

**AN ORDINANCE AMENDING TITLE 5, CHAPTERS 5.98, 5.99, AND 5.100; TITLE 16, CHAPTER 16.20, SECTION 16.20.020; CHAPTER 16.64, SECTION 16.64.040; CHAPTER 16.80, SECTION 16.80.195; AND CHAPTER 16.240, SECTION 16.240.020 RELATED TO THE CANNABIS REGULATORY PROGRAM**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STOCKTON AS FOLLOWS:**

**SECTION I: AMENDMENT OF CODE**

**Chapter 5.98 ~~MEDICAL~~ CANNABIS BUSINESS LICENSE TAX**

**5.98.010 Purpose and intent.**

This chapter is enacted solely to raise revenue for municipal purposes and is not intended for regulation. No payment of any tax required under this chapter shall be construed as authorizing the conduct or continuance of any illegal business or of a legal business in an illegal manner. This chapter is not intended to authorize any activity connected with a ~~Medical~~ Cannabis Business, unless otherwise authorized and allowed by the State of California and permitted by the City. (Ord. 2016-06-28-1503 § 2; Ord. 018-10 § 3, eff. 12-02-10)

**5.98.020 Definitions.**

For the purpose of this chapter, unless it is plainly evident from the context that a different meaning is intended, the following definitions shall apply:

“Cannabis” means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin.

“Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis, “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germinations. For the purpose of this division, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the Health and Safety Code.

~~“Cannabis” shall have the same meaning as set forth in Business and Professions Code Section 26001(f) as the same may be amended from time to time.~~

“City” means the City of Stockton.

“City Council” means the City Council of the City of Stockton.

“Code” means the Stockton Municipal Code.

“Commercial Cannabis Activity” means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis or sale of cannabis and cannabis products or any other activity provided for in this Code and in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Business and Professions Code, Division 10).~~“Commercial cannabis activity” shall have the same~~

~~meaning as that set forth in Business and Professions Code Section 26001(k) as the same may be amended from time to time.~~

## SECTION II: AMENDMENT OF CODE

### Chapter 5.99 ~~MARIJUANA~~**CANNABIS** BUSINESS LICENSE TAX

#### 5.99.010 Purpose and intent.

This chapter is enacted solely to raise revenue for municipal purposes and is not intended for regulation. This chapter shall apply only if: (1) State or Federal law authorizes the use of ~~cannabis marijuana~~ for any non-medical business, personal, or recreational purpose or activity; and (2) ~~cannabis marijuana~~-businesses, as defined in this chapter, are otherwise authorized to operate pursuant to all applicable City and State laws and regulations. This chapter shall not be construed to authorize the conduct or continuance of any illegal business or of a legal business in an illegal manner. No business license shall be issued until and unless the City Council adopts or enacts regulations which specifically allow the establishment and operation of ~~cannabis marijuana~~-businesses, as defined in this chapter, within the City. (Ord. 2016-06-28-1503 § 3; Ord. 018-10 § 4, eff. 12-02-10)

#### 5.99.020 Definitions.

For the purpose of this chapter, unless it is plainly evident from the context that a different meaning is intended, the following definitions shall apply:

“City” means the City of Stockton.

“City Council” means the City Council of the City of Stockton.

“Code” means the Stockton Municipal Code.

“Gross receipts” shall be defined as set forth in Section 5.04.010 of this Code, unless otherwise provided.

“Cannabis” means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin.

“Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germinations. For the purpose of this division, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the Health and Safety Code.

~~“Marijuana” means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Marijuana” includes products that contain Marijuana, concentrates and extractions.~~

“Commercial Cannabis Activity” means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis or sale of cannabis and cannabis products or any other activity provided for in this Code and in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Business and Professions Code, Division 10).  
~~“Marijuana business” means any facility, building, structure or location, whether fixed, mobile, permanent or temporary, for-profit or non-profit business, firm, corporation, partnership, entity, organization, association, or any person engaged in cultivation, planting, harvesting, production, processing, distribution, transportation,~~

~~manufacturing, compounding, converting, processing, preparing, storing, packaging, testing, or selling, whether retail or wholesale, of marijuana for any non-medical business, personal, or recreational purpose or activity. (Ord. 2016-06-28-1503 § 3; Ord. 018-10 § 4, eff. 12-02-10)~~

#### **5.99.030 Payment of tax.**

A. In addition to any requirements imposed by this Code, a cannabis marijuana business shall pay an annual business license tax in the amount of \$100.00 per \$1,000.00 of gross receipts.

B. The City Council may, in its discretion, at any time by ordinance or resolution impose the tax authorized by this section at a lower rate. No action by the City Council under this subsection shall prevent it from subsequently increasing the tax rate for cannabis marijuana business to the maximum specified in this section. (Ord. 2016-06-28-1503 § 3; Ord. 018-10 § 4, eff. 12-02-10)

#### **5.99.040 Effective date of this chapter.**

The ordinance codified in this chapter shall take effect only if approved by a majority of voters voting on the measure at the November 8, 2016 municipal election. If approved and enacted by the voters, this chapter shall only apply when and if State or Federal law authorizes the use of cannabis marijuana for any non-medical business, personal, or recreational purpose or activity, and cannabis marijuana businesses, as defined in this chapter, are otherwise authorized to operate pursuant to all applicable City and State laws and regulations. (Ord. 2016-06-28-1503 § 3; Ord. 018-10 § 4, eff. 12-02-10)

### **SECTION III: AMENDMENT OF CODE**

#### **Chapter 5.100 COMMERCIAL CANNABIS ACTIVITY PERMITS, ~~AUDIT AND REPORTING~~** **Note**

\* Prior ordinance history: Ords. 014-10 C.S., 2013-07-30-1603-02 C.S.

#### **5.100.010 Short title.**

This chapter shall be known as the “Commercial Cannabis Activity Permit ~~Audit and Reporting Ordinance~~.” (Ord. 2018-09-18-1502 § 4; Res. 2016-06-28-1503-01 § I)

#### **5.100.020 Purpose and application.**

The purpose of this chapter is to require the issuance of an annual permit to conduct, own, and operate cannabis businesses within the City; to enforce rules consistent with the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which ~~rules will~~ provides for the health, safety, and welfare of the public by implementing and enforcing a robust and effective regulatory framework for licensed commercial cannabis businesses; to require work permits for all employees; to establish standards for the issuance of said permits; to establish rules and regulations under which such permits shall remain in force, be suspended or revoked; and to provide ~~ing~~ penalties for violations thereof.

The provisions of this chapter are in addition to the business license and regulations required to conduct business. (Ord. 2018-09-18-1502 § 5; Res. 2016-06-28-1503-01 § I)

#### **5.100.030 Definitions.**

For the purposes of this chapter, certain words and phrases used herein are defined as follows:

“Administrative expenses” mean and include, but are not limited to:

1. The costs associated with any hearings before a Hearing Officer;

2. City's personnel costs, direct and indirect, incurred in enforcing this chapter and in preparing for, participating in or conducting any audit or hearings subject to this chapter, including, but not limited to, attorneys' fees;

3. The cost incurred by the City in documenting the violations of this code, including, but not limited to, the actual expense and costs of the City responding to the violation(s); investigating and enforcing statutory crimes related to the violation, including, but not limited to, court appearances; conducting inspections; attending hearings; and preparing notices, administrative citations, and orders.

"Annual State License" means an annual commercial cannabis business license issued by the California Bureau of Cannabis Control, California Department Food and Agriculture, or California Department of Public Health.

"Applicant" means a ~~P~~person who is required to file an application for a permit under this chapter, including an individual owner, managing partner, officer of a corporation, or any other operator, manager, employee, or agent of a cannabis business.

~~—————"Cannabis" shall have the same meaning as set forth in Business and Professions Code Section 26001(f) as the same may be amended from time to time.~~

"Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. Cannabis also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germinations. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. This definition shall have the same meaning as set forth in Business and Professions Code Section 26001(f) as the same may be amended from time to time.

"Caregiver" or "primary caregiver" shall have the same meaning as set forth in Health and Safety Code Section 11362.7 as the same may be amended from time to time.

~~—————"City" means the City of Stockton.~~

~~—————"City Council" means the City Council of the City of Stockton.~~

~~—————"Code" means the Stockton Municipal Code.~~

~~—————"Commercial cannabis activity" shall have the same meaning as that set forth in Business and Professions Code Section 26001(k) as the same may be amended from time to time.~~

"Commercial Cannabis Activity" means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis or sale of cannabis and cannabis products or any other activity provided for in this Code and in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Business and Professions Code, Division 10). This definition shall have the same meaning as set forth in

Business and Professions Code Section 26001(k) as the same may be amended from time to time.

“Cooperative” shall mean two or more persons collectively or cooperatively cultivating, using, transporting, possessing, administering, delivering or making ~~available~~ medical cannabis marijuana available, with or without compensation.

“Cultivation Operator Permit” means a license issued by the City to plant, grow, harvest, dry, cure, grade, or trim cannabis and that holds an authorized Annual State License with an A-License or M-License designation.

~~“Cultivation” shall have the same meaning as set forth in Business and Professions Code Section 26001(f) as the same may be amended from time to time.~~

~~“Cultivation site” shall have the same meaning as set forth in Business and Professions Code Section 26001(m) as the same may be amended from time to time.~~

“Delivery” shall have the same meaning as set forth in Business and Professions Code Section 26001(p) as the same may be amended from time to time.

“Distribution” shall have the same meaning as set forth in Business and Professions Code Section 26001(r) as the same may be amended from time to time.

“Distributor Operator Permit” means a permit issued by the City to procure, sell, and transport cannabis and cannabis products to a person or persons who hold an authorized Annual State License with an A-License or M-License designation.

“Employee” means every operator, employee, volunteer, or other person who proposes to work and/or assist in any way in the operation of a permitted commercial cannabis business, including security, regardless of whether that person receives compensation.

“Manufacturer Operator Permit” means a permit to conduct the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or re-labels its container to a person or persons who hold an authorized Annual State License with an A-License or M-License designation.

“Manufacturing site” shall have the same meaning as set forth in Business and Professions Code Section 19300.5 (a-f) as the same may be amended from time to time.

~~“Dispensary” shall mean a retail storefront where medical and/or adult-use cannabis products can be sold. For purposes of this chapter, “dispensary” shall also include a cooperative. “Dispensary” shall not include the following uses: (1) a clinic licensed pursuant to Chapter 1 of Division 2 of the California Health and Safety Code; (2) a health care facility licensed pursuant to Chapter 2 of Division 2 of the California Health and Safety Code; (3) a residential care facility for persons with chronic life-threatening illnesses licensed pursuant to Chapter 3.01 of Division 2 of the California Health and Safety Code; (4) a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the California Health and Safety Code; (5) a residential hospice or home health agency licensed pursuant to Chapter 8 of Division 2 of the California Health and Safety Code.~~

~~“Distribution” shall have the same meaning as set forth in Business and Professions Code Section 26001(r) as the same may be amended from time to time.~~

~~“Employee” means every operator, employee, volunteer, or other person who proposes to work and/or assist in any way in the operation of a cannabis business, including security, regardless of whether that person receives compensation.~~

~~“Manufacturer” shall have the same meaning as set forth in Business and Professions Code Section 26001(ah) as the same may be amended from time to time.~~

~~“Medical cannabis,” “medical cannabis product,” or “cannabis product” shall have the same meanings as set forth in Business and Professions Code Section 26001(ai) as the same may be amended from time to time.~~

“Medicinal and Adult-Use Cannabis Regulation and Safety Act” or “MAUCRSA” shall mean Senate Bill 94, which passed June 2017, or Business and Professions Code, Division 10, which integrated Medical Cannabis Regulation and Safety Act (MCRSA) and Adult Use of Marijuana Act (AUMA) to create a single regulatory system governing the medical and adult-use cannabis industry in California.

“Microbusiness” means a person holding a state license issued under paragraph (3) of subdivision (a) of California Business and Professions Code Section 26070. A microbusiness may act (in part or whole) as a retailer, distributor, manufacturer (Level 1), and cultivator (on an area less than 10,000 sq. ft.). A microbusiness must engage in at least three (3) of the following commercial cannabis business activities:

- A. Retailer or Retailer – Non-Storefront
- B. Distributor or Distributor – Transport Only
- C. Cultivation (less than 10,000 sq. ft.)
- D. Manufacturer (Level 1, Type 6)

“Non-Storefront Delivery Operator Permit” means a cannabis business type that holds a valid retail Annual State License that delivers cannabis and cannabis products to customer from a licensed premise that is not accessible by or open to members of the public.

~~“Nursery” shall have the same meaning as set forth in Business and Professions Code Section 26001(aj) as the same may be amended from time to time.~~

“Nursery” means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis. Nursery will have the same meaning as set forth in Business and Professions Code Section 26001(aj) and may be amended from time to time.

“Permittee” shall mean the person to whom a Cannabis Operators pPermit is issued pursuant to this chapter.

“Person” shall mean any individual, partnership, co-partnership, firm, association, collective, cooperative, joint stock company, corporation, limited liability company, or combination of the above in whatever form or character.

“Qualifying patient” or “qualified patient” shall have the same meaning as set forth in Health and Safety Code Section 11362.7 as the same may be amended from time to time.



“Retailer Operator Permit” shall mean a retail storefront permitted by the City where medical and/or adult-use cannabis products can be sold. For purposes of this chapter, “retailer operator permit” shall also include a cooperative. “Retailer Operator Permit” shall not include the following uses: (1) a clinic licensed pursuant to Chapter 1 of Division 2 of the California Health and Safety Code; (2) a health care facility licensed pursuant to Chapter 2 of Division 2 of the California Health and Safety Code; (3) a residential care facility for persons with chronic life-threatening illnesses licensed pursuant to Chapter 3.01 of Division 2 of the California Health and Safety Code; (4) a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the California Health and Safety Code; or (5) a residential hospice or home health agency licensed pursuant to Chapter 8 of Division 2 of the California Health and Safety Code.

“Testing laboratory” shall have the same meaning as set forth in Business and Professions Code Section 26001(at) as the same may be amended from time to time. (Ord. 2018-09-18-1502 § 6; Res. 2016-06-28-1503-01 § 1)

“Self-Distribution” means distribution that is limited to cannabis product cultivated or manufactured onsite.

“Sell,” “Sale,” and “to Sell” means any transaction whereby, for any consideration, title to cannabis or cannabis products is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a licensee to the licensee from whom the cannabis or cannabis product was purchased.

“Testing Laboratory Permit” means a permit issued to a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products for medical and/or adult use that hold a valid Annual State License.

“Vertical Integration” means a business strategy by which a company/person controls every or multiple stage(s) of a single production path. For example, a cannabis business achieves vertical integration when it consolidates multiple steps in the cannabis production process by cultivating, manufacturing and distributing the product.

#### **5.100.040 Commercial Cannabis Activity Requirements.**

It is unlawful for any person to operate a cannabis business without first having obtained a conditional use permit pursuant to Stockton Municipal Code Section 16.80.195 and an operators permit pursuant to this chapter. Prior to issuance of any required permit, the applicant must pay all applicable fees, in the amount as may be fixed and established from time to time by resolution of the City Council. (Ord. 2018-09-18-1502 § 7; Res. 2016-06-28-1503-01 § 1)

- A. Commercial cannabis activity shall be a specific, fixed location which shall be considered the Premises.
- B. A proper Use Permit pursuant to Stockton Municipal Code Section 16.80.195 and 16.168 is required.
- C. An approved or conditionally approved Operators Permit from the Chief of Police is required after meeting all requirements pursuant to 5.100.060 of this Chapter.
- D. A business license issued by the City pursuant to Stockton Municipal Code Section 5.04.040 is required.
- E. A valid Annual State License is required.
- F. The Applicant must pay all applicable fees, in the amount as may be fixed and established from time to time by resolution of the City Council.
- G. The Annual State License must be clearly posted in a conspicuous place within the permitted premises.

