

ORDINANCE NO. CC-19-276

AN ORDINANCE OF THE CITY COUNCIL OF CITY OF SHASTA LAKE APPROVING THE REVISION TO MUNICIPAL CODE TITLE 5 – BUSINESS LICENSES AND REGULATIONS, CHAPTER 5.05, RELATING TO COMMERCIAL CANNABIS IN THE CITY OF SHASTA LAKE

WHEREAS, the voters of California passed Proposition 64 entitled The Control, Regulate and Tax Adult Use of Marijuana Act (commonly known as Adult Use of Marijuana Act or AUMA) in November 2016; and

WHEREAS, AUMA legalized recreational marijuana use and personal cultivation; and

WHEREAS, the City adopted its commercial cannabis regulations in May 2017; and

WHEREAS, since the formal adopted of the City's ordinance, the State of California adopted their final regulations for cannabis businesses. These new regulations immediately took effect in January 2019, meaning the previous emergency regulations are no longer in effect;

WHEREAS, the City of Shasta Lake proposes to amend Municipal Code §5.05 to regulate commercial cannabis activities;

WHEREAS, the City Council conducted a first reading public hearing on September 3, 2019 and considered public testimony provided regarding the proposed amendments; and

WHEREAS, the City Council conducted a second reading on September 17, 2019 regarding the proposed amendments; and

WHEREAS, the revision of these regulations is consistent with the General Exception called out in §15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF SHASTA LAKE DOES ORDAIN AS FOLLOWS:

SECTION 1: The City Council of the City of Shasta Lake makes the following findings:

1. Finds and determines the above recitals are true and correct and have served as the basis, in part, for the actions set forth herein.

2. California Environmental Quality Act (CEQA)

Finding: The proposed amendments are exempt from the California Environmental Quality Act (CEQA) pursuant to the California Code of Regulations, Title 14, Chapter 3 (State CEQA Guidelines).

Evidence: The approval of these amendments does not approve any development project. Section 15061 (b)(3) Title 14 of the California Code of Regulations (the CEQA Guidelines) describes the General Rule that CEQA only applies to projects which "have the potential for causing a significant effect on the environment; where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."

The approval of these amendments does not approve any specific development

project. Rather, they clarify the requirements for new projects consistent with the direction of the General Plan. Each of these ordinance changes, individually and cumulatively, will not in and of themselves result in the possibility of creating significant or cumulative effects on the environment. Future development proposals which are affected by the proposed changes would be subject to CEQA where applicable, as those actions would be classified as "projects" under CEQA. Therefore, these changes are not subject to CEQA under the General Rule and no further environmental review is necessary.

3. General Plan Consistency – Municipal Code Amendments

Finding: The proposed amendments to Titles 5 of the Municipal Code are consistent with the General Plan goals, policies, and implementation programs.

Evidence: The proposed text amendments to Titles 5 of the Municipal Code are consistent with the General Plan as they do not alter the allowed intensity or density of development beyond that contemplated in the General Plan. The changes clarify the permit requirements, allowed use regulations, and development standards for various uses and activities.

SECTION 3: City Council hereby approves the following amendment to Shasta Lake MUNICIPAL CODE TITLE 5 CHAPTER 5.05 "REGULATION OF COMMERCIAL CANNABIS ACTIVITIES"

Recommends approval of the revisions as outlined in **Attachment A** as prepared for the project that will implement an Ordinance Amendment.

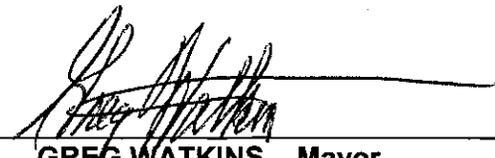
SECTION 4: Severability: If any provision of this ordinance or the applications thereof to any person or circumstances is held invalid, the remainder of the ordinance and the applications of such provision will remain in effect to the extent permitted by law.

SECTION 5: This ordinance shall be effective thirty (30) days following its second reading and posting as provided for by City Code.

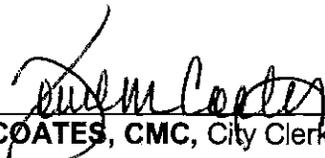
I HEREBY CERTIFY that the foregoing Ordinance was introduced and read at a regular meeting of the City Council of the City of Shasta Lake held on the September 3, 2019, and furthermore held the second reading on September 17, 2019.

PASSED, APPROVED, AND ADOPTED this 17th day of September, 2019 by the following vote:

AYES: FARR, KERN, MORGAN, POWELL, WATKINS
NOES: NONE
ABSENT: NONE



GREG WATKINS, Mayor

ATTEST: 

TONI M. COATES, CMC, City Clerk

Note to Reader: Proposed changes are in ~~strikeout~~/underline with proposed deletions shown in ~~strikeout~~ and additions shown in an underline.

