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ORDINANCE NO. 2553
(Codified)

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHICO AMENDING TITLE 19 OF THE CHICO MUNICIPAL CODE, CHAPTERS 19.75 “CANNABIS REGULATIONS”, 19.44 “COMMERCIAL OFFICE ZONES”, 19.46 “MANUFACTURING/INDUSTRIAL ZONES”, 19.48 “AIRPORT ZONES”, AND 19.80.70 “TND ALLOWABLE LAND USES” TO ALLOW COMMERCIAL CANNABIS USES WITHIN THE CITY OF CHICO

WHEREAS, the City Council has previously adopted regulations concerning cannabis land use activities within the City of Chico, by establishing Chapter 19.75 to expressly prohibit commercial cannabis activity, whether for medicinal or other use; and,

WHEREAS, such regulations under Chapter 19.75 were adopted prior to the votes of California approving Proposition 64, titled the “Adult Use of Marijuana Act” (the AUMA), which enacted a state statutory scheme legalizing, controlling, and regulating the cultivation, processing, manufacturing, distribution, testing and sale of nonmedicinal (“adult-use” or “recreational”) cannabis, including cannabis products, for use by adults twenty-one (21) years of age or older; and,

WHEREAS, on June 27, 2017, Governor Brown signed Senate Bill 94, the “Medicinal and Adult-Use Cannabis Regulation and Safety Act” (SB 94 or the “MAUCRSA”), which created one state regulatory structure for medicinal and adult-use commercial cannabis activities, reconciling AUMA with the Compassionate Use Act of 1996 (Proposition 215) and MCRSA; and,

WHEREAS, MAUCRSA provides that the state shall not issue a state license for a business to engage in Commercial Cannabis Activity if the business activity violates any local ordinance or regulation; and,

WHEREAS, the City Council desires to allow certain Commercial Cannabis Activity within the City of Chico, and Title 19.75 as presently written prevents such uses of land and business activity, the City Council desires to amend Title 19.75 to allow for the retailer-storefront, retailer-delivery, manufacturers, distributors, and laboratory testing uses of commercial cannabis within the City of Chico, while not allowing cultivation, microbusiness or any other non-enumerated use

1 as specifically allowed under Chapter 19.75 as such relates to cannabis; and,

2 **WHEREAS**, the City Council finds and declares that this Ordinance constitutes a valid
3 exercise of police power in accordance with Article XI, Section 7 of the California Constitution,
4 is consistent with the language and intent of the AUMA, MAUCRSA, and related laws,
5 regulations, and policies issued by the state, consistent with Chico General Plan, and furthers the
6 health, safety and general welfare of the residents of the City of Chico; and

7 **WHEREAS**, by separate ordinance, the City Council will consider a commercial cannabis
8 operational permit, to be required prior to issuance of any land entitlement afforded under this
9 Ordinance.

10 **NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Chico that the
11 following ordinance amending Chapter 19.75 shall be amended to allow commercial cannabis uses
12 as follows:

13 **Section 1.** Amend current Chapter 19.75 concerning all cannabis activity prohibited to reflect
14 new regulations allowing commercial cannabis permits:

15 Chapter 19.75 CANNABIS REGULATIONS

16 Section:

17 19.75.010 Purpose.

18 19.75.020 Definitions.

19 19.75.030 Prohibitions.

20 19.75.040 Indoor personal cannabis cultivation.

21 19.75.050 Permissive zoning.

22 19.75.060 Smoking.

23 19.75.070 Public nuisance.

24 19.75.080 Violations.

25 19.75.090 Effect on other ordinances.

26 19.75.100 Applicability of provisions – non-compliance.

27 19.75.110 Severability.

28 19.75.120 Location limitations.

- 1 19.75.130 Operational Requirements – All Commercial Cannabis Uses
- 2 19.75.140 Operational Requirements – Commercial Cannabis Retailer – Storefront
- 3 19.75.150 Operational Requirements – Commercial Cannabis Retailer – Delivery Only
- 4 19.75.160 Operational Requirements – Commercial Cannabis Manufacturer
- 5 19.75.170 Operational Requirements – Commercial Cannabis Distributor
- 6 19.75.180 Operational Requirements – Commercial Cannabis Testing Laboratory

7

8 **19.75.010 Purpose.**

9 A. The purpose of this Chapter is to regulate commercial cannabis activity in the City of
10 Chico, whether the cannabis is for medicinal or adult-use commercial purposes by enacting a
11 permitting and regulatory system for this action.

12 B. The purpose of this Chapter is also to enact and enforce reasonable regulations on
13 medicinal and adult-use purposes, by enacting a permitting and regulatory scheme for this action
14 citywide for commercial cannabis uses, by allowing certain commercial uses in specified zones,
15 and continuing to allow personal cannabis cultivation activities (non-commercial) in residential
16 zoning districts.

17 C. Personal cultivation activities give rise to, or pose a significant risk of giving rise to,
18 various health and safety concerns and negative impacts to residents of the City of Chico, including
19 but not limited to burglaries and robberies, trespassing, personal and property crimes, fire and
20 building hazards, chemical and waste disposal, mold growth, offensive odors, and possession and
21 use by persons under the age of twenty-one (21). In light of such concerns, the City Council for
22 the City of Chico desires to ban outdoor personal cultivation activities, and impose reasonable
23 regulations on indoor personal cultivation activities for both medicinal and adult-use purposes.

24 D. The City Council finds that the regulation of commercial cannabis activity, including the
25 prohibition of commercial cultivation and microbusiness uses, is necessary for the preservation
26 and protection of the public health, safety and welfare for the City and its community. The City
27 Council’s regulation of such activity is within the authority conferred upon the City Council by
28 the City’s Charter and applicable state law, and is an exercise of its police powers to enact and

1 enforce regulations for the public benefit, safety, and welfare of the City and its community.

2 **19.75.020 Definitions.**

3 For purposes of this Chapter, the following definitions shall apply:

4 A. "Accessory structure" shall mean a fully enclosed, lawful structure that is physically
5 detached from, and secondary and incidental to, the existing primary structure of a "private
6 residence," as that term is defined herein.

7 B. "Adult Use" shall mean use of cannabis products by individuals 21 years of age and older
8 and who do not possess a physician's recommendation.

9 C. "Applicant" under this Chapter shall include any individual or entity applying for a
10 Commercial Cannabis Permit, and shall include any officer, director, partner, or other duly
11 authorized representative applying on behalf of an entity.

12 D. "Business License" is the license issued by the City's Finance Department after payment
13 of the business fee as set forth in Chapter 3.32 of the City of Chico City Code.

14 E. "California Adult Use of "arijuana Act" shall mean and refer to"the provisions of
15 California law added by Proposition 64, approved by California voters at the election occurring on
16 November 8, 2016.