H. An Operators Permit and a Business License is valid for one year from the date of issuance unless otherwise suspended or revoked by the City.

**5.100.050 Application for Cannabis ~~Operator's~~Operators Permit.**

A. An applicant for a Cannabis ~~Operator's~~Operators Permit shall submit an application to the City; said application shall be under oath, and shall include, in addition to information as may be deemed necessary by the Chief of Police:

1. The true names, and residences, and business addresses of all owners, officers, copartners, stockholders, and employees;
2. Disclosures of all arrests and criminal convictions of the owners, officers, copartners, shareholders, and employees associated with the business;
3. Disclosure of all business and employment histories for the period of 10 years immediately preceding the date of application for the owners, officers, copartners, shareholders, and employees associated with the business.
4. City obtained fingerprints and photographs of all owners, officers, and employees associated with the Operators Permit applications;
5. Documentation from the City confirming that the Application obtained a copy of a Use Permit approved in accordance with Stockton Municipal Code Section 16.80.195;
6. A copy of a Use Permit issued in accordance with Stockton Municipal Code Section 16.80.195.

~~, the true names and addresses of all owners, officers, and employees. The past criminal record, if any, of the owners, officers, and employees associated with the business shall be shown on such application. Concurrent with the filing of the application, the City shall obtain fingerprints and photographs of the owners, officers, and employees associated with the business, including any available criminal arrest and conviction information.~~

B. The applicant shall pay a nonrefundable application fee in an amount as may be fixed and established from time to time by resolution of the City Council. Thereafter, if an Operators Permit is granted, the permittee shall pay an annual fee in an amount as may be fixed and established by City Council resolution.

C. The applicant must provide a statement to the Chief of Police to the effect that the applicant understands and agrees that any business or activity conducted or operated under any permit issued under such application shall be operated in full conformity with all ~~the applicable~~ laws of the State of California, the County of San Joaquin, and the laws and regulations of the City applicable thereto, and that any violation of any such laws or regulations in such place of business, or in connection therewith, may render any Operators Permit therefore subject to immediate suspension or revocation.

D. Any applicant hereunder is seeking the granting of a privilege. Therefore, the burden of proving qualifications to receive such a permit is at all times on the applicant. An applicant must accept all risks of adverse public notice, publicity, embarrassment, criticism, financial loss, or all other actions and consequences which may result from activities with respect to reviewing, processing, approving or disapproving any application. A waiver of any claims for damages against the City or its agent resulting therefrom shall be presumed upon the filing of an application.



~~E. If the applicant is an individual, the application shall include the residence and business address and personal history of such applicant, specifically including any criminal arrest and conviction record, and business and employment history for the period of 10 years immediately preceding the date of the application.~~

~~F. If the applicant is other than an individual, the application shall include the name, residence and business address, and personal history of each of the officers, directors, copartners or stockholders, specifically including any criminal arrest and conviction record, and business and employment history for the period of 10 years immediately preceding the date of application.~~

**GE.** Each Operators P permit applicant shall be responsible for providing truthful, complete and accurate information and for signing the permit application. Applications for employee permits which do not accompany the application for an Operators p Permit as provided in this section shall be completed before the employee is scheduled to begin work.

**HF.** The applicant shall submit a complete security plan for the establishment, which shall be subject to the approval of the Chief of Police or designee. The Chief of Police or designee may impose additional security and safety conditions upon receipt of detailed plans before the facility ~~is in~~ can begin service.

**IG.** The applicant shall submit written documentation stating that the property owner of the facility is fully aware of the property's intended use. Documentation is to include the name, address, and contact telephone number for the property owner.

**JH.** An application for an Operators p Permit shall be deemed complete when the City receives the last submission of information or materials required in compliance with this chapter, including the information necessary to conduct a background check. Upon notification that an application is incomplete, the applicant shall be granted an extension of 10 calendar days from the date of notification to submit all materials required to complete the application. If the application remains incomplete in excess of 10 calendar days following notification, the application shall be deemed withdrawn and requires a new application submittal ~~shall be required~~.

**KI.** The applicant must provide a statement to the Chief of Police that the applicant will hold harmless, indemnify, and defend the City against claims and litigation arising from the issuance of the Operators p Permit, including any claims and litigation arising from the establishment, operation, or ownership of the cannabis business. (Ord. 2018-09-18-1502 § 8; Res. 2016-06-28-1503-01 § I)

**J. Microbusiness.** An application for a microbusiness under a State business license shall meet the following requirements:

1. Disclosure to the City of each type of cannabis business that he or she intends on operating.
2. The microbusiness shall be issued an Operators Permit that combines multiple business types onto one Operators Permit.
3. The microbusiness shall operate on a single contiguous premise regardless of how many business types he or she intends on operating.

**K. Vertical Integration.** Nothing in this ordinance shall preclude a person from having an interest in more than one Operators Permit, except the following:

1. A Person who is permitted to operate a cannabis Cultivation, Retail Store (storefront or non-storefront), Distributor, or Manufacturer (volatile or non-volatile) shall not have any interest, directly or indirectly, in a permitted Testing Laboratory; and,
2. The Person shall remain in compliance with all other State and local laws and regulations.

#### **5.100.060 Investigation and ~~e~~Decision on Operators Permit Application.**

A. Upon receipt of a complete application for an Operators Permit, the Chief of Police shall cause an investigation to be made covering all matters relevant to the proposed activity of the applicant. Such matters may include, but are not limited to, the following:

1. Identity, character and background of the applicant;
2. Interior floor plan of buildings and site plan ~~as to~~ including parking, traffic movement and aesthetics;
3. Compliance with the City's General Plan, ~~z~~Zoning Ordinance, security and environmental requirements; and
4. Type and degree of security personnel and facilities to be provided.

B. In the event a complete application is presented to the Chief of Police, the Chief of Police shall consider such application once and the fees required have been paid, and the investigations and reports required under the provisions of this chapter have been duly completed, ~~the Chief of Police shall consider such application.~~ The Chief of Police shall, at minimum, consider the following factors during the consideration of the application for an Operators Permit:

1. Whether issuance of ~~the an~~ Operators ~~p~~Permit and subsequent operation will be detrimental to the public health, safety and welfare of the citizens of Stockton; or
2. Any other relevant data, facts or considerations.

C. Within 60 days of completing the investigation, the application for an Operators ~~p~~Permit shall be approved, conditionally approved, or denied by the Chief of Police. The Chief of Police may impose conditions, restrictions or require revisions to the ~~proposal~~ application to comply with this chapter and the Administrative Guidelines as adopted by the City Manager. Written notice of the decision of the Chief of Police shall be mailed to the applicant by regular U.S. mail to the address included in the application. (Res. 2016-06-28-1503-01 § I)

#### **5.100.070 Grounds for denial of an Operators ~~p~~Permit.**

A. The Chief of Police may deny a permit for any of the following reasons, without being limited thereto, or for any other reason consistent with the provisions of this chapter:

1. An owner, officer, copartner, or stockholder is found to have been convicted of a felony c~~C~~onviction, (a plea of nolo contendere shall be considered a guilty plea for purposes of this chapter), for any ~~or~~ violation of any crime of violence, any crime involving narcotics, fraud, gambling, loan sharking, bookmaking, theft, moral turpitude, or any crime involving evasion of taxes, or any other crime of moral turpitude indicating a lack of business integrity or business honesty, whether committed in the State of California or elsewhere, whether denominated as a felony or as a misdemeanor and notwithstanding the passage of time since the conviction;
2. Failure of the proposed business or activity to be proposed to be operated or operated in compliance with State or local law or regulation;

3. The applicant, or any principal thereof, having been identified by any law enforcement agency, legislative body or crime commission as a member of, or an associate of, organized criminal elements;
4. Making any false statement in the application or as to any other information presented as part of the application process;
5. Evidence of current or prior unlawful or nuisance-creating operation as a permittee in this or another jurisdiction;
6. Applicant is presently under indictment or the subject of a criminal complaint for any of the crimes described in subsection (A)(1) of this section;
7. Making or causing to be made any statement in an application or document provided to the City in connection with an application, which statement was at the time and in the light of the circumstances under which it was made, knowingly false or misleading;
8. Failure of any person named in the application when summoned by the Chief of Police or his or her agent(s) to appear and testify and provide additional information at such time and place as the Chief of Police or his or her agent(s) may specify;
9. Inadequate security plan;
10. Proposed location in an area not authorized by Title 16 of the Stockton Municipal Code, and a use permit for the proposed use at the proposed location has not been obtained from the Planning Commission or the City Council or has been revoked;
11. If ~~any~~ person listed on the application as an owner, officer, board member, operator, or on-site general manager has been involved in any prior operation of an illegal or unpermitted ~~dispensary~~retailer, cultivator, manufacturer, collective or cooperative, or has in any manner dispensed or transferred cannabis without first obtaining a permit from the City. (Res. 2016-06-28-1503-01 § I)
12. In deciding whether to deny an Operators Permit pursuant to 5.100.070(A)(1), the Chief of Police may also consider the following non-exhaustive list of circumstances:
  - a. The Applicant's ability to amend its ownership structure to comply with the requirement that no owners, officers, copartners, or stockholders have a disqualifying conviction;
  - b. The Applicant's:
    - i. Entire criminal and privileged licensing history;
    - ii. Time since disqualifying conviction or convictions occurred;
    - iii. Evidence of rehabilitation or of reoffending;
    - iv. A finding of suitability by an application for an Annual State License;
    - v. Relationship of the conviction to the qualifications, functions, or duties of the business or profession for which the owner, officer, copartner, or stockholder will be involved.
13. Convictions for any felony or a crime substantially related to the functions and duties of the owner, officer, copartner, or stockholder after initial permitting may be grounds for immediate revocation of an Operators Permit or denial of any subsequent renewal application.

#### **5.100.080 Limitation on ~~Types and n~~Number of Operators ~~p~~Permits.**

~~At no time shall there be in operation within the City more than five (5) active operators permits for dispensaries (which can include medical and/or adult-use cannabis products sold) and four (4) active operators permits for cultivation sites (which can include medical and/or~~

~~adult use cannabis to be grown). At no time shall there be more than two (2) dispensaries and two (2) cultivation sites in operation within any Council District. (Ord. 2018-09-18-1502 § 9; Res. 2016-06-28-1503-01 § 1)~~

A. The City shall have the authority to issue the following Operators Permits which correspond with Annual State Licenses issued by the State, as follows:

<u>Operators Permit</u>	<u>Annual State Licenses</u>	<u>City Application Status</u>
<u>Cultivator Operator Permit</u>	<u>Type 1A – Specialty Indoor</u> <u>Type 1B – Specialty Mixed-Light</u> <u>Type 1C – Specialty Cottage – Indoor and Mixed-Light Only</u> <u>Type 2A – Small Indoor</u> <u>Type 2B – Small Mixed-Light</u> <u>Type 3A – Medium Indoor</u> <u>Type 3B – Medium Mixed-Light</u> <u>Type 4 – Nursery Processor</u>	<u>Limited Permit</u> <u>Expansion Process</u>
<u>Distributor Operator Permit</u>	<u>Type 11 – Distributor, Distributor Transport Only</u> <u>Self-Distribution, Distributor Transport Only</u>	<u>Open and Ongoing with a Commission Use Permit</u>
<u>Non-Volatile Manufacturer Operator Permit</u>	<u>Type 6 – Manufacturer 1 (Extractions via nonvolatile solvent and mechanical method; also allows product infusion, and product packaging and labeling.)</u>	<u>Open and Ongoing with a Commission Use Permit</u>
<u>Volatile Manufacturer Operator Permit</u>	<u>Type 7 – Manufacturer 2 (Extractions via volatile solvent, nonvolatile solvent, and mechanical method; also allows product infusion, and product packaging)</u>	<u>Limited Permit Expansion Process</u>
<u>Retailer Operator Permit</u>	<u>Type 10 – Retailer</u>	<u>Limited Permit Expansion Process</u>
<u>Non-Storefront Operator Permit</u>	<u>Type 9 – Non-Storefront Delivery</u>	<u>Open and Ongoing with an Administrative Use Permit</u>
<u>Testing Laboratory Operation Permit</u>	<u>Type 8 – Testing laboratory</u>	<u>Open and Ongoing by-right</u>
<u>Microbusiness</u>	<u>Type 12 – Microbusiness</u>	<u>Limited Permit Expansion Process</u>

B. A separate Operators Permit is required for each City permit type outlined above.

**5.100.090 Appeal from denial of Operators P-permit.**

The action of the Chief of Police in denying the Operators Permit application may be appealed to the City Manager. Notice of appeal, in writing stating the grounds for appeal, and admitting and denying those determinations of the Chief of Police included in the notice of denial, shall be filed with the City Manager within 10 days after the denial of the Operators Permit. Upon failure to file notice within the 10-day period, the action of the Chief of Police in denying the permit shall be final and conclusive.

If the notice of appeal is timely filed in timely order, accompanied by payment of an appeal fee in an amount as may be established from time to time by resolution of the City Council, then the City Manager shall schedule the matter for hearing. The City Manager may, in at the City Manager's sole discretion, hear the appeal, designate a member of City staff to hear the appeal, or submit the appeal to the Aadministrative Hearing eOfficer to conduct the hearing in accordance with the provisions of Chapter 1.44 of this code. (Res. 2016-06-28-1503-01 § I)

#### **5.100.100 Expiration of Operators Permits.**

Operators Permits issued pursuant to this chapter shall be and remain valid until the earlier of expiration of the permit term of one (1) year, suspension or revocation by the Chief of Police or City Manager as provided in this chapter, or voluntary surrender in writing by the permittee. In the event of surrender, suspension, revocation or expiration, no permit fee, or any portion thereof shall be refunded. (Res. 2016-06-28-1503-01 § I)

#### **5.100.110 Renewal of Operators permit.**

A. The holder of an Operators permit issued pursuant to the provisions of this chapter may renew the permit annually in accordance with the following procedures:

1. An application for renewal shall be filed with the City no later than 60 days before the anniversary date of the Operators Permit;
2. If the application for renewal is not filed within the time specified by subsection (A)(1) of this section, the permittee may thereafter file a written application for renewal of the permit, but in that event, the permittee shall pay a daily penalty fee, as established by resolution of the City Council;
3. If the application for renewal is more than 30 days late, the Operators -permit shall be deemed forfeited, which will have the same effect as being revoked, and the cannabis business may not operate unless and until a new Operators permit has been obtained;
4. The application for renewal shall be accompanied by the full amount of the required renewal fee as may be established from time to time by resolution of the City Council; and
5. The permittee shall file with the Chief of Police an affidavit, executed under penalty of perjury, containing the following information:
  - a. Any change in ownership of the operator,
  - b. The full, true and correct names and addresses of each and every employee, and
  - c. If no changes have occurred from the previous renewal, then the permittee shall so certify and attest.

B. Failure to make full payment of annual fees, required taxes or failure to file or filing any false statement in any affidavit and/or certification and attestation as is required by this section may be deemed grounds for the denial of renewal of the Operators Permit.

