

**ORDINANCE NO. 559**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA AMENDING  
APPENDIX A – ZONING BY REPEALING AND REPLACING SECTIONS 21.5 AND 33.03 OF  
THE COLUSA MUNICIPAL CODE REGARDING COMMERCIAL CANNABIS  
REGULATIONS**

**WHEREAS**, the City is updating Section 21.5 of Appendix A – Zoning Code, relative to cannabis regulations;

**WHEREAS**, the City is updated Section 33.03 of Appendix A – Zoning Code, relative to cannabis dispensary special use permit application and fee

**WHEREAS**, the City of Colusa City Council has considered public comment at a duly noticed public hearing.

**The City Council of the City of Colusa, State of California does hereby ordain as follows:**

**SECTION 1.**

Section 21.5, “Cannabis Regulations” of the Colusa Municipal Code is hereby repealed and replaced as set forth below:

Article 21.5 Cannabis Regulations.

**Sec. 21.5.01. Commercial Cannabis Activity and Cannabis Dispensaries Allowable zones;  
regulations generally.**

- (a) Commercial Cannabis business facilities (cultivation, nursery, manufacturing, production, testing, microbusiness) are permitted, only upon the approval of a cannabis business special use permit issued by the city council, in the following zones:

Article 12. M-1 Light Industrial District

Article 13. M-2 General Industrial District

Article 14. M-L Limited Manufacturing District

- (b) Cannabis storefront dispensaries are permitted, only upon the approval of a cannabis dispensary special use permit issued by the city council, in the following zones:

Article 10. C-G General Commercial District

Article 12. M-1 Light Industrial District

- (c) Upon application for a cannabis business special use permit, to be approved directly by the city council without need for a recommendation from the planning commission, the following regulations shall apply as to building type and construction, safety and security, required permits, and other relevant provisions necessary to protect the public health, safety and welfare. In any district where a cannabis business facility is permitted, the regulations of this article shall apply in addition to those hereinbefore specified for such district, provided that if a conflict in regulations occurs the regulations of this article shall govern.

**Sec. 21.5.02. Purpose and intent.**

Commercial cannabis activity facilities shall be permitted, in accordance with the criteria and procedures set forth in this Code, upon application and approval of a cannabis business special use permit and a regulatory permit, pertaining to the location and operation of the facility. The regulations set forth in this Article 21.5 and Chapter 12F of the Municipal Code shall control the location and operation of a cannabis business facility.

**Sec. 21.5.03. Commercial cannabis special use permit limitations.**

Prior to, or concurrently with, application for a regulatory permit, the applicant shall apply for and be issued a cannabis business special use permit as required by this article and Article 33, Section 33.03 of this Code. Information that may be duplicative in the two applications can be incorporated by reference. The cannabis business special use permit shall run with the regulatory permit and not the land.

(a) Initial Maximum Amount of Cannabis Dispensary Permits. Upon the effective date of this provision, the City Council may issue a maximum of up to one (1) cannabis business special use permit to a qualified cannabis dispensary. The permit shall be issued in accordance with the application and permit approval process contained in this Chapter 12D and resolutions adopted pursuant to this Chapter. The cannabis dispensary must obtain a cannabis regulatory 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 City of Colusa Municipal Code. Nothing in this Chapter creates a mandate that the City Council must issue one or more cannabis business special use permit and regulatory permit to a cannabis dispensary if the City Council determines that there are no qualified applicants, the proposed locations for cannabis businesses facilities 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 the City of Colusa, or for any other reason allowed by law.

(1). City Council Review and Increased Maximum Number of Cannabis Dispensaries Special Use Permits to be Issued. Eighteen (18) months after the first cannabis business special use permit for a dispensary 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 eighteen (18) 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 were 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 special use permits to be issued up to a maximum of two (2). 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 one (1) as provided in subdivision (a) above.

