

Recreational Marijuana

Town of Mammoth Lakes
Proposed implementation of Prop 64
April 26, 2017

Workshop summary

- ▶ Personal Use
- ▶ Taxation
- ▶ State licensing requirements for marijuana sales
- ▶ Current Town regulations for medical marijuana
- ▶ Proposal and options for regulating commercial sales and cultivation
- ▶ Timing of implementation
- ▶ Public comments

Definitions (CA BPC §26001)

- ▶ **Commercial Marijuana Activity** - includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, delivery or sale of marijuana and marijuana products
- ▶ **Marijuana** (defined in [CA HSC 11018](#)) - means all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. This definition does not include medical cannabis and/or concentrate as defined in [Chapter 3.5 of Division 8 of the CA BPC](#)
- ▶ **Marijuana Products** (defined in [CA HSC 11018.1](#)) - means marijuana that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing marijuana or concentrated cannabis and other ingredients.

BPC - Business and Professions Code; HSC - Health and Safety Code

Definitions (CA BPC §26001)

- ▶ **Retailer** - Sales of marijuana or marijuana products to customers
- ▶ **Cultivation** - means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana
- ▶ **Manufacture** - means to compound, blend, extract, infuse, or otherwise make or prepare a marijuana product

Personal Use

- ▶ AGE: 21 years of age or older
- ▶ POSSESSION: Possess, process, transport, purchase, obtain, or give away 28.5 grams of non-concentrated non-medical marijuana, or 8 grams of concentrated marijuana products
- ▶ USE: Smoke or ingest marijuana or marijuana products
- ▶ CULTIVATION: Possess, plant, cultivate, harvest, dry or process up to 6 plants per residence for personal use. Local governments may reasonably regulate this.
- ▶ Effective November 9, 2016

Restrictions on Personal Use

- ▶ No smoking in a public place
- ▶ No smoking where smoking tobacco is prohibited
- ▶ No smoking within 1,000 feet of a school, day care center or youth center*
- ▶ No smoking while driving or riding in a vehicle
- ▶ Cities may prohibit smoking and possession in buildings owned, leased, or occupied by the city
- ▶ Employers may maintain drug-free workplaces
- ▶ PROPOSED REGULATIONS:
 - ▶ Renters must have written permission from owners to cultivate for personal use
 - ▶ Prohibit outdoor personal grows
 - ▶ The Town is not proposing to regulate or require a permit for personal cultivation

* smoking in or upon the grounds of a private residence, meaning a house, apartment unit, mobile home, or other similar dwelling is exempt from this requirement

Taxation of Marijuana

- ▶ 15% State excise tax of gross retail sales receipts.
- ▶ State Cultivation Tax - \$9.25/ounce of flowers and \$2.75/ounce of leaves
- ▶ Marijuana cultivated for personal use is exempt from cultivation tax
- ▶ Medical marijuana is exempt from State/local sales tax
- ▶ Proposition 64 does not prevent cities and counties from imposing local taxes
- ▶ The Town is supportive of putting a marijuana tax measure on the ballot in June 2018

	15% State excise tax	Cultivation Tax	Sales tax (state and local)	Local tax
Medical	Yes	Yes	No	Yes
Recreational	Yes	Yes	Yes	Yes

State Licensing for Marijuana Operations

- ▶ All marijuana businesses must have a state license
- ▶ State license cannot be issued to an applicant whose operations would violate the provisions of any local ordinance or regulations
- ▶ If local ordinances are silent on marijuana, the state can issue a license for a business in your city without local input
- ▶ State license will be valid for one year
- ▶ Separate state license required for each business location
- ▶ Effective January 1, 2018

