

ORDINANCE NO. 2020-786

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING AMENDING
CHAPTER 17.03 OF TITLE 17 OF THE KING CITY MUNICIPAL CODE
PERTAINING TO COMMERCIAL CANNABIS ACTIVITY**

WHEREAS, the City of King (“the City”) has the authority, under its police power, to enact regulations for the public peace, morals, and welfare of the City, California Constitution Article XI, section 7; and

WHEREAS, in 1996, with the adoption of Proposition 215, the California voters approved the Compassionate Use Act (Health and Safety Code § 11362.5) to ensure that seriously ill Californians have the right to obtain and use cannabis for medical purposes where that medical use is deemed appropriate and has been recommended by a physician, without fear of criminal prosecution under limited, specified circumstances; and

WHEREAS, in 2004, the State Legislature enacted SB 420 to clarify the scope of the Compassionate Use Act and provide additional statutory guidance regarding medical cannabis use. These statutes are codified at Health and Safety Code § 11362.7 et seq. and allow cities and counties to adopt supplemental rules and regulations; and

WHEREAS, on October 9, 2015, almost 20 years after passage of the Compassionate Use Act, the Governor signed the Medical Marijuana Regulation and Safety Act (“Act”), comprised of California legislative bills AB 243, AB 266, and SB 643. The Act creates a comprehensive state licensing system for the commercial cultivation, manufacture, retail sale, transport, distribution, delivery, and testing of medical cannabis, all subject to local control. One of the purposes of the Act is to ensure uniformity among jurisdictions that wished to allow commercial cannabis operations; and

WHEREAS, on June 27, 2016, the Governor signed SB 837, effective immediately, changing the terms in the Act from “medical marijuana” or “marijuana” to “medical cannabis” or “cannabis”, and making other technical changes to the Act. SB 83 7 also adopted regulations relating to the use and diversion of water in connection with the cultivation of cannabis; and

WHEREAS, in 2016, the City adopted Title 17, Chapter 17.03 et seq., of the King City Municipal Code pertaining to Medical Cannabis Activity. The Medical Cannabis Ordinance places complete bans and regulations on medical cannabis activity in the City based upon various health, safety and welfare and land use findings relating to cannabis cultivation, dispensing, and consumption, which findings are incorporated herein by reference; and

WHEREAS, in November of 2016 the Adult Use of Marijuana Act (“AUMA”) was approved by a majority of California voters. The purpose of AUMA is to establish a comprehensive system to legalize, control and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical cannabis, including cannabis products. Adults, age 21 and older, will be allowed to possess cannabis and grow certain amounts at home for personal use; and

WHEREAS, the AUMA did not provide for a specific effective date, thus the provisions of the AUMA regarding personal use, possession, and cultivation of cannabis became effective the day after the November 8, 2016; and

WHEREAS, the AUMA's proposed Health & Safety Code section 11362.1(a)(3), will make it lawful under state and local law for any person twenty-one (21) years of age or older to "Possess, plant, cultivate, harvest, dry, or process not more than six living cannabis plants and possess the cannabis produced by the plants"; and

WHEREAS, the City wishes to enact regulations governing commercial cultivation of cannabis at this time; and

WHEREAS, the AUMA's proposed Health & Safety Code section 11362.2(b) explicitly allows a city to "enact and enforce reasonable regulations to reasonably regulate" the cultivation of cannabis so long as the City does not prohibit the cultivation of up to six plants "inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure"; and

WHEREAS, several California cities have reported negative impacts of cannabis cultivation and related activities, including but not limited to offensive odors, criminal activity, (such as trespassing, theft, violent robberies and robbery attempts, and the illegal sale and distribution of cannabis), and public health and safety concerns (such as fire hazards and problems associated with mold, fungus, and pests); and

WHEREAS, cannabis plants, as they begin to flower and for a period of two months or more, produce a strong odor, offensive to many people, and detectable far beyond property boundaries if grown outdoors or if grown indoors without proper ventilation, odor control, and other regulations; and

WHEREAS, due to the value of cannabis plants and their strong smell (which alerts others to their locations), cannabis cultivation has been linked to break-ins, robbery, armed robbery, theft and attendant violence and injury, creating an increased risk to public safety; and

WHEREAS, unregulated cannabis cultivation can be harmful to the welfare of the surrounding community and its residents and constitute a public nuisance, in that cannabis cultivation has been shown to involve avoidance of environmental laws and regulations, and has resulted in the pollution of waters and navigable waterways in the State of California; and

