

## **Chapter 12D - CANNABIS DISPENSARIES**

### **12D-1 - General Provisions.**

- A. Purpose and Intent. It is the purpose and intent of this Chapter to provide opportunities for cannabis dispensaries to operate in the City for both adult use cannabis and cannabis products, defined as cannabis or cannabis products that are intended for adults who are 21 years of age and older and who do not possess a physician's recommendation, and medical cannabis and medical cannabis products, while imposing regulations on the use of land to protect the City's neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this Chapter to regulate the retail sales and retail delivery of cannabis and cannabis-related products in a manner which is responsible, which protects the health, safety, and welfare of the residents of Colusa, and to enforce rules and regulations consistent with state law. In part to meet these objectives, an annual permit shall be required in order to own and/or to operate a cannabis dispensary within Colusa. Nothing in this Chapter is intended to authorize the possession, use, or provision of cannabis for purposes which violate state or federal law. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses and approval required under state, county, or other law.
- B. It shall be unlawful for any person to engage in, conduct or carry on, or to permit to be engaged in, conducted or carried on, in or upon any premises in the City the operation of a cannabis dispensary unless the person first obtains and continues to maintain a valid Cannabis Dispensary Permit from the City as required by this section.
- C. Legal Authority. Pursuant to Sections 5 and 7 of Article XI of the California Constitution, and the provisions of the Medicinal and Adult Use of Cannabis Regulation and Safety Act, Cal Bus & Prof Code Section 26000 *et seq.* ("MAUCRSA"), the city is authorized to adopt ordinances that establish standards, requirements and regulations for local licenses and permits for cannabis and cannabis-related activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the state, or any of its departments or divisions, shall be the minimum standards applicable in the city to cannabis, and/or cannabis-related activity.
- D. Compliance with Laws. It is the responsibility of the owners and operators of the cannabis dispensary 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 federal, state law or local law with respect to the operation of a cannabis dispensary. It shall be the responsibility of the owners and the operators of the cannabis dispensary to ensure that the cannabis dispensary is, at all times, operating in a manner compliant with all applicable federal, state and local laws, the 2008 Attorney General Guidelines, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the cannabis dispensary permit. Nothing in this Chapter shall be construed as authorizing any actions which violate federal or state law with regard to the operation of a cannabis dispensary.

### **12D-2 - Definitions.**

When used in this Chapter, the following words shall have the meanings ascribed to them as set forth herein. 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. Any term used in this Chapter not expressly set forth in this section shall have the meaning defined in Chapter 12F.

- A. "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 marijuana. "Cannabis" also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 14017 of the Statutes of 1972. "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 that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- B. "Cannabis activity" includes cultivation, manufacture, processing, laboratory testing, transporting, delivery, distribution, or sale of cannabis or a cannabis product, within the meaning of California Business and Professions Code 26000 et seq.
- C. "Cannabis business" means any business or operation which engages in cannabis activity.
- D. "Cannabis dispensary permit" means a regulatory permit issued by the City of Colusa pursuant to this Chapter to a cannabis dispensary, and is required before any cannabis activity may be conducted in the City. The initial permit and annual renewal of a cannabis dispensary permit is made expressly contingent upon the dispensary's ongoing compliance with all of the requirements of this Chapter and any regulations adopted by the City governing the cannabis activity at issue.
- E. "City" or "City of Colusa" means the City of Colusa, a California general law City.
- F. "Cultivation" and "Commercial Cultivation" are defined as: "Cultivation" means any activity, whether occurring indoors or outdoors, involving the propagation, planting, growing, harvesting, drying, curing, grading, and/or trimming of cannabis plants or any part thereof for any purpose, including medical marijuana; and "Commercial Cultivation" means only State-licensed Indoor facilities for cannabis cultivation consisting solely of processing (drying, curing, trimming, and packaging of) cannabis flower (corresponding with State CDFA Cultivation License Type for "Processor") or nursery operations (corresponding with State CDFA Cultivation License Type for "Nursery")
- G. "Cultivation site" means a facility where cannabis is cultivated, propagated, planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities.
- H. "Delivery" means the commercial transfer of cannabis or cannabis products from a dispensary, up to an amount determined to be authorized by the State of California, or any of its departments or divisions, to anyone for any purpose. "Delivery" also includes the use by a dispensary of any technology platform owned, controlled, and/or licensed by the dispensary, or independently licensed by the State of California under the MAUSCRA (as the same may be amended from time-to-time), that enables anyone to arrange for or

facilitate the commercial transfer by a licensed dispensary of cannabis or cannabis products.

