

ORDINANCE NO. 2018-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON, CALIFORNIA ADOPTING THE CANNABIS ORDINANCE CONSISTING OF A NEW CHAPTER 5.10 COMMERCIAL CANNABIS LICENSE AND AMENDING CHAPTER 19 ZONING ORDINANCE TO PERMIT CANNABIS INDOOR CULTIVATION, MANUFACTURING, TESTING, MICROBUSINESS, AND DISTRIBUTION IN THE GENERAL INDUSTRIAL ZONING DISTRICT

WHEREAS, on October 9, 2015, Governor Brown approved the Medical Marijuana Regulation and Safety Act (“**MMRSA**”), effective January 1, 2016, which establishes a comprehensive State of California licensing and regulatory framework for the cultivation, manufacturing, testing, distribution, transportation, dispensing, and delivery of medical cannabis, and which recognizes the authority of local jurisdictions to prohibit or impose additional restrictions on any such medical cannabis activity; and

WHEREAS, on June 27, 2016, Governor Brown approved Senate Bill Number 837 (“**SB 837**”), effective immediately, which amends the MMRSA and renames it the Medical Cannabis Regulation and Safety Act (“**MCRSA**”); and

WHEREAS, on November 9, 2016, the Adult Use of Marijuana Act (“**AUMA**”) was passed into law as a voter initiative by the voters of the State of California; and

WHEREAS, the AUMA legalizes the non-medical adult use of marijuana by adults age 21 and over, imposes taxes on the retail sale and cultivation of marijuana, and reduces penalties for marijuana-related crimes; and

WHEREAS, on June 27, 2017 Governor Brown signed the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“**MAUCRSA**”). The new law reconciles the differences between AUMA and MCRSA, and unifies the adult-use and medicinal markets within the same regulatory regime; and

WHEREAS, on November 15, 2016, the City Council approved a 45-day urgency ordinance to limit indoor cultivation to no more than six (6) live plants; and prohibit outdoor cultivation, processing, manufacture, distribution, testing and sale of recreational marijuana in all zoning districts in the City of American Canyon pending review and possible amendment of municipal code regulations; and

WHEREAS, on December 20, 2016, the City Council approved a 10-month, 15-day urgency ordinance to limit indoor cultivation to no more than six (6) live plants; and prohibits outdoor cultivation, processing, manufacture, distribution, testing and sale of recreational marijuana in all zoning districts in the City of American Canyon pending review and possible amendment of municipal code regulations; and setting forth the facts constituting such urgency; and

WHEREAS, on October 3, 2017, the City Council approved an urgency ordinance extension to May 4, 2018 that limits indoor cultivation to no more than six (6) live plants; and prohibits outdoor cultivation, processing, manufacture, distribution, testing and sale of recreational marijuana in all zoning districts in the City of American Canyon pending review and possible amendment of municipal code regulations; and setting forth the facts constituting such urgency; and

WHEREAS, on March 20, 2018, the City Council approved an urgency ordinance extension to November 14, 2018 that limits indoor cultivation to no more than six (6) live plants; and prohibits outdoor cultivation, processing, manufacture, distribution, testing and sale of recreational marijuana in all zoning districts in the City of American Canyon pending review and possible amendment of municipal code regulations; and setting forth the facts constituting such urgency; and

WHEREAS, it is the purpose and intent of the City to regulate Cannabis in a manner that is consistent with California law and promotes the health, safety, and general welfare of the residents and businesses within the City, while limiting any negative impacts; and

WHEREAS, between November 2017 and August 2018, the City conducted extensive outreach meetings with residents, community organizations, and the business community, a community survey, social media and electronic newsletter notifications; and

WHEREAS, the Planning Commission conducted a workshop on the “Cannabis Ordinance” on June 22, 2017; and

WHEREAS, the City Council conducted a workshop on the “Cannabis Ordinance” on October 3, 2017, February 20, 2018, July 3, 2018, and July 31, 2018; and

WHEREAS, the Planning Commission conducted a public hearing on August 13, 2018 and voted unanimously in favor of the ordinance; and

WHEREAS, the City Council has considered all of the written and oral testimony presented at the public hearing on September 4, 2018 in making its decision; and

WHEREAS, nothing in this Ordinance (“**Ordinance**”) shall be construed to allow persons to engage in conduct that violates the law, endangers others, causes a public nuisance, allows the illegal use or diversion of Cannabis, or allows any activity relating to Cannabis that is otherwise illegal under California state law, as amended, except to the extent otherwise specifically set forth.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein.

SECTION 2. The City Council determines that it is in the best interest of the residents of the City to allow certain Commercial Cannabis Activities in compliance with applicable State Law, including MAUCRSA, to be established and operated as permitted uses within certain areas of the City subject to the regulations and restrictions provided in this Ordinance. It is the City Council’s intention that nothing in this Ordinance shall be construed to:

1. Allow a Person to engage in conduct that endangers others or causes a public nuisance.
2. Allow any activity relating to Cannabis that is otherwise not permitted under State law.

SECTION 3. The City Council finds that the actions contemplated by this Ordinance are exempt from the California Environmental Quality Act pursuant to Sections 15061 and 15305 of Title 14, Division 6,

Chapter 3 of the California Code of Regulations, in that the Ordinance alone does not have the potential for causing a significant effect on the environment. Further permits and approvals will be required before any activity that will affect the environment will be permitted.

SECTION 4. The City Council amends American Canyon Municipal Code to add Chapter 5.10 (Commercial Cannabis License) as follows:

5.10.010 Purpose and Intent.

It is the purpose and intent of this Chapter to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”) to accommodate the needs of medically-ill persons in need of and provide access to cannabis for medicinal purposes as recommended by their health care provider(s), and to provide access to adult-use for persons over the age of 21 as authorized by the Control, Tax & Regulate the Adult Use Cannabis Act (“AUMA” or “Proposition 64” passed by California voters in 2016), while imposing sensible regulations on the use of land to protect the City’s residents, neighborhoods, and businesses from disproportionately negative impacts. As such, it is the purpose and intent of this Chapter to regulate the cultivation, processing, manufacturing testing, sale, delivery, distribution and transportation of cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of the City of American Canyon and to enforce rules and regulations consistent with state law. It is the further purpose of intent of this Chapter to require all commercial cannabis operators to obtain and renew annually a permit to operate within the City of American Canyon. Nothing in this Chapter is intended to authorize the possession, use, or provision of cannabis for purposes that violate state or federal law. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses and approval required under state, City, or other law.

5.10.020 Legal Authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter “MAUCRSA”), any subsequent state legislation and/or regulations regarding same, the City of American Canyon is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial cannabis activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City of American Canyon to all commercial cannabis activity.

5.10.030 Cannabis Cultivation and Commercial Cannabis Activities Prohibited Unless Specifically Authorized by this Chapter.

Except as specifically authorized in this Chapter, the commercial cultivation, manufacture, processing, storing, laboratory testing, labeling, sale, delivery, distribution or transportation (other than as provided under Business & Professions Code Section 26090(e)), of cannabis or cannabis product is expressly prohibited in the City of American Canyon.

5.10.040 Compliance with State and Local Laws.

It is the responsibility of the owners and operators of the commercial cannabis business to ensure that it always operates in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions that violate federal, state law or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and the operators of the commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with all applicable federal, state and local laws, including the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA"), and any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis business permit. Nothing in this Chapter shall be construed as authorizing any actions that violate federal or state law regarding the operation of a commercial cannabis business.

5.10.050 Definitions.

Section 5.10.050 When used in this Chapter, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

- (a) "A-license" means a state license issued by the Bureau of Cannabis Regulation for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess physician's recommendations.
- (b) "A-licensee" means any person holding a license under this division for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess physician's recommendations.
- (c) "Applicant" means an owner applying for a city license pursuant to this Chapter.
- (d) "Batch" means a specific quantity of homogeneous cannabis or cannabis product that is one of the following types:
 - (1) "Harvest batch" means a specifically identified quantity of dried flower or trim, leaves, and other cannabis plant matter that is uniform in strain, harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals and harvested at the same time.
 - (2) "Manufactured cannabis batch" means either of the following:
 - (A) An amount of cannabis concentrates or extract that is produced in one production cycle using the same extraction methods and standard operating procedures.
 - (B) An amount of a type of manufactured cannabis produced in one production cycle using the same formulation and standard operating procedures.
- (e) "Building Official" means the Building Official of the City of American Canyon Community Development Department or designee.
- (f) "Bureau" means the Bureau of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Marijuana Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation.
- (g) "Cannabis" means all parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its

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

(h) "Cannabis accessories" has the same meaning as in Section 11018.2 of the Health and Safety Code.