WHEREAS, the indoor cultivation of cannabis has potential adverse effects to the structural integrity of the buildings in which cannabis is cultivated, and the use of high wattage grow lights and excessive use of electricity increases the risk of fire, which presents a clear and present danger to the buildings, its occupants, and neighboring buildings and residents; and

WHEREAS, unregulated indoor cultivation of cannabis can be harmful to the public health, safety and welfare, given electrical modifications risk fires, poor irrigation can cause mold, overloaded circuits can leave entire neighborhoods in the dark, plant chemicals can cause illness, improper carbon dioxide mixed with insufficient ventilation can cause injury or death, and structural changes put first responders in danger if they rush into the unknown; and

WHEREAS, the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognize that the cultivation or other concentration of cannabis in any location or premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering and/or crime; and

WHEREAS, MMRSA and AUMA mandated comprehensive state licensing and regulatory framework for cultivation, manufacturing, distribution, transporting, testing and dispensing cannabis and cannabis products; however, implementing regulations have yet to be written and state licenses may not be available until 2018; and

WHEREAS, there are numerous well publicized studies and reports, as well as numerous documented incident in Monterey County and throughout the State, which show that unregulated cannabis activities have a significant adverse effect on the community; and

WHEREAS, the City finds that the absence of a formal regulatory framework the adverse impacts frequently associated with commercial cannabis activities will occur, resulting in an unregulated and potentially significant negative impact upon the environment and upon public health, safety, and welfare of the community; and

WHEREAS, outdoor cannabis cultivation and unregulated indoor cannabis cultivation are likely to generate these negative effects on the public health, safety, and welfare in the City, based on the experiences of other cities; and

WHEREAS, pursuant to the above-described express statutory authority and its police power, the City desires to explicitly prohibit the outdoor cultivation of commercial cannabis for both recreational and medical use; and

WHEREAS, pursuant to the above-described express statutory authority and its police power, the City also desires to enact reasonable regulations for the indoor cultivation, manufacturing, testing, distribution, or consumption of commercial recreational and medical cannabis; and

WHEREAS, absent clear regulation, cannabis cultivation in the City poses a potential threat to the public peace, health, and safety, and, unless the City takes action to regulate it, the secondary impacts described above are likely to occur very soon after the passage of the AUMA; and

WHEREAS, the City has a compelling interest in protecting the public health, safety, and welfare of its citizens, residents, visitors and businesses, and in preserving the peace and quiet of the neighborhoods within the City by regulating the commercial cultivation of recreational and medical cannabis; and

WHEREAS, nothing in this Ordinance shall be construed to: (1) allow any person to engage in conduct that endangers others or causes a public nuisance; or (2) allow any activity relating to the cultivation, manufacturing, testing, distribution, or consumption of cannabis which is illegal under state or federal law; and

WHEREAS, it is the intent of the City to regulation commercial cannabis activities, both recreational and medical, within the boundaries of the City.

NOW THEREFORE, the City Council of the City of King does hereby ordain as follows:

SECTION 1. The above recitals are incorporated are hereby by reference.

SECTION 2. The Ordinance is exempt from the California Environmental Quality Act (“CEQA”) because it can be seen with certainty that there is no possibility that it will have a significant effect on the environment. (CEQA Guidelines § 15061(b)(3).) It is also exempt because it consists of regulations and restrictions on activities to assure the maintenance, restoration, or enhancement of natural resources and the environment by prohibiting environmentally destructive components of unregulated cannabis cultivation. (CEQA Guidelines §§ 15307 and 15308.)

SECTION 3. Chapter 17.03, of Title 17, of the King City Municipal Code and the Sections specifically identified below are amended to read as follows:

Chapter 17.03

COMMERCIAL CANNABIS ACTIVITY

Section 17.03.020 Definitions.

When used in this Chapter, the following terms shall have the meanings ascribed to them in this Section. 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.

- (j) *“Delivery”* means the transfer of cannabis and/or cannabis products from a cultivation site, up to an amount determined by the State of California, or any of its departments or divisions, to a manufacturer or testing laboratory, or the wholesale or retail sale of cannabis, cannabis products and/or devices for the use of cannabis or cannabis products from a storefront and/or non-storefront dispensary, up to an amount determined by the State of California, or any of its departments or divisions, to a retail customer.

