

MARIJUANA RECOMMENDATIONS AND DIRECTION

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Prop 64 (Adult Use of Marijuana Act “AUMA”)

The AUMA legalized the nonmedical use of marijuana by persons 21 and over, the personal cultivation of up to six marijuana plants per household, and commercial marijuana businesses.

If the City wishes to regulate or ban recreational marijuana businesses the local regulations must be in place by January 1, 2018 when it is anticipated that state licensing will begin.

Recent Legislation

On June 27, the Governor signed SB 94 which created a new combined single regulatory system for medical and commercial marijuana activities.

Under the new program, it is the City's duty to provide the state with its local ordinances and regulations on marijuana activities.

Recent Local Agency Actions

Port Hueneme - In the process of drafting regulations to allow a full range of activities: medical marijuana dispensaries, manufacturing, cultivation, and delivery.

Thousand Oaks - On June 27, staff was directed to prepare code amendments allowing one medical marijuana dispensary and a marijuana testing facility in the city.

April Study Session

No consensus was reached on marijuana issues but a majority of Council spoke in favor of taking a “go slow” approach to marijuana regulation.

Did not appear to be Council support for commercial activities at the session.

Recommendations

1. Revise existing regulations to allow delivery of medical marijuana.

Potentially provide city residents with a medical need greater access to medical marijuana.

Any delivery businesses would be subject to existing city rules and new regulations which typically limit deliveries to qualified patients, require insurance and background checks, and place limits on hours of operation.

Recommendations continued

2. Incorporate existing medical marijuana restrictions into the zoning code.

A further codification of the current restrictions on medical marijuana businesses and dispensaries.

Recommendations continued

3. Enact a zone text amendment explicitly banning commercial activities.

This position is consistent with existing City regulations which do not allow for licenses or permits for marijuana activities.

In order to maintain local control, the ban on commercial activities should be made explicit in the City zoning code prior to the new year.

Timeline

Recommendations related to zoning code changes (#2 & #3) would be prepared for review by the Planning Commission and would return to the Council by early November for adoption (+30 days) prior to the January 1 state deadline.

The delivery recommendation (#1) does not involve a land use change and could be brought back for City Council approval this fall.

Benefits of the “Go Slow” Approach

The City will be able to learn from the experiences of neighboring jurisdictions and other agencies throughout the state.

Observe how the federal government reacts to state marijuana activities, particularly recreational ones.

Benefits Continued

State regulations are in flux. A new regulatory system took effect on June 27 and there are currently 30 + pending bills which may further change state marijuana law.

By taking a cautious approach, the City will be in a stronger position to explore future options and draft regulations based on evidence, data, and a more clear regulatory landscape.

Financial Impact of Recommendations

The state will make grants available to local governments to assist with addressing public health and safety problems associated with AUMA.

Caveat: Local agencies are only eligible to receive these state grant funds if they allow outdoor personal cultivation of marijuana and retail sales.

Future Actions

Tonight's recommendations are not intended to be permanent policy decisions.

Staff will continue to monitor activities at the County, State, and Federal level and return in the new year to re-examine marijuana issues.

Potential Future Fiscal Considerations

Should there be Council interest in allowing greater marijuana activities in the future, various fiscal/revenue issues should be considered:

- Qualified medical patients are exempt from state sales tax
- A new local tax on marijuana activities requires voter approval with a first opportunity in November of 2018
- Large scale cultivation state licensing will begin in 2023

Fiscal Considerations continued

Future fiscal impact would be dependent upon numerous variables such as:

- Type of activity permitted
- The number of permitted businesses
- If local tax changes are sought or approved
- Local competition



QUESTIONS?