

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF RIVERSIDE, CALIFORNIA, ADDING  
CHAPTER 5.77 TO THE RIVERSIDE MUNICIPAL CODE REGARDING  
CANNABIS TESTING LABORATORIES

The City Council of the City of Riverside does ordain as follows:

Section 1: Chapter 5.77 is hereby added to the Riverside Municipal Code as follows:

**Chapter 5.77**

**CANNABIS TESTING LABORATORIES**

**Sections:**

**5.77.010 Purpose and Intent.**

**5.77.020 Definitions.**

**5.77.030 Cannabis Testing Laboratory Permit Required.**

**5.77.040 Expiration of Cannabis Testing Laboratory Permits.**

**5.77.050 Renewal of Cannabis Testing Laboratory Permit.**

**5.77.060 Revocation of Permits.**

**5.77.070 Filing an Appeal.**

**5.77.080 Appeal Hearing and Action.**

**5.77.090 Change in location; updated registration form.**

**5.77.100 Transfer of Cannabis Business Permit.**

**5.77.110 City Business Tax Certificate.**

**5.77.120 Building Permits and Inspection.**

**5.77.130 Limitations on City's Liability.**

**5.77.140 Miscellaneous Operating Requirements.**

**5.77.150 Violations declared a public nuisance.**

1                   **5.77.010 Purpose and Intent.**

2           It is the purpose and intent of this Chapter to implement the provisions of the Medicinal and  
3 Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”) for the purpose of protecting the  
4 public by ensuring that all cannabis and cannabis products are tested prior to delivery to a retailer for  
5 retail sale to cannabis patients and customers while imposing sensible regulations on the use of land  
6 to protect the City’s residents, neighborhoods, and businesses from disproportionately negative  
7 impacts. As such, it is the purpose and intent of this Chapter to regulate the testing of medicinal and  
8 adult-use cannabis and cannabis products in a responsible manner to protect the health, safety, and  
9 welfare of the residents of Riverside and to enforce rules and regulations consistent with state law. It  
10 is the further purpose of intent of this Chapter to require all Cannabis Testing Laboratory operators to  
11 obtain and renew annually a permit to operate within Riverside. Nothing in this Chapter is intended to  
12 authorize the possession, use, or provision of cannabis for purposes that violate state or federal law.  
13 The provisions of this Chapter are in addition to any other permits, licenses and approvals which may  
14 be required to conduct business in the City, and are in addition to any permits, licenses and approval  
15 required under state, county, or other law.

16                   **5.77.020 Definitions.**

17           Where a term or word used within this Chapter is not defined by the Riverside Municipal Code  
18 (“RMC”), the definitions contained within the Medical and Adult Use Cannabis Regulation and Safety  
19 Act (MAUCRSA) shall apply. When there is conflict between the definitions in the RMC and  
20 MAUCRSA, or otherwise there remains ambiguity in defining a term or word, the City Manager or  
21 his/her designee shall interpret the definition pursuant to the authority and process established by RMC  
22 Section 19.060.020.

23                   **5.77.030 Cannabis Testing Laboratory Permit Required.**

24           A.     No Person shall own, operate, or manage any Cannabis Testing Laboratory within the  
25 City of Riverside unless the Person: (1) has a valid Cannabis Testing Laboratory permit from the City  
26 of Riverside; (2) has a valid City of Riverside Business Tax Certificate; (3) has written authorization  
27 from the property owner(s) acknowledging and allowing the proposed use; and (4) is currently in  
28 compliance with all applicable state and local laws and regulations pertaining to Cannabis Testing  
Laboratories and associated activities, including the duty to obtain any required state licenses.

          B.     At the time of filing, each applicant shall pay an application fee established by  
resolution of the City Council, to cover all costs incurred by the City in the application process.

          C.     Prior to the establishment of any Cannabis Testing Laboratory or the operation of any  
such business, the Person intending to establish a Cannabis Testing Laboratory 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 Cannabis Testing Laboratory  
intends to establish and to operate.

          D.     Prior to the approval of any Cannabis Testing Laboratory Permit, the applicant must  
provide the Police Department with Security Plan outlining measures to deter and prevent  
unauthorized access to and theft of cannabis or cannabis products, employee and public safety  
protocols, and other security measures.

1 E. The Person to whom a permit is issued pursuant to this Chapter shall be responsible for  
2 all violations of the laws of the State of California or of the regulations and/or the ordinances of the  
3 City of Riverside, whether committed by the permittee or any employee or agent of the permittee,  
which violations occur in or about the premises of the Cannabis Testing Laboratory whether or not  
said violations occur within the permit holder's presence.