Section 17.03.040 Licenses and Permits.

- (a) Commercial cannabis activity shall be authorized in the City of King only as expressly provided in this Chapter and if not expressly authorized by this Chapter shall be prohibited.
- (b) Authorized Commercial Cannabis Activities: Commercial cannabis operations within the City, which comprise the activities of indoor cultivation, mixed-light cultivation, nursery cultivation, retailer (storefront and/or non-storefront delivery), manufacturer, testing laboratory, distributor, and microbusiness are allowed subject to issuance and maintenance of the permits and entitlements set forth in this Chapter and all

other applicable City and State laws and regulations, and issuance and maintenance of a valid and current State license of a classification listed below, as provided for in Business & Professions Code Section 26050 and applicable State regulations:

- (1) Type 1A = Cultivation; Specialty Indoor; Small.
- (2) Type 1B = Cultivation; Specialty Mixed-Light; Small.
- (3) Type 2A = Cultivation; Indoor; Small.
- (4) Type 2B = Cultivation; Mixed-Light; Small.
- (5) Type 3A = Cultivation; Indoor; Medium.
- (6) Type 3B = Cultivation; Mixed-Light; Medium.
- (7) Type 4 = Cultivation; Nursery.
- (8) Upon authorization by the State of California, Type 5A = Cultivation; Indoor; Large.
- (9) Upon authorization by the State of California, Type 5B = Cultivation; Mixed-Light; Large.
- (10) Type 6 = Manufacturer 1.
- (11) Type 7 = Manufacturer 2.
- (12) Type N = Manufacturer (i.e. no extractions, pursuant to 17 CCR § 40118, as may be amended).
- (13) Type P = Manufacturer (i.e. packaging and labeling only, pursuant to 17 CCR § 40118, as may be amended).
- (14) Type 8 = Testing Laboratory.
- (15) As authorized by Code of Regulations, Type 9 = Non-Storefront Retailer (i.e. non-storefront delivery, pursuant to 16 CCR § 5414, as may be amended).
- (16) Type 10 = Storefront and/or Non-Storefront Retailer.
- (17) Type 11 = Distributor.
- (18) Type 12 = Microbusiness .

(19) Type 13 = Distributor (i.e. transport only, pursuant to 16 CCR § 5315, as may be amended).

The establishment, development, construction, maintenance, or operation of a non-storefront dispensary shall only be authorized in the M-1, M-2 and M-3 zones and/or the East Ranch Business Park Specific Plan area within the City. The establishment, development, construction, maintenance, or operation of a storefront dispensary shall only be authorized in the highway service area west of the freeway (excluding properties located on Canal Street), the C2 zone, and the First Street corridor and highway service zoned areas on First Street from Ellis Street to Highway 101. As such, the establishment, development, construction, maintenance, or operation of a storefront and/or non-storefront dispensary shall be prohibited in all other zones and/or areas within the City. Further, storefront dispensaries shall be prohibited from being located directly adjacent to any single-family or multi-family residential property. The terms “directly adjacent” mean sharing a property line border with the proposed storefront dispensary property. Nothing in this subsection shall be interpreted to authorize the establishment, development, construction, maintenance, or operation of a storefront and/or non-storefront dispensary in violations of the requirements of Health and Safety Code section 11362.768, Code of Regulations section 5026 and any other similar statute, law and/or regulation enacted by the City or State of California or one of its departments charged with regulating cannabis activities.

(c) Prohibited Types of Commercial Cannabis Businesses: Commercial cannabis businesses within the City which involve the activities of outdoor cultivation of cannabis are prohibited in the City. Further, this prohibition includes, but is not limited to, commercial cannabis activities licensed by the State license classifications listed below, as provided for in Business & Professions section 26050 and applicable State regulations:

- (1) Type 1= Cultivation; Specialty Outdoor; Small.
- (2) Type 1C = Cultivation; Specialty Cottage; Small.
- (3) Type 2 = Cultivation; Outdoor; Small.
- (4) Type 3= Cultivation; Outdoor; Medium.
- (5) Type 5 = Cultivation; Outdoor; Large.

Except as otherwise expressly provided in this Chapter, the prohibitions of this subsection includes any similar commercial cannabis activities authorized under new or revised State licenses, or any other State authorization, for any type, category, or classification of commercial cannabis activities which involve the above-referenced or similar activities or operations.

