

City of Sacramento Cannabis Regulations

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SACRAMENTO CANNABIS NEWS

STATE LICENSING WORKSHOP SCHEDULED IN SACRAMENTO OCT 17

The Bureau of Cannabis Control (BCC) and the City of Sacramento will jointly host a public licensing workshop on October 17, from 10 am to 1 pm at the Sacramento Convention Center.

The Bureau and the City will be joined by other state agencies which include the California Department of Public Health (CDPH), California Department of Food and Agriculture (CDFA) and the California Department of Tax and Fee Administration (CDTFA). The workshop is free and no pre-registration is required.

The workshop, which will be held at the Convention Center's Exhibit Hall D, will focus on licensing requirements, as well as resources available for people intending to apply for state commercial cannabis licenses. The event will open with a brief overview and then transition to an open house where potential applicants can obtain information and ask questions from different state and local agencies.

The City of Sacramento will have a booth where potential applicants can get information on applying for a Conditional Use Permit (CUP) and a Business Operating Permit (BOP), the two permits required in order to start a cannabis business in the city.

The Sacramento workshop is the third of three licensing workshops, which will start in Los Angeles on October 12 and in Riverside on October 13.

For more information on commercial cannabis State licenses, visit the BCC website at <http://www.bcc.ca.gov/>. More information regarding the City's permitting process, including CUP and BOP applications, are available at the City's website at www.cityofsacramento.org/marijuana.

For questions on the licensing workshop, please contact Zarah Cruz at zcruz@cityofsacramento.org or at 916-808-8925. (Oct. 4, 2017)

NEW ORDINANCE LIMITS RESIDENTIAL GROWS TO 6 PLANTS PER HOUSEHOLD

The Sacramento City Council has amended its ordinance on residential cultivation which has allowed qualified patients and their caregivers to grow cannabis in up to 400 sq. ft. of indoor space within their residential property.

The ordinance adopted on August 29 repealed the 400-sq. ft. allowed indoor grow space and has been replaced with a maximum of six living plants per household to align with State law. The 6-plant limit applies to cannabis grown either for medical or non-medical purposes.

The new ordinance imposes a penalty of \$500 per plant that is in excess of the limit. It is scheduled to take effect on September 29.

Sacramento's residential cultivation ordinance was adopted in November 2012 in light of two State laws allowing the use of marijuana for medical purposes, namely Proposition 215 or the

“Compassionate Use Act of 1996,” and Senate Bill 420, known as the “Medical Marijuana Program.”

On November 8, 2016 California voters passed Proposition 64 or the Adult Use of Marijuana Act (AUMA) allowing adults 21 years or older to legally use, possess and grow up to six cannabis plants per household for non-medical purposes.

These State laws all give cities and counties the authority to regulate residential cultivation in their jurisdictions.

The City’s restrictions for residential grows, which included concealment from public view, power usage, confinement of lighting and odor control that were specified in the previous ordinance will remain in place.

Reducing the number of cannabis plants a household can grow is an important step towards addressing illegal residential cultivation in Sacramento, which is considered a significant public safety concern and a major nuisance in the city’s residential neighborhoods. City officials believe that possession and access to an excessive number of plants can potentially lead to diversion and the proliferation of the cannabis illicit market.

City Council, Law and Legislation to Hear Cannabis-Related Items on August 22

The City Council and the Law and Legislation Committee will hear a number of items related to cannabis at their respective meetings on Tuesday, August 22, 2017.

The Law and Legislation Committee meeting will start at 2 p.m. and will discuss cannabis-related items including: 1) Adult Use; 2) allowing the use of ethanol in nonvolatile manufacturing; and 3) a restriction on the sale of butane.

At the City Council meeting, which will start at 5 p.m. staff will provide a status report on the City’s enforcement actions related to illegal cultivation. Two other items: residential cultivation, and changes to the ordinance pertaining to cannabis businesses are also on the agenda as Pass for Publication (PFP) items, and will be discussed at the next Council meeting scheduled for August 29, 2017.

Both meetings will be held at the Council Chamber, New City Hall, 915 I Street, Sacramento, CA 95814. The meetings are open to the public.

DELIVERY, DISTRIBUTION AND OTHER ITEMS TO BE DISCUSSED AT JULY 25 LAW AND LEGISLATION COMMITTEE MEETING

The Law and Legislation will hear a number of items related to cannabis at its next scheduled meeting on July 25.

The committee meeting will be held at 3 pm at the Council Chamber, New City Hall at 915 I Street. The meeting is open to the public.

Items that will be discussed by the committee include:

- Cleanup of ordinance relating to cannabis businesses
- Residential cultivation
- Distribution
- Delivery
- Cannabis Conditional Use Permits (CUPs)
- Tiered manufacturing permits
- Ability to publish regulations
- Ability to issue revoked or surrendered dispensary permits
- Background checks

A full agenda and corresponding staff reports will be available by the end of business on July 20.

Please [contact staff](#) for more information on any of the agenda items listed above. (July 14, 2017)

APPLICATIONS FOR NON-VOLATILE MANUFACTURING AND TESTING LABORATORIES TO BE ACCEPTED STARTING MAY 4TH

The City of Sacramento will start accepting applications for non-volatile manufacturing and testing laboratories on May 4th after the City Council adopted the ordinances on April 4th, setting the regulations for these marijuana-related businesses.

Applicants must obtain both a Conditional Use Permit (CUP) from the Planning Division and a Business Operating Permit (BOP) from the Revenue Division in order to operate a non-volatile marijuana manufacturing or testing laboratory business in the City of Sacramento. An approved CUP, or proof of a submitted CUP is a pre-requisite for applying for a BOP.

The City Council also adopted the operating permit fees, which include \$30,900 for manufacturing facilities and \$15,870 for testing laboratories.

The CUP process carries a separate fee and can range from \$16,640 to \$33,610 depending on the characteristics of the proposed site.

Manufacturing and testing laboratories will be allowed in specific zones which include C-2, C-4, M-1, M1S, M-2, M-2S, MIP and MRD and required a 600-ft radius from schools and neighborhood and community parks.

A Neighborhood Responsibility Plan is required for Non-Volatile Manufacturing applications, but not for testing laboratories.

For more information on the application process, please contact the City's [Office of Marijuana Policy and Enforcement](#). (April 9, 2017)

CITY ROLLS OUT ONLINE APPLICATION PORTAL FOR MARIJUANA CULTIVATION BUSINESS OPERATING PERMIT

An [online permit portal](#) is now available for applicants to submit their Business Operating Permit applications for commercial cultivation.

The user-friendly online portal will allow applicants to provide the same information required on the paper application and upload supporting documents at their convenience. Once the application has been submitted, applicants only need to come to Revenue Division to get fingerprinted and complete a background check.

With an integrated Geographic Information System (GIS), the new portal automatically retrieves and verifies property and owner information on an address, saving the applicants time entering information. It is also the system currently being used by the Planning Division, which will issue the Conditional Use Permit (CUP), making it easier for the City departments to cross-reference property information and route the application through the interdepartmental review chain.

Commercial cultivation applicants are encouraged to take advantage of the convenience of an online application. Not only does the online system reduce the environmental impact of paper, it also provides applicants the ability to monitor the status of their application as it moves through the review process. Applicants will also be able to apply for Business Operating Permits for other marijuana-related businesses in the future as they are approved by the City Council.

A step-by-step guide on how to use the online application portal is available on the [Cultivation](#) page. (April 3, 2017)

PROPOSED ORDINANCES FOR MARIJUANA MANUFACTURING AND TESTING LABORATORIES UP FOR CITY COUNCIL VOTE ON APRIL 4

The Sacramento City Council will discuss proposed ordinances for nonvolatile marijuana manufacturing and testing laboratories at its April 4 City Council meeting. The meeting is scheduled for 6 p.m. at the Council Chambers located in New City Hall.

The proposed ordinances, drafted by City staff at the direction of the Law and Legislation Committee in November 2016, will provide the regulatory parameters for businesses that will be involved in the nonvolatile production and testing of marijuana products which include edibles, beverages, oils, and concentrates, among many others.

The proposed ordinances will codify land use and business operating permit requirements for manufacturing and testing laboratories, and specify measures to protect the health and safety of the public.

The City Council is also asked to approve proposed business operating permit fees for manufacturing businesses at \$30,900 and testing laboratories at \$15,870. If the proposed ordinances are adopted, the City will begin accepting applications for nonvolatile manufacturing and testing on May 4th. (March 30, 2017)

CITY OF SACRAMENTO TO START ACCEPTING MARIJUANA CULTIVATION APPLICATIONS ON APRIL 3

The City of Sacramento will start accepting applications for non-residential marijuana cultivation on April 3rd after the City Council lifted the temporary moratorium on cultivation, and approved the remaining components of its cultivation regulations at the March 7th meeting.

In order to operate a cultivation business in the City of Sacramento, both a Conditional Use Permit (CUP) and a Business Operating Permit (BOP) are required. An approved CUP, or proof of a submitted CUP application, is a pre-requisite for applying for an operating permit. Applications are now available for download from our [Cultivation](#) page.

The City Council also adopted the operating permit fees, which range from \$9,700 for cultivation sites with canopy sizes of 5,000 sq. ft. and below, to \$28,910 for up to 22,000 sq. ft. of canopy, which is the maximum allowed by State law.

The CUP process carries a separate fee and can range from \$16,640 to \$33,610 depending on the characteristics of the proposed cultivation site and the level of review the project requires.

At the same meeting, the City Council also approved an administrative review process for applicants with prior criminal convictions, particularly for marijuana activities that are now legal, who would otherwise be unfairly barred from applying for a business permit under the existing regulations.

The Council also approved a sensitive use buffer with a 600 ft. distance requirement from neighborhood and community parks, and an amendment to the cultivation permit term changing it from bi-annual to annual renewals.

For more information on the application process, please [contact](#) a member of the City's Marijuana Policy and Enforcement Team. (March 8, 2017)

CITY COUNCIL TO DISCUSS REMAINING COMPONENTS OF MARIJUANA CULTIVATION REGULATIONS AT MARCH 7 MEETING

The Sacramento City Council will discuss the remaining components of its marijuana cultivation regulations at its March 7 meeting.

These items include the proposed cultivation permit fees, permit term, distance from parks, and criminal history background check for potential cultivators. It will also vote on an ordinance lifting the temporary moratorium currently in place for all cultivation activities in the city. All items were originally scheduled for the February 28 City Council meeting.

If the ordinances pass and the proposed fees are adopted, the City expects to begin accepting cultivation applications on April 3.

A [stakeholder meeting](#) is also scheduled for March 2, and participants can choose from two sessions: one at 2-4 pm and another one from 6-8 pm at the City Council Chambers. Both sessions will cover the application process for a Conditional Use Permit and a Business Operating Permit.

CITY COUNCIL APPROVES NEIGHBORHOOD RESPONSIBILITY PLAN

The Sacramento City Council approved the Neighborhood Responsibility Plan policy of the regulations for non-residential marijuana cultivation on January 19, bringing the City one step closer to accepting applications and issuing permits to potential cultivators.

Under the current zoning resolutions for non-residential marijuana cultivation, land owners are required to obtain a Conditional Use Permit (CUP). The CUP is the first in a series of steps involved to be able to cultivate in the city. One of the requirements to obtain a CUP is to submit a Neighborhood Responsibility Plan. The resolution approved by the City Council establishes that CUP applicants are allowed to enter into an agreement with the City to satisfy the Neighborhood Responsibility requirement.

Under the agreement, applicants can either agree to contribute 1% of the gross receipts of their marijuana cultivation business, or agree to pay a fee that will be established by a development impact fee study. The proceeds collected pursuant to these agreements will be placed into a marijuana cultivation impact mitigation fund that will be used to alleviate any adverse impacts of marijuana in Sacramento neighborhoods.

The Neighborhood Responsibility Plan policy was one of the issues that the City Council wanted to revisit when it adopted its cultivation ordinance in November 2016. Other outstanding items up for City Council discussion include the lifting of the temporary moratorium on cultivation, the required buffer zones for parks, and criminal history requirements for interested parties, all of which have been recommended for approval by the City's Law and Legislation Committee.

The City Council is expected to discuss these items at its February 28 meeting.

Media Contact: [Zarah Cruz](#)(916) 808-8925

SITEMAP

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PARENTS & NEIGHBORS

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Parents/Guardians & Neighbors

What is the penalty for someone under the age of 21 who is caught possessing or consuming cannabis?

You must be 18 or older and have either a current physician's recommendation, a valid county-issued medical cannabis identification card to buy and consume medical cannabis.

Otherwise, penalties can range from a fine to a possible jail or prison sentence. Additionally, K-12 schools, universities and school districts may have disciplinary and expulsion policies for students caught with adult-use cannabis on school property. If you're 18 to 20 years old, you'll receive a \$100 fine for using, possessing, or transporting any amount of cannabis.

Can I legally give or sell cannabis to someone under the age of 21?

No. You must be 21 and older to have or use adult-use cannabis. It is illegal to give or sell adult-use cannabis to minors. You can give up to one ounce (28.5 grams) of cannabis and up to eight grams of concentrated cannabis to a person 21 or older, but you cannot sell it or receive any payment.

What should I do if I suspect or know my child has consumed cannabis?

Children are at higher risk for cannabis poisoning, especially from edibles. If you think a child may have ingested cannabis, call the Poison Control Center at 1-800-222-1222. If you think a child needs immediate medical help, call 911. Store all cannabis products in a locked area. Make sure children cannot see or reach the locked area. Keep cannabis in the child-resistant packaging from the store. Cannabis affects children more strongly than adults. [Read more.](#)

(<https://www.cdph.ca.gov/Programs/DO/letstalkcannabis/Pages/youth.aspx>)

Are there limitations on the proximity of adult-use cannabis businesses to schools?

There is a 1,000-foot spacing requirement between a school, day care center, or youth center, while children are present.

What should I do if I suspect or know my pet has consumed cannabis?

Call a veterinarian. Cannabis should be stored securely at all times.

Can I legally grow cannabis at home?

Yes. Adult residents can grow up to six cannabis plants per household. No more than six total plants are allowed per residence in the City of Sacramento regardless of the number of adults living there. Cannabis plants must be kept in an enclosed, locked area, and growers should take extra precautions to ensure that only authorized adults have access to the cannabis plants.

What if a neighbor is cultivating more than six plants?

Illegal cultivation affects neighborhoods and can attract crime. Please call 311 ([/sitecore/content/Corporate/Home/Online-Services/311](#)) to report a suspected residential illegal grow house.

How can Sacramento residents and visitors avoid exposure to public cannabis use?

It is illegal to consume cannabis in public in Sacramento. If you see a violation of cannabis laws in Sacramento, call the police non-emergency line at 916-264-5471.

How is cannabis smoke treated differently from tobacco smoke in terms of where it is permitted?

It is illegal to consume cannabis in public. You also cannot smoke cannabis in places where tobacco is prohibited.

What can I do if I live near a cannabis cultivation center (grow facility) and the odor is bothersome?

If cannabis odor is perceived to be excessive, residents can report a nuisance odor complaint with 3-1-1.

What are the rules for new cannabis adult-use stores?

In the City of Sacramento, some medicinal dispensaries may qualify to sell adult-use cannabis. There are 30 medicinal dispensaries. On Nov. 28, 2017, the City Council voted to allow the City's 30 medical dispensaries to sell adult-use cannabis if they succeed in obtaining a state license after Jan. 1, 2018 and the necessary City permit amendments. They also need to complete a neighborhood responsibility plan and be compliant with all state and local regulations.

What are the health effects of using adult-use cannabis?

For information about the health impacts of cannabis use, please refer to the California Department of Health website (<https://www.cdph.ca.gov/Programs/DO/letstalkcannabis/Pages/faq.aspx>) for adult-use cannabis information and resources.

CONTACT INFO

☎ (916) 808-8925

✉ zcruz@cityofsacramento.org (<mailto:zcruz@cityofsacramento.org>)

(<http://www.cityofsacramento.org/marijuana>)

RESIDENTS & VISITORS

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Residents & visitors

What is the difference between adult-use and medical cannabis?

Medical cannabis is cannabis that is intended for use by persons who have a current physician's recommendation because the person's health would benefit from the use of cannabis.

Adult-use cannabis is cannabis that can be purchased by adults 21 and over and does not require a physician's recommendation.

Who can buy medical cannabis?

To buy medical cannabis, you must be 18 or older and have either a current physician's recommendation, a valid county-issued medical cannabis identification card, or be a Primary Caregiver as defined in Health and Safety Code section 11362.7(d). For more information about medical cannabis, please visit the California Department of Public Health (<https://www.cdph.ca.gov/>).

How old do I have to be to buy, possess or consume adult-use cannabis?

You must be 21 or older to buy, possess, or use adult-use cannabis. It is illegal to give or sell adult-use cannabis to anyone under 21 years old.

Where can I buy adult-use cannabis?

Adult-use cannabis may be purchased at licensed and permitted adult-use cannabis dispensaries. Currently there are no adult-use cannabis dispensaries in the City of Sacramento. In the City of Sacramento, some medicinal dispensaries may qualify to sell adult-use cannabis. There are 30 medicinal dispensaries. On Nov. 28, 2017, the City Council voted to allow the City's 30 medical dispensaries to sell adult-use cannabis if they succeed in obtaining a state license after Jan. 1, 2018 and the necessary City permit amendments. They also need to complete a neighborhood responsibility plan and be compliant with all state and local regulations.

Where am I allowed to smoke cannabis?

Cannabis is intended for private, personal use. Generally, you can smoke or vape cannabis in a private residence. You cannot smoke or vape cannabis in public places, where smoking tobacco is prohibited, or on the grounds of a school, day care center, or youth center while children are present. Property owners and landlords can ban the smoking of cannabis on their premises.

Can I ingest (not smoke) cannabis in public?

No, it is also illegal to ingest cannabis in public. This includes but is not limited to areas accessible to the public such as transportation facilities, amusement/sporting/music venues, parks, playgrounds, sidewalks and roads and outdoor and rooftop cafes. It is also illegal to ingest cannabis on the grounds of a school, day care center, or youth center while children are present.

How much cannabis can I buy at one time?

Without a physician's recommendation, adults 21 and older can buy and possess up to 28.5 grams (approx. 1 ounce) of cannabis and up to 8 grams of concentrated cannabis, at a time.

If you are 18 or older and have either have current qualifying physician's recommendation, a valid county-issued medical cannabis identification card, or are a Primary Caregiver as defined in Health and Safety Code Section 11362.7(d), you can possess up to 28.5 grams of dried flower, or, 8 ounces of concentrate.

Are cannabis "social clubs" or "coffee shops" permitted?

No. These businesses are not permitted in Sacramento at this time.

Can I grow cannabis? And how much?

You can also possess up to six living cannabis plants, and the cannabis produced by those plants, inside your private residence. In the City of Sacramento, there's a \$500 fine, per plant, for possessing/cultivating more than six plants per household. The limit is the same for either adult-use or medicinal use.

What are the consequences if I violate cannabis laws?

Penalties range from a fine to a possible jail or prison sentence. People caught smoking a joint in public can expect to face a fine up to \$100, and up to \$250 where tobacco smoking is prohibited. See below for a complete list of California Laws & Penalties regarding cannabis violations.

California Laws & Penalties			
Offense	Penalty	Incarceration	Max. Fine
Possession			
<i>Personal Use</i>			
Up to 1oz	No penalty	None	\$0
28.5 grams or less, over 18 years, and occurred on school grounds	Misdemeanor	10 days	\$500
28.5 grams or less under 18 years	Misdemeanor	10 days*	\$250
More than 28.5 grams	Misdemeanor	6 months	\$500
<i>With Intent to Distribute</i>			
Any amount	Misdemeanor	6 months	\$500
*Detention Center			
Sale or Delivery			
Any amount	Misdemeanor	6 months	\$500
Gift of 28.5 grams or less	No penalty	None	\$100
Over 18 years to an individual 14-17 years	Felony	3-5 years	N/A
Over 18 years to an individual under 14 years	Felony	3-7 years	N/A
Cultivation			
Up to 6 plants	No penalty	None	\$0
6 plants or more	Misdemeanor	6 months	\$500 PER PLANT
Hash & Concentrates			
Up to 8 grams	No penalty	None	\$0
8 grams or more	Misdemeanor	6 months	\$500
Unauthorized manufacture	N/A	16 months - 3 years	\$500
Chemical manufacture	N/A	3-7 years	\$50,000
Paraphernalia			
Sale, delivery, possession with intent, and manufacture with intent	Misdemeanor	15 days - 6 months	\$500
Involving a minor at least 3 years junior	Misdemeanor	1 year	\$1,000
Forfeiture			
Vehicles and other property may be seized for controlled substance violations.			
Miscellaneous			
Using a minor in the unlawful sale or transport of marijuana is a Felony punishable by 3-7 years imprisonment.			
Inducing a minor to use marijuana is also a Felony punishable by 3-7 years imprisonment.			
Any violation of the California Uniform Controlled Substances Act results in a fine up to \$150.			
A person who participates in the illegal marketing of marijuana is liable for civil damages.			
It is a Misdemeanor to loiter in a public place with the intent to commit certain controlled substances offenses.			
A controlled substance conviction can result in suspension of driving privileges.			

Can I have cannabis in my car?

It is against the law for you to have an open container of cannabis in a vehicle while driving or riding in the passenger seat. It must be in an unopened package or kept in the trunk of the vehicle. Even if you have a current qualifying physician's recommendation or a valid county-issued medical cannabis identification card, it is illegal to smoke, consume, or ingest cannabis in an operating vehicle.

Is there a DUI-like equivalent for driving under the influence of cannabis?