C. All applicantsowners, officers, copartners, stockholders, and/or employees shall have their background and criminal history investigations updated annually. The fee to cover the

cost of such investigations shall be paid at the time of submission of the application for renewal of the Operators pPermit in an amount as may be established from time to time by resolution of the City Council. No renewal of an Operators pPermit shall be approved unless and until the requirements of this subsection C have been met. (Ord. 2018-09-18-1502 § 10; Res. 2016-06-28-1503-01 § I)

**5.100.120 Suspension and revocation of Operators Ppermits.**

A. All Operators pPermits authorized and issued under the provisions of this chapter may be subject to:

1. Immediate suspension by the Chief of Police if the Chief of Police finds that:
  - a. A permittee, or any agent or employee thereof with the knowledge of such permittee, has violated, or permitted, allowed or caused the violation of any provision of this chapter, any regulation issued pursuant to this chapter, any condition of approval imposed upon the issuance of the permit, or any State law or regulation relating to the operation; or
  - b. Based on ascertainable facts, the operation substantially aggravates the crime problems in the City, makes law enforcement unduly difficult, or is detrimental to the public health, safety or welfare of the City.
2. Suspension or revocation by the Chief of Police after not less than five (5) days' written notice to the permittee and after testimony has been taken from the permittee and/or any other interested person, if the Chief of Police finds that:
  - a. A permittee or any agent or employee thereof, with the knowledge of the permittee, has violated or permitted, allowed or caused the violation of any provisions of this chapter, any regulation issued pursuant thereto, any condition of approval imposed upon the issuance of the permit, or any State law or regulation relating to the operation; or
  - b. A permittee has failed to pay, when due and payable, any of the fees or taxes required within 10 days after written notice of any such failure; or
  - c. A permittee has made any fraudulent statements as to a material fact on an application form or as to any other information presented as part of the application process; or
  - d. A permittee knowingly commits any act which would have constituted grounds for denial of an application for a permit; or
  - e. The permittee has knowingly continued to employ in any cannabis business any individual whom any court has found guilty of any of the crimes which would have constituted grounds for denial of an application for a work permit for the employee; or
  - f. The permittee has been convicted of a crime enumerated in Section 5.100.070. A conviction is suitable grounds for revocation or suspension of the permit, prior to the exhaustion of the permittee's appellate rights.
3. Immediate suspension by the Fire Chief, if the Fire Chief or his or her designee finds that:
  - a. Any occupancy operating a cannabis establishment or business including but not limited to cultivation, distribution, manufacturing (volatile and non-volatile), retail (storefront or non-storefront), or testing facilities not in compliance with all requirements of state and local regulatory requirements, including the California Fire Code, may result in the issuance of a "Stop Work Order." The issuance of a "Stop Work Order" shall be cause for the immediate suspension of the Operators permit, and all business activities must immediately cease until all violations are corrected.



B. In the event of a violation described in subsections (A)(2)(a) through (f) of this section, a civil penalty, not to exceed \$1,000.00 per day for each violation, may be imposed on the permittee in lieu of suspension or revocation. The permittee may be required to pay all administrative expenses. In the event the violation is for nonpayment of fees, the civil penalty shall amount to five (5) percent of the unpaid fees plus one and one-half (1-1/2) percent per month accrued daily after the first 30 days. Imposition of such civil penalties shall be in accordance with the administrative adjudication procedures established in the Stockton Municipal Code. Each day the violation(s) continue shall be deemed a new violation subject to additional citations, penalties, and fines. (Ord. 2018-09-18-1502 § 11; Res. 2016-06-28-1503-01 § I)

#### **5.100.130 Appeal from suspension or revocation of Operators pPermit.**

A. The action of the Chief of Police in revoking or suspending an Operators pPermit may be appealed to the City Manager. Notice of such appeal, in writing stating the grounds for such appeal, and admitting and denying those determinations of the Chief of Police included in the notice, shall be filed with the City Manager within 10 days after the revocation or suspension of the permit. Upon failure to file the notice within the 10-day period, the action of the Chief of Police in revoking or suspending such permit shall be final and conclusive. If the notice of appeal is ~~timely~~ filed in timely order, accompanied by payment of an appeal fee in an amount as may be established from time to time by resolution of the City Council, the City Manager shall schedule the matter for hearing. The City Manager may, ~~in~~at the City Manager's sole discretion, hear the appeal, designate a member of City staff to hear the appeal, or submit the appeal to the administrative hearing officer to conduct the hearing in accordance with the provisions of Chapter 1.44 of this code.

B. In the event a permittee files an appeal pursuant to this section, the effective date of the decision shall be stayed pending determination by the City Manager. The determination of the City Manager shall be final. (Res. 2016-06-28-1503-01 § I)

#### **5.100.140 No application for Operators pPermit following revocation.**

In the event that an Operators pPermit is revoked, each ~~person permittee, or principal of the permittee~~, that held the revoked Operators pPermit shall not be eligible to apply for or be issued a new Operators pPermit, until one (1) year has passed from the date of revocation. (Res. 2016-06-28-1503-01 § I)

#### **5.100.150 Employee work permit required.**

A. It is unlawful for an Operators pPermittee holder to employ any person who is not the holder of a valid work permit and registration/I.D. card issued by the City. All employees must obtain a work permit. ~~No registration/I.D. card will be issued without such person having first paid the application fee and been fingerprinted and photographed by the Stockton Police Department.~~

B. Applications for an employee work permit shall be completed and submitted under oath to the Chief of Police who shall designate a ~~e~~City employee as the sole point of contact regarding the permit, together with the appropriate fees as may be established from time to time by the City Council, before the employee is scheduled to begin work. Applications for work permits shall be reviewed subject to the procedures to be adopted by the City Manager and implemented by the Chief of Police. An application may be granted, conditionally approved, or denied by the Chief of Police. The Chief of Police shall deny an application for any relevant cause denoted in subsection G of this section. Concurrent with the filing of the application, the City shall obtain fingerprints of the applicant. An applicant for an employee work permit shall

authorize the City to obtain any available criminal arrest and conviction record information relating to the applicant and shall further authorize the updating of that information on an annual basis if a work permit is issued.

C. Every employee granted a work permit shall be issued a registration/I.D. card by the City, which must be prominently displayed at all times the employee is at the Operators Permit premises on the employee's outermost garment at approximately chest height. Such identification card shall be in good and readable condition and a replacement card shall be issued by the Chief of Police upon payment of a fee established by resolution of the City Council. No registration/I.D. card will be issued without such person having first paid the application fee and been fingerprinted and photographed by the Stockton Police Department.

D. It shall be the responsibility and duty of the City Manager to establish the necessary procedures to implement and administer the provisions of this section. The information received by the City pursuant to the provisions of this section shall be treated as confidential to the extent permitted by law.

E. The application fees provided for in this section are for regulation and reimbursement to the City for the costs of investigating and processing the applications, as provided for in this section. Each application for a permit under this section shall be accompanied by an application fee, payable to the City, in the amount as may be established from time to time by resolution of the City Council. ~~which~~ The fee shall be retained by the City for the payment of the costs of the investigation of the applicant. The fees set forth in this subsection shall be the property of, and be retained by, the City, whether the employee work permit is granted or denied.

F. It shall be the duty of each work permittee to inform the City of any change in the employment status of a registered employee within five (5) days of the effective date of the change in employment status. A change in employment status includes termination, leave of absence, promotion or any other change in position or title.

G. It is unlawful for any employee to work in or at an Operators Permit premises without ~~possessioning of~~ a valid work permit issued by the City. Applications for such work permits shall be submitted under oath and contain the past criminal record, if any, of the applicant and such information as may be necessary to determine whether the applicant is a proper person to be employed. A work permit shall be issued only to persons 18 years of age or older. Every operator, employee, volunteer, consultant, or ~~others~~ persons who ~~proposes~~ to work and/or assist in any way in the operation, including security shall be considered an employee of the cannabis business permit. The Chief of Police may deny the application for an employee work permit if the Chief of Police makes any one of the following determinations:

1. The applicant has been convicted of any felony within the 10-year period immediately preceding the submission of the application;
2. The applicant has been convicted of any misdemeanor involving drug-related offenses, use of force, dishonesty or moral turpitude within the 10-year period immediately preceding the submission of the application;
3. The applicant has been convicted of any offense involving the violation of the Health and Safety Code in the 10-year period immediately preceding the submission of the application;
4. The applicant has been convicted of any offense specified in Sections 266(I), 315, 316, 318 or subdivision (a) or (b) of Section 647 of the Penal Code, or as those sections may subsequently be amended;

5. The applicant has been convicted of any offense involving the use of force or violence upon the person of another;
6. The applicant has made one (1) or more false statements in the application;
7. The applicant has failed to comply with one (1) or more provisions of this chapter, or of this code, or other laws or regulations applicable to the premises;
8. The issuance of the proposed work permit would violate an applicable provision of this chapter; or
9. The applicant is associated with criminal profiteering activity or organized crime, as defined in Business and Professions Code Section 19859(e) and Penal Code Section 186.2, or as those sections may subsequently be amended. (Ord. 2018-09-18-1502 § 12; Res. 2016-06-28-1503-01 § I)

10. In deciding whether to deny an employee work permit pursuant to 5.100.150(G), the Chief of Police may also consider the following non-exhaustive list of circumstances:

a. The Applicant's:

- i. Entire criminal and privilege licensing history;
- ii. Time since disqualifying conviction or convictions occurred;
- iii. Evidence of rehabilitation or of reoffending;
- iv. A finding of suitability by on an application for an Annual State License;
- v. Relationship of the conviction to the qualifications, functions, or duties of the business or profession for which the owner, officer, copartner, or stockholder will be involved.

b. Convictions for any felony or a crime substantially related to the functions and duties of the employee after initial permitting may be grounds for immediate revocation of the employee work permit of denial of any subsequent renewal application.

#### **5.100.160 Appeal from denial, suspension, or revocation of employee work permit.**

A. Whenever the Chief of Police shall deny an application for an employee work permit, the City shall notify the applicant/work permit holder in writing by either personal delivery or by first class mail addressed to the applicant/work permit holder at the address listed in the respective application, or at any more recent address furnished to the City by the applicant/work permit holder. The notice shall state that the application has been denied or that the employee work permit has been suspended or revoked and the grounds for the action. The notice shall further state that the applicant or work permit holder shall have the right to appeal the action to the City Manager by filing a notice of appeal with the City Manager no later than 10 calendar days from the date of the notice of denial.

B. A notice of any appeal must be filed with the City Manager not later than 10 calendar days from the date of notice of denial, suspension or revocation of the application or employee work permit. If a notice of appeal is filed in a timely order~~timely filed~~, accompanied by payment of an appeal fee in the amount as may be established from time to time by resolution of the City Council, then the City Manager shall schedule the matter for hearing. The City Manager may, in the City Manager's sole discretion, hear the appeal, designate a member of City staff to hear the appeal, or submit the appeal to the administrative hearing officer to conduct the hearing in accordance with the provisions of Chapter 1.44 of this code. (Res. 2016-06-28-1503-01 § I)

#### **5.100.170 Expiration of employee work permits.**

An employee work permit shall be valid, unless suspended or revoked, for a period of one (1) year from date of issuance. The fee shall not be returned in the event that such work

permit is refused, revoked or suspended as herein provided. ~~Said~~The work permit shall be valid regardless of whether even though the holder of ~~said~~the permit ~~may~~ changes his or her place of employment within the City. (Res. 2016-06-28-1503-01 § I)

#### **5.100.180 Renewal of employee work permits.**

Any person who holds a valid employee work permit may obtain a new permit for the succeeding year by applying for a new employee work permit during the month preceding the expiration date of the current permit. Employees who have applied for a renewal within the time frame allowed, may continue to work pending a decision regarding the renewal. Cost for the new permit, which shall include the cost of a new identification card, shall be an amount as fixed and established from time to time by resolution of the City Council. (Res. 2016-06-28-1503-01 § I)

#### **5.100.190 Employee background and criminal history investigations—Updating.**

All employees shall have their background and criminal history investigations updated annually. The fee to cover the cost of such investigations shall be paid at the time of submission of the application for renewal of the permit in an amount as may be established from time to time by resolution of the City Council. (Res. 2016-06-28-1503-01 § I)

#### **5.100.200 Failure to obtain new employee work permit.**

If the holder of an employee work permit fails to timely renew the permit, his or her permit shall cease to be valid and he or she must make application for a new permit, ~~if desired~~, as provided above, to engage in employment activity with a cannabis business. In addition to any administrative proceedings, it shall be a misdemeanor to engage in any type of employment activity with a cannabis business ~~without a valid employee permit~~. (Ord. 2018-09-18-1502 § 13; Res. 2016-06-28-1503-01 § I)

#### **5.100.210 Suspension or revocation of employee work permit.**

A. If an employee violates, permits, allows or causes the violation of any provisions of this chapter, the Chief of Police shall have the right to revoke or suspend any employee work permit issued hereunder and to take possession of such permit. Any of the grounds upon which the Chief of Police may be required to refuse to issue an initial employee work permit shall also constitute grounds for such revocation or suspension.

B. Suspension or revocation of an employee work permit shall be made only after a hearing granted to the holder of such permit before the Chief of Police, after 10 days' notice to said permit holder, setting forth the grounds of the complaint against him or her and stating the time and place where such hearing will be held. The action of the Chief of Police in this respect shall be subject to an appeal to the City Manager in accordance with the provisions of Section 5.100.160(B). Notice of the appeal shall be filed with the City Manager within 10 calendar days after the revocation or suspension. Upon failure to file the notice within the 10-day period, the action of the Chief of Police in revoking or suspending the work permit shall be final and conclusive. (Res. 2016-06-28-1503-01 § I)

#### **5.100.220 Operators Permit - Audit/reporting required.**

A. Each ~~Operators P~~ermittee shall file quarterly (or in such other interval as determined by the City Manager and stated in administrative guidelines adopted pursuant to this chapter) with the City a statement, under oath, showing the true and correct amount of gross revenue derived from the cannabis business in the preceding applicable time period. At the option of the City, the City may require payment of gross revenue tax revenues through

electronic transfer on a more frequent basis. The statement shall be accompanied by the payment of the correct amount of gross revenue license tax that is ~~due and owing~~. A signed certification shall be attached to the statement.

B. Each permittee subject to the audit/reporting requirements under this section shall pay an audit fee in an amount set by resolution of the City Council.

C. At the end of ~~each permittee's~~the fiscal year, the City shall employ at permittee's expense a recognized firm of certified public accountants as approved by the City to conduct an audit of permittee's financial records in accordance with generally accepted auditing standards and any additional specifications for audit as identified in the rules and regulations as may be promulgated by the City Manager.

D. The audit shall conclude with the expression of the auditor's opinion on the financial statements of the permittee's operations in accordance with generally accepted accounting principles, and in compliance with the mandate of state law. The auditor shall express a separate opinion on the permittee's gross revenues and related permit fees paid to the City for the period then ended. Also, the permittee shall provide the City with an annual update of the evaluation of its internal accounting and administrative controls. Such audit report shall be filed with the City Administrative Services Director no later than 90 days after the permittee's fiscal year end. In the event that such evaluation discloses material weaknesses or reportable conditions, including, but not limited to, qualified or adverse auditor's opinions, or discrepancies or deficiencies in the permittee's system of internal accounting and administrative controls, the permittee shall submit a program to the City Manager within 30 days of such evaluation outlining the permittee's program and target dates to correct such weaknesses or conditions. The program and target dates shall be subject to approval, modification or denial in the sole discretion of the City Manager, and, in the event of modification or denial, the permittee shall submit within 14 days of receipt of the City Manager's modification or denial, a revised program and target dates to correct such weaknesses or conditions. Such revised program and target dates shall be subject to approval or modification in the sole discretion of the City Manager, and in the event of modification, the permittee shall conform to the modified requirements of the program. Failure to correct the weaknesses or conditions within the time periods specified in the approved or modified program may be grounds for suspension and/or revocation of the permit. All reports or evaluations submitted hereunder shall be confidential and shall not be available for public inspection.

