of the cannabis business, excluding City of San José or State of California employees on official business, entering an area of the cannabis business that is not open to the public shall:
 - 1. Be entered into a visitor's log with the date, time, whom the person represents (if applicable), and the purpose of the visit;
 - 2. Display a "visitor" badge issued by the cannabis business at all times during the visit; and
 - 3. All "visitors" that access areas that contain cannabis, must always be accompanied by a badged cannabis business employee.
- D. Accessibility to cannabis.**
 - 1. Cannabis shall not be accessible to customers without the assistance and monitoring of a badged cannabis business employee or manager.
 - 2. Vending machines, self-service kiosks or similarly operated equipment are prohibited.
 - 3. Cannabis products must be transferred to a customer by a cannabis business employee or manager.
 - 4. No cannabis shall be transferred to any person under twenty-one (21) years of age.
- E. Dates and Times.** All dates and times of all records shall be accurate and set to the Pacific Time Zone. Time shall be measured in accordance with the standards issued by the United States National Institute of Standards and Technology.

SECTION 4-4. IDENTIFICATION BADGES

A. Returning Identification Badges.

1. Identification badges returned to the Chief of Police pursuant to SJMC Section 6.88.425 shall be returned to a Division of Cannabis Regulation (“Division”) staff member.
2. To arrange for the return of an identification badge or badges, call the Division at (408) 537-1420 or email dcr@sanjoseca.gov.

B. Replacement of a Lost or Stolen Badge.

1. In order to replace a lost or stolen badge, a police report documenting how the loss or theft occurred shall be filed online at <http://www.sjpd.org/ReportingCrime/OnlineReport/> within 24 hours of the badge being discovered as lost or stolen.
2. In addition, the loss or theft of the badge shall be reported to a cannabis business manager immediately and to the Chief of Police once the online report has been submitted by emailing dcr@sanjoseca.gov and including the temporary tracking number for the report. An online reporting guide can be obtained by emailing the division at dcr@sanjoseca.gov.

C. Replacement of a Damaged Badge.

1. In order to replace a damaged badge, the business shall return any and all parts of the badge able to be recovered.
2. To arrange for the return of an identification badge or badges, call the Division at (408) 537-1420 or email dcr@sanjoseca.gov.

D. Badges not Returned to the Division.

1. Any badge not returned to the Division pursuant to SJMC Section 6.88.425 for any reason other than lost or stolen shall be reported to the Division.
2. The report shall be made in writing and include, in detail, the reason(s) the badge cannot be returned. The report may be made by emailing the Division at dcr@sanjoseca.gov.

SECTION 4-5. DELIVERIES OF CANNABIS

Pursuant to SJMC Section 6.88.445, cannabis businesses may apply for registration to deliver medical cannabis to qualified patients and primary caregivers age 21 or older, or non-medical cannabis to persons age 21 or older. Unless otherwise specified in the City Manager Regulations, delivery of cannabis in San José is prohibited.

A. Definitions.

1. **Delivery:** “Delivery” means the transfer of cannabis to a customer that does not occur at the cannabis business’s registered dispensing location.

2. **Delivery driver:** “Delivery driver” means a manager or employee of a registered cannabis business working directly for the registered cannabis business who has applied for and received approval from the Chief of Police to drive a delivery vehicle.
 3. **Delivery vehicle:** “Delivery vehicle” means a vehicle used to facilitate a delivery.
 4. **Registered cannabis business:** “Registered cannabis business” means a cannabis business located within the City of San José which has obtained a valid Notice of Completed Registration from the City Manager.
 5. **Secure container:** “Secure container” means an enclosed container affixed to a vehicle, the contents of which are not visible from the outside of the vehicle, which is made of sufficient material and design to prevent entry without key or combination and cannot be easily removed from the vehicle.
- B. Locations.** SJMC Section 6.88.310A states “No Cannabis Business shall dispense or deliver cannabis from more than one (1) Location in the City.” This section is clarified to mean a cannabis business may do one of the following:
1. Dispense and Deliver from one location, or
 2. Dispense from one location and Deliver from a separate location.
 3. If dispensing from one location and delivering from a separate location, both locations count toward the business’s maximum of three locations.
- C. Delivery registration process.**
1. Prior to conducting any cannabis deliveries pursuant to SJMC Chapter 6.88, the cannabis business shall submit all required applications and forms and delivery plans identifying how they will meet all delivery requirements pursuant to the requirements set forth in the SJMC and the City Manager Regulations. Upon completion of all requirements, the Chief of Police will amend the Notice of Completed Registration to include Delivery.
 2. Violations of any of the provisions of the Code or these regulations could lead to administrative actions including, but not limited to, fines and/or suspension of the ability for a cannabis business to engage in delivery operations as deemed necessary by the Chief of Police.
- D. General Provisions.**
1. Only a registered cannabis business in San José in possession of a Notice of Completed Registration approved for deliveries may deliver cannabis;
 2. Cannabis deliveries shall only be made to persons age 21 or older;
 3. It shall be unlawful for any person other than a delivery driver for a registered cannabis business to conduct a delivery originating or terminating in San José;

