

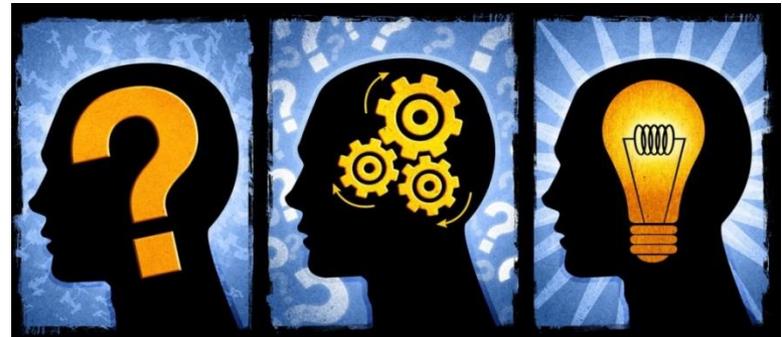
COUNCIL MARIJUANA SUBCOMMITTEE RECOMMENDATIONS FOR LOCAL MARIJUANA REGULATIONS



Presented By
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August 8, 2017

TOPICS FOR DISCUSSION

1. *Direction - Public Smoking, Personal Cultivation, Commercial Operations, Possible Taxes / Fees*
2. Fiscal Impact
3. Background (Recent City Actions)
4. Personal Marijuana Use
 - A. Public Marijuana Use (Smoking Regulations)
 - B. Personal Marijuana Cultivation - Indoor and Outdoor
5. Commercial Marijuana Use
 - A. Dispensaries (Retail Sales)
 - B. Commercial Cultivation
 - C. Manufacturing and Testing
 - D. Deliveries
6. Timeline
7. Recommendations



FISCAL IMPACT

STATE TAXES

1. 15% excise tax
2. Cultivation tax
3. Medical exempt from state sales tax



STATE GRANTS

1. Limited availability (cannot ban cultivation or retail sales)
2. Uncertain amount

LOCAL FINANCES

1. Taxes (need voter approval)
2. Development Agreements (applicable to some operations)
3. Fees (recoup City administrative costs)

BACKGROUND (RECENT CITY ACTIONS)

1. January 24, 2017 - Presentation to Council
2. March 1, 2017 - Educational workshop;
Council Subcommittee formed
3. April 11, 2017 - Council direction for community forum
4. June 14, 2017 - Community forum held
5. July, 2017 - Council Subcommittee met twice
6. August 8, 2017 - Subcommittee recommendations
presented and direction sought for local regulations



PERSONAL MARIJUANA USE

PUBLIC MARIJUANA USE / SMOKING REGULATIONS

1. General smoking prohibitions apply to marijuana
 2. MBMC Chapter 9.24 (“Secondhand Smoking Regulations”)
 3. State parks / Senate Bill 386
- *Subcommittee Recommendation - Maintain local smoking prohibitions. Consider expanding local smoking prohibitions.*



PERSONAL MARIJUANA CULTIVATION

1. Cultivation of up to six plants at personal residence is legal.
 2. City may regulate (but not ban) indoor cultivation. MBMC silent.
 3. City may ban outdoor cultivation. MBMC bans outdoor cultivation.
- *Subcommittee Recommendation - Maintain current outdoor cultivation ban. Require a permit and following reasonable regulations for indoor cultivation.*



COMMERCIAL MARIJUANA USE DISPENSARIES



DISPENSARIES

- 1. Morro Bay Law.** Prohibits medical marijuana dispensaries. Silent on recreational dispensaries.
- 2. 2018.** State dispensary licenses available.
- 3. Local Control.** City can prohibit or allow dispensaries. City can impose additional regulations on dispensaries. Failure to address cedes control to state.
- 4. Edibles.** Concern about minors and mistaken consumption.
- 5. Development Agreement.** Negotiated contract for land use.
 - *Subcommittee Recommendation - Permit two fixed location medical marijuana dispensaries. Prohibit recreational marijuana dispensaries. Pursue development agreements. Additional regulations for edible medical marijuana products.*

COMMERCIAL MARIJUANA USE COMMERCIAL CULTIVATION

COMMERCIAL CULTIVATION

1. **Morro Bay Law.** Prohibits marijuana cultivation (with limited exception for personal medical marijuana).
 2. **2018.** State cultivation licenses available.
 3. **Local Control.** City can prohibit or allow commercial cultivation. City can impose additional regulations. Failure to address cedes control to state.
- *Subcommittee Recommendation – Prohibit all commercial marijuana cultivation. Amend code for consistency with new state laws.*



COMMERCIAL MARIJUANA USE *DELIVERIES*

DELIVERIES

1. **Morro Bay Law.** No express ban on deliveries.
2. **2018.** Deliveries legal with state retail (dispensary) license.
3. **Local Control.** City can prohibit or allow deliveries. City can impose additional regulations. Failure to address cedes control to state.

Subcommittee Recommendation – Allow medical marijuana delivery services subject to regulatory permit. Regulate delivered edibles. Prohibit recreational marijuana deliveries.



TIMELINE



Goal to develop with Council direction a new marijuana ordinance by end of year. Proposed timeline is as follows:

- 1. Community workshop on details of new marijuana ordinance by end of August / early September.**
- 2. City Council first reading of new marijuana ordinance by late September / early October.**
- 3. City Council second reading of new marijuana ordinance no later than November 14, 2017 Council meeting (so effective before end of year).**
- 4. If consensus not reached on new marijuana ordinance by November 14, 2017 Council meeting, then consider moratorium on new commercial marijuana operations until consensus reached on new marijuana ordinance.**

COUNCIL MARIJUANA SUBCOMMITTEE RECOMMENDATIONS

1. Public Use / Smoking Regulations:

- a. Maintain current strict local smoking prohibitions, and
- b. reconsider some of the exemptions to tighten them up.



2. Personal Cultivation (Outdoor) - *prohibit*.



3. Personal Cultivation (Indoor) - *regulate as follows*:

- a. Adopt local health and safety regulations (e.g., odor control and security),
- b. require issuance of a local permit,
- c. non-transferable permit,
- d. charge nominal fee for permit,
- e. require property owner consent, and
- f. one-time inspection to ensure cultivation site compliant with local law.



COUNCIL MARIJUANA SUBCOMMITTEE RECOMMENDATIONS



4. Dispensaries (Medical) – *allow as follows:*

- a. Allow two fixed location (not mobile) medical marijuana dispensaries,
- b. reasonable requirements (odor control, security, insurance and records),
- c. seek development agreements with operators, and
- d. impose local regulations on marijuana edibles (packaging and appearance).

5. Dispensaries (Recreational) - *prohibit.*



6. Commercial Cultivation (Medical/Recreational) - *prohibit.*



COUNCIL MARIJUANA SUBCOMMITTEE RECOMMENDATIONS



7. Manufacturing and Testing (Medical/Recreational) - *prohibit.*

8. Deliveries (Medical) - *allow as follows:*

- require issuance of a local permit, and
- reasonable requirements such as insurance, background checks on drivers, and proof of association with lawful medical marijuana dispensary (either in City or elsewhere).



9. Deliveries (Recreational) - *prohibit.*



QUESTIONS