- I. "Delivery Only Cannabis Dispensary" means a Dispensary that does not have a storefront sales facility open to the public for retail sales.
- J. "Dispensary" means a cannabis business facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale.
- K. "Dispensing" means any activity involving the retail sale of cannabis or cannabis products from a dispensary.
- L. "Edible cannabis product" means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.
- M. "Marijuana" means "cannabis," as that term is defined in this Chapter.
- N. "Medical cannabis," "medical marijuana," "medical cannabis product" or "medical cannabis product" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California Health and Safety Code (as the same may be amended from time-to-time). For purposes of this Chapter, "medical cannabis" does not include industrial hemp as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- O. "Microbusiness" means a location operating as a microbusiness as defined in the state regulations issued by the Bureau of Cannabis Control for cannabis microbusinesses.
- P. "Person" means an 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 and includes the plural as well as the singular number.
- Q. "State License" means a permit or license issued by the State of California, or one of its departments or divisions, under MAUSCRA to engage in cannabis activity.
- R. "Storefront Cannabis Dispensary" means a Dispensary which utilizes a retail storefront operation open to the public for retail sales.
- S. "Topical cannabis" means a product intended for external use. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.
- T. "Transport" means the transfer of cannabis or cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting cannabis activity authorized by the MAUSCRA.
- U. "Transporter" means a person authorized to transport cannabis or cannabis products in amounts authorized by the State of California, or by one of its departments or divisions under the MAUSCRA.

### **12D-3 - Limitation on the Number of Cannabis Dispensaries.**

- A. Initial Maximum Number of Cannabis Dispensary Permits.
1. Upon the effective date of this provision, the City Council may issue a maximum of up to **two (2) cannabis dispensary permits** to a qualified storefront retail cannabis dispensary or cannabis microbusiness at any one given time.
  2. Upon the effective date of this provision, the City Council may issue a maximum of **up to two (2)** cannabis dispensary permits to a qualified delivery only cannabis dispensary at any one given time.
  3. The dispensary permits shall be issued in accordance with the application and permit approval process contained in this Chapter 12D and resolutions adopted pursuant to this Chapter.
  4. The cannabis dispensary must obtain a cannabis dispensary permit from the City before commencing operations, must be in compliance with all applicable state and federal laws pertaining to its operation, including obtaining all necessary licenses from the state, and shall comply with all applicable operational and zoning requirements set forth in the Colusa Municipal Code.
  5. No cannabis dispensary permit shall be valid until either the city council approves a development agreement for the site, an operations agreement for a site, or until after the effective date of an approved ballot measure authorizing the taxation of commercial cannabis dispensaries in the city.
  6. Nothing in this Chapter creates a mandate that the City Council must issue one or more cannabis business permit to a cannabis dispensary if the City Council determines that there are no qualified applicants, the proposed locations for cannabis businesses are incompatible with neighboring land uses, or if the City Council determines that the issuance of a cannabis dispensary would have a negative effect on the health, safety, or welfare of the citizens or businesses of Colusa, or for any other reason allowed by law.
- B. City Council Review and Increased Maximum Number of Cannabis Dispensaries to be Issued. Twelve (12) months after the first cannabis dispensary permit is issued, the City Manager shall deliver a report to the City Council during a regular meeting which examines the positive and negative impacts that the cannabis dispensary has had on the community during the preceding twelve (12) months. The report shall include, among other things, an analysis of how the cannabis dispensary has complied with state and local regulations, any positive or negative community and law enforcement impacts, and any revenue generated. If after hearing the report the City Council makes a determination that there are no significant consequences of allowing cannabis dispensaries to operate in the City, the City Council at its sole discretion may vote to expand the number of authorized cannabis dispensary permits to be issued up to a maximum of six dispensary permits. If the City Council takes no action, or finds that the impacts are unacceptable, then the maximum number and type of cannabis dispensaries authorized shall continue to be limited to two (2) retail storefront cannabis dispensary permits as provided in subdivision 1 above, and two (2) delivery only cannabis dispensary permits as provided in subdivision 2 above.