Yes. It is illegal to drive under the influence of cannabis and it can result in a DUI, just like alcohol. If you are suspected of being under the influence of cannabis while operating a car, boat, or other vehicle, a law enforcement officer can pull you over and conduct a sobriety test.

Can I take cannabis through airport security or travel out of state with it?

No. It is illegal to bring your cannabis across state lines, even if you are traveling to another state where cannabis is legal.

Can I consume cannabis on public transportation (buses, light rail) in Sacramento?

No. It is illegal to consume cannabis in public, which includes public transportation.

Does the City of Sacramento have different laws?

The laws in the City about usage and possession do not differ from CA state law, with the exception of the \$500 fine, per plant, for possessing/cultivating more than six plants per household.

Am I able to legally use cannabis and work?

Even though it is legal in California, employers have the right to prohibit the use of cannabis by their employees. Know your workplace cannabis policies. Employers may enact policies restricting the use of cannabis by employees as well as possession.

What are the health effects of using adult-use cannabis?

For information about the health impacts of cannabis use, please refer to the California Department of Health website (<https://www.cdph.ca.gov/Programs/DO/letstalkcannabis/Pages/faq.aspx>) for adult-use cannabis information and resources.

ORDINANCE NO. 2017-0047

Adopted by the Sacramento City Council

August 29, 2017

An Ordinance Amending Chapter 8.132 and Section 8.04.100 of the Sacramento City Code, Relating to the Residential Cultivation of Cannabis

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Chapter 8.132 of the Sacramento City Code is amended as follows:

Chapter 8.132 RESIDENTIAL CULTIVATION OF CANNABIS

8.132.010 Purpose and intent.

It is the purpose and intent of the city council to implement state law by regulating the cultivation of cannabis and implement strong and effective regulatory and enforcement systems to protect the health, safety, and welfare of the residents of the city. The regulations in this chapter require that on residential property, cannabis may only be cultivated in secured, enclosed, and ventilated structures, so it is not visible to the public; to prevent odors created by cannabis plants from impacting adjacent properties; and to ensure that cannabis grown does not result in the diversion of cannabis into the illegal market.

The regulations in this chapter do not interfere with any person's right to obtain and use cannabis as authorized under state law, nor do they criminalize the possession of cannabis. It is neither the intent nor the effect of this chapter to condone or legitimize the illegal use, consumption, or cultivation of cannabis under federal, state, or local law.

8.132.020 Definitions.

As used in this chapter:

"Allowable structure" means a building or other structure that is fully-enclosed and secure; complies with the Sacramento City Building Code and Planning and Development Code; has a complete roof enclosure supported by connecting walls extending from the ground to the roof; has a foundation, slab, or equivalent base to which the floor is secured by bolts or similar attachments; is secure against unauthorized entry; and is accessible only through one or more lockable doors. Walls and roofs must be constructed of solid, non-transparent material, that cannot be easily breached, such as two-inch by four-inch or thicker studs overlaid with three-eighths inch or thicker plywood or the equivalent. Plastic sheeting or similar products, regardless of gauge, do not satisfy this requirement.

"City manager" means the city manager or designee.

“Cultivation” means the planting, growing, harvesting, drying, or processing of one or more cannabis plants or any part thereof.

“Cannabis” has the same meaning as set forth in California Business and Professions Code section 26001.

“Cannabis plant” means any mature or immature cannabis plant, or any cannabis seedling.

“Outdoor” means any location that is not within an allowable structure.

“Premises” means a single parcel of property or contiguous parcels under common ownership or control.

8.132.030 Outdoor cultivation of cannabis prohibited.

No person owning, leasing, occupying, or having charge or possession of any premises within a residential zone or used for residential purposes, shall cause, allow, or permit the outdoor cultivation of cannabis on the premises.

8.132.40 Indoor cultivation of cannabis.

No person owning, leasing, occupying, or having charge or possession of any premises within a residential zone or used for residential purposes, shall cause, allow, or permit the indoor cultivation of cannabis on the premises, unless it is conducted in accordance with the following provisions:

- A. All cultivation of cannabis must take place within a single room of an allowable structure, as defined in section 8.132.020.
- B. Regardless of how many people reside at the premises, no more than six living cannabis plants may be cultivated on the premises, pursuant to California Health and Safety Code section 11362.1.
- C. Indoor grow lighting system must:
 - 1. Not exceed 3,800 watts;
 - 2. Be shielded to confine light and glare to the interior of the structure;
 - 3. Comply with the city building code and fire prevention code.
- D. The structure must have ventilation and filtration systems installed that prevent cannabis plant odors from exiting the interior of the structure. The ventilation and filtration system must be approved by the building official and installed prior to commencing cultivation within the allowable structure.
- E. Cannabis cultivation must be concealed from public view at all stages of growth and there shall be no exterior evidence of cultivation occurring at the premises from a public right-of-way or from an adjacent parcel.
- F. The cannabis cultivation must not create offensive odors; create excessive dust, heat, noise, smoke, traffic, or other impacts that are disturbing to

people of normal sensitivity residing or present on adjacent or nearby property or areas open to the public; or be hazardous due to the use or storage of materials, processes, products, or wastes.

- G. Cannabis cultivation areas, whether in a detached building or inside a residence, must be kept locked when not occupied.

8.132.50 Violations.

- A. In addition to any other remedy allowed by law, any person who violates a provision of this chapter is subject to criminal sanctions, civil actions, and administrative penalties pursuant to chapter 1.28.
- B. Violations of this chapter are declared to be a public nuisance.
- C. Any person who violates a provision of this chapter is liable for civil penalties of not less than \$250 or more than \$25,000 for each day the violation continues.
- D. Any person who violates any provision of this chapter is guilty of a misdemeanor.
- E. Administrative penalties for violations of this chapter are governed by chapter 1.28, except for the following:
 - 1. Notwithstanding the provisions of section 1.28.010.D.3, the amount of an administrative penalty to be imposed for a violation of section 8.132.040.B is an aggregate amount calculated at \$500 per plant that is in excess of the number of plants allowed.
 - 2. For purposes of establishing the amount of the appeal fee in accordance with section 1.28.010.D.4.b, an administrative penalty imposed for a violation of section 8.132.040.B is a Level B violation, regardless of the amount of the penalty.
- F. All remedies prescribed under this chapter are cumulative and the election of one or more remedies does not bar the city from the pursuit of any other remedy to enforce this chapter.

8.132.60 Abatement of illegal cannabis cultivation.

- A. The Sacramento City Council finds that cannabis grown illegally in residences presents a real and imminent threat to the public health, safety, and welfare. The cultivation of a large number of cannabis plants in a residence substantially increases the chance that violent criminal activity will occur upon the property. Crimes such as home invasion robbery, burglary, assault, and homicide happen substantially more frequently on and around residential properties where cannabis is being illegally grown. In addition, illegal cannabis cultivation often poses electrical and other building code dangers. Cannabis cultivation usually requires elevated electrical consumption that may cause transformers to

fail. Unpermitted and substandard construction and electrical work performed to accommodate illegal cannabis cultivation poses a significant fire hazard to neighborhoods. And the hazardous wastes and solvents resulting from illegal cultivation are a threat to the health and safety of nearby residents.

- B. Any cannabis cultivation in violation of this chapter is a public nuisance and is subject to nuisance abatement pursuant to chapter 8.04, including the summary abatement provisions of article VII (commencing with section 8.04.330).
- C. Any cannabis cultivation in violation of this chapter is also subject to the California Uniform Controlled Substances Act (Division 10 of the California Health and Safety Code), including the provisions of chapter 8 (commencing with section 11469) relating to the seizure, forfeiture, and destruction of property.

SECTION 2.

- A. Subsection O of section 8.04.100 of the Sacramento City Code is amended as follows:
 - O. Any condition in violation of Chapter 8.132 (Residential Cultivation of Cannabis); and
- B. Except as amended by subsection A above, all provisions of section 8.04.100 remain unchanged and in full effect.

Adopted by the City of Sacramento City Council on August 29, 2017, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer and Mayor Steinberg

Noes: None

Abstain: None

Absent: Member Warren

Attest:

 e-Signed by Mindy Cuppy
on 2017-09-14 22:04:49 GMT

City Clerk

September 14, 2017

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

Passed for Publication: August 22, 2017

Published: August 25, 2017

Effective: September 28, 2017

Chapter 9.08 PUBLIC CONSUMPTION OF MARIJUANA

9.08.010 Findings and purposes.

On November 5, 1996, the voters of the state of California approved Proposition 215 enacting Section 11362.5 of the [Health and Safety Code](#) (the "Compassionate Use Act"). That section permits, for purposes of state law, the limited use, cultivation and possession of marijuana for specified medical purposes. However, the use, cultivation and possession of marijuana for other purposes remains illegal within this state and is presently illegal under federal laws.

While recognizing the enactment of [Health and Safety Code](#) Section 11362.5, the city council believes that the open and public use of marijuana, which might otherwise be permitted by that section, is injurious to public health in many of the same ways that tobacco consumption is injurious to public health, due to exposure to second-hand smoke. Further, the open and public consumption of marijuana is potentially harmful to youths in that it sets a deleterious example regarding the use of illicit drugs. Therefore, the city council believes it is necessary to balance the uses of marijuana permitted by Section 11362.5 with the concerns for public health and safety. (Ord. 2015-0008 § 4)

9.08.020 Places where consumption of marijuana is prohibited.

A. Notwithstanding California [Health and Safety Code](#) Section 11362.5 or any preceding provisions of this chapter and Chapter [8.80](#) of this code, the consumption of marijuana, by or through "smoking," as defined in Section [8.80.030](#) of this code, is prohibited at any of the following locations to which members of the public have access:

1. Upon or within one thousand (1,000) feet of the grounds of any school or park;
2. In or within one hundred (100) feet of any building or facility to which members of the public have access, except in a health facility or clinic; or
3. Within one hundred (100) feet of any other person, other than a "primary caregiver," as that term is defined in California [Health and Safety Code](#) Section 11362.5(e).

B. As used in this section, the following definitions shall apply:

1. "School" means any institution of learning for minors, whether public or private, including any special institution of education or any nursery, elementary, middle, junior high, or senior high school. This definition does not include a vocational or professional institution of higher education, including a junior or community college, college or university.
2. "Park" means and includes all parks, parkways, malls, plazas, greenbelts, gardens, lakes and other property owned by the city and used, operated or maintained for recreational purposes.
3. "Health facility" means a facility, place or building that is organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, physical and mental, including convalescence and rehabilitation, or for any one of those purposes, for one or more persons, to which the persons are admitted for a twenty-four (24) hour stay or longer.
4. "Clinic" means an organized outpatient health facility which provides medical, surgical, dental, optometric, podiatric, or psychological advice, services, or treatment to patients who remain less than twenty-four (24) hours. (Ord. 2015-0008 § 4)

9.08.030 Violation—Penalty.

A. First Violation. Any first violation of this chapter by a person shall be an infraction, and shall be subject to punishment as provided in California [Government Code](#) Section 36900(b).

B. Second and Subsequent Violations. Except as provided below, any second and subsequent violation of this chapter by a person shall be a misdemeanor, punishable by a fine not to exceed one thousand dollars (\$1,000.00), imprisonment in County Jail for a term not to exceed six months, or both such fine and imprisonment.

Exception: Notwithstanding the above, a violation of this chapter is an infraction when the complaint is filed charging the offense as an infraction, in which case the violation shall be subject to and punishable as provided in California [Government Code](#) Section 36900(b). (Ord. 2015-0008 § 4)

9.08.040 Nonexclusivity.

Nothing in this chapter shall limit or preclude the enforcement of other applicable laws. (Ord. 2015-0008 § 4)

Sacramento City Code


Title 5 BUSINESS LICENSES AND REGULATIONS

Chapter 5.150 CANNABIS BUSINESSES

Note

* Prior ordinance history: Ords. 2016-0051, 2017-0021, 2017-0022 and 2017-0031.


Article I. General Provisions

 Alert: This topic has been affected by 2017-0058 and 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

5.150.010 Purpose and intent.

It is the purpose and intent of the city council to regulate cannabis businesses consistently with state law and implement strong and effective regulatory and enforcement systems to protect the health, safety, and welfare of the residents of the city. The regulations in this chapter do not interfere with any person's right to obtain and use cannabis as authorized under state law, nor do they criminalize the possession or cultivation of cannabis contrary to state law. Cannabis businesses shall comply with all provisions of the Sacramento City Code, state law, and all other applicable local codes and regulations. It is neither the intent nor the effect of this chapter to condone or legitimize the illegal use or consumption of cannabis under federal, state, or local law. (Ord. 2017-0046 § 1)

5.150.020 Definitions.

 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

As used in this chapter:

"Cannabis" has the same meaning as in California Business and Professions Code section 26001.

"Cannabis business" means a business subject to the permit requirements of this chapter.

"Cannabis business permit" means any permit issued to a cannabis business pursuant to the provisions of this chapter.

"Cannabis cultivation business" means a business involving the cultivation of cannabis, including a nursery which produces clones, immature plants, seeds, or other agricultural products specifically for the planting, propagation, and cultivation of cannabis.

"Cannabis manufacturing business" means a business involving the production, preparation, propagation, or compounding of cannabis and cannabis products. Cannabis manufacturing business includes businesses involving the extraction of a substance from a cannabis plant, the infusion or mixture of cannabis into another substance, the preparation of an edible item that contains cannabis, and the packaging and labeling of cannabis or cannabis products. Cannabis manufacturing business does not include a cannabis cultivation business.

"Cannabis product" means an item containing cannabis. Cannabis product includes concentrates, extractions, edibles, and topicals. Cannabis product does not include accessories or paraphernalia that may be used with cannabis but do not contain any cannabis.

"Cannabis testing laboratory" means a business involving the performance of scientific analysis of cannabis or cannabis products to determine chemical profile, presence of contaminants, or other similar data.

"City manager" means the city manager or designee.

"Conditional use permit" means a conditional use permit issued by the city pursuant to the Planning and Development Code.

"Cultivate" means to plant, grow, harvest, dry, cure, grade, or trim cannabis.

"Cultivation area" means the area on a cultivation site in which cannabis is cultivated.

"Cultivation site" means the portion of the parcel of real property upon which a cannabis cultivation business is operated.

"Dispensary" has the same meaning as "medical cannabis dispensary," as set forth in this section.

"Dispensary area" means the dispensary property and the area within 100 feet of the dispensary property.

"Dispensary building" means the portion of a building within which a dispensary is operated.

"Dispensary permit" means a medical cannabis dispensary permit issued pursuant to this chapter.

"Dispensary property" means the parcel of real property or portion of the parcel of real property that is owned or leased by a dispensary and upon which a dispensary is operated.

"Drug paraphernalia" has the same meaning as in California Health and Safety Code section 11364.5.

"Identification card" has the same meaning as in California Health and Safety Code section 11362.7.

"Juvenile" means any natural person who is under the age of 18 years.

“Manager” means a person with responsibility for the establishment, registration, supervision, or oversight of the operation of a cannabis business, including but not limited to, a person who performs the functions of a board member, director, officer, owner, operating officer, or manager of the cannabis business.

“Medical cannabis” means cannabis used for medical purposes in accordance with the Compassionate Use Act (California Health and Safety Code section 11362.5) and the Medical Marijuana Program Act (California Health and Safety Code sections 11362.7 et seq.).

“Medical cannabis dispensary” means a business at a particular location or real property involving the distribution of cannabis to qualified patients, primary caregivers, or persons with identification cards, for medical purposes, consistent with the Compassionate Use Act (California Health and Safety Code section 11362.5); the Medical Marijuana Program Act (California Health and Safety Code section 11362.7 et seq.); the Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued by the California Attorney General in August 2008; and this chapter. A medical cannabis dispensary does not include the following uses: a clinic licensed pursuant to chapter 1 of division 2 of the California Health and Safety Code; a health care facility licensed pursuant to chapter 2 of division 2 of the California Health and Safety Code; a residential care facility for persons with chronic life-threatening illness licensed pursuant to chapter 3.01 of division 2 of the California Health and Safety Code; a residential care facility for the elderly licensed pursuant to chapter 3.2 of division 2 of the California Health and Safety Code; and a residential hospice or a home health agency licensed pursuant to chapter 8 of division 2 of the California Health and Safety Code, as long as any such use complies with applicable laws including, but not limited to, the Compassionate Use Act (California Health and Safety Code section 11362.5), the Medical Marijuana Program Act (California Health and Safety Code section 11362.7 et seq.), and the Sacramento City Code.

“Member” means any qualified patient, primary caregiver, or person with an identification card who is registered with a cannabis business.

“Operate a dispensary” means to engage in or conduct the business of a dispensary, including, but not limited to, distributing medical cannabis and maintaining the facilities of a dispensary.

“Person with an identification card” has the same meaning as in California Health and Safety Code section 11362.7.

“Physician” has the same meaning as in California Business and Professions Code section 4039.

“Primary caregiver” has the same meaning as in California Health and Safety Code section 11362.7.

“Private medical records” means records related to the medical history of a qualified patient, but does not include the recommendation of a physician for the medical use of medical cannabis, the designation of a primary caregiver by a qualified patient, or an identification card.

“Qualified patient” has the same meaning as in California Health and Safety Code section 11362.7.

“Reasonable compensation” means compensation commensurate with wages and benefits paid to officers and employees of other not-for-profit organizations who have similar job descriptions and duties, required level of education and experience, prior individual earnings history, and number of hours worked.

“Staff” means a person other than a manager who works or provides services on the site of a cannabis business, whether as an employee, contractor, or volunteer.

“Volatile solvent” has the same meaning as in California Health and Safety Code section 11362.3. (Ord. 2017-0046 § 1)

5.150.030 All state and local licenses required.

- A. No cannabis business shall operate unless it is in possession of all applicable state and local licenses or permits.
- B. Every cannabis business shall submit to the city manager a copy of any and all of its state and local licenses and permits required for its operation.
- C. If any other applicable state or local license or permit required for a cannabis business's operation is denied, suspended, modified, revoked, or expired, the cannabis business shall notify the city manager in writing within 10 days. (Ord. 2017-0046 § 1)

5.150.040 Cannabis transfer between permitted businesses only.

A cannabis business shall not transfer cannabis or cannabis products to or from another cannabis business, unless both businesses are in possession of all required state and local licenses and permits. (Ord. 2017-0046 § 1)

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5.150.050 Permits not transferable.

Cannabis business permits issued pursuant to this chapter are not property and have no value. Cannabis business permits may not be transferred, sold, assigned or bequeathed expressly or by operation of law. Any attempt to directly or indirectly transfer a cannabis business permit shall be unlawful and void, and shall automatically revoke the permit. (Ord. 2017-0046 § 1)

5.150.060 Diversion.

No person shall give, sell, distribute, or otherwise transfer any cannabis from a permitted cannabis business to any person in any manner that violates local or state law. (Ord. 2017-0046 § 1)

5.150.070 Interested parties.

 Alert: This topic has been affected by 2017-0058 and 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

- A. A cannabis business shall provide the city with names and addresses of all of the following interested parties:
 - 1. Persons with at least a 10% interest in the cannabis business;

2. Partners, officers, directors, and stockholders of every corporation, limited liability company, or general or limited partnership that owns at least 10% of the stock, capital, profits, voting rights, or membership interest of the cannabis business or that is one of the partners in the cannabis business;

3. The managers of the cannabis business; and

4. The staff of the cannabis business.

B. The permittee shall notify the city of any change in the information above within 30 days of the change.

C. All interested parties, as described in subsection A, must submit to fingerprinting and a criminal background check by the city.

D. Unless the city manager determines, in accordance with subsection E, that the person's involvement as an interested party would not compromise public safety, no person shall be an interested party, as described in subsection A, if he or she is charged with or convicted of a felony; has been charged with or convicted of a violation of California Penal Code section 186.22 (participation in a criminal street gang); or is currently on parole or probation for an offense relating to the sale or distribution of a controlled substance. "Convicted" within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere was entered, but does not include any plea, verdict, or conviction that is expunged pursuant to California law or a similar federal or state law where the expungement was granted. "Charged" within the meaning of this section means (1) an indictment was issued by a grand jury, or an information, complaint, or similar pleading was issued by the United States Attorney, district attorney, city attorney, or other governmental official or agency authorized to prosecute crimes, and (2) the criminal proceedings are currently pending.

E. A person with a criminal history may be an interested party, if the city manager determines that the person's involvement as an interested party would not compromise public safety. In making the determination, the city manager may consider all available information, including information provided by the person. The city manager shall consider the following factors when determining whether the person's involvement would compromise public safety:

1. The nature of the charge or conviction.

2. The circumstances surrounding the alleged crime.

3. The bearing, if any, the charge or conviction has on the person's fitness or ability to perform one or more of their duties and responsibilities as an interested party.

