



City of Santa Monica California

Staff Report 1794

Study Session on Cannabis Regulations

Information

Department:	Planning and Community Development	Sponsors:
Category:	04. Study Sessions	

Attachments

[Printout](#)
[League of California Cities Medical-Marijuana-Revisited-May 2016](#)
[League of California Cities AUMA-Memo September 26 2016](#)
[League of California Cities AUMA-FAQ_Updated-on-November-22](#)
[Cannabis License Types](#)
[Other Relevant Legislation](#)
[Legalized Marijuana Practical Guide for Law Enforcement](#)
[2016 FINAL Legalization of Marijuana in Colorado The Impact](#)
[Written Comments](#)
[Powerpoint Presentation](#)

Recommended Action

Recommended Action

Staff recommends that the City Council:

1. Direct staff to draft an ordinance to create a regulatory permit and selection process for medical cannabis dispensaries;
2. Direct staff to draft an ordinance prohibiting commercial cannabis related business activities; and
3. Direct staff to draft an ordinance to amend the Santa Monica Municipal Code to address changes in State law related to cannabis regulations.

Staff Report Body

Executive Summary

In 2015, two medical cannabis dispensaries were authorized by the Zoning Ordinance (ZO). Due to the rapid changes in State law governing cannabis regulations, the City has not accepted applications to operate a medical cannabis dispensary. Staff recommends that Council direct staff to establish a regulatory permit and selection process with objective criteria for the two dispensaries envisioned by the ZO, in addition to the required Conditional Use Permit (CUP).

Due to current Planning and Community Development priorities and the uncertainties around how recreational marijuana legalization will play out, staff also recommends that Council direct staff to draft an ordinance prohibiting commercial cannabis related business activities and to update the

Zoning Ordinance to address changes in State law related to cannabis regulations. The Council could revisit this in the future based on experience in other communities.

Background

In 1996 California voters passed the California Compassionate Use Act (CUA), which appeared on the ballot as Proposition 215, creating a limited immunity for individuals who used cannabis for medical purposes to use in court if they get arrested and calling on the legislature to regulate distribution. The legislature cannot change this immunity.

In 2003 the State adopted Senate Bill 420, also known as the Medical Marijuana Program Act (MMPA), broadened the CUA to certain transportation related and other offences, provided limited immunity for groups of patients who form “collectives” or “cooperatives”, and created a voluntary state ID card program to identify qualified patients who register with the program.

Of course, despite the limited California State legalization, marijuana remains a Schedule I Controlled Substance under Federal law. This means that private possession, use, or distribution of marijuana remains, and continues to remain, illegal for all purposes, including medical purposes. In 2013 the United States Attorney General’s Office issued what is referred to as the “Cole Memo^[1]” that it will not interfere with state laws that include “robustly enforced” “strict regulations”

On June 23, 2015, City Council adopted an update to the Comprehensive Zoning Ordinance (ZO) which authorized two medical cannabis dispensaries no larger than 2,500 square feet with the issuance of a Conditional Use Permit (CUP). Distancing requirements from certain sensitive uses such as schools and day care facilities were established among other regulations. The two dispensaries were also limited to the following Mixed-Use and Commercial District locations:

- Mixed-Use Boulevard District along Wilshire Boulevard between Lincoln Boulevard and Centinela Avenue;
- General Commercial District along Santa Monica Boulevard between Lincoln Boulevard and 20th Street; and
- Mixed-Use Boulevard Low District along Santa Monica Boulevard between 23rd Street and Centinela Avenue.

The ZO defines “Medical Marijuana Dispensary” as:

Any facility, building, structure, or fixed location where one or more qualified patients and/or persons with identification cards and/or primary caregivers cultivate, distribute, sell, dispense, transmit, process, exchange, give away, or otherwise make available marijuana for medical purposes. The terms “primary caregiver”, “qualified patient”, and “person with an identification card” shall be as defined in California Health and Safety Code Section 11362.5 et seq.

Medical Cannabis Regulation and Safety Act

In October 2015, the California State Legislature passed and the Governor signed the Medical Cannabis Regulation and Safety Act^[2] (MCRSA) which was comprised of three bills (Assembly Bills

243 and 266, and Senate Bill 643). This Act created for the first time a comprehensive regulatory framework for medical cannabis, including cultivation, distribution, manufacturing, testing, and sale. The regulation of this full supply chain of activities for cannabis is commonly referred to as “seed to sale” regulations by the industry. MCRSA is more far reaching than the CUA and MMPA, which merely provided state law immunity to qualified patients and primary caregivers, but did not regulate the cannabis market itself.

MCRSA mandates that state agencies set up extensive rules and systems to regulate and control the cannabis market. MCRSA establishes the Bureau of Medical Cannabis Control (BMCC) under the Department of Consumer Affairs, which is responsible for administering and enforcing MCRSA, including the writing of rules that will govern the medical cannabis marketplace. MCRSA grants licensing authority to the Department of Food and Agriculture and the Department of Public Health. It ends the current collective/cooperative model by sunseting SB 420 one year after the Bureau of Medical Cannabis Control posts a notice on its website that licenses are being issued. After that date, all medical cannabis collectives will have to be licensed.

The League of California Cities' *Medical Marijuana – Revisited After New State Laws*, which was delivered on May 4, 2016 at the League's City Attorney Spring Conference is provided as Attachment A.

