

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RED BLUFF
ADDING CHAPTER 6B: COMMERCIAL CANNABIS REGULATION, OF
THE RED BLUFF MUNICIPAL CODE**

WHEREAS, the City of Red Bluff is a General Law City, established under the Constitution of the State of California, has the power to make and enforce within its jurisdictional limits all laws and regulations in respect to municipal affairs.

WHEREAS, moreover, pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the California Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA” or “the Act”), any subsequent state legislation and/or regulations regarding same, the City of Red Bluff is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial cannabis businesses.

WHEREAS, the purpose of this ordinance is to regulate commercial cannabis activity in the City of Red Bluff, whether the cannabis is for medicinal or adult-use commercial purposes by enacting a permitting and regulatory system for this action.

WHEREAS, it is the purpose and intent of this ordinance, and resolutions and other policies adopted by the city, to implement the provisions to provide access to cannabis as authorized by MAUCRSA and related laws, regulations and policies issued by the State of California, while imposing reasonable regulations on commercial activities and the use of land to protect the city’s residents, neighborhoods and businesses from significant negative impacts. As such, it is the purpose and intent of this ordinance to regulate the commercial cultivation, manufacturing, testing, distribution, retail sale, microbusiness and cannabis event organizer uses of medicinal and adult-use cannabis and cannabis products, and the ancillary transportation and delivery of same, as may be amended from time to time by the State of California and the City of Red Bluff (hereinafter, collectively, “Commercial Cannabis Businesses”) in a responsible manner to protect the health, safety and welfare of the residents of the City of Red Bluff and to enforce rules and regulations consistent with state law. It is the further purpose of the ordinance to prohibit the commercial outdoor cultivation of cannabis within the City of Red Bluff.

WHEREAS, nothing in this ordinance is intended to authorize the possession, use or provision of cannabis for purposes that violate state law. The provisions of this ordinance are in addition to any other permits, licenses, approvals and compliance or regulatory inspections which may be required to conduct business in the city, and are in addition to any permits, licenses, approvals and compliance or regulatory inspections required under the City of Red Bluff, the State of California or other laws, rules and regulations.

WHEREAS, the City Council had previously adopted regulations concerning cannabis land use activities within the City of Red Bluff by establishing CHAPTER 25: ZONING, Article XXII: Prohibited Uses, Section 25.214 to expressly prohibit Commercial Cannabis Activity, whether for medicinal or other use.

WHEREAS, in 1996, the voters of the State of California approved Proposition 215 known as “The Compassionate Use Act of 1996” or CUA (codified as Health and Safety Code section 11362.5) to enable persons who need cannabis for medical purposes to use it without fear of criminal prosecution or other forms of sanction. That Act calls on “federal and state governments to implement a plan to provide for the safe and affordable distribution of marijuana to all patients in medical need of marijuana.”

WHEREAS, in 2004, the Legislature enacted Senate Bill 420 (codified as California Health and Safety Code sections 11362.7 et seq. and referred to as the “Medical Marijuana Program Act” or MMPA) to clarify the scope of Proposition 215 and to provide qualifying patients and primary caregivers who collectively or cooperatively cultivate marijuana for medical purposes with an affirmative defense to certain specified state criminal and civil statutes. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the MMPA to expressly recognize the authority of counties and cities to “adopt local ordinances that regulate the location, operation or establishment of a medical marijuana cooperative or collective” and to enforce such ordinances civilly or administratively.

WHEREAS, in 2015 California’s Legislature passed Senate Bill 643, referred to as the Medical Marijuana Regulation and Safety Act (MMRSA) to further clarify the scope of state regulations for the medical cannabis industry.

WHEREAS, on November 8, 2016, the voters of California adopted Proposition 64, known as the “Adult Use of Marijuana Act” or AUMA, which allows for adults 21 years or older to possess and cultivate cannabis and to possess and use cannabis products, and the voters of the City of Red Bluff approved Proposition 64. As part of that initiative, commercial cultivation, manufacture, retail sales, transportation, distribution, delivery, and testing of cannabis was authorized. Like the legislative enactments the year before on medicinal cannabis, Proposition 64 created a new comprehensive state licensing system which went into effect on January 1, 2018.

WHEREAS, on June 27, 2017, Governor Brown signed Senate Bill 94, the “Medicinal and Adult-Use Cannabis Regulation and Safety Act” or MAUCRSA which created one state regulatory structure for medical and adult use commercial cannabis activities, reconciling prior state cannabis regulatory acts and provided that the state shall not issue a state license for a business to engage in commercial cannabis activity if the business activity violates any local ordinance or regulation. The City of Red Bluff had codified a ban on all cannabis uses in the Zoning Code that was in effect by 2018.

WHEREAS, commercial cannabis activity at locations or premises within five hundred feet (500') of schools, day care centers or youth centers creates the likelihood that the cannabis or cannabis products may be observed by juveniles.

WHEREAS, the City Council desires to allow certain commercial cannabis activity within the City of Red Bluff and regulate such activity through land use regulations within the City of Red Bluff and by adopting a commercial cannabis business permit system to allow for and control the retail sales, retail delivery, cultivation, manufacturing, distribution, microbusiness, event organizing and testing laboratory uses of commercial cannabis within the City of Red Bluff, while prohibiting commercial outdoor cultivation as specified under Chapter 6B: Commercial Cannabis Regulation, Section 6B.000 et. seq. of the City of Red Bluff Municipal Code.

WHEREAS, the emerging new cannabis industries in California represent a significant growth in local jobs for communities that embrace regulated access. The commercial cultivation, distribution, testing, sales and manufacturing of medical and adult use cannabis can generate much needed revenue streams for the City of Red Bluff. These revenue streams include, but are not limited to: receipt of research grants and social equity by the State of California; receipt of state cannabis revenues by local law enforcement agencies, public health, and non-profit organizations and agencies; an increase in good paying local jobs; increased consumer spending in local businesses generated by cannabis consumers when they shop for their cannabis goods; increased tourism generated by the presence of cannabis businesses; increase to local sales tax revenues; reduction in local law enforcement expenditures due to a decrease in illicit cannabis activity; rising of property values surrounding cannabis businesses which increases property tax revenues; and, increase of citizens spending earned income within the city.

WHEREAS, the City Council finds and declares that this ordinance constitutes a valid exercise of its police power in accordance with Article XI, Section 7 of the California Constitution, is consistent with the language and intent of the CUA, MMPA, AUMA, MAUCRSA and related laws, regulations, and policies issued by the state, consistent with the City of Red Bluff General Plan, and furthers the health, safety and general welfare of the residents of the City of Red Bluff.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RED BLUFF DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Chapter 6B: Commercial Cannabis Regulation, Section 6B.010, et seq., is hereby added to the Red Bluff Municipal Code to read as follows:

6B.010 Purpose and Intent.

The purpose of this article is to regulate commercial and personal cannabis activity

in the City of Red Bluff, whether the cannabis is for medicinal or adult-use commercial purposes by enacting permitting and regulatory procedures for this action. It is the purpose and intent of this chapter, in conjunction with the balance of Chapter 25 of the this code and resolutions and other policies adopted by the city, to implement the provisions to provide access to cannabis as authorized by the California Medicinal and Adult-Use Cannabis Regulation and Safety Act and related laws, regulations, and policies issued by the State of California while imposing reasonable regulations on commercial activities and the use of land to protect the city's residents, neighborhoods, and businesses from significant negative impacts. As such, it is the purpose and intent of this chapter to regulate the commercial cannabis business activity in a responsible manner to protect the health, safety and welfare of the residents of the City of Red Bluff and to enforce local rules and regulations consistent with state law.

It is the purpose and intent of this chapter to require all commercial cannabis businesses operating in the city to obtain and renew annually a commercial cannabis permit to operate within the City of Red Bluff. Nothing in this chapter is intended to authorize the possession, use, or provision of cannabis for purposes that violate state law. The provisions of this chapter are in addition to any other permits, licenses, approvals, and compliance or regulatory inspections which may be required to conduct business in the city, and are in addition to any permits, licenses, approvals and compliance or regulatory inspections required under the City of Red Bluff, the State of California, or other state and local laws, rules and regulations.

6B.020 Legal Authority.

The City of Red Bluff is a General Law City, established under the Constitution of the State of California, has the power to make and enforce within its jurisdictional limits all laws and regulations in respect to municipal affairs. Moreover, pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of MAUCRSA, any subsequent state legislation and/or regulations regarding same, the City of Red Bluff is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial cannabis businesses. Moreover, pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of MAUCRSA any subsequent state legislation and/or regulations regarding same, the City of Red Bluff is authorized to adopt ordinances and local resolutions that establish local standards, requirements and regulations for the licensing and permitting of commercial cannabis businesses.

6B.030 Commercial Cannabis Businesses Prohibited Unless Specifically Authorized.

A. No person shall engage in, conduct and/or operate a commercial cannabis businesses, or cause, allow, permit and/or maintain a commercial cannabis business on any real property, within the city except as specifically authorized both by the provision of

this code, including but not limited to this chapter, and state law.

B. Except as specifically authorized in this chapter, or expressly made exempt from city regulation by state law, the cultivation, manufacturing, processing, storing, laboratory testing, labeling, transporting, dispensing, furnishing, distribution, delivery, and/or sale of cannabis or a cannabis product is expressly prohibited anywhere in the city.

6B.040 Compliance with State and Local Laws.

Nothing in this chapter shall be construed as authorizing any actions that violate state law or local law with respect to engaging in, or in the operation of, a commercial cannabis business. It shall be the responsibility of the permittees and responsible persons of a commercial cannabis business to ensure that a commercial cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, including for as long as applicable, all state cannabis laws and regulations, any subsequently enacted state law or regulatory, licensing, or certification standards or requirements, and any specific additional operating procedures or requirements.

6B.050 Definitions.