**12D-4 - Application for Cannabis Dispensary Permit: Renewal Applications; and Effect of Revocation or Suspension of State License.**

- A. Initial Application Procedure.

1. The City Council shall adopt by resolution the procedures which will govern the application process, and the manner in which the decision will ultimately be made regarding the issuance of any cannabis dispensary permit(s). The resolution shall authorize the City Manager or his or her designee to prepare the necessary forms, adopt any necessary rules, regulations and processes, solicit applications, conduct initial evaluations of the applicants, and to ultimately provide a final recommendation to the City Council of the top two (2) applicants for consideration for retail storefront/microbusiness dispensary permits and the top two (2) applicants for consideration for delivery only dispensary permits.
2. At the time of filing, each applicant shall pay an application fee established by resolution of the City Council, to cover all costs incurred by the City in the application process.
3. After the initial review the City Manager or his designee will make a recommendation to the City Council, and the City Council shall make a final determination in accordance with the selection procedure set forth in the Resolution adopted by the City Council.

B. The City's Reservation of Rights:

The City reserves the right to reject any or all applications. The City may also modify, postpone, or cancel any request for applications, or the entire program under this Chapter, at any time without liability, obligation, or commitment to any party, firm, or organization. Persons submitting applications assume the risk that all or any part of the program, or any particular category of permit potentially authorized under this Chapter, may be cancelled at any time prior to permit issuance. The City further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to any other justification provided a failure to comply with other requirements in this Chapter, an application RISKS BEING REJECTED for any of the following reasons:

1. Proposal received after designated time and date.
2. Proposal not containing the required elements, exhibits, nor organized in the required format.
3. Proposal considered not fully responsive to this request for permit application.
4. Proposal contains excess or extraneous material not called for in the request for permit application.

C. Expiration of Cannabis Dispensary Permits. A cannabis dispensary permit issued pursuant to this Chapter shall expire twelve (12) months after the date of its issuance. Cannabis dispensary permits may be renewed as provided in subsection E below.

D. Revocation of Permits. Cannabis dispensary permits may be revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to this Chapter 12D or applicable sections of Chapter 12F.

E. Renewal Applications.

1. An application for renewal of a cannabis dispensary permit shall be filed at least sixty (60) calendar days prior to the expiration date of the current permit.
2. The renewal application shall contain all the information required for new applications.
3. The applicant shall pay a fee in an amount to be set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the City to administer the program created under this Chapter.

4. An application for renewal of a cannabis dispensary permit shall be rejected if any of the following exists:
    - a. The application is filed less than sixty (60) days before its expiration.
    - b. The cannabis dispensary permit is suspended or revoked at the time of the application.
    - c. The cannabis dispensary has not been in regular and continuous operation in the four (4) months prior to the renewal application, unless substantial evidence is provided to the City Manager to show the failure to operate is due to a delay in state license processing or other market factors outside of the control of the licensee.
    - d. The cannabis dispensary has failed to conform to the requirements of this Chapter, or of any regulations adopted pursuant to this Chapter as existing at the time the original permit was issued, including separation of the location from sensitive uses.
    - e. The permittee fails or is unable to renew its State of California license.
    - f. If the City or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this Chapter, or the City's Municipal Code as existing at the time the original permit was issued, including separation of the location from sensitive uses, or of the state rules and regulations, and the City or state has determined that the violation is grounds for termination or revocation of the cannabis dispensary permit.
  5. The City Manager or his designee is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the City Manager or his designee is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the City Manager or his designee shall be handled pursuant to Section 12D-5 entitled "Appeals."
  6. If a renewal application is rejected, a person may file a new application pursuant to this Chapter no sooner than one (1) year from the date of the rejection.
- F. Effect of state license suspension, revocation, or termination. Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis dispensary to operate within the City, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a cannabis dispensary, such revocation or termination shall also revoke or terminate the ability of a cannabis dispensary to operate within the City of Colusa.

#### **12D-5 - Appeals.**

- A. Appeals from Decisions of the City Manager or his Designee under this Chapter. Unless specifically provided elsewhere to the contrary, whenever an appeal is provided for in this Chapter from a decision of the City Manager or his or her designee, the appeal shall be conducted as prescribed in this Section.
- B. Written request for Appeal.
  1. Within ten (10) calendar days after the date of a decision of the City Manager or his designee(s) 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.

