Prop 64 – Recreational Marijuana Update

Council Study Session
January 26, 2017
State Laws Regulating Marijuana

• Medical Marijuana Regulation and Safety Act (MMRSA)
  - Bureau of Marijuana Control (BMC)
  - Medical ID card
  - 19 licensing types
  - Strong local land use control

• Adult Use of Marijuana Act (AUMA) (Proposition 64)
  - Legalizes Adult Use (over 21)
  - Allows Property Owners to cultivate up to 6 plants
  - Establishes State Excise Tax of 15%, State Cultivation Tax of $9.25 on flowers, $2.75 on non-flowers for both medical and recreational
  - Local governments can establish separate tax
  - Allows local land use control
Local Control

- City should establish Ordinances to address:
  - Personal Use
  - Commercial Use
  - Medicinal Use

- City’s can choose to ban/regulate:
  - Retail
  - Medical Dispensaries
  - Delivery (to/from)
  - Outdoor Cultivation
  - Any State licensed business type

- City’s cannot ban Personal Indoor Cultivation (up to 6 plants)
Existing City Regulations

- Current City Ordinance prohibits all Medicinal Marijuana operations (Chapter 25.34.120)

- City’s Ordinance regulating “smoking” applies to marijuana (Chapter 8.36)

- AUMA prohibits outdoor smoking in public spaces and within 1,000 feet of school, park, other public spaces.

- Current Zoning Ordinance omits recreational and personal marijuana
Potential City Regulations

• AUMA allows for “reasonable” regulation for personal use
  - Prohibit outdoor grows
  - Require registration / owner authorization
  - Require business licensing
  - Inspections for indoor growth (safety)

• Separate Medical/Recreation Use/Personal

• Limit to commercial operations to specific zoning districts
  - Require CUP
  - Separation requirements
  - Square footage maximums
Other Considerations

• Controlled Substance Act (Federal)

• $1 Billion estimated State Revenue (year1)

• State Grants
  - 60% to youth programs, education, prevention, treatment
  - 20% environmental clean up / restoration
  - 20% reduce DUI and other health impacts

• Cities that ban marijuana uses are not eligible for grants

• Local tax on commercial operations
  - 37/39 local taxes passed in 2016