(i) "Cannabis Innovation Zone" is defined as a park or campus which is one contiguous commercial area of land which has many cannabis related businesses grouped together. Each individual business would be clearly defined, which has a unique entrance and immovable physical barriers between uniquely licensed premises.

(j) "Cannabis concentrate" means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this division. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or drug, as defined by Section 109925 of the Health and Safety Code.

(k) "Cannabis product" means a product containing cannabis or cannabis, including, but not limited to, manufactured cannabis, - intended to be sold for use by cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California Health and Safety Code (as the same may be amended from time-to-time) or pursuant to the Adult Use of Cannabis Act. For purposes of this Chapter, "cannabis" does not include industrial hemp as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

(l) "Cannabis products" has the same meaning as in Section 11018.1 of the Health and Safety Code.

(m) "Canopy" means the designated area(s) at a licensed premise, except nurseries that will contain mature plants at any point in time. (1) Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries; (2) Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary which include, but are not limited to: interior walls, shelves, greenhouse walls, hoop house walls, garden benches, hedgerows, fencing, garden beds or garden plots; and if mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.

(n) "Caregiver" or "primary caregiver" has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.

(o) "Child resistant" means designed or constructed to be significantly difficult for children under five years of age to open, and not difficult for normal adults to use properly

(p) "City" means the City of American Canyon, a General Law City.

(q) "City Manager" means City Manager or designee.

(r) "Commercial cannabis activity" includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products as provided for in this division.

(s) "Commercial cannabis business" means a Microbusiness which engages in medicinal or adult-use commercial cannabis activity.

(t) "Commercial cannabis business permit" means a regulatory permit issued by the City of American Canyon pursuant to this Chapter to a commercial cannabis business and is required before any commercial cannabis activity may be conducted in the City. The initial permit and annual renewal of a commercial cannabis business permit is made expressly contingent upon the business' ongoing

compliance with all of the requirements of this Chapter and any regulations adopted by the City governing the commercial cannabis activity at issue.

(u) "Community Development Director" means the Community Development Director of the City of American Canyon Community Development Department or designee.

(v) "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

(w) "Cultivation site" means a location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.

(x) "Customer" means a natural person 21 years of age or over, or a natural person 18 years of age or older who possesses a physician's recommendation, or a medical marijuana identification card.

(y) "Day care center" means has the same meaning as in Section 1596.76 of the Health and Safety Code.

(z) "Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer.

(aa) "Director" means the Director of Consumer Affairs.

(ab) "Dispensing" means any activity involving the retail sale of cannabis or cannabis products from a retailer.

(ac) "Distribution" means the procurement, sale, and transport of cannabis and cannabis products between licensees.

(ad) "Distributor" means a person holding a valid commercial cannabis business permit for distribution issued by the City of American Canyon, and, a valid state license for distribution, required by state law to engage in the business of purchasing cannabis from a licensed cultivator, or cannabis products from a license manufacturer, for sale to a licensed retailer.

(ae) "Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

(af) "Edible cannabis product" means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

(ag) "Fund" means the Cannabis Control Fund established pursuant to Section 26210.15.

(ah) "Greenhouse" means a fully enclosed permanent structure that is clad in transparent material with climate control, such as heating and ventilation capabilities and supplemental artificial lighting, and that uses a combination of natural and supplemental lighting for cultivation.

(ai) "Keef", also known as "kief" or "keif", refers to the resinous trichomes of cannabis that may accumulate in containers or be sifted from loose, dry cannabis flower with a mesh screen or sieve.

(aj) "Kind" means applicable type or designation regarding a particular cannabis variant or cannabis product type, including, but not limited to, strain name or other grower trademark, or growing area designation.

(ak) "Labeling" means any label or other written, printed, or graphic matter upon a cannabis product, upon its container.

(al) "Labor peace agreement" means an agreement between a licensee and any bona fide labor organization that, at a minimum, protects the state's proprietary interests by prohibiting labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with the applicant's business. This agreement means that the applicant has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the applicant's employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the applicant's employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under state law,

and terms and conditions of employment. This type of agreement shall not mandate a particular method of election or certification of the bona fide labor organization.

(am) "License" means a state license issued by the state and includes both an A-license and an M-license, as well as a testing laboratory license.

(an) "Licensee" means any person holding a license under this chapter, regardless of whether the license held is an A-license or an M-license, and includes the holder of a testing laboratory license.

(ao) "Licensing authority" means the City of American Canyon and/or state agency responsible for the issuance, renewal, or reinstatement of the license, or the City of American Canyon and/or state agency authorized to take disciplinary action against the licensee.

(ap) "Limited-access area" means an area in which cannabis is stored or held and is only accessible to some licensee and authorized personnel.

(aq) "Live plants" means living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.

(ar) "Local jurisdiction" means a city, County or city and County.

(as) "Lot" means a batch or a specifically identified portion of a batch.

(at) "M-license" means a state license issued by the state for commercial cannabis activity involving medicinal cannabis.

(au) "M-licensee" means any person holding a license by the state for commercial cannabis activity involving medicinal cannabis.

(av) "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

(aw) "Manufactured cannabis" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.

(ax) "Manufacturer" means a licensee that conducts 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 container.

(ay) "Manufacturing site" means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid commercial cannabis business permit for manufacturing from the City of American Canyon and, a valid state license as required for manufacturing of cannabis products.

(az) "Medicinal cannabis" or "medicinal cannabis product" means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation.

(ba) "Nonvolatile solvent" means any solvent used in the extraction process that is not a volatile solvent. For purposes of this chapter, a nonvolatile solvent includes carbon dioxide (CO₂) used for extraction and ethanol used for extraction or post-extraction processing.

(bc) "Microbusiness" means the cultivation of cannabis on an area less than 10,000 square feet, by an entity authorized to act as a licensed distributor, Level 1 manufacturer, and retailer under state law, provided such licensee can demonstrate compliance with all requirements imposed by state law on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the licensee engages in such activities. Microbusiness licenses that authorize cultivation of cannabis shall include the license conditions described in subdivision (b) of Section 26060.1 of the Business and Professions Code.

(bd) "Nursery" means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically, for the propagation and cultivation of cannabis.

(be) "Operation" means any act for which licensure is required under the provisions of this chapter, or any commercial transfer of cannabis or cannabis products.

(bf) "Owner" means any of the following:

(1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.

(2) The Manager of a nonprofit or other entity.

(3) A member of the board of directors of a nonprofit.

(4) An individual who will be participating in the direction, control, or management of the business applying for a license, or who has a financial interest in the business other than a fixed lease of real property.

(bg) "Package" means any container or receptacle used for holding cannabis or cannabis products.

(bh) "Patient" or "qualified patient" shall have the same definition as California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health & Safety Code Section 11362.5.10

(bi) "Person" includes any individual, firm, partnership, joint venture, association, corporation, Limited Liability Company, estate, trust, business, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

(bj) "Person with an identification card" shall have the meaning given that term by California Health and Safety Code Section 11362.7.

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

(bl) "Premises" means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee unless the operator is granted a M-License and a A-License for the same type of activity and such operation is lawful under state and local laws, rules and regulations.

(bm) "Processing" means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and nonmanufactured cannabis products.

(bn) "Purchaser" means the customer who is engaged in a transaction with a licensee for purposes of obtaining cannabis or cannabis products.

(bo) "Retailer" means a commercial cannabis business facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid commercial cannabis business permit from the City of American Canyon authorizing the operation of a retailer, and a valid state license as required by state law to operate a retailer.

(bp) "Sell," "sale," and "to sell" include any transaction whereby, for any consideration, title to cannabis or cannabis products are 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.

(bq) "State License" means a permit or license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same to engage in commercial cannabis activity.