E. Any failure or refusal of any permittee to make any statement as required within the time required, or to pay such sums due as fees or gross revenue license tax when the same are due and payable in accordance with the provisions of this chapter, shall be and constitute full and sufficient grounds for the revocation or suspension of the permits issued pursuant to Section 5.100.120(A)(2) of this chapter. (Res. 2016-06-28-1503-01 § I)

#### **5.100.230 Access to records and facilities.**

A. Notwithstanding the audit requirements specified in Section 5.100.220 of this chapter, and in compliance with all State and Federal privacy laws, ~~the Operators p~~Permittee shall allow the Chief of Police or a designee unrestricted access to all books, records, facilities, and all audio and video tapes pertaining to the facilities. Any information obtained pursuant to this section or any statement filed by the permittee shall be deemed confidential in character and shall not be subject to public inspection except in connection with the enforcement of the provisions of this chapter or as otherwise required by law. It shall be the duty of the Chief of Police to preserve and keep such statements so that the contents thereof shall not become



known except to the persons charged by law with the administration of the provisions of this chapter or pursuant to the order of any court of competent jurisdiction.

B. Any failure or refusal of any permittee to make and file any statement within the time required, or to permit inspection of such books, records, accounts and reports of such permittee in accordance with the provisions of this chapter shall be full and sufficient grounds for the revocation or suspension of the permit pursuant to Section 5.100.120(A)(2) of this chapter.

C. A cannabis business shall maintain records at the location accurately and truthfully documenting:

1. The full name, address, and telephone number(s) of the owner, landlord and/or lessee of the location;
2. The full name, address, and telephone number(s) of all owners, officers, shareholders, employees, and members who are engaged in the management of the business and the exact nature of each person's participation in the management of the business;
3. The full name, address, and telephone number(s) of all patients to whom the cannabis business provides cannabis, a copy of a government-issued identification card for all patients, and a copy of every attending physician's or doctor's recommendation or patient identification card;
4. The full name, address, and telephone number(s) of all primary caregiver members to whom the cannabis business provides cannabis and a copy of every written designation(s) by the primary caregiver's qualified patient(s) or the primary caregiver's identification card;
5. All receipts of a legally operation cannabis business, including, but not limited to, all contributions, reimbursements, and reasonable compensation, whether in cash or in kind, and all expenditures incurred by the cannabis business for any commercial cannabis activity ~~or the cultivation of cannabis~~ as allowed in the City of Stockton;
6. An inventory record documenting the dates, amounts, and content testing results of all commercial cannabis, and activity conducted by the Operators Permit cultivated by a legally operating cannabis business, including the amounts of cannabis stored at the location at any given time;
7. A log documenting each transfer of cannabis reflecting the amount transferred, the date transferred, the full name of the person to whom it was transferred, and any payment received;
- ~~8. A log documenting each transfer of cannabis in any form reflecting the amount transferred, the date delivered, the full name of the person who transferred it to a legally operating cannabis business and any amounts paid;~~
9. Name, address and medical license numbers of all physicians who have given a medical cannabis recommendation to a qualified patient.

D. Each cannabis business engaging in the sale of medical cannabis, shall verify the validity of the doctor making a medical cannabis recommendation. This verification will be an Internet search with the State of California's Medical Board of California Physician License Lookup System to confirm the doctor has a valid license and a call to each doctor to verify the medical cannabis recommendation.

E. These records shall be maintained by the cannabis business for a period of five (5) years and shall be made available by the cannabis business to the Police Department upon request, except ~~the any~~ private patient records shall be made available by the business to the



Police Department only pursuant to a properly executed search warrant, or court order. In addition to all other formats that the cannabis business may maintain, these records shall be stored by the cannabis business at the location in a printed format. Any loss, damage or destruction of the records shall be reported to the Police Department within 24 hours of the loss, destruction or damage.

F. In addition to the keeping of a permanent record as herein provided, every cannabis business shall likewise be required to deliver to the Chief of Police, via electronic format and written format, a quarterly written report which shall include all records described in Section 5.100.230(C). ~~Said~~ These quarterly reports shall be received by the Chief of Police or designee no later than the first of every January, April, July, and October. ~~Said~~ These records shall include all transactions up to 10 days prior to the required submission date. If the first day of any quarter falls on a non-City business day, then the records shall be due the first available City business day. (Ord. 2018-09-18-1502 § 14; Res. 2016-06-28-1503-01 § I)

#### **5.100.240 Violations and penalties.**

It is unlawful for any permittee, employee or other person to violate any of the rules or regulations set forth in this chapter. Any violation of any of the provisions of this chapter or any of the rules and regulations set forth, established or promulgated in this chapter may be charged as a misdemeanor or an infraction. Any use or condition caused or permitted to exist in violation of any of the provisions of this chapter is hereby declared a public nuisance and may be summarily abated by the City. (Res. 2016-06-28-1503-01 § I)

#### **5.100.250 Signage required for complaints.**

A sign shall be posted at the entrance to the location containing the name and functioning telephone number of a 24-hour on-call person engaged in the management of the cannabis business who shall receive, log, and respond to complaints and other inquiries. (Ord. 2018-09-18-1502 § 15; Res. 2016-06-28-1503-01 § I)

#### **5.100.260 ~~Reserved. General Guidelines and Prohibitions.~~**

~~(Res. 2016-06-28-1503-01 § I)~~

- ~~A. A Cannabis Operators Permit Holder operating in the City is subject to all applicable state regulations as the minimum requirements for conducting commercial cannabis activity.~~
- ~~B. Any person that advertises or otherwise holds themselves to be conducting commercial cannabis activity for sale or financial consideration within the City will be presumed to be subject to all State and City laws, regulations, and ordinances.~~
- ~~C. Except as otherwise specifically provided, this ordinance incorporates the requirements and procedures established by state statute and regulations. In the event of any conflict between the provisions of this ordinance and any applicable State or local law, or regulations, the more restrictive provision shall control.~~
- ~~D. A Cannabis Operators Permit shall remain in compliance with the Stockton Municipal Code including but not limited to fire, building, and zoning codes.~~
- ~~E. Cannabis Operators Permits are for a specific, fixed location that shall serve as the permitted premises and shall not deviate from the premises that were described in the application. An Operators Permit shall maintain legal possession of the premises (e.g. ownership, lease) that was approved by the City with the application for the Operators Permit.~~
- ~~F. A Cannabis Operators Permit holder shall:
 
  - ~~1. Pay all City-imposed fines, penalties, and fees by deadlines provided for by the City Manager or Chief of Police;~~~~

2. Allow for immediate access to a City, County, or State official that is authorized to regulate a cannabis business under this ordinance or any State, County or City law or regulation to the Premises and on-Premise records during regular business hours or hours of apparent operation.
3. Allow for access to a City, County, or State official that is authorized to regulate a Cannabis Operators Permit Holder under this ordinance or any state, county or city law or regulation to any off-Premise records within 3 days of the request being made
4. Submit to any request from a City, County or State official that is authorized to regulate Cannabis Operators Permits and is acting under this ordinance or is acting under their lawful authority;
5. Prevent loitering, public drinking, and public use of cannabis or other criminal behavior on and around the premises including the parking area;
6. Remove all graffiti or other signs of vandalism on the Premises within 48 hours of knowledge;
7. Maintain signage and general appearance of the premises in a manner that is not attractive to minors; and
8. Maintain clean and orderly premises to ensure public health and safety meet the highest standards.

G. A Cannabis Operators Permit holder shall not:

1. Allow cannabis and cannabis products to be visible from outside its premises;
2. Allow the consumption of cannabis in any form on the premises including any parking area or property;
3. Conduct any Commercial Cannabis Activity outside of its premises unless specifically allowed for in its use;
4. Use its premises for activities that are prohibited by its Cannabis Operators Permit;
5. Create any condition constituting a nuisance on premises or surrounding area;
6. Transfer or sell cannabis or cannabis products at any unlawful cannabis event in the City; or
7. Cultivate any cannabis outdoors.

**5.100.270 Acceptable method of cannabis distribution/prohibition on wholesale operations and deliveries—Mobile delivery of cannabis prohibited. Advertising restrictions for Cannabis Operators Permits.**

- ~~— A. — Dispensaries shall not dispense or distribute, sell, transfer or in any other way provide cannabis other than by direct, face-to-face, in-person transaction with a customer, patient or caregiver at the permitted facility.~~
- ~~— B. — Cannabis shall not be provided to a patient by any other means of delivery, specifically including mobile delivery. (Ord. 2018-09-18-1502 § 16; Res. 2016-06-28-1503-01 § 1)~~

A. Cannabis Operators Permit holders shall at all times comply with all advertising regulations required to maintain its Annual State License in good standing.

B. Cannabis Operators Permit holders shall not:

1. Advertise or market using written or spoken words or visual representations showing the consumptions of cannabis or cannabis products that encourages abusive, irresponsible or excessive use. This could include, but is not limited to, demonstrating use of cannabis or cannabis products while operating any motorized vehicle, watercraft, heavy machinery, or while pregnant or breastfeeding.

2. Advertise or market any materials that are attractive to minors. This includes but is not limited to content that portrays cartoons, animals, images, or characters affiliated with children's entertainment media, phrases that are popularly used to market to children and product commonly sold to minor.
3. Advertise or market any information that is false or misleading on labeling, packaging, marketing material, signage, or any other form of merchandising or advertising.
4. Advertise cannabis or cannabis products that claims to represent that the cannabis or cannabis products have been approved by the City for any use of for efficacy.
5. Represent that cannabis or cannabis products are safe to consume because the cannabis business has been approved by the City.

**5.100.280 Retailer Operator Permit - Hours of operation.**

Hours of operation shall be limited to between 7:00 a.m. and 8:00 p.m. (Res. 2016-06-28-1503-01 § I)

**5.100.290 Retailer Operator Permit - Minors prohibited.**

A. The presence of minors, under the age of 18 years, on the premises of a ~~cannabis business in~~ an area designated for medical cannabis sales, is prohibited unless they are a qualified patient and they are in the presence of their parent or legal guardian.

B. The presence of minors, under the age of 21, on the premises of a cannabis business in an area designated for adult-use cannabis sale, is prohibited.

C. No permittee shall cause, permit or allow, either by act or by failure to act, the violation of subsection A or B of this section. Any violation of subsections A or B of this section shall be grounds for the immediate revocation of the operators permit pursuant to Section 5.100.120 of this chapter. (Ord. 2018-09-18-1502 § 17; Res. 2016-06-28-1503-01 § I)

**5.100.300 Administrative guidelines.**

The City Manager may establish and amend administrative guidelines, as needed to administer this chapter, implement the permit application process, introduce additional application requirements not inconsistent with the requirements of this chapter, and to impose appropriate and beneficial conditions of permit approval. The administrative guidelines shall have the force of law and shall be enforceable in the same manner and to the same extent as the provisions of this chapter. (Res. 2016-06-28-1503-01 § I)

**5.100.310 Business license tax.**

Notwithstanding any provision to the contrary, all cannabis businesses shall pay an annual business license tax at the retail sales rate or at a designated higher rate, if adopted, based on gross receipts, even if it is a non-profit organization. (Ord. 2018-09-18-1502 § 18; Res. 2016-06-28-1503-01 § I)

**5.100.320 Amendment by City Council permitted.**

The terms of this chapter, although adopted by initiative, may be amended by an ordinance adopted by the City Council. (Res. 2016-06-28-1503-01 § I)

**SECTION IV: AMENDMENT OF CODE**

Title 16, Chapter 16.20, section 16.20.020 Table 2-2 is amended to read as follows:

## Chapter 16.20.020 ALLOWABLE LAND USES AND PERMIT REQUIREMENTS

**TABLE 2-2**  
**ALLOWABLE LAND USES AND PERMIT REQUIREMENTS**

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT															SPECIFIC USE STANDARDS
	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS	
AGRICULTURAL AND RESOURCE-RELATED USES																
Adult use cannabis cultivation											P	P	P	-	-	
Agricultural activities & facilities	P											P	P		A	16.80.060
Cannabis Cultivation											C	C	C		C	
Conservation areas	L	L	L	L	L		L	L	L	L	L	L	L	L	L	
Medical cannabis cultivation	-	-	-	-	-	-	-	-	-	-	C	C	C	-	-	16.80.195
Mining											A	A	A	A		
BUSINESS AND PROFESSIONAL USES																
Banks and financial services					P	P	P	P	P	P			P			
Business support services						P	P	P	P	P		P	P			
Offices					P	A	P	P	P	P		A	P	L		16.80.240
INDUSTRY, MANUFACTURING & PROCESSING USES																
Electricity generating plants/ facilities other than nuclear											C	C	P	P		16.80.170
Electronics, equipment & appliance manufacturing											P	P	P			16.80.170
Fabric product manufacturing								P			P	P	P			16.80.170
Food and beverage product manufacturing								P			P	P	P			16.80.170
Furniture and fixtures manufacturing											P	P	P			16.80.170
Handcraft industries, small-scale manufacturing								P			P	P	P			16.80.170
Laundries and dry cleaning plants											P	P	P			16.80.170
Manufacturing																
Light											P	P	P			16.80.170
Heavy												A	P			16.80.170
Medical eCannabis distribution											C	C	C			
Medical eCannabis manufacturer (volatile and non-volatile)											C	C	C			
Cannabis, microbusiness											C	C				
Medical eCannabis testing laboratory					P	-P	-P	-P	-P		P	P				
Metal products fabrication, machine/welding shops											P	P	P			16.80.170
Petroleum storage and distribution												A	P			16.80.170
Printing and publishing								P		L	P	P	P	L		16.80.170

**TABLE 2-2  
ALLOWABLE LAND USES AND PERMIT REQUIREMENTS**

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT															SPECIFIC USE STANDARDS
	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS	
Recycling and waste facilities																
Collection facility							L	L	L		P	P	P	L		16.80.290
Redemption centers																
Major							C	C	C		C	C	C	C		16.80.290
Minor							A	A	A		A	A	A	A		16.80.290
Recycling facility												A	P	A		16.80.290
Scrap and dismantling yards												A	P			16.80.170
Transfer stations												C	P	A		16.80.290
Research & development (R&D)								A		L	P	P	P	L		16.80.170
Storage yards											P	P	P	L		16.80.170
Warehouses											P	P	P			16.80.170
Wholesaling and distribution								P			P	P	P			16.80.170
<b>RECREATION, EDUCATION, AND PUBLIC ASSEMBLY USES</b>																
Activity centers	A	A	A	A	A	A	A	A	A	L			A	L	C	
Adult related establishments							P	P	P							16.80.030
Auditoriums, meeting halls, and theaters						P	P	P	P	L				L		16.24.080(B)(2), 16.24.090(B), 16.24.110(D), 16.24.180(D)
Bridge clubs and nongambling board games					P	P	P	P	P	L						
Card rooms							C	C	C	L						16.80.040 16.80.270
Clubs, lodges, and private meeting halls					P	P	P	P	P	L	P		P	A		
Commercial amusement facilities						A	A	A	A	A	A					
Educational facilities						-										
Academic schools—Private	A	A	A	A	A		A	A	A							
Academic schools—Public	P	P	P	P										P		
Colleges and universities—Private		C			C											
Equipment repair and maintenance training						-	P	P		A	P			L		
Specialized education and training					A	A	P	P	P	A	P		P	L		
Vehicle repair and maintenance training								P		A	P	P	P	L		
Truck and heavy equipment education and training											P	P	P	L		
Equestrian facilities	C										A	A		L	C	
Golf courses/country clubs	C	C	C	C	C		A	A			A		P	L	A	
Indoor recreation facilities							A	A	A	A	A		P	L		

