

ORDINANCE NO. ~~8732020~~

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SONORA TO AMEND CHAPTER 8.36, CANNABIS BUSINESS REGULATION, OF, THE SONORA MUNICIPAL CODE, RELATING TO CANNABIS BUSINESSES

WHEREAS, on October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643), which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA established the first statewide regulatory system for medical cannabis businesses; and

WHEREAS, in 2016, the voters of California approved Proposition 64 entitled the "Control, Regulate and Tax Adult Use of Marijuana" ("AUMA"). AUMA legalized the adult-use and possession of cannabis by persons 21 years of age and older and the personal cultivation of up to six cannabis plants within a private residence; and

WHEREAS, on June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medical and adult-use cannabis businesses. MAUCRSA retains the provisions in the MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction; and

WHEREAS, on May 23, 2017, the City Council of the City of Sonora ("City Council") held a public meeting to discuss the regulatory framework of cannabis in California and ultimately moved to form a Marijuana Working Group (the "Working Group"). The goal of the Working Group is to make recommendations to the City Council concerning the local regulation of cannabis for the City Council's consideration; and

WHEREAS, the Working Group held public hearings from July through October 2017 to discuss the types of cannabis businesses regulated under MAUCRSA. The Working Group ultimately proposed allowing and regulating cannabis dispensaries, cannabis cultivation and manufacturing businesses, and cannabis testing laboratories; and

WHEREAS, on January 16, 2018, the City Council adopted an ordinance that regulated cannabis businesses largely pursuant to the recommendations from the Working Group (the "Cannabis Business Ordinance"). The Cannabis Business Ordinance establishes the Sonora Cannabis Business ~~Pilot~~ Program ("Cannabis Business ~~Pilot~~ Program"), which allows for the regulation of cannabis businesses through a development agreement and a conditional use permit; and

WHEREAS, the Cannabis Business ~~Pilot~~ Program currently only allows cannabis dispensaries to sell medicinal cannabis and does not permit the sale of adult-use cannabis;

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WHEREAS, the City Council desires to amend the Cannabis Business Program setting forth local regulations for commercial cannabis operations within the City, as permitted and regulated under state law, to allow the sale, manufacturing and testing of recreational adult-use cannabis and limit the number of cannabis dispensary businesses that may operate in the City at one time; and

WHEREAS the Cannabis Business ~~Pilot~~ Program ~~allows~~ will allow cannabis manufacturing businesses to produce ~~both~~ medical and adult-use cannabis and cannabis products; and

WHEREAS, the Cannabis Business ~~Pilot~~ Program ~~allows~~ will allow cannabis testing businesses to conduct testing on both medical and adult-use cannabis and cannabis products; and

~~WHEREAS, the City Council desires to amend the Cannabis Business Pilot Program setting forth local regulations for commercial cannabis operations within the City, as permitted and regulated under state law, to allow the sale of recreational adult use cannabis and limit the number of cannabis dispensary businesses that may operate in the City at one time; and~~

WHEREAS, the City Council finds that this ordinance is in the best interest of the health, welfare, and safety of City residents; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SONORA DOES ORDAIN AS FOLLOWS:

SECTION 1. Chapter 8.36, Cannabis Business Regulation, of the Sonora Municipal Code is hereby amended to read as follows:

8.36.000 Definitions.

- A. "Bureau" means the Bureau of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Marijuana Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation.
- B. "Business" means a profession, trade, occupation, gainful activity, and all and every kind of calling whether or not carried on for profit.
- C. "Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the

sterilized seed of the plant which is incapable of germination. "Cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.