17 F. "Cannabis" shall mean all parts of the plant Cannabis sativa Linnaeus, Cannabis indica,
18 or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin extracted from any part
19 of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the
20 plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified,
21 obtained from cannabis. Cannabis shall also have the same meaning as in Section 26001(f) of the
22 Business and Professions Code, as may be amended from time to time. The terms "marijuana" and
23 "cannabis" shall be synonymous and have the same meaning. It does not include:

24 1. Industrial hemp, as defined in Section 11018.5 of the California Health and Safety Code;
25 or

26 2. The weight of any other ingredient combined with cannabis to prepare topical or oral
27 administrations, food, drink or other product.

28 3. The mature stalks of the plant, fiber produced from the stalks, oil or cake made from the

1 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
2 the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of
3 the plant which is incapable of germination.

4 G. “Cannabis Accessories” means any equipment, products or materials of any kind which
5 are used, intended for use, or designed for use in planting, propagating, cultivating, growing,
6 harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing,
7 analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing cannabis, or for
8 ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.
9 Cannabis accessories shall also have the same meaning as in Section 11018.2 of the Health and
10 Safety Code, as same may be amended from time to time.

11 H. “Cannabis Concentrate” means cannabis that has undergone a process to concentrate one
12 or more active cannabinoids, thereby increasing the product’s potency. Resin from granular
13 trichomes from a cannabis plant is a concentrate for purposes of this Chapter. A cannabis
14 concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code,
15 or drug, as defined by Section 109925 of the Health and Safety Code. Cannabis concentrate shall
16 also have the same meaning as in Section 26001(h) of the Business and Professions Code, as same
17 may be amended from time to time.

18 I. “Cannabis Concentrate Inhaled Products” means a cannabis concentrate product that is
19 intended to be used, in whole or in part, through inhalation by the user. Cannabis Concentrate
20 Inhaled Products include, but are not limited to, dabs, wax, shatter, budder, and butane hash oil.

21 J. “Cannabis Event” means a public or private event where compensation is provided or
22 exchanged, either directly or indirectly or as part of an admission or other fee for service, for the
23 provision, hosting, promotion or conduct of the event where consumption of cannabis is part of
24 the activities.

25 K. “Cannabis products” shall mean cannabis that has undergone a process whereby the plant
26 material has been transformed into a concentrate, including, but not limited to, concentrated
27 cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other
28 ingredients. Cannabis products shall also have the same meaning as in Section 11018.1 of the

1 Health and Safety Code, as same may be amended from time to time.

2 L. “Canopy” means all areas occupied by any portion of a cannabis plant, inclusive of all
3 vertical planes, whether contiguous or noncontiguous on any one site.

4 M. “City” shall mean the City of Chico and have the same meaning as CMC 1.04.010.

5 N. “City Manager” means the City Manager of the City of Chico, including their designee.

6 O. “Code” shall mean the Chico Municipal Code as defined in CMC 1.04.010, including all
7 laws, ordinances, and regulations adopted and incorporated therein.

8 P. “Commercial cannabis activity” shall mean, and includes, the cultivation, possession,
9 manufacture, distribution, processing, storing, laboratory testing, packaging, labeling,
10 transportation, delivery or sale of cannabis and cannabis products, whether or not the cannabis or
11 cannabis products as provided for in MAUCRSA. “Commercial cannabis activity” shall also have
12 the same meaning as in Section 26001(k) of the Business and Professions Code, as they may be
13 amended from time to time.

14 Q. “Commercial cannabis business” means any business or operation, which engages in
15 medicinal or adult-use commercial cannabis activity, as authorized by this Chapter, as may be
16 amended from time to time by the City, including, the manufacturing, testing, distribution, and
17 retail as explicitly allowed herein, of medicinal and adult-use cannabis and cannabis products, and
18 the ancillary transportation and delivery of same.

19 R. “Commercial Cannabis Permit” means the regulatory permit issued by the City of Chico
20 to a commercial cannabis business, which is required before any commercial cannabis activity
21 may be conducted in the City, pursuant to this Chapter.

22 S. “Conditional Use Permit” means a discretionary land use approval as required and pursuant
23 to Section 24 of Title 19 of the Chico Municipal Code.

24 T. “Cultivation” shall mean any activity involving the planting, growing, harvesting, drying,
25 curing, grading, or trimming of cannabis. Cultivation shall also have the same meaning as in
26 Section 26001(l) of the Business and Professions Code, as same may be amended from time to
27 time. Whenever references to cultivation are made in this Chapter, permitted or licensed
28 cultivation shall only be personal cultivation, as commercial cultivation is expressly prohibited.

1 U. "Customer" means a natural person 21 year of age or older; or, a natural person 18 years
2 of age or older who possesses a physician's recommendation for medicinal use, or a primary
3 caregiver. Customer shall also have the same meaning as in Section 26001(n) of the Business and
4 Professions Code, as same may be amended from time to time.

5 V. "Day Care Center" has the same meaning as in Section 1596.76 of the Health and Safety
6 Code, as same may be amended from time to time, and includes any child day care facility other
7 than a family day care home, and includes infant centers, preschools, extended day care facilities,
8 and school-age child care centers.

9 W. "Delivery" shall mean the commercial transfer of cannabis or cannabis products to a
10 customer. Delivery also includes the use by a retailer of any technology platform owned and
11 controlled by the retailer. Delivery shall also have the same meaning as in Section 26001(p) of the
12 Business and Professions Code, as may be amended from time to time.

13 X. "Development Agreement" is the agreement entered into between an applicant and the
14 City authorizing said individual to engage in a commercial cannabis business as authorized in this
15 Chapter, within the City's jurisdictional boundaries.

16 Y. "Dispensing" means any activity involving the retail sale of cannabis or cannabis products
17 from a retailer.

18 Z. "Distribution" means the procurement, sale, and transport of cannabis and cannabis
19 products between licensees. Distribution shall also have the same meaning as in Section 26001(r)
20 of the Business and Professions Code, as same may be amended from time to time.

21 AA. "Distributor" means a person holding a valid Commercial Cannabis Permit for
22 distribution issued by the City of Chico, and, a valid state license for distribution, required by state
23 law to engage in the business of purchasing cannabis from a licensed cultivator, or cannabis
24 products from a licensed manufacturer, for sale to a licensed retailer.

25 BB. "Edible Cannabis Product" means a cannabis product that is intended to be used, in
26 whole or in part, for human consumption, and is not considered food. Edible cannabis product has
27 the same meaning as Business and Professions Code section 26001(t).

28 CC. "Fire Chief" shall means the Fire Chief of the Chico Fire Department, or their designee.

1 DD. "Indoor" shall mean entirely within and inside a private residence, residential structure,
2 or accessory structure.

3 EE. "Law enforcement agency" refers to the agency charged with enforcing the pertinent
4 laws in the City. The law enforcement agency for the City shall be the Chico Police Department.
5 Unless the provisions of the context otherwise require, whenever any provision of this Code makes
6 reference to the law enforcement agency of the City, such shall be construed to mean, and deemed
7 to constitute, that person holding the office of Chief of Police for the City and their authorized
8 deputies or officers, performing law enforcement functions for the City.