4. The time that has elapsed since the alleged crime or conviction.

5. The person's rehabilitation and good conduct since the crime or conviction.

F. Subsections C, D, and E do not apply to medical cannabis dispensaries. (Ord. 2017-0046 § 1)

5.150.080 Emergency contact manager.

A cannabis business permittee shall provide the city manager with the current name and primary and secondary telephone numbers of at least one 24-hour on-call manager to address and resolve complaints and to respond to operating problems or concerns associated with the cannabis business. (Ord. 2017-0046 § 1)

5.150.090 Community relations manager.

A cannabis business permittee shall provide the city manager with the current name and primary and secondary telephone numbers of at least one manager to communicate with the surrounding neighborhoods and businesses. The cannabis business shall make good faith efforts to encourage neighborhood residents to call this person to solve problems, if any, before any calls or complaints are made to the city. (Ord. 2017-0046 § 1)

5.150.100 Building design.

A cannabis business permittee must maintain the design of the buildings on the site in accordance with the plans that are approved by the city manager. No permittee shall modify the buildings on the site contrary to the city manager approved plans, without the approval of the city manager. (Ord. 2017-0046 § 1)

5.150.110 Security plan.

A cannabis business permittee shall maintain security on the site in accordance with the security plan that is approved by the city manager. No permittee shall modify the security on the site contrary to the city manager approved plans, without the approval of the city manager. (Ord. 2017-0046 § 1)

5.150.120 Odor control.

A cannabis business permittee shall prevent all odors generated from the cultivation and storage of cannabis from escaping from the buildings on the site, such that the odor cannot be detected by a reasonable person of normal sensitivity outside the buildings. (Ord. 2017-0046 § 1)

5.150.130 Site management.

A. The cannabis business permittee shall prevent and eliminate conditions on the site that constitute a nuisance.

B. The cannabis business permittee shall maintain the exterior of the site, including any parking lots under the control of the permittee, free of litter, debris, and trash.

C. The permittee shall properly store and dispose of all waste generated on the site, including chemical and organic waste, in accordance with all applicable laws and regulations.

D. Notwithstanding any provisions of this code to the contrary, the permittee shall remove all graffiti from the site and parking lots under the control of the permittee within 72 hours of its application. (Ord. 2017-0046 § 1)

5.150.140 Reporting of criminal activity.

A cannabis business permittee shall immediately report to the city police department all criminal activity occurring on the cannabis business site. (Ord. 2017-0046 § 1)

5.150.150 Payment of taxes.

In addition to any fees established and imposed pursuant to this chapter, all cannabis businesses are required to pay all applicable taxes, including the business operations tax pursuant to title 3 and sales tax pursuant to state law. (Ord. 2017-0046 § 1)

5.150.160 Maintenance of business records.

A. A cannabis business shall maintain the following business records in printed format for at least three years on the site and shall produce them to the city within 24 hours after receipt of the city's request:

1. The name, address, and telephone numbers of the owner and landlord of the property.
2. The name, date of birth, address, and telephone number of each manager and staff of the cannabis business; the date each was hired; and the nature of each manager's and staff's participation in the cannabis business.
3. A written accounting of all income and expenditures of the cannabis business, including, but not limited to, cash and in-kind transactions.
4. A copy of the cannabis business' commercial general liability insurance policy and all other insurance policies related to the operation of the business.
5. A copy of the cannabis business' most recent year's financial statement and tax return.
6. An inventory record documenting the dates and amounts of cannabis received at the site, the daily amounts of cannabis on the site, and the daily amounts of cannabis sold, distributed, and transported from the site.

B. A cannabis business shall report any loss, damage, or destruction of these records to the city manager within 24 hours of the loss, damage, or destruction. (Ord. 2017-0046 § 1)

5.150.170 Service of notices.

All notices required by this chapter are deemed issued and served upon the date they are either deposited in the United States mail, postage pre-paid, addressed to the applicant or cannabis business at the mailing address identified in its application, the last updated address on file with the city manager's office, or the mailing address on the appeal form; or the date upon which personal service of the notice is provided to the applicant or a manager identified on the application or appeal form. (Ord. 2017-0046 § 1)

5.150.180 Inspection authority.

A. City officials may enter and inspect the site of a cannabis business at any reasonable time to ensure compliance and enforcement of the provisions of this chapter.

B. City officials may inspect and demand copies of records maintained by the cannabis business, except for private medical records, which shall be made available to law enforcement agencies only pursuant to a properly executed search warrant, subpoena, or court order.

C. No person shall refuse, impede, obstruct, or interfere with an inspection pursuant to this chapter. (Ord. 2017-0046 § 1)

5.150.190 Violations.

A. In addition to any other remedy allowed by law, any person who violates a provision of this chapter is subject to criminal sanctions, civil actions, and administrative penalties pursuant to chapter 1.28.

B. Violations of this chapter are declared to be public nuisances.


C. Any person who violates a provision of this chapter is liable for civil penalties of not less than \$250 or more than \$25,000 for each day the violation continues.

D. All remedies prescribed under this chapter shall be cumulative and the election of one or more remedies shall not bar the city from the pursuit of any other remedy for the purpose of enforcing the provisions hereof. (Ord. 2017-0046 § 1)

5.150.200 Severability.

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this chapter is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, that decision shall not affect the validity or effectiveness of the remaining portions of this chapter. The city council declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective. (Ord. 2017-0046 § 1)

Article II. Cannabis Business Permit Applications, Procedures, and Appeals

 Alert: This topic has been affected by 2017-0057. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

5.150.210 Applications for cannabis business permit.

A. A person may apply for a cannabis business permit, or a permit renewal, by filing an application with the city manager. The application shall be on a form approved by the city manager and may require any information or documentation consistent with the provisions of this code and state law, including the following:

1. Applicant.
 - a. A description of the statutory entity or business form that will serve as the legal structure for the applicant and a copy of its formation and organizing documents, including, but not limited to, articles of incorporation, certificate of amendment, statement of information, articles of association, bylaws, partnership agreement, operating agreement, and fictitious business name statement.
 - b. The phone number and address to which notice of action on the application and correspondence is to be mailed.
2. Interested parties. The name, address, telephone number, title, and function of each of the interested parties described in section 5.150.070.
3. Background checks. For each of the applicants and managers of a medical cannabis dispensary; or for each of the interested parties, identified pursuant to subsection A.2, of any other cannabis business:
 - a. A legible copy of one valid government-issued form of photo identification, such as a state driver's license, a passport issued by the United States, or a permanent resident card.
 - b. A list of their misdemeanor and felony convictions, if any. For each conviction, the list must set forth the date of arrest, the offense charged, the offense convicted, the jurisdiction of the court, and whether the conviction was by verdict, plea of guilty, or plea of nolo contendere.
 - c. Consent to fingerprinting and a criminal background investigation.
4. Business site.
 - a. Description. A general description of the proposed business site, including the street address, parcel number, the total square footage of the site, and the characteristics of the surrounding area.
 - b. 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. The floor plan must be professionally prepared by a licensed civil engineer or architect.
 - c. Site plan. A scaled site plan of the business site, including all buildings, structures, driveways, parking lots, landscape areas, and boundaries. The site plan must be professionally prepared by a licensed civil engineer or architect.
 - d. Compliance with the Planning and Development Code. A copy of a valid conditional use permit approved by the city for the proposed location, including all conditions and related documents, such as neighborhood responsibility plans.
 - e. Statement of owner's consent. Written consent of the owner or landlord of the proposed site to operate a cannabis business, specifying the street address and parcel number.
5. Security.
 - a. Security plan. A detailed security plan outlining the measures that will be taken to ensure the safety of persons and property on the business site. The security plan must be prepared by a qualified professional.
 - b. Lighting plan. A lighting plan showing existing and proposed exterior and interior lights that will provide adequate security lighting for the use.
6. 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 buildings on the business site.
7. Business operations.
 - a. Business plan. A plan describing how the cannabis business will operate in accordance with this code, state law, and other applicable regulations. The business plan must include plans for handling cash and transporting cannabis and cannabis products to and from the site.
 - b. Community relations plan. A plan describing who is designated as being responsible for outreach and communication with the surrounding community, including the neighborhood and businesses, and how the designee can be contacted.
 - c. State licenses. Copies of the state licenses relating to cannabis that the applicant holds.
 - d. Tax compliance. A current copy of the applicant's city business operations tax certificate, state sales tax seller's permit, and the applicant's most recent year's financial statement and tax returns.
 - e. 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.
 - f. Budget. A copy of the applicant's most recent annual budget for operations.
 - g. Price list. A list of the most recent prices for all products and services provided by the applicant.
8. City authorization. Authorization and consent for the city manager to seek verification of the information contained within the application.
9. Applicant's certification. A statement dated and signed by the applicant, under penalty of perjury, that the applicant has personal knowledge of the information contained in the application, that the information contained therein is true and correct, and that the application has been completed under the applicant's supervision.

10. Indemnification. An agreement, in a form approved by the city attorney, whereby the applicant: (1) releases the city, and its agents, officers, elected officials, and employees from any and all claims, injuries, damages, or liabilities of any kind arising from: (a) any repeal or amendment of this chapter or any provision of the Planning and Development Code relating to cannabis, and (b) any arrest or prosecution of the applicant or its managers, employees, or members for violation of state or federal laws; and (2) defends, indemnifies, and holds harmless the city and its agents, officers, elected officials, and employees from and against any and all claims or actions: (a) brought by adjacent or nearby property owners or any other parties for any damages, injuries, or other liabilities of any kind arising from operations at the cultivation site, and (b) brought by any party for any problems, injuries, damages, or other liabilities of any kind arising out of the distribution of cannabis produced or processed at the site or by the business.

B. Every application for a cannabis business permit shall be accompanied by a nonrefundable cannabis business permit program fee.

C. No person shall knowingly make a false statement of fact or knowingly omit any information that is required in an application for a cannabis business permit. (Ord. 2017-0046 § 1)

5.150.220 Application process.

The city manager is authorized to establish procedures and guidelines to process cannabis business permit applications. (Ord. 2017-0046 § 1)

5.150.230 Terms of cannabis business permit; renewal.

A. A cannabis business permit issued pursuant to this chapter is valid for one year from the date that the permit is issued, unless suspended or revoked sooner.

B. A cannabis business permit is valid for only one site.

C. Conditions placed on the conditional use permit issued under the Planning and Development Code are also conditions of the cannabis business permit. Any violation of the conditional use permit's conditions is grounds for suspending or revoking the cannabis business permit.

D. The city manager may impose additional conditions on the cannabis business permit, including the maximum amount of cannabis allowed on the site, number and types of equipment allowed, and security features.

E. To renew a cannabis business permit, the permittee shall submit an application in accordance with section 5.150.210. The permittee shall submit the application no later than 30 days prior to the permit expiration date. Untimely applications are subject to a late penalty in the amount established by resolution of the city council. (Ord. 2017-0046 § 1)

5.150.240 Grounds for denial of a cannabis business permit.

The city manager may deny a cannabis business permit if the city manager determines that one or more of the following circumstances exist:

A. The application received is incomplete, filed late, or not responsive to the requirements of this article;

B. The application contains a false or misleading statement or omission of a material fact;

C. The operation of a cannabis business described in the application fails to comply with any of the requirements in this code, state law, or any other regulation;

D. The applicant or any of its managers has any unpaid and overdue administrative penalties imposed for violations of this chapter;

E. The applicant has not paid the applicable business operations tax pursuant to chapter 3.08;

F. Within 12 months of the date of application, either the applicant has had its cannabis business permit revoked; or any of its managers were associated with another business that had its cannabis business permit revoked; or

G. Operation of the cannabis business is a threat to the public health, safety, or welfare. (Ord. 2017-0046 § 1)

5.150.250 Notice of denial.

A. If the city manager denies a cannabis business permit after the application is accepted as complete, written notice of denial shall be served on the applicant. The notice shall contain:

1. A brief statement of the grounds for the denial.

2. A statement that the applicant may request reconsideration of the denial, in writing to the city manager, within 10 days of the date of service of the notice.

3. A statement that the failure to timely request reconsideration of the denial will constitute a waiver of all rights to reconsideration, and the denial will be final.

B. If the applicant properly files a request for reconsideration the city manager shall set the date of a hearing within 30 days from the date the request is filed. The hearing shall be conducted by the city manager.

C. Failure to properly file a written request for reconsideration of the notice of denial within 10 days of the date of service of the notice constitutes a waiver of all rights to a hearing, and the city manager's decision will be final. Failure to properly and timely file a request for reconsideration of the notice of denial also constitutes a failure to exhaust administrative remedies and is a bar to any judicial action pertaining to the city manager's decision.

D. If the applicant files a proper request for reconsideration and then fails to appear at the hearing, the request for reconsideration is abandoned, and the decision of the city manager is final and may not be further appealed. Failure to appear at the hearing constitutes a waiver of all rights to a hearing and also constitutes a failure to exhaust administrative remedies and is a bar to any judicial action pertaining to the city manager's decision.

- E. Written notice of the decision of the city manager shall be served on the applicant within 10 days following the hearing.
- F. The decision of the city manager under this section is subject to appeal in accordance with section 5.150.290. (Ord. 2017-0046 § 1)

5.150.260 Grounds for suspending, modifying, or revoking a cannabis business permit.

The city manager may suspend, modify, or revoke a cannabis business permit issued pursuant to the provisions of this chapter for any of the following reasons:

- A. One or more of the circumstances upon which a cannabis business permit could be denied, as described in section 5.150.240, exists or has occurred;
- B. One or more conditions of the cannabis business permit has been violated; or
- C. The permittee, its owners, officers, directors, partners, agents, or other persons vested with the authority to manage or direct the affairs of the business have violated any provision of this chapter. (Ord. 2017-0046 § 1)

5.150.270 Notice of suspension, modification, and revocation.

A. If the city manager proposes to suspend, modify, or revoke a permit, written notice of the proposed suspension, modification, or revocation shall be served on the cannabis business at least 15 days prior to the date of the proposed suspension, modification, or revocation. The notice shall contain:

- 1. A brief statement of the grounds for the suspension, modification, or revocation.
 - 2. A statement that the dispensary may appeal the action in accordance with section 5.150.290.
 - 3. A statement that the failure to appeal the notice of suspension, modification, or revocation will constitute a waiver of all rights to an appeal hearing, and the suspension, modification, or revocation will be final.
- B. Notwithstanding subsection A of this section, the city manager may immediately revoke the cannabis business permit without prior notice under the following circumstances:
- 1. A medical cannabis dispensary is in violation of section 5.150.375 (criminal history); or
 - 2. A marijuana cultivation business other than a medical cannabis dispensary is in violation of section 5.150.070.D (criminal history); or
 - 3. A cannabis business holding a valid cannabis business permit issued pursuant to this chapter ceases operation for 90 consecutive days or longer. (Ord. 2017-0046 § 1)

5.150.280 Cannabis business permit appeal fee.

- A. The cannabis business permit appeal fee is established and imposed pursuant to the provisions of this article.
- B. The city council shall establish by resolution the amount of the appeal fee and any related penalties. (Ord. 2017-0046 § 1)

5.150.290 Appeal of denial, suspension, revocation, and nonrenewal.

A. Except as otherwise provided in this chapter, any applicant or cannabis business aggrieved by the decision of the city manager in conditioning, denying, suspending, revoking, modifying, or not renewing a cannabis business permit may appeal the decision by filing a written appeal, accompanied by a nonrefundable appeal fee, with the city manager's office within 10 days from the date of service of the notice from the city manager. The written appeal shall contain:

- 1. A brief statement in ordinary and concise language of the specific action protested, together with any material facts claimed to support the contentions of the appellant;
 - 2. A brief statement in ordinary and concise language of the relief sought, and the reasons why it is claimed the protested action should be reversed or otherwise set aside; and
 - 3. The verification (by declaration under penalty of perjury) of the applicant or cannabis business as to the truth of the matters stated in the appeal.
- B. The appeal hearing shall be conducted by a hearing examiner appointed pursuant to section 8.04.070.
- C. Upon receipt of any appeal filed pursuant to this section, the city manager shall transmit the appeal to the secretary of the hearing examiner who shall calendar it for hearing as follows:
- 1. If the appeal is received by the city manager no later than 15 days prior to the next regular appeal hearing, it shall be calendared for that hearing.
 - 2. If the appeal is received by the city manager on a date less than 15 days prior to the next appeal hearing, it shall be calendared for the next regular appeal hearing.
- D. Written notice of the time and place of the hearing shall be provided at least 10 calendar days prior to the date of the hearing to each appellant by the secretary of the hearing examiner either by causing a copy of the notice to be delivered to the appellant personally or by mailing a copy addressed to the appellant at the address shown on the appeal.
- E. Failure of any person to file a timely appeal in accordance with the provisions of this section shall constitute an irrevocable waiver of the right to an administrative hearing and the city manager's decision shall be final.
- F. Only those matters or issues specifically raised by the appellant in the appeal notice shall be considered in the hearing of the appeal.

G. Any condition, denial, suspension, revocation, or nonrenewal of a cannabis business permit shall be stayed during the pendency of an appeal which is properly and timely filed pursuant to this section. (Ord. 2017-0046 § 1)

5.150.300 Appeal hearings.

A. At the time set for hearing, the hearing examiner shall proceed to hear the testimony of the city manager, the appellant, and other competent persons, including members of the public, respecting those matters or issues specifically listed by the appellant in the notice of appeal.

B. The proceedings at the hearing shall be electronically recorded. Either party may provide a certified shorthand reporter to maintain a record of the proceedings at the party's own expense.

C. The hearing examiner may, upon request of the appellant or upon request of the city manager, grant continuances from time to time for good cause shown, or upon his or her own motion.

D. In any proceedings under this chapter, the hearing examiner has the power to administer oaths and affirmations and to certify to official acts. (Ord. 2017-0046 § 1)

5.150.310 Conduct of hearing.

A. Hearings need not be conducted according to the technical rules relating to evidence and witnesses. California Government Code section 11513, subdivisions (a), (b), and (c) shall apply to hearings under this chapter.

B. Oral evidence shall be taken only upon oath or affirmation.

C. Irrelevant and unduly repetitious evidence shall be excluded.

D. Each party shall have these rights, among others:

1. To call and examine witnesses on any matter relevant to the issues of the hearing.
2. To introduce documentary and physical evidence.
3. To cross-examine opposing witnesses on any matter relevant to the issues of the hearing.
4. To impeach any witness regardless of which party first called the witness to testify.
5. To rebut the evidence presented against the party.
6. To represent himself, herself, or itself or to be represented by anyone of his, her, or its choice who is lawfully permitted to do so.


E. In reaching a decision, official notice may be taken, either before or after submission of the case for decision, of any fact that may be judicially noticed by the courts of this state or that may appear in any of the official records of the city. (Ord. 2017-0046 § 1)

5.150.320 Form and contents of decision.


A. If it is shown, by a preponderance of the evidence, that one or more grounds exist to condition, deny, suspend, revoke, modify, or not renew a cannabis business permit, the hearing examiner shall affirm the city manager's decision. The decision of the hearing examiner shall be in writing and shall contain findings of fact and a determination of the issues presented.

B. The decision shall inform the appellant that the decision is a final decision and that the time for judicial review is governed by California Code of Civil Procedure section 1094.6. Copies of the decision shall be delivered to the parties personally or sent by certified mail to the address shown on the appeal. The decision is final when signed by the hearing examiner and served as provided in this section. (Ord. 2017-0046 § 1)

Article III. Medical Cannabis Dispensaries

 Alert: This topic has been affected by 2017-0058 and 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.


5.150.330 Medical cannabis dispensary permit required to operate.

 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

A. No person shall operate a medical cannabis dispensary unless the dispensary has a valid medical cannabis dispensary permit issued pursuant to this chapter.

B. Neither the obtaining of a medical cannabis dispensary permit nor compliance with the operating standards provided in this chapter shall excuse any violation of this code or state law. (Ord. 2017-0046 § 1)

5.150.340 Medical cannabis dispensary fees.


 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

A. The following fees are established and imposed pursuant to the provisions of this article:

1. Dispensary permit application fee;
2. Dispensary permit program fee; and
3. Dispensary relocation fee.


B. The city council shall establish by resolution the amounts of the fees specified in subsection A, and any related penalties. (Ord. 2017-0046 § 1)

5.150.350 Registered medical cannabis dispensaries.

 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.


The city may only issue a new medical cannabis dispensary permit to a dispensary if: (1) the dispensary was properly registered with the city manager pursuant to Ordinance No. 2009-033; (2) the dispensary is organized and operates as a cooperative or collective within the meaning of this chapter; (3) the dispensary owner and operator have not been cited or convicted of maintaining a public nuisance or of a public safety violation of state or local law relating to the operation of a medical cannabis dispensary by the city or any governmental law enforcement agency; and (4) the dispensary permit application was filed with the city manager's office no later than March 31, 2014. (Ord. 2017-0046 § 1)

5.150.360 Dispensary location.

 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

No person shall operate a medical cannabis dispensary at any place other than the specific location for which the dispensary permit is granted. A dispensary may seek to modify the location for which the dispensary permit is granted by submitting an application in accordance with section 5.150.210. (Ord. 2017-0046 § 1)


5.150.370 Relocation of a dispensary.

 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

A. A medical cannabis dispensary permittee may modify the location for which its dispensary permit is granted by filing a relocation application with the city manager's office.


B. The provisions of article II of this chapter relating to cannabis business permit applications also apply to relocation applications. (Ord. 2017-0046 § 1)

5.150.375 Criminal history.

 Alert: This topic has been affected by 2017-0058 and 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

No medical cannabis dispensary permittee or manager of a dispensary shall operate a dispensary if he or she has been convicted of a felony, or is currently on parole or probation for the sale or distribution of a controlled substance. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Notwithstanding the above, a person may not be denied the ability to obtain a permit or operate a dispensary solely on the basis that the person has been convicted of a felony if the person has obtained a certificate of rehabilitation (expungement of felony record) under California law or similar federal statute or state law under which the expungement was granted. (Ord. 2017-0046 § 1)

5.150.380 Juveniles.


 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

A. No juvenile shall operate a medical cannabis dispensary in any capacity, including but not limited to, as a manager, staff, employee, contractor, or volunteer.

B. No juvenile shall be allowed on the medical cannabis dispensary property unless they are a qualified patient or a primary caregiver, and they are accompanied by their parent or legal guardian.