Chapter 5.05 - REGULATION OF COMMERCIAL CANNABIS ACTIVITIES

5.05.010 - Purpose and intent.

It is the purpose and intent of this section to regulate the cultivation, manufacturing, testing, distribution, ~~transportation~~, and sale of cannabis in order to ensure the health, safety and welfare of the residents of the city. The regulations in this article, in compliance with the Compassionate Use Act, the Medical Marijuana Program Act, ~~the Medical Cannabis Regulations and Safety Act~~, Proposition 64 (AUMA), SB 94 (MAUCRSA), and the California Health and Safety Code (collectively referred to as "state law") do not interfere with the right to use cannabis or medical cannabis as authorized under state law, nor do they criminalize the possession or cultivation of cannabis or medical cannabis as authorized under state law. All commercial cannabis business shall at all times be in compliance with current state law at a minimum.

5.05.020 - Scope of article.

The operating standards established in this article apply to any site, facility, location, use, or business currently operating in the city, or which commences operations after the effective date of this section, that cultivates, distributes, dispenses, stores, sells, exchanges, processes, delivers, or gives away cannabis for medical or recreational purposes. Any commercial cannabis business ~~dispensary, cultivation facility, manufacturing facility or testing facility~~ shall operate in conformance with the operating standards set forth in this section of the code to assure that the operations of the ~~dispensary-retail facility, cultivation facility, manufacturing facility, distribution facility or testing facility~~ are in compliance with state law and to mitigate the adverse secondary effects from its operations.

Persons who cultivate cannabis for their sole personal use, or qualified primary caregivers who cultivate medical cannabis on behalf of their qualified patient(s) may do so in quantities recommended by their physician and in accordance with all state and local regulations without submitting any application or permit. It is hereby declared to be unlawful and a public nuisance may also be deemed to exist if such activity is determined to be related to the cultivation of cannabis and produces:

1. Odors which are disturbing to people residing or present on adjacent or nearby property or areas open to the public.
2. Repeated responses to the property from law enforcement or other code enforcement officers (more than three (3) times in a one-year period).
3. Repeated disruption to the free passage of persons or vehicles in the neighborhood (more than three (3) times in a one-year period) as reported to law enforcement officers or the city code enforcement officer.
4. Any other impact which adversely impacts the health, safety or general welfare of people on adjacent or nearby property or areas open to the public.

Nothing in this chapter shall be construed as a limitation on the city's authority to abate any nuisance which may exist from the planting, growing, harvesting, drying, processing or storage of cannabis plants or any part thereof from any location.

All cannabis cultivation shall be subject to chapter 8.12 (summary abatement-immediately dangerous buildings and conditions), chapter 8.16 (abatement of dangerous buildings, substandard buildings and public nuisances) and the state housing code (California Health and Safety Code) and other applicable provisions of local and state law.

5.05.030 - Definitions.

~~The definitions in section 17.10.030 are incorporated herein as fully set forth and are applicable to this chapter.~~

-The definitions listed here are applicable throughout this code where cannabis is referenced. All definitions are intended to comply with those in this code, state regulations, Business and Professions Code, and in the California Health and Safety Code, and as they may be amended.

"Applicant" shall mean an owner who is required to file an application for a permit or license under this chapter.

"Cannabis" means all parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.

"Cannabis goods" means both cannabis and/or cannabis products.

"Cannabis products" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

"Cannabis manufacturing site" means the premises that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products, either directly or indirectly, or by extraction methods, or by a combination of extraction and chemical synthesis at a fixed location that packages, or repackages cannabis goods, or labels or relabels its container.

"Cannabis testing facility" means a public or private laboratory licensed and certified or approved by the Bureau of Cannabis Regulation or any other regulatory body controlling testing facilities, to conduct research and analyze cannabis, cannabis products, and cannabis concentrate for contaminants and potency.

"Canopy" means the total combined canopy area for all locations on a property where cannabis is being cultivated, including indoor areas, outdoor areas, or a combination of both, as measured by the horizontal extent of the plant or combination of plants at the widest point and measured in a straight line.

"City Manager" means the city manager of the City of Shasta Lake or designee.

"Commercial cannabis business means any business which engages in commercial cannabis activity. "Commercial cannabis business" also means the location at which a person engages in commercial cannabis activities.

"Commercial cannabis business permit" means a regulatory permit issued by the City of Shasta Lake pursuant to this Chapter to a commercial cannabis business to engage in those commercial cannabis activities authorized by the permit and is required before any cannabis business may conduct any commercial cannabis activity in the City.

"Commercial cannabis activity" includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, dispensing, or sale of cannabis and/or cannabis products.