Unless otherwise defined in this chapter or Article XXV of Chapter 25, Division 1 of Article I of Chapter 1, Article XII of Chapter 2, or the context clearly indicates different meaning, the words and phrases used in this chapter shall have the same definitions ascribed to them in Division 10 of the Business and Professions Code, including section 26001, and Title ~~43~~, Division ~~198~~, Department of Cannabis Control, Title 16, Division 42 and Title 17, Division 1, Chapter 13, of the California Code of Regulations, and section 11362.7 of the Health and Safety Code. Any reference to California statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

ACT or MAUCRSA shall mean the California Medicinal and Adult-Use Cannabis Regulation and Safety Act, as set forth in California Business and Professions Code section 26000 et seq.

APPLICANT under this chapter shall include any individual or entity applying for a commercial cannabis permit, and shall include any officer, director, partner or other duly authorized representative applying on behalf of an entity.

BUSINESS LICENSE means a license issued by the City Finance Director pursuant to Chapter 12 of this code.

CANNABIS EVENT means a public or private event where compensation is provided or exchanged, either directly or indirectly or as part of an admission or other fee

for service, for the provision, hosting, promotion or conduct of the event where consumption of cannabis is part of the activities.

CITY ATTORNEY means the City Attorney of the City of Red Bluff, including their designee.

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CITY CLERK means the City Clerk of the City of Red Bluff, including their designee.

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~~CITY FINANCE DIRECTOR means the City Finance Director of the City of Red Bluff, including their designee.~~

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CITY MANAGER means the City Manager of the City of Red Bluff, including their designee.

COMMERCIAL CANNABIS ACTIVITY includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and/or cannabis products as provided for in MAUCRSA and state regulations. Commercial cannabis activity shall also have the same meaning as in Section 26001 of the Business and Professions Code, or any successor section thereto.

COMMERCIAL CANNABIS BUSINESS means any business or operation, which engages in medicinal or adult-use commercial cannabis activity, as authorized by this chapter, including, the cultivation, manufacturing, testing, distribution, microbusiness, event organization and retail as explicitly allowed herein, of medicinal and adult use cannabis and cannabis products, and the ancillary transportation and delivery of same.

COMMERCIAL CANNABIS BUSINESS PERMIT or CCBP means a permit issued by the Director to allow a person to engage in commercial cannabis activity and/or operate a commercial cannabis business pursuant to the requirements of this chapter.

COMPETITIVE APPLICATION means the process to issue CCBPs when the number of applications received exceeds the number of CCBPs that may be issued pursuant to this chapter.

CULTIVATION means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis pursuant to Section 26001 of the Business and Professions Code, as may be amended from time to time. Whenever references to cultivation are made in this chapter, cultivation may refer to either commercial cultivation or non-commercial personal cultivation as specified.

CULTIVATOR means a person who cultivates cannabis.

CULTIVATION AREA means a location where cannabis is sprouted, cloned, planted, grown, harvested, dried, cured, graded, sorted, or trimmed, or a location where any combination of those activities occurs.

CUSTOMER means a natural person 21 years of age or older; or, a natural person 18 years of age or older who possesses a physician's recommendation for medicinal use, or a primary caregiver. Customer shall also have the same meaning as in Section 26001 of the Business and Professions Code, as may be amended from time to time.

DAY CARE CENTER has the same meaning as in Section 1596.76 of the California Health and Safety Code, meaning a child day care facility other than a family day care home.

DATE OF SERVICE shall mean the date when a notice or written decision was served upon a person pursuant to this chapter.

DELIVERY is the commercial transfer of cannabis or cannabis products to a customer. Delivery shall also have the same meaning as in Section 26001 of the Business and Professions Code, as same may be amended from time to time.

DCC means the state Department of Cannabis Control.

DIRECTOR, unless otherwise specified, means the Planning—Community Development Director of the City of Red Bluff, including their designee.

DISPENSING means any activity involving the retail sale of cannabis or cannabis products from a retailer.

DISTRIBUTION means the procurement, sale, and transport of cannabis and cannabis products between licensees or permittees. Distribution shall also have the same meaning as in Section 26001 of the Business and Professions Code, as may be amended from time to time. Distribution shall also encompass all activities authorized by the DCC for "Distributor" or "Transport" type Licenses.

DISTRIBUTOR means an entity that engages in the distribution of cannabis from a licensed commercial cannabis business and transporting it for sale or other purposes necessary for operations to another commercial cannabis business. This definition shall encompass all distributor or transport type licenses issued by the DCC,

EVENT ORGANIZER means a person or commercial cannabis business who engages in the organizing and operating of a cannabis event.

FIRE CHIEF means the Fire Chief of the City of Red Bluff Fire Department, including their designee.

FINANCE DIRECTOR means the Finance Director of the City of Red Bluff, including their designee.-

INDOOR CULTIVATION means the cultivation of cannabis within a permanent structure using exclusively artificial light or within any type of structure using artificial light at a rate above twenty-five watts per square foot, and includes mixed-light cultivation.

LICENSE OR STATE LICENSE means a license issued by the State of California, or one of its departments or divisions, under MAUCRSA, and any subsequent State of California legislation or regulations regarding the same, to lawfully engage in commercial cannabis activity.

LICENSEE means any person holding a license issued by the State of California to conduct commercial cannabis business activities.

MANAGER means any person(s) designated by the commercial cannabis business to act as the representative or agent of the commercial cannabis business in managing day-to-day operations with corresponding liabilities and responsibilities, and/or the person in apparent charge of the premises where the commercial cannabis business is located. Evidence of management includes, but is not limited to, evidence that the individual has the power to direct, supervise, hire and dismiss employees, controls hours of operations, creates policy rules, and purchases supplies.

MARIJUANA shall have the same meaning as cannabis.

MEDICINAL/MEDICAL CANNABIS means any cannabis or cannabis product(s), intended to be cultivated, possessed, remunerated or donated, for use pursuant to the Compassionate Use Act of 1996 (Section 11362.5 of the California Health and Safety Code) and/or the Medical Marijuana Program Act (Section 11362.7 of the California Health and Safety Code) by any qualified individual on behalf of any qualified patient who possesses a physician's recommendation or approval to use cannabis for medicinal purposes.

MICROBUSINESS means a business which would be required to obtain a DCC microbusiness license and who is engaged in at least three (3) of the following commercial cannabis activities: cultivation (less than 10,000 square feet), manufacturing (non-volatile), distribution, and retailer as defined within this chapter.

MIXED LIGHT CULTIVATION means cultivation using a combination of natural sunlight and supplemental artificial lighting that may also include light deprivation mechanisms, as defined by state regulation. This term refers to various types of

greenhouses, whereby all cannabis plants are not legally visible or accessible to the public, and the rooftop of the structure is transparent or translucent to natural light, with the walls and ingress / egress points being secured, opaque and obstructed from public view and access. For the purposes of this chapter, mixed light is included within the meaning of indoor cultivation.

NON-VOLATILE MANUFACTURER means an entity engaging in the manufacture of cannabis whereby the use of any mechanical methods, solvent or extraction medium used in the extraction, concentration or dilution of cannabis that is not a volatile solvent as defined by the DCC. For purposes of this chapter, such solvents and mediums include, but are not limited to: lipids; vinegars; glycerin; heat; cold; water; ice; pressure; carbon dioxide and ethanol. This definition shall comply with the definition set forth by the DCC and includes all cannabis manufacture methods not explicitly deemed volatile by the DCC.

OUTDOOR CULTIVATION means any cultivation of cannabis that does not occur within a fully enclosed structure and/or the contents of that structure are visible from any public right of way.

OWNER, OWNING, OWNERSHIP means any of the following, or a group or combination of any of the following acting as a unit: a person with an aggregate ownership interest of five percent (.05%) or more in the business applying for CCBP, whether a partner, shareholder, principal, member, or the like, unless the interest is solely a security, lien, or encumbrance.

PATIENT or QUALIFIED PATIENT means the same definition as California Health and Safety Code section 11362.5 and 11362.7 et seq. (as it may be amended) and which means a person who is entitled to the protections of California Health and Safety Code section 11362.5.

PERMITTEE means any person holding a commercial cannabis business permit issued by the city authorizing the holder to engage in a locally authorized commercial cannabis business.

PERSON means any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit or entity, and the plural as well as the singular.

PERSONAL CULTIVATION means and includes cultivation of adult use cannabis by natural persons for their own use pursuant to Health and Safety Code section 11362.2, and medical cannabis by patients for their own use or by primary caregivers for a patient's use within the meaning of the Compassionate Use Act of 1996, Health and Safety Code section 11362.5.

POLICE CHIEF means the means the Chief of the City of Red Bluff Police Department, including their designee.

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~~PREMISES means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant where the commercial cannabis business will be or is being conducted.~~

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POSSESSION means any activities involving the possession, storage, or transportation of cannabis.

PREMISES means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant where the commercial cannabis business will be or is being conducted.

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PRIMARY CAREGIVER shall have the same meaning as set forth in California Health and Safety Code, sections 11362.5 and 11362.7

PUBLIC WORKS DIRECTOR means the Public Works Director of the City of Red Bluff, including their designee.

QUALIFIED INDIVIDUAL shall have the same meaning as set forth in California Health and Safety Code, sections 11362.5 and 11362.7

STATE REGULATIONS means those regulations issued by the State of California, through its respective departments and/or divisions, pursuant to Section 26013 of the Business and Professions Code, including those set forth in the California Code of Regulations Title ~~43, Division 19, as Division 8; Title 16, Division 42; and Title 17, Division 4,~~ as may be amended from time to time, to implement, interpret, administer and enforce the Act, and providing licensing and enforcement criteria for commercial and medicinal cannabis activities and businesses.

RESPONSIBLE PERSON means all owners and operators of a commercial cannabis business, including the permittee and all officers, directors, or partners.

RETAILER-STOREFRONT or STOREFRONT RETAILER is a storefront retailer of a commercial cannabis business facility where cannabis, cannabis products, or cannabis accessories are offered, either individually or in any combination, for retail sale to customers at a fixed location, including an establishment that also offers delivery of cannabis and cannabis products as part of a retail sale, and which are open to the public, and where the operator is authorized to operate in the city as a retailer, and holds a valid California Bureau of Cannabis Control License as required by state law to operate as a retailer. This definition shall comply with the definition set forth by the Bureau of Cannabis

Control as it may change.