4. “Delivery only” cannabis businesses are prohibited;
5. A cannabis business may receive orders for cannabis delivery via any technology platform owned and controlled by the cannabis business, or approved by the Chief of Police, that enables customers to arrange for or facilitate the delivery;
6. Orders for cannabis delivery shall be made with the cannabis business in San José, and cannot be made directly with the delivery driver;
7. The cannabis business shall take steps to verify the identity, age, membership status and qualified patient or primary caregiver status, if applicable, when the order is placed;
8. Cannabis transferred via delivery is subject to all other restrictions and requirements of State and local law, including being subject to all State and local taxes, including San José’s Cannabis Business Tax;
9. No cannabis shall be removed from the vehicle until it is being readied for transfer or being transferred to the intended customer, or returned to the cannabis business;
10. No cannabis shall be visible from outside of the vehicle;
11. Deliveries shall only be made between 8:00 a.m. and 10:00 p.m. Pacific Time;
12. The delivery driver shall only transfer cannabis to the person who placed the order;
13. The delivery driver shall not deliver cannabis to an individual who is visibly intoxicated at the time of delivery;
14. The delivery driver shall not deliver cannabis to an individual if there is reason to believe the cannabis will be unlawfully diverted to a person under 21 years of age;
15. Prior to transfer of cannabis to the customer who placed the order, the delivery driver shall verify the receiving person’s identity, age (via an approved electronic age verification device) and, for medical cannabis, the person’s doctor’s recommendation;
16. Prior to transfer of cannabis to the customer, all cannabis orders shall meet all state and local packaging and labeling requirements;
17. The person receiving cannabis shall sign a receipt, delivery log, or other document confirming that he or she is age 21 or older and received the order.

This can be accomplished electronically or via hard copy. This becomes part of the records of the delivery, and must be kept in accordance with all other record keeping requirements in accordance with SJMC Section 6.88.500;

18. All money received by the delivery driver shall be promptly stored in the delivery vehicle's secure container;
19. Upon returning to the cannabis business's dispensing location, the delivery driver and a cannabis business manager shall reconcile the delivery manifest, delivery log, remaining inventory, and all money received;
20. Within 24 hours of the close of business for the day, the cannabis business manager shall ensure that all delivery information is entered into the cannabis business's records in accordance with SJMC Section 6.88.500; and
21. If delivery drivers are found to be driving in an unsafe manner, they could lose their approval to be a delivery driver.

E. Requirements prior to delivery.

1. Prior to leaving the cannabis business's location or premises, all cannabis shall be placed in a secure container inside the delivery vehicle;
2. Prior to leaving the cannabis business's location or premises, the delivery driver shall ensure that no cannabis is visible from outside of the vehicle; and
3. Prior to leaving the cannabis business's location or premises, the delivery driver shall ensure that there are no markings indicating that cannabis is in the vehicle.

F. Documentation Requirements.

1. Every cannabis business engaging in deliveries is required to comply with all applicable state regulations regarding deliveries.
2. Every cannabis business engaging in deliveries shall maintain records of all deliveries. The records must be made available to the Division upon request and shall include:
 - a. Name of the cannabis business;
 - b. Address of the cannabis business;
 - c. Phone number of the cannabis business;
 - d. Date of the delivery or deliveries;
 - e. Time of departure from the cannabis business of the delivery vehicle;
 - f. Time of return to the cannabis business of the delivery vehicle;
 - g. Name, Chief of Police issued ID Badge number, and delivery driver endorsement number, if applicable, of the delivery driver;
 - h. Make, model, license plate number, and GPS tracking device ID assigned to the vehicle;