The establishment, development, construction, maintenance, or operation of a storefront cannabis cooperative and/or collective are hereby prohibited, and is not an authorized or conditionally permitted use in any zoning district within the City, even if located within an otherwise permitted use. No person shall establish, develop, construct, maintain, or operate a storefront cannabis cooperative and/or collective and no application for a building permit, use permit, variance, or any other entitlement authorizing the establishment, development, construction, maintenance, or operation of any storefront cannabis cooperative and/or collective shall be approved by any officer or employee of the City. A violation of this Section is declared to be a public nuisance and punishable pursuant to the provisions of the King City Municipal Code.

- (d) The sale, delivery, gift, trade, barter or making available of cannabis or cannabis products by two or more persons shall be prohibited in all zoning districts of the City, unless conducted in compliance with the requirements of this Chapter and the King City Municipal Code.
- (e) In addition to those other requirements which may be imposed pursuant to this Chapter, no person shall establish, develop, construct, maintain, or operate a commercial cannabis activity and/or open a commercial cannabis business without possessing both a commercial cannabis permit issued by the City and within one (1) year of the ability to obtain a license, a license issued by the State of California or one of its departments or divisions.
- (f) The City Manager is hereby authorized to issue commercial cannabis permits on behalf of the City. The City Manager, in their sole discretion, may issue a commercial cannabis permit pursuant to the mandatory requirements of this Chapter and the King City Municipal Code as may be repealed or amended by the City Council from time to time.
- (g) A commercial cannabis permit shall be governed by the following requirements and/or limitations:
 - (1) There shall be no more than two (2) commercial cannabis permits issued by the City authorizing the storefront retail sale of cannabis and/or cannabis products.

- (2) Excluding storefront dispensaries, repair, maintenance and delivery services, there shall be no public access to the commercial cannabis business.
- (3) It shall be unlawful to employ or grant access to any individual under twenty-one (21) years of age, or another age as set by state law.
- (4) Each commercial cannabis permit issued pursuant to this Chapter shall expire twelve (12) months after the date of its issuance.
- (5) An application for renewal of a commercial cannabis permit shall be filed with the City Manager at least sixty (60) calendar days prior to the expiration date of the permit.
- (6) An application for renewal of a commercial cannabis permit shall be denied if any of the following exists:
 - (A) The application for renewal of the commercial cannabis permit is filed less than sixty (60) calendar days before its expiration. Notwithstanding the requirements of this subsection, upon timely filing of a request for waiver and showing of good cause by the applicant, the City Manager in his/her sole discretion may wave this requirement and grant an extension of time to file a renewal application for a commercial cannabis permit. The extension of time granted by the City Manager shall not exceed sixty (60) days. . The applicant shall file the request for a waiver and extension of time with the City Manager at least fifteen (15) days prior to the expiration of the commercial cannabis permit. The time period to file a request for a waiver and extension of time shall be jurisdictional and cannot be waived. A request for a waiver and extension of time not timely filed is defective and shall be denied.
 - (B) The commercial cannabis permit is suspended or revoked at the time the application for renewal is submitted or suspended or revoked while the application for renewal is pending.
 - (C) The commercial cannabis business or activity has not been in regular and continuous operation during the four (4) months prior to the submission of the application for renewal. Notwithstanding the requirements of this subsection, the City Manager in his/her sole discretion may wave this requirement upon showing of good cause by the applicant.