RETAILER-DELIVERY or NON-STOREFRONT RETAILER means a non-storefront, delivery only retailer as a commercial cannabis business facility where cannabis, cannabis products, either individually or in any combination, for retail sale to customers, where the premises are non-storefront, closed to the public, and sales are conducted exclusively by delivery, where a vehicle is used to convey the cannabis or cannabis products to the customer from a fixed location, and where the operator is authorized by the City of Red Bluff to operate as a retailer, and holds a valid California Bureau of Cannabis Control License as required by state law to operate as a retailer. This definition shall comply with the definition set forth by the Bureau of Cannabis Control as it may change for non-storefront retailers.

REVOKE/REVOICATION means to render null, void and vacate entirely any entitlement or permit without intent to grant again, return or otherwise reinstate.

SCHOOL has the same meaning as "Educational Institution" as defined in Education Code section 210.3.

STATE LAW means all laws of the State of California, and includes any duly adopted regulation set forth in the California Code of Regulations.

TAC means The City of Red Bluff Technical Advisory Committee as set forth in Chapter 2 of this code.

TRANSPORT means the transfer of cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized by law and which may be amended or repealed by any subsequent State of California legislation regarding the same.

VOLATILE MANUFACTURER means an entity engaging in the use of volatile substances to process and manufacture cannabis and produce cannabis products using the full capacity of techniques, chemicals and solvents allowed by the DCC to manufacture cannabis, cannabis products, cannabis concentrates, or package/repackage cannabis products. This definition shall encompass the full range of cannabis manufacture activities as they may be updated by the DCC.

YOUTH CENTER has the same meaning as set forth in Section 11353.1 of the California Health and Safety Code.

6B.060. Type of Commercial Cannabis Businesses Allowed; Activities Prohibited.

A. Allowed. The following types of licensees may be allowed to operate as commercial cannabis businesses within the city, provided such licensee and/or business has first obtained a CCBP, a business license and the appropriate state-issued license(s):

1. Testing Laboratory;
2. Distributor;
3. Volatile Manufacturer;
4. Non-Volatile Manufacturer;
5. Retailer-Delivery only;
6. Retailer-Storefront;
7. Indoor Cultivator;
8. Microbusiness; and
9. Cannabis Event Organizer.

B. Prohibited. The following types of state licenses are prohibited from operating in the city:

1. Outdoor Commercial Cannabis Cultivation; and-
- ~~4-2. Cannabis Events.~~

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6B.070 Personal Cultivation.

A. Compliance with state law. Unless otherwise authorized by this chapter, no person shall cultivate cannabis, except for cultivation that is by and for a natural person's sole personal use, or by a qualified primary caregiver who cultivates medical cannabis on behalf of a qualified patient(s), and that occurs solely within a private residence or lawfully existing fully enclosed accessory building or structure thereto, including greenhouses and similar structures whose contents are not visible from the public right-of-way, pursuant to the requirements and limitations of Health and Safety Code section 11362.2 and this Chapter.

B. Outdoor prohibition. Outdoor Cultivation is prohibited in all zone districts of the City, unless and until the City Council resolves by majority vote to allow outdoor cultivation consistent with the provisions of this chapter.

C. General requirements for personal cultivation.

1. The requirements listed herein are applicable to all personal cannabis cultivation within the city. The right of any person under state law to cultivate cannabis for medicinal or adult use does not confer upon them the right to create or maintain a public nuisance.
2. Indoor personal cultivation of cannabis may only be conducted inside a lawfully existing dwelling and/or accessory building or structure on the same parcel by an adult who lawfully resides at that property.
3. Buildings and/or structures and equipment used for indoor cultivation, including but not limited to grow lights, shall comply with all applicable provisions of this code and state law, including but not limited to the building, electrical and fire codes. Personal cultivation of cannabis shall not interfere with the primary occupancy of the building or structure, including regular use of kitchen(s), bathroom(s) or the garage.
4. No exterior evidence of cannabis cultivation shall be discernible from the public right-of-way.
5. Nothing in this section authorizes modifications to any property, building and/or structure thereon in violation of this code and/or state law.

D. Medicinal cannabis.

1. Medicinal cannabis shall be cultivated by a qualified patient or primary caregiver exclusively for the medical purposes of qualified patients, in accordance with the Compassionate Use Act, the Medical Marijuana Program Act and MAUCRSA.
2. Medicinal cannabis shall only be cultivated by a qualified patient or primary caregiver of at least 18 years of age.
3. The cumulative total of cannabis plants on the property, shall not exceed 12 cannabis plants, regardless of the number of persons residing on the property.

E. Adult use cannabis.

1. Adult use cannabis shall only be cultivated by a person 21 years of age or older.
2. The cumulative total of cannabis plants on the property, shall not exceed 6

Commented [A1]: Per the minutes: M/S Councilmembers Eyestone, Parker, Jones, and Deiters voted to allow up to six cannabis plants to be grown for personal adult use within the City of Red Bluff. Personal cannabis plants for medicinal use can be grown according to the regulations outlined by the State of California.

Commented [A2R1]: Rick. I strongly advise that the Council revisit put some limits on the number of plants that can be grown for medicinal cannabis and that this be revisited at the next meeting. Without expressly stating a limit, this creates a loophole that could allow for umpteen plants to be cultivated as purported "medicinal cannabis", with no effective enforcement mechanism. There are no applicable state regulations, i.e., in the CCR, that govern the growing of medicinal cannabis. The Compassionate Use Act, Prop. 215 (H&S Code sec. 11362.5) ONLY provides exemptions from criminal prosecution for cultivation/possession by qualified patients and primary caregivers only. It does not create a "right" to cultivate medical cannabis and it does not preempt local ordinances regulating or banning the cultivation of medicinal cannabis. See League guide at pg. 25; *Kirby v. County of Fresno* (2015) 242 Cal.App.4th 940, 969-970; *Maral v. City of Live Oak* (2013) 221 Cal.App.4th 975; *Browne v. County of Tehama* (2013) 213 Cal.App.4th 704. The AG provides guidance for the CUA, but these are not binding regulations.

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plants, regardless of the number of persons residing on the property.

F. Property owner rights. Nothing in this chapter is intended, nor shall it be construed, to preclude any owner of real property from limiting or prohibiting personal cultivation of cannabis on their property by any person, including tenants.

COMMERCIAL CANNABIS BUSINESS PERMIT

6B.100 Commercial Cannabis Business Permit Required.

A. No person may engage in any commercial cannabis activity within the city unless the person (1) has a valid CCBP issued by the city; (2) has a valid state license; (3) any other applicable approvals, including, but not limited to, a building permit and city business license, and for store-front retail businesses a development agreement; and (4) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis activity including but not limited to the requirements of this chapter.

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B. It shall be unlawful to rent, lease, or otherwise permit any commercial cannabis activity at any location, structure, or vehicle in the city by a person (1) that does not have a valid CCBP issued by the city; (2) that does not have a valid State license; (3) that does not have any other applicable approvals, including, but not limited to, a building permit and city business license; or (4) that is not currently in compliance with all applicable State and local laws and regulations pertaining to the commercial cannabis activity. Property owners shall have strict liability for any commercial cannabis activity at any location, structure, or vehicle in the city by a person (1) that does not have a valid CCBP issued by the city; (2) that does not have a valid state license; or (3) that does not have any other applicable approvals, including, but not limited to, a building permit and city business license.

C. A copy of the CCBP shall be displayed at alltimes in a place visible to the public. The CCBP shall be issued to the specific person or persons listed on the cannabis permit application and also list the authorized business entity if applicable.

D. A CCBP shall not be issued to any person, and no person shall engage in any commercial cannabis activity and/or have any ownership interest in a commercial cannabis business, nor shall a person be employed by or work in a commercial cannabis business, who has been convicted of a felony within the past seven (7) years, unless that felony has been dismissed, withdrawn, expunged or set aside pursuant to Penal Code sections 1000, 1203.4 or 1385, or who is currently on probation or parole for the sale, distribution, possession or manufacture of a controlled substance, or who is required to register as a sex offenders pursuant to Penal Code section 290. Exempted from these prohibitions is a conviction for a felony involving cannabis where the underlying offense has subsequently been designated as a misdemeanor or infraction or decriminalized

pursuant to the provisions of MACRUSA or other state law.

E. Applicant shall be responsible for all fees and noticing obligations required for processing all Permits.

F. Permittees shall be and remain in compliance with all applicable state and local laws and regulations pertaining to engaging in, conducting or operating a commercial cannabis business. Permittee shall obtain any applicable state License prior to commencing operations.

G. The City Manager shall have the authority to adopt rules and/or regulations governing the implementation of this chapter.

H. In addition to any other requirement of this chapter, no CCBP shall be issued to a store-front retail business unless and until a development agreement has been entered into by the applicant and the City pursuant to the procedures set forth in Chapter 25: Article XXVII. Such development agreement may, in the sole and absolute discretion of the City, include provisions for a specified public benefit payment to the City by the applicant.

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6B.110 Number of Commercial Cannabis Businesses Authorized.

A. The maximum numbers of Commercial Cannabis Businesses that may be issued a CCBP per classification are as follows:

1. Retailer-Storefront: Five (5).
 2. Retailer-Non-Storefront: No maximum.
 3. Testing Laboratory: No maximum.
 4. Manufacturer: No maximum.
 5. Distributor: No maximum.
 6. Indoor Cultivator: No maximum.
 7. Microbusiness: No maximum.
 8. Cannabis Event Organizer: No maximum.
 9. Outdoor Commercial Cultivation: Zero (0).
- B. Each year following the initial award of permits, or at any time in the City

Council's discretion, the City Council may, in its sole and absolute discretion, establish by resolution that the number of commercial cannabis permits which can be issued per each classification should remain the same, be reduced, or be increased. However, nothing in this section shall authorize the revocation or non-renewal of an existing CCBP solely due to a reduction in the number of permits authorized for issuance.