(br) "Testing laboratory" means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following:

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

(2) Licensed by the bureau.

(bs) "Topical cannabis" means a product intended for external application and/or absorption through the skin. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.

(bt) "Transport" means the transfer of cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized by MAUCRSA which may be amended or repealed by any subsequent State of California legislation regarding the same.

(bu) "Unique identifier" means an alphanumeric code or designation used for reference to a specific plant on a licensed premises and any cannabis or cannabis product derived or manufactured from that plant.

(bv) "Youth center" means any public or private facility that is primarily used to host recreation or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades where 10 or more video games or game machines or devices are operated, and where minors are legally permitted to conduct business, or similar amusement park facilities. It shall also include a park, playground or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or on city, county or state parks. This definition shall not include any private martial arts, yoga, ballet, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist office, doctor's office primarily serving children or a location which is primarily utilized as an administrative office or facility for youth programs or organizations.

(bw) "Volatile solvent" means any solvent that is or produces a flammable gas or vapor that, when present in air in sufficient quantities, will create explosive or ignitable mixtures. Examples of volatile solvents include, but are not limited to, butane, hexane, and propane.

5.10.060 Commercial Cannabis Business Permit Required to Engage in Commercial Cannabis Business.

(a) A commercial cannabis business is limited to Indoor Commercial Cultivation, Manufacturing, Distribution, Retail Non-Storefront, Testing Labs, and Microbusinesses that shall include only Indoor Cultivation, Distribution, Manufacturing, Testing Labs, and Retail Non-Storefront, for cannabis and cannabis products.

(b) No person may engage in any commercial cannabis business or in any commercial cannabis activity within the City of American Canyon unless the person (1) has a valid commercial cannabis business permit from the City of American Canyon; (2) has a valid State of California Seller's Permit; and (3) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis business and the commercial cannabis activities, including the duty to obtain any required state licenses.

5.10.070 Cannabis Employee Permit Required.

(a) Prior to offering employment to a Cannabis Employee candidate, the Cannabis business shall conduct a pre-screening process of the successful candidate.

- (b) Any person who is an employee or who otherwise works within a commercial cannabis business must be legally authorized to do so under applicable state law.
- (c) Any person who is an employee or who otherwise works within a commercial cannabis business must obtain a commercial cannabis employee work permit from the City prior to performing any work at any commercial cannabis business.
- (d) Applications for a commercial cannabis employee work permit shall be developed, made available, and processed by the City Manager and shall include, but not be limited to, the following information:
 - (1) Name, address, and phone number of the applicant;
 - (2) Age and verification of applicant. A copy of a birth certificate, driver's license, government issued identification card, passport or other proof that the applicant is at least twenty-one (21) years of age must be submitted with the application;
 - (3) Name, address of the commercial cannabis business where the person will be employed, and the name of the primary manager of that business;
 - (4) A list of any crimes enumerated in California Business and Professions Code Section 26057(b)(4) for which the applicant or employee has been convicted;
 - (5) Name, address, and contact person for any previous employers from which the applicant was fired, resigned, or asked to leave and the reasons for such dismissal or firing;
 - (6) The application shall be accompanied by fingerprints and a recent photograph of the applicant in a form and manner as required by the City Manager.
 - (7) A signed statement under penalty of perjury that the information provided is true and correct.
 - (8) If applicable, verification that the applicant is a qualified patient or primary caregiver.
 - (9) A fee paid in an amount set by resolution of the City Council in an amount necessary to cover the costs of administering the employee work permit programs. The fee is non-refundable and shall not be returned in the event the work permit is denied or revoked.
- (e) The City Manager shall review the application for completeness, shall conduct a background check to determine whether the applicant was convicted of a crime or left a previous employer for reasons that show the applicant:
 - (1) Has committed any act involving dishonesty, fraud, or deceit, as defined in Section 480 of the Business and Professions Code; or

- (2) Has committed a felony or misdemeanor involving fraud, deceit, embezzlement; or
- (3) Was convicted of a violent felony, a crime of moral turpitude; and/or
- (4) The illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, except for cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

Discovery of these facts showing that the applicant is dishonest or has been convicted of those types of crimes are grounds for denial of the permit. Where the applicant's sentence (including any term of probation, incarceration, or supervised release) for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is completed, such underlying conviction shall not be the sole ground for denial of a commercial cannabis work permit. Furthermore, an applicant shall not be denied a permit if the denial is based solely on any of the following:

- (1) a conviction for any crime listed in subsection (d) (4) above for which the applicant has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the California Penal Code; or
- (2) a conviction that was subsequently dismissed pursuant to Sections 1203.4, 1203.4a, or 1203.41 of the California Penal Code or any other provision of state law allowing for dismissal of a conviction.

(f) The City Manager shall issue the commercial cannabis work permit or a written denial to the applicant within thirty (30) days of the date the application was deemed complete. In the event the cannabis work permit cannot be issued within this time period, the City Manager may issue a temporary work permit for an employee upon completing a preliminary background check and if the business can demonstrate to the City Manager that the employee is necessary for the operation of the business. The temporary permit may be immediately revoked by the City Manager upon determination that the applicant has failed the background check or upon the issuance of the permanent work permit.

(g) A work permit shall be valid for a twelve (12) month period and must be renewed on an annual basis. Renewal applications shall contain all the information required in subsection (b) above including the payment of a renewal application fee in an amount to be set by resolution of the City Council.

(h) In the event a person changes employment from one commercial cannabis business in the City to another, the work permit holder shall notify the City Manager in writing of the change within ten (10) days, or the work permit shall be suspended or revoked, and such person shall not be permitted to work at any commercial cannabis business in the City.

(i) The City may immediately revoke the commercial cannabis work permit should the permit holder be convicted of a crime listed in subsection (c) and (d) above or if facts become known to the City Manager that the permit holder has engaged in dishonest activities.

(j) The City Manager is hereby authorized to enforce all regulations necessary to implement the work permit process and requirements.

(k) The applicant may appeal the denial or revocation of a commercial cannabis work permit by filing a notice of appeal with the City Clerk within ten (10) days of the date the applicant received the notice of denial; which appeal shall be conducted as set forth in Section 5.10.140 of this Chapter.

(l) The City Manager shall issue a permit in the form of a personal identification card that can be worn in a prominent and visible location. The identification card shall be maintained in good and readable condition at all times.

5.10.080 Maximum Number and Type of Authorized Commercial Cannabis Businesses Permitted.

The number of each type of commercial cannabis business that shall be permitted to operate in the City shall be established by resolution of the City Council.

(a) Section 5.10.080 is only intended to create a maximum number of commercial cannabis businesses that may be issued permits to operate in the City under each category. Nothing in this Chapter creates a mandate that the City Council must issue any or all of the commercial cannabis business permits if it is determined that the applicants do not meet the standards which are established in the application requirements or further amendments to the application process or that the City Council upon further deliberation determines that the issuance of any or all commercial cannabis business permits will impact the public safety, welfare or other policy concerns which may be detrimental in the issuance of these permits.

(b) Each year following the City Council's initial award of permits, if any, or at any time in the City Council's discretion, the City Council may reassess the number of commercial cannabis business permits which are authorized for issuance. The City Council in its discretion, may determine that the number of commercial cannabis permits should stay the same, or be expanded.

5.10.090 Initial Application Procedure.

(a) The City Manager shall adopt detailed objective review criteria such as a point system or equivalent quantitative evaluation scale tied to each set of review criteria ("Review Criteria"), to govern the commercial cannabis business permit(s) application process. The City Manager shall be authorized to prepare the necessary forms, adopt any necessary rules to the application, regulations and processes, solicit applications, and conduct initial evaluations of the applicants.

(b) At the time of filing, each applicant shall pay an application fee established by resolution of the City Council, to reimburse the City for all costs incurred in the application process.

(c) After the initial review, ranking, and scoring under the Review Criteria, the City Manager will make a final determination in accordance with this section.