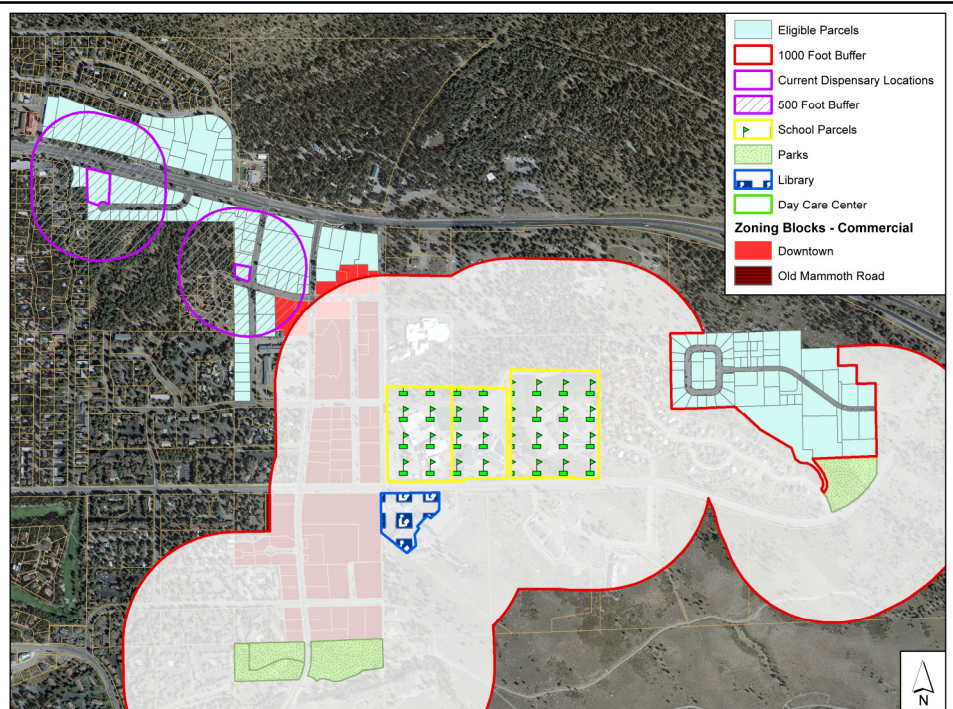
Current Medical Marijuana Regulations

- ▶ A use permit from the Town is required
- ▶ A maximum of two dispensaries are permitted in town
- ▶ Dispensaries must be at least 500 feet from each other
- ▶ No dispensaries permitted within 1,000 feet of schools, parks, and libraries if located in the Old Mammoth Road and/or Downtown zones
- ▶ All dispensaries must have substantial security plan approved by Police Department
- ▶ Town-issued business license is required
- ▶ State license is required beginning January 1, 2018
- ▶ PROPOSED CHANGES: Consider reducing the 1,000 foot buffer to 600 feet

Current Town Regulations

Town Buffer (only applies to Commercial zones)

- Schools
- Parks
- Libraries



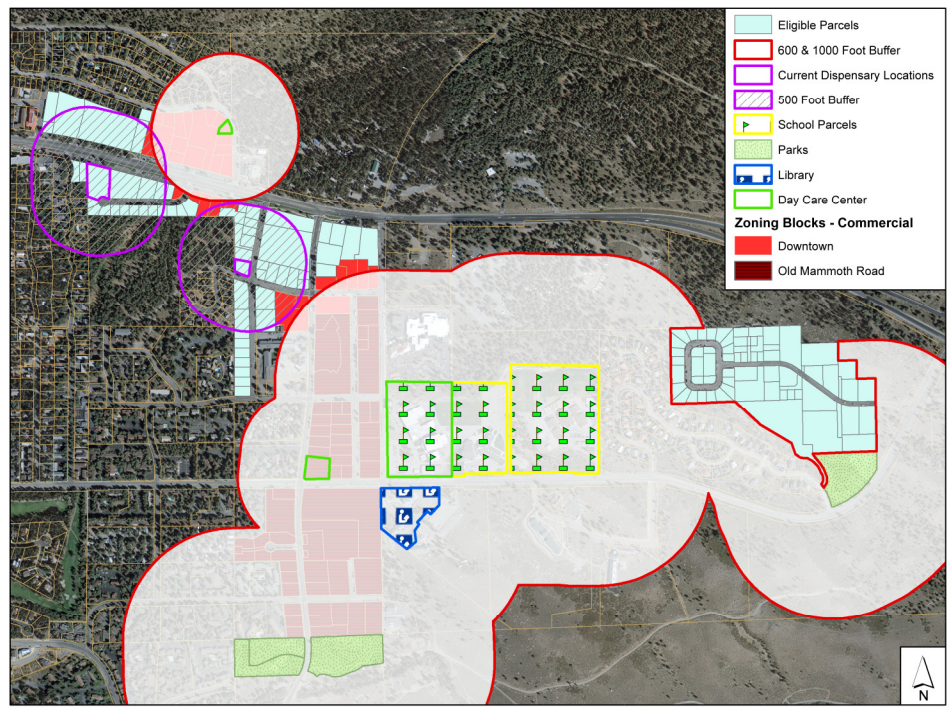
Current Town Regulations + State Regulations