"Cultivation" and/or "cultivate" shall mean the planting, growing, harvesting, drying, processing, or storage of one or more cannabis plants or any part thereof.

"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, or a primary caregiver who is engaged in a transaction with a retailer for purposes of obtaining cannabis goods, i.e., purchase.

"Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products.

"Distribution" means the procurement, sale, and transport of cannabis goods between State-licensed cannabis businesses.

"Distributor" means a commercial cannabis business that is locally authorized to engage in the distribution of cannabis goods.

"Employee" shall mean any person employed by a commercial cannabis business that is locally authorized to engage in commercial cannabis activity.

"Immature cannabis plant" or "immature plant" means a plant that is nonflowering and is shorter and narrower than 18 inches.

"Indoor cultivation" means cultivation that is conducted within a fully enclosed, permitted building or structure, accessible only through one or more locking doors, which is secure against unauthorized entry, and which uses artificial light.

"Labeling" means any label or other written, printed, or graphic matter upon a cannabis good, upon its container or wrapper, or that accompanies any cannabis good.

"Manager" shall mean an employee responsible for management and/or supervision of a commercial cannabis business.

Manufacture" means to produce, prepare, propagate, or compound, or otherwise blend, extract, or infuse cannabis and/or a cannabis product either directly or indirectly, or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis.

"Mixed-light cultivation" means cultivation of cannabis using light deprivation, and both natural and/or artificial lighting during the growing cycle, in a permanent facility in compliance with the state building code as determined by the state licensing authority.

"Non-climbable fence" means a fence with a smooth exterior surface that is not equipped with steps or other provisions for climbing.

"Nursery" means a commercial cannabis business that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

"Outdoor cultivation" means any commercial cannabis cultivation without the use of light deprivation and/or artificial lighting in the canopy area, and that is not conducted within a fully enclosed, permitted building, accessible only through one or more locking doors, which is secure against unauthorized entry.

"Person" includes any individual, firm, partnership, joint venture, association, corporation, Limited Liability Company, estate, trust, business, business trust, receiver, syndicate, collective, cooperative, or any other group or entity, or combination acting as a unit, and the plural as well as the singular.

"Premise" means the designated structure(s) and land of a legal parcel specified in the application that is owned, leased, used, possessed, or otherwise held under the control of the commercial cannabis business where the commercial cannabis activity will be or is conducted. The premise shall be a contiguous area and shall only be occupied by one permittee.

"Primary caregiver" shall have the same meaning as set forth in California Health and Safety Code Section 11362.7.

"Qualified patient" shall have the same meaning as set forth in the California Health and Safety Code Section 11362.7.

"Retail" or "Retailer" means a premise that is locally authorized to engage in retail sale and delivery of cannabis or cannabis goods.

"Retail nursery" means a premise that is locally authorized to engage in retail sale and delivery of only cannabis clones, immature plants, and seeds. The sale of all other cannabis goods is prohibited.

"School" means any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

"Youth Center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations

or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.

5.05.040 - Separation requirements.

~~No cannabis dispensary retail business, cultivation facility, manufacturing facility, distribution, testing facility or any other commercial cannabis business facility~~commercial cannabis business may be located within a 900-foot linear footage (from property line to property line) from a school, day care home, recreational center, youth center, library or public park, ~~as required by Section 11362.768 of the Health and Safety Code.~~

5.05.050 - Maximum number of ~~dispensaries~~retail businesses permitted citywide.

A. ~~In no case shall the city allow more than three (3) dispensaries~~retail businesses to operate within city limits, ~~regardless of the location's compliance with any other section specified in this title.~~ Retail nurseries are excluded from this restriction.

~~B. The total number of dispensaries in operation shall be determined based on the number of locations which have been issued a cannabis dispensary permit by the city or are eligible to submit for a cannabis dispensary permit.~~

~~C. Dispensaries already operating with the city's permission in the city are deemed permitted to dispense cannabis and cannabis products provided they pay all regulatory fees and taxes and all other requirements and standards of the city's regulatory ordinance, zoning ordinance and tax ordinance and as they may be amended.~~

5.05.060 - Commercial cannabis cultivation, testing, manufacturing, distribution and ~~dispensing~~retail facilities.

A. Commercial cannabis cultivation shall be limited to indoor cultivation or mixed-light cultivation only. Outdoor cultivation is prohibited.

B. Cannabis cultivation, distribution, manufacturing or testing facilities shall not contain an exhibition or product sales area or allow for retail ~~distribution~~sale of products at that location.

~~C. Cannabis cultivation, manufacturing, dispensary retail, testing and distribution facilities~~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 outside the building, 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.

5.05.070 - Commercial cannabis business permit required.