C. No medical cannabis dispensary permittee shall allow any violation of subsections A or B. (Ord. 2017-0046 § 1)

5.150.390 Operating hours.

 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

The maximum hours of operation for a medical cannabis dispensary shall be daily from 7:00 a.m. to 9:00 p.m. unless the city manager imposes more restrictive hours as a condition of the permit. (Ord. 2017-0046 § 1)

5.150.400 Dispensary site restricted.

 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

A. All entrances into a medical cannabis dispensary's building shall be locked from the exterior at all times with entry controlled by dispensary personnel.


B. No medical cannabis dispensary permittee shall allow anyone in the dispensary building, except for qualified patients, primary caregivers, persons with identification cards, managers, staff, and other persons with bona fide purposes for being in the dispensary, such as contractors, inspectors, and cannabis transporters.

C. A manager must be on the medical cannabis dispensary site at all times that any other person, except for security guards, is on the site.

D. While on the medical cannabis dispensary site, managers and staff of the medical cannabis dispensary permittee must wear their city-issued cannabis dispensary identification badge at all times.

E. Any person other than managers or staff shall be escorted by a manager at all times while in the medical cannabis dispensary building. (Ord. 2017-0046 § 1)

5.150.410 Dispensing operations.

 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

A. A medical cannabis dispensary shall only distribute cannabis to:


1. Qualified patients with a currently valid physician's recommendation in compliance with the criteria in California Health and Safety Code sections 11362.5 et seq., and valid official identification such as a Department of Motor Vehicles driver's license or State Identification Card; or

2. Primary caregivers with a verified primary caregiver designation by their qualified patients, a copy of their qualified patient's valid physician's recommendation in compliance with the criteria in California Health and Safety Code sections 11362.5 et seq., and valid official identification such as a Department of Motor Vehicles driver's license or State Identification Card.

B. A dispensary shall not have a physician on the dispensary property to evaluate patients or provide a recommendation for medical marijuana.


C. Notwithstanding the provisions of chapter 9.08 to the contrary, up to 150 square feet of the dispensary building may be utilized for display and distribution of drug paraphernalia necessary for administering medical marijuana, including but not limited to, rolling papers and related materials and devices, pipes, water pipes, and vaporizers. (Ord. 2017-0046 § 1)

5.150.420 Delivery prohibited.

 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.


A medical cannabis dispensary shall not provide any form of delivery service. All distribution of medical cannabis must be conducted within the enclosed building areas of the dispensary property. (Ord. 2017-0046 § 1)

5.150.430 Cannabis consumption prohibited.

 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

Cannabis shall not be smoked, ingested, or otherwise consumed in any form on, or within 20 feet of, the medical cannabis dispensary property. (Ord. 2017-0046 § 1)

5.150.440 Collective or cooperative supply and distribution.

 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

A. A medical cannabis dispensary may only possess an amount of medical cannabis consistent with each member's reasonable medical needs.

B. A medical cannabis dispensary shall acquire its supply of medical cannabis only from its members.


C. A medical cannabis dispensary shall not purchase or otherwise supply itself with medical cannabis from non-members.

D. A medical cannabis dispensary shall operate on a not-for-profit basis. It may credit its members for medical cannabis they provide to it, which it may then distribute to other members. Members may also reimburse the dispensary for medical cannabis or cannabis paraphernalia that has been distributed to them. Any monetary reimbursement that members provide to the dispensary shall not exceed the dispensary's overhead costs and expenses for operating the dispensary, including reasonable compensation for services provided to members.

E. A medical cannabis dispensary shall not distribute or sell medical cannabis or cannabis paraphernalia to non-members or for a profit.

F. This section shall not apply to any medical cannabis dispensary that is licensed by the state of California to conduct the commercial retail sales of medical cannabis. (Ord. 2017-0046 § 1)

5.150.450 Cannabis cultivation prohibited.

 Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

Except for immature nursery stock cannabis plants, no cannabis shall be grown or cultivated on the medical cannabis dispensary property. (Ord. 2017-0046 § 1)

5.150.460 Medical cannabis dispensary buildings.

⚠ Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

- A. The medical cannabis dispensary building shall not exceed 8,000 square feet.
- B. Floor Plan. A medical cannabis dispensary shall have a lobby waiting area at the entrance to receive persons to verify that they are members of that dispensary or to determine whether the person meets the criteria of a valid qualified patient or primary caregiver. A dispensary shall also have a separate and secure area designated for distributing medical cannabis to its members. The main entrance shall be located and maintained clear of barriers, landscaping, and similar obstructions so that it is clearly visible from public streets or sidewalks.
- C. Storage. A medical cannabis dispensary shall have adequate locked storage on the dispensary property, identified and approved as a part of the security plan, for after-hours storage of medical cannabis. Medical cannabis shall be stored at the dispensary property in secured rooms that are completely enclosed or in a safe that is bolted to the floor. (Ord. 2017-0046 § 1)

5.150.470 Medical cannabis dispensary security.

⚠ Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

- A. Security Cameras. Security surveillance cameras and a video recording system shall be installed in the medical cannabis dispensary to monitor the interior, main entrance, and exterior dispensary area to discourage loitering, crime, and illegal or nuisance activities. The camera and recording system must be of adequate quality, color rendition, and resolution to allow the identification of any individual present in the dispensary area.
- B. Security Video Retention. Video from the security surveillance cameras shall be maintained for a period of not less than 30 days and 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.
- D. Concealed. A medical cannabis dispensary shall not allow or permit cannabis to be visible from the building exterior. (Ord. 2017-0046 § 1)

5.150.480 Signage.

⚠ Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

- A. The following signs in measurements of not less than 8 by 10 inches shall be clearly and legibly posted in a conspicuous location inside the medical cannabis dispensary where they will be visible to members and customers in the normal course of a transaction, stating:
 - 1. "Smoking, ingesting or consuming cannabis on this property or within 20 feet of the dispensary is prohibited."
 - 2. "Juveniles are prohibited from entering this property unless they are a qualified patient or a primary caregiver and they are in the presence of their parent or legal guardian."
 - 3. "Neither the City of Sacramento, County of Sacramento, nor any other governmental agency has tested or inspected any cannabis product for pesticides, or other regulated contaminants, distributed at this location."
 - 4. "The sale of cannabis and the diversion of cannabis for non-medical purposes are violations of state law."
- B. Signs on the medical cannabis dispensary building shall not obstruct the entrance or windows of the dispensary. (Ord. 2017-0046 § 1)

5.150.490 Maintenance of member or customer records.

⚠ Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

- A. A medical cannabis dispensary shall maintain the following member and customer records on the dispensary property:
 - 1. The name, date of birth, physical address, and telephone number(s) of each member or customer of the dispensary; the date each member or customer joined the dispensary; and the status of each member or customer as a qualified patient or primary caregiver.
 - 2. A copy of each member's and customer's written physician recommendation and the designation of a primary caregiver by a qualified patient.
- B. These records shall be maintained by the medical cannabis dispensary in printed format for a period of not less than three years and shall be produced to the city within 24 hours after receipt of the city's request.
- C. The medical cannabis dispensary shall report any loss, damage or destruction of these records to the city manager within 24 hours of the loss, damage or destruction. (Ord. 2017-0046 § 1)

5.150.500 Display of dispensary permit.

⚠ Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

The medical cannabis dispensary permittee shall display at all times during business hours its current valid dispensary permit issued pursuant to the provisions of this chapter. The permit shall be displayed in a conspicuous place so that it may be readily seen by all persons entering the dispensary. (Ord. 2017-0046 § 1)

5.150.510 Alcoholic beverages.

⚠ Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

No medical cannabis dispensary or manager shall cause or permit the sale, distribution, or consumption of alcoholic beverages on the dispensary property; hold or maintain a license from the State Division of Alcoholic Beverage Control for the sale of alcoholic beverages; or operate a business on or adjacent to the dispensary property that sells alcoholic beverages. No alcoholic beverages shall be allowed or stored on the dispensary property. (Ord. 2017-0046 § 1)

5.150.520 Dispensary must be a collective or cooperative.

⚠ Alert: This topic has been affected by 2017-0060. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

A. A medical cannabis dispensary shall operate only as a cooperative or collective of four or more members who associate at a particular location or real property to collectively or cooperatively distribute cannabis to members for medical purposes, and shall operate on a not-for-profit basis.

B. A manager of a medical cannabis dispensary must be a member registered with that medical cannabis dispensary.

C. This section shall not apply to any medical cannabis dispensary that is licensed by the state of California to conduct the commercial retail sales of medical cannabis. (Ord. 2017-0046 § 1)

Article IV. Cannabis Cultivation

5.150.530 Cannabis cultivation permit required.

A. No person shall cultivate cannabis without a valid cannabis cultivation permit issued pursuant to this article.

B. The types of cannabis cultivation permits issued pursuant to this article include:

1. Class A, for indoor cultivation of less than or equal to 5,000 square feet of total canopy size on one cultivation site.
2. Class B, for indoor cultivation of between 5,001 and 10,000 square feet of total canopy size on one cultivation site.
3. Class C, for indoor cultivation of between 10,001 and 22,000 square feet of total canopy size on one cultivation site.

C. This article does not apply to the cultivation of cannabis in accordance with chapter 8.132. (Ord. 2017-0046 § 1)

5.150.540 Fees.

A. The following cannabis cultivation permit program fees are established and imposed:

1. Class A cannabis cultivation permit program fee;
2. Class B cannabis cultivation permit program fee; and
3. Class C cannabis cultivation permit program fee.

B. The city council shall establish by resolution the amounts of the fees specified in subsection A, and any related penalties. (Ord. 2017-0046 § 1)

5.150.550 Collective or cooperative cultivation.

A. A cannabis cultivation business must operate as a cooperative or collective of four or more members who associate at a particular location to collectively or cooperatively cultivate cannabis, and operate on a not-for-profit basis.

B. Each manager and staff of a cannabis cultivation business must be a member who is registered with that cannabis cultivation business.

C. This section shall not apply to any cannabis cultivation business that is licensed by the state of California to conduct the commercial cultivation of cannabis. (Ord. 2017-0046 § 1)

5.150.560 Indoor cultivation only.

A. A cannabis cultivation permittee shall only cultivate cannabis in a fully enclosed building.

B. A cannabis cultivation permittee shall not allow cannabis or cannabis products on the cultivation site to be visible from the public right of way, the unsecured areas surrounding the buildings on the site, or the site's main entrance and lobby. (Ord. 2017-0046 § 1)

5.150.570 Cultivation site buildings.

A cultivation site shall comply with the following requirements:

A. Entrances. All entrances into the buildings on the cultivation site shall be locked at all times with entry controlled by the cannabis cultivation permittee's managers and staff.

B. Main entrance and lobby. The cultivation 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 cultivation areas.

C. Cultivation area. All cultivation areas in any building on the cultivation 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 cultivation permittee.

D. Transport area. Each building with a cultivation area shall have an area designed for the secure transfer of cannabis from the cultivation area to a vehicle for transportation.

E. Storage area. Each building with a cultivation area shall have adequate storage space for cannabis that has completed the cultivation process or is otherwise not being cultivated. 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 cultivation permittee. (Ord. 2017-0046 § 1)

5.150.580 Cultivation site security.

Each cultivation site 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 cultivation 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 cultivation 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. (Ord. 2017-0046 § 1)

5.150.590 Display of cannabis cultivation permit.

The cannabis cultivation permittee shall display its current valid cannabis cultivation permit issued in accordance with this article inside the lobby or waiting area of the main entrance to the cultivation site. The permit shall be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the cultivation site. (Ord. 2017-0046 § 1)

5.150.600 Signs.

A. A cannabis cultivation permittee shall post in the lobby of the cultivation site signs that state the following:

1. "This site is not open to the public."
2. "Retail sales of any goods and services is prohibited."
3. "Juveniles are prohibited from entering this site."
4. "Smoking, ingesting, or consuming cannabis on or within 20 feet of this site is prohibited."

B. Each sign described in subsection A must be at least 8 inches by 10 inches in size and must be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the cultivation site. (Ord. 2017-0046 § 1)

5.150.610 Cultivation site restricted.

A. No cannabis cultivation permittee shall open their cultivation site to the public.

B. No cannabis cultivation permittee shall allow anyone on the cultivation 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.

C. A manager must be on the cultivation site at all times that any other person, except for security guards, is on the site.

D. While on the cultivation site, managers and staff of the cannabis cultivation permittee must wear their cannabis cultivation identification badge, issued by the city, at all times.

E. Any person other than managers or staff who are on the cultivation site must sign in, wear a visitor badge, and be escorted on the site by a manager at all times. (Ord. 2017-0046 § 1)

5.150.620 Juveniles prohibited.

A. No juvenile shall be on the cultivation site or operate a cannabis cultivation business in any capacity, including, but not limited to, as a manager, staff, employee, contractor, or volunteer.

B. No cannabis cultivation permittee shall allow any violation of subsection A. (Ord. 2017-0046 § 1)

5.150.630 Retail sales prohibited.

No person shall conduct any retail sales of any good or services on or from a permitted cultivation site. (Ord. 2017-0046 § 1)

5.150.640 Cannabis consumption prohibited.

No person shall smoke, ingest, or otherwise consume cannabis in any form on, or within 20 feet of, the cultivation site. (Ord. 2017-0046 § 1)

5.150.650 Alcohol prohibited.

No person shall possess, consume, or store any alcoholic beverage on the cultivation site. (Ord. 2017-0046 § 1)

Article V. Cannabis Testing Laboratory

5.150.660 Cannabis testing laboratory permit required.

No person shall operate a cannabis testing laboratory without a valid cannabis testing laboratory permit issued pursuant to this article. (Ord. 2017-0046 § 1)

5.150.670 Cannabis testing laboratory permit program fee.

The cannabis testing laboratory permit program fee is established and imposed. The city council shall establish by resolution the amount of the cannabis testing laboratory permit program fee, and any related penalties. (Ord. 2017-0046 § 1)

5.150.680 Collective or cooperative laboratory.

- A. A cannabis testing laboratory must operate as a cooperative or collective of four or more members who associate at a particular location to collectively or cooperatively test cannabis, and operate on a not-for-profit basis.
- B. Each manager and staff of a cannabis testing laboratory must be a member who is registered with that cannabis testing laboratory.
- C. This section shall not apply to any cannabis testing laboratory that is licensed by the state of California to conduct the commercial testing of cannabis. (Ord. 2017-0046 § 1)

5.150.690 Indoor testing only.

- A. A cannabis testing laboratory permittee shall only test cannabis in a fully enclosed building.
- B. A cannabis testing laboratory permittee shall not allow cannabis or cannabis products on the laboratory site to be visible from the public right of way, the unsecured areas surrounding the buildings on the site, or the site's main entrance and lobby. (Ord. 2017-0046 § 1)

5.150.700 Cannabis testing laboratory site buildings.

A cannabis testing laboratory site shall comply with the following requirements:

- A. Entrances. All entrances into the buildings on the laboratory site shall be locked at all times with entry controlled by the cannabis testing laboratory permittee's managers and staff.
- B. 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.
- C. 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 permittee.
- D. 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.
- E. 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 permittee. (Ord. 2017-0046 § 1)

5.150.710 Cannabis testing laboratory site security.

Each laboratory site 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 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 must be of adequate quality, color rendition, and resolution to allow the identification of any individual present on the laboratory 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. (Ord. 2017-0046 § 1)

5.150.720 Display of cannabis testing laboratory permit.

The cannabis testing laboratory permittee shall display its current valid cannabis testing laboratory permit issued in accordance with this article inside the lobby or waiting area of the main entrance to the laboratory site. The permit shall be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the laboratory site. (Ord. 2017-0046 § 1)

5.150.730 Signs.

- A. A cannabis testing laboratory permittee shall post in the lobby of the laboratory site signs that state the following:
 - 1. "This site is not open to the public."
 - 2. "Retail sales of any goods and services is prohibited."
 - 3. "Juveniles are prohibited from entering this site."
 - 4. "Smoking, ingesting, or consuming cannabis on or within 20 feet of this site is prohibited."
- B. Each sign described in subsection A must be at least 8 inches by 10 inches in size and must be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the laboratory site. (Ord. 2017-0046 § 1)

5.150.740 Laboratory site restricted.

- A. No cannabis testing laboratory permittee shall open their laboratory site to the public.
- B. No cannabis testing laboratory permittee shall 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.
- C. A manager must be on the laboratory site at all times that any other person, except for security guards, is on the site.
- D. While on the laboratory site, managers and staff of the cannabis testing laboratory permittee must wear their cannabis testing identification badge, issued by the city, at all times.
- E. Any person other than managers or staff who are on the laboratory site must sign in, wear a visitor badge, and be escorted on the site by a manager at all times. (Ord. 2017-0046 § 1)

5.150.750 Juveniles prohibited.

- A. No juvenile shall 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.
- B. No cannabis testing laboratory permittee shall allow any violation of subsection A. (Ord. 2017-0046 § 1)

5.150.760 Retail sales prohibited.

No person shall conduct any retail sales of any good or services on or from a permitted cannabis testing laboratory site. (Ord. 2017-0046 § 1)


5.150.770 Cannabis consumption prohibited.

No person shall smoke, ingest, or otherwise consume cannabis in any form on, or within 20 feet of, the laboratory site. (Ord. 2017-0046 § 1)


5.150.780 Alcohol prohibited.

No person shall possess, consume, or store any alcoholic beverage on the laboratory site. (Ord. 2017-0046 § 1)

Article VI. Cannabis Manufacturing


 Alert: This topic has been affected by 2017-0057. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

5.150.790 Cannabis manufacturing permit required.

 Alert: This topic has been affected by 2017-0057. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

No person shall operate a cannabis manufacturing business without a valid cannabis manufacturing permit issued pursuant to this article. (Ord. 2017-0046 § 1)

5.150.800 Cannabis manufacturing permit program fee.

 Alert: This topic has been affected by 2017-0057. To view amendments and newly added provisions, please refer to the CodeAlert Amendment List.

The cannabis manufacturing permit program fee is established and imposed. The city council shall establish by resolution the amount of the cannabis manufacturing permit program fee, and any related penalties. (Ord. 2017-0046 § 1)

5.150.810 Collective or cooperative manufacturing.

- A. A cannabis manufacturing business must operate as a cooperative or collective of four or more members who associate at a particular location to collectively or cooperatively manufacture cannabis, and operate on a not-for-profit basis.
- B. Each manager and staff of a cannabis manufacturing business must be a member who is registered with that cannabis manufacturing business.

C. This section shall not apply to any cannabis manufacturing business that is licensed by the state of California to conduct the commercial manufacturing of cannabis. (Ord. 2017-0046 § 1)

5.150.820 Indoor manufacturing only.

- A. A cannabis manufacturing permittee shall only manufacture cannabis in a fully enclosed building.
- B. A cannabis manufacturing permittee shall not allow cannabis or cannabis products on the manufacturing site to be visible from the public right of way, the unsecured areas surrounding the buildings on the site, or the site's main entrance and lobby. (Ord. 2017-0046 § 1)

5.150.830 Nonvolatile extraction only.

No cannabis manufacturing business shall use a volatile solvent to extract the resin or other substance from any part of a cannabis plant. (Ord. 2017-0046 § 1)

5.150.840 Cannabis manufacturing site buildings.

A cannabis manufacturing site shall comply with the following requirements:

- A. Entrances. All entrances into the buildings on the manufacturing site shall be locked at all times with entry controlled by the cannabis manufacturing permittee's managers and staff.
- B. Main entrance and lobby. The manufacturing 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 manufacturing areas.
- C. Manufacturing area. All manufacturing areas in any 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 permittee.
- D. Transport area. Each building with a manufacturing area shall have an area designed for the secure transfer of cannabis from a vehicle to the manufacturing area.
- E. Storage area. Each building with a manufacturing area shall have adequate storage space for cannabis that has been manufactured or is waiting to be manufactured. 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 manufacturing permittee. (Ord. 2017-0046 § 1)

5.150.850 Cannabis manufacturing site security.

Each manufacturing site 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 manufacturing 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 manufacturing 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. (Ord. 2017-0046 § 1)

5.150.860 Display of cannabis manufacturing permit.

The cannabis manufacturing permittee shall display its current valid cannabis manufacturing permit issued in accordance with this article inside the lobby or waiting area of the main entrance to the manufacturing site. The permit shall be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the manufacturing site. (Ord. 2017-0046 § 1)

5.150.870 Signs.

- A. A cannabis manufacturing permittee shall post in the lobby of the manufacturing site signs that state the following:
 - 1. "This site is not open to the public."
 - 2. "Retail sales of any goods and services is prohibited."
 - 3. "Juveniles are prohibited from entering this site."
 - 4. "Smoking, ingesting, or consuming cannabis on or within 20 feet of this site is prohibited."
- B. Each sign described in subsection A must be at least 8 inches by 10 inches in size and must be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the manufacturing site. (Ord. 2017-0046 § 1)

5.150.880 Manufacturing site restricted.

- A. No cannabis manufacturing permittee shall open their manufacturing site to the public.

- B. No cannabis manufacturing permittee shall allow anyone on the manufacturing 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.
- C. A manager must be on the manufacturing site at all times that any other person, except for security guards, is on the site.
- D. While on the manufacturing site, managers and staff of the cannabis manufacturing permittee must wear their cannabis manufacturing identification badge, issued by the city, at all times.
- E. Any person other than managers or staff who are on the manufacturing site must sign in, wear a visitor badge, and be escorted on the site by a manager at all times. (Ord. 2017-0046 § 1)

5.150.890 Juveniles prohibited.

- A. No juvenile shall 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.
- B. No cannabis manufacturing permittee shall allow any violation of subsection A. (Ord. 2017-0046 § 1)

5.150.900 Retail sales prohibited.

No person shall conduct any retail sales of any good or services on or from a permitted cannabis manufacturing site. (Ord. 2017-0046 § 1)

5.150.910 Cannabis consumption prohibited.

No person shall smoke, ingest, or otherwise consume cannabis in any form on, or within 20 feet of, the manufacturing site. (Ord. 2017-0046 § 1)

5.150.920 Alcohol prohibited.

No person shall possess, consume, or store any alcoholic beverage on the manufacturing site. (Ord. 2017-0046 § 1)

Chapter 5.150 CANNABIS BUSINESSES *

* **CodeAlert:** This topic has been affected by Ordinance No. [2017-0057](#), [2017-0058](#) and [2017-0060](#). To view amendments and newly added provisions, please refer to the [CodeAlert Amendment List](#).