- i. Order number associated with each unique delivery;
 - j. Address of the delivery for each order number (if delivered to or within 1,000 feet of the grounds of a public or private preschool, elementary school, or secondary school, a child day care center, a community or recreation center, a park, or a library, driver must verify and document that the delivery occurs at the private residence of the person placing the order);
 - k. Time of delivery for each order number;
 - l. Price or total value for each order number;
 - m. Itemized product description of all cannabis in the delivery vehicle (e.g., strain; manufacturer; description of edible such as candy bar, cookie; description of infused product such as tincture, lotion). The description shall include:
 1. The brand of each product;
 2. Itemized amount of product by weight, volume or other accurate measure as appropriate for the type of product;
 3. Itemized value of product by weight, volume or other accurate measure as appropriate for the type of product;
 4. Total amount of product by weight, volume or other accurate measure as appropriate for the type of product at the time of departure from the cannabis business and at the time of return to the cannabis business; and
 5. Total value of all cannabis products in the vehicle at the time of departure from the cannabis business.
 - n. Amount of money leaving the cannabis business (for example, to be used as change);
 - o. Amount of money returned to the cannabis business; and
 - p. Explanation and information concerning any unanticipated circumstances that occurred during the delivery trip (e.g., vehicle accident, flat tire, theft of product).
3. In addition, every cannabis business engaging in deliveries shall maintain detailed records of transfers of cannabis in accordance with SJMC Section 6.88.500.

G. Delivery Vehicle Requirements.

1. Prior to the delivery vehicle being inspected the cannabis business will complete the Delivery Vehicle Supplemental and Inspection sheet containing the year, make, model, color, license plate number, vehicle identification number (VIN), delivery drivers full name, and registered owner of each vehicle designated for delivery if different than the delivery driver;
2. Each delivery vehicle shall not have any identification or markings relating to cannabis or the cannabis business;
3. Each delivery vehicle shall be equipped with a secure container;

4. The delivery vehicle shall not carry or transport at any one time more than a total of \$5,000 worth of cannabis, in any combination;
5. Each delivery vehicle shall carry or transport cannabis for only one registered cannabis business at a time;
6. While delivering cannabis, the delivery driver shall not engage in delivering other non-cannabis products (e.g., working for DoorDash or UberEats) and/or transporting people (e.g., working for Uber or Lyft);
7. Each delivery vehicle shall be equipped with a functioning dual-facing video camera and recording system affixed to the vehicle and positioned in such a way to capture the driver/interior of the vehicle, as well as the front outside of the vehicle;
8. Each delivery vehicle video camera shall record continuously from the time of departure from the cannabis business to the time of return to the cannabis business;
9. Video recordings shall clearly and accurately display the time and date. Time shall be set to the Pacific Time Zone and measured in accordance with standards set by the United States National Institute of Standards and Technology;
10. Video recordings from each delivery vehicle recording system shall be retained for thirty (30) days;
11. The delivery vehicle video and recording system must be of adequate quality, color rendition, resolution, and position to allow the ready identification of any individual driving the delivery vehicle, approaching the delivery vehicle, or occupying the passenger compartment of the delivery vehicle;
 - a. Video surveillance shall be recorded at minimum resolution of 1280 x 720 pixels.
 - b. Video surveillance shall be recorded at a minimum of 15 frames per second.
12. Delivery vehicle video recordings shall be made available and accessible to the Chief of Police and any other city or state official charged with enforcing the provisions of the Code immediately upon request for review and copying;
13. All delivery vehicles shall be subject to inspection by the Chief of Police, any law enforcement officer, or any other city or state official charged with enforcing the provisions of the Code;

14. All delivery vehicles may be stopped and inspected by the Chief of Police, any law enforcement officer, or any other city or state official charged with enforcing state or local cannabis laws and regulations at the registered cannabis business or during delivery;
15. The delivery vehicle shall be equipped with a GPS tracking system provided by the Chief of Police. The purpose of the GPS tracking system is to provide the Chief of Police with:
 - a. Live remote monitoring of the delivery vehicle from when it leaves the cannabis business to when it returns to cannabis business and is no longer in service as a delivery vehicle; and
 - b. Historical driving data.
16. A cell phone does not meet the GPS tracking system requirement (in addition to the GPS tracking system provided by the Chief of Police, a cell phone or other device may be used for routing, order management or other functions; however, it cannot be used as a substitute for the GPS tracking system provided by the Chief of Police);
17. The Chief of Police shall be notified within 24 hours of the discontinued use of a GPS tracking device, along with the reason for the discontinued use of the device;
18. The cannabis business shall reimburse the San Jose Police Department for all costs associated with GPS tracking devices;
19. Each delivery vehicle and driver shall meet or exceed all of the insurance requirements as may be presently or in the future required by any financial responsibility laws of the State of California;
20. Should the insurance coverage for any particular driver or vehicle be revoked, lapse or cancelled, such driver or vehicle shall be taken out of service immediately;
21. Each delivery vehicle shall have valid California registration;
22. Should the California registration on a delivery vehicle expire, the vehicle shall be taken out of service immediately;
23. If the registered owner of a delivery vehicle is not the cannabis business or delivery driver, the registered owner shall submit to the Chief of Police a notarized letter authorizing the delivery driver to use the vehicle for cannabis delivery.