2. 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. Appeal Hearing.

1. 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.
2. The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than ninety (90) days from the date of such filing. The City shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.
3. 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.
4. 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.

**12D-6 - Permittee Selection Process.**

A. Selection and Review of Finalists.

1. The City Council shall adopt by resolution a procedure by which the top two applicants applying for a cannabis dispensary permit in each dispensary category will be presented to the City Council for a final determination at a public meeting.
2. The top three finalists in the cannabis dispensary category shall be invited to attend the City Council meeting, where they will be expected to make a public presentation introducing their team and providing an overview of their proposal. In order to provide adequate time, presentations may be divided over more than one meeting over multiple days as determined to be necessary. In order to provide adequate time, presentations may be divided over more than one meeting over multiple days as determined to be necessary.
3. At least ten (10) days prior to the hearing, notice of the hearing shall be sent to all property owners located within three hundred (300) feet of the proposed dispensary locations of each of the finalists to be considered by the City Council.
4. The City Council shall rank the final three candidates and shall select one or more candidates to be issued a cannabis permit for a cannabis dispensary as permitted by this Chapter 12D. The City Council's decision as to the selection of the candidate(s) to receive a cannabis dispensary permit shall be final.
5. Official issuance of a cannabis dispensary permit, however, is conditioned upon the prevailing candidate(s) obtaining all required land use approvals. Following the Council's selection, the prevailing candidate(s) shall apply to the City's planning department to obtain any required land use approvals or entitlements for the permittee's location, if any. Land use approvals shall include compliance with all applicable provisions of the California Environmental Quality Act (CEQA). The City Manager shall formally issue a cannabis dispensary permit once the City Manager and Chief of Police have both affirmed that all of the required land use approvals have been obtained.

If the selected permittee(s) is/are unable to fulfill all the requirements of obtaining the cannabis dispensary permit(s), the City Council, in its sole discretion, may award the

permit to the next highest ranked applicants, or may begin the application process again to allow for selection of a new set of applicants.

6. Issuance of a cannabis dispensary permit does not create a land use entitlement. A cannabis dispensary permit shall only be for a term of twelve (12) months, and shall expire at the end of the twelve (12) month period unless it is renewed as provided herein. Furthermore, no permittee may begin operations, notwithstanding the issuance of a permit, unless all of the state and local laws and regulations, including but not limited to the requirements of this Chapter and of the permit, have been complied with.
  7. Notwithstanding anything in this Chapter to the contrary, the City Council reserves the right to reject any or all applications if it determines it would be in the best interest of the City, taking into account any health, safety and welfare impacts on the community. Applicants shall have no right to a cannabis dispensary permit until a permit is actually issued, and then only for the duration of the permit's term. Each applicant assumes the risk that, at any time prior to the issuance of a permit, the City Council may terminate or delay the program created under this Chapter.
  8. If an application is denied, a new application may not be filed for one (1) year from the date of the denial.
  9. A person or entity granted a cannabis dispensary permit shall be required to pay the permit fee established by resolution of the City Council, to cover the costs of administering the cannabis dispensary permit program created in this Chapter."
- B. Prohibition on Transfer of Cannabis Dispensary Permits.
1. Cannabis dispensary permits are not a property right, and permittees have no economic interest in any permit issued to them. No person may transfer ownership or control of a cannabis dispensary or transfer any cannabis dispensary permit issued under this Chapter without the express written consent of the City Manager after a finding, based on substantial evidence, that the sale or transfer is for financing or business restructuring purposes which will result in no substantial change of the management of the dispensary from the then current management team.
  2. Any attempt to transfer ownership of a cannabis dispensary or of a cannabis dispensary permit without the express written consent of the City Manager shall render the cannabis dispensary permit void.
  3. In any situation where a permit has been lost as a result of an attempted transfer of the cannabis dispensary permit or of the cannabis dispensary, or as a result of the abandonment or revocation of the permit, any new permit shall be issued using the standard process for the issuance of permits in the first instance. No preference shall be given to any person proposed as new owner or assignee by the former permit holder. In such case, prior to accepting any new applications, the City shall post the availability of the cannabis dispensary permit at issue on the City's website. The City Manager or his/her designee may take other actions to help ensure the broadest pool of applicants for the new permit.