4 F. The City's Reservation of Rights:

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6 The City reserves the right to reject any or all applications. Prior to permit issuance,  
7 the City may also modify, postpone, or cancel any request for applications, or the entire program under  
8 this Chapter, at any time without liability, obligation, or commitment to any party, firm, or  
9 organization, to the extent permitted under California state law. Persons submitting applications  
10 assume the risk that all or any part of the program 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 and failure to comply with other requirements in this Chapter, an application RISKS BEING  
REJECTED for any of the following reasons:

11 1. Proposal not containing the required elements, exhibits, nor organized in the  
12 required format.

13 2. Proposal considered not fully responsive to this request for permit application.

14 **5.77.040 Expiration of Cannabis Testing Laboratory Permits.**

15 Each Cannabis Testing Laboratory Permit issued pursuant to this Chapter shall expire twelve  
16 (12) months after the date of its issuance. Cannabis Testing Laboratory Permits may be renewed as  
provided in Section 5.77.050.

17 **5.77.050 Renewal of Cannabis Testing Laboratory Permit.**

18 A. An application for renewal of an unrevoked Cannabis Testing Laboratory Permit shall  
19 be filed at least sixty (60) calendar days prior to the expiration date of the current permit.

20 B. The renewal application shall contain all the information required for new applications.

21 C. The applicant shall pay any applicable fees to cover the costs of processing the renewal  
22 permit application and any costs incurred by the City to administer the program created under this  
23 Chapter.

24 D. An application for renewal of a Cannabis Testing Laboratory permit may be rejected if  
any of the following exists:

25 1. The application is filed less than sixty (60) days before its expiration.

26 2. The Cannabis Testing Laboratory permit is suspended or revoked at the time of  
27 the application.

28 3. The Cannabis Testing Laboratory has not been in regular and continuous  
operation in the four (4) months prior to the renewal application.

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4. The Cannabis Testing Laboratory 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's Municipal Code, 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 Cannabis Testing Laboratory permit.

8 E. The City Manager or his/her designee(s) is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the City Manager or his/her designee(s) 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 or his/her designee(s) shall be handled pursuant to Chapter 5.77.080.

12 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.

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14 **5.77.060 Revocation of Permits.**

15 A. When there is determined to be an imminent threat to public health, safety or welfare, the City Manager or his/her designee, may take immediate action to temporarily suspend a Cannabis Testing Laboratory permit issued by the City.

17 B. Cannabis Testing Laboratory Permits may be revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to this Chapter or as a result of the loss of any other applicable state or local license as required in 5.77.030-A.

19 C. 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 Cannabis Testing Laboratory 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 Cannabis Testing Laboratory, such revocation or termination shall also revoke or terminate the ability of a Cannabis Testing Laboratory to operate within the City of Riverside.

24 **5.77.070 Filing an Appeal.**

25 A. Within ten (10) calendar days after the date of a decision of the City Manager or his/her designee(s) 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.

28 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.

1                   **5.77.080 Appeal Hearing and Action.**

2           A.       If the permit holder or applicant files a timely request for a hearing, the revocation or  
3 suspension of an existing permit shall be stayed pending a final determination of the hearing.  
4 Notwithstanding the above, if the State has suspended or revoked the license, then the permit shall be  
immediately suspended or revoked without further action.

5           B.       If a timely appeal is made to the City Clerk, the City Clerk shall fix the time and place  
6 of the hearing to be held no less than ten (10) business days and no more than twenty (20) business  
days following the notice of appeal of the permit revocation, suspension or denial.

7           C.       The appellant shall be given notice of such hearing at least five (5) calendar days prior  
8 to the hearing. Notice may be by personal service, mail, or email.

9           D.       At the time and placed fixed in the notice, an administrative hearing officer shall hear  
10 all testimony of all competent Persons regarding the massage business permit revocation.

11           E.       If, from the evidence introduced at the hearing, the hearing officer finds grounds exist  
12 for revocation or suspension of the permit, the permit shall be revoked or suspended. If, following the  
13 hearing, the hearing officer determined no grounds exists for revocation or suspension of the permit,  
14 then the hearing officer shall grant the appeal and no revocation or suspension of the permit shall be  
applied. The Hearing Officer shall notify the appellant of the decision, in writing, within ten (10)  
calendar days following the close of the hearing.

15                   **5.77.090 Change in location; updated registration form.**

16           A.       Any time the testing lab location specified in the regulatory permit has changed, the  
17 applicant shall reapply with the City Manager or his/her designee(s) within fifteen (15) calendar days  
18 of the change. The process and the fees shall be the same as the process and fees set forth for renewal  
in sections 5.77.050.