H. Delivery Driver Requirements.

Every delivery driver shall meet the following requirements:

1. Be a member or employee of the registered cannabis business;
 2. Been issued an ID badge by the Chief of Police in accordance with 6.88.425 indicating that they are an approved delivery driver;
 3. A delivery driver shall only conduct deliveries on behalf of one registered cannabis business during their shift;
 4. Hold a valid California Driver's License appropriate for the class of vehicle he or she will be driving;
 5. Have completed a background investigation by the Chief of Police that includes a driver's license review;
 6. Have in their possession while conducting deliveries:
 - a. California Driver's License;
 - b. Police Department issued ID badge indicating that they are an approved delivery driver;
 - c. Vehicle's valid registration and proof of required insurance;
 - d. Valid doctor's recommendation for medical cannabis or State medical cannabis identification card, if the delivery driver possesses one;
 - e. Copy of the registered cannabis business's Notice of Completed Registration which includes Delivery; and
 - f. The delivery manifest.
 7. Present those documents to any law enforcement officer, or any other city or state official charged with enforcing the provisions of the Code upon request; and
 8. The delivery driver shall at all times during deliveries carry an operating cell phone to connect with the cannabis business or emergency services as needed.
- I. Delivery Location Restrictions.** No cannabis may be delivered to or within 1,000 feet of the grounds of a public or private preschool, elementary school, or secondary school, a child day care center, a community or recreation center, a park, or a library unless the delivery occurs at a private residence.

J. Incident Reporting Requirements.

1. Any vehicle accident resulting in injury to any person shall be reported to the local police department, and a cannabis business manager immediately, and to the Chief of Police within 24 hours by emailing dcr@sanjoseca.gov including the date, time, location, involved vehicle and driver, circumstances and local police department case number.

2. For any vehicle accident resulting in property damage only, the delivery driver shall exchange driver, vehicle, and insurance information with all involved parties, and the accident may be reported to the local police department. In addition, the accident shall be reported to a cannabis business manager immediately and to the Chief of Police within 24 hours by emailing dcr@sanjoseca.gov including the date, time, location, involved vehicle and driver, circumstances, and local police department case number, as applicable.
3. Any crime involving the delivery vehicle or driver, including any attempted or actual loss or theft of cannabis or money, shall be reported to the local police department immediately. After reporting to the local police department, the incident shall be reported to a cannabis business manager and to the Chief of Police within 24 hours including the date, time, location, involved vehicle and driver, circumstances and local police department case number. Notification to the Chief of Police may be made by emailing dcr@sanjoseca.gov.

SECTION 4-6. POINT OF SALE SYSTEM.

- A. In the event of an unexpected outage or shutdown (e.g., an unexpected power outage to the premises) of the Point of Sale system (or other system used to record inventory and/or sales of cannabis), the business shall immediately notify the Division of Cannabis Regulation of the following:
 1. The nature of the event that caused the unexpected outage or shutdown;
 2. The date and time of the outage or shutdown;
 3. The expected duration of the outage or shutdown if known; and
 4. The date and time of restoration of power and Point of Sale recording.
- B. In the event of an unexpected outage or shutdown (e.g., an unexpected power outage to the premises) of the Point of Sale system (or other system used to record inventory and/or sales of cannabis), an “on-site designated representative” of the business shall immediately inspect the Point of Sale system (or other system used to record inventory and/or sales of cannabis) for full functionality upon restoration of the outage or shutdown.
- C. In the event of an unexpected outage or shutdown of the Point of Sale system (or other system used to record inventory and/or sales of cannabis) during operating hours, the business shall immediately stop conducting sales and remove all non-badged personnel from the premises, except for any persons from a contracted company actively working on restoring power to the Point of Sale system (or other system used to record inventory and/or sales of cannabis) or premises.
- D. Point of Sale systems (or other systems used to record inventory and/or sales of cannabis) may utilize an uninterruptible power supply to continue normal operations so long as the point of sale system remains fully functional.