C. No person may have an ownership interest in more than one commercial cannabis business in the city for a retailer-storefront business.

6B.120 Location Limitations.

A. Commercial cannabis businesses shall only be located in those zoning districts as set forth in Chapter 25: Zoning.

~~B. No commercial cannabis business may be located within a five hundred foot (500') linear radius measured from property line to property line of a school, day care center or youth center that is in existence at the time of submission of a completed initial application for a CCBP. This prohibition shall not apply to any subsequent renewal of a CCBP.~~

~~B.~~

~~C. Allowed. The license classification and type of commercial cannabis business allowed for in each zoning districts are as follows:~~

- ~~1. Testing Laboratory: C-2, C-3, P-1, M-1 and M-2.~~
- ~~2. Distributor: C-2, C-3, P-1, M-1 and M-2.~~
- ~~3. Volatile Manufacturer: M-1, M-2, P-1.~~
- ~~4. Non-Volatile Manufacturer: C-2, C-3, P-1, M-1 and M-2.~~
- ~~5. Retailer Delivery: C-2, C-3, H-C, P-1, M-1 and M-2.~~
- ~~6. Retailer Storefront: C-2, C-3, H-C, P-1, M-1 and M-2.~~
- ~~7. Indoor Cultivator: M-1, M-2, P-1.~~
- ~~8. Microbusiness: Determined by each license category authorized by the CCBP.~~
- ~~9. Cannabis Event Organizer: C-2, C-3, H-C if utilizing a commercial space. All zoning Districts if operated as a home occupation.~~
- ~~10. Cannabis Event: [insert zone district] Permissible events are subject to an~~

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~~approved administrative use permit.~~

6B.130 Submission of Commercial Cannabis Business Permit Applications.

A. Following the effective date of this chapter, the Director shall make available the necessary forms, adopt any necessary application rules for the submission, intake, review, and approval of CCBP applications not otherwise set forth in this chapter, and establish dates upon which applications will be accepted.

B. For those classifications for which only a limited number of CCBPs are authorized, the Director shall establish an initial time period of not less than thirty (30) days by which all such applications must be submitted. If the number of applications submitted in this initial time period exceeds the maximum number of CCBPs authorized, the procedure set forth in section 6B.132 for competitive applications shall be utilized to award permits.

C. Any person applying for a CCBP under this chapter shall submit a completed application therefor on the forms promulgated by the Director along with any additional required documents and fees.

D. The Director shall accept for processing applications meeting the requirements set forth in this section. Any applications not adhering to the requirements set forth herein, or which demonstrate an inability to comply with the requirements of this chapter may be rejected. The application shall include the following information, in addition to any additional information deemed necessary by the city to process the application:

1. Payment of fees.
2. Application is filled out completely.
3. The address, suite number (if applicable) and Assessor's Parcel Number of the property on which the proposed business shall be located.
4. The name, address, and contact information for the business owner(s). If the owner is a corporation, legal documents outlining the business structure shall be provided, along with the name, address and contact information for each officer. The following documents, if applicable to the business structure, shall be provided:
 - i. Articles of Incorporation.
 - ii. Articles of Organization.
 - iii. Certificate of Limited Partnership.
 - iv. Statement of Partnership Authority.

v. Fictitious Name Statements.

5. For each owner/officer:

- i. Copy of Social Security card.
- ii. Copy of Department of Motor Vehicles (DMV) issued driver's license, DMV issued ID card or passport.
- iii. Proof of address (DMV issued driver's license, DMV issued ID card or passport and/or recent utility bill in owner/officer's name).
- iv. Percentage of ownership interest held in the applicant entity.

6. A completed Live Scan application for each owner/officer on a form specified by the Director for all owners holding more than twenty percent (20%) financial interest in the applicant entity.

7. The name and address of the applicant's current agent for service of process.

8. A completed city business license application. Applicant has signed all indemnity, liability, disclosure or other legal agreements required under this chapter.

9. Applicant has agreed that upon approval from the State of California for commercial cannabis activity that they shall provide the Director with a copy of all documents submitted to the State of California upon request.

10. Applicant has attested under penalty of perjury that all information submitted is truthful, accurate, and whole; and that nothing has been altered to misrepresent fact by lie or omission.

E. Should the Director determine that the application is missing and/or needs further information, they may so notify the applicant in writing. The failure of the applicant to provide the requested information with ten (10) business days shall cause the application to be rejected.

F. All information submitted by applicants shall be true, correct, whole, and be free of any material misrepresentation of fact, lie or omission.

6B.131 Commercial Cannabis Business Permit Application Process.

A. Approval of a permit under this section grants applicants ability to seek state licensing. Issuance of a license by DCC to the applicant for the specified commercial cannabis activity is required prior to any commercial cannabis business engaging in commercial cannabis activity.

B. The Director, after receiving the application and the required information, and except for competitive applications, shall grant the permit if they find all of the following:

1. The application complies with all the requirements of this chapter .
2. The applicant has not knowingly made a material misrepresentation in the application.
3. The applicant has not had a CCBP denied or revoked for cause by the city within the last five (5) years prior to the date of the application.
4. The commercial cannabis business, as proposed by the applicant would comply with all applicable provisions of State law and this code, including, but not limited to this chapter and all health, zoning, fire and safety requirements.

C. Upon determination by the Director that an application is in compliance with this chapter and chapter 25, such application shall be approved and issued a CCBP within ten (10) business days, except for competitive applications as provided for in this chapter and/or for those applications that require a development agreement. Upon approval, permittees must obtain licensing from the DCC prior to operating.

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D. Competitive applications for which the Director has made a determination that such application is in compliance with this chapter shall be authorized to proceed to the competitive application selection process and shall be so notified within ten (10) business days.

E. If any of the items listed in this section are not met or provided, the Director may notify the applicant of the deficiency in writing, after which the applicant will have ten (10) business days from the date of notice to correct the deficiency. If the deficiency is not corrected to the satisfaction of the Director within ten (10) business days, the Director may deny the permit.

6B.132 Competitive Application Selection Process.

A. The Director shall establish objective review criteria consistent with this section utilizing a point system or equivalent quantitative evaluation scale. Following notification under section 6B.131, applicants shall submit a supplemental statement indicating which criteria they meet, along with evidence and/or documentation in support thereof, in a form and manner established by the Director.

B. The objective review criteria established shall include at a minimum the following elements:

commercial cannabis business plans to integrate into the community, and involvement with local non-profits/charitable/volunteer organizations.

LOCAL BUSINESS PARTNERSHIPS shall include past, present or planned partnerships with, including the procurement of goods and services from, businesses located within the city.

~~SOCIAL EQUITY APPLICANT shall mean a natural person with at least a fifty one percent (51%) ownership interest in the Commercial Cannabis Business who in the preceding year had an annual household income at or below eighty percent (80%) of the Tehama County Area Median Income (TCAAMI) and a net worth below \$xx, and who has lived in a Tehama County census tract for a minimum of three (3) years where at least fifty one percent (51%) of current residents have a household income at or below eighty percent (80%) the TCAAMI, or is a resident of the city currently receiving unemployment benefits, or is a resident of the city with a household income at or below eighty percent (80%) TCAAMI, or is a resident of the city who personally, or that person's mother, father, sister, brother, and/or child, was convicted of a felony between the years of 1974 and 2016 involving cannabis where the underlying offense has subsequently been designated as a misdemeanor or infraction or decriminalized pursuant to the provisions of state law.~~

LIVING WAGE PROVISIONS shall mean a binding commitment by the commercial cannabis business to provide wages to each employee that exceeds the Tehama County area median income by a minimum of one hundred twenty percent (120%) exclusive of any bonuses or commissions and may include a commitment to hire and retain a specified number of residents of the city, enter into a labor peace agreement below the minimum number of employees mandated by state law, and/or other employee benefits such as paid leave, health insurance and similar factors.

~~F.G.~~ Any permit awarded under this section may include conditions of approval requiring that the commercial cannabis business permittee comply with the objective review criteria set forth in its supplemental statement or otherwise committed to during the application process.

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6B.140 Effect of State License Expiration, Suspension or Revocation.

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A. Suspension or expiration of a state license issued to a commercial cannabis business shall immediately suspend the ability of that commercial cannabis business to operate within the city, and shall serve to suspend the CCBP, unless the state reinstates or reissues the State license within ninety (90) days. Should the state license remain suspended or expired for ninety (90) days or longer, any CCBP issued pursuant to this chapter shall expire and be of no further force and effect. Should the state revoke or terminate the license of a commercial cannabis business for cause, such revocation or termination shall also serve to revoke or terminate the CCBP and the ability of a

commercial cannabis business permitted pursuant to this chapter including any owner or manager thereof to operate any commercial cannabis business within the city for a period of five years from the date of such revocation or termination.

B. A permittee shall have no right to appeal the expiration, suspension or revocation of a CCBP or the ability to operate a commercial cannabis business under this Chapter that is based on the status of their state license, provided, however, an owner or manager thereof may appeal their prohibition from operating another commercial cannabis business in the city. Such appeal shall be based on the hearing procedures set forth in ~~section xx~~this chapter. The burden shall at all times be on the appellant to show good cause why the prohibition should be reversed or modified.

6B.145 Permit Renewal.

A. All commercial cannabis business permits may be renewed annually 1 year after the date of issuance. Permit renewals shall be initiated not more than ninety (90) days prior to the specified renewal date.

B. Permit renewals shall be granted so long as the commercial cannabis business remains in compliance with this chapter and submits the renewal fee specified in Section 6B.340.

C. Renewals not submitted in a timely fashion shall be subject to a late renewal fee described in Section 6B.340.

D. Any permit expired and not renewed within sixty (60) days shall be void on the sixty-first (61st) day.

6B.150 Revocation or Suspension of Commercial Cannabis Business Permits.

