



Cannabis Storefront Retailers FREQUENTLY ASKED QUESTIONS

GENERAL

1. What is a cannabis storefront retailer?

A cannabis storefront retailer is any cannabis business that requires a Type 10 (storefront retailer) license from the California Department of Cannabis Control, or successor agency.

2. Who can I contact at the City of Laguna Woods with additional questions?

Please review this Frequently Asked Questions document, the Application Checklist and Submittal Instructions document, Laguna Woods Municipal Code Chapter 3.18, and Laguna Woods Municipal Code Section 13.26.025 before contacting City of Laguna Woods staff. All are available at www.cityoflagunawoods.org/cannabis.

City of Laguna Woods staff may be contacted at planning@cityoflagunawoods.org.

3. For the purpose of Laguna Woods Municipal Code Section 13.26.025(f)(3)a., (f)(15)a., (f)(16)b., (f)(16)c., (f)(21)c., and (f)(21)h., what languages does the California Voting Rights Act require the County of Orange to translate election materials?

Cannabis storefront retailers are required to post several clear and legible notices in each of the languages for which the California Voting Rights Act requires the County of Orange to translate election materials. Those languages are Chinese, Korean, Spanish, and Vietnamese. Required notices must, therefore, be posted in English, Chinese, Korean, Spanish, and Vietnamese.

4. How can I access the Laguna Woods Municipal Code?

The Laguna Woods Municipal Code is available at https://library.municode.com/ca/laguna_woods, or at or from the City Clerk's Office, Laguna Woods City Hall.

DELIVERIES

5. May cannabis storefront retailers deliver cannabis products to customers?

Cannabis storefront retailers may deliver cannabis products to customers both in and outside Laguna Woods provided such deliveries occur only as permitted by each cannabis storefront retailer's Type 10 (storefront retailer) license from the California Department of Cannabis Control, or successor agency, and applicable state and local laws.

6. Are cannabis businesses located outside Laguna Woods allowed to make deliveries to customers in Laguna Woods?

Cannabis businesses lawfully operating from locations outside Laguna Woods are allowed to deliver cannabis to customers in Laguna Woods, provided the cannabis business has any and all necessary state licenses and is operating in a manner consistent with state law.

INSURANCE

7. What minimum amounts and types of insurance must a cannabis storefront retailer and property owner of record maintain?

Please refer to the following City of Laguna Woods documents: PES-CSR-04 Insurance Agreement – Property Owner of Record and PES-CSR-05 Insurance Agreement – Business.

LICENSES AND PERMITS

8. Is a cannabis storefront retailer able to apply for permits from the City of Laguna Woods without having identified a specific property from where it wishes to conduct business?

No; applications require a proposed operating location for each cannabis storefront retailer. Property owners of record must sign several required application documents.

9. What type of licenses from the California Department of Cannabis Control (or successor agency) may a cannabis storefront retailer apply for?

For the purpose of activities engaged in from locations within Laguna Woods, cannabis storefront retailers may only apply for a Type 10 (storefront retailer) license from the California Department of Cannabis Control, or successor agency.

10. May a cannabis storefront retailer hold licenses from the California Department of Cannabis Control (or successor agency) other than a Type 10 (storefront retailer) license?

Yes; cannabis storefront retailers may hold licenses other than a Type 10 (storefront retailer) license from the California Department of Cannabis Control, or successor agency, provided they only engage in activities permitted under a Type 10 (storefront retailer) license from locations within Laguna Woods.

11. Will the City of Laguna Woods issue a commercial cannabis permit to a cannabis storefront retailer in advance of the storefront cannabis retailer obtaining a Type 10 (storefront retailer) license from the California Department of Cannabis Control (or successor agency)?

Yes; the City of Laguna Woods will issue a commercial cannabis permit to a cannabis storefront retailer in advance of the cannabis storefront retailer obtaining a Type 10 (storefront retailer) license from the California Department of Cannabis Control, or successor agency, but the cannabis storefront retailer may not operate from a location in Laguna Woods until state licensure is obtained and proof of such licensure is filed with the City of Laguna Woods.

12. When is a site development permit from the City of Laguna Woods required for cannabis storefront retailers?

A site development permit is required from the City of Laguna Woods to establish a cannabis storefront retailer use for the first time (i.e., if a cannabis storefront retailer is opening in a location for the first time, a site development permit is required). Subsequently, if a cannabis storefront retailer wishes to make any physical change to its location that differs from what was approved under an applicable site development permit, it may be necessary to amend the site development permit or obtain another site development permit that would supersede the former site development permit.

13. Will the City of Laguna Woods issue a commercial cannabis permit to a cannabis storefront retailer in advance of issuing a site development permit?