**TABLE 2-2  
ALLOWABLE LAND USES AND PERMIT REQUIREMENTS**

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT															SPECIFIC USE STANDARDS
	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS	
Libraries and museums		C	C	C	P	P	P	P	P	P	P			L	A	
Live entertainment						P	P	P	P					P		16.80.180
Marinas							C	C			C		A	A		
Outdoor assembly facilities							A	A	A					L		
Outdoor commercial recreation facilities							C	C	C	C	C			A		
Parks and playgrounds	P	P	P	P	P	P	P	P						P	P	
Pool halls/billiard parlors						-		C	C	L						16.80.040 16.80.270
Private entertainment facilities						-	C	C	C		C					
Private residential recreation facilities	A	A	A	A												16.80.030 16.80.270
Recreational vehicle parks							A	A			A			L		
Religious facilities	A	A	A	A	P	P	P	P	P	P	P			L		16.80.080
Studios					P	P	P	P	P	L						
<b>RESIDENTIAL USES</b>																
Caretaker and employee housing					P	P	P	P	P	P	P	L	L	L	L	
Dwelling group			P	P		P		P						L		
Duplexes		P	P	P				P						L		16.24.040
Mobile home parks		A	A	A			A	A								16.80.210
Multifamily dwellings			P	P	P	P	P	P						L		16.80.220
Organizational houses				A				A								
Residential care facilities																
Assisted living facilities	A		C	P	P	P	P	P						L		16.80.300
Care homes, 6 or fewer clients		P	P	P				P						P		
Family care homes, 7 or more clients	C			C				C						L		16.80.300
Senior care facilities, 7 or more clients			A	A	A			A						L		16.80.300
Rooming and boarding houses				A				A						L		
Senior residential projects			P	P	P	P	P	P						L		16.80.220
Single-family dwellings	P	P	P	P				P						L		
Townhouses		A	P	P	P	P	P	P						L		
Triplexes			P	P				A						L		
<b>RETAIL TRADE</b>																
Agricultural chemical sales						-					A	L	P			16.36.080
Alcoholic beverage sales						-										
Bars and nightclubs—On-sale						C	C	C	C							16.80.270
Sale of alcohol—Off-sale						C	C	C	C				C	C		16.80.040
With another use—On-sale						L	L	L	L				L	L		
Artisan shops					P	P	P	P	P	L	P					



**TABLE 2-2  
ALLOWABLE LAND USES AND PERMIT REQUIREMENTS**

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT															SPECIFIC USE STANDARDS
	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS	
Auto and vehicle sales— New								L		P						16.24.120 16.80.070 16.80.330
Auto and vehicle sales— Used							L			A	L					16.24.120 16.80.070 16.80.330
Auto and vehicle leasing/rental							A	L		A	L					16.80.070
Auto parts sales						P	P	P	P	A						
Building material stores						A	P	L	P		P					16.80.330
Construction, farm & heavy equipment sales							A			A	P	P	P			16.80.330
Convenience stores						C	C	C	C							16.80.040 16.80.140 16.80.270
Furniture, furnishings, and appliance stores					C	P	P	P	P	P	P					16.80.330
Mobile home sales										A	P					16.80.330
Nurseries and garden supply stores	A				C	A	P	P	P	P	P					16.80.330
Outdoor retail sales and activities								A	A		A					16.80.260
Pet shops						P	P	P	P							
Recreational vehicle & boat sales—New/used								L		A	L					16.80.330
Restaurants					P	P	P	P	P	P			P			16.80.250
Retail stores					P	P	P	P	P	P	P		P			16.80.330
Secondhand stores/pawn shops							A	A	A							
Shopping centers																
Neighborhood							P	P								16.80.330
Community							P	P								16.80.330
Regional								P	P							16.80.330
Warehouse retail stores							C	C	C							16.80.330

**SERVICES**

Adult day care facilities					P	P	P	P	P				A	L		
<del>Adult-use cannabis dispensary</del>	-	-	-	-	-	-	P	-	P	-	P	P				
Animal services																
Kennel and boarding facilities	A				A						A	A				
Pet grooming	A				A	P	P	P	P	L						
Training facilities	A				A		L	L		L	L	L				
Veterinary clinics and animal hospitals	A				A	C	P	P	P	P	P					16.80.370
Auto/vehicle services																
Car washes							A	A	A	P	A		P			
Fueling stations						A	L	L	L	P	L		P			16.80.320 16.80.340

**TABLE 2-2  
ALLOWABLE LAND USES AND PERMIT REQUIREMENTS**

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT															SPECIFIC USE STANDARDS
	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS	
Inoperable vehicle storage											L	L				
Maintenance/minor repair						A	P	P	P	P	P	P	P			16.80.320
Major repair/body work										P	P	P	P			16.80.340
Parking facilities		C	C	C	A	A	P	P	P	P	P		P	L		16.64.080
Vehicle storage								L		P	P	P	P	P	L	
<u>Cannabis Retailer Storefront</u>					<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>		<u>C</u>	<u>C</u>				
Child care facilities																
Child care centers	C	C	C	C	P	P	P	P	P	P			P	P		16.80.100
Large family child care homes	A	A	A	A	A	A	A	A						A		16.80.100
Small family child care homes	P	P	P	P	P	P	P	P						P		
Equipment rental								L	P	A	P		P			
Funeral facilities and services																
Cemeteries		C	C	C	C		C	C		C	C	C		C	C	
Mortuaries							C	C		C	A	A		A		
Funeral homes					A	A	A	A		A						
Health/fitness facilities						P	P	P	P	L						
Lodging facilities																
Bed and breakfast		C	C	C	P	P	P	P						A		16.80.090
Extended-stay facilities							P	P	P							
Single room occupancy facilities (SROs)							A	A								
Hotels and motels					P		P	P	P				P			
Massage establishment																16.80.190
State certified					P	P	P	P	P							
Non-certified						C	C	A	A							
<u>Medical-cannabis dispensaries</u>	-	-	-	-	-	-	<u>E</u>	-	<u>E</u>	-	<u>E</u>	<u>E</u>	-	-	-	<u>16.80.195</u>
Medical services																
Ambulance service					A		P	P	P	L	P		P	L		
Clinics and laboratories					P	P	P	P	P	L			P	L		
Extended care	C	C	C	P	P		P	P						L		
Health-related					P	P	P		P					A		16.80.190
Hospitals					C		C	C						C		
Medical-related facilities					P	P	P	P	P					P		
<u>Non-Storefront Operator Permit (Delivery only)</u>					<u>A</u>	<u>A</u>	<u>A</u>	<u>A</u>	<u>A</u>		<u>A</u>	<u>A</u>				
Personal services—Restricted						C	C	A	A							
Personal services—Unrestricted						P	P	P	P				P			
Personal storage facilities (mini-storage)							A		L	L	P	P	P			16.80.200
Repair services						P	P	P	P	P	P					
Sanitary services											C	A	P	L		16.36.080

**TABLE 2-2  
ALLOWABLE LAND USES AND PERMIT REQUIREMENTS**

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT															SPECIFIC USE STANDARDS
	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS	
Social services facilities																
Drug abuse, alcohol recovery/treatment facility					A		A	A						A		
Feeding centers								C			C	C		A		
Emergency shelters				C	C		C	C			P	P		P		16.80.155
<b>TRANSPORTATION AND COMMUNICATION USES</b>																
Broadcasting studios						P	P	P	P	A	P	P	P	L		
Communications facilities																
Minor		E	E	E	P		P	P	P	P	P	P	P	P	P	Ch. 16.44
Major					A		A	A	A	A	A	P	P	A		Ch. 16.44
Transit stations and terminals							C	C			C	C	P	C		
Vehicle and freight terminals											P	P	P			
<b>OTHER USES</b>																
Live-work space					P	P	P	P	P		P					
Major impact facilities												C	C	C		
Motion picture production								P			P	P	P			
Multi-use facilities					P	P	P	P	P		A	A	P			16.80.230
Public and semipublic utility facilities	A	A	A	A	A	A	P	P	P	L	P	P	P	L		
Public institutions	C	C	C	C	C	C	C	C	C		C	C	L	L		
Signs—Off-premises							E	E	E		E	E	E	E		16.76.110

**Key:** P = Use permitted L = Land development permit required A = Administrative use permit required  
C = Commission use permit required E = Use not allowed, except under special circumstances  
Empty box = Use not allowed

**Notes:** See Section 16.20.020 for an explanation of the table and each land use permit requirement.

A use permit shall be required of any new commercial, industrial, institutional, or accessory use, or major addition that involves the manufacture, storage, handling, or processing of hazardous materials in compliance with Section 16.36.080 (Hazardous materials).

See Division 8 for definitions of the listed land uses.

Home occupations require a home occupation permit (Chapter 16.132).

(Ord. 2018-09-18-1502 § 19; Ord. 2017-12-05-1503 C.S. § 3; Ord. 2016-06-28-1503-01 § II; Ord. 2016-05-24-1605 § IV; Ord. 2016-04-12-1602 § II; Ord. 2016-01-26-1601 C.S. § 2; Ord. 2014-07-29-1601 C.S. § 2; Ord. 2014-05-20-1601 C.S. § 2; Ord. 2013-12-17-1601 C.S. § 1; Ord. 2013-12-17-1210 C.S. § 2; Ord. 2013-07-30-1603-01 C.S. § 2; Ord. 2012-08-14-1602-02 C.S. § 1, eff. 9-13-12; Ord. 2012-04-10-1601 C.S. § 1; Ord. 011-11 C.S. § 1, eff. 10-27-11; Ord. 013-10 C.S. § 1, eff. 9-23-10; Ord. 011-10 C.S. § 1, eff. 8-26-10; Ord. 015-09 C.S., eff. 12-3-09;

Ord. 014-09 C.S. § 2, eff. 11-5-09; Ord. 011-08 C.S. § 2; Ord. 001-08 C.S. § 1; Ord. 023-07 C.S. §§ 5, 6; Ord. 018-071 C.S. § 1; prior code § 16-220.020)

## SECTION V: AMENDMENT OF CODE

Title 6, Chapter 16.64.040, Table 3-9 is amended to read as follows:

**TABLE 3-9  
PARKING REQUIREMENTS BY LAND USE**

Uses	Number of Spaces Required	
AGRICULTURAL AND RESOURCE-RELATED USES		
Agricultural activities and facilities	None	
	<u>Gross Floor Area Space(s)/sq. ft.</u>	<u>Other/Additional Spaces</u>
<u>Cannabis Cultivator Operator</u>	<u>1/250</u>	<u>1/2,000 for storage, employee break rooms, equipment rooms, offices, and circulation corridors</u>
Conservation area	Per land development permit	
Mining	Per use permit	
BUSINESS AND PROFESSIONAL USES		
	<b>Gross Floor Area Space(s)/sq. ft.</b>	<b>Other/Additional Spaces</b>
All uses listed under “Business and Professional Uses” on Table 2-2	1 <sup>st</sup> 50,000 sq. ft.—1/200	_____
	Portion over 50,000 sq. ft.—1/500	
INDUSTRY, MANUFACTURING & PROCESSING USES		
	<b>Gross Floor Area Space(s)/sq. ft.</b>	<b>Other/Additional Spaces</b>
All uses listed under “Industry, Manufacturing & Processing Uses” on Table 2-2, except for the following:	Up to 50,000 sq. ft. of floor area—1/500	Offices/sales over 5,000 sq. ft.—1/250 sq. ft.
	50,001 to 100,000 sq. ft.—100 spaces plus	

Uses	Number of Spaces Required	
	1/1,000 for area over 50,000 sq. ft.	
	100,001 to 500,000 sq. ft.— 150 spaces plus 1/2,000 for area over 100,000 sq. ft.	
<u>Cannabis Distributor Operator</u>	<u>1/2,000</u>	<u>Offices over 5,000 sq. ft. — 1/250</u>
<u>Cannabis Manufacturer (volatile and non-volatile)</u>	<u>1/2,000</u>	<u>Offices over 5,000 sq. ft. — 1/250</u>
<u>Cannabis Microbusiness (by subtype)</u>		<u>*1/2,000 for storage, employee break rooms, equipment rooms, offices, circulation corridors, cultivation and manufacturing areas</u>
RDC	<u>1/250"</u>	
RDM	<u>1/250"</u>	
RCM	<u>1/250"</u>	
DCM	<u>1/2,000*</u>	
<u>Cannabis Testing Laboratory</u>	<u>1/1,000</u>	<u>Offices over 5,000 sq. ft. — 1/250</u>
Laundries and dry cleaning plants	1/1,000	Offices/sales over 5,000 sq. ft.—1/250 sq. ft.
	<b>Gross Floor Area Space(s)/sq. ft.</b>	<b>Other/Additional Spaces</b>
Research and development (R&D)	1/500	Offices/sales over 5,000 sq. ft.—1/250 sq. ft.
Storage yards	—	2/facility + 1/250 sq. ft. of office
Warehouses	1 <sup>st</sup> 500,000 sq. ft. of floor area— 1/2,000	Offices/sales over 5,000 sq. ft.—1/250 sq. ft.
	Portion over 500,000— 1/4,000	

Uses	Number of Spaces Required	
Wholesaling and distribution	1 <sup>st</sup> 500,000 sq. ft. of floor area— 1/2,000	Offices/sales over 5,000 sq. ft.—1/250 sq. ft.
	Portion over 500,000— 1/4,000	

**RECREATION, EDUCATION, AND PUBLIC ASSEMBLY USES**

	Gross Floor Area Space(s)/ sq. ft.	Fixed Seats (24" = 1 seat)	Other/Additional Spaces
All uses listed under "Recreation, Education, and Public Assembly Uses" on Table 2-2, except for the following	1/50	OR 1/4	_____
Auditoriums, meeting halls, and theaters			
Cinemas	_____	1/4	4/screen
Bridge clubs and non-gambling board games	_____	_____	4/table
Card rooms/poolhalls/billiard parlors			
Card rooms	_____	_____	4/table
Poolhalls	_____	_____	2/table
Commercial amusement facilities	1/250		_____
Dancehalls—Dance floor areas	1/50		_____
Educational facilities			
Colleges and universities	_____	_____	1/classroom + 0.75 per each student in the largest shift on site at one time
Public and private elementary and secondary schools	_____	_____	2/classroom
Public and private high schools	_____	_____	2/classroom + 1/6 per each student in the largest shift on site at one time