A. Grounds. A CCBP may be revoked or suspended by the Director on any of the following grounds:

1. Where the Director has found and determined that the preservation of the public health, safety, peace and welfare necessitate revocation of said permit.
2. Where the permittee, the commercial cannabis business and/or any owner, manager or any employee thereof has violated or is in violation of any applicable provisions of this chapter, other applicable provisions of this code and/or any other applicable provision of state law.
3. Where a permit has been granted on false or fraudulent evidence, testimony, or application.

4. Where the permittee, commercial cannabis business and/or any owner, manager or employee thereof has violated or is in violation of the terms and provisions of said permit.

B. Factors for suspension or revocation. The Director may consider, but is not limited to, the following factors in deciding whether a permit should be suspended or revoked in accordance with this Chapter, as applicable:

1. The nature and severity of the acts, offense, or crimes under consideration.
2. Any corrective action taken by the permittee.
3. Prior violations at the permitted premises by the permittee and the effectiveness of prior corrective action.
4. Previous sanctions imposed against the permittee.
5. The number and/or variety of current violations.
6. The likelihood of recurrence.
7. All circumstances surrounding the violation.
8. Whether the violation was willful.
9. Any actual or potential harm to the public.
10. The length of time the permit has been held by the permittee.
11. Evidence of expungement proceedings under Penal Code Section 1203.4.
12. Any other factor that makes the situation unique or the violation of greater concern, with respect to the permittee or the permitted premises.

C. Hearing prior to suspension or revocation. No permit shall be suspended or revoked, unless based on the suspension and/or revocation of a state license, the until said permittee has had an opportunity for a hearing before the Director. The Director may delegate this duty to the Technical Advisory Committee.

D. Written notice of the revocation or suspension, the reasons therefore and the requirement to request a hearing shall be given by certified mail to a permittee's last known mailing address or by such other method reasonably calculated to provide notice.

E. The revocation or suspension shall be final and effective after ten (10) calendar days following the date of mailing set forth in sub-section (b), unless the permittee files an application for a hearing with the city clerk prior to such effective date. There shall be no cost to the permittee for such a hearing under this section.

F. Except as otherwise provided in sub-section G., the hearing shall be commenced within thirty (30) calendar days of the filing of an application for hearing, unless the city and permittee agree otherwise. Hearings conducted pursuant to this section shall be open to the public, shall not be conducted according to the technical or traditional rules relating to evidence, and shall provide, personally or by counsel or both, an opportunity for permittee to defend and present evidence on their behalf. At least ten (10) calendar days prior to the hearing, permittee shall be provided with any documentation upon which the revocation or suspension is based. Following the close of the hearing the Director or TAC shall within thirty (30) days render a written decision, which if by the TAC shall be based upon a majority vote thereof, whether or not to impose revocation or suspension.

G. Notwithstanding the foregoing, the Director may suspend, pending a hearing, any CCBP where it has been determined by thereby that an immediate suspension of the permit is necessary for the protection of the public health, safety, peace and welfare. In the event of such a suspension, the Director shall, within twelve (12) hours after said suspension, cause to be served upon said business or permittee a written statement containing the grounds for said suspension, any written documentation upon which the revocation is based and a notice of hearing to show cause before the Director or TAC why said permit should not be permanently revoked, which said hearing shall be commenced no later than five (5) calendar days following the service of said notice unless the parties thereto agree otherwise, and thereafter followed by a written decision pursuant to sub-section F.

H. Following the hearing, or a waiver thereof by permittee, the Director or TAC may also modify and/or add conditions and/or requirements of the CCBP in lieu of suspension or revocation.

I. Appeals from decision of the Director or TAC provided for herein shall be made in accordance with the procedure of section 6B.155 of this chapter.

6B.155 Appeals.

A. Notice of appeal.

1. Within ten (10) calendar days after the issuance notice of the decision of the Director or TAC to revoke, suspend, modify or deny the issuance or renewal of a CCBP, the applicant or permittee may appeal such action by filing a written Notice of Appeal with the City Clerk setting forth the reason

why the decision was not proper. The grounds for the appeal shall be stated with specificity. The decision to rank applicants

2. The Notice of Appeal shall be in writing and signed by the person making the appeal (“appellant”), or their legal representative, and shall contain the following:
 - i. Name, address, and telephone number of the appellant.
 - ii. Specify the decisions, actions, or a particular part thereof, made that are the subject of the appeal.
 - iii. Include a true and correct copy of the notice and/or decision issued by the Director or TAC for which the appellant is appealing.
 - iv. State with specificity the reasons and grounds for making the appeal, including, but not limited to, a statement of facts upon which the appeal is based in sufficient detail to enable the City Council, or any appointed hearing officer, to understand the nature of the controversy, the basis of the appeal, and the relief requested.
 - v. All available documents or other evidence pertinent to the appeal that the appellant requests the hearing officer or body to consider at the hearing.
 - vi. A ~~non-refundable~~ appeal fee, as established by resolution of the City Council.
 3. Failure of the appellant to timely submit a written appeal constitutes a waiver of the right to appeal any appealable notice and/or decision of Director or TAC. In this event, such notice of revocation, suspension and/or other action is final and binding and shall become effective upon the expiration of the period for filing a written notice of appeal.
 4. In the event a written notice of appeal is timely filed, the non-renewal, suspension, revocation, or other action shall not become effective until a final decision has been rendered and issued by the City Council or appointed hearing officer or body.
- B. Appeal hearing and proceedings.
1. All appellants shall, subject to filing a timely written notice of appeal and payment of fees, be entitled to a hearing before the City Council, or appointed hearing officer or body.

2. Upon receipt by the City Clerk of a timely-filed appeal, the City Clerk shall place on the next regularly scheduled City Council meeting or earlier special council meeting the question of whether the City Council itself shall hear the appeal. The City Council's decision shall be limited to whether or not to hear the appeal or delegate that authority and shall not include consideration or discussion of the merits or facts of the appeal. In the event that the City Council does not affirmatively choose to hear such appeal or does not act to appoint another body to serve to hear such appeal, the City Clerk shall obtain the services of a hearing officer from the State Office of Administrative Hearings or other agency or organization that provides neutral hearing officers.
3. The administrative appeal shall be scheduled no later than forty-five (45) days, and no sooner than thirty (30) days, after receipt of a timely-filed notice of appeal if such appeal is to be heard by the City Council or other city-appointed body. If the State Office of Administrative Hearings or other agency or organization is utilized for such hearing, then the hearing shall be scheduled as expeditiously as possible pursuant to the availability of a hearing officer. The appellant(s) listed on the written notice of appeal shall be notified in writing of the date, time, and location of the hearing at least ten (10) days before the date of the hearing ("Notice of Appeal Hearing").

C. At the date, time and location set forth in the Notice of Appeal Hearing, the City Council, or an appointed hearing officer or body, shall hear and consider the testimony of the appellant(s), city staff, and/or their witnesses, as well as any documentary evidence properly submitted for consideration.

D. The following rules shall apply to the appeal hearing:

1. The hearing shall be a new (i.e., "de novo") hearing based on a preponderance of the evidence standard. The formal or technical rules of evidence shall not apply. However, irrelevant, collateral, undue, and/or repetitious testimony or other evidence may be excluded. The appellant bears the burden of proof on appeal.
2. The City Council, or appointed hearing officer or body, may accept and consider late evidence not submitted initially with the notice of appeal upon a showing by the appellant of good cause. The City Council, or appointed hearing officer or body, shall determine whether a particular fact or facts amount to a good cause on a case-by-case basis.
3. The appellant may bring a language interpreter to the hearing at their sole expense.

4. All parties may, at their own discretion, record the hearing by stenographer or court reporter, audio recording, or video recording. If the appellant requests from the city that said recording take place, the costs of same shall be deposited with the city at the time the notice of appeal is submitted to the city.

E. The appellant or their legal representative's failure to appear at the appeal hearing shall constitute both the appellant's waiver of the right to appeal and a failure to exhaust all administrative remedies. In such instance, Director or TAC's notice of decision is final and binding.

F. Decision of the City Council, or appointed hearing officer or body; final decision.

1. Following the conclusion of the appeal hearing, the City Council, or appointed hearing officer or body shall determine if any ground exists for the non-issuance, nonrenewal, suspension or revocation of the commercial cannabis permit or other appealed action, and shall issue a written decision within ten (10) business days thereof.
2. The decision of the City Council, or appointed hearing officer or body, is final and conclusive and is subject to the time limits set forth in California Code of Civil Procedure section 1094.6.

G. A copy of the final decision shall include notification of the time limits of Section 1094.6 and be served by certified, first-class U.S. Mail on the appellant. If the appellant is not the owner of the real property in which the commercial cannabis business is located, or proposed to be located, a copy of the final decision may also be served on the property owner by first class mail to the address shown on the last equalized assessment roll. Failure of a person to receive a properly addressed final decision shall not invalidate any action or proceeding by the city pursuant to this chapter.

ISSUANCE AND PERMIT REQUIREMENTS

6B.200 Ownership of a Commercial Cannabis Business.

Ownership of any commercial cannabis business operating in the city, including owners and employees thereof, is a matter of public record.

6B.210 City Business License.

Prior to commencing operations, a permittee of a commercial cannabis business shall obtain a City of Red Bluff Business License in compliance with Chapter 12.

6B.220 Limitations on City's Liability.

A. To the fullest extent permitted by law, the city shall not assume any liability whatsoever with respect to the issuance, denial, revocation, suspension or any other action and/or inaction regarding a CCBP pursuant to this chapter.

B. As a condition to the approval of the CCBP, the applicant shall, prior to issuance of the commercial cannabis permit execute an agreement, in the form and manner approved by the City Attorney and as set forth in this chapter and shall name the city as an additional insured on all insurance policies required under this chapter.

6B.230 Permit; Non-Assignable and Non-Transferable.

A. Commercial cannabis permits issued under this chapter are valid only as to the approved permittee at the specified approved location, and is therefore nontransferable to other persons, entities, projects or locations, without the filing of a new application.