No; a site development permit must be obtained prior to or concurrently with the issuance of the first commercial cannabis permit from the City of Laguna Woods for a particular location.

14. What are the City of Laguna Woods' permit fees and how can they be paid?

Commercial Cannabis Permits –

\$6,802 fixed fee (Note: This fee is comprised of two components – Application Fee Component (\$4,064) and Routine Inspection Fee Component (\$2,738). If the application is denied, the Routine Inspection Fee Component is refundable.)

Site Development Permits –

\$4,500 initial deposit

Fees may be paid together or separate by check, cashier's check, money order, cash, or credit card.

If paid together, fees total \$11,302.

15. How long will it take to review an application, once submitted?

Application reviews are anticipated to take 30 calendar days or less, once submitted. City of Laguna Woods staff will contact each applicant within three business days of receiving an application to establish contact. If two or more applications for commercial cannabis permits are received for either the same parcel or parcels that are located within 600 feet of each other, the City of Laguna Woods will process the applications sequentially in order of the date and time received.

LOCATIONS

16. Where can cannabis storefront retailers operate?

The City of Laguna Woods has not established a static or fixed number of parcels where cannabis storefront retailers might be potentially permitted. The number and location of potentially permissible parcels will change over-time as the variables affecting siting change (e.g., as the location of potential future affordable housing sites changes in future iterations of the Laguna Woods General Plan Housing Element and/or day care centers open, close, or relocate, additional parcels may become available or – conversely – cease to be available for the potentially permitting of cannabis storefront retailers.)

The following must be true of a parcel at the time an application for a new commercial cannabis permit is determined to be complete by the City of Laguna Woods:

- a. The parcel must be designated “Commercial” in the Laguna Woods General Plan;
- b. The parcel must be zoned as “Community Commercial” or “Professional and Administrative Office” in the Laguna Woods Zoning Code;
- c. The size and boundary lines of the parcel must not have not been modified within the prior year (365 calendar days);
- d. The parcel must contain no nonconforming uses or structures, which may include, but not be limited to:
 - (1) A building, structure, or sign that does not conform to the Laguna Woods Municipal Code because of its size, type or construction, location on the parcel, proximity to other buildings, structures, or signs on the parcel, or its lot coverage;
 - (2) A use of building or structure that does not conform to the Laguna Woods Municipal Code, regardless of whether the building or structure conforms; or
 - (3) A use of a parcel that does not conform to the Laguna Woods Municipal Code, regardless of whether there are buildings or structures;
- e. The parcel must take access exclusively from public streets within the majority jurisdiction of the City of Laguna Woods. For the purpose of this requirement, no portion of Avenida de la Carlota, Laguna Hills Drive, Paseo de Valencia, or Ridge Route Drive is considered to be within the majority jurisdiction of the City of Laguna Woods. This requirement does not preclude parcels taking access from private streets;
- f. Driveways providing ingress or egress to the parcel, to or from public streets, if any, must be constructed in accordance with County of Orange OC Public Works Department Standard Plan #1209. County of Orange OC Public Works Department Standard Plan #1209 is available at <https://ocpublicworks.com/ocpw/oc-public-works-standard-plans> as part of the document titled “Curb, Sidewalk, Apron, Gutter and Mailbox Details”;
- g. The parcel must not be located within 600 feet of a parcel on which an “alcoholism or drug abuse recovery or treatment facility,” as defined in California Health and Safety Code Section 11834.02, as amended from time to time or replaced with a successor statute, is located, as measured from the outermost boundary lines of the closest parcels;
- h. The parcel must not contain any other cannabis storefront retailer nor be located within 600 feet of a parcel on which another cannabis storefront retailer is located, as measured from the outermost boundary lines of the closest parcels;
- i. The parcel must not be located within 600 feet of a non-residential zoned parcel on which a child care-infant center, child care center, child care center preschool, or family child care home licensed by the California Department of Social Services is located, as measured from the outermost boundary lines of the closest parcels. A search tool maintained by the California Department of Social Services that can be used to identify and locate child care-infant centers, child care centers, child care center preschools, and family child care homes is available at www.cdss.ca.gov/inforesources/community-care-licensing/facility-search-welcome;

As of July 20, 2024, the following facilities were known to the City to be licensed by the California Department of Social Services: Child Care Center Preschools - Geneva Childrens Center (24301 El Toro Road; Assessor's Parcel Number ("APN"): 616-191-06) and Lutheran Church of the Cross (24231 El Toro Road; APN: 616-041-01). Interested parties must conduct their own research prior to submitting an application.