Uses	Number of Spaces Required		
Equipment repair and maintenance training; vehicle repair and maintenance training	_____	_____	2/classroom + 1 per each student in the largest shift on site at one time
Specialized education and training; vocational and technical schools	_____	_____	2/classroom + 1 per each student in the largest shift on site at one time
Equestrian facilities	_____	_____	1/5 horses
Golf courses/country clubs	_____	_____	6/hole + 1 per clubhouse/ ancillary over 3,000 sq. ft.
Golf driving ranges	_____	_____	1/tee
Indoor recreation facilities			
Bowling alleys	_____	_____	4/lane + ancillary
Skating	1/100 of rink area	_____	
Tennis/racquet ball/handball or other courts	_____	_____	3/court + ancillary
Libraries and museums	1/500	_____	
Marinas	_____	_____	1/ 2 berths + ancillary
Dry storage	_____	_____	.75/boat space
Outdoor assembly facility	Per use permit		
Outdoor commercial recreation facilities	_____	_____	Per use permit
Parks and playgrounds	_____	_____	Per director
Recreational vehicle parks	_____	_____	2 for manager + 4 for employee/guests
Studios	1/250	_____	

**RESIDENTIAL**

	Space(s)/Unit or other criteria	Guest Parking
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Uses	Number of Spaces Required	
Caretaker and employee housing	1 covered/unit	_____
Duplexes	2 covered/unit	_____
Dwelling group	2 covered/unit	_____
Mobilehome parks	1/mobilehome	1/4 units
Multifamily dwellings	1½/unit	1/4 units
Downtown	1/unit	_____
Organizational houses	1/bed	1/6 beds
Residential care facilities		
All, except care homes (6 or less)	1/5 beds	1/10 beds
Care homes, 6 or more	2/house in enclosed garage	1/10 beds
Rooming and boarding houses	1 per 2 beds	_____
Senior residential projects	1 covered/2 units	1/10 units
Single-family dwellings	2/house in enclosed garage	_____
Townhouses	2 covered/unit	_____
Triplexes	2/unit (at least 1 covered)	_____

**RETAIL TRADE**

	Gross Floor Area Space(s)/sq. ft.	Other/Additional Spaces
All uses listed under "Retail Trade" on Table 2-2, except for the following:	1/250	_____
Alcoholic beverage sales		
Bars and nightclubs with dancing or live entertainment	1/150	_____
Auto and vehicle sales—New	1/2,000 sq. ft. of outdoor sales and storage area	

Uses	Number of Spaces Required	
Auto and vehicles sales—Used	1/2,000 sq. ft. of outdoor sales and storage area	
Auto and vehicle leasing/rental	1/2,000 sq. ft. of outdoor sales rental and storage area	
Convenience stores	1/150	_____
Furniture, furnishings, and appliance stores	1st 5,000 sq. ft.—1/500	_____
	Over 5,000 sq. ft.—1/1,000	
Nurseries and garden supply stores	1/250	1/2,000 sq. ft. outdoor sales and storage
Restaurants		
Table service	1/200	_____
Fast food/take out	1/100	_____
With dancing or live entertainment	1/150	
Shopping centers		
Regional (400,000 sq. ft. or more)	1/200 up to 400,000 sq. ft. + 1/250 over 400,000	_____

**SERVICES**

	Gross Floor Area Space(s)/sq. ft.	Other/Additional Spaces
All uses listed under “Service” on Table 2-2, except for the following	1st 50,000 sq. ft.—1/200	_____
	Over 50,000 sq. ft.—1/500	
Adult day care facilities	1/500	2 spaces for drop off
Animal services		
Kennels and boarding facilities	1/500	1/800 boarding area
Grooming	1/400	_____
Training facilities	1/500	_____
Auto/vehicle services		
Car washes—Full service	_____	3 spaces/wash lane; Separate parking for ancillary uses

Uses	Number of Spaces Required	
Car washes—Self-service	_____	1 space
Fueling stations	1/400	_____
Inoperable vehicle storage	_____	2/facility
Maintenance/minor repair	1/400	_____
Major repair/body work	1/400	_____
Parking facilities, public	_____	None
Vehicle storage, other than marinas	1/200 of office	2/facility
Auto Rental	1/400	1/rental space
<u>Cannabis Retailer – Non-Storefront (delivery only)</u>	<u>1/250</u>	<u>1/2,000 for storage, employee break rooms, equipment rooms, offices, and circulation corridors</u>
<u>Cannabis Retailer – Storefront</u>	<u>1/250</u>	<u>1/2,000 for storage, employee break rooms, equipment rooms, offices, and circulation corridors</u>
Child care		
Child day care centers	_____	1/employee + drop-off space
Large family child care homes	_____	Per Section <del>16.64.070</del> 16.64.070(B)(1)(b)(7)
Small family child care homes	_____	_____
Equipment rental	1/250	_____
Funeral services		
Cemeteries	_____	Per use permit
Mortuaries	1/50	OR 1/4 fixed seats
Health/fitness facilities	1/250	Ancillary activities as otherwise designated
Lodging facilities		
Bed and breakfast	_____	1/room + 1 for manager

Uses	Number of Spaces Required	
Extended-stay facilities	_____	1/guest room + 4 + ancillary
Single room occupancy facilities (SRO)	_____	1/2-space/guest room
Hotels and motels	_____	1/guest room + 4 + ancillary
Medical services		
Extended care	_____	1/2-space/bed
Hospitals	_____	2/bed
Personal services		
Restricted	1/250	_____
Unrestricted	1/250	_____
Repair services	1/250	_____
Social services facilities	_____	Per use permit
Transitional housing		1/2 beds
Storage facilities		
Personal storage facilities (mini-storage)	_____	4 spaces

**TRANSPORTATION AND COMMUNICATION USES**

	Indoor Gross Floor Area Space(s)/sq. ft.	Other/Additional Spaces
Broadcasting studios	1/200 indoor space	_____
Communication facilities	_____	1 space
Transit stations and terminals	1/250 indoor space	
Vehicle and freight terminals	1/250 indoor space	1/bay

**OTHER USES**

	Gross Floor Area Space(s)/sq. ft.	Other/Additional Spaces
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Uses	Number of Spaces Required	
Live/work facilities	_____	2 covered/unit + 1/unit for customer or guest
Major impact facilities	_____	Per use permit
Motion picture production	1/500 indoor space	Ancillary use requirements
Multi-use facilities	_____	Aggregate of requirements for specific uses in the multi-use
Public institutions	1/200	_____
Public and semi-public utility facilities	_____	1 space
Signs—Off-premises	_____	_____

(Ord. 011-11 C.S. § 1, eff. 10-27-11; Ord. 015-09 C.S., eff. 12-3-09; Ord. 001-08 C.S. § 8; Ord. 023-07 C.S. §§ 44, 45; prior code § 16-345.040)

## SECTION VI: AMENDMENT OF CODE

Title 6, Chapter 16.80, Section 16.80.195 is amended to read as follows:

### 16.80.195 Cannabis business ~~Typeses~~— Commission Use Permitting.

#### A. ~~Cannabis Dispensaries~~Retailer Operator Permit (Retailer Operator) – Land Use Process.

1. **Eligible Applicants.** To apply for a Commission Use Permit, a Retailer Operator Permit Applicant must first be selected from either the general pool or equity pool after submitting an intent to apply. Refer to Section 16.80.195 (4K).

2. **Commission use permit required.** A Commission use permit is required to sell medical or adult-use cannabis at a retail location.~~cannabis in a cannabis dispensary.~~

~~2. **Adult-use cannabis dispensary.** A permitted medical cannabis dispensary is allowed to sell adult-use cannabis by right.~~

3. ~~Operator's~~Operators ~~P~~permit required. After acquiring a ~~Commission~~conditional use permit, ~~a medical cannabis dispensary a~~ Retailer Operator Permit Applicant must obtain and maintain at all times a valid cannabis ~~operator's~~Operators permit as required by Chapter ~~5.100~~. An ~~operator's~~Operators permit is required whether the ~~dispensary~~Retailer intends on selling~~ing~~ medical and/or adult-use cannabis.

4. **Zoning Districts.** A Retailer Operator Permit shall only be issued for property located in Commercial, office (CO), Commercial, Neighborhood (CN), Commercial,



General (CG), Commercial Downtown (CD), Commercial, Large-Scale (CL), Industrial, General (IG) or Industrial, Limited (IL) zones, as indicated in Table 2-2. They are also allowed in the Mixed Use (MX) zone.

**45. Location requirements.** The following location requirements apply to all ~~cannabis dispensaries~~Retailer Operator Permits. ~~The Review Authority may waive location requirements as provided in Chapter 16.176, consistent with applicable State location restrictions.~~

a. No ~~cannabis dispensary~~Retailer Operator Permit shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any other cannabis business or site having a valid use permit for a cannabis business; microbusinesses shall not apply this provision to the other approved cannabis activities co-located at their location (as permitted by BPC §26070).

b. No ~~cannabis dispensary~~Retailer Operator Permit shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone;

c. No ~~cannabis dispensary~~Retailer Operator Permit shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any childcare center, child care, in-home (family day care home), religious facilities, drug abuse, or alcohol recovery/treatment facility;

d. No ~~cannabis dispensary~~Retailer Operator Permit shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any park or school, K-12.

e. The Review Authority may, however, waive these location requirement as provide in Chapter 16.176, consistent with applicable State location restrictions.

Only those uses established and in operation as of the date that the application for a ~~cannabis dispensary~~Retailer Operator Commission~~conditional~~ use permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.

**56. Conditions of approval.** The ~~p~~Planning ~~e~~Commission may address development and operational standards through conditions on the ~~commission~~conditional use permit as it is determined to be necessary or appropriate for the ~~medical cannabis dispensary retailer operator commission conditional~~ use permit under consideration; provided, that conditions shall not conflict with the provisions of ~~Chapter 5.100~~, relating to operating requirements of ~~cannabis dispensaries~~Retailer Operator Permit and shall be subordinate to conditions placed on the ~~cannabis operators~~Retailer Operator permit issued under Chapter 5.100.

**67. Parking.** Off-street parking shall be provided as required under Chapter 16.64.040, Table 3-9.

**78. Application.** The application for a ~~commission conditional~~ use permit for a ~~medical cannabis dispensary~~Retailer Operator Permit shall include a floor plan, site plan, neighborhood context map, and a security and lighting plan. The Director may also require more and/or different information, at his or her discretion.

**89. Pre-existing cannabis dispensaries—Nonconforming.** No ~~cannabis dispensary~~Retailer Operator Permit operating or purporting to operate without a valid business license and ~~commission~~conditional use permit prior to the adoption of the

ordinance codified in this section, shall be deemed to have been a legally established use under the provisions of this code, nor shall the operation of such dispensary be deemed a legal nonconforming use under this Title 16.

**910. Additional grounds for revocation of ~~cannabis-dispensary~~Retailer Operator Permit Commission-conditional use permit.** In addition to the grounds stated in Section 16.108.030(B) for revocation of a ~~commissioneconditional~~ use permit, a ~~commissioneconditional~~ use permit for a ~~cannabis-dispensary~~Retailer Operator may be revoked on either of the following grounds in accordance with the procedure under Section 16.108.030(A):

- a. The ~~cannabis-dispensary-Retailer Operator Permit~~ is operated in a manner that violates any of the provisions of State law or this code; or
- b. The ~~cannabis-dispensary-Retailer Operator Permit~~ does not have a valid ~~medical-cannabis-operators~~Retailer Operator permit ~~in accordance with~~ required ~~by~~ Chapter 5.100.

**4011. Adult-use sales.** Existing ~~cannabis-dispensaries~~Retailer Operator Permits in possession of a valid, active ~~conditional-commission~~ use permit, may also sell adult-use cannabis by-right with a valid amendment to their ~~existing-operators~~Retailer Operator Permit ~~permit~~ in accordance with Chapter 5.100.

**B. Non-storefront Operator Permit (delivery only) – Land Use Process.**

1. **Administrative use permit required.** An Administrative Use Permit is required to establish and operate a Non-storefront Cannabis Delivery business.
2. **Operator permit required.** After acquiring an Administrative Use Permit, the Non-storefront Operator (delivery only) must obtain and maintain a valid Cannabis Business Operators permit as required by Chapter 5.100.
3. **Zoning Districts.** A Non-storefront Operator Permit (Delivery only) shall only be issued for property located within the Commercial, office (CO), Commercial, neighborhood (CN), Commercial, general (CG), Commercial, downtown (CD), Commercial, large-scale (CL), Industrial, Limited (IL), and Industrial, General (IG) as indicated in Table 2-2. They are also allowed in Mixed Use (MX) zones.
4. **Location Requirements.** The following location requirements apply to all Non-storefront Operators (Delivery only).
  - a. No Non-storefront Operator (delivery only) shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, or any existing residential zone.
  - b. No Non-storefront Operator (delivery only) shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any children center, child care, in-home (family day care home), religious facility, drug abuse, or alcohol recovery/treatment facility, or theater.
  - c. No Non-storefront Operator (delivery only) shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any park or school, K-12.
  - d. All Non-storefront Operators (delivery only) must be located within a fully-enclosed building and the interior of the building must not be visible from the public right-of-way.

- e. Only those uses established and in operation as of the date that the application for a Cannabis Non-Storefront Operator (delivery only) administrative use permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.
  - f. The Review Authority may, however, waive these location requirements as provided in Chapter 16.176, consistent with applicable State location restrictions.
- 5. **Conditions of approval.** The administrator may address development and operational standards through conditions on the administrative use permit as it determined to be necessary or appropriate for the Non-Storefront Operator Permit (delivery only) administrative use permit under consideration; provided, that these conditions do not conflict with provisions of Chapter 5.100 relating to operating requirement of Non-Storefront Operators (delivery only) sites and shall be subordinate to conditions placed on the Cannabis Operators Permit issued under Chapter 5.100.
- 6. **Parking.** Off-street parking shall be provided as required under Chapter 16.64.040, Table 3-9.
- 7. **Application.** The application for an administrative use permit for a Non-Storefront Operator site shall include a floor plan, site plan, neighborhood context map, and a security and lighting plan. The Director may also require more and/or different information, at his or her discretion.
- 8. **Pre-existing Cannabis Non-storefront Operator (Delivery only) sites – Nonconforming.** No Non-storefront Operator (Delivery only) operating or purporting to operate without a valid business license and administrative use permit prior to the adoption of the ordinance codified in this section, shall not be deemed, to have been a legally established use under the provision of this code, nor shall the operation of such non-store front (delivery only) operation site be deemed a legal nonconforming use under this Title 16.
- 9. Additional grounds for revocation of Cannabis Non-Storefront Operation (delivery only) site administrative use permit. In addition to the grounds stated in Section 16.108.030(B) for revocation of an administrative use permit, an administrative use permit for a Non-Storefront Operator (delivery only) may be revoked on either of the following grounds in accordance with the procedure under Section 16.108.030(A)L
  - A. The Non-storefront Operator is operated in a manner that violates any of the provisions of State law or this code; or
  - B. The Non-storefront Operator does not have a valid cannabis operator permit as required by Chapter 5.100.
- C. **Cannabis Cultivator or Operator Permit Application (Cultivator Operator).**
  - 1. Eligible Applicants. To apply for a Cultivator Commission Use Permit, an applicant must first be selected from either the general pool or equity pool after submitting an intent to apply. Refer to Section 16.80.195 (K)

**2. ~~Conditional Commission~~ use permit required.** A ~~commission~~conditional use permit is required to establish or operate a ~~medical cannabis cultivation site~~ cannabis Cultivation Operation.

**32. Adult-use cannabis cultivation.** A permitted medical cannabis cultivation site is allowed to grow adult-use cannabis by-right.

**4. Self-Distribution.** At the time this code goes into effect, active Cultivator Operators shall be permitted to engage in self-distribution by-right.

**5. Non-Volatile Manufacturing.** At the time this code goes into effect, active Cultivator Operators shall be permitted to engage in non-volatile manufacturing by-right.

