Proposition 64 and the Medicinal Adult-Use Cannabis Regulation and Safety Act
BACKGROUND

- **1996 – Proposition 215 – Compassionate Use Act**
  - Allowed the possession and cultivation for medical use by qualified persons

- **2003 – SB 420 – Medical Marijuana Program Act**
  - Permitted qualified patients and the primary caregivers to associate collectively or cooperatively to cultivate marijuana for medical purposes without being subject to state prosecution
2011 – Glendale Municipal Code: Ordinance 5745
  • Adopted banning the establishment of medical marijuana dispensaries and other similar uses in all zones

2016 – Medical Cannabis Regulation and Safety Act (MCRSA)
  • Created regulatory framework for licensing and enforcement of medical marijuana
BACKGROUND

  • Adopted to prohibit marijuana cultivation, marijuana processing, and delivery or distribution of marijuana or medical cannabis products in the city

- Nov. 2016 – Proposition 64: Adult Use of Marijuana Act (AUMA)
  • Legalized recreation use of marijuana and established regulatory and taxing schemes for commercial nonmedical marijuana
June 2017 – SB 94 Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)
  • Merged MCRSA and AUMA to establish a single system to control and regulate medical and nonmedical commercial cannabis

Sept. 2017 – AB 133
  • Technical amendments to regulatory scheme

Federal Law
  • Marijuana remains illegal
Glendale Municipal Code section 9.10.020 prohibits:
- A medical marijuana dispensary or marijuana dispensary
- Marijuana cultivation (indoor and outdoor)
  - Note: Under Prop. 64, indoor cultivation of up to 6 plants per residence is now permitted
- Marijuana processing
- Delivery or distribution of marijuana or medical marijuana products

Glendale Municipal Code section 30.10.070 N prohibits the above uses, as defined in Section 9.10.020, in all zoning districts within the City
PROPOSITION 64

- Proposition 64 legalizes recreational marijuana under state law and establishes certain sales and cultivation taxes.
- Approved by California Voters and was effective as of November 9, 2016.
- State Election Results
  - Yes – 57% (7,979,041)
  - No – 43% (5,987,020)
- Glendale Election Results
  - Yes – 55% (33,845)
  - No – 45% (27,942)
PROP. 64: GLENDALE VOTING OVERVIEW

- Glendale Election Results
  - Yes – 55% (33,845)
  - No – 45% (27,942)
States where marijuana has been legalized for commercial and medicinal use:
- California, Oregon, Washington, Colorado, Alaska, Maine, Nevada, and Massachusetts

States where marijuana has been legalized for medicinal use:
PROP. 64: WHAT IS LEGAL?

- Indoor cultivation of up to 6 plants and keeping the harvest
- Public possession of up to 28.5 grams of cannabis or 8 grams of concentrated cannabis
- Buying licensed, commercial cannabis*
- Licensed retailers selling recreational cannabis*

*As of 2018
PROP. 64: WHAT IS ILLEGAL?

- The possession or use of cannabis by anyone under the age of 21
- Consuming cannabis or cannabis products in any public place
- Consuming cannabis in a vehicle or driving under the influence of cannabis
- Buying or selling unlicensed cannabis
### CURRENT ENFORCEMENT PERTAINING TO USE, POSSESSION & GROWTH OF CANNABIS

<table>
<thead>
<tr>
<th>Age</th>
<th>Classification</th>
<th>Quantity</th>
<th>Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any Age</td>
<td>Infraction</td>
<td>In any Public Place</td>
<td>11362.3(a)(1) H&amp;S</td>
</tr>
<tr>
<td>Any Age</td>
<td>Infraction</td>
<td>In a place where smoking a tobacco product is prohibited</td>
<td>11362.3(a)(2) H&amp;S</td>
</tr>
<tr>
<td>Any Age</td>
<td>Infraction</td>
<td>Within 1000 ft. of a School, day care or youth center</td>
<td>11362.3(a)(3) H&amp;S</td>
</tr>
<tr>
<td>Any Age</td>
<td>Infraction</td>
<td>Open container or package (driver/passenger) in a vehicle</td>
<td>11362.3(a)(4) H&amp;S</td>
</tr>
<tr>
<td>Any Age</td>
<td>Infraction or Misdemeanor ***</td>
<td>Possess, smoke, ingest upon school, day care, youth center</td>
<td>11362.3(a)(5) H&amp;S</td>
</tr>
</tbody>
</table>

*** Violation of 11362.3(a)(5) H&S is punishable in the same manner as a violation 11357(c) H&S or 11357(d) H&S
## CURRENT ENFORCEMENT PERTAINING TO USE, POSSESSION & GROWTH OF CANNABIS