- j. The parcel must not be located within 600 feet of a parcel on which an "emergency shelter," as defined in California Health and Safety Code Section 50801, is located, as measured from the outermost boundary lines of the closest parcels;
- k. The parcel must not contain any existing housing units;
- l. The parcel must not be located within 600 feet of a parcel on which "supportive housing," as defined in California Health and Safety Code Section 50675.14, as amended from time to time or replaced with a successor statute, is located, as measured from the outermost boundary lines of the closest parcels;
- m. The parcel must not be located within 600 feet of a parcel on which a public library, which is under the control, operation or management of the County of Orange, is located, as measured from the outermost boundary lines of the closest parcels. A list of public libraries within the OC Public Libraries system is available at www.ocpl.org/libraries;

As of July 20, 2024, County of Orange operated a public library at 24266 El Toro Road (APN: 621-121-29). Interested parties must conduct their own research prior to submitting an application.

- n. The parcel must not be located within 600 feet of a parcel on which a community center, park, playground, pool, sports court, sports field, or similar recreational facility (excluding parcels on which the predominant use is a golf course), which is under the control, operation or management of the City of Laguna Woods, County of Orange, City of Aliso Viejo, City of Irvine, City of Laguna Beach, or City of Laguna Hills, is located, as measured from the outermost boundary lines of the closest parcels;

As of July 20, 2024, the City of Laguna Woods operated "A Place for Paws" Dog Park (23190 Ridge Route Drive), City Centre Park (24121 Moulton Parkway, APN: 616-012-18), and Woods End Wilderness Preserve (24995 El Toro Road, APN: 622-071-22), and the City of Aliso Viejo operated Via Iglesia Park (24671 Via Iglesia, Aliso Viejo, CA 92656), APN: 621-011-25). Interested parties must conduct their own research prior to submitting an application.

- o. The parcel must not be located within 600 feet of a parcel on which an institution of learning for minors, whether public or private, which offers in-person instruction in grades Kindergarten through 12 in those courses of study required by the California Education Code, and is licensed by the California Board of Education, is located, as measured from the outermost boundary lines of the closest parcels. This includes kindergarten, elementary, junior high, senior high or any special institution of learning under the jurisdiction of the California Department of Education, but does not include a vocational or professional institution or an institution of higher education, including a community or junior college, college, or university. A search tool maintained by the California Department of Education that can be used to identify and locate schools is available at www.cde.ca.gov/schooldirectory;

- p. The parcel must not be identified in the City of Laguna Woods' existing General Plan Housing Element, or any General Plan Housing Element under review by the State of California, as a potential housing site with realistic development capacity to accommodate very low, low, and/or moderate income housing units. The following parcels are currently identified as potential housing sites subject to this requirement:

- (1) Town Centre Vacant Lot (APN: 616-012-29)
- (2) Pacific Hills Calvary Chapel Parking Lot (APN: 621-131-38)
- (3) Rossmoor Electric (APN: 621-131-21)
- (4) Saddleback Golf Cars (APN: 621-131-26)
- (5) Laguna Woods Self Storage (APN: 616-012-19)
- (6) Animal Hospital (APN: 616-012-03)
- (7) PS Business Park (excludes Starbucks) (APN: 616-021-30)
- (8) Smart Parke (APN: 621-211-09)
- (9) Medical Building in Town Centre (APN: 616-012-24);

- q. The cannabis storefront retailer must be either:

(1) The only occupant of the parcel(s) on which they are located unless the parcel(s) is (are) owned by the cannabis storefront retailer, in which case there may be additional occupants provided that none of the other occupants are alcoholism or drug abuse recovery or treatment facilities, cannabis storefront retailers, day care centers, emergency shelters, permanent supportive housing, public libraries, public recreational facilities, or schools, nor do any of the other occupants sell, dispense, distribute, or store alcoholic beverages either at the time of the issuance of the first commercial cannabis permit from the City of Laguna Woods or at any point thereafter; or

(2) One of multiple occupants of the parcel(s) on which they are located if (i) the interior space occupied by the cannabis storefront retailer does not share a ventilation system with any other interior space not occupied by the cannabis storefront retailer, (ii) the property owner enters into an agreement with the City of Laguna Woods agreeing to apply subsections (f)(8), (f)(11), (f)(13), and (f)(15)d.-h. of Laguna Woods Municipal Code Section 13.26.025 to all occupants and the entirety of the parcel(s) on which the cannabis storefront retailer is located, and (iii) none of the other occupants are alcoholism or drug abuse recovery or treatment facilities, cannabis storefront retailers, day care centers, emergency shelters, permanent supportive housing, public libraries, public recreational facilities, or schools, or sell, dispense, distribute, or store alcoholic beverages, either at the time of the issuance of the first commercial cannabis permit from the City of Laguna Woods or at any point thereafter, and the property owner enters into an agreement with the City of Laguna Woods agreeing to enforce these prohibitions until such time as a commercial cannabis permit is no longer in effect for its parcel(s).