(b) All Other commercial cannabis facilities. The Planning Commission may issue permits to other qualified commercial cannabis activity owners or operators to operate cannabis cultivation, manufacturing, distribution, transporting, or testing laboratory businesses within the City of Colusa through the application and permit approval process contained in this Article (21.5), and resolutions adopted pursuant to this Chapter. All commercial cannabis facilities must obtain a cannabis regulatory permit and Certification of Occupancy 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 City of Colusa Municipal Code. Nothing in this Chapter creates a mandate that the Planning Commission or the City Council must issue one or more cannabis special use permit to a cannabis cultivator, manufacturer, distributor, transporter, or testing laboratory if the Planning Commission or the City Council determines that there are no qualified applicants, the proposed locations for cannabis facilities are incompatible with neighboring land uses, or if the Planning Commission or the City Council determines that the issuance of a cannabis special use permit would have a negative effect on the health, safety, or welfare of the citizens or businesses of the City of Colusa, or for any other reason allowed by law.

#### **Sec. 21.5.04. Commercial Cannabis Facilities.**

Cannabis business facilities permitted under this article include facilities where cannabis is manufactured into cannabis products, tested, distributed, and may also include the associated activities of planting, growing, harvesting, trimming, grading, transporting, and legal retail sales that holds a valid cannabis business special use permit pursuant to this article, and a regulatory permit as required by this Code, subject to the provisions of the Compassionate Use Act of 1996 (California Health and Safety Code Section 11362.5), the Medical Marijuana Program Act (California Health and Safety Code Sections 11362.7 through 11362.83), the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August, 2008, the Medical Marijuana Regulation and Safety Act (AB 243, AB 266, and SB 643), and all statutes and regulations promulgated to implement the AMUA, and any other state laws pertaining to cultivating cannabis.

#### **Sec. 21.5.05. Definitions**

"Applicant" means an owner that is applying for a city- and state-issued license.

"Business owner" means the owner(s) of the cannabis ~~business~~ operation. An owner of the commercial cannabis business operation includes all of the following:

- (1) A person with an aggregate ownership interest of twenty percent or more in the commercial cannabis business, unless the interest is solely a security, lien, or encumbrance. For purposes of this section, "aggregate" means the total ownership interest held by a single person through any combination of individually held ownership interests in a commercial cannabis business activity and ownership interests in an entity that has an ownership interest in the same commercial cannabis business operation. For example, a person who owns ten percent of the stock in a commercial cannabis business as an individual shareholder and one hundred percent of the stock in an entity that owns ten percent of the stock in the same commercial cannabis business has a twenty percent aggregate ownership interest in the commercial cannabis business.
- (2) An individual who manages, directs, or controls the operations of the commercial cannabis business, including but not limited to:
  - (A) A member of the board of directors of a nonprofit.
  - (B) A general partner of a commercial cannabis business that is organized as a partnership.
  - (C) A non-member manager or managing member of a commercial cannabis business that is organized as a limited liability company.
  - (D) The trustee(s) and all persons who have control of the trust and/or the commercial cannabis business that is held in trust.
  - (E) The chief executive officer, president or their equivalent, or an officer, director, vice president, general manager or their equivalent.

"Cannabis" or "marijuana" 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 article, "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. Cannabis and marijuana may be used interchangeably but shall have the same meaning.

“Commercial cannabis activity” or “cannabis activity” means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, distribution, delivery or sale of cannabis and cannabis products in accordance with the definition in California Business and Professions Code Section 26001.

“Cannabis business” or "Cannabis facility" means a cannabis business facility permitted under this chapter where commercial cannabis activity occurs and cannabis is manufactured into cannabis products, tested, and distributed, and may also include the associated activities of planting, growing, harvesting, trimming, and grading, and transporting, as further defined in Sec. 21.5.04 above, but does not include storefront dispensaries, delivery only dispensaries, or cannabis microbusinesses.

"Cannabis business regulatory permit" or "regulatory permit" means the permit required under this article and Chapter 12F of this Code to operate a cannabis business facility, or to undertake any subcomponent of cannabis business which is done within the cannabis business facility by a subcontractor or tenant of the holder of a cannabis business special use permit.

"Cannabis dispensary special use permit" means a use permit issued by the City of Colusa pursuant to this section to a cannabis dispensary and is required before any cannabis dispensary activity may be conducted in the city.

“Cannabis Operation” means any and all cannabis business facilities permitted under this article where cannabis activity occurs, as defined in Section 21.5.01

"Cannabis product" 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.

"City" or “City of Colusa” means the City of Colusa, a California general law city.