**36. Operators permit required.** After acquiring a ~~commission~~conditional use permit, a ~~medical~~ cannabis cultivation site must obtain and maintain at all times a valid ~~medical~~ cannabis operators permit as required by Chapter 5.100.

**7. Zoning Districts.** A Cultivator Operator Permit shall only be issued for property located within the Industrial, Limited (IL), Industrial, General (IG), Port (PT), or Open Space (OS), as indicated in Table 2-2. They are also allowed in Mixed Use (MX) zones.

**84. Location requirements.** The following location requirements apply to all cannabis cultivation ~~or operator sites. The Review Authority may waive location requirements as provided in Chapter 16.176, consistent with applicable State location restrictions.~~

a. No cannabis cultivation site shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any other ~~medical cannabis business-Cultivator Operator site having a valid use permit for a medical cannabis business; microbusinesses shall not apply this provision to the other approved cannabis activities co-located at their location (as permitted by BPC §26070).~~

b. No ~~cannabis cultivation site-Cultivator Operator~~ shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone;

c. No ~~cannabis cultivation site-Cultivator Operator~~ shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any childcare center, child care, in-home (family day care home), religious facility, drug abuse, alcohol recovery/treatment facility, or theater;

d. No ~~cannabis cultivation site-Cultivator Operator~~ shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any park or school, K-12;

e. All ~~cannabis cultivation sites-Cultivator Operators~~ must be located within a fully-enclosed building and the interior of the building must not be visible from the public right-of-way.

f. The Review Authority may, however, waive these location requirements as provided in Chapter 16.176, consistent with applicable State location restrictions.

Only those uses established and in operation as of the date that the application for a ~~medical cannabis cultivation site conditional~~Cultivator Operator Commission ~~u~~Use permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.

~~5. Operator. No cannabis cultivation site shall be operated by a person or entity that operates a cannabis dispensary.~~

~~6. Limit on who may own cultivation sites. No cannabis dispensary owner may own or operate a cannabis cultivation site in the City of Stockton.~~

~~79.~~ **Limit on growth square footage.** The cumulative area of total canopy size on the premises of a ~~cannabis cultivation site~~Cultivator Operator shall not exceed 22,000 square feet.

~~810.~~ **Conditions of approval.** The ~~planning~~Planning ~~e~~Commission may address development and operational standards through conditions on the ~~commission conditional~~ use permit as it is determined to be necessary or appropriate for the ~~medical cannabis cultivation site conditional~~Cultivator Operator Commission ~~u~~Use permit ~~under consideration~~; provided, that conditions ~~shall do~~ not conflict with the provisions of Chapter ~~5.100~~ relating to operating requirements of ~~cannabis cultivation sites~~Cultivator Operator and shall be subordinate to conditions placed on the ~~cannabis operators~~Cultivator Operator permit issued under Chapter ~~5.100~~.

~~911.~~ **Parking.** Off-street parking shall be provided as required under Chapter ~~16.64.040, Table 3-9 for industry, manufacturing, and processing uses.~~

~~4012.~~ **Application.** The application for a ~~Commission conditional~~ ~~u~~Use permit for a ~~medical cannabis cultivation site~~Cultivator Operator shall include a floor plan, site plan, neighborhood context map, and a security and lighting plan. The Director may also require more and/or different information, at his or her discretion.

~~4413.~~ **Pre-existing ~~medical~~ cannabis cultivation sites—Nonconforming.** No ~~medical cannabis cultivation site~~Cultivator Operator operating or purporting to operate without a valid business license and ~~conditional~~Commission ~~u~~Use permit prior to the adoption of the ordinance codified in this section, shall be deemed to have been a legally established use under the provisions of this code, nor shall the operation of such cultivation site be deemed a legal nonconforming use under this Title 16.

~~4214.~~ **Additional grounds for revocation of ~~medical cannabis cultivation site~~Cultivator Operator Commission conditional~~u~~Use permit.** In addition to the grounds stated in Section ~~16.108.030(B)~~ for revocation of a ~~Commission Use conditional-use~~ permit, a ~~Commission Use conditional-use~~ permit for a ~~medical cannabis site~~Cultivator Operator may be revoked on either of the following grounds in accordance with the procedure under Section ~~16.108.030(A)~~:

- a. The ~~medical cannabis cultivation site~~Cultivator Operator is operated in a manner that violates any of the provisions of State law or this code; or
- b. The ~~medical cannabis cultivation site~~Cultivator Operator does not have a valid ~~medical~~ cannabis operator permit as required by Chapter ~~5.100~~.

**D. Volatile Manufacturer Operator Permit Applicant (Volatile Manufacturer Operator)**

1. **Eligible Applicants.** To apply for a Volatile Manufacturer Operator Commission Use Permit, an Applicant must first be selected from either the general pool or equity pool after submitting an intent to apply. Refer to Section 16.80.195(K).
2. **Commission use permit required.** A commission use permit is required to engage in commercial volatile manufacturing of cannabis.
3. **Operators permit required.** After acquiring a Commission Use Permit, a Volatile Manufacturer Operator must obtain and maintain at all times a valid Cannabis Operators Permit as required by Chapter 5.100.
4. **Zoning Districts.** A Volatile Manufacturer Operator Permit shall only be issued for property located within the Industrial, Limited (IL), Industrial, General (IG), or Port (PT) as indicated in Table 2-2. They are also allowed in Mixed Use (MX) zones.
5. **Location requirements.** The following location requirements apply to all cannabis Volatile Manufacturers.
  - a. No Volatile Manufacturer Operator shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, or any existing residential zone;
  - b. No Volatile Manufacturer Operator shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any childcare center, child care, in -home (family day care home), religious facilities, drug abuse, or alcohol recovery/treatment facility;
  - c. No Volatile Manufacturer Operator shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, or any park or school, K-12.
  - d. Only those uses established and in operation as of the date that the application for a Volatile Manufacturer Operator Commission Use Permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.
  - e. The Review Authority may, however, waive these location requirements as provided in Chapter 16.176, consistent with applicable State location restrictions.
6. **Conditions of approval.** The Planning Commission may address development and operational standards through conditions on the Commission Use Permit as it is determined to be necessary or appropriate for the Volatile Manufacturer Operator Commission Use permit under consideration; provided, that conditions shall not conflict with the provisions of Chapter 5.100, relating to operating requirements of Volatile Manufacturer Operator and shall be subordinate to conditions placed on the Cannabis Operators Permit issued under Chapter 5.100.
7. **Parking.** Off-street parking shall be provided as required under Chapter 16.64.040, Table 3-9.



8. **Application.** The application for a Commission Use Permit for a Volatile Manufacturer Operator shall include a floor plan, site plan, neighborhood context map, and a security and lighting plan. The Director may also require more and/or different information, at his or her discretion.
9. **Pre-existing cannabis volatile manufacturers – Non-conforming.** No Volatile Manufacturer Operator operating or purporting to operate without a valid business license and Commission Use Permit prior to the adoption of the ordinance codified in this section, shall be deemed to have been a legally established use under the provisions of this code, nor shall the operation of such manufacturing be deemed a legal non-conforming use under this Title 16.
10. **Additional grounds for revocation of Volatile Manufacturer Operator Commission Use Permit.** In addition to the grounds stated in Section 16.108.030(A):
  - a. The cannabis Volatile Manufacturer Operator is operated in a manner that violates any of the provision of State law or this code; or
  - b. The Volatile Manufacturer Operator does not have a valid cannabis manufacturer operators permit required by Chapter 5.100.

#### **E. Non-volatile Manufacturer Operator Permit Applicant (Manufacturer Operator)**

1. **Commission use permit required.** A commission use permit is required to engage in commercial non-volatile manufacturing of cannabis.
2. **Operators permit required.** After acquiring a Commission Use Permit, a Non-Volatile Manufacturer Operator must obtain and maintain at all times a valid Cannabis Operators Permit as required by Chapter 5.100.
3. **Zoning Districts.** A Non-volatile Manufacturer Operator Permit shall only be issued for property located within the Industrial, Limited (IL), Industrial, General (IG), or Port (PT) as indicated in Table 2-2. They are also allowed in Mixed Use (MX) zones.
4. **Location requirements.** The following location requirements apply to all cannabis Non-volatile Manufacturers.
  - a. No Non-Volatile Manufacturer Operator shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, or any existing residential zone;
  - b. No Non-Volatile Manufacturer Operator shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any childcare center, child care, in - home (family day care home), religious facilities, drug abuse, or alcohol recovery/treatment facility;
  - c. No Non-Volatile Manufacturer Operator shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, or any park or school, K-12.
  - d. Only those uses established and in operation as of the date that the application for a Non-Volatile Manufacturer Operator Commission Use Permit is determined or deemed to be complete shall be



considered for purposes of determining whether the location requirements are met.

e. The Review Authority may, however, waive these location requirements as provided in Chapter 16.176, consistent with applicable State location restrictions.

**5. Conditions of approval.** The Planning Commission may address development and operational standards through conditions on the Commission Use Permit as it is determined to be necessary or appropriate for the Non-Volatile Manufacturer Operator Commission Use permit under consideration; provided, that conditions shall not conflict with the provisions of Chapter 5.100, relating to operating requirements of Non-Volatile Manufacturer Operator and shall be subordinate to conditions placed on the Cannabis Operators Permit issued under Chapter 5.100.

**6. Parking.** Off-street parking shall be provided as required under Chapter 16.64.040, Table 3-9.

**7. Application.** The application for a Commission Use Permit for a Non-Volatile Manufacturer Operator shall include a floor plan, site plan, neighborhood context map, and a security and lighting plan. The Director may also require more and/or different information, at his or her discretion.

**8. Pre-existing cannabis non-volatile manufacturers – Non-conforming.** No Non-volatile Manufacturer Operator operating or purporting to operate without a valid business license and Commission Use Permit prior to the adoption of the ordinance codified in this section, shall be deemed to have been a legally established use under the provisions of this code, nor shall the operation of such non-volatile manufacturing be deemed a legal non-conforming use under this Title 16.

**9. Additional grounds for revocation of a Non-Volatile Manufacturer Operator Commission Use Permit.** In addition to the grounds stated in Section 16.108.030(A):

a. The cannabis Non-Volatile Manufacturer Operator is operated in a manner that violates any of the provision of State law or this code; or

b. The Non-Volatile Manufacturer Operator does not have a valid cannabis non-volatile manufacturer operators permit required by Chapter 5.100.

#### **F. Distributor Operator Permit Applicant (Distributor Operator)**

**1. Commission Use Permit required.** A commission use permit is required to establish or operate a Distributor Operator Permit, except as otherwise noted for existing cannabis cultivations.

**2. Operators permit required.** After acquiring a Commission Use Permit, Distributor Operators must obtain and maintain at all times a valid Cannabis Operators Permit as required by Chapter 5.100.

3. **Zoning Districts.** A Distributor Operator Permit shall only be issued for property located within the Industrial, Limited (IL), Industrial, General (IG), or Port (PT) as indicted in Table 2-2. They are also allowed in Mixed Use (MX) zones.
4. **Location requirements.** The following location requirements apply to all Distributor Operator.
  - a. No Distributor Operator shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential one;
  - b. No Distributor Operator shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any childcare center, child care, in-home (family day care home), religious facility, drug abuse, or alcohol recovery/treatment facility, or thereafter,
  - c. No Distributor Operator shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any park or school, K-12.
  - d. All Distributor Operator must be located within a fully-enclosed building and the interior of the building must not be visible from the public right-of-way.
  - e. Only those uses established and in operation as of the date of the application for a Distributor Operator Commission Use Permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.
  - f. The Review Authority may, however, waive these location requirements as provided in Chapter 16.176, consistent with applicable State location restrictions.
5. **Conditions of approval.** The Planning Commission may address development and operational standards through conditions on the Commission Use Permit as it is determined to be necessary or appropriate for the Distributor Operator Commission Use Permit under consideration; provided, that conditions shall not conflict with the provisions of Chapter 5.100 relating to operating requirements of Distributor Operator sties and shall be subordinate to conditions placed on the Cannabis Distributor operators permit issued under Chapter 5.100.
6. **Parking.** Off-street parking shall be provided as required under Chapter 16.64.040, Table 3-9.
7. **Application.** The application for a Commission Use Permit for a Distributor Operator site shall include a floor plan, site plan, neighborhood context map, and a security and lighting plan. The Director may also require more and/or different information, at his or her discretion.
8. **Pre-existing cannabis distributor sites-Nonconforming.** No Distributor Operator operating or purporting to operate without a valid business license and Commission Use Permit prior to the adoption of the ordinance codified in this section, shall not be deemed to have been a legally established use under the provisions of this code, nor shall the operation of such cultivation site be deemed a legal nonconforming use under this Title 16.

**9. Additional grounds for revocation of Cannabis Distributor site commission use permit.** In addition to the grounds stated in Section 16.108.030(B) for revocation of a commission use permit, a commission use permit for a Distributor Operator may be revoked on either of the following ground in accordance with the procedure under Section 16.108.030(A):

- a. Distributor Operator site is operated in a manner that violates any of the provisions of State law or this code; or
- b. The Distributor Operator site does not have a valid Cannabis Operators Permit as required by Chapter 5.100

**G. Testing Laboratory Operator Permit Applicant (Testing Laboratory Operator)**

**1. Land Use Requirement.** Testing laboratories land use is allowed by-right. All other requirements set forth in this section must be met.

**2. Operators permit required.** The Testing Laboratory Operator must obtain and maintain a valid Cannabis Testing Facility permit as required by Chapter 5.100.

**3. Zoning Districts.** A Testing Laboratory Operator Permit shall only be issued for property located within the Commercial, office (CO), Commercial, neighborhood (CN), Commercial, General (CG), Commercial, downtown (CD), Commercial, large-scale (CL), Industrial, Limited (IL), or Industrial, General (IG), as indicated in Table 2-2. They are also allowed in Mixed Use (MX) zones.

**4. Location requirements.** The following location requirements apply to all Testing Laboratory Operators.

- a. No Testing Laboratory Operator shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, or any existing residential zone;
- b. No Testing Laboratory Operator shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any childcare center, child care, in-home (family day care homes), religious facility, drug abuse, or alcohol recovery/treatment facility, or thereafter;
- c. No Testing Laboratory Operator shall be established or located within 1,000 feet, measured from the nearest property line of each of the affected parcels, of any park or school, K-12;
- d. All Testing Laboratory Operator must be located within a fully-enclosed building and the interior of the building must not be visible from the public right-of-way.
- e. Only those uses established and in operation as of the date that the application for a Cannabis Testing Laboratory Operator Commission Use Permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.
- f. The Review Authority may, however, waive these location requirements as provided in Chapter 16.176, consistent with applicable State location restrictions.

**5. Parking.** Off-street parking shall be provided as required under Chapter 16.64.040, Table 3-9.

**6. Pre-existing Cannabis Testing Facility sites – Nonconforming.** No Testing Laboratory Operator operating or purporting to operate without a valid business license and operators permit prior to the adoption of the ordinance codified in this section, shall be deemed to have been a legally established use under the provisions of this code, nor shall the operation of such testing site be deemed a legal nonconforming use under this Title 16.

**7. Additional grounds for revocation of Cannabis Testing Facility site by-right allowance.** The land use rights for a Testing Laboratory Operator may be revoked on either of the following grounds:

- a. The Testing Laboratory Operator is operated in a manner that violates any of the provisions of State law or this code; or
- b. The Testing Laboratory Operator does not have a valid testing cannabis operator permit as required by Chapter 5.100.