B. No commercial cannabis permit may be sold, transferred or assigned by a permittee, or by operation of law, to any other person, persons, or entities. In the event a permittee sells or transfers the business to a new owner and/or operates the business under a new entity and/or name not listed on the CCBP, the new owner must obtain a new CCBP and business license prior to commencing or continuing operations. A commercial cannabis business shall be deemed to have transferred to a new owner within the meaning of this section if person(s) or entities with controlling interest at the time the CCBP was first issued cease(s) at any time to possess controlling ownership interest and/or an ownership interest of less than fifty-one percent (51%).

6B.240 Change in Location of Commercial Cannabis Business.

A. No permittee may operate at a location other than the location approved and specified in the CCBP. Operating at a location other than that specified in the CCBP in violation of this section shall invalidate the CCBP.

B. For all CCBPs, no permittee shall change the location of the commercial cannabis business specified in the permit unless and until the change of location is approved by the Director and the CCBP is amended accordingly.

C. The change of location of a commercial cannabis business shall meet all the requirements under this chapter and Chapter 25, including but not limited to:

1. The permittee shall submit a change of location application to the Director at least sixty (60) calendar days prior to the proposed change. The Director

may require a longer period based on land use entitlements and staff workload.

2. The proposed location shall be reviewed and evaluated using the same review criteria as used and relied upon under the initial application process.

D. Nothing in this section shall be construed to limit any commercial cannabis business from participating in cannabis events as allowed by state law.

6B.250 Changes in Name of Business Only.

No permittee may, conduct, manage, engage in, or carry on a commercial cannabis business under any name other than the name specified in the CCBP and/or any “doing business as” or “DBA”, or “fictitious business name” or “FBN” on file with the county, provided in the permit application and/or business license, without first obtaining approval to amend the CCBP. Any approved changes and/or updates to the CCBP shall require payment of fees as set by resolution of the City Council.

6B.260 Alterations to Approved Facility.

All required city approvals, plan approvals, and permits must be obtained before causing, allowing, or permitting alterations to, and/or extensions or expansions of, the existing building(s), structure(s), or portions thereof, approved as a location for a commercial cannabis business. said alterations, extensions, or expansions shall comply with all applicable state and local laws, regulations and standards, including those concerning building and fire safety, as well as occupancy.

6B.270 Prohibition of Any Business Holding Multiple Business Licenses in the Same State Category of Commercial Cannabis License.

No person may hold more than one CCBP in the same state license category within the city. A CCBP may include several state license categories at one location.

6B.280 Fees and Charges.

A. No application shall be considered prior to timely payment in full of all fees and charges required for any permit required by this chapter.

B. No person may commence or continue any commercial cannabis activity in the city, without timely paying in full all fees and charges required for the operation of a commercial cannabis business, and required by this chapter and/or other provision of this code.

C. All commercial cannabis businesses shall pay any and all fees and taxes

required under federal, state and local law.

~~6.~~ D. All fees required pursuant to this chapter are non-refundable and shall be adopted by resolution of the City Council.

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OPERATIONAL REQUIREMENTS

6B.300 Shared Space.

A. Non-retail commercial cannabis businesses may share common space as allowed by state law. Multiple permittees may use the same location for non-retail purposes.

B. Each permittee or person engaging in commercial cannabis activity must possess its CCBP.

C. Retailers may occupy the same property as non-retail cannabis businesses, excluding volatile manufacturers, provided they do not occupy the same unit, with each having a separate address.

6B.310 Operational Requirements.

A. Records and recordkeeping.

1. Should the city impose any tax upon commercial cannabis businesses, each owner and operator of a commercial cannabis business shall maintain accurate books and records, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a cannabis business permit issued pursuant to this title), or at any time upon reasonable request of the city, each cannabis business shall file a sworn statement detailing the number of sales by the cannabis business during the previous twelve (12) month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid. Each owner and operator shall keep and preserve for a period of no less than seven (7) years, all records as may be necessary to determine the amount of such tax the operator may have been liable to collect and remit to the city.

2. Each owner and operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the name, address, telephone number, a copy of that person's government issued identification, and email address) of anyone owning or holding an interest in the cannabis business, and separately of all the officers,

managers, employees, agents and volunteers currently employed or otherwise engaged by the commercial cannabis business. The register required by this paragraph shall be provided to the City Manager upon a reasonable request.

3. All cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the production or manufacturing, laboratory testing and distribution processes.
 4. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPAA), each cannabis business shall allow city officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the city's request, unless otherwise stipulated by the city.
- B. Security measures.

1. ~~All cannabis businesses shall at all times implement the security measures required by state law, including, but not limited to those set forth in Title 19, Division 4, Chapter 1, Article 5. of the California Code of Regulations. A permitted cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the cannabis business. These security measures shall include:~~

- ~~i. Establishing limited access areas accessible only to authorized cannabis business personnel.~~
- ~~ii. All cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault, and shall be kept in a manner as to prevent diversion, theft, and loss.~~
- ~~iii. Sensors shall be installed to detect entry and exit from all secure areas.~~

2. ~~Permittee shall provide copies of any surveillance videos to the city with one (1) day of request therefor by the Police Chief. Interior and exterior locations of the business property shall be monitored at all times by digital video surveillance system with a minimum camera resolution of one~~

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~~thousand two hundred eighty (1280) by seven hundred twenty (720) pixels and at a minimum of thirty (30) frames per second for security purposes.~~

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~~i. The video surveillance system shall at all times be able to effectively and clearly record images of the area under surveillance.~~

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~~ii. Each camera shall be permanently mounted and in a fixed location.~~

~~iii. The video surveillance system shall record areas where cannabis goods are weighed, packaged, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the permitted premise including: all limited access areas, security rooms, point of sale areas, and all points of entry and exit on the premise.~~

~~iv. The video surveillance system shall clearly record activity occurring within twenty (20) feet of all points of entry and exit on the premise.~~

~~v. Surveillance recordings shall clearly and accurately display the time and date and shall be maintained, unaltered, in secured location, stored digitally, for a period of not less than ninety (90) days.~~

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~~vi. Permittee shall provide copies of any surveillance recording to the city within one (1) business day upon request by the Director or Chief of Police.~~

3. Any bars to be installed on the windows or the doors of the cannabis business for security purposes, if permitted by the city, shall be installed only on the interior of the building;
4. Security personnel if utilized must be licensed by the State of California Bureau of Security and Investigative Services personnel, shall comply with the requirements of California Business and Professions Code Chapters 11.4 and 11.5 of Division 3, and have a valid business license from the city; and
5. Each cannabis business shall have the capability to remain secure and operational during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
6. Each cannabis business shall identify a designated security representative/liaison to the city, who shall be reasonably available to meet with the city manager regarding any security related measures or and operational issues.
7. A cannabis business shall notify the city manager within twenty-four (24)

hours after discovering any of the following:

- i. Significant discrepancies identified during inventory, as set forth in the city's administrative regulations;
- ii. Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business; or
- iii. The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the cannabis business and/or cannabis sales.

C. Restriction on alcohol sales. No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the cannabis business.

D. Compliance with laws. It is the responsibility of the owners and operators of the cannabis business to ensure that it is, at all times, operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this chapter shall be construed as authorizing any actions which violate state law or local law with respect to the operation of a cannabis business or any site-specific, additional operating procedures or requirements which may be imposed as conditions of approval of the location of the cannabis business.

E. Taxes. All cannabis businesses authorized to operate under this chapter shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each cannabis business shall cooperate with the city with respect to any reasonable request to audit the cannabis business's books and records for the purpose of verifying compliance with this section, including, but not limited to, a verification of the amount of taxes required to be paid during any period.

F. Insurance. Permittee shall obtain and maintain at all times during the term of the permit comprehensive general liability insurance and comprehensive automotive liability insurance protecting the permittee in an amount of not less than one million dollars (\$1,000,000.00) per occurrence, combined single limit, including bodily injury and property damage and not less than one million dollars (\$1,000,000.00) aggregate for each personal injury liability, products-completed operations and each accident, issued by an insurance provider rated at least A-:VIII in A.M. Best and Company's Insurance Guide and either admitted and authorized to do business in California or is listed on the California Department of Insurance's List of Approved Surplus Line Insurers, and enter into an agreement approved by the city attorney to defend, with attorneys of city's choosing, indemnify, release and hold harmless the city, its city council, boards, commissions, officers and employees from and against any and all claims, demands,

obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs) of every kind and nature whatsoever which may arise from or in any manner relate (directly or indirectly) to the permittee or the permittee's activities. This indemnification shall include, but not be limited to, damages awarded against the city, if any, costs of suit, attorneys' fees, and other expenses incurred in connection with such claim, action, or proceeding whether incurred by the permittee, city, and/or the parties initiating or bringing such proceeding, and shall not be limited by the types and/or amounts of insurance required herein

G. Miscellaneous operating requirements.

1. Restriction on consumption. Cannabis shall not be consumed on the premises of any cannabis businesses or elsewhere in the city other than within private residences.
2. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a cannabis business permit, or on any of the vehicles owned or used as part of the cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.
3. Reporting and tracking of product and of gross sales. Each cannabis business shall have in place a point-of-sale tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale). The cannabis business shall ensure that such information is compatible with the city's record-keeping systems. The system must have the capability to produce historical transactional data for review by the city manager.
4. All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with all state and local laws.
5. There shall not be a physician located in or around any cannabis business at any time for the purpose of evaluating patients for the issuance of a cannabis prescription or card.
6. Signage and notices.
 - i. In addition to the requirements otherwise set forth in this section, business identification signage for a cannabis business shall conform to the requirements of this Code.

- ii. Each entrance to a cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the cannabis business is prohibited.
- iii. Business identification signage shall be limited to that needed for identification only.
- iv. The business shall at all times comply with the advertising and marketing restrictions of Business and Professions Code sections 26150-26156, in addition to the requirements of this code.

7. Minors.

- i. Persons under the age of twenty-one (21) years of age shall not be allowed on the premises of a cannabis business, except as otherwise specifically provided for by state law. It is unlawful and a violation of this chapter for any person to employ any person at or for a cannabis business who is not at least twenty-one (21) years of age.
- ii. The entrance to the cannabis business shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the cannabis business except as specifically provided for herein.