“Commercial cannabis activity” means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, distribution, delivery or sale of cannabis and cannabis productions in accordance with the definition in California Business and Professions Code Section 26001.

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")

- "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.

"Delivery only cannabis dispensary" or "Delivery Only Retail Cannabis Business" means a dispensary that does not have a storefront sales facility open to the public for retail sales.

"Dispensary" or "Retail Cannabis Business" 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.

"Dispensing" means any activity involving the retail sale of cannabis or cannabis products from a dispensary.

"Indoor" means within a fully enclosed and secure structure, including any attached or detached accessory structure, that complies with Colusa Municipal Building Code. The structure must be secure against unauthorized entry, accessible only through one or more lockable doors and may be constructed of any approved building materials.

"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.

"Marijuana" means "cannabis," as that term is defined in this Chapter.

"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

"Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product. The term "manufacture" includes the following processes:

- (A) Extraction;
- (B) Infusion;
- (C) Packaging or repackaging of cannabis products;
- (D) Labeling or relabeling the packages of cannabis products;
- (E) Post-processing refinement of cannabis extract ("post-processing"); and
- (F) Remediation of failed harvest batches or cannabis product batches, other than relabeling to correct cannabinoid content.

The term "manufacture" does not include the processes and activities listed in California Code of Regulations, Title 17; Division 1; Chapter 13. Manufactured Cannabis Safety; Subchapter 1. General Provisions and Definitions; Article 1. Definitions; §40100. Definitions, subpart (dd) (2).

"Manufacturing" or "manufacturing operation" means all aspects of the extraction process, infusion process, post processing, remediation, and packaging and labeling processes, including processing, preparing, holding, and storing of cannabis products. Manufacturing also includes any processing, preparing, holding, or storing of components and ingredients.

"MAUCRSA" means the provisions of the Medicinal and Adult Use of Cannabis Regulation and Safety Act as set forth in Sections 5 and 7 of Article XI of the California Constitution and the Cal Bus & Prof Code Section 26000 et seq.

"Microbusiness" means a licensee that is authorized to engage in cultivation of cannabis on an area less than 10,000 square feet and to act as a licensed distributor, Level 1 manufacturer, and a retailer.

"Non-commercial and recreational marijuana activity" means all uses not included within the definitions of cannabis business and cannabis dispensary, including the personal use, cultivation, or consumption of marijuana, whether medical or recreational.

"Nursery" means all activities associated with producing clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

"Operator" means the business owner and any other person designated by the business owner as responsible for the day-to-day cannabis operations.

"Ordinance" means the ordinance adopting this article, and including the terms of this article, which may be commonly referred to as the city's "Cannabis Ordinance".

"Outdoor" means any location that is not indoor within a fully enclosed and secure structure and includes shade structures.

"Chief of Police" means the police chief of the City of Colusa or his or her designee.

"Premises" or "site" means the designated structure(s) and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee.

"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.

"Premises owner" means the fee owner(s) of the premises where cannabis operations are occurring.

"Private residence" means a house, an apartment unit, a mobile home, or other similar dwelling, in accordance with the definition in California Health and Safety Code Section 11362.2.

"Process," "Processing," and "Processes" mean all activities associated with the drying, curing, grading, trimming, rolling, storing, packaging, and labeling of cannabis or nonmanufactured cannabis products.

"Responsible party" shall mean the business owner, operator, manager(s), and any employee having significant control over the cannabis operations.

"Testing laboratory" or "Lab/Lab testing" means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products.

**Sec. 21.5.06. Minimum operational requirements and restrictions.**

The following operational requirements and restrictions shall apply to all commercial cannabis businesses and cannabis dispensaries, also referred to herein as cannabis operations:

- (a) The Act and Other State Laws. The cannabis operations shall at all times be in compliance with the MAUCRSA and the implementing regulations, as they may be amended from time to time, as well as all required state license(s) under the MAUCRSA, and any other applicable state law.
- (b) Marijuana and Cannabis Products Consumption. No marijuana or cannabis products shall be smoked, ingested or otherwise consumed on the premises. Adequate signage of this prohibition shall be displayed throughout the facility.
- (c) Alcoholic Beverages. No cannabis operation shall hold or maintain a retail license from the state department of alcohol beverage control to sell alcoholic beverages or operate a business that sells alcoholic beverages. In addition, alcohol for personal consumption shall not be provided, stored, kept, located, sold, dispensed, or used on the premises.
- (d) Transportation. Transportation shall only be conducted according to activity permitted by state law.
- (e) Non-Cannabis Business Activity. No non-commercial or recreational marijuana activity shall occur on the premises.
- (f) Retail Sales. Storefront retail sales and non-storefront delivery only retail sales of any cannabis product are expressly prohibited without a valid city-issued cannabis dispensary regulatory permit and cannabis dispensary special use permit.
- (g) Minors. It shall be unlawful for any operator to employ any person who is not at least eighteen years of age, or any older age if set by the state.
- (h) Distance Separation from Schools. Cannabis operations shall comply with the distance separation requirements from schools as required by state law. In addition, a cannabis business operation shall not be located within one thousand two hundred feet from any existing school or proposed school site as identified in the general plan. Measurements shall be from the property boundary to property boundary. For purposes of this article, school means any public or private school providing instruction in kindergarten or grades 1—12, inclusive, but does not include any private school in which education is primarily conducted in private homes.
- (i) Building and Related Codes. The cannabis operation shall be subject to the following requirements:
  - 1. The premises in which the cannabis operations occur shall comply with all applicable local, state and federal laws, rules, and regulations including, but not limited to, building codes and the Americans with Disabilities Act, as certified by the building official of the city. The operator shall obtain all required building permits and comply with all applicable city standards.
  - 2. The responsible party shall ensure that the premises have sufficient electrical load for the cannabis operations.
  - 3. Butane and other flammable materials are permitted to be used for extraction and processing provided the operator complies with all applicable fire and building codes, and any other laws and regulations relating to the use of those products, to ensure the safety of that operation. The Colusa Fire Department shall inspect and approve the premises for

use of the products prior to city's issuance of a certificate of occupancy, or otherwise prior to opening for business, to ensure compliance with this requirement.

4. The operator shall comply with all laws and regulations pertaining to use of commercial kitchen facilities for the cannabis operations.
  5. The operator shall comply with all environmental laws and regulations pertaining to the cannabis operations, including the use and disposal of water and pesticides, and shall otherwise use best practices in the handling and application of pesticides to avoid environmental harm.
- (j) Odor Control. Cannabis operations shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the facility that is distinctive to its operation is minimized to the greatest extent practical outside the premises, outside the building housing the cannabis operations, or anywhere on adjacent property or public rights-of-way. As such, cannabis operations must install and maintain the following equipment or any other equipment which the city's building official determines has the same or better effectiveness:
1. An exhaust air filtration system with odor control that prevents internal odors and pollen from being emitted externally; or
  2. An air system that creates negative air pressure between the cannabis facility's interior and exterior so that the odors generated inside the cannabis facility are minimized outside the cannabis facility.
  3. A City issued Certificate of Occupancy approving installed odor absorbing ventilation, proper exhaust air filtration, and any other odor control equipment, is required before Cannabis operations commence.
- (a) Any Cannabis operation that was existing, open and operating within the City as of December 1, 2017, must file an application with the City for a Certificate of Occupancy. The Certificate of Occupancy constitutes a revocable privilege, which shall be subject to revocation/suspension of any issued Cannabis special use permits.
- (k) Consumable Products. Cannabis operations that manufacture products in the form of food or other comestibles shall obtain and maintain the appropriate approvals from the state department of public health for the provision of food or other comestibles, unless otherwise governed by the Act and licensed by the state.
- (l) Secure Building. All cannabis operations shall occur entirely inside of a building that shall be secure, locked, and fully enclosed, with a ceiling, roof or top. The building, including all walls, doors, and the roof, shall be of solid construction meeting the minimum building code requirements for industrial structures, and include material strong enough to prevent entry except through an open door. The precise building construction and material to be used shall be identified and provided to the city prior to construction and provided with the application.
- (m) Premises Security. The following security conditions shall apply:
1. Alarm system (both perimeter, fire and panic).
  2. Remote monitoring of alarm systems.
  3. Perimeter lighting systems (motion sensor) for after-hours security.
  4. Perimeter security and lighting as approved by the police chief and community development director.