Note

* Prior ordinance history: Ords. 2016-0051, 2017-0021, 2017-0022 and 2017-0031.

Article I. General Provisions

5.150.010 Purpose and intent.

It is the purpose and intent of the city council to regulate cannabis businesses consistently with state law and implement strong and effective regulatory and enforcement systems to protect the health, safety, and welfare of the residents of the city. The regulations in this chapter do not interfere with any person's right to obtain and use cannabis as authorized under state law, nor do they criminalize the possession or cultivation of cannabis contrary to state law. Cannabis businesses shall comply with all provisions of the Sacramento City Code, state law, and all other applicable local codes and regulations. It is neither the intent nor the effect of this chapter to condone or legitimize the illegal use or consumption of cannabis under federal, state, or local law. (Ord. 2017-0046 § 1)

5.150.020 Definitions.

As used in this chapter:

"Cannabis" has the same meaning as in California [Business and Professions Code](#) section 26001.

"Cannabis business" means a business subject to the permit requirements of this chapter.

"Cannabis business permit" means any permit issued to a cannabis business pursuant to the provisions of this chapter.

"Cannabis cultivation business" means a business involving the cultivation of cannabis, including a nursery which produces clones, immature plants, seeds, or other agricultural products specifically for the planting, propagation, and cultivation of cannabis.

"Cannabis manufacturing business" means a business involving the production, preparation, propagation, or compounding of cannabis and cannabis products. Cannabis manufacturing business includes businesses involving the extraction of a substance from a cannabis plant, the infusion or mixture of cannabis into another substance, the preparation of an edible item that contains cannabis, and the packaging and labeling of cannabis or cannabis products. Cannabis manufacturing business does not include a cannabis cultivation business.

"Cannabis product" means an item containing cannabis. Cannabis product includes concentrates, extractions, edibles, and topicals. Cannabis product does not include accessories or paraphernalia that may be used with cannabis but do not contain any cannabis.

"Cannabis testing laboratory" means a business involving the performance of scientific analysis of cannabis or cannabis products to determine chemical profile, presence of contaminants, or other similar data.

"City manager" means the city manager or designee.

"Conditional use permit" means a conditional use permit issued by the city pursuant to the Planning and Development Code.

"Cultivate" means to plant, grow, harvest, dry, cure, grade, or trim cannabis.

"Cultivation area" means the area on a cultivation site in which cannabis is cultivated.

"Cultivation site" means the portion of the parcel of real property upon which a cannabis cultivation business is operated.

"Dispensary" has the same meaning as "medical cannabis dispensary," as set forth in this section.

"Dispensary area" means the dispensary property and the area within 100 feet of the dispensary property.

"Dispensary building" means the portion of a building within which a dispensary is operated.

"Dispensary permit" means a medical cannabis dispensary permit issued pursuant to this chapter.

"Dispensary property" means the parcel of real property or portion of the parcel of real property that is owned or leased by a dispensary and upon which a dispensary is operated.

"Drug paraphernalia" has the same meaning as in California [Health and Safety Code](#) section 11364.5.

"Identification card" has the same meaning as in California [Health and Safety Code](#) section 11362.7.

"Juvenile" means any natural person who is under the age of 18 years.

"Manager" means a person with responsibility for the establishment, registration, supervision, or oversight of the operation of a cannabis business, including but not limited to, a person who performs the functions of a board member, director, officer, owner, operating officer, or manager of the cannabis business.

"Medical cannabis" means cannabis used for medical purposes in accordance with the Compassionate Use Act (California [Health and Safety Code](#) section 11362.5) and the Medical Marijuana Program Act (California [Health and Safety Code](#) sections 11362.7 et seq.).

"Medical cannabis dispensary" means a business at a particular location or real property involving the distribution of cannabis to qualified patients, primary caregivers, or persons with identification cards, for medical purposes, consistent with the Compassionate Use Act (California [Health and Safety Code](#) section 11362.5); the Medical Marijuana Program Act (California [Health and Safety Code](#) section 11362.7 et seq.); the Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued by the California Attorney General in August 2008; and this chapter. A medical cannabis dispensary does not include the following uses: a clinic licensed pursuant to chapter 1 of division 2 of the California [Health and Safety Code](#).

Safety Code; a health care facility licensed pursuant to chapter 2 of division 2 of the California Health and Safety Code; a residential care facility for persons with chronic life-threatening illness licensed pursuant to chapter 3.01 of division 2 of the California Health and Safety Code; a residential care facility for the elderly licensed pursuant to chapter 3.2 of division 2 of the California Health and Safety Code; and a residential hospice or a home health agency licensed pursuant to chapter 8 of division 2 of the California Health and Safety Code, as long as any such use complies with applicable laws including, but not limited to, the Compassionate Use Act (California Health and Safety Code section 11362.5), the Medical Marijuana Program Act (California Health and Safety Code section 11362.7 et seq.), and the Sacramento City Code.

"Member" means any qualified patient, primary caregiver, or person with an identification card who is registered with a cannabis business.

"Operate a dispensary" means to engage in or conduct the business of a dispensary, including, but not limited to, distributing medical cannabis and maintaining the facilities of a dispensary.

"Person with an identification card" has the same meaning as in California Health and Safety Code section 11362.7.

"Physician" has the same meaning as in California Business and Professions Code section 4039.

"Primary caregiver" has the same meaning as in California Health and Safety Code section 11362.7.

"Private medical records" means records related to the medical history of a qualified patient, but does not include the recommendation of a physician for the medical use of medical cannabis, the designation of a primary caregiver by a qualified patient, or an identification card.

"Qualified patient" has the same meaning as in California Health and Safety Code section 11362.7.

"Reasonable compensation" means compensation commensurate with wages and benefits paid to officers and employees of other not-for-profit organizations who have similar job descriptions and duties, required level of education and experience, prior individual earnings history, and number of hours worked.

"Staff" means a person other than a manager who works or provides services on the site of a cannabis business, whether as an employee, contractor, or volunteer.

"Volatile solvent" has the same meaning as in California Health and Safety Code section 11362.3. (Ord. 2017-0046 § 1)

5.150.030 All state and local licenses required.

- A. No cannabis business shall operate unless it is in possession of all applicable state and local licenses or permits.
- B. Every cannabis business shall submit to the city manager a copy of any and all of its state and local licenses and permits required for its operation.
- C. If any other applicable state or local license or permit required for a cannabis business's operation is denied, suspended, modified, revoked, or expired, the cannabis business shall notify the city manager in writing within 10 days. (Ord. 2017-0046 § 1)

5.150.040 Cannabis transfer between permitted businesses only.

A cannabis business shall not transfer cannabis or cannabis products to or from another cannabis business, unless both businesses are in possession of all required state and local licenses and permits. (Ord. 2017-0046 § 1)

5.150.050 Permits not transferable.

Cannabis business permits issued pursuant to this chapter are not property and have no value. Cannabis business permits may not be transferred, sold, assigned or bequeathed expressly or by operation by law. Any attempt to directly or indirectly transfer a cannabis business permit shall be unlawful and void, and shall automatically revoke the permit. (Ord. 2017-0046 § 1)

5.150.060 Diversion.

No person shall give, sell, distribute, or otherwise transfer any cannabis from a permitted cannabis business to any person in any manner that violates local or state law. (Ord. 2017-0046 § 1)

5.150.070 Interested parties.

- A. A cannabis business shall provide the city with names and addresses of all of the following interested parties:
 - 1. Persons with at least a 10% interest in the cannabis business;
 - 2. Partners, officers, directors, and stockholders of every corporation, limited liability company, or general or limited partnership that owns at least 10% of the stock, capital, profits, voting rights, or membership interest of the cannabis business or that is one of the partners in the cannabis business;
 - 3. The managers of the cannabis business; and
 - 4. The staff of the cannabis business.
- B. The permittee shall notify the city of any change in the information above within 30 days of the change.
- C. All interested parties, as described in subsection A, must submit to fingerprinting and a criminal background check by the city.
- D. Unless the city manager determines, in accordance with subsection E, that the person's involvement as an interested party would not compromise public safety, no person shall be an interested party, as described in subsection A, if he or she is charged with or convicted of a felony; has been charged with or convicted of a violation of California Penal Code section 186.22 (participation in a criminal street gang); or is currently on parole or probation for an offense relating to the sale or distribution of a controlled substance. "Convicted" within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere was entered, but does not include any plea, verdict, or conviction that is expunged pursuant to California law or a similar federal or state law where the expungement was granted. "Charged" within the meaning of this section means (1) an indictment was issued by a grand jury, or an information, complaint, or similar pleading was issued by the United States Attorney, district attorney, city attorney, or other governmental official or agency authorized to prosecute crimes, and (2) the criminal proceedings are currently pending.

E. A person with a criminal history may be an interested party, if the city manager determines that the person's involvement as an interested party would not compromise public safety. In making the determination, the city manager may consider all available information, including information provided by the person. The city manager shall consider the following factors when determining whether the person's involvement would compromise public safety:

1. The nature of the charge or conviction.
 2. The circumstances surrounding the alleged crime.
 3. The bearing, if any, the charge or conviction has on the person's fitness or ability to perform one or more of their duties and responsibilities as an interested party.
 4. The time that has elapsed since the alleged crime or conviction.
 5. The person's rehabilitation and good conduct since the crime or conviction.
- F. Subsections C, D, and E do not apply to medical cannabis dispensaries. (Ord. 2017-0046 § 1)

5.150.080 Emergency contact manager.

A cannabis business permittee shall provide the city manager with the current name and primary and secondary telephone numbers of at least one 24-hour on-call manager to address and resolve complaints and to respond to operating problems or concerns associated with the cannabis business. (Ord. 2017-0046 § 1)

5.150.090 Community relations manager.

A cannabis business permittee shall provide the city manager with the current name and primary and secondary telephone numbers of at least one manager to communicate with the surrounding neighborhoods and businesses. The cannabis business shall make good faith efforts to encourage neighborhood residents to call this person to solve problems, if any, before any calls or complaints are made to the city. (Ord. 2017-0046 § 1)

5.150.100 Building design.

A cannabis business permittee must maintain the design of the buildings on the site in accordance with the plans that are approved by the city manager. No permittee shall modify the buildings on the site contrary to the city manager approved plans, without the approval of the city manager. (Ord. 2017-0046 § 1)

5.150.110 Security plan.

A cannabis business permittee shall maintain security on the site in accordance with the security plan that is approved by the city manager. No permittee shall modify the security on the site contrary to the city manager approved plans, without the approval of the city manager. (Ord. 2017-0046 § 1)

5.150.120 Odor control.

A cannabis business permittee shall prevent all odors generated from the cultivation and storage of cannabis from escaping from the buildings on the site, such that the odor cannot be detected by a reasonable person of normal sensitivity outside the buildings. (Ord. 2017-0046 § 1)

5.150.130 Site management.

- A. The cannabis business permittee shall prevent and eliminate conditions on the site that constitute a nuisance.
- B. The cannabis business permittee shall maintain the exterior of the site, including any parking lots under the control of the permittee, free of litter, debris, and trash.
- C. The permittee shall properly store and dispose of all waste generated on the site, including chemical and organic waste, in accordance with all applicable laws and regulations.
- D. Notwithstanding any provisions of this code to the contrary, the permittee shall remove all graffiti from the site and parking lots under the control of the permittee within 72 hours of its application. (Ord. 2017-0046 § 1)

5.150.140 Reporting of criminal activity.

A cannabis business permittee shall immediately report to the city police department all criminal activity occurring on the cannabis business site. (Ord. 2017-0046 § 1)

5.150.150 Payment of taxes.

In addition to any fees established and imposed pursuant to this chapter, all cannabis businesses are required to pay all applicable taxes, including the business operations tax pursuant to title 3 and sales tax pursuant to state law. (Ord. 2017-0046 § 1)

5.150.160 Maintenance of business records.

- A. A cannabis business shall maintain the following business records in printed format for at least three years on the site and shall produce them to the city within 24 hours after receipt of the city's request:
 1. The name, address, and telephone numbers of the owner and landlord of the property.
 2. The name, date of birth, address, and telephone number of each manager and staff of the cannabis business; the date each was hired; and the nature of each manager's and staff's participation in the cannabis business.

3. A written accounting of all income and expenditures of the cannabis business, including, but not limited to, cash and in-kind transactions.
 4. A copy of the cannabis business' commercial general liability insurance policy and all other insurance policies related to the operation of the business.
 5. A copy of the cannabis business' most recent year's financial statement and tax return.
 6. An inventory record documenting the dates and amounts of cannabis received at the site, the daily amounts of cannabis on the site, and the daily amounts of cannabis sold, distributed, and transported from the site.
- B. A cannabis business shall report any loss, damage, or destruction of these records to the city manager within 24 hours of the loss, damage, or destruction. (Ord. 2017-0046 § 1)

5.150.170 Service of notices.

All notices required by this chapter are deemed issued and served upon the date they are either deposited in the United States mail, postage pre-paid, addressed to the applicant or cannabis business at the mailing address identified in its application, the last updated address on file with the city manager's office, or the mailing address on the appeal form; or the date upon which personal service of the notice is provided to the applicant or a manager identified on the application or appeal form. (Ord. 2017-0046 § 1)

5.150.180 Inspection authority.

- A. City officials may enter and inspect the site of a cannabis business at any reasonable time to ensure compliance and enforcement of the provisions of this chapter.
- B. City officials may inspect and demand copies of records maintained by the cannabis business, except for private medical records, which shall be made available to law enforcement agencies only pursuant to a properly executed search warrant, subpoena, or court order.
- C. No person shall refuse, impede, obstruct, or interfere with an inspection pursuant to this chapter. (Ord. 2017-0046 § 1)

5.150.190 Violations.

- A. In addition to any other remedy allowed by law, any person who violates a provision of this chapter is subject to criminal sanctions, civil actions, and administrative penalties pursuant to chapter [1.28](#).
- B. Violations of this chapter are declared to be public nuisances.
- C. Any person who violates a provision of this chapter is liable for civil penalties of not less than \$250 or more than \$25,000 for each day the violation continues.
- D. All remedies prescribed under this chapter shall be cumulative and the election of one or more remedies shall not bar the city from the pursuit of any other remedy for the purpose of enforcing the provisions hereof. (Ord. 2017-0046 § 1)

5.150.200 Severability.

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this chapter is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, that decision shall not affect the validity or effectiveness of the remaining portions of this chapter. The city council declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective. (Ord. 2017-0046 § 1)

Article II. Cannabis Business Permit Applications, Procedures, and Appeals

5.150.210 Applications for cannabis business permit.

- A. A person may apply for a cannabis business permit, or a permit renewal, by filing an application with the city manager. The application shall be on a form approved by the city manager and may require any information or documentation consistent with the provisions of this code and state law, including the following:
 1. Applicant.
 - a. A description of the statutory entity or business form that will serve as the legal structure for the applicant and a copy of its formation and organizing documents, including, but not limited to, articles of incorporation, certificate of amendment, statement of information, articles of association, bylaws, partnership agreement, operating agreement, and fictitious business name statement.
 - b. The phone number and address to which notice of action on the application and correspondence is to be mailed.
 2. Interested parties. The name, address, telephone number, title, and function of each of the interested parties described in section [5.150.070](#).
 3. Background checks. For each of the applicants and managers of a medical cannabis dispensary; or for each of the interested parties, identified pursuant to subsection A.2, of any other cannabis business:
 - a. A legible copy of one valid government-issued form of photo identification, such as a state driver's license, a passport issued by the United States, or a permanent resident card.
 - b. A list of their misdemeanor and felony convictions, if any. For each conviction, the list must set forth the date of arrest, the offense charged, the offense convicted, the jurisdiction of the court, and whether the conviction was by verdict, plea of guilty, or plea of nolo contendere.
 - c. Consent to fingerprinting and a criminal background investigation.
 4. Business site.
 - a. Description. A general description of the proposed business site, including the street address, parcel number, the total square footage of the site, and the characteristics of the surrounding area.

- b. 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. The floor plan must be professionally prepared by a licensed civil engineer or architect.
- c. Site plan. A scaled site plan of the business site, including all buildings, structures, driveways, parking lots, landscape areas, and boundaries. The site plan must be professionally prepared by a licensed civil engineer or architect.
- d. Compliance with the Planning and Development Code. A copy of a valid conditional use permit approved by the city for the proposed location, including all conditions and related documents, such as neighborhood responsibility plans.
- e. Statement of owner's consent. Written consent of the owner or landlord of the proposed site to operate a cannabis business, specifying the street address and parcel number.
- 5. Security.
 - a. Security plan. A detailed security plan outlining the measures that will be taken to ensure the safety of persons and property on the business site. The security plan must be prepared by a qualified professional.
 - b. Lighting plan. A lighting plan showing existing and proposed exterior and interior lights that will provide adequate security lighting for the use.
- 6. 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 buildings on the business site.
- 7. Business operations.
 - a. Business plan. A plan describing how the cannabis business will operate in accordance with this code, state law, and other applicable regulations. The business plan must include plans for handling cash and transporting cannabis and cannabis products to and from the site.
 - b. Community relations plan. A plan describing who is designated as being responsible for outreach and communication with the surrounding community, including the neighborhood and businesses, and how the designee can be contacted.
 - c. State licenses. Copies of the state licenses relating to cannabis that the applicant holds.
 - d. Tax compliance. A current copy of the applicant's city business operations tax certificate, state sales tax seller's permit, and the applicant's most recent year's financial statement and tax returns.
 - e. 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.
 - f. Budget. A copy of the applicant's most recent annual budget for operations.
 - g. Price list. A list of the most recent prices for all products and services provided by the applicant.
- 8. City authorization. Authorization and consent for the city manager to seek verification of the information contained within the application.
- 9. Applicant's certification. A statement dated and signed by the applicant, under penalty of perjury, that the applicant has personal knowledge of the information contained in the application, that the information contained therein is true and correct, and that the application has been completed under the applicant's supervision.
- 10. Indemnification. An agreement, in a form approved by the city attorney, whereby the applicant: (1) releases the city, and its agents, officers, elected officials, and employees from any and all claims, injuries, damages, or liabilities of any kind arising from: (a) any repeal or amendment of this chapter or any provision of the Planning and Development Code relating to cannabis, and (b) any arrest or prosecution of the applicant or its managers, employees, or members for violation of state or federal laws; and (2) defends, indemnifies, and holds harmless the city and its agents, officers, elected officials, and employees from and against any and all claims or actions: (a) brought by adjacent or nearby property owners or any other parties for any damages, injuries, or other liabilities of any kind arising from operations at the cultivation site, and (b) brought by any party for any problems, injuries, damages, or other liabilities of any kind arising out of the distribution of cannabis produced or processed at the site or by the business.
- B. Every application for a cannabis business permit shall be accompanied by a nonrefundable cannabis business permit program fee.
- C. No person shall knowingly make a false statement of fact or knowingly omit any information that is required in an application for a cannabis business permit. (Ord. 2017-0046 § 1)

5.150.220 Application process.

The city manager is authorized to establish procedures and guidelines to process cannabis business permit applications. (Ord. 2017-0046 § 1)

5.150.230 Terms of cannabis business permit; renewal.

- A. A cannabis business permit issued pursuant to this chapter is valid for one year from the date that the permit is issued, unless suspended or revoked sooner.
- B. A cannabis business permit is valid for only one site.
- C. Conditions placed on the conditional use permit issued under the Planning and Development Code are also conditions of the cannabis business permit. Any violation of the conditional use permit's conditions is grounds for suspending or revoking the cannabis business permit.
- D. The city manager may impose additional conditions on the cannabis business permit, including the maximum amount of cannabis allowed on the site, number and types of equipment allowed, and security features.
- E. To renew a cannabis business permit, the permittee shall submit an application in accordance with section [5.150.210](#). The permittee shall submit the application no later than 30 days prior to the permit expiration date. Untimely applications are subject to a late penalty in the amount established by resolution of the city council. (Ord. 2017-0046 § 1)

5.150.240 Grounds for denial of a cannabis business permit.

The city manager may deny a cannabis business permit if the city manager determines that one or more of the following circumstances exist:

- A. The application received is incomplete, filed late, or not responsive to the requirements of this article;

- B. The application contains a false or misleading statement or omission of a material fact;
- C. The operation of a cannabis business described in the application fails to comply with any of the requirements in this code, state law, or any other regulation;
- D. The applicant or any of its managers has any unpaid and overdue administrative penalties imposed for violations of this chapter;
- E. The applicant has not paid the applicable business operations tax pursuant to chapter [3.08](#);
- F. Within 12 months of the date of application, either the applicant has had its cannabis business permit revoked; or any of its managers were associated with another business that had its cannabis business permit revoked; or
- G. Operation of the cannabis business is a threat to the public health, safety, or welfare. (Ord. 2017-0046 § 1)

