

**ORDINANCE NO. 2020-0040**

Adopted by the Sacramento City Council

November 10, 2020

**An Emergency Ordinance Deleting and Adding Section 5.150.055 of the Sacramento City Code, Relating to Storefront Cannabis Dispensaries and Declaring the Ordinance to be an Emergency Measure to take Effect Immediately Upon Adoption**

BE IT ENACTED BY THE COUNCIL OF CITY OF SACRAMENTO:

**SECTION 1.**

Section 5.150.055 is hereby added to the Sacramento City Code to read as follows:

**5.150.055 Transfer of an ownership interest in a storefront cannabis dispensary prohibited.**

- A. No person shall transfer, sell, assign, or bequeath any ownership interest in any storefront cannabis dispensary permittee to another person.
- B. Any transfer, sale, assignment, or bequest of any ownership interest is unlawful and void.
- C. This section remains in effect until November 10, 2021.

**SECTION 2.** Emergency Declaration

The city council declares this ordinance to be an emergency ordinance, to become effective immediately upon its adoption pursuant to Sacramento City Charter section 32(g)(2). The facts constituting the emergency are as follows:

In 2019, it came to the City's attention that a person had ownership interests in eight storefront cannabis dispensaries. The City then suspended all changes in ownership interests in storefront cannabis dispensaries until March 11, 2020 to allow the City time to investigate the matter and research if any regulatory changes should be made. Since then, the City Auditor published the Audit of Cannabis Storefront Dispensary Permitting Process and made recommendations concerning the City's ownership regulations. In light of the audit, the City's Office of Cannabis Management has determined that additional time is necessary to research what regulations, if any, are necessary to protect the public health, welfare, and safety. Until that research is complete, the City must temporarily prohibit the transfer of any ownership interests in storefront cannabis dispensaries.

Adopted by the City of Sacramento City Council on November 10, 2020, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, and Mayor Steinberg

Noes: None

Abstain: None

Absent: Member Warren

Attest: **Mindy Cuppy** Digitally signed by Mindy Cuppy  
Date: 2020.11.16 16:10:43  
-08'00'  
Mindy Cuppy, City Clerk

*The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.*

Passed for Publication: Not applicable  
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