9 FF. "License or State License" means a license issued by the State of California, or one of its
10 departments or divisions, under MAUCRSA, and any subsequent State of California legislation or
11 regulations regarding the same, to lawfully engage in commercial cannabis activity.

12 GG. "Licensee" means any person holding a license issued by the State of California to
13 conduct commercial cannabis business activities.

14 HH. "Manager" means any person(s) designated by the commercial cannabis business to act
15 as the representative or agent of the commercial cannabis business in managing day-to-day
16 operations with corresponding liabilities and responsibilities, and/or the person in apparent charge
17 of the premises where the commercial cannabis business is located. Evidence of management
18 includes, but is not limited to, evidence that the individual has the power to direct, supervise, or
19 hire and dismiss employees, controls hours of operations, creates policy rules, or purchases
20 supplies.

21 II. "Manufacture" shall mean to compound, blend, extract, infuse, or otherwise make or
22 prepare a cannabis product. Manufacture shall also have the same meaning as in Section 26001(ag)
23 of the Business and Professions Code, as same may be amended from time to time.

24 JJ. "Manufacturer" means a licensee that conducts the production, preparation, propagation,
25 or compounding of cannabis or cannabis products either directly or indirectly or by extraction
26 methods, or independently by means of chemical synthesis, or by a combination of extraction and
27 chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products
28 or labels or re-labels its container. A manufacturer may also be a person that infuses cannabis in

1 its products but does not perform its own extraction. Manufacturer shall also have the same
2 meaning as in Section 26001(ah) of the Business and Professions Code, as same may be amended
3 from time to time.

4 KK. “Manufacturing” means the use type that produces, prepares, propagates, or compounds
5 cannabis or cannabis products, directly or indirectly, by extraction methods, independently by
6 means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed
7 location that packages or repackages cannabis or cannabis products or labels or re-labels its
8 container, and is owned and operated by a person issued a valid Commercial Cannabis Permit for
9 manufacturing from the City of Chico and, a valid state license as required for manufacturing of
10 cannabis products.

11 LL. “Medicinal cannabis or medicinal cannabis product” means cannabis or a cannabis
12 product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996
13 (Proposition 215), found at Section 11362.5 of the California Health and Safety Code, by a medical
14 cannabis patient in California who possesses a physician’s recommendation.

15 MM. “Medicinal use” means the use of medicinal cannabis or medicinal cannabis product.

16 NN. “Microbusiness” means licensees who engage in at least three (3) of the following
17 commercial cannabis activities: indoor cultivation (less than 10,000 square feet), manufacturing
18 (level 1, type 6), distribution, and retailer-storefront, as defined within this Chapter.

19 OO. “Outdoor” shall mean any location within the City of Chico that is not within a fully
20 lawfully existing enclosed structure.

21 PP. “Permittee” shall mean any person having been issued and maintaining a valid personal
22 cultivation permit under this Chapter.

23 QQ. “Person” means any individual, firm, partnership, joint venture, association, corporation,
24 limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or
25 combination acting as a unit or entity, and the plural as well as the singular.

26 RR. “Personal cultivation permit” or “permit” shall mean and refer to the permit issued by
27 the City under this Chapter authorizing permittees to possess, plant, cultivate, harvest, dry, or
28 process cannabis, cannabis plants, or the cannabis produced by the plants inside a private

1 residence, or inside an accessory structure to a private residence located upon the grounds of a
2 private residence, pursuant to AUMA, and to a qualified patient or primary caregiver, in
3 accordance with the Compassionate Use Act of 1996 (Proposition 215).

4 SS. "Physician's recommendation" means a recommendation by a physician and surgeon that
5 a patient use cannabis provided in accordance with the Compassionate Use Act of 1996
6 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.

7 TT. "Premises" means the designated structure or structures and land specified in the
8 application that is owned, leased, or otherwise held under the control of the applicant where the
9 commercial cannabis business will be or is being conducted. The premises shall be a contiguous
10 area and shall only be occupied by one permittee.

11 UU. "Primary caregiver" means the individual designated by a qualified patient, who has
12 consistently assumed responsibility for the housing, health, or safety of that patient, and as defined
13 in Health and Safety Code section 11362.7.

14 VV. "Private residence" shall mean a legally existing house, an apartment unit, a mobile
15 home, or other similar dwelling, and inclusive of any rooms, garages, or structures physically
16 attached thereto, identified by a lawful street address and/or an assessor parcel number. A lawful
17 accessory structure located on the same parcel as a private residence shall be considered a part of
18 that private residence.

19 WW. "Qualified patient" means a qualified patient who is entitled to the protections of the
20 Compassionate Use Act of 1996, and as defined in Section 11362.7 of the Health and Safety Code.

21 XX. "Retailer-Delivery" means a non-storefront, delivery-only retailer as a commercial
22 cannabis business facility where cannabis, cannabis products, or devices for the use of cannabis or
23 cannabis products are offered, either individually or in any combination, for retail sale to
24 customers, where the premises are non-storefront, closed to the public, and sales are conducted
25 exclusively by delivery, where a vehicle is used to convey the cannabis or cannabis products to
26 the customer from a fixed location, and where the operator is authorized by the City of Chico to
27 operate as a retailer, and holds a valid state license as required by state law to operate as a retailer.

28 YY. "Sell", "sale", and "to sell" includes any transaction whereby, for any consideration, title

1 to cannabis or cannabis products are transferred from one person to another, and includes the
2 delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same
3 and soliciting or receiving an order for the same, but does not include the return of cannabis or
4 cannabis products by a licensee to the permittee from whom the cannabis or cannabis product was
5 purchased.

6 ZZ. "State Law" means all laws of the State of California, which includes, but are not limited
7 to, all rules, regulations, and policies adopted by State of California agencies, departments,
8 divisions, and regulatory entities, as same may be amended from time to time.

9 AAA. "Testing Laboratory" means a laboratory, facility, or entity in the state that offers or
10 performs tests of cannabis or cannabis products and that is both of the following:

11 (1) Accredited by an accrediting body that is independent from all other persons involved
12 in commercial cannabis activity in the State.

13 (2) Licensed by the State of California.

14 Testing laboratory shall also have the same meaning as in Section 26001(at) of the Business and
15 Professions Code, as same may be amended from time to time.

16 BBB. "Transport" means the transfer of cannabis products from the permitted business
17 location of one licensee to the permitted business location of another licensee, for the purposes of
18 conducting commercial cannabis activity authorized by law and which may be amended or
19 repealed by any subsequent State of California legislation regarding the same.

20 CCC. "Youth Center" means any public or private facility that is primarily used to host
21 recreational or social activities for minors, including, but not limited to, private youth membership
22 organizations or clubs, social service teenage club facilities, video arcades, or similar amusement
23 park facilities. Youth center shall also have the same meaning as in Section 11353.1 of the Health
24 and Safety Code and Section 26001(av) of the Business and Professions Code, as each may be
25 amended from time to time.