5.150.250 Notice of denial.

- A. If the city manager denies a cannabis business permit after the application is accepted as complete, written notice of denial shall be served on the applicant. The notice shall contain:
 - 1. A brief statement of the grounds for the denial.
 - 2. A statement that the applicant may request reconsideration of the denial, in writing to the city manager, within 10 days of the date of service of the notice.
 - 3. A statement that the failure to timely request reconsideration of the denial will constitute a waiver of all rights to reconsideration, and the denial will be final.
- B. If the applicant properly files a request for reconsideration the city manager shall set the date of a hearing within 30 days from the date the request is filed. The hearing shall be conducted by the city manager.
- C. Failure to properly file a written request for reconsideration of the notice of denial within 10 days of the date of service of the notice constitutes a waiver of all rights to a hearing, and the city manager's decision will be final. Failure to properly and timely file a request for reconsideration of the notice of denial also constitutes a failure to exhaust administrative remedies and is a bar to any judicial action pertaining to the city manager's decision.
- D. If the applicant files a proper request for reconsideration and then fails to appear at the hearing, the request for reconsideration is abandoned, and the decision of the city manager is final and may not be further appealed. Failure to appear at the hearing constitutes a waiver of all rights to a hearing and also constitutes a failure to exhaust administrative remedies and is a bar to any judicial action pertaining to the city manager's decision.
- E. Written notice of the decision of the city manager shall be served on the applicant within 10 days following the hearing.
- F. The decision of the city manager under this section is subject to appeal in accordance with section [5.150.290](#). (Ord. 2017-0046 § 1)

5.150.260 Grounds for suspending, modifying, or revoking a cannabis business permit.

The city manager may suspend, modify, or revoke a cannabis business permit issued pursuant to the provisions of this chapter for any of the following reasons:

- A. One or more of the circumstances upon which a cannabis business permit could be denied, as described in section [5.150.240](#), exists or has occurred;
- B. One or more conditions of the cannabis business permit has been violated; or
- C. The permittee, its owners, officers, directors, partners, agents, or other persons vested with the authority to manage or direct the affairs of the business have violated any provision of this chapter. (Ord. 2017-0046 § 1)

5.150.270 Notice of suspension, modification, and revocation.

- A. If the city manager proposes to suspend, modify, or revoke a permit, written notice of the proposed suspension, modification, or revocation shall be served on the cannabis business at least 15 days prior to the date of the proposed suspension, modification, or revocation. The notice shall contain:
 - 1. A brief statement of the grounds for the suspension, modification, or revocation.
 - 2. A statement that the dispensary may appeal the action in accordance with section [5.150.290](#).
 - 3. A statement that the failure to appeal the notice of suspension, modification, or revocation will constitute a waiver of all rights to an appeal hearing, and the suspension, modification, or revocation will be final.
- B. Notwithstanding subsection A of this section, the city manager may immediately revoke the cannabis business permit without prior notice under the following circumstances:
 - 1. A medical cannabis dispensary is in violation of section [5.150.375](#) (criminal history); or
 - 2. A marijuana cultivation business other than a medical cannabis dispensary is in violation of section 5.150.070.D (criminal history);or
 - 3. A cannabis business holding a valid cannabis business permit issued pursuant to this chapter ceases operation for 90 consecutive days or longer. (Ord. 2017-0046 § 1)

5.150.280 Cannabis business permit appeal fee.

- A. The cannabis business permit appeal fee is established and imposed pursuant to the provisions of this article.
- B. The city council shall establish by resolution the amount of the appeal fee and any related penalties. (Ord. 2017-0046 § 1)

5.150.290 Appeal of denial, suspension, revocation, and nonrenewal.

A. Except as otherwise provided in this chapter, any applicant or cannabis business aggrieved by the decision of the city manager in conditioning, denying, suspending, revoking, modifying, or not renewing a cannabis business permit may appeal the decision by filing a written appeal, accompanied by a nonrefundable appeal fee, with the city manager's office within 10 days from the date of service of the notice from the city manager. The written appeal shall contain:

1. A brief statement in ordinary and concise language of the specific action protested, together with any material facts claimed to support the contentions of the appellant;
 2. A brief statement in ordinary and concise language of the relief sought, and the reasons why it is claimed the protested action should be reversed or otherwise set aside; and
 3. The verification (by declaration under penalty of perjury) of the applicant or cannabis business as to the truth of the matters stated in the appeal.
- B. The appeal hearing shall be conducted by a hearing examiner appointed pursuant to section [8.04.070](#).
- C. Upon receipt of any appeal filed pursuant to this section, the city manager shall transmit the appeal to the secretary of the hearing examiner who shall calendar it for hearing as follows:
1. If the appeal is received by the city manager no later than 15 days prior to the next regular appeal hearing, it shall be calendared for that hearing.
 2. If the appeal is received by the city manager on a date less than 15 days prior to the next appeal hearing, it shall be calendared for the next regular appeal hearing.
- D. Written notice of the time and place of the hearing shall be provided at least 10 calendar days prior to the date of the hearing to each appellant by the secretary of the hearing examiner either by causing a copy of the notice to be delivered to the appellant personally or by mailing a copy addressed to the appellant at the address shown on the appeal.
- E. Failure of any person to file a timely appeal in accordance with the provisions of this section shall constitute an irrevocable waiver of the right to an administrative hearing and the city manager's decision shall be final.
- F. Only those matters or issues specifically raised by the appellant in the appeal notice shall be considered in the hearing of the appeal.
- G. Any condition, denial, suspension, revocation, or nonrenewal of a cannabis business permit shall be stayed during the pendency of an appeal which is properly and timely filed pursuant to this section. (Ord. 2017-0046 § 1)

5.150.300 Appeal hearings.

- A. At the time set for hearing, the hearing examiner shall proceed to hear the testimony of the city manager, the appellant, and other competent persons, including members of the public, respecting those matters or issues specifically listed by the appellant in the notice of appeal.
- B. The proceedings at the hearing shall be electronically recorded. Either party may provide a certified shorthand reporter to maintain a record of the proceedings at the party's own expense.
- C. The hearing examiner may, upon request of the appellant or upon request of the city manager, grant continuances from time to time for good cause shown, or upon his or her own motion.
- D. In any proceedings under this chapter, the hearing examiner has the power to administer oaths and affirmations and to certify to official acts. (Ord. 2017-0046 § 1)

5.150.310 Conduct of hearing.

- A. Hearings need not be conducted according to the technical rules relating to evidence and witnesses. California [Government Code](#) section 11513, subdivisions (a), (b), and (c) shall apply to hearings under this chapter.
- B. Oral evidence shall be taken only upon oath or affirmation.
- C. Irrelevant and unduly repetitious evidence shall be excluded.
- D. Each party shall have these rights, among others:
1. To call and examine witnesses on any matter relevant to the issues of the hearing.
 2. To introduce documentary and physical evidence.
 3. To cross-examine opposing witnesses on any matter relevant to the issues of the hearing.
 4. To impeach any witness regardless of which party first called the witness to testify.
 5. To rebut the evidence presented against the party.
 6. To represent himself, herself, or itself or to be represented by anyone of his, her, or its choice who is lawfully permitted to do so.
- E. In reaching a decision, official notice may be taken, either before or after submission of the case for decision, of any fact that may be judicially noticed by the courts of this state or that may appear in any of the official records of the city. (Ord. 2017-0046 § 1)

5.150.320 Form and contents of decision.

- A. If it is shown, by a preponderance of the evidence, that one or more grounds exist to condition, deny, suspend, revoke, modify, or not renew a cannabis business permit, the hearing examiner shall affirm the city manager's decision. The decision of the hearing examiner shall be in writing and shall contain findings of fact and a determination of the issues presented.
- B. The decision shall inform the appellant that the decision is a final decision and that the time for judicial review is governed by California [Code of Civil Procedure](#) section 1094.6. Copies of the decision shall be delivered to the parties personally or sent by certified mail to the address shown on the appeal. The decision is final when signed by the hearing examiner and served as provided in this section. (Ord. 2017-0046 § 1)

⚠️ 5.150.330 Medical cannabis dispensary permit required to operate.

- A. No person shall operate a medical cannabis dispensary unless the dispensary has a valid medical cannabis dispensary permit issued pursuant to this chapter.
- B. Neither the obtaining of a medical cannabis dispensary permit nor compliance with the operating standards provided in this chapter shall excuse any violation of this code or state law. (Ord. 2017-0046 § 1)

⚠️ 5.150.340 Medical cannabis dispensary fees.

- A. The following fees are established and imposed pursuant to the provisions of this article:
1. Dispensary permit application fee;
 2. Dispensary permit program fee; and
 3. Dispensary relocation fee.
- B. The city council shall establish by resolution the amounts of the fees specified in subsection A, and any related penalties. (Ord. 2017-0046 § 1)

⚠️ 5.150.350 Registered medical cannabis dispensaries.

The city may only issue a new medical cannabis dispensary permit to a dispensary if: (1) the dispensary was properly registered with the city manager pursuant to Ordinance No. 2009-033; (2) the dispensary is organized and operates as a cooperative or collective within the meaning of this chapter; (3) the dispensary owner and operator have not been cited or convicted of maintaining a public nuisance or of a public safety violation of state or local law relating to the operation of a medical cannabis dispensary by the city or any governmental law enforcement agency; and (4) the dispensary permit application was filed with the city manager's office no later than March 31, 2014. (Ord. 2017-0046 § 1)

⚠️ 5.150.360 Dispensary location.

No person shall operate a medical cannabis dispensary at any place other than the specific location for which the dispensary permit is granted. A dispensary may seek to modify the location for which the dispensary permit is granted by submitting an application in accordance with section [5.150.210](#). (Ord. 2017-0046 § 1)

⚠️ 5.150.370 Relocation of a dispensary.

- A. A medical cannabis dispensary permittee may modify the location for which its dispensary permit is granted by filing a relocation application with the city manager's office.
- B. The provisions of article II of this chapter relating to cannabis business permit applications also apply to relocation applications. (Ord. 2017-0046 § 1)

⚠️ 5.150.375 Criminal history.

No medical cannabis dispensary permittee or manager of a dispensary shall operate a dispensary if he or she has been convicted of a felony, or is currently on parole or probation for the sale or distribution of a controlled substance. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Notwithstanding the above, a person may not be denied the ability to obtain a permit or operate a dispensary solely on the basis that the person has been convicted of a felony if the person has obtained a certificate of rehabilitation (expungement of felony record) under California law or similar federal statute or state law under which the expungement was granted. (Ord. 2017-0046 § 1)

⚠️ 5.150.380 Juveniles.

- A. No juvenile shall operate a medical cannabis dispensary in any capacity, including but not limited to, as a manager, staff, employee, contractor, or volunteer.
- B. No juvenile shall be allowed on the medical cannabis dispensary property unless they are a qualified patient or a primary caregiver, and they are accompanied by their parent or legal guardian.
- C. No medical cannabis dispensary permittee shall allow any violation of subsections A or B. (Ord. 2017-0046 § 1)

⚠️ 5.150.390 Operating hours.

The maximum hours of operation for a medical cannabis dispensary shall be daily from 7:00 a.m. to 9:00 p.m. unless the city manager imposes more restrictive hours as a condition of the permit. (Ord. 2017-0046 § 1)

⚠️ 5.150.400 Dispensary site restricted.

- A. All entrances into a medical cannabis dispensary's building shall be locked from the exterior at all times with entry controlled by dispensary personnel.
- B. No medical cannabis dispensary permittee shall allow anyone in the dispensary building, except for qualified patients, primary caregivers, persons with identification cards, managers, staff, and other persons with bona fide purposes for being in the dispensary, such as contractors, inspectors, and cannabis transporters.

- C. A manager must be on the medical cannabis dispensary site at all times that any other person, except for security guards, is on the site.
- D. While on the medical cannabis dispensary site, managers and staff of the medical cannabis dispensary permittee must wear their city-issued cannabis dispensary identification badge at all times.
- E. Any person other than managers or staff shall be escorted by a manager at all times while in the medical cannabis dispensary building. (Ord. 2017-0046 § 1)

5.150.410 Dispensing operations.

- A. A medical cannabis dispensary shall only distribute cannabis to:
 - 1. Qualified patients with a currently valid physician's recommendation in compliance with the criteria in California [Health and Safety Code](#) sections 11362.5 et seq., and valid official identification such as a Department of Motor Vehicles driver's license or State Identification Card; or
 - 2. Primary caregivers with a verified primary caregiver designation by their qualified patients, a copy of their qualified patient's valid physician's recommendation in compliance with the criteria in California [Health and Safety Code](#) sections 11362.5 et seq., and valid official identification such as a Department of Motor Vehicles driver's license or State Identification Card.
- B. A dispensary shall not have a physician on the dispensary property to evaluate patients or provide a recommendation for medical marijuana.
- C. Notwithstanding the provisions of chapter [9.08](#) to the contrary, up to 150 square feet of the dispensary building may be utilized for display and distribution of drug paraphernalia necessary for administering medical marijuana, including but not limited to, rolling papers and related materials and devices, pipes, water pipes, and vaporizers. (Ord. 2017-0046 § 1)

5.150.420 Delivery prohibited.

A medical cannabis dispensary shall not provide any form of delivery service. All distribution of medical cannabis must be conducted within the enclosed building areas of the dispensary property. (Ord. 2017-0046 § 1)

5.150.430 Cannabis consumption prohibited.

Cannabis shall not be smoked, ingested, or otherwise consumed in any form on, or within 20 feet of, the medical cannabis dispensary property. (Ord. 2017-0046 § 1)

5.150.440 Collective or cooperative supply and distribution.

- A. A medical cannabis dispensary may only possess an amount of medical cannabis consistent with each member's reasonable medical needs.
- B. A medical cannabis dispensary shall acquire its supply of medical cannabis only from its members.
- C. A medical cannabis dispensary shall not purchase or otherwise supply itself with medical cannabis from non-members.
- D. A medical cannabis dispensary shall operate on a not-for-profit basis. It may credit its members for medical cannabis they provide to it, which it may then distribute to other members. Members may also reimburse the dispensary for medical cannabis or cannabis paraphernalia that has been distributed to them. Any monetary reimbursement that members provide to the dispensary shall not exceed the dispensary's overhead costs and expenses for operating the dispensary, including reasonable compensation for services provided to members.
- E. A medical cannabis dispensary shall not distribute or sell medical cannabis or cannabis paraphernalia to non-members or for a profit.
- F. This section shall not apply to any medical cannabis dispensary that is licensed by the state of California to conduct the commercial retail sales of medical cannabis. (Ord. 2017-0046 § 1)

5.150.450 Cannabis cultivation prohibited.

Except for immature nursery stock cannabis plants, no cannabis shall be grown or cultivated on the medical cannabis dispensary property. (Ord. 2017-0046 § 1)

5.150.460 Medical cannabis dispensary buildings.

- A. The medical cannabis dispensary building shall not exceed 8,000 square feet.
- B. Floor Plan. A medical cannabis dispensary shall have a lobby waiting area at the entrance to receive persons to verify that they are members of that dispensary or to determine whether the person meets the criteria of a valid qualified patient or primary caregiver. A dispensary shall also have a separate and secure area designated for distributing medical cannabis to its members. The main entrance shall be located and maintained clear of barriers, landscaping, and similar obstructions so that it is clearly visible from public streets or sidewalks.
- C. Storage. A medical cannabis dispensary shall have adequate locked storage on the dispensary property, identified and approved as a part of the security plan, for after-hours storage of medical cannabis. Medical cannabis shall be stored at the dispensary property in secured rooms that are completely enclosed or in a safe that is bolted to the floor. (Ord. 2017-0046 § 1)

5.150.470 Medical cannabis dispensary security.

- A. Security Cameras. Security surveillance cameras and a video recording system shall be installed in the medical cannabis dispensary to monitor the interior, main entrance, and exterior dispensary area to discourage loitering, crime, and illegal or nuisance activities. The

camera and recording system must be of adequate quality, color rendition, and resolution to allow the identification of any individual present in the dispensary area.

B. Security Video Retention. Video from the security surveillance cameras shall be maintained for a period of not less than 30 days and 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.

D. Concealed. A medical cannabis dispensary shall not allow or permit cannabis to be visible from the building exterior. (Ord. 2017-0046 § 1)

5.150.480 Signage.

A. The following signs in measurements of not less than 8 by 10 inches shall be clearly and legibly posted in a conspicuous location inside the medical cannabis dispensary where they will be visible to members and customers in the normal course of a transaction, stating:

1. "Smoking, ingesting or consuming cannabis on this property or within 20 feet of the dispensary is prohibited."
 2. "Juveniles are prohibited from entering this property unless they are a qualified patient or a primary caregiver and they are in the presence of their parent or legal guardian."
 3. "Neither the City of Sacramento, County of Sacramento, nor any other governmental agency has tested or inspected any cannabis product for pesticides, or other regulated contaminants, distributed at this location."
 4. "The sale of cannabis and the diversion of cannabis for non-medical purposes are violations of state law."
- B. Signs on the medical cannabis dispensary building shall not obstruct the entrance or windows of the dispensary. (Ord. 2017-0046 § 1)

5.150.490 Maintenance of member or customer records.

A. A medical cannabis dispensary shall maintain the following member and customer records on the dispensary property:

1. The name, date of birth, physical address, and telephone number(s) of each member or customer of the dispensary; the date each member or customer joined the dispensary; and the status of each member or customer as a qualified patient or primary caregiver.
2. A copy of each member's and customer's written physician recommendation and the designation of a primary caregiver by a qualified patient.

B. These records shall be maintained by the medical cannabis dispensary in printed format for a period of not less than three years and shall be produced to the city within 24 hours after receipt of the city's request.

C. The medical cannabis dispensary shall report any loss, damage or destruction of these records to the city manager within 24 hours of the loss, damage or destruction. (Ord. 2017-0046 § 1)

5.150.500 Display of dispensary permit.

The medical cannabis dispensary permittee shall display at all times during business hours its current valid dispensary permit issued pursuant to the provisions of this chapter. The permit shall be displayed in a conspicuous place so that it may be readily seen by all persons entering the dispensary. (Ord. 2017-0046 § 1)

5.150.510 Alcoholic beverages.

No medical cannabis dispensary or manager shall cause or permit the sale, distribution, or consumption of alcoholic beverages on the dispensary property; hold or maintain a license from the State Division of Alcoholic Beverage Control for the sale of alcoholic beverages; or operate a business on or adjacent to the dispensary property that sells alcoholic beverages. No alcoholic beverages shall be allowed or stored on the dispensary property. (Ord. 2017-0046 § 1)

5.150.520 Dispensary must be a collective or cooperative.

A. A medical cannabis dispensary shall operate only as a cooperative or collective of four or more members who associate at a particular location or real property to collectively or cooperatively distribute cannabis to members for medical purposes, and shall operate on a not-for-profit basis.

B. A manager of a medical cannabis dispensary must be a member registered with that medical cannabis dispensary.

C. This section shall not apply to any medical cannabis dispensary that is licensed by the state of California to conduct the commercial retail sales of medical cannabis. (Ord. 2017-0046 § 1)

Article IV. Cannabis Cultivation

5.150.530 Cannabis cultivation permit required.

A. No person shall cultivate cannabis without a valid cannabis cultivation permit issued pursuant to this article.

B. The types of cannabis cultivation permits issued pursuant to this article include:

1. Class A, for indoor cultivation of less than or equal to 5,000 square feet of total canopy size on one cultivation site.
2. Class B, for indoor cultivation of between 5,001 and 10,000 square feet of total canopy size on one cultivation site.
3. Class C, for indoor cultivation of between 10,001 and 22,000 square feet of total canopy size on one cultivation site.

- C. This article does not apply to the cultivation of cannabis in accordance with chapter 8.132. (Ord. 2017-0046 § 1)

5.150.540 Fees.

- A. The following cannabis cultivation permit program fees are established and imposed:
1. Class A cannabis cultivation permit program fee;
 2. Class B cannabis cultivation permit program fee; and
 3. Class C cannabis cultivation permit program fee.
- B. The city council shall establish by resolution the amounts of the fees specified in subsection A, and any related penalties. (Ord. 2017-0046 § 1)

5.150.550 Collective or cooperative cultivation.

- A. A cannabis cultivation business must operate as a cooperative or collective of four or more members who associate at a particular location to collectively or cooperatively cultivate cannabis, and operate on a not-for-profit basis.
- B. Each manager and staff of a cannabis cultivation business must be a member who is registered with that cannabis cultivation business.
- C. This section shall not apply to any cannabis cultivation business that is licensed by the state of California to conduct the commercial cultivation of cannabis. (Ord. 2017-0046 § 1)

5.150.560 Indoor cultivation only.

- A. A cannabis cultivation permittee shall only cultivate cannabis in a fully enclosed building.
- B. A cannabis cultivation permittee shall not allow cannabis or cannabis products on the cultivation site to be visible from the public right of way, the unsecured areas surrounding the buildings on the site, or the site's main entrance and lobby. (Ord. 2017-0046 § 1)

5.150.570 Cultivation site buildings.

A cultivation site shall comply with the following requirements:

- A. Entrances. All entrances into the buildings on the cultivation site shall be locked at all times with entry controlled by the cannabis cultivation permittee's managers and staff.
- B. Main entrance and lobby. The cultivation 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 cultivation areas.
- C. Cultivation area. All cultivation areas in any building on the cultivation 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 cultivation permittee.
- D. Transport area. Each building with a cultivation area shall have an area designed for the secure transfer of cannabis from the cultivation area to a vehicle for transportation.
- E. Storage area. Each building with a cultivation area shall have adequate storage space for cannabis that has completed the cultivation process or is otherwise not being cultivated. 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 cultivation permittee. (Ord. 2017-0046 § 1)

5.150.580 Cultivation site security.

Each cultivation site 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 cultivation 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 cultivation 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. (Ord. 2017-0046 § 1)

5.150.590 Display of cannabis cultivation permit.

The cannabis cultivation permittee shall display its current valid cannabis cultivation permit issued in accordance with this article inside the lobby or waiting area of the main entrance to the cultivation site. The permit shall be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the cultivation site. (Ord. 2017-0046 § 1)

5.150.600 Signs.

- A. A cannabis cultivation permittee shall post in the lobby of the cultivation site signs that state the following:
1. "This site is not open to the public."
 2. "Retail sales of any goods and services is prohibited."