- A. It shall be unlawful for any person, association, partnership or corporation to engage in, conduct or carry on, in or upon any premises within the city ~~cannabis business~~ without a commercial cannabis business permit. A cannabis business shall register and obtain a commercial cannabis business permit from the city prior to operation. The applicant shall pay a nonrefundable fee in an amount established by the city council.
- B. A copy of the commercial cannabis business permit shall be displayed at all times in a place visible to the public.
- C. A commercial cannabis business permit shall be valid for one year, unless sooner revoked. No permit granted herein shall confer any vested right to any person or business for more than the above-referenced period.
- ~~D. All owners shall comply with state residency requirements as defined in Business and Professions Code 26054.1(a)(b).~~

5.05.080 - Commercial cannabis business permit.

- A. A commercial cannabis business permit shall not be issued to an individual or a business entity associated with an individual, who has violated California Health and Safety Code Section 11590 and its provisions.
- B. The commercial cannabis business permit shall be issued to the specific person or persons listed on the cannabis permit application.
- C. A commercial cannabis business permit does not transfer with the land and does not transfer with the transfer of the property.

5.05.090 - Commercial cannabis business permit application submission process.

- A. ~~The development services director or his/her designee~~ City Manager will prepare cannabis application forms and a related administrative policy. Each applicant interested in operating pursuant to this section may submit an application together with a nonrefundable processing fee in an amount established by the city council.
- ~~B. The initial application period shall be thirty (30) calendar days from the date the applications are released. Should the thirtieth (30th) day fall on a day when city hall is closed, the application period shall be extended to the next open day at four o'clock p.m. Following the application period, the director or his/her designee shall stop accepting applications and review all applications received.~~
- CB. ~~The director or his/her designee~~ City Manager shall determine whether each application received demonstrates compliance with the minimum requirements to be eligible to be entered into the selection process. These requirements include:
 - 1. Application was submitted during the application period.
 - 2. Application is filled out completely.
 - 3. Application fee is paid.

4. The location indicated on the application meets the zoning criteria established in section 17.10.020.
5. The location indicated on the application meets the separation criteria established in section 5.05.040.
6. A planning and/or building permit with a receipt proving payment for processing from the city planning department for the property location the commercial cannabis business will occupy.
7. A notarized signature from the property owner authorizing the location to be used for commercial cannabis business activity.
8. Authorization from the management association/CC&R's that a cannabis business use is allowed on that parcel (if applicable).
9. Business owner(s)/applicant(s) referenced on the application completes live scan background check.
10. There may be no change in applicant/business owner from the one(s) listed on the commercial cannabis business permit application. ~~The application must identify individual owner(s) as defined in the MCRSA 19320(b)1. et seq.) as may be amended.~~
11. All other application documents required in the city's application package instructions, ~~the MCRSA, Proposition 64~~ State regulations and any other applicable regulations as they may be amended.
12. Photographs of the exterior of the building including the entrance(s), exit(s), street frontage(s) and parking area.
13. ~~If the property is being rented, leased or purchased under contract, the lease agreement term, name of lessor or equivalent, shall be provided by a notarized signed affidavit of the property owner.~~
14. The name and address of the applicant's current agent for service of process.
15. A copy of the applicant's board of equalization seller's permit.
16. A copy of the commercial cannabis business operating standards, listed in sections ~~5.05.1430, 5.05.150, and 5.05.1460~~ if applicable containing a statement dated and signed by the business owner stating that under penalty of perjury that they read, understand and shall ensure compliance with the aforementioned operating standards.
17. Provide a statement, signed by the applicant under penalty of perjury, that the information provided is complete, true, and accurate.
18. Release of the city from all liability associated with the commercial cannabis business. Such a release includes indemnifying the city for claims, damages and injuries that may arise as a result of the commercial cannabis business.
19. Provide a completed utility load information form.

5.05.100 – Environmental clearance required for commercial cannabis business permit applications.

A. The purpose of this section is to provide the City of Shasta Lake, permit applicants, and the public with the procedures to be used in administering the City's responsibilities under the California Environmental Quality Act (CEQA), codified as Public Resources Code Section 21000, et seq., as amended. The procedures are intended to protect both local and regional natural resources in a manner that is consistent with the goals and policies of the general plan, and the requirements of CEQA.

B. Each applicant interested in operating pursuant to this Chapter shall submit an application for environmental clearance with the City Manager together with a nonrefundable processing fee in an amount established by the City Council at the time of application for a commercial cannabis business permit. The City Manager will prepare documents as required for environmental clearances for all cannabis business permits.

C. The full text of the State CEQA Guidelines as amended is hereby incorporated by reference into this ordinance as if fully set out herein and shall supersede any inconsistent provisions of these city environmental review procedures. These environmental review procedures supplement the State CEQA Guidelines adopted as 14 California Code of Regulations, Title 14, Section 15000, et seq. In the event there is a conflict between the Public Resources Code and the CEQA Guidelines, the Public Resources Code shall govern.