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<tbody>
<tr>
<td><strong>Smoking in Public (Cannabis and Related Products)</strong></td>
<td></td>
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</tr>
<tr>
<td>Under 18 Years of Age</td>
<td>Infraction</td>
<td>Not more than one ounce (28.5 grams) and/or 4 grams of concentrated cannabis</td>
<td>11357(a)(1) H&amp;S</td>
</tr>
<tr>
<td>From 18-20 Years of Age</td>
<td>Infraction</td>
<td>Not more than one ounce (28.5 grams) and/or 4 grams of concentrated cannabis</td>
<td>11357(a)(2) H&amp;S</td>
</tr>
<tr>
<td>Under 18 Years of Age</td>
<td>Infraction</td>
<td>More than one ounce (28.5 grams) and/or 4 grams of concentrated cannabis</td>
<td>11357(b)(1) H&amp;S</td>
</tr>
<tr>
<td>18 Years of age or older</td>
<td>Misdemeanor</td>
<td>More than one ounce (28.5 grams) and/or 4 grams of concentrated cannabis</td>
<td>11357(b)(2) H&amp;S</td>
</tr>
<tr>
<td>18 Years of age or older on School Grounds</td>
<td>Misdemeanor</td>
<td>Not more than one ounce (28.5 grams) and/or 4 grams of concentrated cannabis</td>
<td>11357(c) H&amp;S</td>
</tr>
<tr>
<td>Under 18 Years of Age on School Grounds</td>
<td>Infraction</td>
<td>Not more than one ounce (28.5 grams) and/or 4 grams of concentrated cannabis</td>
<td>11357(d) H&amp;S</td>
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With the exception of 11357(c) H&S and 11357(d) H&S (school grounds) a person who is at least 21 years of age or older may legally possess Marijuana or Concentrated Cannabis for personal use as long as they stay within the statutory weight limits. The statutory weight limits are not more than one ounce (28.5 grams) of Cannabis (dried material) or 4 grams of Concentrated Cannabis.
CURRENT ENFORCEMENT PERTAINING TO USE, POSSESSION & GROWTH OF CANNABIS

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<tr>
<td><strong>Possession of Marijuana /Concentrated Cannabis for Sale</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Under 18 years of age</td>
<td>Infraction</td>
<td>Possession for sale</td>
<td>11359(a) H&amp;S</td>
</tr>
<tr>
<td>18 years of age and older</td>
<td>Misdemeanor</td>
<td>Possession for sale</td>
<td>11359(b) H&amp;S</td>
</tr>
<tr>
<td>18 years and older with specific felony conviction(s) ***</td>
<td>Wobbler</td>
<td>Possession for sale</td>
<td>11359(c)(3) H&amp;S</td>
</tr>
<tr>
<td>18 years and older</td>
<td>Wobbler</td>
<td>Using a person under 21 years of age to sell (sales)</td>
<td>11359(d) H&amp;S</td>
</tr>
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*** Suspect must have one or more prior convictions for an offense listed in Penal Code Section 667(e)(2)(C). These violations are sometimes referred to as "Super Strikes."

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<tr>
<td><strong>Cultivation of Marijuana</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 18 years of age</td>
<td>Infraction</td>
<td>Cultivates any amount</td>
<td>11358(a) H&amp;S</td>
</tr>
<tr>
<td>Between 18 &amp; 20 years of age</td>
<td>Infraction</td>
<td>Not more than six plants</td>
<td>11358(b) H&amp;S</td>
</tr>
<tr>
<td>18 years and older</td>
<td>Infraction</td>
<td>Cultivates more than six plants</td>
<td>11358(c) H&amp;S</td>
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<tr>
<td>18 years and older with specific felony conviction(s) ***</td>
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<td>Under 18 years of age</td>
<td>Infraction</td>
<td>Transports, sells, imports, or gives away Marijuana</td>
<td>11360(a)(1) H&amp;S</td>
</tr>
<tr>
<td>18 years of age and older</td>
<td>Misdemeanor</td>
<td>Transports, sells, imports, or gives away Marijuana</td>
<td>11360(a)(2) H&amp;S</td>
</tr>
<tr>
<td>18 years and older with specific</td>
<td>Wobbler</td>
<td>Transports, sells, imports, or gives away Marijuana</td>
<td>11360(a)(3) H&amp;S</td>
</tr>
<tr>
<td>felony conviction(s) ***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any Age</td>
<td>Infraction</td>
<td>Gives away or transports less than one ounce (28.5 grams)</td>
<td>11360(b) H&amp;S</td>
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WHERE DO WE GO FROM HERE?

- In January 2018, the state will begin accepting applications for licenses for commercial cannabis activities

- Staff recommends Council provide direction on:
  - Regulation of personal indoor cultivation, which is permitted under state law
  - Outdoor cultivation, which is currently prohibited under city ordinance
  - Prohibition or regulation of commercial cannabis activities and uses
WHERE DO WE GO FROM HERE?

- If Council desires to maintain the ban on commercial cannabis activities, staff recommends code clean up to clarify and update the definitions and code references to be consistent with state law.

- If the Council decides to permit and regulate any of the uses or activities currently prohibited in the Zoning Code, Council would need to direct staff initiate code amendments.