#### **12D-7 - Requirements Before Permittee May Commence Operations.**

- A. City Business License. Prior to commencing operations, a cannabis business shall obtain a City of Colusa business license.
- B. Building Permits and Inspection. Prior to commencing operations, a cannabis dispensary shall be subject to a mandatory building inspection, and must obtain all required permits and



approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes but is not limited to obtaining any required building permit(s), fire department approvals, Health Department approvals and other zoning and land use permit(s) and approvals.

- C. Certification from Planning Director. Prior to commencing operations, a cannabis dispensary must obtain a certification from the Planning Director certifying that the business is located on a site that meets all of the requirements of the City's Zoning and Municipal Code.
- D. Right to Occupy and to Use Property. As a condition precedent to the City's issuance of a cannabis dispensary permit pursuant to this Chapter, any person intending to open and to operate a cannabis dispensary shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from another person, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this Chapter and consents to the operation of the cannabis dispensary on the owner's property.
- E. Limitations on City's Liability. To the fullest extent permitted by law, the City of Colusa shall not assume any liability whatsoever with respect to having issued a cannabis dispensary permit pursuant to this Chapter or otherwise approving the operation of any cannabis dispensary. As a condition to the approval of any cannabis dispensary permit, the applicant shall be required to meet all of the following conditions before they can receive the cannabis dispensary permit:
  - 1. They must execute an agreement, in a form approved by the city attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City of Colusa, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of the cannabis dispensary permit, the City's decision to approve the operation of the cannabis dispensary or activity, to process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the cannabis dispensary or any of its officers, employees or agents.
  - 2. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the city attorney.
  - 3. Reimburse the City of Colusa for all costs and expenses, including but not limited to attorney fees and costs and court costs, which the City of Colusa may be required to pay as a result of any legal challenge related to the City's approval of the applicant's cannabis dispensary permit, or related to the City's approval of a cannabis activity. The City of Colusa may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

#### **12D-8 - Operating Requirements for Cannabis Dispensaries.**

- A. Compliance with Laws. It is the responsibility of the owners and operators of the cannabis dispensary 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 dispensary. It shall be the responsibility of the owners and the operators of the cannabis dispensary to ensure that the cannabis dispensary is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific,

additional operating procedures or requirements which may be imposed as conditions of approval of the cannabis dispensary permit. Nothing in this Chapter shall be construed as authorizing any actions which violate state law with regard to the operation of a cannabis dispensary.

B. Fees, Charges and Taxes.

1. No person may commence or continue any cannabis activity in the City, without timely paying in full all fees, charges, and any applicable taxes required for the operation of a cannabis dispensary. Fees and charges associated with the operation of a cannabis activity shall be established by resolution of the City Council which may be amended from time to time.
2. A cannabis dispensary 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. Cannabis dispensaries shall cooperate with City with respect to any reasonable request to audit the cannabis dispensary'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.

C. Hours of Operation. Storefront cannabis dispensaries or cannabis microbusinesses may be open for access to the public only between the hours of 8:00 A.M. and 8:00 P.M. Monday through Sunday. Delivery only cannabis dispensaries may operate only during the hours specified in the business's cannabis dispensary permit.

D. Restriction on Consumption. Cannabis shall not be consumed on the premises of any cannabis dispensary.

E. No outdoor storage of cannabis or cannabis products is permitted at any time.

F. Reporting and Tracking of Product and of Gross Sales. Each cannabis dispensary shall have in place a point-of-sale tracking system to track and report on all aspects of the cannabis dispensary including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale). The cannabis dispensary 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 or his/her designee.

G. 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 the State and local regulations.

H. Emergency Contact. Each cannabis dispensary shall provide the City Manager or his/her designee(s) with the name, telephone number (mobile preferred, if available) of an owner and or manager to whom emergency notice can be provided at any hour of the day.

I. Signage and Notices.

1. In addition to the requirements otherwise set forth in this section, dispensary identification signage for a cannabis dispensary shall conform to the requirements of the Colusa Municipal Code, including, but not limited to, seeking the issuance of a City sign permit.
2. No signs placed on the premises of a cannabis dispensary shall obstruct any entrance or exit to the building or any window.