17. Is there a separation requirement between cannabis storefront retailers?

Yes; only one cannabis storefront retailer may be located on a parcel. Cannabis storefront retailers must also be located more than 600 feet from each parcel on which another cannabis storefront retailer is located, as measured from the outermost boundary lines of the closest parcels.

OPERATIONS

18. What hours may a cannabis storefront retailer operate?

Cannabis storefront retailers located on parcel(s) located more than 600 feet from a residential zoned parcel, as measured from the outermost boundary lines of the closest parcels, may engage in the on-site, retail sale of cannabis and be open to any member of the public between the hours of 6 a.m. and 10 p.m. All on-site retail sales transactions must be complete by 10 p.m.

Cannabis storefront retailers located on parcel(s) located within 600 feet of a residential zoned parcel, as measured from the outermost boundary lines of the closest parcels, may engage in the on-site, retail sale of cannabis and be open to any member of the public between the hours of 7 a.m. and 9 p.m. All on-site retail sales transactions must be complete by 9 p.m.

19. May a cannabis storefront retailer allow on-site consumption of cannabis products?

No; the on-site consumption of cannabis products is prohibited.

20. May a cannabis storefront retailer sell alcoholic beverages?

No; both state and local law prohibit cannabis storefront retailers from selling alcoholic beverages.

21. May a cannabis storefront retailer sell or distribute food or drinks?

With the exception of providing complimentary (free/no charge) water drinking fountains, water, and ice, cannabis storefront retailers may not sell or distribute food or beverages, or encourage the same. Specific prohibitions include, but are not limited to, providing food establishment or restaurant-type facilities (e.g., coffee stations, cooking equipment or devices, or dining areas), foodware accessories or condiments, food or drink vending machines, and food trucks.

Cannabis storefront retailers may provide break room and kitchenette space for its employees only, provided that access to any such break rooms and kitchenette spaces is controlled in a manner that prevents unauthorized entry by customers and other non-employees.

22. May a cannabis storefront retailer sell tobacco and/or tobacco cigarettes?

No; cannabis storefront retailers may not engage in the sale, dispensing, distribution, or storage of tobacco or tobacco cigarettes, including, but not limited to, electronic devices capable of being used to deliver an inhaled dose of tobacco, regardless of whether that is the intended use.

For the purpose of this requirement, “tobacco cigarette” means any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use for smoking or ingestion, and consists of or contains (1) any roll of tobacco wrapped in paper or in any substance not containing tobacco; (2) tobacco, in any form, that is functional in the product; or, (3) any roll of tobacco wrapped in any

substance containing tobacco. “Tobacco cigarette” also includes “roll-your-own” tobacco, meaning any tobacco which, because of its appearance, type, packaging, or labeling is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes. “Tobacco cigarette” also includes any electronic device that can be used to deliver an inhaled dose of tobacco, including any component, part, or accessory of such device, whether or not sold separately, as well as any such device, whether manufactured, distributed, marketed, or sold as an electronic cigarette, an electronic cigar, an electronic cigarillo, an electronic pipe, an electronic vaporizer, an electronic hookah, an electronic bong, an electronic waterpipe, or any other product name or descriptor, including any component, part or accessory of such device, whether or not sold separately. Products specifically approved or recognized by the State of California for use in the mitigation, treatment, or prevention of disease are excluded from this definition.

23. May a cannabis storefront retailer use polystyrene foam in its packaging?

No; cannabis storefront retailers may not provide customers with any cannabis product in disposable packaging, wrappers, or similar casings made of polystyrene foam.

For the purpose of this requirement, “polystyrene foam” means a thermoplastic petrochemical material utilizing the styrene monomer, processed by any number of techniques, including but not limited to, fusion of polymer spheres (expandable bead polystyrene or EPS), injection molding, form molding and extrusion-blow molding (extruded foam polystyrene or XPS).