3. "Juveniles are prohibited from entering this site."
4. "Smoking, ingesting, or consuming cannabis on or within 20 feet of this site is prohibited."
- B. Each sign described in subsection A must be at least 8 inches by 10 inches in size and must be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the cultivation site. (Ord. 2017-0046 § 1)

5.150.610 Cultivation site restricted.

- A. No cannabis cultivation permittee shall open their cultivation site to the public.
- B. No cannabis cultivation permittee shall allow anyone on the cultivation 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.
- C. A manager must be on the cultivation site at all times that any other person, except for security guards, is on the site.
- D. While on the cultivation site, managers and staff of the cannabis cultivation permittee must wear their cannabis cultivation identification badge, issued by the city, at all times.
- E. Any person other than managers or staff who are on the cultivation site must sign in, wear a visitor badge, and be escorted on the site by a manager at all times. (Ord. 2017-0046 § 1)

5.150.620 Juveniles prohibited.

- A. No juvenile shall be on the cultivation site or operate a cannabis cultivation business in any capacity, including, but not limited to, as a manager, staff, employee, contractor, or volunteer.
- B. No cannabis cultivation permittee shall allow any violation of subsection A. (Ord. 2017-0046 § 1)

5.150.630 Retail sales prohibited.

No person shall conduct any retail sales of any good or services on or from a permitted cultivation site. (Ord. 2017-0046 § 1)

5.150.640 Cannabis consumption prohibited.

No person shall smoke, ingest, or otherwise consume cannabis in any form on, or within 20 feet of, the cultivation site. (Ord. 2017-0046 § 1)

5.150.650 Alcohol prohibited.

No person shall possess, consume, or store any alcoholic beverage on the cultivation site. (Ord. 2017-0046 § 1)

Article V. Cannabis Testing Laboratory

5.150.660 Cannabis testing laboratory permit required.

No person shall operate a cannabis testing laboratory without a valid cannabis testing laboratory permit issued pursuant to this article. (Ord. 2017-0046 § 1)

5.150.670 Cannabis testing laboratory permit program fee.

The cannabis testing laboratory permit program fee is established and imposed. The city council shall establish by resolution the amount of the cannabis testing laboratory permit program fee, and any related penalties. (Ord. 2017-0046 § 1)

5.150.680 Collective or cooperative laboratory.

- A. A cannabis testing laboratory must operate as a cooperative or collective of four or more members who associate at a particular location to collectively or cooperatively test cannabis, and operate on a not-for-profit basis.
- B. Each manager and staff of a cannabis testing laboratory must be a member who is registered with that cannabis testing laboratory.
- C. This section shall not apply to any cannabis testing laboratory that is licensed by the state of California to conduct the commercial testing of cannabis. (Ord. 2017-0046 § 1)

5.150.690 Indoor testing only.

- A. A cannabis testing laboratory permittee shall only test cannabis in a fully enclosed building.
- B. A cannabis testing laboratory permittee shall not allow cannabis or cannabis products on the laboratory site to be visible from the public right of way, the unsecured areas surrounding the buildings on the site, or the site's main entrance and lobby. (Ord. 2017-0046 § 1)

5.150.700 Cannabis testing laboratory site buildings.

A cannabis testing laboratory site shall comply with the following requirements:

- A. Entrances. All entrances into the buildings on the laboratory site shall be locked at all times with entry controlled by the cannabis testing laboratory permittee's managers and staff.
- B. 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.

C. 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 permittee.

D. 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.

E. 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 permittee. (Ord. 2017-0046 § 1)

5.150.710 Cannabis testing laboratory site security.

Each laboratory site 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 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 must be of adequate quality, color rendition, and resolution to allow the identification of any individual present on the laboratory 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. (Ord. 2017-0046 § 1)

5.150.720 Display of cannabis testing laboratory permit.

The cannabis testing laboratory permittee shall display its current valid cannabis testing laboratory permit issued in accordance with this article inside the lobby or waiting area of the main entrance to the laboratory site. The permit shall be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the laboratory site. (Ord. 2017-0046 § 1)

5.150.730 Signs.

A. A cannabis testing laboratory permittee shall post in the lobby of the laboratory site signs that state the following:

1. "This site is not open to the public."

2. "Retail sales of any goods and services is prohibited."

3. "Juveniles are prohibited from entering this site."

4. "Smoking, ingesting, or consuming cannabis on or within 20 feet of this site is prohibited."

B. Each sign described in subsection A must be at least 8 inches by 10 inches in size and must be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the laboratory site. (Ord. 2017-0046 § 1)

5.150.740 Laboratory site restricted.

A. No cannabis testing laboratory permittee shall open their laboratory site to the public.

B. No cannabis testing laboratory permittee shall 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.

C. A manager must be on the laboratory site at all times that any other person, except for security guards, is on the site.

D. While on the laboratory site, managers and staff of the cannabis testing laboratory permittee must wear their cannabis testing identification badge, issued by the city, at all times.

E. Any person other than managers or staff who are on the laboratory site must sign in, wear a visitor badge, and be escorted on the site by a manager at all times. (Ord. 2017-0046 § 1)

5.150.750 Juveniles prohibited.

A. No juvenile shall 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.

B. No cannabis testing laboratory permittee shall allow any violation of subsection A. (Ord. 2017-0046 § 1)

5.150.760 Retail sales prohibited.

No person shall conduct any retail sales of any good or services on or from a permitted cannabis testing laboratory site. (Ord. 2017-0046 § 1)

5.150.770 Cannabis consumption prohibited.

No person shall smoke, ingest, or otherwise consume cannabis in any form on, or within 20 feet of, the laboratory site. (Ord. 2017-0046 § 1)

5.150.780 Alcohol prohibited.

No person shall possess, consume, or store any alcoholic beverage on the laboratory site. (Ord. 2017-0046 § 1)

Article VI. Cannabis Manufacturing

5.150.790 Cannabis manufacturing permit required.

No person shall operate a cannabis manufacturing business without a valid cannabis manufacturing permit issued pursuant to this article. (Ord. 2017-0046 § 1)

5.150.800 Cannabis manufacturing permit program fee.

The cannabis manufacturing permit program fee is established and imposed. The city council shall establish by resolution the amount of the cannabis manufacturing permit program fee, and any related penalties. (Ord. 2017-0046 § 1)

5.150.810 Collective or cooperative manufacturing.

- A. A cannabis manufacturing business must operate as a cooperative or collective of four or more members who associate at a particular location to collectively or cooperatively manufacture cannabis, and operate on a not-for-profit basis.
- B. Each manager and staff of a cannabis manufacturing business must be a member who is registered with that cannabis manufacturing business.
- C. This section shall not apply to any cannabis manufacturing business that is licensed by the state of California to conduct the commercial manufacturing of cannabis. (Ord. 2017-0046 § 1)

5.150.820 Indoor manufacturing only.

- A. A cannabis manufacturing permittee shall only manufacture cannabis in a fully enclosed building.
- B. A cannabis manufacturing permittee shall not allow cannabis or cannabis products on the manufacturing site to be visible from the public right of way, the unsecured areas surrounding the buildings on the site, or the site's main entrance and lobby. (Ord. 2017-0046 § 1)

5.150.830 Nonvolatile extraction only.

No cannabis manufacturing business shall use a volatile solvent to extract the resin or other substance from any part of a cannabis plant. (Ord. 2017-0046 § 1)

5.150.840 Cannabis manufacturing site buildings.

A cannabis manufacturing site shall comply with the following requirements:

- A. Entrances. All entrances into the buildings on the manufacturing site shall be locked at all times with entry controlled by the cannabis manufacturing permittee's managers and staff.
- B. Main entrance and lobby. The manufacturing 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 manufacturing areas.
- C. Manufacturing area. All manufacturing areas in any 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 permittee.
- D. Transport area. Each building with a manufacturing area shall have an area designed for the secure transfer of cannabis from a vehicle to the manufacturing area.
- E. Storage area. Each building with a manufacturing area shall have adequate storage space for cannabis that has been manufactured or is waiting to be manufactured. 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 manufacturing permittee. (Ord. 2017-0046 § 1)

5.150.850 Cannabis manufacturing site security.

Each manufacturing site 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 manufacturing 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 manufacturing 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. (Ord. 2017-0046 § 1)

5.150.860 Display of cannabis manufacturing permit.

The cannabis manufacturing permittee shall display its current valid cannabis manufacturing permit issued in accordance with this article inside the lobby or waiting area of the main entrance to the manufacturing site. The permit shall be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the manufacturing site. (Ord. 2017-0046 § 1)

5.150.870 Signs.

- A. A cannabis manufacturing permittee shall post in the lobby of the manufacturing site signs that state the following:
 - 1. "This site is not open to the public."
 - 2. "Retail sales of any goods and services is prohibited."
 - 3. "Juveniles are prohibited from entering this site."
 - 4. "Smoking, ingesting, or consuming cannabis on or within 20 feet of this site is prohibited."
- B. Each sign described in subsection A must be at least 8 inches by 10 inches in size and must be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the manufacturing site. (Ord. 2017-0046 § 1)

5.150.880 Manufacturing site restricted.

- A. No cannabis manufacturing permittee shall open their manufacturing site to the public.
- B. No cannabis manufacturing permittee shall allow anyone on the manufacturing 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.
- C. A manager must be on the manufacturing site at all times that any other person, except for security guards, is on the site.
- D. While on the manufacturing site, managers and staff of the cannabis manufacturing permittee must wear their cannabis manufacturing identification badge, issued by the city, at all times.
- E. Any person other than managers or staff who are on the manufacturing site must sign in, wear a visitor badge, and be escorted on the site by a manager at all times. (Ord. 2017-0046 § 1)

5.150.890 Juveniles prohibited.

- A. No juvenile shall 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.
- B. No cannabis manufacturing permittee shall allow any violation of subsection A. (Ord. 2017-0046 § 1)

5.150.900 Retail sales prohibited.

No person shall conduct any retail sales of any good or services on or from a permitted cannabis manufacturing site. (Ord. 2017-0046 § 1)

5.150.910 Cannabis consumption prohibited.

No person shall smoke, ingest, or otherwise consume cannabis in any form on, or within 20 feet of, the manufacturing site. (Ord. 2017-0046 § 1)

5.150.920 Alcohol prohibited.

No person shall possess, consume, or store any alcoholic beverage on the manufacturing site. (Ord. 2017-0046 § 1)

ORDINANCE NO. 2017-0060

Adopted by the Sacramento City Council

November 28, 2017

**An Ordinance Amending Various Provisions of Chapter
5.150 of the Sacramento City Code, Relating to
Storefront Cannabis Dispensaries, Delivery-Only
Cannabis Dispensaries, Cannabis Distribution, and
Volatile Solvents**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 5.150.020 of the Sacramento City Code is amended to read as follows:

5.150.020 Definitions.

As used in this chapter:

“Cannabis” has the same meaning as in California Business and Professions Code section 26001.

“Cannabis, adult-use” means cannabis or cannabis products intended to be sold for use by adults 21 years of age and over who do not possess a physician’s recommendation for the use of cannabis issued in accordance with the Compassionate Use Act of 1996 (California Health and Safety Code section 11362.5).

“Cannabis, medical” means cannabis or cannabis products intended to be sold for medical use by persons who possess a physician’s recommendation for the use of cannabis issued in accordance with the Compassionate Use Act of 1996 (California Health and Safety Code section 11362.5).

“Cannabis accessories” has the same meaning as in California Health and Safety Code section 11018.2.

“Cannabis business” means a business subject to the permit requirements of this chapter.

“Cannabis business permit” means any permit issued to a cannabis business pursuant to the provisions of this chapter.

“Cannabis cultivation business” means a business cultivating cannabis, including a nursery which produces clones, immature plants, seeds, or

other agricultural products specifically for the planting, propagation, and cultivation of cannabis.

“Cannabis dispensary, delivery-only” means a business selling cannabis or cannabis products only by delivery, not by completing the transfer in a building or structure that is open to customers or elsewhere on the dispensary site.

“Cannabis dispensary, storefront” means a business selling cannabis or cannabis products from a building or structure that is open to customers. A storefront cannabis dispensary does not include the following uses: a clinic licensed pursuant to chapter 1 of division 2 of the California Health and Safety Code; a health care facility licensed pursuant to chapter 2 of division 2 of the California Health and Safety Code; a residential care facility for persons with chronic life-threatening illness licensed pursuant to chapter 3.01 of division 2 of the California Health and Safety Code; a residential care facility for the elderly licensed pursuant to chapter 3.2 of division 2 of the California Health and Safety Code; and a residential hospice or a home health agency licensed pursuant to chapter 8 of division 2 of the California Health and Safety Code, as long as any such use complies with applicable laws including, but not limited to, the Compassionate Use Act of 1996 (California Health and Safety Code section 11362.5), the Medical Marijuana Program Act (California Health and Safety Code section 11362.7 et seq.), the Medicinal and Adult-Use Cannabis Regulation and Safety Act (California Business and Professions Code section 26000 et seq.), and the Sacramento City Code.

“Cannabis distribution business” means a business procuring, selling, and transporting cannabis and cannabis products between cannabis businesses.

“Cannabis identification card” has the same meaning as “identification card” in California Health and Safety Code section 11362.7.

“Cannabis manufacturing business” means a business producing, preparing, propagating, or compounding cannabis and cannabis products. Cannabis manufacturing business includes businesses involving the extraction of a substance from a cannabis plant, the infusion or mixture of cannabis into another substance, the preparation of an edible item that contains cannabis, and the packaging and labeling of cannabis or cannabis products. Cannabis manufacturing business does not include a cannabis cultivation business.

“Cannabis product” has the same meaning as in California Health and Safety Code section 11018.1.

“Cannabis testing laboratory” means a business performing scientific analysis of cannabis or cannabis products to determine chemical profile, presence of contaminants, or other similar data.

“City manager” means the city manager or designee.

“Conditional use permit” means a conditional use permit issued by the city pursuant to the Planning and Development Code.

“Cultivate” means to plant, grow, harvest, dry, cure, grade, or trim cannabis.

“Cultivation area” means the area on a cultivation site in which cannabis is cultivated.

“Deliver” means to transport any item from a cannabis business to a person other than another cannabis business.

“Juvenile” means any natural person who is under the age of 18 years.

“Manager” means a person who participates in the direction, control, or management of a cannabis business.

“Member” means any qualified patient, primary caregiver, or person with a cannabis identification card who is registered with a cannabis business.

“Person with a cannabis identification card” has the same meaning as “person with an identification card” in California Health and Safety Code section 11362.7.

“Physician” has the same meaning as in California Business and Professions Code section 4039.

“Primary caregiver” has the same meaning as in California Health and Safety Code section 11362.7.

“Private medical records” means records related to the medical history of a qualified patient, but does not include the recommendation of a physician for the medical use of cannabis, the designation of a primary caregiver by a qualified patient, or a cannabis identification card.

“Qualified patient” has the same meaning as in California Health and Safety Code section 11362.7.

“Reasonable compensation” means compensation commensurate with wages and benefits paid to officers and employees of other not-for-profit organizations who have similar job descriptions and duties, required level

of education and experience, prior individual earnings history, and number of hours worked.

“Sell” means engaging in any transaction, for any consideration, in which title of an item is transferred from one person to another, and includes delivery and soliciting or receiving orders.

“Site” means the portion of a parcel or parcels of real property upon which a cannabis business is operated.

“Staff” means a person other than a manager who works or provides services on the site of a cannabis business, whether as an employee, contractor, or volunteer.

“Transport” means to physically move items between cannabis businesses. Transport does not include delivery.

“Volatile solvent” means a solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. “Volatile solvent” does not include ethanol when used in a manner that will not create explosive or ignitable mixtures, as approved by the fire chief or designee.

SECTION 2.

A. Section 5.150.070 (interested parties) of the Sacramento City Code is amended as follows:

1. Subsection A.4 is added to read as follows:

4. Person who delivers cannabis or cannabis products for the cannabis business.

2. Subsection A.5 is added to read as follows:

5. Person who transports cannabis or cannabis products for the cannabis business.

B. Except as amended by subsection A above, all provisions of section 5.150.070 remain unchanged and in full effect.

SECTION 3.

Article III of chapter 5.150 of the Sacramento City Code is amended to read as follows:

Article III. Storefront Cannabis Dispensaries

5.150.330 Storefront cannabis dispensary permit required to operate.

A. No person shall operate a storefront cannabis dispensary without a valid storefront cannabis dispensary permit issued pursuant to this

chapter, or operate a storefront cannabis dispensary inconsistently with the permit conditions.

- B. Storefront cannabis dispensary permits issued pursuant to this chapter may include any or all of the following conditions:
 - 1. Type M condition. A business with a valid storefront cannabis dispensary permit with a type M condition issued pursuant to this chapter, and only such business, is authorized to sell medical cannabis, subject to the provisions of this chapter.
 - 2. Type A condition. A business with a valid storefront cannabis dispensary permit with a type A condition issued pursuant to this chapter, and only such business, is authorized to sell adult-use cannabis, subject to the provisions of this chapter.
 - 3. Type D condition. A business with a storefront cannabis dispensary permit with a type D condition issued pursuant to this chapter, and only such business, is authorized to deliver cannabis, whether medical or adult-use, subject to the provisions of this chapter.
- C. A medical cannabis dispensary permit issued pursuant to this code and valid on the effective date of this ordinance, is considered a storefront cannabis dispensary permit with only a type M condition.
- D. A storefront cannabis dispensary permittee may seek to add conditions to their permit at any time by submitting an application for renewal of the permit in accordance with article II of this chapter.

5.150.340 Storefront cannabis dispensary fees.

- A. The following fees are established and imposed pursuant to the provisions of this article:
 - 1. Storefront cannabis dispensary permit program fee;
 - 2. Type M condition fee;
 - 3. Type A condition fee; and
 - 4. Type D condition fee.
- B. When applying for a renewal of a storefront cannabis dispensary permit pursuant to this chapter, the applicant shall submit the storefront cannabis dispensary permit program fee, plus a condition fee for each condition that the applicant is seeking to obtain.

- C. The city council shall establish by resolution the amounts of the fees specified in subsection A, and any related penalties.

5.150.350 Limit on storefront cannabis dispensary permits.

- A. Notwithstanding any contrary provision in this chapter, the city shall not issue a new storefront cannabis dispensary permit if there are 30 or more valid storefront cannabis dispensary permits at the time an application is submitted. Whenever the number of storefront cannabis dispensary permits falls below 30, the city manager may conduct a lottery, in accordance with this section, to determine eligible applicants for the available permit or permits.
- B. Prior to conducting a lottery, the city manager shall publish a notice in a newspaper of general circulation in the city pursuant to California Government Code section 6063. The notice must announce a date for the lottery, a request that any person wishing to be considered for a storefront cannabis dispensary permit should file a lottery application with the city manager, and a date when applications are due. The city manager may give additional public notice of the lottery as the city manager deems appropriate.
- C. Lottery applications must be on a form approved by the city manager and may require information or documentation consistent with the provisions of this code and state law, and other assurances that the applicant will be able to successfully apply for and operate a storefront cannabis dispensary if they are selected in the lottery.
- D. The director shall thereafter conduct a lottery among all those filing a complete lottery application, and establish a sequence in which potential applicants will be considered for the available permits. Specific rules and procedures for the lottery shall be established by the director and approved by resolution of the city council.
- E. If the selected applicant fails to qualify for a storefront cannabis dispensary permit or elects not to proceed with the permit application process, applicants drawn in sequence in the lottery shall be considered until the permit is issued.

5.150.360 Storefront cannabis dispensary location – Relocation.

- A. No person shall operate a storefront cannabis dispensary at any place other than the specific location for which the dispensary permit is granted.

- B. A storefront cannabis dispensary permittee may modify the location for which its dispensary permit is granted by filing a relocation application with the city manager's office.
- C. Article II of this chapter, relating to cannabis business permit applications, applies to relocation applications.

5.150.370 Indoor operations only.

A storefront cannabis dispensary permittee shall not allow cannabis, cannabis products, or cannabis accessories on the dispensary site to be visible from the public right-of-way, the unsecured areas surrounding the buildings on the site, or the site's main entrance and lobby.

5.150.380 Storefront cannabis dispensary age restrictions.

- A. No person under 21 years of age shall operate a storefront cannabis dispensary in any capacity, including but not limited to, as a manager, staff, employee, contractor, or volunteer.
- B. No person under 21 years of age shall be in the storefront cannabis dispensary building unless they are a qualified patient or a primary caregiver.
- C. No person under 18 years of age shall be in the storefront cannabis dispensary building unless they are a qualified patient or a primary caregiver, and they are accompanied by their parent or legal guardian.
- D. No storefront cannabis dispensary permittee shall allow any violation of subsections A, B, or C.

5.150.390 Operating hours.

The maximum hours of operation for a storefront cannabis dispensary shall be daily from 7:00 a.m. to 9:00 p.m. unless the city manager imposes more restrictive hours as a condition of the permit.

5.150.400 Storefront cannabis dispensary site restricted.

- A. All entrances into a storefront cannabis dispensary's building shall be locked from the exterior at all times with entry controlled by dispensary personnel.
- B. A manager must be on the storefront cannabis dispensary site at all times that any other person, except for security guards, is on the site.

