



City of Palm Springs CANNABIS RELATED BUSINESS AND ACTIVITIES

SUBJECT: Notification of Change re Landlord to City Manager

REGULATION NO. 2018 – 02

I. Purpose

To establish a regulation pertaining to an applicant or permittee's notification to the City of any change in status to the landlord for a location of a cannabis business or activity operating pursuant to Palm Springs Municipal Code (PSMC) Chapter 5.45 (medical) and 5.55 (adult-use), Medical and Adult-Use Cannabis Related Business and Activities.

II. Application

PSMC Sections 5.45.400 (medical) and 5.55.400 (adult-use) authorizes the City Manager to establish administrative rules and regulations for the purpose of implementing, interpreting, clarifying, carrying out, furthering and enforcing the requirements of the provisions of PSMC Chapter 5.45 and 5.55 respectively.

PSMC Sections 5.45.140 (medical) and 5.55.140 (adult-use) address requirements before a permittee may commence operations, and each permittee must provide sufficient evidence of the legal right to occupy and use the proposed location for cannabis business and activities.

The City Manager has determined that special circumstances relating to any change of ownership and/or change in the organization of the ownership, with respect to any leased property wherein a cannabis business or activity will take place exist. Accordingly, any change in ownership or in the organization of the ownership of a leased cannabis location/facility must be the subject of a notice, by an applicant or a permittee, to the City Manager.

For purposes of this regulation, the terms "owner" and "landlord" shall be interchangeable.

This Administrative Regulation is issued as an interim matter. The issue addressed pursuant to this regulation will be the subject of an amendment to PSMC Chapters 5.45 (medical) and 5.55 (adult-use).

III. Regulation

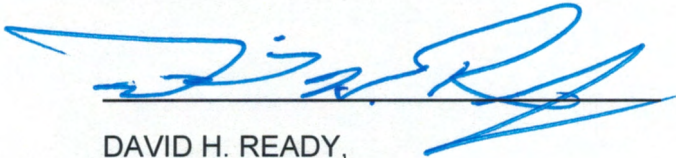
- A. PSMC Sections 5.45.140(D) (medical) and 5.55.140(D) (adult-use) state that in the event a proposed location for a cannabis business or activity will be leased from another person, the applicant shall provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read the PSMC Chapter on cannabis in question, and consents to the operation of the cannabis business in question on the owner's property.

- B. Should any change in the ownership of the property/location occur during the lease term the Cannabis Business Permit holder, whether during the application process or during the term of a cannabis permit, the applicant/permittee shall provide to the City Manager written notice of the change. The notice should reflect the specifics of who or what entity will be acting as the landlord, provide landlord's contact details, and indicate the effective date when the new or newly organized landlord will own the property/location in question. Said notice must be given no more than seven (7) days after any change of landlord, or landlord status.
- C. Within thirty (30) days of the change of landlord or landlord status, an applicant or permittee shall provide to the City Manager a new and superseding signed and notarized statement from the new landlord (owner) of the property, acknowledging that the new or newly organized property owner has read the PSMC Chapter on cannabis in question, and consents to the operation of the cannabis business in question on the owner's property.
- D. Any failure to provide notice of change of landlord or provide documentation to the City Manager regarding a new or newly organized landlord's status will result in revocation or suspension of the City's Cannabis Business permit in question, within the discretion of the City Manager.

IV. Effective Date

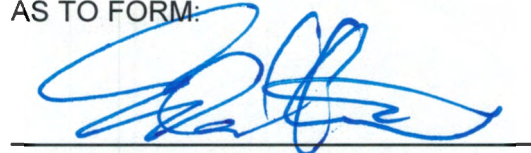
This Administrative Regulation shall be effective on 04/25/2018.

APPROVED:



DAVID H. READY,
City Manager, Esq. Ph.D.

AS TO FORM:



EDWARD Z. KOTKIN
City Attorney