24. May a cannabis storefront retailer provide entertainment?

Cannabis storefront retailers are generally prohibited from providing entertainment including, but not limited to, all of the following:

- a. Live entertainment including, but not limited to, animals, auctioneers, bands, celebrity appearances, comedians, dancers, disc jockeys, musicians, performers, and trivia masters, as well as communal gatherings such as art exhibitions, competitions, gaming, movie screenings, sporting, and viewing parties. Celebrity appearances and movie screenings may occur under limited conditions (see Frequently Asked Question #25 for additional information).
- b. Entertainment devices including, but not limited to, arcade games, board games, billiard tables, card games, carnival games, disc jockey equipment, gaming consoles, immersive reality technology (e.g., augmented reality and virtual reality), karaoke machines, musical instruments, table games, or similar entertainment devices. Entertainment devices may not be present at any cannabis storefront retailer, regardless of whether or not they are in-use.

25. May a cannabis storefront retailer offer classes, seminars, workshops, and similar events?

Cannabis storefront retailers may only offer classes, seminars, workshops, and similar events if:

- a. They are educational;
- b. They are related to cannabis;
- c. They occur only in fully enclosed, interior spaces at the cannabis storefront retailer;
- d. They are not one of the following:

(1) Art classes, exercise classes, meditation classes, sound baths, sporting, yoga classes, and similar events;

(2) Mixers, social hours, or similar gatherings of a predominantly social or networking nature;

(3) Any of the live entertainment or entertainment devices described in Frequently Asked Question #24

; and

e. They do not require event a license from the California Department of Cannabis Control, or successor agency.

Classes, seminars, workshops, and similar events that meet all of the criteria outlined above may occur without separate permitting or other authorization by the City of Laguna Woods.

26. May a cannabis storefront retailer provide outdoor seating?

Cannabis storefront retailers may not provide outdoor seating, whether temporary or permanent, nor any retaining walls, ornamental fixtures, or similar features at a height of 18 to 36 inches with a width greater than five inches, within 100 feet of any entrance or exit to the cannabis storefront retailer that can reasonably be seen to accommodate or encourage seating.

27. May a cannabis storefront retailer provide umbrellas or other outdoor shade?

No; cannabis storefront retailers may not provide umbrellas, shade canopies, or shade structures, whether temporary or permanent, on the exterior.

28. May a cannabis storefront retailer advertise cannabis products in exterior windows?

No; cannabis storefront retailers may not display or place any cannabis product or any other product, or advertisement or promotional display thereof, in a manner in which it is wholly or partially visible from the exterior.

29. May a cannabis storefront retailer display balloons, confetti, feather flags, inflatable tubes, pennants, streamers, or similar outdoor decorations?

No; cannabis storefront retailers may not display balloons, confetti, feather flags, inflatable tubes, pennants, streamers, or similar decorations, on the exterior.

30. May a cannabis storefront retailer use rope or string lighting?

Cannabis storefront retailers may only use rope or string lighting when it is not visible from the exterior, regardless of whether such rope or string lighting is located on the interior or exterior.

OWNERSHIP

31. Who is considered an owner of a cannabis storefront retailer?

For the purpose of the City's regulations, owners of a cannabis storefront retailer are as defined by California Code of Regulations, Title 4, Section 15003. California Code of Regulations, Title 4, Section 15003 is copied below for ease of reference.

(a) An applicant for a commercial cannabis license or a licensee shall disclose all owners of the commercial cannabis business. An owner of the commercial cannabis business includes all of the following:

(1) A person with an aggregate ownership interest of 20 percent or more in the commercial cannabis business, unless the interest is solely a security, lien, or encumbrance. For purposes of this section, "aggregate" means the total ownership interest held by a single person through any combination of individually held ownership interests in a commercial cannabis business and ownership interests in an entity that has an ownership interest in the same commercial cannabis business. For example, a person who owns 10 percent of the stock in a commercial cannabis business as an individual shareholder and 100 percent of the stock in an entity that owns 10 percent of the stock in the same commercial cannabis business has a 20 percent aggregate ownership interest in the commercial cannabis business.

(2) An individual who manages, directs, or controls the operations of the commercial cannabis business, including but not limited to:

(A) A member of the board of directors of a nonprofit.

(B) A general partner of a commercial cannabis business that is organized as a partnership.

(C) A non-member manager or managing member of a commercial cannabis business that is organized as a limited liability company.

(D) The trustee(s) and all persons who have control of the trust and/or the commercial cannabis business that is held in trust.

(E) The chief executive officer, president or their equivalent, or an officer, director, vice president, general manager or their equivalent.

(b) If the commercial cannabis business is owned in whole or in part by an entity and the entity includes individuals who manage, direct, or control the operations of the commercial cannabis business, as described in subsection (a)(2)(E), those individuals shall also be disclosed as owners.

(c) If available evidence indicates that an individual qualifies as an owner, the Department may notify the applicant or licensee that they must either disclose the individual as an owner and submit the information required by section 15002 or demonstrate that the individual does not qualify as an owner.