(d) THE CITY'S RESERVATION OF RIGHTS:

The City reserves the right to reject any or all applications. Prior to permit issuance, the City may also modify, postpone, or cancel any request for applications, or the entire program under this Chapter, at any time without liability, obligation, or commitment to any party, firm, or organization, to the extent permitted under California state law. Persons submitting applications assume the risk that all or any part of the program, or any particular category of permit potentially authorized under this Chapter, may be cancelled at any time prior to permit issuance. The City further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to any other justification provided a failure to comply with other requirements in this Chapter, an application RISKS BEING REJECTED for any of the following reasons:

- (1) Proposal received after designated time and date.
- (2) Proposal not containing the required elements, exhibits, nor organized in the required format.
- (3) Proposal considered not fully responsive to this request for permit application.

5.10.100 Personnel Prohibited from Holding a License or Employee Work Permit.

(a) Any person, including but not limited to any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular in which any of the following actions or notices have been issued in non-compliance, shall be prohibited from holding a cannabis commercial license or employee work permit in the City of American Canyon. In addition, the following shall be grounds for denial of a local license or employee work permit:

- (1) The applicant has been denied a license or has had a license suspended or revoked by any city, county, city and county or any other state cannabis licensing authority;
- (2) The applicant was notified that they were conducting commercial cannabis activity in non-compliance with Chapter 19 or other City of American Canyon ordinances, codes and requirements in which they failed to discontinued operating in a timely manner;
- (3) Evidence that the applicant was in non-compliance of properly paying federal, state or local taxes and/or fees when notified by the appropriate agencies;
- (4) As of November 14, 2018, applicant was conducting commercial cannabis activity in the City of American Canyon in violation of local and state law.
- (5) No person shall be issued a commercial cannabis permit to operate who enters into an agreement to lease, sublease or any other agreement, regardless of whether it is verbally or in writing to any terms of use of the premises from a property owner,

commercial broker or any third party, that is in violation of Section 5.10.100 unless that property is leased at fair market value and such lease, sublease or agreement does not have any terms or conditions for the cannabis permit licensee to pay the property owner, commercial broker, or any third party a percentage of gross receipts, royalties, equity, or other unreasonable compensation as determined by the City. In addition, all leases, subleases, or other agreements must be based a monthly rate.

5.10.110 Expiration of Commercial Cannabis Business Permits.

Each commercial cannabis business permit issued pursuant to this Chapter shall expire twelve (12) months after the date of its issuance. Commercial cannabis permits may be renewed as provided in Section 5.10.130.

5.10.120 Revocation of Permits.

Commercial cannabis business permits may be revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to Section 5.10.140, or pursuant to any policy, procedure or regulation in this Chapter.

5.10.130 Renewal Applications.

- (a) An application for renewal of a commercial cannabis business permit shall be filed at least sixty (60) calendar days prior to the expiration date of the current permit.
- (b) The renewal application shall contain all the information required for new applications.
- (c) The applicant shall pay a fee in an amount to be set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the City to administer the program created under this Chapter.
- (d) An application for renewal of a commercial cannabis business permit shall be rejected if any of the following exists:
 - (1) The application is filed less than sixty (60) days before its expiration.
 - (2) The commercial cannabis business permit is suspended or revoked at the time of the application.
 - (3) The commercial cannabis business has not been in regular and continuous operation in the four (4) months prior to the renewal application.
 - (4) The commercial cannabis business has failed to conform to the requirements of this Chapter, or of any regulations adopted pursuant to this Chapter.
 - (5) The permittee fails or is unable to renew its State of California license.
 - (6) If the City or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this Chapter, of the City

Ordinance, or of the state rules and regulations, and the City or state has determined that the violation is grounds for termination or revocation of the commercial cannabis business permit.

(e) The City Manager is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the City Manager is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the City Manager shall be handled pursuant to Sections 5.10.150 through 5.10.170.

(f) If a renewal application is rejected, a person may file a new application pursuant to this Chapter no sooner than one (1) year from the date of the rejection.

5.10.140 Effect of State License Suspension, Revocation, or Termination.

Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a commercial cannabis business to operate within the City, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a commercial cannabis business, such revocation or termination shall also revoke or terminate the ability of a commercial cannabis business to operate within the City of American Canyon.

5.10.150 Appeals.

Unless specifically provided elsewhere to the contrary, whenever an appeal is provided for in this Chapter from a decision of the City Manager, the appeal shall be conducted as prescribed in this Chapter.

5.10.160 Written request for Appeal.

(a) Within ten (10) calendar days after the date of a decision of the City Manager to revoke, suspend or deny a permit, or to add conditions to a permit, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper.

(b) At the time of filing the appellant shall pay the designated appeal fee, established by resolution of the City Council from time to time.

5.10.170 Appeal Hearing.

(a) Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Manager. The City Manager shall hear the matter de novo and shall conduct the hearing pursuant to the procedures set forth by the City.

(b) The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than ninety (90) days from the date of such filing. The City shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.

(c) At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.

(d) The decision of the City Manager shall be final.

5.10.180 Permittee Selection Process.

(a) The City Council shall adopt a procedure guideline and Review Criteria by which the top applicants in each category of each commercial cannabis business shall be evaluated in a final determination by the City Manager.

(b) At least ten (10) days prior to the public hearing, notice of the public hearing shall be sent to all property owners located within six hundred (600) feet of the proposed business locations of each of the finalists to be considered by the City Manager.

(c) The City Manager shall either deny or approve the final candidates and shall select the top candidates in each category of the commercial cannabis businesses. The City Manager's decision as to the selection of the prevailing candidates may be appealed to the City Council.

(d) Issuance of a commercial cannabis business permit does not create a land use entitlement. The commercial cannabis business permit shall only be for a term of twelve (12) months and shall expire at the end of the twelve (12) month period unless it is renewed as provided herein. Furthermore, no permittee may begin operations, notwithstanding the issuance of a permit, unless all of the state and local laws and regulations, including but not limited to the requirements of this Chapter and of the permit, have been complied with. Until a state license is available and obtained by the permitted operator as set forth in Section 5.10.160.

(e) If an application is denied, a new application may not be filed for one (1) year from the date of the denial.

(f) Each person granted a commercial cannabis business permit shall be required to pay the permit fee established by resolution of the City Council, to cover the costs of administering the commercial cannabis business permit program created in this Chapter.

5.10.190 Change in location; updated registration form.

(a) Any time the commercial cannabis location specified in the regulatory permit is changed, the applicant shall re-register with the City Manager. The process and the fees for re-registration shall be the same as the process and fees set forth for registration in Sections 5.10.130 (c) and 5.10.200 (a).

(b) Within fifteen (15) calendar days of any other change in the information provided in the registration form or any change in status of compliance with the provisions of this Chapter, including any change in the commercial cannabis business ownership or management members,

the applicant shall file an updated registration form with the City Manager for review along with a registration amendment fee, as set forth in Sections 5.10.130 (c) and 5.10.200 (a).

5.10.200 Transfer of Cannabis Business Permit.

(a) The owner of a cannabis business permit shall not transfer ownership or control of the permit to another person or entity unless and until the transferee obtains an amendment to the permit from the City Manager stating that the transferee is now the permittee. Such an amendment may be obtained only if the transferee files an application with the City Manager in accordance with all provisions of this Chapter (as though the transferee were applying for an original cannabis business permit) accompanied by a transfer fee in an amount set by resolution of the City Council (or if not set, shall be the same amount as the application fee), and the City Manager determines, after hearing, in accordance with this section that the transferee passed the background check required for permittees and meets all other requirements of this Chapter.

(b) Commercial cannabis business permits issued through the grant of a transfer by the City Manager shall be valid for a period of one year beginning on the day the City Manager approves the transfer of the permit. Before the transferee's permit expires, the transferee shall apply for a renewal permit in the manner required by this Chapter.

(c) Changes in ownership of a permittee's business structure or a substantial change in the ownership of a permittee business entity (changes of more than 51% of the original ownership), must be approved by the City Manager through the transfer process contained in this subsection (a). Failure to comply with this provision is grounds for permit revocation.

(d) A permittee may change the form of business entity without applying to the City Manager for a transfer of permit, provided that either:

- (1) The membership of the new business entity is substantially similar to original permit holder business entity (at least 51% of the membership is identical), or
- (2) If the original permittee is an unincorporated association, mutual or public benefit corporation, agricultural or consumer cooperative corporation and subsequently transitions to or forms a new business entity as allowed under the MAUCRSA and to comply with Section 5.10.060, subdivision (b), provided that the Board of Directors (or in the case of an unincorporated association, the individual(s) listed on the City permit application) of the original permittee entity are the same as the new business entity.