D. The list of defined terms in Chapter 17.02 (Definitions), under Title 17 of the City of Shasta Lake Municipal Code is expanded by reference to include the definitions contained in the Public Resources Code and the State CEQA Guidelines.

E. The City Manager shall determine whether an application for environmental clearance is complete within thirty calendar days from the receipt of the application. If no written determination of the completeness of the application is made within that period, the application shall be deemed complete on the 31st day.

1. When reviewing the application for completeness, the City Manager shall identify environmental issues that require additional information or explanation by the applicant. An application for a commercial cannabis business permit shall not be accepted as complete until all the information necessary for environmental review as determined by the City Manager has been submitted.

2. Accepting an application as complete does not limit the authority of the city to require the applicant to submit additional information needed for environmental evaluation.

3. Notice of Exemption. When the City Manager determines that a project is categorically or statutorily exempt from CEQA and the city decides to approve the commercial cannabis permit, the City may file a notice of exemption. The notice of exemption may be prepared in accordance with Section 15062 of the CEQA Guidelines.

4. Filing of Notice of Exemption. The City may file the notice of exemption with the County Clerk of Shasta County. Copies of the notice may also be available for public inspection at the department. Filing and posting the notice of exemption commences a thirty-five-day statute of limitations from the date of project approval.

F. A commercial cannabis business permit shall not be issued until such time that environmental clearance where required by this Chapter and the provisions of CEQA has been completed.

1. Exception: Where the issuance of a commercial cannabis business permit also involves the issuance of a discretionary land use entitlement as set forth in Chapter 17.10, the environmental clearance may be completed in combination with the land use entitlement.

5.05.10~~10~~ - Commercial cannabis business permit application selection process.

- A. ~~The director or his/her designee~~City Manager will evaluate the applications received and make a determination on the eligibility of each application. ~~The director of development services shall confer with law enforcement on the background checks of the listed managers, employees and volunteers.~~ Each application that is complete and in compliance with chapter shall be placed on the "qualified commercial cannabis business application list" and shall be notified in writing that they are a "qualified commercial cannabis business applicant."
- B. ~~Qualified applicants will appear on the "qualified applicant list" in the order that they are selected during the independent selection process. The development services department shall maintain the "qualified application list."~~
- C. ~~A qualified commercial cannabis business applicant must submit a written request each year to maintain its status on the "qualified application list."~~
- D. ~~All cannabis applications received after the initial application period will be reviewed for completeness and compliance with this chapter. If the application qualifies, it will be placed on a "waitlist" in the order it is received. Applicants placed on the "waitlist" shall be notified in writing of their "waitlist" status.~~
- E. ~~Cannabis applications placed on the "waitlist" will be moved to the "qualified applicant list" when the number of applicants on the "qualified applicant list" falls below twenty (20) and will be notified of the change in writing.~~
- ~~FB.~~ The director of development services or his/her designee City Manager, after receiving the application and aforementioned information, will grant the permit if they find:
1. The required fee has been paid.
 2. The application conforms in all respects to the provisions of this chapter.
 3. The applicant has not knowingly made a material misrepresentation in the application.
 4. The applicant has fully cooperated in the investigation and background checks required by this section.
 5. The applicant has not had a commercial cannabis business license or other similar license or permit denied or revoked for cause by this city or any other city in the state within the last five (5) years prior to the date of the application.
 6. The commercial cannabis business, as proposed by the applicant would comply with all applicable laws including, but not limited to, health, zoning, fire and safety requirements.

7. The applicant has demonstrated compliance with all aspects of the ~~Medical Marijuana Regulation and Safety Act (MCRSA) and any other applicable requirements contained in the California Health and Safety Code, Shasta Lake municipal code and State regulations.~~

GC. After all tenant improvements have been finalized by the commercial cannabis business owner, ~~the director of development services or his/her designee~~ City Manager shall perform can request an inspection of the cannabis business location to confirm compliance with this section, ~~and issue a report to the director of development services to ensure compliance with the submitted application.~~

HD. If any of the items listed in the application process are not met, the ~~director~~ City Manager shall notify the applicant of the deficiency, after which the applicant will have ten days from receipt of notice to correct the deficiency. If the deficiency is not corrected within ten days, the ~~director~~ City Manager may deny the permit and notify the applicant of this determination in writing after which the applicant can appeal the decision in accordance with section 5.05.12240 (appeal of denial of permit reference).

5.05.1420 - Cannabis permit annual renewal.