32. For the purpose of Laguna Woods Municipal Code Section 13.26.025(c)(1)e.2, what documentation is required to substantiate the length of time an owner of a cannabis storefront retailer has owned all or part of another state-licensed cannabis storefront retailer?

Please refer the following City document: PES-CSR-01 Ownership Form.

PARKING

33. How many parking spaces is a cannabis storefront retailer required to provide?

Cannabis storefront retailers must provide one parking space for each 200 square feet of gross floor area, plus one parking space for each delivery vehicle regularly parked overnight and two designated curbside delivery parking spaces (each limited to 15 minutes or less) if curbside delivery is offered.

Alternative vehicle parking spaces in-lieu (Laguna Woods Municipal Code sections 13.18.050(1)e. and(5)c.) may not be substituted for standard parking spaces. Accessible parking spaces are not considered alternative vehicle parking spaces.

For the purpose of this requirement, “gross floor area” means the total horizontal floor area of all floors of a building, including the exterior walls thereof, measured in square feet; excepting that (i) areas used in common such as covered malls, walkways, patio areas and entries open to and directly connecting with outside areas, and (ii) exterior breezeways, hallways, and balconies with no permanent use, shall not be included when calculating parking requirements. Elevators and stairwells shall be counted only once at the ground floor.

34. Are there alternatives to the cannabis storefront retailer parking requirements?

Yes; alternative provisions to the cannabis storefront retailer parking requirements may be permitted subject to the approval of a conditional use permit. Conditional use permits are subject to discretionary review and approval by City Council, and require both of the following to be true:

- a. Applicable off-street parking requirements are excessive or inappropriate due to the nature of the specific use involved or because of special circumstances applicable to the property; and
- b. The proposed off-street parking facilities comply with the intent of the Zoning Code related to parking requirements.

Cannabis storefront retailers that wish to apply for a conditional use permit for alternative provisions to parking requirements may file an application concurrent with applications for a cannabis business permit and/or site development permit; however, neither a cannabis business permit nor site development permit that relies on alternative provisions to parking standards may be approved unless the City Council first approves the parking-related conditional use permit.

35. May a cannabis storefront retailer allow overnight parking?

Parking vehicles at cannabis storefront retailers between the hours of 10 p.m. and 5 a.m. is prohibited for all persons except cannabis storefront retailer employees and vehicles used regularly for the delivery of cannabis products on behalf of the cannabis storefront retailer. Cannabis storefront retailers are responsible for actively monitoring and preventing all other vehicles from parking at the cannabis storefront retailer between the hours of 10 p.m. and 5 a.m., either by providing overnight security and towing vehicles in a manner consistent with the California Vehicle Code, or by using certain access control systems when approved by the City of Laguna Woods.

SECURITY

36. Are cannabis storefront retailers required to provide private security guards and, if so, for what

purpose?

Yes; cannabis storefront retailers must provide private security guards to actively monitor and prevent illegal, criminal, and nuisance activities, and activities inconsistent with Laguna Woods Municipal Code Section 13.26.025, at all times when the cannabis storefront retailer is engaged in the retail sale of cannabis, open to any member of the public, accepting deliveries, occupied by one or more employees, and for at least one hour after each day's end of retail sale of cannabis.

Private security guards must also immediately report to local law enforcement (Orange County Sheriff's Department) any known or suspected crime occurring on the parcel(s) on which the cannabis storefront retailer is located including, but not limited to, burglary or theft of any cannabis or cannabis product, and disturbances of the peace.

37. Are there minimum qualification-related requirements for private security guards?

Yes; private security guards must be:

- a. Employed by a state-licensed private patrol operator or private security employer to protect persons or property or prevent theft as defined in California Business and Professions Code Section 7582.1, as amended from time to time or replaced with a successor statute;
- b. Registered with the California Bureau of Security and Investigative Services, or successor agency;
- c. Wearing uniforms clearly and legibly identifying the name of their employer and role as "security" and/or a security guard; and
- d. 21 years of age or over.

38. May private security guards be armed?

Yes; private security guards may be armed provided that such security guards possess valid California Bureau of Security and Investigative Services (BSIS) Firearms Permits and all applicable laws and regulations are complied with.

39. Are cannabis storefront retailers required to provide surveillance cameras and, if so, where?

Yes; cannabis storefront retailers are required to provide a video surveillance system that continuously records, at minimum, all of the following locations:

- a. The immediate exterior of the buildings;
- b. All entrances and exits to the buildings and rooms in which cash is regularly stored;
- c. All fixed point of sale locations or at least every 20 feet throughout the entirety of the retail sales area if transactions are accepted in non-fixed locations;
- d. All driveways or other vehicle access points to the parking lots at locations and with lighting sufficient to clearly identify lawfully installed and maintained vehicle license plates;

- e. The fence lines between the parcel(s) and any immediately adjacent residential zoned parcel(s) in a manner that does not record any interior residential activities; and
- f. The driver's side and front passenger's side of each designated curbside delivery parking space (if any).