3. Each entrance to a cannabis dispensary 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 dispensary is prohibited.

J. Minors.

1. Persons under the age of eighteen (18) years shall not be allowed on the premises of a cannabis dispensary unless the person is accompanied by their own parent, guardian, or primary caregiver. Persons under the age of eighteen (18) years of age shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this Chapter for any person to employ any person at a storefront cannabis dispensary who is not at least twenty-one (21) years of age.
2. The entrance to the cannabis dispensary shall be clearly and legibly posted with a notice that no person under the age of eighteen (18) years of age is permitted to enter upon the premises of the cannabis dispensary unless the person is accompanied by their own parent, guardian, or primary caregiver.

K. Odor Control. Odor control devices and techniques shall be incorporated in all cannabis dispensaries to ensure that odors from cannabis are not detectable off-site. Cannabis dispensaries shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the cannabis dispensary that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis dispensary. As such, a cannabis dispensary must install and maintain the following equipment, or any other equipment which the City Manager or his/her designee(s) determine is a more effective method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally. The dispensary applicant shall provide a statement from the exhaust air filtration manufacturer that the system has been designed to achieve the above standard based on the specific building size and layout;
2. An air system that creates negative air pressure between the cannabis dispensary's interior and exterior, so that the odors generated inside the cannabis dispensary are not detectable on the outside of the cannabis dispensary. The dispensary applicant shall provide a statement from the air system manufacturer that the system has been designed to achieve the above standard based on the specific building size and layout

L. 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 dispensary in a location readily-visible to the public.

M. Background Check.

1. Pursuant to California Penal Code sections 11105(b)(11) and 13300(b)(11), which authorizes city authorities to access state and local summary criminal history information for employment, licensing, or certification purposes, and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, or supervisor of the cannabis business must submit fingerprints and other information deemed necessary by the City Manager or his/her designee(s) for a background check by the Colusa Police

Department. Pursuant to California Penal Code sections 11105(b)(11) and 13300(b)(11), which requires that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject of the record, no person shall be issued a permit to operate a cannabis business unless they have first cleared the background check, as determined by the Chief of Police, as required by this section.

2. A fee for the cost of the background investigation, which shall be the actual cost to the City of Colusa to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a cannabis business permit is submitted. The applicant(s) shall provide an initial deposit in an amount the City Manager or his/her designee(s) estimates will cover the cost of the background investigation, which shall be used and drawn upon as a retainer to cover the actual costs of such investigation. If this amount is not sufficient, the applicant shall provide additional amounts that are necessary and if the applicant is unable to provide the additional amounts necessary to complete the investigation, the investigation shall cease and shall not continue until such additional amounts are paid. Upon completion of the investigation or in the event the applicant withdraws their application, any fees paid for this process will be deemed non-refundable.
  3. The City shall not disseminate background check results information to any private party.
  4. When reviewing background check results, the Chief of Police shall verify that applicants have not been convicted of any crimes listed in Business and Professions Code section 26057. Applicants found to have committed any crimes listed in Business and Professions Code Section 26057 shall fail the background, and shall be ineligible for a City cannabis business permit.
- N. 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 (50) feet of the premises of the business.
- O. 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 establish and to operate.
- P. All cannabis business permittees other than cannabis dispensary businesses must comply with the following security requirements:
1. A cannabis business permittee shall comply with the security plan that is approved by the City Manager, which plan may include building specifications, lighting, alarms, and state-licensed security personnel.
  2. Each security plan approved by the City Manager must include the following:
    - a. Security surveillance cameras. Security surveillance cameras and a video recording system must be installed to monitor all doors into the buildings on the business site, the parking lot, loading areas, and all exterior sides of the property adjacent to the public rights of way. The cameras and recording system must be of adequate quality, color rendition, and resolution to allow the identification of any individual present on the business site. The recording system must be capable of exporting the recorded video in standard MPEG formats to another common medium, such as a DVD or USB drive.

- b. Security video recording and retention. Video from the security surveillance cameras must be recording at all times (24 hours a day, seven days a week) and the recording shall be maintained for at least 30 days. The video recordings shall be made available to the city upon request.
  - c. Alarm system. Professionally and centrally-monitored fire, robbery, and burglar alarm systems must be installed and maintained in good working condition. The alarm system must include a private security company that is required to respond to every alarm.
3. A cannabis business permittee shall report to the City Police Department all criminal activity occurring on the cannabis business site.