26 **19.75.030 Prohibitions.**

27 A. Commercial Cannabis Activity. No person shall establish, operate, maintain, conduct,
28 cause, allow or engage in commercial cannabis activity anywhere within the City related to

1 cannabis cultivation or microbusiness uses. This subsection is meant to prohibit all cannabis
2 related activities for which a State license is required for cannabis cultivation or microbusiness
3 uses. The City shall not issue any permit, license, variance or any other entitlement or permit,
4 whether administrative or discretionary, for any establishment, operation or activity of any such
5 prohibited use, business or commercial operation.

6 B. Medicinal Cannabis. With the exception of the indoor, personal cultivation of medicinal
7 cannabis allowed or permitted in residential zoning districts pursuant to, and in accordance with,
8 this chapter, the establishment or operation of any medicinal marijuana or cannabis collective,
9 cooperative, dispensary, delivery service, operator, establishment, or provider shall be considered
10 an explicitly prohibited use in the City of Chico, including in all zoning districts and designated
11 zones of the City without an appropriate Commercial Cannabis Permit issued pursuant to CMC
12 Chapter 5.42 and in accordance with the remainder of Chapter 19.75 and Chapters 19.40 through
13 19.48, and 19.80.070, as applicable.

14 C. Personal Cannabis Cultivation for Medicinal or Adult-use Use. With the exception of
15 Section 19.75.040 that allows the personal cannabis cultivation of no more than six (6) plants in a
16 private residence by first securing a permit from the City, personal cannabis cultivation shall be
17 prohibited and considered unlawful in all areas of the City to the extent it is unlawful under
18 California law.

19 D. Property Owners. A property owner shall not rent, lease, or otherwise allow, cause or
20 allow any business that engages in commercial cannabis activity to occupy real property in the
21 City unless such business is located in a zoning district where such use is allowed, and has received
22 a Commercial Cannabis Permit issued pursuant to Chapter 5.42. A property owner shall not allow
23 any person or business to establish, operate, maintain, conduct, cause, allow, or engage in
24 commercial cannabis activity on any real property owned or controlled by that property owner that
25 is located in the City unless such business is located in a zoning district where such use is allowed,
26 and has received a Commercial Cannabis Permit issued pursuant to Chapter 5.42. This is not
27 intended to prohibit a property owner from providing written prior permission to lawful tenants
28 for the personal cultivation of medicinal or adult-use cannabis in a residential zoning district, as

1 allowed in Section 19.75.040 of this chapter.

2 E. Deliveries. To the extent not already prohibited herein, delivery of cannabis or cannabis
3 products, whether the cannabis is for medicinal or adult-use purposes, to or from the City of Chico
4 is expressly prohibited except to the extent allowed under State law. Nothing herein prevents the
5 use and traversing of public roads within the City of Chico by a lawful business pursuant to state
6 law.

7 F. Outdoor Cultivation. The outdoor cultivation of cannabis is expressly prohibited in the
8 City of Chico, including all zoning districts and designated zones of the City of Chico.

9
10 **19.75.040 Indoor personal cannabis cultivation.**

11 [No change]

12
13 **19.75.050 Permissive zoning.**

14 [No change]

15
16 **19.75.060 Smoking.**

17 [No change]

18
19 **19.75.070 Public nuisance.**

20 [No change]

21
22 **19.75.080 Violations.**

23 [No change]

24
25 **19.75.090 Effect on other ordinances.**

26 [No change]

27
28 //

1 **19.75.100 Applicability of provisions – non-compliance.**

2 [No change]

4 **19.75.110 Severability.**

5 [No change]

7 **19.75.120 Location limitations.**

8 A. All commercial cannabis businesses shall be located in an approved land use district
9 pursuant to Division IV of Title 19.

10 B. Distance Limitations:

11 1. The following distance limitations apply to commercial cannabis business types::

12 a. Testing laboratory: 100 feet from a school providing instruction in kindergarten
13 or any grades 1 through 12, a day care center, or a youth center;

14 b. Manufacturer: 100 feet from a school providing instruction in kindergarten or
15 any grades 1 through 12, a day care center, or a youth center;

16 c. Distributor: 100 feet from a school providing instruction in kindergarten or any
17 grades 1 through 12, a day care center, or a youth center;

18 d. Retailer- Delivery Only: 100 feet from a school providing instruction in
19 kindergarten or any grades 1 through 12, a day care center, or a youth center;

20 e. Distance Limitation: Retailer-Storefront.

21 a. Retailer-Storefront uses shall be located at least:

22 i. 1,000 feet from a school providing instruction in any grades six (6)
23 through twelve (12), and

24 ii. 600 feet from a school providing instruction in kindergarten or any
25 grades one (1) through five (5), a day care center, or a youth center with primary youth center
26 activities.

27 2. Calculation Methods.

28 a. A school providing instruction in kindergarten or any grades 1 through 12,

1 a day care center, or a youth center shall for purposes of this section be known as
2 a “sensitive receptor”;

3 b. Distances specified in this section shall be the horizontal distance measured
4 in a straight line from the property line of the sensitive receptor to the closest property line of the
5 lot on which the commercial cannabis business is located, without regard to intervening structures.

6 c. Only sensitive receptors in existence at the time the City receives a
7 Commercial Cannabis Permit application from the proposed Retailer-Storefront shall be
8 considered.

9 d. One or more of the following factors may be considered by the City to
10 determine if the sensitive receptor was in existence at the time of the City’s receipt of the
11 Commercial Cannabis Permit application:

12 i. The sensitive receptor is open and operating;

13 ii. The sensitive receptor has a Chico City Business Tax Certificate for
14 the specific location and sensitive use;

15 iii. The sensitive receptor has submitted a Business Tax Certification
16 application to the City for the specific location and sensitive use and is undergoing construction or
17 other tenant improvements at the specific location in question; and

18 iv. Other factors that may indicate a sensitive receptor was in existence
19 as determined by the Community Development Director

20 e. Notwithstanding the foregoing, an application for a Commercial Cannabis
21 Permit may be deemed in compliance with this Section if evidence is submitted, to the satisfaction
22 of the Community Development Director, that the sensitive receptor will cease operation at the
23 location prior to the issuance of a building permit for the Retailer-Storefront location.

24
25 **19.75.130 Operational Requirements – All Commercial Cannabis Uses**

26 A. Permit Required: All commercial cannabis businesses shall obtain and maintain a
27 Commercial Cannabis Permit issued by the City of Chico pursuant to Title 5.42.

28 B. Compliance with City, Local and State Law. All commercial cannabis businesses shall

1 comply with the standards set by State law, regulations and policies, and all city codes and
2 resolutions, as well as any applicable requirements of the County of Butte.

3 C. Access Limited. For all commercial cannabis businesses, the general public is only
4 allowed to access those areas of the premises which are identified in the site plan included with
5 the Commercial Cannabis Permit as being open to public access. Only agents, applicants,
6 managers, employees, and volunteers of the commercial cannabis permittee and agents or
7 employees of the City, or other governmental agency are allowed in non-public access areas.