19                   **5.77.100 Transfer of Cannabis Business Permit.**

20           A.       The owner of a Cannabis Testing Laboratory Permit shall not transfer ownership or  
21 control of the permit to another Person or entity unless and until the transferee obtains an amendment  
22 to the permit stating that the transferee is now the permittee. Such an amendment may be obtained  
only if the transferee files a new application with the City Manager or his/her designee in accordance  
23 with all provisions of this Chapter (as though the transferee were applying for an original Cannabis  
Testing Laboratory Permit) accompanied by the applicable fee, and the City Manager or his/her  
24 designee determines, in accordance with this Chapter that the transferee meets all other requirements  
of this Chapter.

25           B.       Cannabis Testing Laboratory Permits issued through the grant of a transfer shall be  
26 valid for a period of one year. Before the transferee's permit expires, the transferee shall apply for a  
renewal permit in the manner required by this Chapter.

27           C.       Changes in ownership of a permittee's business structure or a substantial change in the  
28 ownership of a permittee business entity (changes that result in a change of more than 51% of the

original ownership), must be approved through the transfer process contained in 5.77.100-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 or his/her designee 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, 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 or his/her designee 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 Cannabis Testing Laboratory Permit may be transferred when the City Manager or his/her designee has notified the permittee that the permit has been or may be suspended or revoked.

F. Any attempt to transfer a Cannabis Testing Laboratory 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.

#### **5.77.110 City Business Tax Certificate.**

Prior to commencing operations, a Cannabis Testing Laboratory shall obtain a City of Riverside Business Tax Certificate.

#### **5.77.120 Building Permits and Inspection.**

Prior to commencing operations, a Cannabis Testing Laboratory shall be subject to all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes but is not limited to obtaining any required building permit(s), Fire Department approvals, Health Department approvals and other zoning and land use permit(s) and approvals.

#### **5.77.130 Limitations on City's Liability.**

To the fullest extent permitted by law, the City of Riverside shall not assume any liability whatsoever with respect to having issued a Cannabis Testing Laboratory Permit pursuant to this Chapter or otherwise approving the operation of any Cannabis Testing Laboratory.

#### **5.77.140 Miscellaneous Operating Requirements.**

A. Restriction on Consumption. Cannabis shall not be consumed or sampled by any testing lab employee, visitor, operator or vendor on the premises of any Cannabis Testing Laboratories.

1 B. No cannabis or cannabis products or graphics depicting cannabis or cannabis products  
2 shall be visible from the exterior of any property issued a Cannabis Testing Laboratory Permit, or on  
3 any of the vehicles owned or used as part of the Cannabis Testing Laboratory. No outdoor storage of  
cannabis or cannabis products is permitted at any time.

4 C. Odor Control. Odor control devices and techniques shall be incorporated in all  
5 Cannabis Testing Laboratories to ensure that odors from cannabis are not detectable off-site. Cannabis  
6 Testing Laboratories shall provide a sufficient odor absorbing ventilation and exhaust system so that  
7 odor generated inside the Cannabis Testing Laboratory that is distinctive to its operation is not detected  
8 outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior  
or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas  
available for use by common tenants or the visiting public, or within any other unit located inside the  
same building as the Cannabis Testing Laboratory.

9 **5.77.150 Violations declared a public nuisance.**

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

Section 2: If any provision of this ordinance or the application thereof to any Persons or circumstances is held invalid, the remainder of the ordinance and the application of such provision to other Persons or circumstances shall not be affected thereby.

Section 3: The City Council has reviewed the matter and, based upon the facts and information contained in the staff reports, administrative record, and written and oral testimony, hereby finds that this ordinance is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), 15061(b)(3) and 15301(c) of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, in that it will not result in a direct or reasonably foreseeable indirect physical change in the environment or have a significant impact on the environment.

Section 4: The City Clerk shall certify to the adoption of this ordinance and cause publication once in a newspaper of general circulation in accordance with Section 414 of the Charter of the City of Riverside. This ordinance shall become effective on the 30th day after the date of its adoption.

ADOPTED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Mayor of the City of Riverside

Attest:

City Clerk of the City of Riverside



1 I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the  
2 foregoing ordinance was duly and regularly introduced at a meeting of the City Council on the  
3 \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and that thereafter the said ordinance was duly and  
4 regularly adopted at a meeting of the City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
5 by the following vote, to wit:

6 Ayes:

7 Noes:

8 Absent:

9 Abstain:

10  
11 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the  
12 City of Riverside, California, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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14 City Clerk of the City of Riverside  
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