#### **12D-9 - Additional Operating Requirements for Cannabis Dispensaries.**

##### **A. Records and Recordkeeping.**

1. Each owner and operator of a cannabis dispensary shall maintain accurate books and records, detailing all of the revenues and expenses of the dispensary, 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 Chapter), or at any time upon reasonable request of the City, each cannabis dispensary shall file a sworn statement detailing the number of sales by the cannabis dispensary during the previous twelve-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.
2. Each owner and operator of a cannabis dispensary shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis dispensary, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the cannabis dispensary. The register required by this paragraph shall be provided to the City Manager or his/her designee(s) upon a reasonable request.
3. Each cannabis dispensary shall maintain a record of all persons, patients, collectives and primary caregivers served by the cannabis dispensary, for a period of no less than as required by state law.
4. Cannabis dispensaries shall maintain records of their inventory acquired, including the name and address of each supplier, the date of acquisition and the quantity acquired from each supplier, and the location of the cultivation of the supplier, and shall maintain a copy of the supplier's state license to cultivate (if required).
5. Subject to any restrictions under state or federal law, each cannabis dispensary shall allow City of Colusa officials to have access to the dispensary'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. A permitted cannabis dispensary 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 dispensary. Except as may otherwise be determined by the City Manager or his/her designee(s), these security measures shall include, but shall not be limited to, all of the following:

- a. Preventing individuals from remaining on the premises of the cannabis dispensary if they are not engaging in an activity directly related to the permitted operations of the cannabis dispensary.
  - b. Establishing limited access areas accessible only to authorized cannabis dispensary personnel.
  - c. All cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, shall be kept in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes or for immediate sale at a dispensary.
  - d. Installing 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the cannabis dispensary which are open and accessible to the public, and all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis. The cannabis dispensary shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager or his/her designee(s), and the City's Police Department, and that it is compatible with the City's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the City Manager or his/her designee(s) and to the City's police department. Video recordings shall be maintained for a minimum of forty-five (45) days, and shall be made available to the City Manager or his designee upon request.
  - e. Sensors shall be installed to detect entry and exit from all secure areas.
  - f. Panic buttons shall be installed in all cannabis dispensaries.
  - g. Having a professionally installed, maintained, and monitored alarm system.
  - h. Any bars installed on the windows or the doors of the cannabis dispensary shall be installed only on the interior of the building.
  - i. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager or his/her designee(s), with such approval not to be unreasonably withheld.
  - j. Each cannabis dispensary 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.
  - k. Entrances into the dispensary shall be locked at all times with entry strictly controlled. A "buzz-in" electronic/mechanical entry system shall be utilized to limit access to and entry to the dispensary, to separate it from the reception/lobby area.
2. A cannabis dispensary shall identify a designated security representative/liaison to the City of Colusa, who shall be reasonably available to meet with the City Colusa or his/her designee regarding any security related measures or and operational issues.

3. As part of the application and permitting process a cannabis dispensary shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.
4. The cannabis dispensary shall cooperate with the City whenever the City Manager or his designee makes a request, upon reasonable notice to the cannabis dispensary, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter.
5. A cannabis dispensary shall notify the City Manager or his/her designee(s) within twenty-four (24) hours after discovering any of the following:
  - a. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager or his/her designee.
  - b. Diversion, theft, loss, or any criminal activity involving the cannabis dispensary or any agent or employee of the cannabis dispensary.
  - c. The loss or unauthorized alteration of records related to cannabis, records of sales, or employees or agents of the cannabis dispensary.
  - d. Any other breach of security.
- 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 dispensary.
- D. Owners and Operators are required to verify the age and the necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years.
- E. Dispensaries may have on-site, in the retail sales area of the dispensary, only that quantity of cannabis and cannabis products reasonably anticipated to meet the daily demand readily available for sale. Dispensaries may also sell non-cannabis products, such as cannabis and health related educational books and publications, apparel, and the like. However, sales of non-cannabis products shall constitute no more than fifteen percent (15%) of the floor area and not to exceed three hundred (300) feet.
- F. All restroom facilities shall remain locked and under the control of management.
- G. All cannabis and products containing cannabis shall be dispensed in packaging as required by state law, and shall remain in such packaging until off the premises, unless otherwise provided by state law.