8 D. Hours of Operation:

9 a. Retailer-Storefront and Retailer-Delivery businesses may operate no earlier
10 than 8:00 a.m. and no later than 9:00 p.m., unless otherwise more restrictive hours are stated in a
11 Use Permit for such location, or unless zoning regulations specify more restrictive hours.

12 b. Manufacturers, distributors and testing laboratories may only accept
13 commercial traffic to and from the premises between 8:00 a.m. and 7:00 p.m., unless zoning
14 regulations specify more restrictive hours.

15 E. On-site Consumption Prohibited: Cannabis shall not be consumed by anyone on the
16 premises in any form at any commercial cannabis business, unless explicitly authorized by a City
17 ordinance, resolution, rule, regulation and/or pursuant to explicit terms of a Commercial Cannabis
18 Permit, or City-approved Conditional Use Permit or Development Agreement.

19 F. Visibility: No manufacturing process, testing methodology, storage, or loading/unloading
20 cannabis or cannabis products, shall be visible from the exterior of any premises issued a
21 Commercial Cannabis Permit. No cannabis or cannabis products shall be visible on part of any of
22 the vehicles owned or used as part of the commercial cannabis business. No outdoor storage of
23 cannabis or cannabis products is permitted at any time.

24 G. Inventory Tracking: Each commercial cannabis business shall have in place and at all
25 times of operation of the business operate a point-of-sale or management inventory tracking system
26 to track and report on all aspects of the commercial cannabis business including, but not limited
27 to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other
28 information which may be deemed necessary by the City. The commercial cannabis business shall

1 ensure that such information is compatible with the City's record-keeping systems. In addition,
2 the system must have the capability to produce historical transactional data for review.
3 Furthermore, any system selected must be approved and authorized by the City Manager or
4 designee prior to being used by the permittee and be the same system as specified in their
5 commercial cannabis business permit.

6 H. Compliance with California Law: All cannabis and cannabis products sold, tested,
7 distributed or manufactured shall be cultivated, manufactured, and transported by licensed
8 facilities that maintain operations in full conformance with the State of California and local
9 regulations. All activities related to the purchase, sales, delivery, distribution, cultivation, testing,
10 and manufacture of cannabis or cannabis products shall be conducted in conformity with state law.

11 I. Contact Information: Each commercial cannabis business shall provide the City Manager
12 with the name, telephone number (both landline and mobile) of an on-site manager or owner to
13 whom emergency notice may be provided at any hour of the day.

14 J. Signage and Notices:

15 a. In addition to the requirements otherwise set forth in this section, or as a
16 term or condition imposed in a Use Permit, business identification signage for a commercial
17 cannabis business shall conform to the requirements of state law and the City of Chico City Code,
18 including, but not limited to, the requirements for a City sign permit, or applicable zoning laws
19 regulating signs.

20 b. Each commercial cannabis business premises shall be visibly posted with
21 clear and legible notices indoors indicating that smoking, ingesting, or otherwise consuming
22 cannabis on the premises or in the areas adjacent to the commercial cannabis business is prohibited.

23 K. Age Restrictions:

24 a. Persons under the age of twenty-one (21) years shall not be allowed on the
25 premises of a commercial cannabis business except as allowed under California law.

26 b. Persons under the age of twenty-one (21) years shall not be allowed to serve
27 as a driver for a delivery service, except as allowed under California law pertaining to sales of
28 cannabis for medicinal use.

1 c. It shall be unlawful and a violation of this Chapter for any person to employ
2 any person at a commercial cannabis business who is not at least twenty-one (21) years of age.

3 L. Odor Control.

4 a. Odor control devices and techniques shall be incorporated as needed in all
5 commercial cannabis businesses to ensure that odors from cannabis are not detectable off-site.

6 b. Commercial cannabis businesses shall provide a sufficient odor control
7 devices and techniques, including but not limited to an odor absorbing ventilation and exhaust
8 system utilizing air scrubbers or charcoal filtration systems, so that odor generated inside the
9 commercial cannabis business that is distinctive to its operation is not detected outside of the
10 facility, anywhere on adjacent property or public rights-of-way, at any adjoining use of the
11 property not part of the commercial cannabis premises, on or about the exterior or interior common
12 area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by
13 common tenants or the visiting public, or within any other unit located inside the same building as
14 the commercial cannabis business.

15 c. Commercial cannabis businesses shall install and maintain the following
16 equipment, or other equipment which the City Engineer or Public Works Director or Building
17 Official determines is a more effective method or technology, to address such odor control:

18 i. An exhaust air filtration system with odor control that prevents
19 internal odors from being emitted externally;

20 ii. An air system that creates negative air pressure between the
21 commercial cannabis business's interior and exterior, so that the odors generated inside the
22 commercial cannabis business are not detectable on the outside of the commercial cannabis
23 business.

24 d. All exhaust ventilation equipment is required to be appropriate for the use
25 involved and must comply with the California Fire and Mechanical codes.

26 M. Display of Permit and City Business Tax Certificate. The original copy of the
27 Commercial Cannabis Permit issued by the City pursuant to this Chapter, the City issued business
28 license, and the state-issued Seller's Permit, shall be posted inside the commercial cannabis

1 business in a location readily-visible to any City, County or State employee, official, or agent
2 authorized to enforce the City's Code, or applicable cannabis-related laws.

3 N. Loitering Prohibited. The permittee of a commercial cannabis business shall prohibit
4 loitering by persons outside on the premises, and is required to enforce same within its premises
5 and adjacent public areas, including cooperating with the City's law enforcement agency
6 dispatched to enforce same. The placement and use of no loitering signage shall be included as
7 part of any application submittal, and depicted on a business or operational plan.

8 O. Permits and other Approvals. Prior to the operation of a commercial cannabis business,
9 the person intending to establish a commercial cannabis business must first obtain all applicable
10 planning, zoning, building, and other applicable permits and approvals from the relevant City or
11 County department or division which may be applicable to the zoning district in which such
12 commercial cannabis business intends to establish and to operate.

13 P. Adherence to Operating Procedures. Permittees shall adhere to all applicable operating
14 procedures, including those submitted as part of the initial application process, and pursuant to
15 those established in applicable State of California laws, regulations, and policies.

16 Q. Compliance with Disability Regulations. This Chapter does not exempt a commercial
17 cannabis business from complying with all applicable local, State and federal laws and regulations
18 pertaining to persons with disabilities.

19 R. Non-Discrimination. No commercial cannabis business may discriminate or exclude
20 patrons in violation of local, State and federal laws and regulations.

21 S. Contact Information. Each commercial cannabis business shall provide the name,
22 telephone number, and email address of a community relations contact to whom notice of problems
23 associated with the commercial cannabis business can be provided. Each commercial cannabis
24 business shall also provide this information to all businesses and residences located within 300
25 feet of the commercial cannabis business.

26 T. Coordination Meetings. The owner, manager, and community relations representative
27 from each commercial cannabis business holding a Commercial Cannabis Permit shall, if
28 requested by the City Manager or designee, attend a quarterly meeting with the interested parties

1 to discuss costs, benefits, and other community issues arising as a result of implementation of this
2 Chapter.