- C. While on the storefront cannabis dispensary site, managers and staff of the storefront cannabis dispensary permittee must wear their city-issued cannabis dispensary identification badge at all times.
- D. Any person other than managers or staff shall be escorted by a manager at all times while in the storefront cannabis dispensary building.

5.150.410 Medical cannabis dispensing operations.

- A. A cannabis business that is expressly authorized to sell medical cannabis pursuant to this chapter shall sell medical cannabis only to:
 - 1. Qualified patients with a currently valid physician's recommendation in compliance with the Compassionate Use Act of 1996 (California Health and Safety Code section 11362.5), the Medical Marijuana Program Act (California Health and Safety Code section 11362.7 et seq.), and valid government-issued identification such as a Department of Motor Vehicles driver's license or State Identification Card; or
 - 2. Primary caregivers with a verified primary caregiver designation by their qualified patients, a copy of their qualified patient's valid physician's recommendation in compliance with the Compassionate Use Act of 1996 (California Health and Safety Code section 11362.5), the Medical Marijuana Program Act (California Health and Safety Code section 11362.7 et seq.), and valid official identification such as a Department of Motor Vehicles driver's license or State Identification Card.
- B. No cannabis business that is expressly authorized to sell medical cannabis pursuant to this chapter shall have a physician on the dispensary site to evaluate patients or provide a recommendation for medical cannabis.

5.150.415 Cannabis accessories.

A cannabis business that is expressly authorized to sell cannabis pursuant to this chapter, whether medical cannabis or adult-use cannabis, may also sell cannabis accessories and display cannabis accessories on up to 150 square feet of their site.

5.150.420 Adult-use cannabis dispensing operations.

A cannabis business that is expressly authorized to sell adult-use cannabis pursuant to this chapter shall only sell adult-use cannabis to persons who are 21 years of age or older, and who are in possession of a valid government-issued identification card.

5.150.430 Cannabis consumption prohibited.

No storefront cannabis dispensary shall allow any person to smoke, ingest, or otherwise consume cannabis or cannabis products in any form on, or within 20 feet of, the dispensary site.

5.150.450 Cannabis cultivation prohibited.

No storefront cannabis dispensary shall grow or cultivate cannabis, except for immature nursery stock cannabis plants, on the dispensary site.

5.150.460 Storefront cannabis dispensary buildings.

- A. The storefront cannabis dispensary building must not exceed 8,000 square feet.
- B. Floor Plan. A storefront cannabis dispensary must have a lobby waiting area at the entrance to receive persons to verify that they are members of that dispensary or are otherwise allowed to be on the dispensary site. A dispensary must also have a separate and secure area designated for selling cannabis, cannabis products, and cannabis accessories to its customers. The main entrance must be located and maintained clear of barriers, landscaping, and similar obstructions so that it is clearly visible from public streets or sidewalks.
- C. Storage. A storefront cannabis dispensary must have adequate locked storage on the dispensary site, identified and approved as a part of the security plan, for after-hours storage of cannabis and cannabis products. Cannabis and cannabis products must be stored at the dispensary site in secured rooms that are completely enclosed or in a safe that is bolted to the floor.

5.150.470 Storefront cannabis dispensary security.

Storefront cannabis dispensaries shall comply with the following security provisions at all times:

- A. Licensed Security Personnel. A dispensary must have adequate state-licensed security personnel to patrol the dispensary site and

the area within 100 feet of the site, in order to preserve the safety of persons and to protect the dispensary from theft.

- B. Security Cameras. The dispensary must have security surveillance cameras and a video recording system that monitor the interior, main entrance, and exterior of the dispensary site to discourage loitering, crime, and illegal or nuisance activities. The camera and recording system must be of adequate quality, color rendition, and resolution to allow the identification of any individual present on the dispensary site.
- C. Security Video Retention. Video from the security surveillance cameras shall be maintained by the dispensary for a period of not less than 30 days and shall be made available to the city upon request.
- D. Alarm System. A dispensary must have professionally and centrally-monitored fire, robbery, and burglar alarm systems that are maintained in good working condition.

5.150.480 Signage.

- A. Each storefront cannabis dispensary must have a sign stating, "Smoking, ingesting, or consuming cannabis or cannabis products on this site or in a public place is prohibited."
- B. A storefront cannabis dispensary that is only authorized to sell medical cannabis must have a sign stating, "Medical cannabis sales only. Only qualified patients and primary caregivers may enter. Any qualified patient or primary caregiver under 18 years of age must be in the presence of their parent or legal guardian."
- C. A storefront cannabis dispensary that is only authorized to sell adult-use cannabis must have a sign stating, "Adult-use cannabis sales only. Persons under 21 years of age are prohibited from entering."
- D. A storefront cannabis dispensary that is authorized to sell both medical and adult-use cannabis must have a sign stating, "Medical and adult-use cannabis for sale. Persons under 21 years of age are prohibited from entering this property unless they are a qualified patient or a primary caregiver. Any qualified patient or primary caregiver under 18 years of age must be in the presence of their parent or

legal guardian.” If separate rooms are provided for medical cannabis and adult-use cannabis, the signs described in subsections B and C may be posted next to each room as appropriate.

- E. Signs required by this section must comply with the following:
 - 1. The signs must be clearly legible and not less than 8 inches by 10 inches in size;
 - 2. The signs must be posted inside the dispensary where they will be visible to members and customers in the normal course of a transaction;
 - 3. The signs must not obstruct the entrance or windows of the dispensary.

5.150.490 Maintenance of medical cannabis records.

- A. A storefront cannabis dispensary shall maintain records of the following information for each member and customer of the dispensary that purchases medical cannabis:
 - 1. The name, date of birth, physical address, and telephone number; and their status as a qualified patient or primary caregiver.
 - 2. A copy of each qualified patient’s written physician recommendation and their designation of a primary caregiver.
- B. These records shall be maintained by the storefront cannabis dispensary for a period of not less than three years and shall be produced to the city within 24 hours after receipt of the city’s request.
- C. The storefront cannabis dispensary shall report any loss, damage or destruction of these records to the city manager within 24 hours of the loss, damage or destruction.

5.150.500 Display of storefront cannabis dispensary permit.

The storefront cannabis dispensary permittee shall display at all times during business hours, its current valid storefront dispensary permit issued pursuant to this chapter. The permit shall be displayed in a conspicuous place so that it may be readily seen by all persons entering the dispensary.

5.150.510 Alcoholic beverages.

No storefront cannabis dispensary or manager shall cause or allow the sale, distribution, or consumption of alcoholic beverages on the dispensary site; hold or maintain a license from the State Division of Alcoholic Beverage Control for the sale of alcoholic beverages; or operate a business on or adjacent to the dispensary site that sells alcoholic beverages. No person shall possess or store alcoholic beverages on the dispensary site.

5.150.520 Dispensary must be a collective or cooperative.

- A. A storefront cannabis dispensary shall operate only as a cooperative or collective of four or more members who associate at a particular location or real property to collectively or cooperatively sell medical cannabis to members. A storefront cannabis dispensary shall not sell medical cannabis or cannabis accessories to non-members.
- B. A manager of a storefront cannabis dispensary must be a member registered with that dispensary.
- C. A storefront cannabis dispensary shall acquire its supply of medical cannabis only from its members and shall not purchase or otherwise supply itself with medical cannabis from non-members.
- D. A storefront cannabis dispensary may only possess an amount of medical cannabis consistent with each member's reasonable medical needs.
- E. A storefront cannabis dispensary shall operate on a not-for-profit basis. It may credit its members for medical cannabis they provide to it, which it may then transfer to other members. Members may also reimburse the dispensary for medical cannabis or cannabis accessories that have been transferred to them. Any monetary reimbursement that members provide to the dispensary shall not exceed the dispensary's overhead costs and expenses for operating the dispensary, including reasonable compensation for services provided to members.
- F. This section does not apply to any storefront cannabis dispensary that is licensed by the state of California to conduct the commercial retail sales of cannabis.

5.150.525 Delivery of cannabis.

A cannabis business that is expressly authorized to deliver cannabis pursuant to this chapter may deliver cannabis subject to the following provisions:

- A. All cannabis and cannabis products being delivered shall be obtained from the site of the cannabis business that is authorized to deliver cannabis. No cannabis or cannabis products may be delivered from any other facility, such as a separate storage facility or a cannabis product manufacturing facility.
- B. No person delivering cannabis or cannabis products shall possess more than \$3,000 worth of cannabis and cannabis products at any time.
- C. No person shall deliver cannabis or cannabis products in a vehicle that has any markings identifying it as a vehicle in which cannabis may be contained, or that is more than 10 years old. The age of the vehicle is measured by using January 1st of the model year of the vehicle as the starting date.
- D. The cannabis business shall use and maintain computer software to record the following information relating to each delivery:
 - 1. A delivery request that includes the date of the request, the full name of the person requesting the delivery, a specific description of the items requested, whether each item is a medical cannabis or adult-use cannabis product, and the address to which the items are to be delivered;
 - 2. The name of the person who delivered the items; and
 - 3. The date and time of the delivery.
- E. A person delivering cannabis or cannabis products on behalf of a dispensary shall carry the following items:
 - 1. A copy of the dispensary's current dispensary permit;
 - 2. The person's government-issued identification;
 - 3. The person's city-issued cannabis dispensary badge; and
 - 4. A copy of the delivery request as described in subsection C.1.

- F. Upon demand of a peace officer or city employee authorized to enforce this chapter, a person delivering cannabis or cannabis products pursuant to this section shall present the items listed in subsection E for examination.
- G. No person shall deliver cannabis to anyone except the person who requested the delivery. The person delivering the cannabis shall confirm compliance with sections 5.150.410 (medical cannabis dispensing operations) and 5.150.420 (adult-use cannabis dispensing operations), as applicable, by inspecting the relevant identification and documentation before handing the cannabis or cannabis product to the customer.
- H. A cannabis business shall maintain the information described in subsection D for at least three years on the site and shall produce the information to the city upon request.

SECTION 4.

Article VII is added to chapter 5.150 of the Sacramento City Code to read as follows:

Article VII. Delivery-Only Cannabis Dispensary

5.150.930 Delivery-only cannabis dispensary permit required.

No person shall operate a delivery-only cannabis dispensary without a valid delivery-only cannabis dispensary permit issued pursuant to this article.

5.150.940 Delivery-only cannabis dispensary permit program fee.

The delivery-only cannabis dispensary permit program fee is hereby established and imposed. The city council shall establish by resolution the amount of the delivery-only cannabis dispensary permit program fee, and any related penalties.

5.150.950 Collective or cooperative dispensary.

- A. A delivery-only cannabis dispensary must operate as a cooperative or collective of four or more members who associate at a particular location to collectively or cooperatively sell cannabis, and operate on a not-for-profit basis.
- B. Each manager and staff of a delivery-only cannabis dispensary must be a member who is registered with that dispensary.

- C. This section does not apply to any delivery-only cannabis dispensary that is licensed by the state of California to conduct the commercial sale or transfer of cannabis or cannabis products.

5.150.960 Indoor operations only.

A delivery-only cannabis dispensary permittee shall not allow cannabis, cannabis products, or cannabis accessories on the dispensary site to be visible from the public right-of-way, the unsecured areas surrounding the buildings on the site, or the site's main entrance and lobby.

5.150.970 Delivery-only cannabis dispensary site buildings.

A delivery-only cannabis dispensary site must comply with the following requirements:

- A. Entrances. All entrances into the buildings on the dispensary site must be locked at all times with entry controlled by the delivery-only cannabis dispensary permittee's managers and staff.
- B. Main entrance and lobby. The dispensary site must have a building with a main entrance that is clearly visible from the public street or sidewalk. The main entrance must be maintained clear of barriers, landscaping, and other obstructions. Inside of the main entrance, there must be a lobby to receive persons into the site and to verify whether they are allowed in the restricted areas.
- C. Restricted area. All areas in which cannabis or cannabis products are located in any building on the dispensary site must be separated from the main entrance and lobby, and must be secured by a lock accessible only to managers and staff of the delivery-only cannabis dispensary permittee.
- D. Transport area. Each building with a restricted area must have an area designed for the secure transfer of cannabis or cannabis products between a vehicle and the restricted area.
- E. Storage area. Each building with a restricted area must have adequate storage space for cannabis or cannabis products. The storage areas must be separated from the main entrance and lobby, and must be secured by a lock accessible only to managers and staff of the delivery-only cannabis dispensary permittee.

5.150.980 Delivery-only cannabis dispensary site security.

Each delivery-only cannabis dispensary site 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 dispensary 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 dispensary 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.

5.150.990 Display of delivery-only cannabis dispensary permit.

The delivery-only cannabis dispensary permittee shall display its current valid delivery-only cannabis dispensary permit issued in accordance with this article inside the lobby or waiting area of the main entrance to the dispensary site. The permit must be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the dispensary site.

5.150.1000 Signs.

- A. A delivery-only cannabis dispensary permittee shall post in the lobby of the dispensary site signs that state the following:
 - 1. "This site is not open to the public."
 - 2. "Retail sales of any goods and services is prohibited."
 - 3. "Persons under 21 years of age are prohibited from entering this site."

4. "Smoking, ingesting, or consuming cannabis on this site or in a public place is prohibited."
- B. Each sign described in subsection A must be at least 8 inches by 10 inches in size and must be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the dispensary site.

5.150.1010 Delivery-only dispensary site restricted.

- A. No delivery-only cannabis dispensary permittee shall open their dispensary site to the public.
- B. No delivery-only cannabis dispensary permittee shall allow anyone on the dispensary 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.
- C. A manager must be on the dispensary site at all times that any other person, except for security guards, is on the site.
- D. While on the dispensary site, managers and staff of the delivery-only cannabis dispensary permittee must wear their delivery-only cannabis dispensary identification badge, issued by the city, at all times.
- E. Any person other than managers or staff who are on the dispensary site must sign in, wear a visitor badge, and be escorted on the site by a manager at all times.

5.150.1020 Persons under 21 years of age prohibited.

- A. No person under 21 years of age shall be on the delivery-only cannabis dispensary site or operate the dispensary in any capacity, including, but not limited to, as a manager, staff, employee, contractor, or volunteer.
- B. No delivery-only cannabis dispensary permittee shall allow any violation of subsection A.

5.150.1030 Cannabis consumption prohibited.

No delivery-only cannabis dispensary shall allow any person to smoke, ingest, or otherwise consume cannabis or cannabis products in any form on, or within 20 feet of, the dispensary site.

5.150.1040 Alcohol prohibited.

No person shall possess, consume, or store any alcoholic beverage on the dispensary site.

5.150.1050 Retail sales prohibited on site.

No person shall conduct any retail sales of any goods or services to any person on a permitted delivery-only cannabis dispensary site.

5.150.1060 Medical cannabis dispensing operations.

A delivery-only cannabis dispensary may sell medical cannabis, subject to the provisions of section 5.150.410.

5.150.1070 Cannabis accessories.

A delivery-only cannabis dispensary may sell cannabis accessories.

5.150.1080 Adult-use cannabis dispensing operations.

A delivery-only cannabis dispensary may sell adult-use cannabis, subject to the provisions of section 5.150.420.

5.150.1090 Delivery of cannabis.

A delivery-only cannabis dispensary may deliver cannabis, cannabis products, and cannabis accessories, subject to the provisions of section 5.150.525.

SECTION 5.

Article VIII is added to chapter 5.150 of the Sacramento City Code to read as follows:

Article VIII. Cannabis Distribution

5.150.1100 Cannabis distribution permit required.

- A. No person shall operate a cannabis distribution business without a valid cannabis distribution permit issued pursuant to this chapter, or inconsistently with the type of permit issued.
- B. Types of cannabis distribution business permits issued pursuant to this chapter include the following:
 - 1. Type C (distribution center), for a cannabis distribution business operating on a site larger than 2,500 square feet.
 - 2. Type S (distribution service), for a cannabis distribution business operating on site that is 2,500 square feet or smaller.

5.150.1110 Cannabis distribution permit program fee.

The cannabis distribution permit program fee is established and imposed. The city council shall establish by resolution the amount of the cannabis distribution permit program fee, and any related penalties. The fee and penalties may be established at various amounts based on the type of permit.

5.150.1120 Collective or cooperative distribution.

- A. A cannabis distribution business must operate as a cooperative or collective of four or more members who associate at a particular location to collectively or cooperatively distribute cannabis, and operate on a not-for-profit basis.
- B. Each manager and staff of a cannabis distribution business must be a member who is registered with that cannabis distribution business.
- C. This section does not apply to any cannabis distribution business that is licensed by the state of California to conduct the commercial distribution of cannabis.

5.150.1130 Cannabis distribution site buildings.

A cannabis distribution site must comply with the following requirements:

- A. Entrances. All entrances into the buildings on the distribution site must be locked at all times with entry controlled by the cannabis distribution permittee's managers and staff.
- B. Main entrance and lobby. The distribution site must have a building with a main entrance that is clearly visible from the public street or sidewalk. The main entrance must be maintained clear of barriers, landscaping, and other obstructions. Inside of the main entrance, there must be a lobby to receive persons into the site and to verify whether they are allowed in the areas where cannabis or cannabis products are stored.
- C. Storage area. The distribution site must have adequate storage space for cannabis and cannabis products being distributed. All storage areas in any building on the distribution site must be separated from the main entrance and lobby, and must be secured by a lock accessible only to managers and staff of the cannabis distribution permittee.
- D. Transport area. Each building with a storage area must have an area designed for the secure transfer of cannabis between a vehicle and the distribution area.

5.150.1140 Cannabis distribution site security.

Each distribution site 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 distribution 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 distribution 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.

5.150.1150 Display of cannabis distribution permit.

The cannabis distribution permittee shall display its current valid cannabis distribution permit issued in accordance with this chapter inside the lobby or waiting area of the main entrance to the distribution site. The permit must be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the distribution site.

5.150.1160 Signs.

- A. A cannabis distribution permittee shall post in the lobby of the distribution site signs that state the following:
 - 1. "This site is not open to the public."
 - 2. "Retail sales of any goods and services is prohibited."
 - 3. "Persons under 21 years of age are prohibited from entering this site."
 - 4. "Smoking, ingesting, or consuming cannabis or cannabis products on this site or in a public place is prohibited."
- B. Each sign described in subsection A must be at least 8 inches by 10 inches in size and must be displayed at all times in a conspicuous place so that it may be readily seen by all persons entering the distribution site.

5.150.1170 Distribution site restricted.

- A. No cannabis distribution permittee shall open their distribution site to the public.
- B. No cannabis distribution permittee shall allow anyone on the distribution site, except for managers, staff, and other persons with a bona fide business or regulatory purpose for being there, such as contractors, inspectors, and distribution drivers.
- C. A manager must be on the distribution site at all times that any other person, except for security guards, is on the site.
- D. While on the distribution site, managers and staff of the cannabis distribution permittee must wear their cannabis distribution identification badge, issued by the city, at all times.
- E. Any person other than managers or staff who are on the distribution site must sign in, wear a visitor badge, and be escorted on the site by a manager at all times.

5.150.1180 Persons under 21 years of age prohibited.

- A. No person under 21 years of age shall be on the distribution site or operate a cannabis distribution business in any capacity, including, but not limited to, as a manager, staff, employee, contractor, or volunteer.
- B. No cannabis distribution permittee shall allow any violation of subsection A.

5.150.1190 Retail sales prohibited.

No person shall conduct any retail sales of any good or services on or from a permitted cannabis distribution site.

5.150.1200 Cannabis consumption prohibited.

No cannabis distribution business shall allow any person to smoke, ingest, or otherwise consume cannabis or cannabis products in any form on, or within 20 feet of, the distribution site.

5.150.1210 Alcohol prohibited.

No person shall possess, consume, or store any alcoholic beverage on the distribution site.

5.150.1220 Indoor storage only.

- A. A cannabis distribution permittee shall only store cannabis in a fully enclosed building on the distribution site. No cannabis or cannabis products in possession of the cannabis distribution business may

be stored in any other facility, such as a separate storage facility or a cannabis product manufacturing facility.

- B. A cannabis distribution permittee shall not allow cannabis or cannabis products on the distribution site to be visible from the public right of way, the unsecured areas surrounding the buildings on the site, or the site's main entrance and lobby.

5.150.1230 Transportation of cannabis.

- A. The cannabis distribution business shall use and maintain computer software to record the following information relating to the transportation of cannabis and cannabis products:
 - 1. A shipping manifest that includes a specific description of the items being transported, whether each item is a medical cannabis or adult-use cannabis product, and the name and address of the cannabis business to which the items are to be transported;
 - 2. The name of the person who transported the items;
 - 3. The date and time of the transport; and
 - 4. The name of the manager of the cannabis business who confirmed receipt of the items.
- B. A person transporting cannabis or cannabis products on behalf of a cannabis distribution business shall carry the following items:
 - 1. A copy of the distributor's current cannabis distribution business permit;
 - 2. The person's government-issued identification;
 - 3. The person's city-issued cannabis distribution business badge; and
 - 4. A copy of the shipping manifest as described in subsection A.1.
- C. Upon demand of a peace officer or city employee authorized to enforce this chapter, a person transporting cannabis or cannabis products pursuant to this section shall present the items listed in subsection B for examination.
- D. No person shall transport cannabis or cannabis products to anyone except a lawfully operated cannabis business. The person transporting the cannabis or cannabis products shall obtain a

signature from a manager of the cannabis business confirming receipt of the items listed in the shipping manifest, before leaving the items.

- E. A cannabis business shall maintain the information described in subsection A for at least three years on the site and shall produce the information to the city upon request.

Adopted by the City of Sacramento City Council on November 28, 2017, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:

 e-Signed by Mindy Cuppy
on 2017-12-05 17:06:46 GMT

City Clerk

December 05, 2017

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

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