A. Applications for the renewal of a permit shall be submitted ~~filed with the director of development services~~ at least sixty thirty (630) calendar days before the expiration of the current permit. Any permittee allowing their permit to lapse or which permit expired during a suspension shall be required to submit a new application, pay the corresponding original application fees and be subject to all aspects of the selection process.

B. Any person desiring to obtain a renewal of their respective permit shall file a written application under penalty of perjury on the required form ~~with the director of development services who will conduct a review.~~ The application shall be accompanied by a nonrefundable filing fee established by the city council to defray the cost of the review required by this section. An applicant shall be required to update the information contained in their original permit application and provide any new and/or additional information as may be reasonably required by the ~~director of development services~~ City Manager in order to determine whether said permit should be renewed.

5.05.1230 - Appeal of ~~d~~Denial of permit.

A. ~~The development services director~~ City Manager, in consultation with law enforcement, building official and city fire protection district, will review all commercial cannabis business applications, and all other relevant information, and determine if a permit should be granted. If the development services director determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. The applicant shall have fourteen (14) calendar days from the date of the receipt of the written denial to correct the reasons for denial and request in writing reconsideration of permit issuance. Following review of the amended permit application, the ~~development services director~~ City Manager will approve or deny the permit by providing written notice to the applicant.

B. An applicant who disagrees with the ~~development services director's~~ decision may appeal such decision ~~to the city planning commission by submitting a written appeal within five (5) calendar days from receipt of the written denial pursuant to the requirements of section 17.92.050(G).~~ A decision of the planning commission may be appealed to the city council if

the appeal is submitted in writing to the city clerk within five (5) calendar days following the planning commission's action, pursuant to the Appeals process of this section.

5.05.1340 - Operational standards for all commercial cannabis business activities.

- A. Interior and exterior locations of the business property shall be monitored at all times by ~~closed circuit cameras~~ digital video surveillance system with a minimum camera resolution of 1280 x 720 pixels and at a minimum of 15 frames per second ~~for security purposes. The cameras and recording system~~ video surveillance system shall be of adequate quality, color rendition and resolution to allow the sufficient identification of any individual committing a crime on location premises at all times be able to effectively and clearly record images of the area under surveillance. Each camera shall be permanently mounted and in a fixed location. The video surveillance system shall record areas where cannabis goods are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the permitted premise including:- ~~All controlled limited-access areas, security rooms, point-of-sale areas, and all points of entry and exit on the premise. The video surveillance system shall clearly record activity occurring within twenty (20) feet of all points of entry and exit on the premise, ingress/egress to limited access areas and all point of sale (POS) areas must have fixed camera coverage capable of identifying activity occurring within a minimum of twenty (20) feet. Camera video recordings shall be maintained unaltered in a secure onsite location for a period of not less than fourteen (14) days, and be available for inspection at any time.~~
- B. ~~Recordings~~ 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 fourteen ninety (1490) days and shall be stored digitally. The city or law enforcement may request the recordings in connection with an investigation. If the recordings are not voluntarily provided, the city or law enforcement may seek a warrant or court order for the recordings.
- C. A commercial cannabis business entity that remains inoperative for more than ninety (90) days shall be deemed "abandoned" and the permit shall be forfeited. A 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 development services director or his or her designee.
- D. Create and maintain an active account within the State's track and trace system prior to commencing any commercial cannabis activity. In the event of system failure, the business shall keep a hard copy record and transfer the information to the track and trace system within 24 hours of the system being available. Establish and participate in a track and trace system for reporting the movement of commercial cannabis throughout the distribution chain.
- E. Register with the department of pesticide regulation if using any pesticides.
- F. Comply with all state regulations regarding testing, labeling and storage of all cannabis products.
- G. Meet all state and local regulations for the disposal of all cannabis materials and materials used in conjunction with manufacturing, testing, processing, distributing and cultivating of cannabis.
- H. Conform to all state regulations requiring the use of appropriate weighing devices.

- I. Conform to all state and local regulations regarding water usage.
- J. All electrical and plumbing must comply with state and local regulations including the California Building Code and California Fire Code, as adopted by the City of Shasta Lake.
- K. Comply with all state insurance and security bond regulations.
- L. The commercial cannabis business shall have a ~~centrally monitored~~ centrally monitored fire and burglar alarm system which shall include all perimeter entry points and perimeter windows.
- M. ~~M. All persons with ownership interest, and all employees, agents, officers and other persons acting on behalf of a licensee must be at least 21 years of age. Meet all state deadlines for applying for a state license and receive a state license within six (6) months after the date the state begins issuing licenses. This may be waived if the state has longer delays in issuing licenses of the type the commercial cannabis business seeks.~~

5.05.1450 - Additional operational standards for dispensaries retail business.