**12D-10 - Delivery by Cannabis Dispensary Permitted.**

Legally permitted cannabis dispensaries are authorized to make deliveries within the City and within any jurisdiction that permits deliveries, subject to following requirements:

- A. The owner, operator, and delivery personnel shall comply with all applicable state law requirements;
- B. The delivery personnel must be an employee of the cannabis dispensary;
- C. Before dispensing any products to persons requesting delivery, the delivery personnel must verify that the requestor is of legal age to possess cannabis.

**12D-11 - Application of Chapter; Other Legal Duties.**

- A. Promulgation of Regulations and Standards.

1. In addition to any regulations adopted by the City Council, the City Manager or his/her designee is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of cannabis dispensary permits, the ongoing operation of a cannabis dispensary and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this Chapter.
  2. Regulations shall be published on the City's website.
  3. Regulations promulgated by the City Manager shall become effective upon date of publication. A cannabis dispensary shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager or his designee.
- B. Community Relations Requirements for Cannabis Dispensaries.
1. Each cannabis dispensary shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the cannabis dispensary can be provided. Each cannabis dispensary shall also provide the above information to all businesses and residences located within one hundred (100) feet of the cannabis dispensary property and shall provide opportunity for those businesses and residents within one hundred (100) feet to visit and to tour the cannabis dispensary at least once on a mutually convenient date and time. Any additional request shall be at the sole discretion of the dispensary operator.
  2. During the first year of operation pursuant to this Chapter, the owner, manager, and community relations representative from the cannabis dispensary holding a permit issued pursuant to this Chapter shall attend a quarterly meeting with the City Manager or his/her designee(s) to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter. After the first year of operation, the owner, manager, and community relations representative from the cannabis dispensary shall meet with the City Manager or his/her designee(s) when and as requested by the City Manager or his/her designee(s).
  3. The cannabis dispensary to which a permit is issued pursuant to this Chapter shall develop and make available to youth organizations and educational institutions a public education plan that outlines the risks of youth abuse of cannabis, and that identifies resources available to youth related to drugs and drug addiction.
- C. Fees Deemed Debt to City of Colusa. The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to the City of Colusa that is recoverable via an authorized administrative process as set forth in the Municipal Code, or in any court of competent jurisdiction.
- D. Permit Holder Responsible for Violations. The person or members of a business entity to whom a permit is issued pursuant to this Chapter shall be responsible for all violations of the laws of the State of California or of the regulations and/or the ordinances of the City of Colusa, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the cannabis business whether or not said violations occur within the permit holder's presence.
- E. Inspection and Enforcement.
1. The City Manager or his/her designee(s) are charged with enforcing the provisions of the Colusa Municipal Code, or any provision thereof, may enter the location of a cannabis dispensary at any time during the hours of operation without notice, and inspect the



location of any cannabis dispensary as well as any recordings and records required to be maintained pursuant to this Chapter or under applicable provisions of State law.

2. It is unlawful for any person having responsibility over the operation of a cannabis dispensary, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis dispensary under this Chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis dispensary under this Chapter or under state or local law.
  3. The City Manager or his/her designee(s) charged with enforcing the provisions of this Chapter may enter the location of a cannabis dispensary at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City of Colusa shall be logged, recorded, and maintained in accordance with Colusa Police Department standards for evidence.
- F. Concurrent Regulation with State. It is the stated intent of this Chapter to regulate cannabis activity in the City of Colusa concurrently with the state of California.

#### **12D-12 - Violations and Enforcement.**

- A. Violations declared a public nuisance. Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.
- B. Each violation a separate offense. Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Colusa Municipal Code. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, any permit issued pursuant to this Chapter being deemed null and void, disgorgement and payment to the City of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The City of Colusa may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the cannabis dispensary or persons related to, or associated with, the cannabis activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the City Manager, his/her designee, or the Chief of Police, may take immediate action to temporarily suspend a cannabis dispensary permit issued by the City, pending a hearing before the City Council.
- C. Remedies cumulative and not exclusive. The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided by law.