40. How long, and in what manner, must surveillance camera footage be retained?

Footage from video surveillance system must be retained on a cloud-based server or otherwise off-site (not at the cannabis storefront retailer) for at least 90 calendar days.

41. Are cannabis storefront retailers required to use an electronic age verification device?

Yes; cannabis storefront retailers are required to verify the age of every person – other than employees, private security guards, and persons conducting official business on behalf of the City of Laguna Woods – requesting to enter the retail area of the cannabis storefront retailer with an electronic age verification device that scans government-issued photo identification.

The electronic age verification device may be mobile or fixed, and must produce a log of all scans that includes the following minimum information: date, time, name, and age. For persons under the age of 21 allowed within the cannabis storefront retailer, an additional log shall be maintained matching the electronic age verification log with the provision of state law allowing such entry.

42. How long, and in what manner, must electronic age verification device logs be retained?

Logs generated by electronic age verification devices must be retained on a cloud-based server or otherwise off-site (not at the cannabis storefront retailer) for at least 180 calendar days.

TAXES

43. Is there a local business tax for cannabis storefront retailers?

Yes; cannabis storefront retailers are subject to the higher of the two following local business tax rates:

- a. A minimum tax rate of 10 percent of gross receipts received or generated for each monthly reporting period; or
- b. \$35.00 per square foot of floor area (annual tax rate) prorated monthly to 1/12 of the annual tax rate amount.

44. Does the local business tax apply to cannabis businesses located outside Laguna Woods that make deliveries to customers in Laguna Woods?

No; only cannabis storefront retailers operating from a location in Laguna Woods are subject to the local business tax.

45. What types of transactions does the local business tax apply to?

The local business tax applies to gross receipts, which includes, whether designated a sales price, royalty, rent, slotting fee, commission, dividend, or other designation, the total amount (including all

receipts, cash, credits, services, and property of any kind or nature) received or payable for sales of goods, wares, or merchandise, or for the performance of any act or service of any nature for which a charge is made or credit allowed (whether such service, act, or employment is done as part of or in connection with the sale of goods, wares, merchandise, or not), without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor, or service costs, interest paid or payable, losses, or any other expense whatsoever.

The only exclusions from “gross receipts” are:

- a. Cash discounts where allowed and taken on sales.
- b. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser.
 - (1) The State of California presently requires cannabis storefront retailers to collect a 15% cannabis excise tax from customers, as well as applicable sales tax (Laguna Woods’ sales tax rate is 7.75%). The cannabis excise tax and sales tax is in addition to the local business tax rate (10%). If a cannabis storefront retailer adds a separate amount to customer invoices or receipts to cover the local business tax rate, the cannabis excise tax and sales tax applies to the purchase price including that local business tax amount.
- c. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts.
- d. Receipts derived from the occasional sale of used, obsolete, or surplus trade fixtures, machinery, or other equipment used by the taxpayer in the regular course of the cannabis storefront retailer’s business.
- e. Cash value of sales, trades, or transactions between departments or units of the same cannabis storefront retailer located in Laguna Woods or if authorized by the City of Laguna Woods Tax Administrator in writing.
- f. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected they must be included in the amount of gross receipts for the period when they are recovered.
- g. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the cannabis storefront retailers may not be excluded when in excess of \$1.00.
- h. Amounts collected for others where the cannabis storefront retailer is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the City of Laguna Woods Tax Administrator with the names, mailing addresses, telephone numbers, and email addresses of the others and the amounts paid to them. This exclusion does not apply to any fees, percentages, or other payments retained by the agents or trustees.

- i. Retail sales of bags, books, clothing, hats, key chains, posters, and stickers, as well as other personal tangible property when excluded by the City of Laguna Woods Tax Administrator in writing.

46. Is a cannabis storefront retailer required to register to pay the local business tax?

Yes; cannabis storefront retailers are required to file a Cannabis Business Tax Registration Form with the City of Laguna Woods within 30 calendar days of the date a cannabis business begins to engage in business and within 31 calendar days of each subsequent calendar year.

47. What instruments can be used to pay the local business tax to the City of Laguna Woods?

The City of Laguna Woods accepts local business tax payments by wire transfer, cashier's check, or money order only. Payments are not accepted by check, cash, coin, or other payment instrument.