- A. A permitted cannabis retail business shall comply with all State regulations. During the hours of operation, if required by the state, at all times the cannabis dispensary retail business is open, the dispensary shall hire or contract for security personnel who are at least 21 years of age and licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code, provide at least one security guard who is licensed, possesses a valid department of consumer affairs "security guard card", and has a valid city business license.
- B. The security guard personnel and cannabis dispensary retail business personnel shall monitor the site and the immediate vicinity of the site to assure that patrons immediately leave the site and do not consume cannabis in the vicinity of the dispensary retail business or on the property or in the parking lot.

C.4. Signage.

- 1. ~~a.~~ All exterior signage shall conform with existing zoning requirements. The existing dispensary retail business signage is 'grandfathered' in as of April 1, 2017. Any additional signage modifications shall comply with existing zoning retail business.
- 2. ~~b.~~ The following information shall be provided on a sign posted in a conspicuous location inside the cannabis dispensary:
 - (i) Smoking, ingesting or consuming cannabis on this property or within one hundred (100) feet of the business is prohibited.
 - (ii) No one under the age of twenty-one (21) shall be allowed to enter this facility unless they are a qualified patient or a primary caregiver and they are in the presence of their parent or legal guardian.
 - (iii) The city of Shasta Lake has not tested or inspected any cannabis product for pesticides, or other regulated contaminants, distributed at this location.

CD. No recommendations from a doctor for medical cannabis shall be issued on-site.

DE. Each dispensary retail business owner shall establish minimum training standards for all employees.

- ~~EE.~~ There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of food, alcohol, tobacco or cannabis by patrons without prior written approval from the city.
- ~~EG.~~ Drive-through sales must be approved in writing by the city prior to implementing.
- ~~EH.~~ The dispensary retail business shall comply with state department of health requirements pertaining to use of commercial kitchen facilities for the cannabis operations.
- ~~H.~~ Hours of operation shall be limited to: Monday—Sunday ten o'clock (10:00) a.m.—eight o'clock (8:00) p.m.
- ~~I.~~ All employees of the dispensary retail business must wear photo identification badges clearly identifying them as employees at all times ~~shall wear a laminated or plastic-coated photo identification badges clearly identifying them as employees when on duty.~~ Badges ~~must shall have~~include a color frontal face picture, employee name, employee number, business name and number, and be at least ~~two (21.5) inches in width by two (21.5) inches in height,~~ and of passport picture quality. Alternatively, employees must at all times on the premises wear an employer furnished uniform and name badge which clearly identifies them as an employee, and distinguishes them from customers and others.
- ~~J.~~ No cannabis retail facility shall cause or permit the access, sale, or exchange of cannabis goods to any person who is not at least 21 years of age or at least 18 years of age with a valid physician's recommendation for medical cannabis. No one under eighteen (18) years of age shall be permitted to enter a dispensary unless such person is a qualified patient and is accompanied by his or her primary caregiver, licensed attending physician, parent(s) or documented legal guardian.
- ~~K.~~ Any commercial cannabis dispensary already in compliance and permitted by the city will be considered selected and continue to operate under the regulations of this chapter, provided however, that in order to continue operating such commercial cannabis business must apply for a commercial cannabis business permit pursuant to this chapter and otherwise meet all other conditions and requirements of this chapter imposed on newly established commercial cannabis businesses. Only three (3) such facilities exist in the city.

5.05.1560 - Deliveries.

- ~~A.~~ All deliveries shall comply with all State regulations contained in California Code of Regulations Title 16, Division 42 and as it may be amended from time to time.
- ~~AB.~~ Deliveries may be made from a licensed dispensary or retail business ~~outlet~~.
- ~~BC.~~ All employees who deliver cannabis must have a valid identification card at all times while the delivery is being made.
- ~~CD.~~ Deliveries may only take place during normal business hours of the dispensary or retail outlet ~~business~~.
- ~~DE.~~ A customer requesting delivery 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.
- ~~EE.~~ A dispensary or retail outlet ~~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.

FG. A cannabis business shall only deliver cannabis in aggregate amounts tied to its members' needs. A cannabis business shall ensure compliance with state law limits as they regard cannabis and cannabis products.

GH. A manifest with all information required in this section must accompany any delivery person or delivery method at all times during the delivery process and delivery hours.

~~5.05.170 - Additional operational standards for retail nurseries.~~

~~A. A retail nursery shall be restricted to the sale of only cannabis clones, immature plants, and seeds. The sale of all other cannabis goods is prohibited.~~

~~B. A retail nursery shall be required to comply with the additional operating standards established for retail businesses in section 5.05.140.~~

~~C. A retail nursery shall be required to obtain a State-issued retail license.~~

5.05.1680 - Maintenance of records.

A. A commercial cannabis business shall maintain all the records required for retention by California Code of Regulations Title 3, Division 8; Title 16, Division 42; and Title 17, Division 1.