Town Buffer (only applies to Commercial zones)

- Schools
- Parks
- Libraries

State Buffer

- Schools
- Day Care Centers
- Youth Centers



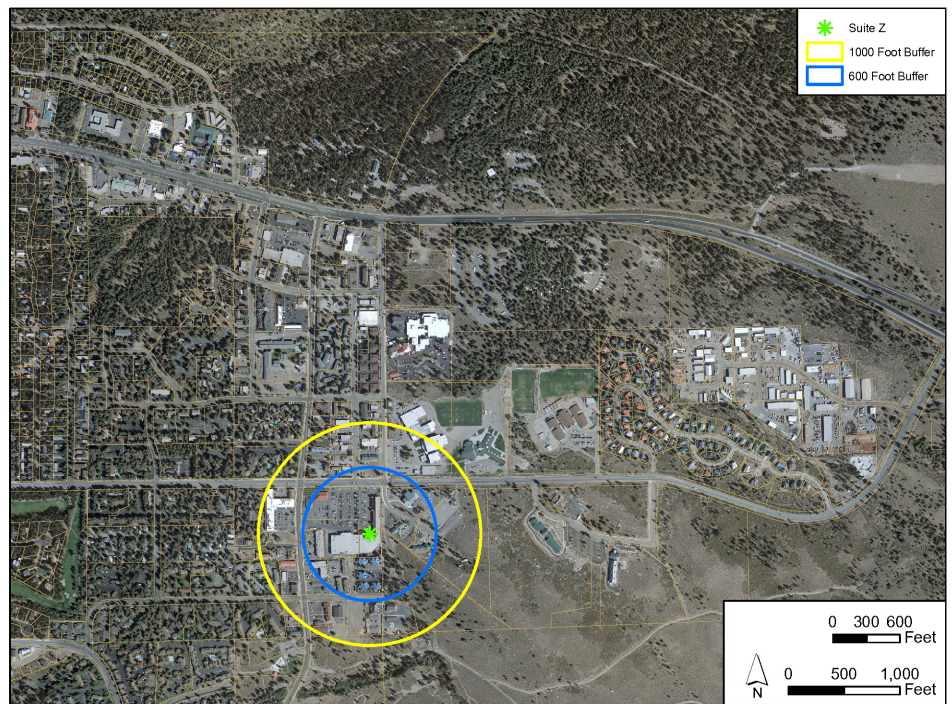
Proposed Regulations for Commercial Sales and Cultivation

- ▶ Retail sales permitted in Old Mammoth Road, Downtown, and Industrial zoning districts
- ▶ Retail businesses limited to four total in town in addition to the existing two medical marijuana dispensaries
- ▶ Cultivation limited to the Industrial zone with some minor accessory uses considered in commercial zones
- ▶ Buffers will limit locations for potential businesses
- ▶ All businesses would require a use permit from the Town in addition to a business license and any required State permits
- ▶ Prohibit outdoor commercial cultivation
- ▶ Additional regulations related to operating hours, signage, advertising, etc. will apply