3 U. Security Plan: Each business shall maintain on file with the City a security plan.

4 V. Restriction on Alcohol and Tobacco Sales, Dispensing or Consumption: No person shall
5 cause, allow, or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco
6 products on or about the premises of a commercial cannabis business, except as allowed under
7 state law.

8 W. Restriction of On-site on Consumption: No person shall cause, allow, or permit the
9 consumption of cannabis on-site of any commercial cannabis business.

10
11 **19.75.140 Operational Requirements— Commercial Cannabis Retailer – Storefront**

12 A. On-site Supervision: All commercial cannabis storefront retailers shall have a
13 manager on the premises at all times during hours of operation.

14 B. Delivery Services. Storefront retailers also providing delivery shall comply with the
15 operational requirements pertaining to Retailer – Delivery Only businesses in Section 19.75.150.

16 C. Site Access. Entrances into the retailer storefront shall be controlled at all times
17 with either security personnel or electronic/mechanical entry system. Adult use storefront retailers
18 without medicinal cannabis sales shall verify the age of all customers to ensure persons under the
19 age of 21 are not permitted on the premises. Adult use medicinal sales storefront retailers shall
20 verify the age and possession of valid doctor’s recommendation of all customers to ensure persons
21 under the age of 18 are not permitted on the premises.

22 D. Medicinal Cannabis.

23 a. Commercial cannabis storefront retailers selling medicinal cannabis shall
24 verify the age and all necessary documentation of each customer to ensure the customer is not
25 under the age of 18 years and that the potential customer has a valid doctor’s recommendation;

26 b. Verify the identity and age of the qualified patient, primary caregiver, or
27 customer receiving cannabis or cannabis products from the delivery only retailer; and

28 c. If a medicinal cannabis transaction,

1 i. Verify the validity of the qualified patient’s recommendation from
2 a physician to use cannabis for medicinal purposes or primary caregiver’s status as a primary
3 caregiver for the particular qualified patient, and

4 ii. Maintain a copy of the physician recommendation or Identification
5 Card, as described in Health and Safety Code Sections 11362.71 through 11362.77, as may be
6 amended from time to time, at its permitted business location for a period of not less than seven
7 (7) years.

8 E. Physician Evaluations Prohibited: No physician shall be allowed at any time to
9 evaluate patients or customers for the issuance of a medicinal cannabis recommendation or
10 medicinal cannabis identification card where applicable.

11 F. Complimentary Promotions Prohibited. A non-medicinal cannabis storefront
12 retailer may not give away, or donate specific devices, contrivances, instruments, or paraphernalia
13 necessary for consuming cannabis products, including, but not limited to, rolling papers and related
14 tools, pipes, water pipes, and vaporizers. A storefront retailer may not give away samples or
15 cannabis products free of charge.

16 G. Required Notifications. All cannabis storefront retailers shall notify qualified
17 patients, primary caregivers, and customers (verbally or by written agreement) and by posting of
18 a notice or notices conspicuously in at least 15-point type within the permitted premises that state
19 the following:

20 a. “The sale or diversion of cannabis or cannabis products without a permit
21 issued by the City of Chico is a violation of State law and the Chico City Code.”

22 b. “Secondary sale, barter, or distribution of cannabis or cannabis products
23 purchased from a permittee is a crime and can lead to arrest.”

24 c. “Patrons must not loiter in or near these premises and may not consume
25 cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted.
26 These premises and vicinity are monitored to ensure compliance.”

27 d. “Warning: the use of cannabis or cannabis products may impair a person’s
28 ability to drive a motor vehicle or operate heavy machinery.”

1 e. "CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and
2 cannabis-derived products will expose you and those in your immediate vicinity to cannabis
3 smoke. Cannabis smoke is known by the State of California to cause cancer."

4 H. Location of Products. All cannabis concentrate inhaled products, including but not
5 limited to, dabs, shatter, budder, wax, and butane hash oil, shall be stored behind the retail counter
6 and out of the reach of customers at all times except when being handled by an employee during
7 a sales transaction.

8 I. Added Artificial Flavor Prohibited. Retailers shall not sell cannabis products which
9 contain an added characterizing flavor. For purposes of this Chapter, "characterizing flavor" means
10 a taste or aroma, other than the taste or aroma of cannabis, imparted either prior to or during
11 consumption. This includes, but is not limited to, tastes or aromas relating to food or drink of any
12 sort; menthol; mint; wintergreen; fruit; chocolate; vanilla; honey; candy; cocoa; dessert; alcoholic
13 beverages; herbs; or spices. Flavor agents consisting of terpenes of cannabis shall not be considered
14 an added characterizing flavor. Such prohibition shall not apply to cannabis products which are
15 manufactured as edible or topical products.

16 J. Educational Materials. A cannabis storefront retailer shall provide written
17 educational materials to all customers:

18 a. Regarding each product sold, with information regarding the name and type
19 of product, instructions for use, and expected effects.

20 b. Regarding all edible cannabis products and cannabis concentrate products
21 sold to a customer, which shall include information on safe storage and use of the product,
22 warnings against child access and exposure to the product, and warnings of potential side effects
23 concerning brain development of individuals under the age of twenty-five years and potential harm
24 to pregnant women.

25 K. Training Required: A cannabis storefront retailer shall require all employees who
26 interact with public customers, as well as all management staff, to complete training to ensure
27 competency of employees for their assigned functions within the first year of the retailers' first
28 year of operation, and within one year of each employee's hire date thereafter. The retailer shall

1 maintain records showing completion of each employee’s training for a period of two years and
2 provide such records to the City Manager or his/her designee upon request.

3
4 **19.75.150 Operational Requirements— Commercial Cannabis Retailer-Delivery Only.**

5 A. Point of Sale System. A cannabis delivery retailer shall facilitate the dispensing of
6 cannabis or cannabis products with a technology platform owned by or licensed to the delivery
7 retailer that uses point-of-sale technology to track and database technology to record and store the
8 following information for each transaction involving the exchange of cannabis or cannabis
9 products between the applicant and qualified patient, primary caregiver, or customer:

10 a. The identity of the individual dispensing cannabis or cannabis products on
11 behalf of the permittee;

12 b. The identity of the qualified patient, primary caregiver, or customer
13 receiving cannabis or cannabis products from the permittee;

14 c. The type and quantity of cannabis or cannabis products dispensed and
15 received; and

16 d. The gross receipts charged by the licensee and received by the individual
17 dispensing cannabis or cannabis products on behalf of the permittee for the cannabis or cannabis
18 products dispensed and received.

19 B. Security Plan. Security plans developed pursuant to this Chapter shall include
20 provisions relating to vehicle security and the protection of employees and product during loading
21 and in transit.

22
23 **19.75.160 Operational Requirements— Commercial Cannabis Manufacturer.**

24 A. Visibility of Manufacturing Processes. From a public right-of-way, there shall be
25 no exterior evidence of cannabis manufacturing allowed on the premises, except for any signage
26 authorized by this Code.