5. Use of drive gates with card key access or similar to access the facility.
  6. Entrance areas to be locked at all times, and under control of a designated responsible party.
  7. Use of access control systems to limit access to growing and processing areas.
  8. Exterior and interior camera systems approved by the police chief. The camera systems shall meet the minimum requirements of the Act, include interior monitoring of all access points of the site from the interior, and be of a minimum five mega pixels in resolution.
  9. All security systems at the site must be attached to an uninterruptible power supply that provides twenty-four hours of continuous power.
  10. Security patrols by a recognized security company licensed by the California Department of Consumer Affairs or otherwise acceptable to the police chief, in a time, place and manner to the satisfaction of the police chief. All current contact information regarding the security company shall be provided to the police chief.
  11. Accounting software systems need to be in place to provide audit trails of both product and cash, where applicable.
  12. Electronic track and trace systems for cannabis products as approved by the police chief.
  13. Premises may be inspected, and records of the business owner audited by the city for compliance on a quarterly basis.
  14. State-of-the-art network security protocols and equipment need to be in place to protect computer information.
  15. The foregoing requirements shall be approved by the police chief prior to commencing operations. The police chief may supplement these security requirements once operations begin, subject to review by the city council if requested by the business owner.
- (n) The business owner, operator, and all responsible parties shall continually maintain the premises and its infrastructure so that it is visually attractive and not dangerous to the health, safety, and general welfare of employees, patrons, surrounding properties, and the general public. The premises of the cannabis business shall not be maintained in a manner that causes a public or private nuisance.
- (o) Cannabis business operations permitted by this article shall only be allowed in the specific areas designated on the diagram and floor plan of the premises submitted with the application for the regulatory permit under Chapter 12F. The cannabis business shall not operate at any place other than the address of the cannabis operation stated in the regulatory permit.

**Sec. 21.5.07. Deliveries of supplies and transportation of cannabis products to cannabis businesses and dispensaries**

The following rules apply to deliveries and transportation:

- (a) Receiving of transported supplies to the premises of a cannabis business or dispensary shall only occur at the location shown on the diagram and floor plan on file with the city as part of the regulatory permit application. Delivery vehicles shall not have any markings indicating that deliveries are being made to a cannabis operation.
- (b) The transportation of cannabis samples and product to and from a cannabis business or dispensary shall be in unmarked vehicles with no indication that the vehicles are transporting

cannabis samples and products. The responsible party shall stagger transportation times, vary routes from the facility, and take other security measures as requested by the police chief.

**Sec. 21.5.08. Additional operational requirements and restrictions for cannabis businesses**

- (a) Signage. There shall be no signage or markings on the premises, or off-site, which in any way evidence that cannabis operations are occurring on the property. Interior building signage is permissible provided the signage is not visible outside of the building.
- (b) Public Access. There shall be no general unescorted public access to the premises of a cannabis business.
- (c) Hours of Operation. Cannabis business shall be allowed to operate per the requirements of the underlying zone district and subject to the city's noise and nuisance ordinances.

**Sec. 21.5.09. Additional operational requirements and restrictions for cannabis dispensaries and microbusiness.**

- (a) 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 use permit if any. If no specific hours of operation are stated in the delivery only use permit or regulatory permit, the delivery only dispensary shall be allowed to operate per the requirements of the underlying zone district and subject to the city's noise and nuisance ordinances.
- (b) Signage shall be considered and approved with the cannabis special use permit.
- (c) No person or entity shall operate a cannabis dispensary within the City of Colusa without first obtaining a cannabis dispensary regulatory permit from the city. The regulatory permit shall be site specific and shall specifically identify the cannabis dispensary activities that will be allowed at that site. No cannabis dispensary activities will be allowed unless specifically identified in the regulatory permit.
- (d) Cannabis dispensaries shall comply with all requirements and shall be subject to all of the regulations set forth in this Section, and Sections 21.5.11 through 21.5.15 below.
- (e) The cannabis dispensaries shall prohibit on-site smoking, ingestion, or consumption of cannabis on the premises of the Retail Cannabis operation.
- (f) The term "premises" as used in this section includes the actual building of the Retail Cannabis Business, as well as any accessory structures, parking areas, and the entire real property on which the Retail Cannabis Business is situated.
- (g). Physician services shall not be provided on the Premises.
  - (g) The Premises and building in which the Retail Cannabis operation is located, as well as the operations conducted therein, shall fully comply with all applicable building codes, all applicable State and Federal environmental laws, the Americans with Disabilities Act, the Act, Program and Guidelines; and the MAUCRSA, as may be amended from time to time.
  - (h) A cannabis dispensary shall ensure that the Limited-access Areas can be securely locked using commercial-grade, nonresidential door locks. A licensee shall also use commercial- grade, nonresidential door locks on all points of entry and exit to the licensed premises.
  - (i) Cannabis dispensary premises shall be alarmed with an alarm system that is operated and monitored by a properly licensed security company.