Although a transfer is not required in these two circumstances, the permit holder is required to notify the City Manager in writing of the change within ten (10) days of the change. Failure to comply with this provision is grounds for permit revocation.

(e) No commercial cannabis business permit may be transferred when the City Manager has notified the permittee that the permit has been or may be suspended or revoked.

(f) Any attempt to transfer a commercial cannabis business permit either directly or indirectly in violation of this section is hereby declared void, and such a purported transfer shall be deemed a ground for revocation of the permit.

5.10.210 City Business License.

Prior to commencing operations, a commercial cannabis business shall obtain a City of American Canyon business license.

5.10.220 Building Permits and Inspection.

Prior to commencing operations, a commercial cannabis business shall be subject to a building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zoning district. This includes but is not limited to obtaining any required building permit(s), American Canyon Fire Protection District approvals, Napa County Health Department approvals and other applicable zoning and land use permit(s) and approvals.

5.10.230 Certification from the Community Development Director.

Prior to commencing operations, a commercial cannabis business must obtain a certification from the Community Development Director certifying that the business is located on a site that meets all of the requirements of Chapter 19 of the City Ordinance.

5.10.240 Right to Occupy and to Use Property.

As a condition precedent to the City's issuance of a commercial cannabis business permit pursuant to this Chapter, any person intending to open and to operate a commercial cannabis business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from the property owner, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this Chapter and consents to the operation of the commercial cannabis business on the owner's property.

5.10.250 Location and Design of Cannabis Businesses.

Cannabis businesses permitted to engage in Testing Labs or Microbusinesses that include only Indoor Cultivation, Distribution, Manufacturing, and Retail Non-Storefront, for cannabis and cannabis products are subject to the following zoning and locational requirements:

- (a) All cannabis Non-Store Front retail businesses must be located on property zoned GI (General Industrial) and must meet all of the requirements for development in this zone; and
- (b) Allowable cannabis businesses shall be located in the GI (General Industrial) zoning district and must meet all of the requirements for development in this zoning district. The cannabis businesses must also meet all of the following distance requirements:
 - (1) Cannabis businesses shall be no closer than six hundred (600) feet of any residentially zoned parcel in the City. The distance between the cannabis business and the residential parcel shall be measured from the outer boundaries of the residential parcel to the first structure on the property seeking the commercial cannabis permit.
 - (2) Cannabis businesses shall be no closer than six hundred (600) feet from any parcel containing any of the following:

A. A school providing instruction in kindergarten or any grades 1 through 12, (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12);

B. A commercial daycare center licensed by the City, County, or State that is in existence at the time the license is issued, unless the State licensing authority or the City specifies a different radius.

C. A youth center that is in existence at the time the license is issued, unless the State licensing authority or the City specifies a different radius.

(3) In addition to the separation standards described in paragraph (1) and (2) above, Cannabis businesses in the General Industrial zoning district may not locate within the "Southern Buffer Zone" as depicted in Figure 5.10.250.

(e) Each proposed cannabis business project shall:

(1) Conform with the City's general plan, any applicable specific plans, master plans, and design requirements.

(2) Comply with all applicable zoning and related development standards.

(3) Be constructed in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.

(4) Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development.

(5) Be served by highways adequate in width and improved as necessary to carry the kind and quantity of traffic such use will generate.

(6) Be provided with adequate electricity, sewerage, disposal, water, fire protection and storm drainage facilities for the intended purpose.

5.10.260 Limitations on City's Liability.

To the fullest extent permitted by law, the City of American Canyon shall not assume any liability whatsoever with respect to having issued a commercial cannabis business permit pursuant to this Chapter or otherwise approving the operation of any commercial cannabis business. As a condition to the approval of any commercial cannabis business permit, the applicant shall be required to meet all of the following conditions before they can receive the commercial cannabis business permit:

(a) Applicant shall execute an agreement, in a form approved by the City attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City of American Canyon, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of the commercial cannabis business permit, the City's

decision to approve the operation of the commercial cannabis business or activity, to process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the commercial cannabis business or any of its officers, employees or agents.

(b) Applicant shall maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City Manager.

(b) Applicant shall reimburse the City of American Canyon for all costs and expenses, including but not limited to legal fees and costs and court costs, which the City of American Canyon may be required to pay as a result of any legal challenge related to the City's approval of the applicant's commercial cannabis business permit, or related to the City's approval of a commercial cannabis activity. The City of American Canyon may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

5.10.270 Records and Recordkeeping.

(a) Each owner and operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the commercial cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the commercial cannabis business. The register required by this paragraph shall be provided to the City Manager upon a reasonable request.

(b) Each commercial cannabis business shall allow the City of American Canyon officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City. The City may require the materials to be submitted in an electronic format that is compatible with the City's software and hardware.

5.10.280 Security Measures.

(a) A permitted commercial cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the commercial cannabis business. Except as may otherwise be determined by the City Manager, these security measures shall include, but shall not be limited to, all of the following:

- (1) Alarm system (perimeter, fire, and panic buttons).
- (2) Remote monitoring of alarm systems by licensed security professionals.
- (3) Perimeter lighting systems (including motion sensors) for after-hours security.
- (4) Perimeter security and lighting as approved by the Police Chief and Director of Community Development.

(5) Prevent individuals from remaining on the premises of the commercial cannabis business if they are not engaging in an activity directly related to the permitted operations of the commercial cannabis business.

(6) Establish limited access areas accessible only to authorized commercial cannabis business personnel.

(7) Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live plants that are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.

(8) Install 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the commercial cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions.

Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the City Manager upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the commercial cannabis business, and shall be capable of enlargement via projection or other means. Internet Protocol address information shall be provided to the American Canyon Police Department by the commercial cannabis business, to facilitate remote monitoring of security cameras by the Department or its designee.

(9) Sensors shall be installed to detect entry and exit from all secure areas, and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.

(10) Panic buttons shall be installed in all commercial cannabis businesses with direct notification to American Canyon Police Department dispatch, and shall be configured to immediately alert dispatch for the American Canyon Police Department.

(11) A professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.

(12) Security personnel shall be on-site 24 hours a day or alternative security as authorized by the City Manager, and must have a verified response security patrol when closed. Security personnel shall be licensed by the State of California Bureau of

Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager, with such approval not to be unreasonably withheld. Firearms may be carried by security personnel while they are on duty if authorized by the Chief of Police.

(13) Each commercial cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

(14) Entrance areas are to be locked at all times and under the control of a designated responsible party that is either; (a) an employee of the commercial cannabis business; or (b) a licensed security professional.

(15) Each commercial cannabis business shall have an accounting software system in place to provide point of sale data as well as audit trails or both product and cash, where applicable.

(16) Each commercial cannabis business shall demonstrate to the Chief of Police, City Manager, compliance with the state's track and trace system for cannabis and cannabis products, as soon as it is operational.

(17) Each commercial cannabis business shall have state of the art network security protocols in place to protect computer information and all digital data.

(18) Exterior vegetation shall be planted, altered and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

(b) Each commercial cannabis business shall identify a designated security representative/liaison to the City of American Canyon, who shall be reasonably available to meet with the City Manager regarding any security related measures or and operational issues. The designated security representative/liaison shall, on behalf of the commercial cannabis business, annually maintain a copy of the current security plan on the premises of the business, to present to the City Manager upon request that meets the following requirements:

(1) Confirm that a designated Manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.

(2) Identify all Managers of the commercial cannabis business and their contact phone numbers.

(3) Confirm that first aid supplies and operational fire extinguishers are located in the service areas and the Manager's office.

(4) Confirm that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.