SECTION 4-7. CRIME AND INCIDENT REPORTING

- A.** No cannabis business owner, manager, or individual member or employee of the cannabis business participating in the cultivation, processing, manufacturing, transporting or dispensing of cannabis shall fail to make a report to the San José Police Department, immediately upon discovery of any conduct which raises a reasonable suspicion that a misdemeanor or felony crime has been committed on the cannabis business's premises or location. For the purposes of this section, reports shall be made online (www.sjpd.org) where applicable, or by calling 3-1-1 or (408) 277-8900 for non-emergencies, or 9-1-1 or (408) 277-8911 for emergencies.
- B.** No cannabis business owner, manager, or individual member or employee of the cannabis business participating in the cultivation, processing, manufacturing, transporting or dispensing of cannabis shall fail to report any conduct which raises a reasonable suspicion of a violation of this Chapter to the San José Police Department within 24 hours of its discovery. For the purposes of this section, reports shall be made online (www.sjpd.org) where applicable, or by calling 3-1-1 or (408) 277-8900 for non-emergencies, or 9-1-1 or (408) 277-8911 for emergencies.
- C.** No cannabis business owner, manager, or individual member or employee of the cannabis business participating in the cultivation, processing, manufacturing, transporting or dispensing of cannabis shall fail to report within 24 hours of discovery any significant discrepancies of inventory, unauthorized destruction of cannabis, any unlawful transfer of cannabis to persons under 21 years of age, or any violation of the integrity of cannabis business operations. Reports may be made electronically by emailing dcr@sanjoseca.gov.
- D.** Pursuant to SJMC Section 6.88.490B, each cannabis business shall maintain a log of any public nuisance activity on the premises and location or within 300 feet of the premises and location. The log shall include any information required by the Chief of Police, including but not limited to the date and time of the occurrence; the type of activity; the circumstances surrounding the activity; the identity of any persons involved in the activity, if known; the corrective action taken by cannabis business; and the police case number, if applicable. The log shall be maintained in accordance with all other record keeping requirements of the Code, and shall be made available for inspection by the Chief of Police or any other official charged with enforcing the provisions of the Code.

SECTION 4-8. PROPER DISPOSAL OF MEDICAL CANNABIS AND NON-MEDICAL CANNABIS WASTE

Pursuant to SJMC Section 6.88.315, in order to promote the safe cultivation, manufacture, distribution and testing of cannabis, and to prevent unauthorized access to cannabis, including cannabis waste, the cannabis business shall properly dispose of all cannabis waste generated from the premises and location. Cannabis waste includes cannabis plants, flowers, trim, leaves,

stems, seeds, any cannabis concentrate, and any product containing cannabis intended to be destroyed.

- A. The cannabis business is required to keep a detailed record of the amount of cannabis waste rendered unusable along with the final destination of all cannabis waste.
- B. Prior to leaving the cannabis business's premises or location, all cannabis waste shall be rendered unusable and unrecognizable through mixing the waste with a non-consumable medium, including but not limited to one or more of those listed below, so that the resulting mixture is at least 50 percent non-cannabis waste. The resulting mixture may then be composted onsite, placed in the facility's waste bin for pickup or transferred to a waste disposal facility. The following inert mediums may be used in the mixture:
 - 1. Paper waste;
 - 2. Plastic waste;
 - 3. Cardboard waste;
 - 4. Food waste;
 - 5. Grease or other compostable oil waste;
 - 6. Bokashi or other compost activators;
 - 7. Soil; or
 - 8. Other medium approved by the Chief of Police that will render medical cannabis or non-medical cannabis waste unusable and unrecognizable.

SECTION 4-9. COMBINED OR SHARED SITES.

- A. **Combined Site:** "Combined Site" means the property, Location, or Premises where more than one (1) Cannabis Activity takes place. For example, a site where both manufacture and distribution of cannabis products takes place is a Combined Site.
- B. **Shared Site:** "Shared Site" means the property, Location, or Premises where more than one (1) Cannabis Business engages in any Cannabis Activity, including cultivation, manufacture or distribution.
- C. No cannabis shall be dispensed from a combined site, unless that site also serves as the Cannabis Business's sole dispensing Location.