- (j) The cannabis dispensary shall hire or contract for security personnel who are at least 21 years of age to provide on-site security services during hours of operation. Security personnel must be in uniform and readily identifiable. No security personnel shall be operating in an "undercover" capacity without prior notification to law enforcement. All security personnel shall be in possession of a state-mandated guard card and relevant endorsements as well as acquire a City of Colusa Live Scan Identification.
- (k) All retail activity shall occur within a separate Cannabis dispensing area. No customers, Qualified Patients and/or Primary Caregivers shall be permitted to enter the dispensing area until proper identification is presented to the Retail Cannabis Business staff. The entrance to the Cannabis dispensing area and any storage areas shall be secured at all times, and under the control of cannabis dispensary staff;

#### **Sec. 21.5.10. Cannabis business regulatory permit**

No person or entity shall operate a cannabis business within the City of Colusa without first obtaining a cannabis business regulatory permit from the city as set forth in Chapter 12F of the Municipal Code. The regulatory permit shall be site specific and shall specifically identify the cannabis business activities that will be allowed at that site. No cannabis business activities will be allowed unless specifically identified in the regulatory permit. In addition, all persons or entities who undertake any subcomponent of the cannabis business operations or processes performed as a subcontractor or tenant of the holder of a cannabis business special use permit within the cannabis business facility shall first obtain a cannabis business regulatory permit from the city.

#### **Sec. 21.5.11. Fees and taxes.**

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

- (a) City Business License Fee. The business owner shall at all times maintain a current and valid business certificate and pay all business taxes pertaining to business licensing.
- (b) 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.

#### **Sec. 21.5.12. Record keeping.**

- (a) The responsible party shall make and maintain complete, accurate and legible records of the permitted cannabis operations evidencing compliance with the requirements of this article. Accounting and transaction records shall be maintained for a minimum of five years. Security surveillance system records shall be kept for a minimum of one year.
- (b) On or before the 10th day of each month, the responsible party shall submit a production and sales report to the city manager or designee disclosing all products manufactured, acquired, sold, and/or distributed by the permitted cannabis operations listed by type of product for the prior month of operations.

### **Sec. 21.5.13. Inspection.**

Cannabis business operations shall be open for inspection by the city manager or their designee, any city law enforcement officer or city code enforcement officer at any time the cannabis business is operating, at any other time upon responding to a call for service related to the property where the cannabis operation is occurring, or otherwise upon reasonable notice. Recordings made by security cameras at any cannabis business shall be made immediately available to the police chief upon verbal request. No search warrant or subpoena shall be needed to view the recorded materials.

### **Sec. 21.5.14. Insurance.**

- (a) The business owner shall at all times carry a comprehensive general liability policy in the minimum amount of one million dollars combined single limit policy, as shall protect the business owner and city from claims for such damages, and which policy shall be issued by an "A" rated insurance carrier. Such policy or policies shall be written on an occurrence form. The city manager, in consultation with city's risk manager, may allow the business owner to obtain lesser amounts of insurance where multiple business owners are operating on the premises, provided at all times the minimum insurance set forth herein is applicable to the cannabis operations.
- (b) The business owner shall furnish a notarized certificate of insurance countersigned by an authorized agent of the insurance carrier on a form approved by the city setting forth the general provisions of the insurance coverage. This countersigned certificate shall name the city and its respective officers, agents, employees, and volunteers, as additionally insured parties under the policy, and the certificate shall be accompanied by a duly executed endorsement evidencing such additional insured status. The certificate and endorsement by the insurance carrier shall contain a statement of obligation on the part of the carrier to notify the city of any material change, cancellation, or termination of the coverage at least thirty days in advance of the effective date of any such material change, cancellation or termination.
- (c) Coverage provided hereunder by the business owner shall be primary insurance and not be contributing with any insurance maintained by the city, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the city.