27 B. Use of compressed gas. Any compressed gases used in the manufacturing process
28 shall be approved by the Fire Chief. Any compressed gases shall not be stored on any property

1 within the City of Chico in containers that exceed the amount approved by the Fire Chief. Each
2 site or parcel subject to a Commercial Cannabis Permit shall be limited to a total number of tanks
3 as authorized by the Fire Chief on the property at any time.

4 C. Use of solvents. Any solvents used in the manufacturing process shall be approved
5 by the Fire Chief. Cannabis Manufacturers using solvents or gases for extraction shall use N-
6 butane, isobutane, propane, or heptane, or other solvents or gases exhibiting low to minimal
7 potential human-related toxicity approved by the Fire Chief. These solvents must be of at least
8 ninety-nine percent purity and procedures showing that any extraction process must use them in a
9 professional grade closed loop extraction system designed to recover the solvents and work in an
10 environment with proper ventilation, controlling all sources of ignition where a flammable
11 atmosphere is or may be present.

12 D. Use of Gas Extraction Systems. If an extraction process uses a professional grade
13 closed loop CO₂ gas extraction system, every vessel must be certified by the manufacturer for its
14 safe use.

15 a. Closed loop systems for compressed gas extraction systems must be
16 commercially manufactured and bear a permanently affixed and visible serial number.

17 b. Certification from an engineer licensed by the State of California must be
18 provided to the Fire Chief for a professional grade closed loop system used by any commercial
19 cannabis manufacturer to certify that the system was commercially manufactured, is safe for its
20 intended use, and was built to codes of recognized and generally accepted good engineering
21 practices, including but not limited to:

22 i. The American Society of Mechanical Engineers (ASME);

23 ii. American National Standards Institute (ANSI);

24 iii. Underwriters Laboratories (UL); or

25 iv. The American Society for Testing and Materials (ASTM).

26 c. Certification document must contain the signature and stamp of the
27 professional engineer and serial number of the extraction unit being certified.

28 E. Fire Chief Approval. Professional closed loop systems, other equipment used, the

1 extraction operation, and all related facilities must be approved for their use by the Fire Department
2 and meet any required fire, safety, and building code requirements specified in Building and Fire
3 Codes, as adopted by the City.

4 F. Approved Non-solvent/gas Manufacturing Methods. Cannabis Manufacturers may
5 use:

6 a. Heat, screens, presses, steam distillation, ice water, and other methods
7 without employing solvents or gases to create kief, hashish, bubble hash, or infused dairy butter,
8 or oils or fats derived from natural sources, and other extracts.

9 b. Food grade glycerin, ethanol, and propylene glycol solvents to create or
10 refine extracts.

11 G. Ethanol Recapture. Ethanol shall be removed from all extracts in a manner to
12 recapture the solvent and ensure that it is not vented into the atmosphere.

13 H. Procedures and Protocols. Cannabis Manufacturers creating cannabis extracts must
14 develop standard operating procedures, good manufacturing practices, and a training plan prior to
15 producing extracts for the marketplace.

16 I. Training. Any person using solvents or gases in a closed looped system to create
17 cannabis extracts must be fully trained on how to use the system, must have direct access to
18 applicable material safety data sheets and handle and store the solvents and gases safely. Training
19 materials and records shall be presented to the City upon request.

20 J. Assurance Testing. Parts per million for one gram of finished extract cannot exceed
21 State standards for any residual solvent or gas when quality assurance tested.

22 K. Added Artificial Flavor Prohibited. Cannabis manufacturers shall not manufacture
23 cannabis products which contain an added characterizing flavor. For purposes of this Chapter,
24 “characterizing flavor” means a taste or aroma, other than the taste or aroma of cannabis, imparted
25 either prior to or during consumption. This includes, but is not limited to, tastes or aromas relating
26 to food or drink of any sort; menthol; mint; wintergreen; fruit; chocolate; va nilla; honey; candy;
27 cocoa; dessert; alcoholic beverages; herbs; or spices. Flavor agents consisting of cannabis terpenes
28 shall not be considered an added characterizing flavor. Such prohibition shall not apply to cannabis

1 products which are manufactured as edible or topical products.

2 L. Annual California Fire Code Operational Permit. Cannabis manufacturers shall
3 obtain annually and keep current at all times a Fire Code Operational Permit.

4 M. Sprinkler System. An automatic sprinkler system shall be installed throughout all
5 buildings containing cannabis manufacturing uses, including but not limited to oil extraction
6 operations and cannabis-infused product kitchens/bakeries.

7 N. Fire Alarm System. An automatic fire alarm system shall be provided through
8 building containing cannabis manufacturing uses, including but not limited to oil extraction
9 operations and cannabis-infused product kitchens/bakeries. The installed fire alarm system shall
10 meet the requirements of emergency voice/alarm communication systems required by the
11 California Fire Code and shall be designed and installed in accordance with National Fire
12 Protection Association standards.

13 O. Fire Department Access. A key box shall be installed at an approved location to
14 allow immediate access to the premises in the event of an emergency for life-saving and fire-
15 fighting purposes, due to the potential hazards associated with manufacturing facilities. The box
16 shall be of an approved type listed in accordance with UL 1037 and shall contain keys to gain
17 necessary access as required by the fire code official.

18
19 **19.75.170 Operational Requirements— Commercial Cannabis Distributor**

20 A. Visibility. From a public right-of-way, there shall be no exterior evidence of
21 cannabis distribution except for any signage authorized by this Code.

22 B. Tamper Resistant Packaging. A cannabis distributor shall only procure, sell, or
23 transport cannabis or cannabis products that are packaged and sealed in tamper-evident packaging
24 that uses a unique identifier, such as a batch and lot number or bar code, to identify and track the
25 cannabis or cannabis products.

26 C. Recyclable Materials. A cannabis distributor shall minimize materials that are
27 non-recyclable or non-reusable.

28 D. Distribution Personnel.

1 a. A cannabis distributor shall maintain a database and provide a list of
2 individuals and vehicles authorized to conduct transportation on behalf of the permittee, pursuant
3 to the Commercial Cannabis Permit, within the City.

4 b. Individuals authorized to conduct transportation on behalf of the cannabis
5 distributor shall have a current and valid California Driver's License.

6 c. During transportation, the individual conducting transportation on behalf of
7 the cannabis distributor shall maintain a copy of the Commercial Cannabis Permit and shall make
8 it available upon the request of agents or employees of the City requesting documentation.

9 E. Distribution Vehicle. Cannabis or cannabis products shall be transported only in a
10 vehicle that is

11 a. Insured at or above the legal requirement in California,

12 b. Capable of securing (locking) the cannabis or cannabis products during
13 transportation, and

14 c. Capable of being temperature controlled if perishable cannabis products are
15 being transported.

16
17 **19.75.180 Operational Requirements— Commercial Cannabis Testing Laboratory**

18 A. Cannabis testing shall take place within an enclosed building.

19 B. From a public right-of-way, there shall be no exterior evidence of cannabis testing
20 except for any signage authorized by this Code.

