



CITY OF SAN JOSÉ, CALIFORNIA

Office of the City Clerk
200 East Santa Clara Street
San José, California 95113
Telephone (408) 535-1260
FAX (408) 292-6207

City Clerk

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA)
CITY OF SAN JOSE)

I, Toni J. Taber, City Clerk & Ex-Officio Clerk of the Council of and for the City of San Jose, in said County of Santa Clara, and State of California, do hereby certify that **“Ordinance No. 31143”**, the original copy of which is attached hereto, was passed for publication of title on the **5th day of November, 2024**, was published in accordance with the provisions of the Charter of the City of San Jose, and was given final reading and adopted on the **19th day of November, 2024**, by the following vote:

AYES: BATRA, CANDELAS, COHEN, DAVIS, DOAN,
FOLEY, JIMENEZ, ORTIZ, KAMEI, MAHAN.

NOES: NONE.

ABSENT: TORRES.

DISQUALIFIED: NONE.

Said Ordinance is effective as of the **20th day of December, 2024**.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of San Jose, this **19th day of November, 2024**.

(SEAL)

TONI J. TABER, MMC
CITY CLERK & EX-OFFICIO
CLERK OF THE CITY COUNCIL

/YJ/

ORDINANCE NO. 31143

**AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING
SECTION 6.88.840 OF CHAPTER 6.88 OF TITLE 6
(BUSINESS LICENSES AND REGULATION) OF THE SAN
JOSE MUNICIPAL CODE FOR THE CANNABIS
REGULATORY PROGRAM TO ALLOW NOTICE OF
COMPLETED REGISTRATION TRANSFERS**

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

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

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

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

Section 6.88.840 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.840 Registration transfers.

- A. No Person shall assign or transfer any Notice of Completed Registration issued under this Chapter unless they follow procedures set out under Subsection B and without following these procedures, any attempt to assign or transfer any Notice

of Completed Registration issued pursuant to this Chapter shall render the Notice of Completed Registration null and void.

B. Notwithstanding Subsection A above and Subsection 6.88.350.E, a Cannabis Business wishing to transfer ownership or registration of the Cannabis Business may do so provided that:

1. The Cannabis Business and/or Cannabis Business's successor shall submit all required forms, pay any associated fees, and follow any procedures specified in the City Manager regulations.
2. The Cannabis Business and/or Cannabis Business's successor shall meet the requirement for registration under Subsection 6.88.300.G including the full payment of cannabis business taxes, fines, and/or fees. The Cannabis Business and/or Cannabis Business's successor may enter a payment plan in accordance with Subsection 6.88.385 for a term no longer than one year from the date of transfer of registration. A partial payment must be made when entering the payment plan in an amount as determined by the director of finance and all outstanding amounts must be paid in full within one year of the date of transfer of registration.
3. The Cannabis Business must transfer the registration for all locations of the business; no partial transfers of the business will be allowed.
4. A new or amended Notice of Completed Registration confirming the change in ownership or registration is issued.

C. Notwithstanding Subsection B above, a Cannabis Equity Owner may not transfer ownership to a non-equity owner such that the total amount of equity ownership

falls below fifty-one percent (51%) for a period of five (5) years following the original date of receipt of a Notice of Completed Registration.

- D. Notwithstanding Subsection B above, a Cannabis Equity Business may not transfer shares of ownership to non-equity owners or partners such that the aggregate total of equity ownership falls below fifty-one percent (51%) for a period of five (5) years following the original date of receipt of a Notice of Completed Registration.

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PASSED FOR PUBLICATION of title this 5th day of November, 2024, by the following vote:

AYES: BATRA, CANDELAS, COHEN, DAVIS, DOAN,
FOLEY, JIMENEZ, ORTIZ, KAMEI, MAHAN.

NOES: NONE.

ABSENT: TORRES.

DISQUALIFIED: NONE.



MATT MAHAN
Mayor

ATTEST:



TONI J. TABER, MMC
City Clerk