- D. "Cannabis business" means any business engaged in commercial cannabis activity. "Cannabis business" does not include any of the following:
1. A clinic licensed pursuant to Chapter 1 of Division 2 of the Health and Safety Code.
 2. A residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 of Division 2 of the Health and Safety Code.
 3. A residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code.
 4. A residential hospice or a home health agency licensed pursuant to Chapter 8 and Chapter 8.5 of Division 2 of the Health and Safety Code.
 5. The cultivation, delivery, gift, or furnishing of cannabis by a qualified patient, a primary caregiver, or other person with an identification card as defined by Section 11362.7 of the Health and Safety Code provided such activity complies strictly with all applicable state law, including but not limited to, Sections 11362.5 and 11362.765 of the Health and Safety Code.
- E. "Cannabis cultivation business" means any cannabis business that, pursuant to a Type 1, Type 1A, Type 1B, Type 1C, Type 2, Type 2A, Type 2B, Type 3, Type 3A, Type 3B, Type 4, Type 5, Type 5A, Type 5B, or Type 12, state cannabis license, cultivates cannabis or cannabis products.
- F. ~~"Cannabis dispensary" means a business at a particular location or real property involving the distribution of medicinal cannabis to qualified patients, primary caregivers, persons with identification cards, or customer pursuant to a Type 10 state cannabis license that is consistent with state law and this chapter. means any cannabis business where cannabis or cannabis products are sold at retail, pursuant to a Type 10 state cannabis license, or its successors. A cannabis dispensary includes a cannabis business that provides cannabis deliveries.~~
- G. "Cannabis manufacturing business" means any cannabis business that, pursuant to a Type 6, Type 7, or Type 12, state cannabis licenses manufactures cannabis or cannabis products.
- H. "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.

- I. "Cannabis testing laboratory" means a cannabis business that tests cannabis or cannabis products pursuant to a Type 8 state cannabis license.
- J. "Commercial cannabis activity" includes the cultivation, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of medicinal or adult-use cannabis or cannabis products that requires a state license.
- K. "City" means the City of Sonora, a municipal corporation of the State of California, in its present incorporated form or in any later reorganized, consolidated, enlarged, or reincorporated form.
- L. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- M. "Day care" means a facility, center, or home requiring a license that is issued by the State of California which provides for the care, health, safety, supervision, or guidance of a child's social, emotional, and educational growth on a regular basis, in a place other than the child's own home, or any facility meeting the definition of Section 1596.76 of the Health and Safety Code.
- N. "Identification card" means a document issued by the State Department of Health Services that documents and identifies a person authorized to engage in the medical use of marijuana and the person's designated primary caregiver, if any.
- O. "Juvenile" means any natural person who is under the age of eighteen (18) years.
- P. "License" means a state license issued pursuant to Cal. Bus. & Prof. Code, § 26000.
- ~~Q. "M-license" means a license issued by the State of California pursuant to Cal. Bus. & Prof. Code, § 26000 for commercial cannabis activity involving medicinal cannabis.~~
- ~~R.Q. "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.~~
- ~~S. "Medicinal cannabis" or medicinal cannabis product" means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation.~~
- ~~T.R. "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.~~

~~U.S.~~ “Primary caregiver” has the same meaning as that term is defined by Section 11362.7 of the Health and Safety Code.

~~V.T.~~ “Qualified patient” has the same meaning as that term is defined by Section 11362.7 of the Health and Safety Code.

~~W.U.~~ “Youth center” means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.

8.36.040 Cannabis dispensary.

~~— Up to **twothree (23)** cannabis dispensaries may be permitted pursuant to a development agreement and a conditional use permit, and shall be subject to the requirements in Title 17 of the Sonora Municipal Code.~~

- ~~A. A cannabis dispensary may be permitted within City limits pursuant to a development agreement and conditional use permit. A cannabis dispensary may be located only in the Tourist and Administrative Zone (CO), Commercial Zone (C), General Commercial Zone (CG), and Limited Manufacturing Zone (ML).~~
- ~~B. A cannabis dispensary may only sell medicinal cannabis pursuant to a M license. Cannabis dispensaries shall only be allowed within fully enclosed buildings.~~
- C. Any commercial cannabis activity related to delivery is prohibited, unless that activity is performed by a cannabis dispensary authorized and permitted by this chapter. The City reserves the right to prohibit a cannabis dispensary from performing delivery services.
- D. All cannabis dispensaries shall maintain any applicable license, conditional use permit, and comply with all of the following:
 - 1. Floor Plan. A scaled floor plan for each level of each building that makes up the business site, including the entrances, exits, walls, and operating areas.
 - 2. Site Plan. A scaled site plan of the business site, including all buildings, structures, driveways, parking lots, landscape areas, and boundaries.
 - 3. Statement of Owner’s Consent. Written consent of the owner or landlord of the proposed site to operate a cannabis dispensary, specifying the street address and parcel number.
 - 4. Security.