### **Sec. 21.5.15. Commercial Cannabis Violations; enforcement.**

- (a) Any person that violates any provision of this article shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.
- (b) Any use or condition caused or permitted to exist in violation of any of the provisions of this article shall be and is hereby declared a public nuisance and may be summarily abated by the city pursuant to the City of Colusa Municipal Code.
- (c) Any person who violates, causes, or permits another person to violate any provision of this article commits a misdemeanor.
- (d) The violation of any provision of this article shall be, and is hereby declared to be, contrary to the public interest and shall, at the discretion of the city, create a cause of action for injunctive relief.
- (e) In addition to the civil remedies and criminal penalties set forth above, any person that violates the provisions of this article may be subject to an administrative fine of up to one thousand dollars for each violation and for each day the violation continues to persist.

#### **Sec. 21.5.16. Severability.**

The provisions of this article are hereby declared to be severable. If any provision, clause, word, sentence, or paragraph of this article or of the regulatory permit issued to implement this article, or the application thereof to any person, establishment, or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this article.

#### **Sec. 21.5.17. Personal Cultivation Allowable Zones**

Personal cannabis cultivation for medical or adult use shall follow the provisions of all zoning districts and allowable uses and shall be subject to the following standards and limitations.

#### **Sec. 21.5.18 Medical and Personal Cannabis Maximum Limitation**

(a) *Medical and Personal Cultivation.* An adult person 21 years of age or older shall be allowed to cultivate and process cannabis for personal use within his/her primary residential dwelling in compliance with the standards established by this section including limitations. The cultivation of cannabis is limited to no more than six (6) plants per parcel regardless of the number of residents.

(b) *Residency Requirement.* Cultivation of cannabis for personal use may occur only by the individual responsible for the cultivation.

1. Any individual cultivating cannabis on a legal parcel for which the individual is not the legal owner must obtain signed written permission from the legal owner(s) or landlord consenting to the cultivation of cannabis on the property, and present upon request to the City Manager or their designee.

#### **Sec. 21.5.19 Personal Indoor and Outdoor Cultivation.**

Cannabis cultivation is permitted only on parcels with residential units where the owner of the Personal Grow resides full-time. Only one Personal Grow is allowed per person and such person shall not participate in personal cannabis cultivation in more than one location within the city. Cannabis cultivation activities may only occur within a residential unit, garage or fully enclosed and secure structure that is secured and locked. From the public right-of-way, there shall be no exterior evidence of cannabis cultivation.

(a) The following operating requirements are applicable to personal cannabis cultivation:

1. **Visibility.** No visible markers or evidence indicating that cannabis is being cultivated on the site shall be visible from the public right-of-way at street level, or from school property.

2. **Security.** Cannabis cultivation areas and structures used for cultivation shall be fenced and locked to prevent access by children or other unauthorized persons.

3. **Prohibition of Volatile Solvents.** The use of volatile solvents to manufacture cannabis products or personal consumption is prohibited.

4. All structures used for personal cannabis cultivation (not limited to accessory structures, greenhouses, and garages) must be legally constructed with all applicable building and fire permits (not limited to grading, building, electrical, mechanical, and plumbing) and shall adhere to the development standards within the zone.

5. **Lighting.** Interior and exterior lighting shall utilize best management practices and technologies for reducing glare, light pollution, and light trespass onto adjacent properties and the following standards:

(a) Interior light systems shall be fully shielded, including adequate coverings on windows, to confine light and glare to the interior of the structure.

6. No personal use cannabis cultivated under this chapter shall be distributed to any person other than the personal use cultivator.

7. Noise. Use of air conditioning and ventilation equipment shall comply with the City's noise control ordinance. The use of generators is prohibited, except as short-term temporary emergency back-up systems.

8. If the cultivation occurs in a dwelling the dwelling unit shall be occupied as a residence and always retain legal and functioning cooking, sleeping and sanitation facilities.

9. If the cultivation occurs in a dwelling unit or other enclosed structure, a portable fire extinguisher that complies with regulations and standards adopted by the State Fire Marshal shall be kept in the area of cultivation.