- (D) The commercial cannabis business or activity fails to conform to the requirements of this Chapter, any provision of the King City Municipal Code, any condition(s) imposed as part of a conditional use permit, and/or zoning requirement.
 - (E) The applicant for renewal of the commercial cannabis permit fails to renew its State of California license.
 - (F) The applicant for renewal has failed to pay in full any fees, administrative citation fines, penalties and/or costs issued by the City relating to the commercial cannabis business and/or activity, unless assessment of the fees, administrative citation fines, penalties and/or costs are being appealed.
- (7) If a renewal application is denied, the applicant may file an appeal. The appeal must be in writing, identify the grounds for reversing the denial and be submitted to the City Clerk within ten (10) days from the date of the denial. The appeal shall be conducted as established within this Chapter and/or the King City Municipal Code. In the alternative, the applicant may file a wholly new application for a commercial cannabis permit as established within this Chapter. Upon expiration of the commercial cannabis permit and regardless of a pending appeal or new application for a commercial cannabis permit, all applicant's commercial cannabis activity shall immediately cease. Violations of this Section shall be subject to denial of the appeal or new application for a commercial cannabis permit and/or the enforcement, penalties and cost recovery proscribed within this Chapter and/or the King City Municipal Code.
- (8) An applicant seeking multiple licenses for different types of commercial cannabis activity shall be required to comply with the multiple licensing restrictions contained within Business and Professions Code section 19328. An applicant may hold multiple City issued commercial cannabis permit types, consistent with the requirements of Business and Professions Code section 26053 and a State of California Type 12 "Microbusiness" license. An applicant who holds a City issued testing permit and/or State of California issued testing license shall not hold any other City issued commercial cannabis permits. Further, the applicant shall apply and receive a City issued permit for each type of commercial cannabis activity prior to engaging in the commercial cannabis activity.
- (9) Any unpaid fees, administrative citation fines, penalties and/or costs issued by the City relating to the commercial cannabis business and/or activity shall be added to the fee for renewal of the commercial cannabis permit, unless assessment of the fees,

administrative citation fines, penalties and/or costs are being appealed.

- (10) A commercial cannabis permit shall not be renewed until the City receives payment in full of the renewal fee.
- (h) Issuance of a commercial cannabis storefront dispensary permit shall be governed by the following requirements and/or limitations:
 - (1) All commercial cannabis storefront dispensaries shall be prohibited except within the following designated area(s): the highway service area west of the freeway (excluding properties located on Canal Street), the C2 zone, and the First Street corridor and highway service zoned areas on First Street from Ellis Street to Highway 101. Further, storefront dispensaries shall be prohibited from being located directly adjacent to any single-family or multi-family residential property. The terms “directly adjacent” mean sharing a property line border with the proposed storefront dispensary property. Only pre-applications that can demonstrate the applicant currently owns, leases or has an option to buy or lease the property proposed for the business within an area authorized for a commercial cannabis storefront dispensary shall be considered.
 - (2) The City Manager or his/her designee shall provide notice to the public that the City will be accepting pre-applications for issuance of a commercial cannabis storefront dispensary permit. The public notice shall include, at a minimum, the time period within which to submit an application and where at the City to submit the pre-application. The time period to submit a pre-application with the City shall not exceed sixty (60) days. Any pre-application, or portion thereof, not submitted to the City within the time period established within the public notice shall be deemed defective and excluded from consideration.
 - (3) The applicant shall submit within their pre-application detailed materials establishing:
 - (A) Proposed Dispensary Site and Neighborhood Compatibility Plan.
 - (B) Business and Operations Plan.
 - (C) Qualifications and Experience of Principals.
 - (D) Operations and Security Plan.
 - (E) Labor and Employment Plan.
 - (F) Improvement Plan and Schedule.

- (4) The pre-application for a commercial cannabis storefront dispensary permit shall be reviewed by an independent third party and provided a score between zero (0) and six hundred (600). The scoring will be based upon the following criteria:
- (A) Degree to which the site of the proposed dispensary is available, suitable for the proposed use, and potential neighborhood and community impacts are minimized through building and site orientation and improvements, (including but not limited to signage, traffic, parking, lighting, appearance of building, prevention of access to minors, waste, odor and noise).
 - (B) Economic viability, capitalization of the proposed dispensary, schedule for completion and opening of the proposed dispensary, and level and quality of services to be provided at the proposed dispensary.
 - (C) Experience of owners, managers and employees in the operation of a retail cannabis business (including but not limited to prior history of positive sales, appearance and maintenance of a retail cannabis business, legal compliance, management and positive community relations) and other experience related to the operation of a commercial cannabis business.
 - (D) The operations and security plan for the proposed dispensary (including but not limited to the non-diversion of cannabis and/or cannabis products, on-site security technology, and in-house and contract security personnel).
 - (E) Employment opportunities for City of King residents (including but not limited to estimated job creation, pay rates, and actions proposed to hire and train local employees).
 - (F) Investment and improvements in the interior and exterior of the structure and property of the proposed dispensary.
- (5) The applicants which receive a score of five hundred (500) or higher during the independent review process of their pre-application shall be placed into a lottery. Any applicant receiving a score of four hundred ninety-nine (499) or less shall be excluded from the lottery process.
- (6) The City shall select applicant(s) during the lottery process based on the number of available commercial cannabis storefront dispensary permits. The applicant or applicants selected during the lottery process may receive a commercial cannabis storefront dispensary

permit, provided each applicant individually meets all applicable requirements of this Chapter, the King City Municipal Code and/or state and federal law and obtains all other required permits and approvals. Further, each selected applicant shall submit an application for a commercial cannabis storefront dispensary permit which complies with the requirements of this Chapter.