- (5) Identify a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the commercial cannabis business, the parking lot, and any adjacent property under the business' control.
 - (6) Confirm that the licensed security personnel shall regularly monitor the parking lot and any adjacent property to ensure that these areas are: (i) free of individuals loitering or causing a disturbance; (ii) are cleared of employees and their vehicles one-half hour after closing.
- (c) As part of the application and permitting process each commercial cannabis business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.
- (d) The commercial cannabis business shall cooperate with the City whenever the City Manager makes a request, without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter.
- (e) A commercial cannabis business shall notify the City Manager within twenty-four (24) hours after discovering any of the following:
- (1) Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations adopted by the City Manager.
 - (2) Diversion, theft, loss, or any criminal activity involving the commercial cannabis business or any agent or employee of the commercial cannabis business.
 - (3) The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the commercial cannabis business.
 - (4) Any other breach of security.
- (f) Compliance with the foregoing requirements shall be verified by the City Manager prior to commencing business operations. The City Manager may supplement these security requirements once operations begin, subject to review by the City Manager if requested by the business owner.

5.10.290 Restriction on Alcohol & Tobacco Sales.

- (a) No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the commercial cannabis business.
- (b) No person shall cause or permit the sale or tobacco products on or about the premises of the commercial cannabis business.

5.10.300 Compliance with Laws.

It is the responsibility of the owners and operators of the commercial cannabis business to ensure that it operates at all times in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions that violate state law or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and the operators of the commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, the Medical and Adult Use Cannabis and Regulation Act (MAUCRSA) any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis business permit. Nothing in this Chapter shall be construed as authorizing any actions which violate state law with regard to the operation of a commercial cannabis business.

5.10.310 Fees and Charges.

(a) No person may commence or continue any commercial cannabis activity in the City, without timely paying in full all fees and charges required for the operation of a commercial cannabis activity. Fees and charges associated with the operation of a commercial cannabis activity shall be established by resolution of the City Council which may be amended from time to time.

(b) All commercial cannabis businesses authorized to operate under this Chapter shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each commercial cannabis business shall cooperate with City with respect to any reasonable request to audit the commercial cannabis business' books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes required to be paid during any period.

5.10.320 Miscellaneous Operating Requirements.

(a) All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the State and local regulations.

(b) Commercial cannabis businesses may operate only during the hours specified in the commercial cannabis business permit issued by the City.

(c) **Restriction on Consumption.** Cannabis shall not be consumed by any employee on the premises of any commercial cannabis business.

(d) No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a commercial cannabis business permit, or on any of the vehicles owned or used as part of the commercial cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

(e) **Emergency Contact.** Each commercial cannabis business shall provide the City Manager with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.

(f) **Signage and Notices.**

(1) Business identification signage for a commercial cannabis business shall conform to the requirements of the City of American Canyon Sign ordinance, including, but not limited to, seeking the issuance of a City sign permit.

(2) No signs placed on the premises of a commercial cannabis business shall obstruct any entrance or exit to the building or any window.

(3) Each entrance to a commercial cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the commercial cannabis business is prohibited.

(g) Minors.

(1) Persons under the age of twenty-one (21) years shall not be allowed on the premises of a commercial cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this Chapter for any person to employ any person at a commercial cannabis business who is not at least twenty-one (21) years of age.

(2) The entrance to the commercial cannabis business shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the commercial cannabis business.

(h) Odor Control. Odor control devices and techniques shall be incorporated in all commercial cannabis businesses to ensure that odors from cannabis are not detectable off-site in accordance with ACMC Section 19.14.040.D.2.

(i) Display of Permit and City Business License. The original copy of the commercial cannabis business permit issued by the City pursuant to this Chapter and the City issued business license shall be posted inside the commercial cannabis business in a location readily-visible to the public.

(j) Business Owner, Manager, and Supervisor Background Check. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes City authorities to access state and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, and supervisor must submit fingerprints and other information deemed necessary by the Chief of Police for a background check by the City of American Canyon Police Department. Pursuant to California Penal Sections 11105(b)(11) and 13300(b)(11), which requires that there be a requirement or exclusion from employment, licensing or certification based on specific criminal conduct on the part of the subject of the record. No person shall be issued a permit to operate a commercial cannabis business or a related work permit unless they have first cleared the background check, as determined by the Chief of Police, as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City of American Canyon to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis business permit is submitted.

(k) Employee and Contract Employee Background Check. Pursuant to City Council resolution, employee and contract employee background checks will be provided by the City of American Canyon

Police Department or a background check service under contract to the City.

(l) Loitering. The owner and/or operator of a commercial cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.

(m) Permits and other Approvals. Prior to the establishment of any commercial cannabis business or the operation of any such business, the person intending to establish a commercial cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such commercial cannabis business intends to establish and to operate.

5.10.330 Other Operational Requirements.

Prior to operating in the city and as a condition of issuance of a regulatory permit, the operator of each cannabis facility shall enter into an operational agreement with the city setting forth the terms and conditions under which the cannabis facility will operate that are in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety and welfare.

5.10.340 Operating Requirements for Non-Store Front Retailer.

(a) Non-Store Front Retailer License Owners and Operators are required to verify the age and the necessary documentation of each medical customer to ensure the customer is not under the age of eighteen (18) years, and to verify that the potential customer has a valid doctor's recommendation. Doctor recommendations are not to be obtained or provided at the retail location.

(b) Operating hours of the Non-Store Front Retailer License shall be limited between the hours of 6:00 a.m. through 10:00 p.m., seven days a week.

(c) The commercial Non-Store Front Retailer shall only sell cannabis or cannabis products to a natural person 21 years of age or older, or a natural person 18 years of age or older who possesses a physician's recommendation for cannabis medical use only.

(d) The commercial cannabis Non-Store Front Retailer may only have a quantity of cannabis and cannabis products on-site that is reasonably anticipated to meet the weekly sales demand.

5.10.350 Non-Store Front Retailer Vehicle Requirements.

Prior to commencing operations, a cannabis Non-Store Front Retailer shall provide the following information to the City as described in ACMC Section 19.37.040.A.

5.10.360 Permissible Delivery Locations and Customers.

Non-Store Front businesses permitted to engage in delivery of cannabis and cannabis products are subject to the following requirements:

(a) A cannabis business must be authorized by the City of American Canyon to deliver cannabis goods to a residential address in the City of American Canyon and/or to other jurisdictions in which it is permitted to deliver cannabis goods.

(b) A licensed cannabis business shall not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.

(c) A licensed cannabis business shall comply with all requirements of state and local law pertaining to the cannabis permit and all subsequent policies, procedures and regulations which may be amended by the City Manager from time to time in order to enforce this Chapter.

5.10.370 Retailer Store Front Services shall not be permitted.

(a) It shall be unlawful for any person, limited liability company, corporation, collective, cooperative or any other entity to manage or operate a store front facility in which customers are permitted on the premises for which it will sell, exchange, barter, transfer, and/or promote, any cannabis or cannabis products in the City for commercial purpose unless they have been issued a commercial cannabis permit pursuant to this Chapter and authorized to conduct such activities.

5.10.380 Operating Requirements for Cultivation Facilities.

(a) Outdoor Cultivation Prohibited. The cultivation of all cannabis shall occur indoors. All outdoor cultivation is prohibited.

(b) In no case, shall cannabis plants or any cannabis parts be visible from a public or private road, sidewalk, park or any common public viewing area.

(c) Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.

5.10.390 Operating Requirements for Testing Labs.

(a) Testing Labs shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each Testing Lab shall be subject to additional regulations as determined from time to time as more regulations are developed under this Chapter and any subsequent State of California legislation regarding the same.

(b) Testing Labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.

(c) All cannabis testing laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the Bureau of Cannabis Control.

(d) Testing labs shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the bureau unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the bureau.

(e) Each operator shall ensure that a testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by state law and that the testing laboratory employee transports the sample to the testing laboratory.

(f) Except as provided by state law, a testing laboratory shall not acquire or receive cannabis or cannabis products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense cannabis, or cannabis products, from the licensed premises from which the cannabis or cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.

(g) A testing laboratory may receive and test samples of cannabis or cannabis products from a qualified patient or primary caregiver only if the qualified patient or primary caregiver presents the qualified patient's valid physician's recommendation for cannabis for medicinal purpose. A testing lab shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or licensee. All tests performed by a testing laboratory for a qualified patient or primary caregiver shall be recorded with the name of the qualified patient or primary caregiver and the amount of the cannabis or cannabis products received.

5.10.400 Cannabis Manufacturing: Edibles and Other Cannabis Products; Sale or Distribution of Edible and Other Cannabis Products.