- a. Security Surveillance Cameras. Security surveillance cameras and a video recording system shall 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 shall be of adequate quality, color rendition, and resolution to allow the identification of any individual present on the dispensary site. The recording system shall 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 Retention. Video from the security surveillance cameras shall be recording at all times (twenty-four (24) hours a day, seven (7) days a week) and the recording shall be maintained for at least ninety (90) 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 shall be installed and maintained in good working condition. The alarm system shall include a private security company that is required to respond to every alarm.
5. Odor Control. A detailed plan describing the air treatment system, or other methods that will be implemented to prevent cannabis odors from being detected outside the business site.
 6. Tax Compliance. A cannabis dispensary shall maintain any applicable tax certificates and permits, and timely remit any taxes due to the appropriate government entity.
 7. Insurance. The applicant's certificate of commercial general liability insurance and endorsements and certificates of all other insurance related to the operation of the cannabis business.
 8. Waste Management Plan. A cannabis cultivation business shall submit and comply with an approved commercial cannabis waste management plan describing how commercial cannabis waste will be disposed.

8.36.060 Commercial cannabis manufacturing business.

- A. ~~A-Up to three (3) cannabis manufacturing businesses may be permitted within city limits pursuant to a development agreement and conditional use permit, and shall be subject to the requirements in Title 17 of the Sonora Municipal Code. A cannabis manufacturing business may be located only in the Limited Manufacturing Zone (ML) and Commercial Zone (C), except for Benefit Zone A.~~

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B. Cannabis manufacturing businesses shall only be allowed within fully enclosed buildings.

B-C. All cannabis manufacturing businesses shall maintain any applicable license, conditional use permit, and comply with all of the following:

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1. **Floor Plan.** A scaled floor plan for each level of each building that makes up the business site, including the entrances, exits, walls, and operating areas. All manufacturing areas within a building on the manufacturing site shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to managers and staff of the cannabis manufacturing business.
2. **Site Plan.** A scaled site plan of the business site, including all buildings, structures, driveways, parking lots, landscape areas, and boundaries.
3. **Statement of Owner's Consent.** Written consent of the owner or landlord of the proposed site to operate a cannabis manufacturing business, specifying the street address and parcel number.
4. **Security.**
 - a. **Security Surveillance Cameras.** Security surveillance cameras and a video recording system shall 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 shall be of adequate quality, color rendition, and resolution to allow the identification of any individual present on the manufacturing site. The recording system shall 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 Retention.** Video from the security surveillance cameras shall be recording at all times (twenty-four (24) hours a day, seven (7) days a week) and the recording shall be maintained for at least ninety (90) 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 shall be installed and maintained in good working condition. The alarm system shall include a private security company that is required to respond to every alarm.
5. **Odor Control.** A detailed plan describing the air treatment system, or other methods that will be implemented to prevent cannabis odors from being detected outside the business site.
6. **Manufacturing Site Restricted.** A cannabis manufacturing business shall not open their manufacturing site to the public. A cannabis manufacturing

business shall not allow anyone on the laboratory site, except for managers, staff, and other persons with a bona fide business or regulatory purpose for being there, such as contractors, inspectors, and cannabis transporters. A manager must be on the manufacturing site at all times, any other person, except for security guards, is on the site. A juvenile shall not be on the manufacturing site or operate a cannabis manufacturing business in any capacity, including, but not limited to, as a manager, staff, employee, contractor, or volunteer.

7. Tax Compliance. A cannabis manufacturing business shall maintain any applicable tax certificates and permits, and timely remit any taxes due to the appropriate government entity.
8. Insurance. The applicant's certificate of commercial general liability insurance and endorsements and certificates of all other insurance related to the operation of the cannabis business.
9. Waste Management Plan. A cannabis manufacturing business shall submit and comply with an approved commercial cannabis waste management plan describing how commercial cannabis waste will be disposed.

8.36.070 Cannabis testing laboratory.

A. Up to three (3) cannabis testing laboratories may be permitted within City limits pursuant to a development agreement and conditional use permit, and shall be subject to the requirements in Title 17 of the Sonora Municipal Code.