- (7) The selection processes set forth within this subsection shall be utilized any time a commercial cannabis storefront dispensary permit becomes available.
- (8) The applicant shall comply with all requirements of the King City Municipal Code and State of California statute, regulation and/or guideline governing commercial cannabis businesses and/or storefront dispensaries.
- (9) Within six (6) months of the City issuing an applicant a commercial cannabis storefront dispensary permit, the permittee shall secure a license from the State of California to operate a cannabis storefront dispensary and provide a copy of the license to the City Manager or his/her designee. Upon written request by the permittee and a showing of good cause, the City Manager or his/her designee, in their sole discretion, may grant no more than one (1) extension of time. The extension of time shall not exceed six (6) months. Failure to secure a State of California license to operate a cannabis storefront dispensary or to provide a copy of a State of California license to operate a cannabis storefront dispensary to the City Manager or his/her designee shall void the City issued commercial cannabis storefront dispensary permit. After receiving notice from the City of the expiration of the time period to secure a license, the permittee shall immediately cease any commercial cannabis operations at the storefront dispensary.
- (10) The commercial cannabis storefront dispensary permit shall become void should the permittee fail to commence operations of the storefront dispensary within eighteen (18) months of the issuance of the permit by the City.
 - (i) Prior to commencing operation, a commercial cannabis business shall obtain a City of King business license and comply with all applicable provisions and requirements of that license.
 - (j) Prior to commencing operation, a commercial cannabis business shall be subject to a mandatory building inspection and must obtain all required permits or approvals which would otherwise be required including, but not limited to, building permit(s), fire code permit(s), and planning-level permit(s) required by Title 17 Zoning of the King City Municipal Code.

- (k) Consistent with the requirements of Business and Professions Code section 26053, a commercial cannabis business conducting multiple commercial cannabis activities shall obtain a City issued permit for each type of commercial cannabis activity prior to engaging in that activity. A commercial cannabis business which holds a City issued testing permit shall not hold any other City issued commercial cannabis permits. In addition, a commercial cannabis business authorized to conduct multiple commercial cannabis activities, consistent with the requirements of Business and Professions Code section 26053, shall not receive a City issued permit authorizing the establishment, development, construction, maintenance, or operation of a cannabis cooperative and/or collective within the City.
- (l) Revocation, termination, denial, non-issuance or suspension of a license issued by the State of California, or any of its departments or divisions, shall immediately terminate the commercial cannabis permit and all commercial cannabis activity shall immediately cease. Upon reinstatement or receipt of a new license from the State of California, or any of its departments or divisions, the commercial cannabis activity may file for a new permit from the City. While a new application for a commercial cannabis permit is pending, applicant shall not engage in any commercial cannabis activity. Violations of this Section shall be subject to denial of the application for a commercial cannabis permit and/or the enforcement, penalties and cost recovery proscribed within this Chapter and/or the King City Municipal Code.
- (m) Each commercial cannabis business operating within the City of King shall pay all applicable City taxes and permitting and licensing fees. Further each commercial cannabis business operating within the City of King shall pay all applicable state and federal taxes and permitting and licensing fees.

Section 17.03.070 Employee Work Permits.

- (a) Every employee or independent contractor working at a commercial cannabis business or involved in the transportation related services for a commercial cannabis business shall obtain an employee work permit issued by the City. It shall be the responsibility of the commercial cannabis business permit holder to ensure that the employee or independent contractor has received their work permit from the City prior to commencing any work. Persons who are listed as the commercial cannabis permit holder shall not be required to obtain an employee work permit if such person also serves as an employer or contractor.
- (i) An employee work permit shall expire two (2) years from the date it was issued by the City. An employee work permit shall authorize the individual to work for any commercial cannabis business within the city limits of the City of King.

Section 17.03.210 Operating Requirements.

In addition to those operating requirements specifically set forth elsewhere in this Chapter and except as may otherwise be expressly set forth in this Chapter, the following operating requirements shall apply to all commercial cannabis businesses operating in the City of King.