(a) Cannabis manufacturing facilities requiring a Type-6, Type-7, Type S, or any subsequent created manufacturing state license (using non-volatile and volatile solvents) as defined in MAUCRSA, may be permitted to operate within those zoning districts as defined in Chapter 19 of the City of American Canyon Code.

(b) Any compressed gases used in the manufacturing process shall not be stored on any property within the City of American Canyon in containers that exceeds the amount, which is approved by the American Canyon Fire Protection District and authorized by the regulatory permit. Each site or parcel subject to a commercial cannabis business permit shall be limited to a total number of tanks as authorized by the American Canyon Fire Protection District on the property at any time.

(c) Cannabis manufacturing facilities may use the hydrocarbons N-butane, isobutane, ethanol, propane, or heptane or other solvents or gases exhibiting low to minimal potential human-related toxicity approved by the Community Development Department. These solvents must be of at least ninety-nine percent purity and any extraction process must use them in a professional grade closed loop extraction system designed to recover the solvents and work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.

(d) If an extraction process uses a professional grade closed loop CO₂ gas extraction system, every vessel must be certified by the manufacturer for its safe use as referenced in Section 5.10.360. The CO₂ must be of at least ninety-nine percent purity.

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

(f) Certification from an engineer licensed by the State of California must be provided to the Community Development Department for a professional grade closed loop system used by any commercial cannabis manufacturing manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:

- (1) The American Society of Mechanical Engineers (ASME);
- (2) American National Standards Institute (ANSI);
- (3) Underwriters Laboratories (UL); or
- (4) The American Society for Testing and Materials (ASTM).

(g) The certification document must contain the signature and stamp of the professional engineer and serial number of the certified extraction unit.

(h) Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the Building Official and the American Canyon Fire Protection District and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.

(i) Cannabis Manufacturing facilities may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

(j) Cannabis Manufacturing Facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

(k) Cannabis Manufacturing Facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

(l) Any person using solvents or gases in a closed looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets, handle, and store the solvents and gases safely.

(m) Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

5.10.410 Promulgation of Regulations, Standards and Other Legal Duties.

(a) In addition to any regulations adopted by the City Council, the City Manager is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of

commercial cannabis business permits, the ongoing operation of commercial cannabis businesses and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this Chapter.

(b) Regulations shall be published on the City's website.

(c) Regulations adopted by the City Manager shall become effective upon date of publication. Commercial cannabis businesses shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager.

(d) Testing Labs, Distribution facilities and Special Events shall be subject to state law and shall be subject to additional regulations as determined from time to time as more regulations are developed under Section 5.10.410 (a) of this Chapter and any subsequent State of California legislation regarding the same.

5.10.420 Community Relations.

(a) Each commercial cannabis business shall provide the name, telephone number, and email address of a community relations contact to all businesses and residences located within one hundred (100) feet of the commercial cannabis business.

(b) During the first year of operation pursuant to this Chapter, the owner, manager, and community relations representative from each commercial cannabis business holding a permit issued pursuant to this Chapter shall attend meetings with the City Manager, and other interested parties as deemed appropriate by the City Manager, to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter. After the first year of operation, the owner, manager, and community relations representative from each such commercial cannabis business shall meet with the City Manager when and as requested by the City Manager.

(c) Commercial cannabis businesses to which a permit is issued pursuant to this Chapter shall develop a city approved public outreach and educational program for youth organizations and educational institutions that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

5.10.430 Fees Deemed Debt to the City of American Canyon.

The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to the City of American Canyon that is recoverable via an authorized administrative process as set forth in the City ordinance, or in any court of competent jurisdiction.

5.10.440 Permit Holder Responsible for Violations.

The person to whom a permit is issued pursuant to this Chapter shall be responsible for all violations of the laws of the State of California or of the regulations and/or the ordinances of the City of American Canyon, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the commercial cannabis business whether or not said violations occur within the permit holder's presence.

5.10.450 Inspection and Enforcement.

(a) The City Manager, charged with enforcing the provisions of this Chapter may enter the location of a commercial cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City of American Canyon shall be logged, recorded, and maintained in accordance with established procedures by the City of American Canyon City Manager or these regulations.

5.10.460 Compliance with State Regulation.

It is the stated intent of this Chapter to regulate commercial cannabis activity in the City of American Canyon in compliance with all provisions MAUCRSA and any subsequent state legislation.

5.10.470 Violations declared a public nuisance.

Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.

5.10.480 Each violation a separate offense.

Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City of American Canyon. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, any permit issued pursuant to this Chapter being deemed null and void, disgorgement and payment to the City for any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The City of American Canyon may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial cannabis business or persons related to, or associated with, the commercial cannabis activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the City Manager, may take immediate action to temporarily suspend a commercial cannabis business permit issued by the City, pending a hearing before the City Manager.

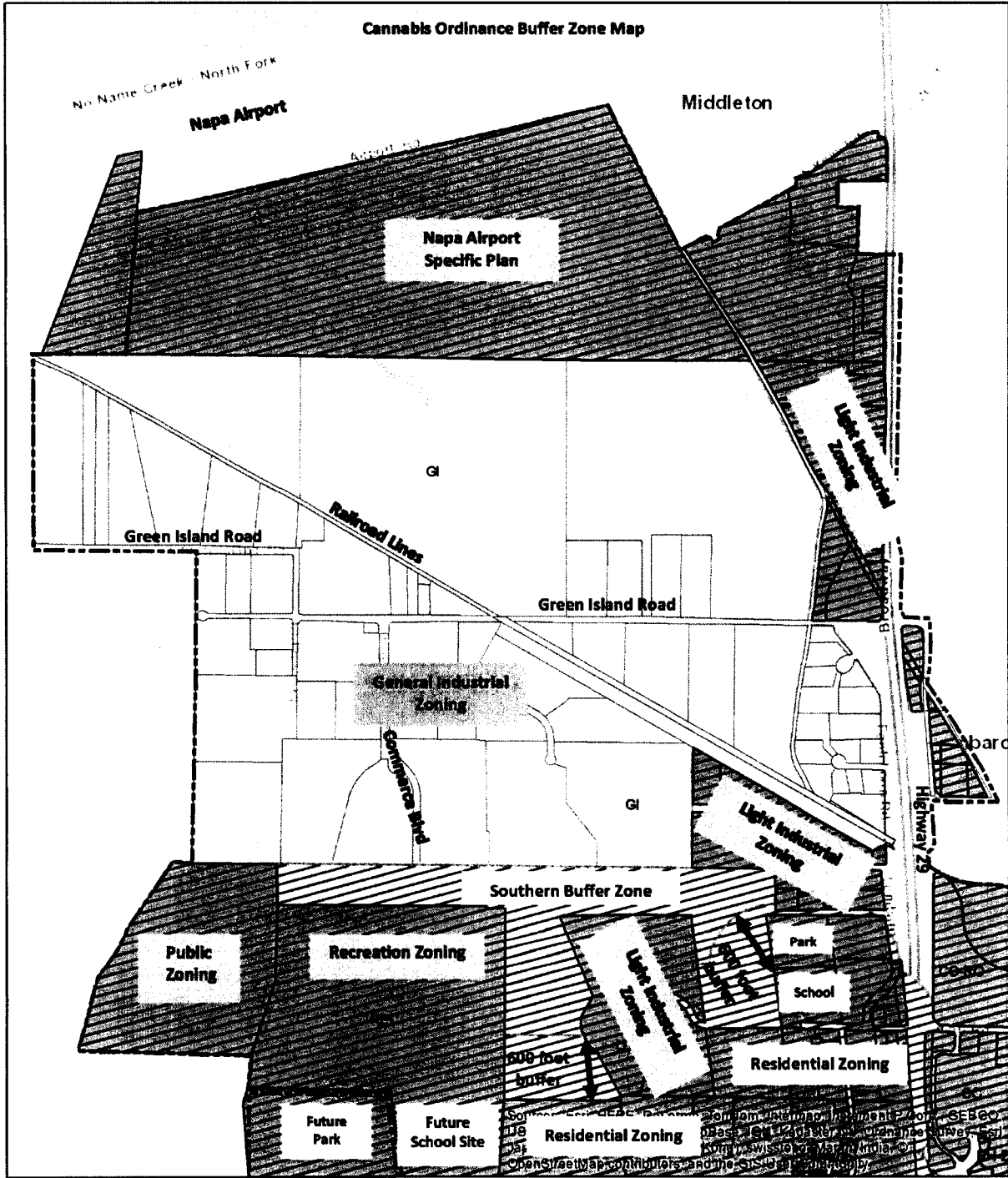
5.10.490 Criminal Penalties.