Example of 600- and 1,000 Foot Buffers

600 Foot - Suite Z to southwest corner of the high school parking lot

1,000 Foot - Suite Z to western entrance to the middle school parking lot



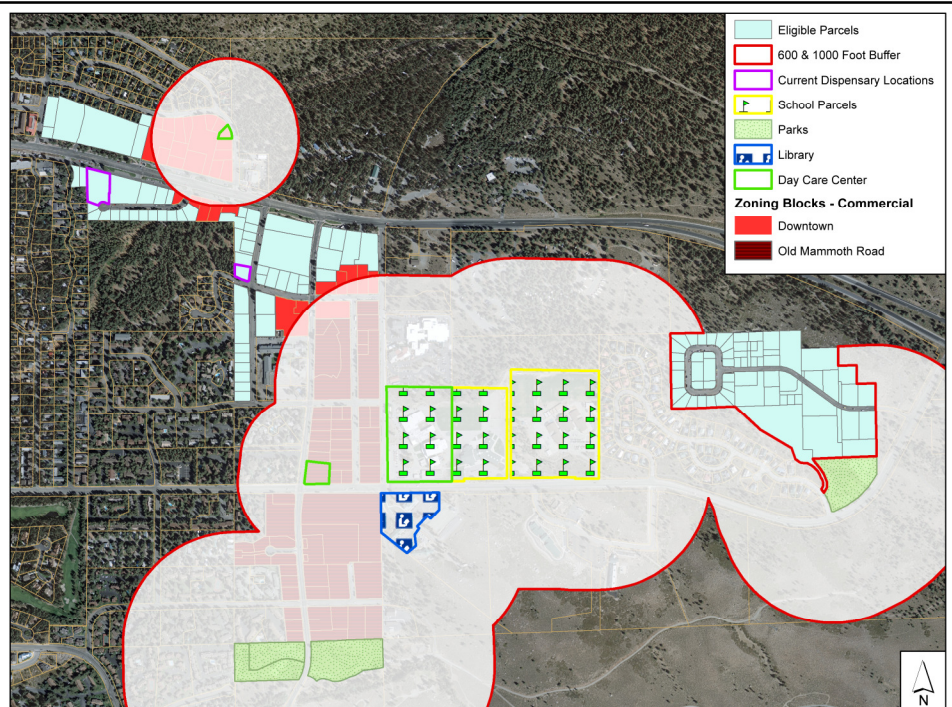
Option 1 - Current Town 1,000 Foot Buffer + State 600 Foot Buffer

Town Buffer (only applies to Commercial zones)

- Schools
- Parks
- Libraries

State Buffer

- Schools
- Day Care Centers
- Youth Centers



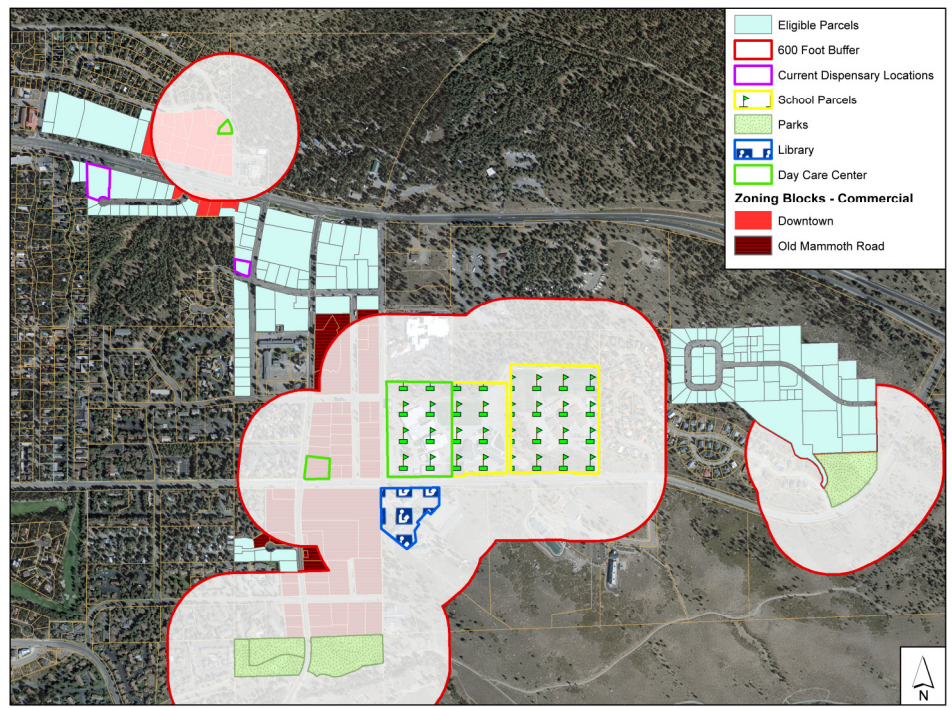
Option 2 - 600 Foot Buffer Applied to Schools, Day Care Centers, Parks, and Libraries

Town Buffer (only
applies to Commercial
zones)