8. Odor control. All commercial cannabis businesses shall be required to provide an air treatment system that ensures off-site odors shall not result from its operations. This requirement at a minimum means that the facility shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location is not detected on adjacent properties or public rights-of-way, or within any other unit located within the same building as the facility, if the use occupies only a portion of a building.

9. Display of permit and city business license. The original copy of the cannabis business permit issued by the city pursuant to this chapter and the city-issued business license shall be posted inside the cannabis business in a conspicuous location.

10. Background check. Every owner, manager, supervisor or employee of the cannabis business must submit fingerprints and other information deemed necessary by the Director for a background check by the Police Department to verify that person's criminal history pursuant to the requirements of this

chapter.

11. Loitering. The owner and/or operator of a cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty feet (50') of the premises.
12. Permits and other approvals. Prior to the establishment of any cannabis business or the operation of any such business, the person intending to establish a cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such cannabis business intends to operate.
13. Free samples. No cannabis business shall provide or cause to be provided any free sample of cannabis goods to any person within the city.
14. A licensed retailer may only sell cannabis goods, cannabis accessories, and licensees' branded merchandise or promotional materials

H. Additional operating requirements for retail sale (storefront) businesses. In addition to every other requirement of this section, other than those set forth in subsection (I) (retail sale, non-storefront) that are expressly inapplicable, every business that sells cannabis as a storefront retailer shall comply with the following requirements:

1. ~~[intentionally omitted; subject to revised section B. 1., above, re security]The security plan shall include at least one (1) licensed private security guard or guards who shall be present at the premises twenty-four (24) hours per day, exterior lighting, and continuous video monitoring and recording of the interior and exterior of the premises. Video surveillance recordings must also include video of all entryways and exits of the premises. All video recordings shall be maintained for a minimum of ninety (90) days.~~
2. Both the private security guard and the business personnel shall monitor the premises and the immediate vicinity of the premises to ensure that patrons immediately leave the premises and do not consume cannabis in the vicinity of the retail business or on the property or in the parking lot, and shall ensure that persons do not loiter, linger, or otherwise congregate within fifty feet (50') of the entrance to the premises.
3. There shall be no on-site sales of alcohol or tobacco products, (excluding rolling papers and lighters) and no on-site consumption of food, alcohol, cannabis or tobacco by patrons.
4. Hours of operation shall be limited to: 7:00 a.m. to 10:00 p.m. daily. No

licensed retail business shall be open to the public between the hours of 10:01 p.m. and 6:59 a.m. of any day.

5. The cannabis retail business shall notify patrons of the following ~~both verbally and~~ through posting of a sign or signs in a conspicuous location:
 - i. Unlawful sale, barter or distribution of cannabis is a crime and subject to a fine or arrest.
 - ii. Loitering on and around the retail premises is prohibited by California Penal Code section 647 and that patrons must immediately leave the premises and not consume cannabis in the vicinity and/or on the property or in the parking lot.
 - iii. A warning that patrons and/or employees may be subject to prosecution under federal cannabis laws, if applicable.
 - iv. That the use of cannabis may impair a person's ability to drive a motor vehicle or operate machinery and that doing so is illegal.
6. No one under the age of twenty-one (21) shall be allowed to enter the premises of a cannabis business unless the business holds a retail medical cannabis license (M-license) issued by the state.
7. No person shall be permitted to enter the premises without government-issued identification, and cannabis goods may not be provided to any person, whether by purchase, trade, gift, or otherwise, who does not possess a valid government-issued identification and who does not meet the age requirements of this chapter.
8. Electronic age verification device required. Proof of age of every person other than employees entering the business shall be verified with an electronic age verification device, prior to entry of the retail area or delivery to that person. The electronic age verification device may be mobile or fixed, and shall be able to retain a log of all scans that includes the following information: date, time, and age. Said log shall be kept for a minimum of one hundred eighty (180) business days and all records shall be made available to the City Manager upon request.
9. Point-of-sale tracking required. The business shall facilitate the sale, making available, furnishing and/or delivery of cannabis goods with a technology platform that uses point-of-sale technology to track, and database technology to record and store, the following information for

each transaction involving the exchange of cannabis goods between the business and consumer:

- i. The date and time of transaction.
 - ii. The first name and employee number of the employee who processed the sale of cannabis goods on behalf of the business.
 - iii. A list of all the cannabis goods purchased, including the quantity purchased.
 - iv. The total amount paid for the sale, including the individual prices paid for cannabis or cannabis products purchased, and any amounts paid for taxes.
10. ~~Cannabis retail businesses shall also record on the video surveillance system point of sale areas and areas where cannabis goods are displayed for sale. [intentionally omitted]~~
 11. Adequate signage shall clearly state who has inspected any cannabis product for pesticides, or other regulated contaminants, distributed at this location.
 12. Shipments of cannabis goods may only be accepted during regular business hours.
 13. Inventory shall be secured using a lockable storage system during non-business hours.
 14. No cannabis product shall be visible from the exterior of the business.
 15. All required labelling shall be maintained on all product, as required by State law, at all times.
 16. A permitted commercial cannabis retail business shall have one hundred eighty (180) days after permit issuance by the city to commence operations, after which the permit shall be void and of no further force and effect. A permitted commercial cannabis retail business that ceases to operate for more than ninety (90) calendar days after commencing operations shall be deemed "abandoned" and the permit shall be forfeited. A permitted commercial cannabis business may temporarily suspend operations for a period of time as may be reasonably required to affect upgrades, modifications, repairs, or other property issue mitigations as approved by

the Director or City Manager. For the purposes of this subsection, "operate" shall mean by the end of the one hundred eighty (180) day period.

17. Obtain and maintain at all times during the term of the permit the insurance required pursuant to subsection (f) of this section in the minimum amount of two million dollars (\$2,000,000.00), and enter into an agreement approved by the city attorney to defend, with attorneys of city's choosing, indemnify, release and hold harmless the city, its city council, boards, commissions, officers and employees from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs) of every kind and nature whatsoever which may arise from or in any manner relate (directly or indirectly) to the permittee or the permittee's activities. This indemnification shall include, but not be limited to, damages awarded against the city, if any, costs of suit, attorneys' fees, and other expenses incurred in connection with such claim, action, or proceeding whether incurred by the permittee, city, and/or the parties initiating or bringing such proceeding, and shall not be limited by the types and/or amounts of insurance required herein;

1. Additional operating requirements for retail sale (non-storefront) delivery businesses. In addition to every other requirement of this section, except only for subsection H. 1 through 5 and 10 (retail sale, store-front), every business that sells and/or delivers cannabis as a non-store front retailer shall comply with the following requirements:

1. Commercial cannabis retail deliveries may be made only from a commercial cannabis retail business permitted by the city in compliance with this chapter, and in compliance with all state regulations.
2. All employees who deliver cannabis shall have valid identification and a copy of the retail business' cannabis business permit and state license at all times while making deliveries.
3. All commercial cannabis retail businesses shall maintain proof of vehicle insurance for any and all vehicles being used to transport cannabis goods as required by state law.
4. Deliveries may only take place during normal business hours of the commercial cannabis retail business.
5. During delivery, the delivery employee shall maintain a physical or electronic copy of the delivery request and shall make it available upon

request by the licensing authority and law enforcement officers. The delivery request documentation shall comply with State law.

6. A licensed delivery employee shall not leave the State of California while possessing cannabis products while performing his or her duties for the cannabis retailer.
7. A commercial cannabis retail business shall maintain a list of all deliveries, including the address delivered to, the amount and type of product delivered, and any other information required by the State.
8. A manifest with all information required in this section shall accompany any delivery person at all times during the delivery process and delivery hours.
9. Any delivery method shall be made in compliance with State law, as amended, including use of a vehicle that has a dedicated GPS device for identifying the location of the vehicle (cell phones and tablets are not sufficient).
10. Each delivery request shall have a receipt prepared by the commercial cannabis retail business with the following information:
 - i. Name and address of the commercial cannabis retail business.
 - ii. The name of the employee who delivered the order.
 - iii. The date and time the delivery request was made.
 - iv. The complete delivery addresses.
 - v. A detailed description of the cannabis goods requested for delivery including the weight or volume, or any accurate measure of the amount of cannabis goods requested.
 - vi. The total amount paid for the delivery including any fees or taxes.
 - vii. At the time of the delivery, the date and time delivery was made, and the signature of the person who received the delivery.
 - viii. No cannabis delivery vehicle shall display signs, decals or any other form of advertisement.
 - iv. Inspections by an authorized city representative may be conducted anytime during regular business hours.

11. Delivery must be made to a physical address that is not on publicly owned land, a school, a day care, or a youth center.
12. The delivery employee shall not carry cannabis goods valued in excess of five thousand dollars (\$5,000.00) at any time with no more than three thousand dollars (\$3,000.00) of cannabis goods that are not already part of a customer order that was processed prior to leaving the premises.

~~13. Delivery must be made in person by a direct employee of the licensed retailer. An independent contractor, third party courier service, or an individual employed through a staffing agency would not be considered directly employed by the licensed retailer.~~

J. Additional operating requirements for commercial cultivation. In addition to every other requirement of this section, except only for sub-sections H (retail sale, store-front) and I (retail sale, non-storefront), every business that cultivates cannabis shall comply with the following requirements:

1. Cultivation shall always be conducted in accordance with state and local laws and regulations related to cultivation, zoning, grading, electricity, water usage, water quality, fish and wildlife habitat protection, wastewater discharges, pesticides, and fertilizers, handling and storage of gases, and employee safety.
2. Cultivation shall always be conducted in such a way as to ensure the health, safety, and welfare of the public, the employees working at the cultivation site, neighboring properties, to protect the environment from harm to waterways, fish, and wildlife; to ensure the security of the cannabis; and to safeguard against the diversion of cannabis for unlicensed purposes.
3. Outdoor cultivation prohibited. All cultivation shall occur indoors, and only on a site holding a valid CCBP from the city pursuant to this chapter. Mixed light cultivation is allowed, including but not limited to, the use of greenhouses.
4. Maximum canopy size.
 - i. The total canopy size on one (1) premises shall not exceed the maximum number of square feet authorized by state license classifications Type 1A, Type 1C, Type 2A, Type 3A, and Type 4. B.
 - ii. The total canopy size on one (1) premises shall not exceed the maximum number of square feet identified in the application and

authorized by the CCBP.