21 C. All cannabis testing shall be performed in accordance with State law.

22 D. A cannabis testing laboratory shall adopt a standard operating procedure using
23 methods consistent with general requirements established by the International Organization for
24 Standardization, specifically ISO/IEC 17025, to test cannabis and cannabis products, and shall
25 operate in compliance with the law.

26 E. A cannabis testing laboratory shall be accredited by a body that is a signatory to the
27 International Laboratory Accreditation Cooperation Mutual Recognition Agreement.

28 F. A cannabis testing laboratory shall establish standard operating procedures that

1 provide for adequate chain of custody controls for samples transferred to the testing laboratory for
 2 testing.

3 G. A cannabis testing laboratory shall destroy the remains of samples of any cannabis
 4 or cannabis product upon completion of analyses. Destruction shall be done in a manner compliant
 5 with State law and regulations.

6 H. Any testing that requires the use of solvents, compressed gas, or gas extraction
 7 systems for extraction must comply with the requirements for manufacturers in Section
 8 19.75.160.B-I Operational Requirements—Cannabis Manufacturers.

9
 10 **Section 2.** Amend Section 19.44.030, Table 4-6, “Allowed Uses and Permit Requirements
 11 for Commercial Zone Districts,” to read and provide as follows:

Land Use	Permit Requirement by Zone								Subject to Standards in Section/ Chapter:
	OR	OC	CN	CC	DN	DS	CS	CR	
<i>Manufacturing and Processing Uses</i>									
Cannabis Distributor							P		19.75
Cannabis Manufacturer							P(12)		19.75
<i>Retail Trade Uses</i>									
Cannabis Retailer – Storefront				UP			UP	UP	19.75
Cannabis Retailer – Delivery Only		P		P			P		19.75
<i>Service Uses</i>									
Cannabis Testing Laboratory		P		P			P		19.75

25 Notes: [1-11 No Changes]

26 (12) Manufacturing involving non-volatile manufacturing techniques, and premises under 5,000
 27 s.f. permitted; Manufacturing involving volatile manufacturing techniques, and/or premises of
 28 5,000 s.f. or greater requires use permit approval.

Section 3. Amend Section 19.46.020, Table 4-8, to read and provide as follows:

Land Use	Permit Requirements by Zone			Subject to Standards in Section/ Chapter:
	ML	MG	IOMU	
<i>Manufacturing and Processing Uses</i>				
Cannabis Distributor	P	P	P	19.75
Cannabis Manufacturer	P(5)	P(5)	P(5)	19.75
<i>Retail Uses</i>				
Cannabis Retailer – Delivery Only	P	P	P	19.75
<i>Services</i>				
Cannabis Testing laboratory	P	P	P	19.75

Notes: [1-4 No Changes]

(5) Manufacturing involving non-volatile manufacturing techniques, and premises under 5,000 s.f. permitted; Manufacturing involving volatile manufacturing techniques, and/or premises of 5,000 s.f. or greater requires use permit approval.

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Section 4. Amend Section 19.48, Table 4-10, to read and provide as follows:

Land Use	Permit Requirements by Zone				Subject to Standards in Section/ Chapter:
	A(2)	AC(3)	AM(4)	AP	
<i>Manufacturing and Processing Uses</i>					
Cannabis Distributor		P	P		19.75
Cannabis Manufacturer			P(6)		19.75
<i>Retail Uses</i>					
Cannabis Retailer – Delivery Only		P	P		19.75
<i>Services</i>					
Cannabis Testing laboratory		P	P		19.75

Notes: [1-5 No Changes]

(6) Manufacturing involving non-volatile manufacturing techniques, and premises under 5,000 s.f. permitted; Manufacturing involving volatile manufacturing techniques, and/or premises of 5,000 s.f. or greater requires use permit approval.

Section 5. Amend chapter 19.80.070, table 6-1 by adding all commercial cannabis activities to table 6-1.

Land Use	Permit Requirement by Zone				Subject to Standards in Section/ Chapter:
	NE	NG	NC	CORE	
<i>Manufacturing and Processing Uses</i>					
Cannabis Manufacturer				P(7)	19.75
<i>Retail/Trade Uses</i>					
Cannabis Retailer – Storefront				UP	19.75
Cannabis Retailer – Delivery Only				P	19.75
<i>Services</i>					
Testing laboratory				P	19.75

Notes: [1-6 No Changes]

(7) Manufacturing involving non-volatile manufacturing techniques, and premises under 5,000 s.f.

1 permitted; Manufacturing involving volatile manufacturing techniques, and/or premises of 5,000
2 s.f. or greater requires use permit approval.

3
4 **Section 6.** EFFECT ON OTHER LAWS. Nothing in this Ordinance shall be construed to
5 allow persons to engage in conduct that violates state law or other local ordinance, endangers
6 others, causes a public nuisance, allows the use or diversion of cannabis in an unlawful manner or
7 inconsistent with state law or other local ordinance.

8 **Section 7.** ENVIRONMENTAL REVIEW. The City Council, on the basis of the whole of
9 the record and exercising independent judgement, finds that the land use regulations meet the
10 requirements for CEQA Guidelines Section 15183 as a project consistent with a community plan
11 or zoning, and that no additional environmental review or documentation is necessary.
12 Implementation of this Ordinance would not result in any new environmental impacts, or
13 substantially increase the severity of identified environmental impacts. The City Council further
14 determines that the proposed code amendment is consistent with the General Plan's policy
15 framework. Therefore, the Commercial Cannabis Ordinance is consistent with Section 15183 of
16 the CEQA Guidelines and no additional environmental review is required.

17 **Section 8.** SEVERABILITY. If any section, subsection, line, sentence, clause, phrase, or
18 word of this Ordinance is for any reason held to be invalid or unconstitutional, either facially or as
19 applied, by a decision of any court of competent jurisdiction, such decision shall not affect the
20 validity of the remaining portions of this Ordinance. The City Council of the City of Chico hereby
21 declares that it would have passed this Ordinance, and each and every individual section,
22 subsection, line, sentence, clause, phrase, or word without regard to any such decision.

23 **Section 9.** EFFECTIVE DATE. This Ordinance shall be effective thirty (30) days following
24 the adoption date.

25 **Section 10.** CERTIFICATION. The City Clerk shall certify to the passage and adoption of
26 this Ordinance and shall cause the same to be published or posted in the manner required by law.

27 //

28 //

1 **THE FOREGOING ORDINANCE** duly and property introduced at a regular meeting of
2 the City Council held on August 25, 2020 and was thereafter, adopted by the City Council of the
3 City of Chico, California at its City Council meeting held on September 15, 2020 by the following
4 vote:

5
6
7 AYES: Huber, Morgan, Ory, Reynolds, Stone, Brown, Schwab

8 NOES: None

9 ABSENT: None

10 ABSTAINED: None

11 DISQUALIFIED: None

12
13 ATTEST:

14 

15 Deborah R. Presson
16 City Clerk

APPROVED AS TO FORM:



Andrew Jared, City Attorney*

*Pursuant to The Charter of
the City of Chico, Section 906(E)