- In either case, staff would initiate code amendments that would be reviewed by the Planning Commission and ultimately need approval by four-fifths vote of the City Council.
PERSONAL OUTDOOR CULTIVATION

- Cities may regulate or prohibit outdoor cultivation at a residence
- Currently, the GMC expressly prohibits marijuana cultivation of any kind
- If Council wishes to consider personal outdoor cultivation, staff recommends regulating such activity by standards for location, setback, visibility, odor, maximum height, and security
PERSONAL INDOOR CULTIVATION RECOMMENDATIONS

- Should be permitted only within fully enclosed and secure structures inaccessible to minors, and should not be visible from a public right-of-way.

- Must comply with Building Code; lighting / wattage not to exceed ordinance; use of gas products prohibited; must have proper ventilation; proper plumbing; and should not create a humidity or mold problem.

- Cultivation should not be conducted in a manner that constitutes a public nuisance (e.g., light, glare, heat, noise, odor, or vibration that interferes with the reasonable enjoyment of life or property).

- Should not displace required off street parking.

- Accessory structures must comply with setback requirements.
COMMERCIAL CANNABIS ACTIVITIES

- Local agencies may permit, conditionally permit, or prohibit medical and recreational cannabis uses and activities.

- State will begin issuing licenses in January 2018.
  - Bureau of Cannabis Control
  - Department of Food and Agriculture
  - Department of Public Health
STATE LICENSING

- All nonmedical cannabis businesses must have a state license
- State license cannot be issued to an applicant whose operations would violate provisions of any local ordinance or regulation
- State licenses are valid for one year
- Separate license required for each business location
STATE LICENSING

- Licenses – 20 different license types
  - Cultivation (14 types)
  - Manufacturer (2 types)
  - Distributor (1 type)
  - Testing laboratory (1 type)
  - Retailer (1 type) [includes delivery services]
  - Microbusiness (1 type)

- Except for laboratory testing, each license issued by the state will have an “M” or “A” to indicate whether it is a medical or adult use license
RETAIL PREMISES

- Cannabis retailers may not sell alcoholic beverages or tobacco products on or at any premises licensed for commercial cannabis activity.

- Any license issued shall not be located within a 600 foot radius of a school, day care center, or youth center.
  - See Exhibit 2 of report for map.

- Council has discretion to specify a different radius.
Delivery services may be regulated or banned within a city’s limits.

A city cannot prohibit transportation on public roads through its jurisdiction.

Delivery services are only authorized for licensed retailers, microbusinesses, and licensed nonprofits.

Delivery businesses can operate from a physical location closed to the public.
ADVERTISING

- Advertising in broadcast, cable, radio, print and digital communications is allowed under state law.
- Advertising may not be targeted to those under the age of 21.
- Licensees shall not advertise within 1,000 feet of a day care center, school, or youth center.
STATE TAX

- Excise tax is 15 percent of the average market price of any retail sale by a cannabis retailer
- The excise tax is in addition to the sales and use tax imposed by state and local governments
- The law also imposes a cultivation tax of $9.25/dry-weight ounce (flowers) and $2.75/dry-weight ounce (leaves) on the privilege of cultivating cannabis
- Local agencies that ban cultivation or retail sales of cannabis are not eligible for grants from taxes generated
PROP. 64 SURVEY OVERVIEW

- Launched on Jan. 3, 2017
- Total Submissions Received: 1,919
- Removed duplicates and outside submissions
- Adjusted Total Submissions Received: 1,583
Did you vote in favor of Prop. 64?

- Yes: 48%
- No: 44%
- Did Not Vote: 8%
We should maintain a local ban that prohibits dispensaries, outdoor cultivation, marijuana processing and distribution.

Generally Agree 52%
Generally Disagree 48%
Do you support the opening of a retail marijuana store or dispensary?

- Yes: 47%
- No: 53%
If you support the retail sale of marijuana, where would you prefer to see the storefront located?

- Industrial Zones: 25%
- Commercial Zones: 25%
- Downtown Specific Plan: 20%
- Industrial/Commercial Mixed Use: 30%
SUMMARY OF COMMENTS

- Support of continuing the ban
- Support of allowing and regulating commercial cannabis
OTHER CITIES

- **Los Angeles**
  - Allows for a variety of medical cannabis activities
  - Currently drafting an ordinance that would allow for retail recreational cannabis

- **Long Beach**
  - Has allowed for a variety of medical cannabis activities
  - Have a tax in place should they allow for recreational cannabis businesses

- **Beverly Hills**
  - Banned all elements of cannabis activities, but allows for delivery of medical cannabis

- **Lancaster**
  - Permitted a maximum of 5 indoor commercial cultivation businesses for medical cannabis only
  - Banned recreational commercial cultivation and retail sale
**OTHER CITIES**

**Burbank**
- On Nov. 7, introduced an ordinance to ban commercial cannabis activities for the current fiscal year
- Staff is directed to return next year after analyzing the pros and cons to assist in making a more informed decision.

**Pasadena**
- On Nov. 6, reinforced their ban on marijuana dispensaries
- Like Burbank, they directed staff to return next year after evaluating how other cities fared

Both cities have allowed medical marijuana deliveries
END