Each and every violation of the provisions of this Chapter may in the discretion of the District Attorney or City Attorney be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000) or imprisonment in the County jail for a period of not more than twelve (12) months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense.

5.10.500 Remedies cumulative and not exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided by law.

Figure 5.10.250



Legend

- American Canyon City Limits
- No Permit Zone
- Buffer Zone
- Permit Zone

0 0.15 0.3 Miles

0 600 1,200 Feet



SECTION 5. The City Council amends American Canyon Municipal Code Chapter 19.05 (Use Classifications) to add the following definitions as follows:

19.05.040 Residential classifications.

Cannabis Indoor Cultivation: any cannabis cultivated within a private residence or within an enclosed accessory structure on the grounds of the private residence (e.g., in a greenhouse).

Cannabis Outdoor Cultivation: cannabis plants cultivated outdoors on the lot of a personal residence.

19.05.050 Commercial classifications.

Cannabis retail: a storefront business that sells cannabis and/or cannabis products directly to a consumer. For purposes of the American Canyon municipal code, a non-storefront retail business is categorized a Cannabis Distributor in accordance with Section 19.05.060.

19.05.060 Industrial classifications.

Cannabis Distributor: a business that transports cannabis products between licensees such as purchases from cultivators and manufacturers. Distributors provide required quality assurance services and arrange for (but do not perform) lab testing. "Distributor" also includes retail delivery for non-storefront locations.

Cannabis Indoor Cultivation: growing cannabis plants entirely indoors for commercial purposes. This classification may include hydroponics and artificial lights to provide plants with the nutrients and light levels required for growth.

Cannabis Manufacturing: processing cannabis products, primarily from extracted or raw cannabis materials, or bulk storage and handling of volatile and nonvolatile cannabis products and materials.

Cannabis Microbusiness: a cannabis business that engages in at least three of the following activities: nonstorefront retailer, distributor, transport only distributor, indoor cultivation (less than 1,000 square feet), and manufacturer (State License Level 1, Type 6).

Cannabis Testing: establishments primarily engaged in cannabis research of an industrial or scientific nature, including cannabis product testing and biotechnology, but excluding manufacturing. This classification also includes required testing for cannabinoid levels (such as THC and CBD), pesticides, fungus, heavy metals, and other contaminants.

19.05.090 Agricultural classifications.

Cannabis Outdoor Cultivation: growing cannabis plants entirely outdoors for personal or commercial purposes.

SECTION 6. American Canyon Municipal Code Table 19.10.040 is hereby amended to add Cannabis Residential uses to the Residential zoning districts as follows:

**Table 19.10.040
 PERMITTED AND CONDITIONALLY PERMITTED USES
 RESIDENTIAL DISTRICTS¹**

RESIDENTIAL DISTRICT	ZONING DISTRICTS						Related Provisions
	RRH	RE	RR	RS	RM	RH	
Use Classifications							
Residential							
Cannabis Indoor Cultivation	P	P	P	P	P	P	ACMC Chapter 8.01
Cannabis Outdoor Cultivation	-	-	-	-	-	-	ACMC Chapter 8.01

SECTION 7. American Canyon Municipal Code Table 1 of Section 19.11.040 is hereby amended to add Cannabis uses as follows:

**Table 1
 PERMITTED AND CONDITIONALLY
 PERMITTED USES¹
 NEIGHBORHOOD COMMERCIAL AND COMMUNITY COMMERCIAL DISTRICTS**

Use Classifications	Zoning District		Related Provisions
	CN	CC	
Residential			
Cannabis Indoor Cultivation	P	P	ACMC Chapter 15.10
Cannabis Outdoor Cultivation	-	-	ACMC Chapter 15.10
Commercial			
Cannabis Retail	-	-	ACMC Chapter 15.10
Industrial			
Cannabis Distributor	-	-	ACMC Chapter 15.10
Cannabis Indoor Cultivation	-	-	ACMC Chapter 15.10
Cannabis Manufacturing	-	-	ACMC Chapter 15.10
Cannabis Microbusiness	-	-	ACMC Chapter 15.10
Cannabis Testing	-	-	ACMC Chapter 15.10
Agricultural			
Cannabis Outdoor Cultivation	-	-	ACMC Chapter 15.10

SECTION 8. American Canyon Municipal Code Table 19.14.050 is hereby amended as follows:

**Table 19.14.050
PERMITTED AND CONDITIONALLY
PERMITTED USES¹
INDUSTRIAL DISTRICTS**

Use Classifications	Zoning District		Related Provisions
	LI	GI	
Commercial			
Cannabis Retail	-	-	ACMC Chapter 15.10
Industrial			
Cannabis Distributor	-	C	ACMC Chapter 15.10
Cannabis Indoor Cultivation	-	C	ACMC Chapter 15.10
Cannabis Manufacturing	-	C	ACMC Chapter 15.10
Cannabis Microbusiness	-	C	ACMC Chapter 15.10
Cannabis Testing	-	C	ACMC Chapter 15.10
Agricultural			
Cannabis Outdoor Cultivation	-	-	ACMC Chapter 15.10

SECTION 9. American Canyon Municipal Code Section 19.14.050 Performance standards is hereby amended to add subsection H as follows:

H. No security bars shall be installed on the exterior of windows or doors of structures in the Industrial zoning districts.

SECTION 10. The City Council repeals American Canyon Municipal Code Chapter 19.51 Medical Marijuana.

SECTION 11. Compliance with California Environmental Quality Act. The City Council finds that this Resolution is not subject to the California Environmental Quality Act (“CEQA”) pursuant to Section 15305 – Minor Alteration in Land Use Limitations because the Community Commercial zoning district has an average slope less than 20% and the zone change does not result in any changes in land use or density from the perspective that the new zoning standards allow an increase in lot coverage, and does not result in any change to population density.

SECTION 12. Effective Date. This ordinance shall become effective thirty (30) days following adoption.

SECTION 13. Severability. If any section, subsection, sentence, clause, phrase or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity or constitutionality of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one (1) or more sections, subsections, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 14. Custodian of Records. The documents and materials that constitute the record of proceedings on which this Ordinance is based are located at the City Clerk's office located at 4831 Broadway, Suite 201, American Canyon, CA 94503. The custodian of these records is the City Clerk.

SECTION 15. Restatement of Existing Law. Neither the adoption of this ordinance nor the repeal of any other ordinance of this City shall in any manner affect the prosecution for violations of ordinances, which violations were committed prior to the effective date hereof, nor be construed as a waiver of any license or penalty or the penal provisions applicable to any violation thereof. The provisions of this ordinance, insofar as they are substantially the same as ordinance provisions previously adopted by the City related to the same subject matter or relating to the enumeration of permitted uses under the zoning code, shall be construed as restatements and continuations, and not as new enactments.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of American Canyon, State of California, held on the 4th day of September, 2018 by the following vote:

AYES: Council Members Joseph, Oro, Vice Mayor Leary, and Mayor Garcia
NOES: None
ABSTAIN: None
ABSENT: Council Member Aboudamous

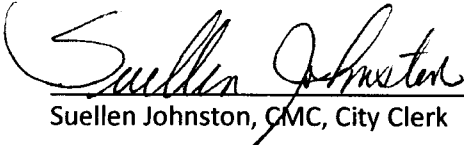
The foregoing Ordinance was adopted at a regular meeting of the City Council of the City of American Canyon, State of California, held on the 18th day of September, 2018 by the following vote:

AYES: Council Members Aboudamous, Joseph, Oro, Vice Mayor Leary and Mayor Garcia
NOES: None
ABSTAIN: None
ABSENT: None



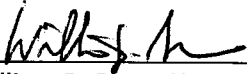
Leon Garcia, Mayor

ATTEST:



Suellen Johnston, CMC, City Clerk

APPROVED AS TO FORM:



William D. Ross, City Attorney