~~A. A cannabis dispensary shall maintain records at the location accurately and truthfully documenting:~~

~~1. The full name, address, and telephone number(s) of the owner, landlord, and/or lease of the location.~~

~~2. The full name, address, and telephone number(s) of all members who are engaged in the management of the dispensary.~~

~~3. Medical cannabis dispensaries shall maintain the full name, address and telephone number(s) of all patient members to whom the business provides medical cannabis, and a copy of a physician-issued recommendation card for all patient members.~~

~~4. All receipts of the dispensary, including but not limited to: all contributions, reimbursements, and reasonable compensation, whether in cash or in kind, and all expenditures incurred by the dispensary.~~

~~B. These records shall be maintained for a period of seven (7) years and shall be made kept in a manner that allows the records to be produced for the City of Shasta Lake and/or law enforcement at the cannabis business premises in either hard copy or electronic form, whichever the City of Shasta Lake requires, available by the dispensary to the law enforcement and/or code enforcement officials upon request.~~

5.05.1790 - Inspection and enforcement responsibilities.

City code enforcement officials may enter and inspect the location of any commercial cannabis business between the normal business hours to ensure compliance with this section. In addition, law enforcement may enter and inspect the location of any cannabis business and the recordings and records maintained as required by this section, except that the inspection and copying of private medical records shall be made available to law enforcement only pursuant to a properly executed search warrant, subpoena, or court order. A person engaging in

commercial cannabis business without a permit and associated unique identifiers required by this chapter shall be subject to civil penalties of up to twice the amount of the permit fee for each violation, and the department, state or local authority, or court may order the destruction of cannabis associated with that violation. A violator shall be responsible for the cost of the destruction of cannabis associated with his or her violation, in addition to any amount covered by a bond required as a condition of licensure. Each day of operation shall constitute a separate violation of this section.

5.05.48200 - Fees.

All cannabis operations shall pay applicable fees and taxes, which may include one or more of the following.

- A. Application Fee. The business applicant shall submit a nonrefundable fee to cover the cost of processing an application and renewal application for the commercial cannabis business.
- B. Business License Fee. The business owner shall at all times maintain a current and valid business certificate and pay all business taxes required by this code.
- C. Regulatory License Fee. The business owner shall pay an annual regulatory license fee ("regulatory fee") to cover the costs of anticipated enforcement relating to the cannabis operation. The amount of the fee shall be set by resolution of the city council and be supported by the estimated additional costs of enforcement and monitoring associated with the cannabis operation. The regulatory fee shall be due and payable prior to opening for business and thereafter on or before the anniversary date. The regulatory fee may be amended from time to time based upon actual costs.
- D. Taxes. The business applicant shall stay current with all State, Federal, and Local Taxes, including Commercial Cannabis Business Tax set forth by Chapter 3.17.

5.05.49210 - Violation and enforcement.

Each and every violation of this section shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by this code. Additionally, as a nuisance per se, any violation of this article shall be subject to injunctive relief, revocation of the business's commercial cannabis business permit, disgorgement and payment to the city of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The city may also pursue any and all remedies and actions available and applicable under local and state laws for any violations committed by the cannabis business and persons related or associated with the cannabis business.

-05.05.220 Permit Suspension, Modification or Revocation.

Commercial Cannabis Business Permits may be revoked, suspended, modified for any violation of any law, rule, regulation, or permit conditions or standard adopted pursuant to this

Title 5.05. If the City Manager determines that there is cause to consider revocation, suspension or modification of any Commercial Cannabis Business permit, the City Manager will:

(1) Notify the Permittee of the possible action and the reasons for it;

(2) Provide Permittee with evidence the City Manager possesses that may justify the revocation, suspension or modification;

(3) Advise the Permittee that Permittee may request a hearing before the City Manager to present evidence, argument or other matters Permittee feels the City Manager should consider before taking any action.

5.05.230 Hearing.

If a Permittee wishes to have a hearing before the City Manager, the Permittee must, within five (5) days of the City Manager's Notice, send to the City Manager a written request for a hearing. City Manager will provide notice to Permittee of the time and place of hearing. The City Manager will consider evidence, argument, and evidence offered by Permittee and render a written decision.

5.05.240 Appeal Process.

A. Within ten (10) calendar days after the date of a decision of the City Manager to revoke, suspend or deny a permit, or to add conditions to a permit, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper.

B. At the time of filing the appellant shall pay the designated appeal fee, established by resolution of the City Council from time to time.

C. Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council. The City Council shall hear the matter de novo, and shall conduct the hearing pursuant to the procedures set forth by the City.

D. The appeal shall be held within a reasonable time after the filing the appeal.

E. At the hearing the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.

F. At the conclusion of the hearing the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be final.