- Schools
- Parks
- Libraries

State Buffer

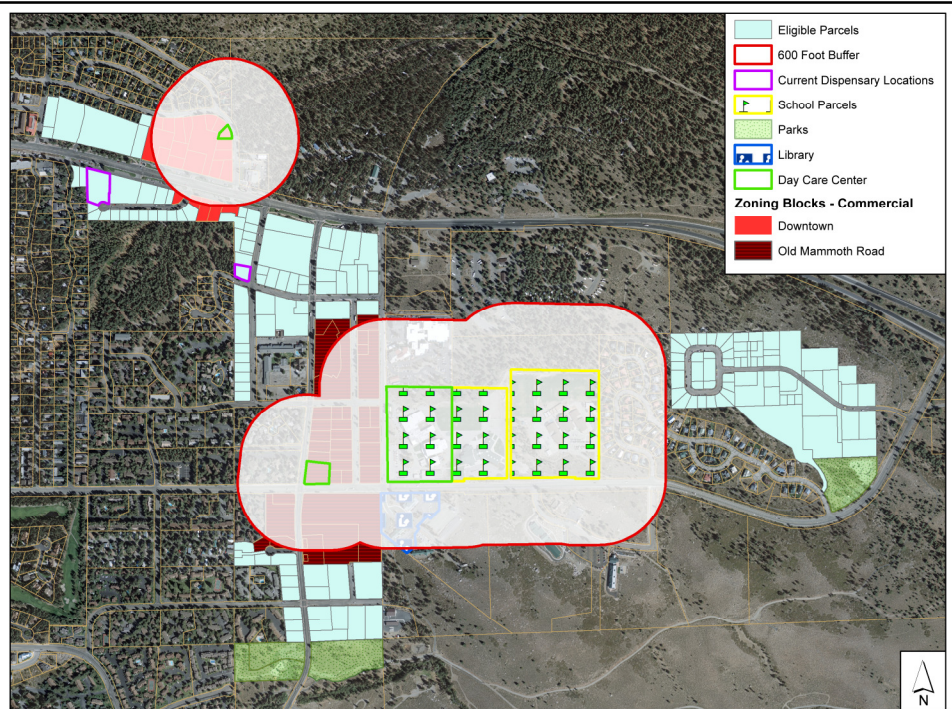
- Schools
- Day Care Centers
- Youth Centers



Option 3 - State 600 Foot Buffer Only

State Buffer

- Schools
- Day Care Centers
- Youth Centers



Federal Policy

- ▶ Marijuana remains illegal at the federal level
- ▶ Attorney General Jeff Sessions' position
 - ▶ All indications are that the Trump Administration will continue current federal policy with respect to "medical" cannabis.
 - ▶ Unclear on how federal enforcement would/could occur in states that have sanctioned "adult-use" cannabis
- ▶ Use of marijuana on federal lands is still prohibited

Tentative Timeframe for Implementation

- ▶ May - June - Staff works to draft new code sections
- ▶ June 14 - PEDC workshop item
- ▶ July 12 - PEDC hearing for code updates
- ▶ August 2 - Town Council hearing for code updates
- ▶ August 16 - Town Council second reading
- ▶ September 15 - ordinance would be effective
- ▶ TBD - Application period for the retail/cultivation facilities
- ▶ January 1, 2018 - State can start issuing licenses for retail marijuana businesses

Questions for the Audience

- ▶ Should the Town adopt a tax for recreational marijuana sales?
 - ▶ Should medical cannabis be taxed the same?
 - ▶ Should cultivation activities be taxed?
- ▶ Is the proposed number of retail stores (4 total) appropriate?
- ▶ Should the number of cultivation facilities in the Industrial Park be limited?
- ▶ Of the three options for buffers, which is the most desirable?
(please put a sticker dot on the option that you prefer before you leave)

Public Comments

- ▶ Let us know your thoughts
- ▶ Comment cards are available at the entrance
- ▶ Public comments are welcomed!
- ▶ Questions or comments:
 - ▶ E-comments will be available on our website prior to the meeting
 - ▶ Email:
Nolan Bobroff at nbobroff@townofmammothlakes.ca.gov or
Pam Kobylarz at pkobylarz@townofmammothlakes.ca.gov
- ▶ Please submit any follow-up comments by Monday, May 1st