48. When are local business tax payments due to the City of Laguna Woods?

Cannabis storefront retailers are required to remit local business tax payments, in arrears, on a monthly basis no later than the last day of the month following the close of the calendar month.

49. What happens if a local business tax payment is remitted late to the City of Laguna Woods?

If a local business tax payment is remitted to the City of Laguna Woods between one and 30 calendar days late, a penalty equal to 10% of the amount of the local business tax due is charged.

If a local business tax payment is remitted to the City of Laguna Woods more than 31 calendar days late, an additional penalty equal to 25% of the amount of the tax due, plus interest at the rate of 5% per 30-calendar day period on the unpaid tax, penalties, and interest is charged. Interest is applied on the first day of each 30-calendar day period for the full 30-calendar day period and will continue to accrue until the balance is paid in full.

Whenever a cashier's check or money order is submitted in payment of the local business tax and subsequently returned unpaid by the bank or institution for any reason, it will be deemed a failure to pay the local business tax. In addition to the penalties and interested described above, the cannabis storefront retailer will also be charged the actual amount of fees or other charges to the City by the bank or institution for the returned payment plus 10%.

Additional penalties apply to any failure to pay the local business tax due to fraud, misrepresentation, or deceit upon the City of Laguna Woods. The City of Laguna Woods Tax Administrator will make determinations as to whether fraud, misrepresentation, or deceit upon the City of Laguna Woods is the cause of any failure to pay the local business tax.

WASTE COLLECTION & RECYCLING

50. When must a cannabis storefront retailer provide battery recycling?

Cannabis storefront retailers that sell, dispense, or distribute batteries must provide a method by which customers may hand over used batteries of the general type sold by the cannabis storefront retailer for the purpose of transferring those batteries for recycling to companies, corporations, or other enterprises engaged in the business of recycling used batteries (e.g., if a cannabis storefront retailer sells 18650

batteries, or other batteries for use in vape pens, they must provide a battery recycling program).

Information and resources regarding battery recycling is available from the California Department of Resources Recycling and Recovery at <https://calrecycle.ca.gov/reducewaste/batteries>.

51. Are cannabis storefront retailers subject to specific solid waste handling requirements?

Yes; all residents and businesses in Laguna Woods are required to obtain solid waste handling services through CR&R Incorporated (“CR&R”). To obtain pricing and setup service, please contact CR&R at (949) 625-6735 or LagunaWoods-Recycles@CRRMail.com. The minimum required level of service is three times weekly collection of all waste and recycling containers, with all containers being locked when not actively attended by a cannabis storefront retailer or CR&R employee. Locks must be obtained from CR&R. The number and type of containers required will vary to meet on-site needs and comply with applicable law (see Frequently Asked Questions #52 and #53).

52. Are cannabis storefront retailers required to participate in organic waste recycling?

Cannabis storefront retailers are required to participate in organic waste (food waste, green waste, landscape and pruning waste, non-hazardous wood waste, and food-soiled paper) recycling if they generate two or more cubic yards of solid waste (all types) per week.

53. Are cannabis storefront retailers required to participate in traditional recycling?

Cannabis storefront retailers are required to participate in traditional “blue container” recycling if they generate four cubic yards or more of solid waste (all types) per week.

54. Where can a cannabis storefront retailer store waste containers for collection?

Cannabis storefront retailers are required to store all waste and recycling containers for collection in trash enclosures enclosed by a roofed structure with opaque walls and access point(s), as well as motion activated interior (under roof) lighting. Cannabis storefront retailers may not share trash enclosures with any other person or business, and may not use trash enclosures for any purpose other than to store waste and recycling containers for collection.

Trash enclosure design requirements include:

- a. Roofs shall be made of solid corrugated metal painted with rust-inhibitive paint and color coordinated with underlying walls/access points and with the building, to provide for as complimentary an appearance as possible.
- b. Walls shall be made of solid, split face or stuccoed, concrete masonry units that are color coordinated with adjacent walls and fencing or, if none, with the building, to provide for as uniform an appearance as possible.
- c. Doors and other access points shall be color coordinated with adjacent walls to provide for as uniform an appearance as possible. Landscaping shall be used to substantially screen walls.
- d. Trash enclosures may have an open air gap between roofs and underlying walls/access points provided such gap does not exceed 14 inches. For the purpose of this requirement, metal screens and similar stationary, non-opaque elements installed between roofs and underlying

walls/access points shall not be considered open air gaps when the openings in such stationary, non-opaque elements do not exceed 1 inch x 1 inch.

- e. An accessible path of travel that complies with California Building Standards Code requirements must be provided between trash enclosures and the cannabis storefront retailer.