#### **H. Microbusiness Operator Permit – Land Use Process.**

**1. Eligible Applicants.** To apply for a Microbusiness Operator Commission Use Permit, an Applicant must first be selected from either the general pool or equity pool after submitting an intent to apply. Refer to Section 16.80.195(K).

**2. Use permits required.** Based on subtype, the following Use Permits are required to establish and operate a Microbusiness:

<b><u>RDC</u></b>		<b><u>RDM</u></b>	
<u>Retailer or Retailer (Non-Storefront)</u>	<u>CUP AUP</u>	<u>Retailer or Retailer (Non-Storefront)</u>	<u>CUP AUP</u>
<u>Distributor or Distributor (Transport Only)</u>	<u>CUP CUP</u>	<u>Distributor or Distributor (Transport Only)</u>	<u>CUP CUP</u>
<u>Cultivation (less than 10,000 sq. ft.)</u>	<u>CUP</u>	<u>Manufacturer (Level 1, Type 6)</u>	<u>CUP</u>
<b><u>RCM</u></b>		<b><u>DCM</u></b>	
<u>Retailer or Retailer (Non-Storefront)</u>	<u>CUP AUP</u>	<u>Distributor or Distributor – Transport Only</u>	<u>CUP CUP</u>
<u>Cultivation (less than 10,000 sq. ft.)</u>	<u>CUP</u>	<u>Cultivation (less than 10,000 sq. ft.)</u>	<u>CUP</u>
<u>Manufacturer (Level 1, Type 6)</u>	<u>CUP</u>	<u>Manufacturer (Level 1, Type 6)</u>	<u>CUP</u>

In the case of Microbusinesses only, the multiple Commission Use Permit application requirement shall be processed as a single Commission Use Permit application for review and approval by the Planning Commission.

**3. Operator permit required.** After acquiring the required Use Permits, the Microbusiness must obtain and maintain a valid Cannabis Operators permit as required by Chapter 5.100.

In the case of Microbusinesses only, a single Cannabis Business Operators permit application addressing all subtypes (as submitted by the applicant) shall be processed for review and approval by the Chief of Police.

4. **Zoning Districts.** A Microbusiness Permit shall only be issued for property located within the Industrial, Limited (IL) and Industrial, or General (IG) zones, as indicated in Table 2-2. They are also allowed in Mixed Use (MX) zones.
5. **Location Requirements.** The following location requirements apply to all Cannabis Microbusiness.
  - a. No Microbusiness site shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any other Microbusiness site.
  - b. No Microbusiness site shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any other Cultivator Operator, Retailer Operator (storefront), or site having a valid use permit for a cannabis business. Should the Microbusiness include a Cultivator Operator and/or Retailer Operator as a part of its subtype, this provision shall not apply to said Cultivator Operator and/or Retailer Operator.
  - c. No Microbusiness shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, or any existing residential zone.
  - d. No Microbusiness shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any children center, child care, in-home (family day care home), religious facility, drug abuse, or alcohol recovery/treatment facility, or theater;
  - e. No Microbusiness be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any park or school, K-12;
  - f. In the case of Microbusinesses with Non-Storefront Operator (delivery only), Microbusiness must be located within a fully-enclosed building and the interior of the building must not be visible from the public right-of-way.
  - g. Only those uses established and in operation as of the date that the application for a Microbusinesses use permit(s) is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.
  - h. The Review Authority may, however, waive these location requirements as provided in Chapter 16.176, consistent with applicable State location restrictions.
6. **Conditions of approval.** The administrator may address development and operational standards through conditions on the administrative use permit as it determined to be necessary or appropriate for the Microbusinesses use permit(s) under consideration; provided, that these conditions do not conflict with provisions of Chapter 5.100 relating to operating requirement of Microbusinesses sites and shall be subordinate to conditions placed on the Cannabis Operators Permit issued under Chapter 5.100.
7. **Parking.** Off-street parking shall be provided as required under Chapter 16.64.040, Table 3-9.
8. **Application.** The application for a use permit for a Microbusinesses site shall include a floor plan, site plan, neighborhood context map, and a security and

lighting plan. The Director may also require more and/or different information, at his or her discretion.

9. **Pre-existing Cannabis Microbusinesses sites – Nonconforming.** No Microbusinesses operating or purporting to operate without a valid business license and required use permit(s) prior to the adoption of the ordinance codified in this section, shall not be deemed, to have been a legally established use under the provision of this code, nor shall the operation of such Microbusinesses operation site be deemed a legal nonconforming use under this Title 16.
10. Additional grounds for revocation of Cannabis Microbusinesses site use permit. In addition to the grounds stated in Section 16.108.030(B) for revocation of a use permit, a use permit for a Microbusinesses may be revoked on either of the following grounds in accordance with the procedure under Section 16.108.030(A)
  - a. The Microbusinesses is operated in a manner that violates any of the provisions of State law or this code; or
  - b. The Microbusinesses does not have a valid cannabis operator permit as required by Chapter 5.100.

**CJ.** **Prohibition of Certain Cannabis Businesses.** The following cannabis businesses shall be prohibited in the City of Stockton:

1. ~~Any cannabis business engaging in the sale of medical ~~cannabis~~ or adult-use cannabis or ~~medical or adult-use~~ cannabis products at a location other than that permitted through an existing cannabis dispensary and any business engaging in the cultivation of medical or adult-use cannabis or adult-use cannabis products other than an existing cannabis cultivation business or cooperative, as provided in Business and Professions Code Section 26000, et seq. Cannabis Operators Permit.; and~~
2. ~~Any cannabis business engaged in delivery, distribution, or manufacture of cannabis or operating a cannabis testing laboratory, as defined in Business and Professions Code Section 26001.~~

**DJ.** **Prohibition of Outdoor Personal Cannabis Cultivation.**

1. Cannabis cultivation for personal use must be located inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure.
2. All cannabis cultivation for personal use within a private residence must be conducted in a manner that prevents ~~cannabismarijuana~~ plants from being visible from any street, sidewalk, or other place freely accessible by the public and prevents the odor of ~~cannabismarijuana~~ from permeating beyond the boundaries of the parcel or property where the indoor cultivation is occurring. (Ord. 2018-09-18-1502 § 20; Ord. 2017-11-07-1502 C.S. § 1; Ord. 2016-06-28-1503-01 § III; Ord. 2013-07-30-1603-01 C.S. § 2; Ord. 013-10 C.S. § 1, eff. 9-23-10)

**K.** **Limited Cannabis Business Expansion Process: Equity Program**

1. Program Intent: The goal of the Equity Program is to promote equitable business ownership opportunities in the cannabis industry in order to decrease disparities in life outcomes for marginalized communities and address the disproportionate impacts of cannabis in adversely-impacted and lower income communities.
2. The City shall create an equity program to aid those persons from economically disadvantaged communities that experience high rates of poverty.



3. To qualify to be an equity applicant, greater than 50% of the ownership, as determined by equity sharing, for the permit must be:
  - a. A resident of Stockton AND
  - b. One of the following: be an MBE/WBE business, live in an Opportunity Zone, live in the SB 535 Disadvantaged Area, or live in a HUD designated area.
4. On an annual basis, the City of Stockton shall allow for the following numbers of new permits for cannabis businesses:
  - a. Two (2) Retail Commission Use Permit
  - b. Two (2) Cultivator Commission Use Permit
  - c. Two (2) Volatile Manufacturer Commission Use Permit
  - d. Two (2) Microbusiness Commission Use Permit
5. Permits shall be issued in the following manner:
  - a. Lottery System:
    - i. All applicants, equity and non-equity, shall annually submit an intent to apply with paperwork that proves that the applicant has identified property that meets all City locational criteria and zoning requirements. All applications for the year will be due by a date determined by the City.
    - ii. If the applicant wishes to be designated as an equity applicant, then they must submit paperwork establishing that over 50% of the business owners, as determined by equity sharing, meet the requirements as listed. All applicants wishing to be designated as an equity applicant must do so at the time of submitting an intent to apply for a permit.
    - iii. After closing the application process, the City will randomly select 1 (one) application from the general pool first for each of the following permit types: retail operator, cultivator operator and volatile manufacturer operator. Then the City will randomly select 1 (one) application from the equity applicants for each of the following permit types: retail operator, cultivator operator, volatile manufacture, and microbusiness.
    - iv. All applications must show continual good faith efforts to obtain the permit or else communicate that he/she is no longer pursuing the application.
    - v. If the City determines that the application is not progressing, the City shall notify the applicant of the intent to deny the application and the required next steps for the applicant to rectify. The applicant shall have 30 days from the date of the issuance of the notification to meet the next steps, or the application shall be denied.
    - vi. If an application is denied or the Applicant decides not to pursue the application, the City shall select at random from the pool of applicants from which the denied or abandoned application was selected.
    - vii. If an applicant is seeking to permit the following commercial cannabis types: non-volatile manufacture, distribution, testing laboratory, and non-storefront retailer (delivery only); they will not be subject to the lottery system. There are no limitations on the number of land-use permits allowed for said commercial cannabis business types.



6. Exemptions. Testing laboratory, non-storefront retailer, distributor, and non-volatile manufacturer permits shall not be subject to the lottery system as described in this title. There are no limitations on the number of land-use permits allowed for said commercial cannabis business types.

## SECTION VII: AMENDMENT OF CODE

Title 16, Chapter 16.240, Section 16.240.020 is amended to read as follows:

**Annual State License.** Shall mean an annual commercial cannabis business license issued by the California Bureau of Cannabis Control, California Department Food and Agriculture, or California Department of Public Health.

**Cannabis.** Shall mean all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin.

Cannabis shall also mean the separated resin, whether crude or purified, obtained from cannabis, "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germinations. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.

**Cannabis Business.** Shall mean a Cultivator Operator Permit, Distributor Operator Permit, Manufacturer Operator Permit, Non-Storefront Delivery Operator Permit, Retailer Operator Permit, Testing Laboratory Operator Permit, or Microbusiness Operator Permit, issued by the City pursuant to this Chapter.

~~Cannabis Cultivation. Shall have the same meaning as set forth in Business and Professions Code Section 26001(l) as the same may be amended from time to time.~~

~~Cannabis Cultivation Site. Shall have the same meaning as set forth in Business and Professions Code Section 26001(m) as the same may be amended from time to time.~~

**Cannabis Cultivation Operator Permit.** Shall mean a license issued by the City to plant, grow, harvest, dry, cure, grade, or trim cannabis and that holds an authorized Annual State License with an A-License or M-License designation.

**Cannabis Distributor Operator Permit.** Shall mean a permit issued by the City to procure, sell, and transport cannabis and cannabis products to a person or persons who hold an authorized Annual State License with an A-License or M-License designation.

**Cannabis Manufacturer Operator Permit.** Shall mean a permit to conduct the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or re-labels its container to a person or

persons who hold an authorized Annual State License with an A-License or M-License designation.

**Cannabis Manufacturing site.** Shall have the same meaning as set forth in Business and Professions Code Section 19300.5 (a-f) as the same may be amended from time to time.

**Cannabis Non-Storefront Delivery Operator Permit.** Shall mean a cannabis business that holds a valid retail Annual State License that delivers cannabis and cannabis products to customer from a licensed premise that is not accessible by or open to members of the public.

**Cannabis Retailer Operator Permit.** Shall mean a retail storefront permitted by the City where medical and/or adult-use cannabis products can be sold. For purposes of this chapter, “retailer operator permit” shall also include a cooperative. “Retailer Operator Permit” shall not include the following uses: (1) a clinic licensed pursuant to Chapter 1 of Division 2 of the California Health and Safety Code; (2) a health care facility licensed pursuant to Chapter 2 of Division 2 of the California Health and Safety Code; (3) a residential care facility for persons with chronic life-threatening illnesses licensed pursuant to Chapter 3.01 of Division 2 of the California Health and Safety Code; (4) a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the California Health and Safety Code; or (5) a residential hospice or home health agency licensed pursuant to Chapter 8 of Division 2 of the California Health and Safety Code.

**City.** Shall mean the City of Stockton.

**Code.** Shall mean the Stockton Municipal Code.

**Commercial Cannabis Activity.** Shall mean the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis or sale of cannabis and cannabis products or any other activity provided for in this Code and in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Business and Professions Code, Division 10).

**Equity Program.** Shall mean a program designed to promote equitable business ownership opportunities in the cannabis industry in order to decrease disparities in life outcomes for marginalized communities and address the disproportionate impacts of cannabis in adversely-impacted and lower income communities.

**Medicinal and Adult-Use Cannabis Regulation and Safety Act or “MAUCRSA”.** Shall mean Senate Bill 94, which passed June 2017, or Business and Professions Code, Division 10, which integrated Medical Cannabis Regulation and Safety Act (MCRSA) and Adult Use of Marijuana Act (AUMA) to create a single regulatory system governing the medical and adult-use cannabis industry in California.

**Microbusiness** means a person holding a state license issued under paragraph (3) of subdivision (a) of California Business and Professions Code Section 26070. A microbusiness may act (in part or whole) as a retailer, distributor, manufacturer (Level 1), and cultivator (on an area less than 10,000 sq. ft.). A microbusiness must engage in at least three (3) of the following commercial cannabis business activities:

A. Retailer or Retailer – Non-Storefront

B. Distributor or Distributor – Transport Only

C. Cultivation (less than 10,000 sq. ft.)

D. Manufacturer (Level 1, Type 6)

“Microbusiness, Subtypes” means the four (4) different types of microbusiness combinations as permitted by state law, see “Microbusiness” above. The four (4) subtypes are:

<u><b>RDC</b></u>	<u><b>RDM</b></u>	<u><b>RCM</b></u>	<u><b>DCM</b></u>
<u>Retailer or</u>	<u>Retailer or</u>	<u>Retailer or</u>	<u>Distributor or</u>
<u>Retailer – Non-Storefront</u>	<u>Retailer – Non-Storefront</u>	<u>Retailer – Non-Storefront</u>	<u>Distributor – Transport Only</u>
<u>Distributor or</u>	<u>Distributor or</u>	<u>Cultivation</u>	<u>Cultivation</u>
<u>Distributor – Transport Only</u>	<u>Distributor – Transport Only</u>	<u>(less than 10,000 sq. ft.)</u>	<u>(less than 10,000 sq. ft.)</u>
<u>Cultivation</u>	<u>Manufacturer</u>	<u>Manufacturer</u>	<u>Manufacturer</u>
<u>(less than 10,000 sq. ft.)</u>	<u>(Level 1, Type 6)</u>	<u>(Level 1, Type 6)</u>	<u>(Level 1, Type 6)</u>

**Self-Distribution.** Shall mean distribution that is limited to cannabis product cultivated or manufactured onsite.

**Testing Laboratory Permit.** Shall mean a permit issued to a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products for medical and/or adult use that hold a valid Annual State License.

## **SECTION VIII: SEVERABILITY**

If any of this ordinance or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given without the invalid provision or application, and to this end, the provisions of this act are severable.

## **SECTION IX: EFFECTIVE DATE**

The Ordinance shall take effect and be in full force thirty (30) days after its passage.

ADOPTED: \_\_\_\_\_

EFFECTIVE: \_\_\_\_\_

\_\_\_\_\_  
MICHAEL D. TUBBS  
Mayor of the City of Stockton

ATTEST:

\_\_\_\_\_  
CHRISTIAN CLEGG  
Deputy City Manager  
Interim City Clerk of the City of Stockton