- iii. Permittees shall obtain written permission from the Director prior to engaging in any activity that results in an increase of the square feet of maximum canopy authorized by the CCBP.
5. Extension cords prohibited. The use of extension cords to supply power to any electrical equipment used in cultivation is prohibited. All electrical equipment used in cultivation shall be plugged directly into a wall outlet or otherwise hardwired.
6. Interior lighting. All lighting used for indoor cultivation shall be fully shielded, downward casting, and shall not spill over onto structures, other properties, or into the night sky. Indoor cultivation lighting shall be contained so that little to no light escapes and any light that escapes from the cultivation site shall be at a level that is not visible from neighboring properties between sunset and sunrise.
7. Environmental control systems.
 - i. In addition to the general odor control and ventilation requirements of this chapter, every cultivator shall implement environmental control systems to minimize and/or prevent the likelihood of mold and mildew growth. Cultivators shall regularly test for mold and mildew within the cultivation site.
 - ii. Environmental control systems at a cultivation site shall include a range of environmental control technologies and practices to control humidity levels, illumination, heating, cooling, air circulation, and ventilation.
 - iii. Compatibility with odor prevention and ventilation systems. Cultivators shall implement an environmental control system that is adequately compatible with any odor control prevention and ventilation systems at the cultivation site. For purposes of this sub-section, "adequately compatible" means that any environmental control systems and odor control systems operating at the cultivation site operate concurrently to prevent cannabis odors from being detected outside the cultivation site, while still allowing for the permittee to successfully cultivate.
8. Water source. Cultivators shall comply with California Water Code section 13149 and any implementing regulations, policies, or guidelines adopted by the State Water Resources Control Board regarding water usage, the diversion of water, and the discharge of waste while cultivating cannabis.

9. Carbon dioxide testing. Cultivators shall test carbon dioxide levels within cultivation areas at the cultivation site, if carbon dioxide is added to the air. No carbon dioxide shall be utilized for cultivation without prior inspection and approval of the city's building official and the Fire Chief.
10. Storage and use of compressed gas.
 - i. Storage and use of compressed gases in compressed gas containers, cylinders, tanks, and systems used for cultivation shall comply with this code and the California Fire Code.
 - ii. Any compressed gases used in cultivation shall not be stored on any property within the city in containers that exceed the amount that is approved by the Fire Chief and authorized by the CCBP.
11. Pesticides.
 - i. Cultivators shall comply with all applicable federal, state and local laws and regulations regarding use, storage, and disposal of pesticides and fertilizers, including, without limitation, those enforced by the State Department of Food and Agriculture and State Department of Pesticide Regulation. Cultivators shall ensure hazards are not created on the permitted premises by the use or storage of chemicals, fertilizers, materials, processes, products, or wastes.
 - ii. Pesticides, insecticides, and/or fertilizers prohibited by federal, state, or local law for fertilization or production of edible produce shall not be used for cultivation.
 - iii. Employee safety. At a minimum, cultivators using pesticides shall protect all employees from exposure to pesticides by following pesticide labels; providing required personal protective equipment; providing access to pesticide labels, safety information, and training on an annual basis; properly ventilating all areas of the cultivation site; and proper storage, handling, and disposal of pesticides in compliance with state, federal, and local laws and regulations pertaining to pesticide use and worker safety.
12. Packaging and labeling.
 - i. All cannabis packaged and/or labeled by a cultivator shall meet the provisions of packaging and labeling requirements specified by

State law, including but not limited to, California Business and Professions code Division 5 (“Weights and Measures”) and Division 10 (“Cannabis”) and any regulations implemented and enforced by the DCC.

- ii. Prior to distribution and transportation, a cultivator shall package and seal all cannabis in tamper-evident packaging and use a unique identifier of the harvest batch to identify and track said cannabis.
 - iii. Product labels. All labels for cannabis shall include all of the following: all required government warnings; the net weight of cannabis in the package; source and the date of cultivation; the type of cannabis; the date of packaging; and the product’s unique identifier for the harvest batch.
 - iv. Packaging that makes cannabis attractive to children or imitates candy is prohibited.
13. Accurate weights and measures.
- i. Weighing devices used by a cultivator shall be approved, tested, sealed, and registered with the Tehama County Agricultural Commissioner/Weights and Measures in compliance with California Business and Professions code Division 5 (“Weights and Measures”) and Division 10 (“Cannabis”), any regulations implemented by the DCC, and all other applicable state and local laws.
 - ii. Cultivators are prohibited from using scales, weights, or measures that do not accurately conform to the standard of weights and measures of the state and county

6B.320 Fees Deemed Debt to the City of Red Bluff.

The amount of any fee, cost or charge imposed pursuant to this chapter, or as imposed and mutually agreed-upon pursuant to any entitlements shall be deemed a debt to the city.

ENFORCEMENT

6B.400 Responsibility for Violations.

Permittees and responsible persons shall be responsible for violations of this chapter, code and the laws of the state whether committed by the permittee, or any

employee or agent of the permittee, which violations occur on the premises of the commercial cannabis business whether or not said violations occur within the permit holder's presence. any act or omission of any employee constituting a violation of the provisions of this chapter shall be deemed the act or omission of the permittee or responsible person, for purposes of determining whether the permit shall be revoked, suspended, or not renewed, pursuant to this chapter.

6B.410 Inspections.

A. The City Manager, Chief of Police, Fire Chief, Director, TAC or their designee(s), charged with enforcing the provisions of this code may enter the location of a commercial cannabis business at any time during regular business hours, without notice, and inspect the interior and exterior of the premises and real property, including but not limited to any structure thereon.

B. It is unlawful for any person to impede, obstruct, interfere with, or otherwise not to allow city officials to conduct an inspection, review and/or copy records, as required by this chapter, this code and/or state law. It is also unlawful for any person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a commercial cannabis business pursuant to this chapter, this code or state law.

C. A cannabis storefront retailer shall be subject to a mandatory annual inspection, during regular business hours, without notice, to ensure compliance with the provisions of this code.

6B.420 Violations and Penalties.

A. A violation of any of the provision of this chapter is punishable as a misdemeanor pursuant to Section 1-23 and is subject to all other remedies available under this code.

B. Any commercial cannabis activity operated, conducted, or maintained contrary to the provisions of this chapter shall be, and the same is declared to be, unlawful and a public nuisance and the city may commence an administrative and/or civil action(s) or proceeding(s), for the abatement, removal and/or enjoinder thereof, in the manner provided by law, and may take such other steps and shall apply to such court or courts as may have jurisdiction to grant such relief to abate, cause cessation, or remove such commercial cannabis business and restrain and enjoin any person, including but not limited to the owner or owners of real property upon which such business is located, from operating, conducting or maintaining, a commercial cannabis business contrary to the provisions of this chapter.

C. Each person in violation of any of the provisions of this chapter shall be guilty of a separate offense for each and every day, or part thereof, during which a

violation of this chapter, is allowed, committed, continued, maintained or permitted by such person.

D. Whenever in this chapter any act or omission is made unlawful, it shall include causing, Permitting, aiding, abetting, suffering, or concealing the fact of such act or omission.

E. The penalties set forth herein are cumulative and in addition to all other remedies, violations, and penalties set forth in this code, or in any other ordinance, law, rule or regulation of the city, county, and/or the State of California.

6B.430 Effect on Other Ordinances.

Except as otherwise designated, the provisions of this chapter shall control for regulation of commercial cannabis businesses as defined herein if other provisions of this code conflict therewith.

SECTION 2. EFFECT ON OTHER LAWS.

Nothing in this ordinance shall be construed to allow persons to engage in conduct that violates state law, endangers others, causes a public nuisance, allows the use or diversion of cannabis in an unlawful manner or inconsistent with state law.

SECTION 3. ENVIRONMENTAL DETERMINATION AND FINDINGS.

The City Council, on the basis of the whole of the record and exercising independent judgement, finds that these regulations meet the requirements for CEQA Guidelines section 15183 as a project consistent with a community plan or zoning and section 15308, as actions taken as authorized by local ordinance to assure protection of the environment, provided that permit applicants shall act in compliance with all applicable environmental laws to maintain their licenses, including CEQA, the Endangered Species Act and the Clean Water Act, and that no additional environmental review or documentation is necessary. The City Council further determines that the proposed code amendment is consistent with the General Plan's policy framework. Therefore, the Commercial Cannabis Ordinance is consistent with Section 15183 and 15308 of the CEQA Guidelines and no additional environmental review is required.

Commented [A4]: TBD pending planning input.

SECTION 4. SEVERABILITY.

If any section, subsection, line, sentence, clause, phrase, or word of this ordinance is for any reason held to be invalid or unconstitutional, either facially or as applied, by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The City Council of the City of Red Bluff hereby declares that it would have passed this

ordinance, and each and every individual section, subsection, line, sentence, clause, phrase, or word without regard to any such decision.

SECTION 5. EFFECTIVE DATE.

This ordinance shall be effective thirty (30) days following the adoption date.

SECTION 6. CERTIFICATION.

The City Clerk/Deputy Clerk shall certify to the passage and adoption of this ordinance and shall cause the same to be published or posted in the manner required by law.

SECTION 7.

The foregoing ordinance was introduced at a regular meeting of the Red Bluff City Council on _____, 2021 and adopted at a regular adjourned meeting on _____, 2021 by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

Kris Deiters, Mayor

ATTEST:

Cassidy DeRego, City Clerk

APPROVED AS TO FORM:

Richard Crabtree, City Attorney