B. Cannabis testing laboratories shall only be allowed within fully enclosed buildings.

~~A. A cannabis testing laboratory may be located only in the Limited Manufacturing Zone (ML) Commercial Zone (C), except for Benefit Zone A.~~

B.C. All cannabis testing laboratories shall maintain any applicable license, conditional use permit, and comply with all of the following:

1. Floor Plan. A scaled floor plan for each level of each building that makes up the business site, including the entrances, exits, walls, and operating areas.
2. Site Plan. A scaled site plan of the business site, including all buildings, structures, driveways, parking lots, landscape areas, and boundaries. The site plan shall comply with all of the following:
 - i. Entrances. All entrances into the buildings on the laboratory site shall be locked at all times, with entry controlled by the cannabis testing laboratory business' managers and staff.

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- ii. Main Entrance and Lobby. The laboratory site shall have a building with a main entrance that is clearly visible from the public street or sidewalk. The main entrance shall be maintained clear of barriers, landscaping, and other obstructions. Inside of the main entrance, there shall be a lobby to receive persons into the site and to verify whether they are allowed in the testing areas.
 - iii. Testing Area. All testing areas in any building on the laboratory site shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to managers and staff, of the cannabis testing laboratory.
 - iv. Transport Area. Each building with a testing area shall have an area designed for the secure transfer of cannabis from a vehicle to the testing area.
 - v. Storage area. Each building with a testing area shall have adequate storage space for cannabis that has been tested or is waiting to be tested. The storage areas shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to managers and staff, of the cannabis testing laboratory.
3. Statement of Owner's Consent. Written consent of the owner or landlord of the proposed site to operate a cannabis manufacturing business, specifying the street address and parcel number.
4. Security.
 - i. Security Surveillance Cameras. Security surveillance cameras and a video recording system shall be installed to monitor all doors into the buildings on the laboratory 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 shall be of adequate quality, color rendition, and resolution to allow the identification of any individual present on the laboratory site. The recording system shall be capable of exporting the recorded video in standard MPEG formats to another common medium, such as a DVD or USB drive.
 - ii. Security Video Retention. Video from the security surveillance cameras shall be recording at all times (twenty-four (24) hours a day, seven (7) days a week) and the recording shall be maintained for at least ninety (90) days. The video recordings shall be made available to the city upon request.
 - iii. Alarm System. Professionally and centrally-monitored fire, robbery, and burglar alarm systems shall be installed and maintained in good working

condition. The alarm system shall include a private security company that is required to respond to every alarm.

5. Odor Control. A detailed plan describing the air treatment system, or other methods that will be implemented to prevent cannabis odors from being detected outside the business site.
6. Tax Compliance. A cannabis manufacturing business shall maintain any applicable tax certificates and permits, and timely remit any taxes due to the appropriate government entity.
7. Laboratory Site Restricted. A cannabis testing laboratory shall not open their laboratory site to the public. A cannabis testing laboratory shall not allow anyone on the laboratory site, except for managers, staff, and other persons with a bona fide business or regulatory purpose for being there; such as contractors, inspectors, and cannabis transporters. A manager must be on the laboratory site at all times, any other person, except for security guards, is on the site. A juvenile shall not be on the laboratory site or operate a cannabis testing laboratory in any capacity, including, but not limited to, as a manager, staff, employee, contractor, or volunteer.
8. Insurance. The applicant's certificate of commercial general liability insurance and endorsements and certificates of all other insurance related to the operation of the cannabis business.
9. Waste Management Plan. A cannabis manufacturing business shall submit and comply with an approved commercial cannabis waste management plan describing how commercial cannabis waste will be disposed.

SECTION 2. If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

SECTION 3. This ordinance shall take effect thirty (30) days after its final passage and adoption.

SECTION 4. CERTIFICATION OF COUNCIL ADOPTION AND APPROVAL. This Ordinance was introduced at a regular meeting of the City Council of the City of Sonora held on the ____, of _____, 2020, and adopted at a regular meeting of the City Council of the City of Sonora held on the ____, of _____, 2020, by the following vote:

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AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

[Name] Matt Hawkins
Mayor of the City of Sonora

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ATTEST:

[Name]

Sonora City Clerk