### **Sec. 21.05.20 Personal Cultivation Violations, enforcement**

In the discretion of the enforcement officer, any person violating the provisions of Chapter 12E shall be issued an administrative citation pursuant to Colusa Municipal Code Chapter 12C. Each such violation shall be deemed a separate offense. This section provides a civil penalty remedy that is in addition to all other legal remedies, criminal or civil, which may be pursued by the city to address any violation of this chapter.

### **SECTION 2.**

Section 33.03, "Cannabis and cannabis dispensary special use permit application and fee," of the Colusa Municipal Code is hereby repealed and replaced as set forth below:

### **Sec. 33.03 Cannabis and cannabis dispensary special use permit application and fee.**

Commercial Cannabis business - special use permits, which may be revocable, conditional or valid for a term period, may be issued by the city council for any of the uses or purposes for which such permits are required or permitted by the City of Colusa Municipal Code. Guarantees to ensure compliance with terms and conditions may be required by the city council. For the purposes of this section, all references to cannabis - permits in the subsections of this Section 33.03 shall apply equally to cannabis dispensary special use permit applications, fees, issuance, and permits.

(a) Cannabis business— Special Use Permit Application and Fee.

1. Application for a cannabis business— special use permit shall be made to the city planning department in writing on a form prescribed by the city and shall be accompanied by plans and elevations necessary to show details of the proposed use or building. Such application shall be accompanied by a fee in an amount as established from time to time by resolution of the city council and of which no part shall be returnable to the applicant. The application shall be presented directly to the city council for action.
2. The city council shall hold a public hearing within sixty days after filing of an application for a cannabis business —special use permit. Notice of use shall be given by one publication in a newspaper of general circulation published in the City of Colusa and by mailing notice to the applicant and owners of all property within three hundred feet of any boundary of the lot or parcel for which the cannabis-business— special use permit has been filed, as such owners are shown on the last equalized assessment roll of the County of Colusa. Notice in each case to be given at least ten days prior to such hearing for

categorically exempt applications under CEQA, and twenty-one days for applications under CEQA for negative declarations and/or environmental impact reports prior to such hearing.

(b) Action by the City Council.

1. The findings of the city council shall be that the establishment, maintenance or operation of the use or building applied for will or will not, under the circumstances of the particular case, be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood of such proposed use, or to be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city.
2. After making findings the city council shall either approve, with or without conditions, or deny said cannabis special use permit.

(c) Revocation.

1. In any case where the conditions of the granting of a cannabis business—special use permit have not been, or are not, complied with, the city council shall give notice to the permittee of intention to revoke such permit at least ten days prior to a hearing thereon. Following such hearing the city council may revoke such permit.
2. In any case where a cannabis business—special use permit has not been used within one year after the date of granting thereof, then without further action by the city council the use permit granted shall be null and void.

(d) Decision of the City Council Final. The decision of the city council shall be a final decision and appeal from said action shall be by writ of mandate in superior court.

(e) Whenever a cannabis special use permit is granted, the county assessor shall be so notified within thirty days of such action.

(f) The cannabis business—special use permit shall be issued to the operator, be conditional upon issuance and holding of a valid cannabis regulatory permit, and shall not run with the land.

(g) No cannabis-business—special use permit shall be issued until the city council approves a development agreement and a regulatory permit for the site, or until after the effective date of an approved ballot measure authorizing the taxation of commercial cannabis cultivation in the city.

(h) The cannabis business—special use permit shall run with the regulatory permit and not the land.

**SECTION 3. ENVIRONMENTAL DETERMINATION.** The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and has been found to be exempt pursuant to Section 15061 (b) (3) (general rule) of the CEQA Guidelines, in that the City Council hereby finds that it can be seen with certainty that there is no possibility that the passage of this ordinance amending the Municipal Code will have a significant effect on the environment.

**SECTION 4. SEVERABILITY.**

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

**SECTION 5. EXECUTION.**

The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in the official newspaper within 15 days after its adoption. This Ordinance shall become effective 30 days from its adoption.

Passed and adopted this 21st day of November 2023 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
GREG PONCIANO, MAYOR

**ATTEST:**

\_\_\_\_\_  
Shelly Kittle, City Clerk