- (a) Hours of Operation. Commercial cannabis businesses shall only be open to the public between the hours of eight (8:00) a.m. to seven (7:00) p.m. Monday through Sunday. Storefront dispensaries shall only be open to the public between the hours of eight (8:00) a.m. to ten (10:00) p.m. Monday through Sunday.
- (o) Storefront Dispensaries. Prior to receiving a commercial cannabis storefront dispensary permit, the applicant shall submit an interior and exterior design plan to the City. The design plan shall minimally address the following elements:
 - (1) Existing structures shall be remodeled to include all new interior and exterior paint or coverings for the dispensary.
 - (2) Windows shall cover a minimum of 40% of the exterior front wall of the dispensary, including but not limited to a portion of opaque glass sufficient to prevent visibility of cannabis products.
 - (3) All merchandise shall be displayed in new commercial grade display cases.
 - (4) The dispensary shall contain all new flooring and fixtures. Flooring for the purposes of this subsection shall include, but is not limited to, carpet, tile, hardwood, laminate/hybrid flooring and/or a combination thereof. Fixtures for the purposes of this subsection shall include, but is not limited to, generally utilized lighting, plumbing and/or electrical fixtures.

The interior and exterior design plan shall comply with this Chapter, the King City Municipal Code and/or state and federal law. The City Manager or his/her designee shall provide written approval of the interior and exterior design of a storefront dispensary prior to the City issuing a commercial cannabis storefront dispensary permit.

- (p) A commercial cannabis storefront dispensary shall not commence operation within the city limits prior to receiving a City issued commercial cannabis storefront dispensary permit. Violation of this section and any subsection contained herein shall constitute a misdemeanor and shall be punishable consistent with the requirements of this Chapter and/or the King City Municipal Code.

Section 17.03.230 Limitation on Commercial Cannabis Business Activities.

No more than two (2) commercial cannabis storefront dispensary permits shall be issued by the City. Further, no more than one hundred (100) acres of land or sixty (60) percent of the total land zoned within the City to allow for commercial cannabis business activities shall be utilized as commercial cannabis business. The entire portion of a piece of property being utilized as a commercial cannabis business shall be counted towards the one hundred (100) acre or sixty (60) percent limitation established above. In addition, no more than one million, three hundred fifty thousand square feet of total canopy whether under cultivation or nursery activity will be allowed within the city at any one time and commercial cannabis permits shall be issued by the city for cultivation and nursery activity up to a maximum one million three hundred fifty thousand square feet of total canopy within the city. Nurseries shall be limited to a total of twenty-five thousand square feet in size per Type 4 “Nursery” license issued by the city.

**Section 17.03.260 Cannabis manufacturing—Edibles and other cannabis products—
Sale or distribution of edible and other cannabis products.**

The manufacturing of food or other products infused with or which otherwise contain cannabis may be manufactured within the appropriate zoning districts as defined in Title 17, Zoning, of the King City Municipal Code, subject to the regulations set forth in this section and subject to whatever additional regulations may be promulgated hereunder by an ordinance or resolution of the city council or otherwise pursuant to this chapter.

- (a) No edible cannabis product(s) shall be sold or distributed at an unpermitted storefront or non-storefront commercial cannabis dispensary or business within the city limits. Edible cannabis product(s) may be sold or distributed at a permitted storefront and/or non-storefront retail commercial cannabis dispensary or business.

SECTION 6: EFFECTIVE DATE.

This Ordinance shall take effect and be in full force and effect from and after thirty (30) calendar days after its final passage and adoption. Within fifteen (15) calendar days after its adoption, the Ordinance, or a summary of the Ordinance, shall be published once in a newspaper of general circulation.

I HEREBY CERTIFY that the foregoing Ordinance was introduced by the City Council after waiving reading, except by Title, at a regular meeting thereof held on the 11th day of February 2020, and adopted the Ordinance after the second reading at a regular meeting held on the 25th day of February 2020, by the following roll call vote:

AYES: LeBarre, Cullen, DeLeon,

NOES: Acosta, Victoria

ABSTAIN: _____

ABSENT: _____

ATTEST



STEVEN ADAMS, City Clerk

CITY OF KING

By: 

MIKE LEBARRE, Mayor

I, _____, City Clerk of the City of King, California, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of the Ordinance passed and adopted by the City Council of the City of King on the date and by the vote indicated herein.