Adult Use of Marijuana Act (AUMA) / Proposition 64

On November 8, 2016, California voters approved Proposition 64, known as the Adult Use of Marijuana Act, with 57.13% of voters supporting the initiative. Within Los Angeles County 59.54% supported the initiative, and in Santa Monica, the initiative was supported by 71% of voters.

The AUMA took effect November 9, 2016, immediately following the election. Under AUMA a person 21 years of age or older may now possess, process, transport, purchase or give away (to persons 21 years of age or older) not more than 28.5 grams^[3] of cannabis in the non-concentrated form and not more than 8 grams of cannabis in a concentrated form including cannabis products like edibles and extracts. Smoking is allowed in a private home or at a business licensed for on-site cannabis consumption, and also allows legal possession of cannabis accessories.

AUMA does not allow for commercial sales without both a state and local permit, and clearly provides that local jurisdictions continue to have full authority to regulate or prohibit any business establishment selling recreational cannabis.

Although AUMA authorizes adults in California to legally possess, use, and transport recreational cannabis, there is currently no legal business in the state to purchase recreational cannabis, since licensed medical dispensaries are not allowed to sell recreational cannabis (i.e. to persons who do

not have the required physician's recommendation to purchase medical cannabis). Though out-of-state residents can legally purchase recreational cannabis under AUMA, they too may not do so until state and local licensing begins, as currently licensed medical dispensaries may only dispense medical cannabis to California residents for medical use. At this point in time a person may use it, give it, and grow it; but they may not sell it.

Under AUMA, a person may not:

- Consume cannabis in a business establishment unlicensed for such use;
- Smoke cannabis anywhere smoking tobacco is prohibited;
- Smoke cannabis within 1,000 feet of a school, day care, or youth center while children are present (except in a private residence);
- Possess cannabis on the grounds of a school, day care center, or youth center while children are present;
- Possess an open container while driving or riding in a car, boat, or other vehicle; or
- Consume cannabis while driving or riding in a vehicle (except where local ordinances allow it).

AUMA provides that local jurisdictions may impose additional "reasonable regulations" on personal cultivation outdoors. Under AUMA, however, local jurisdictions may not prohibit indoor personal grows of up to 6 plants in a private residence or inside an "accessory structure" on the grounds of a private residence that is "fully enclosed and secure."

AUMA's stated purpose and intent is to "take nonmedical cannabis production and sales out of the hands of the illegal market and bring them under a regulatory structure that prevents access by minors and protects public safety, public health, and the environment", and control cultivation, processing, manufacture, distribution, testing and sale of nonmedical cannabis..." including requiring state agencies to establish a program that is nearly identical to MCRSA.

The League of California Cities issued a memorandum dated September 26, 2016, titled *The Control, Regulate, and Tax Adult Use of Marijuana Act* (Attachment B). It is important to note that the document was issued prior to the passage of AUMA by the voters. The League of California Cities also published a document on frequently asked questions regarding AUMA which was issued on November 16, 2016, after the initiative was passed by the voters (Attachment C).

Key Licensing Provisions of Cannabis Regulations under AUMA and MCRSA

Both MCRSA and AUMA establish six nearly identical license categories. Some of the differences include:

- Under MCRSA the retail sales permit is called "Dispensary" and under AUMA it is called "Retailer";
- AUMA did not create a separate "Transporting" permit as MCRSA does, instead this activity is covered under the "Distribution" license;
- MCRSA contains a "Specialty Cottage" cultivation license to accommodate "micro farmers".

- AUMA created a category of cannabis businesses called “microbusinesses” which is not included under MCRSA. A “microbusiness” is defined as a small operator with cultivation space not exceeding 10,000 square feet. A microbusiness license would allow holders to cultivate cannabis and act as a licensed distributor, Level 1 manufacture (using either nonvolatile solvents or no solvents), and retailer all under one license.

Following are the license categories that currently exist:

MCRSA		AUMA	
Category	Type	Category	Type
Cultivation	1-4	Cultivation	1-5
Manufacturing	6-7	Manufacturing	6-7
Testing	8	Testing	8
Dispensary	10	Retailer	10
Distribution	11	Distribution	11
Transporting	12		
N/A	N/A	Microbusiness	12

Within the categories, MCRSA established a total of 17 license types and AUMA established a total of 19 license types. Attachment D provides a detailed comparison of the various licenses. Both medical and recreational cannabis business activities will require permitting and licensing by both the relevant state authorities and the local jurisdiction.

Taxes

MCRSA did not create any new taxes for cannabis businesses, however the tax scheme created by AUMA will apply to medical cannabis in addition to recreational cannabis. All businesses (for-profit and nonprofit) operating pursuant to MCRSA are required to have a seller’s permit with the State Board of Equalization. The following graph provides an outline of the taxes under both MCRSA and AUMA.

Tax	Medical Cannabis (Licensed under MCRSA)	Recreational Cannabis (Licensed under AUMA)
Sales and Use Tax* Effective November 9, 2016	Exempt	10.5% (Santa Monica)

Excise Tax Effective January 1, 2018	15% Excise tax on gross receipts for both medical and recreational cannabis. The excise tax would be imposed on purchasers of cannabis or cannabis products sold in California.
Cultivation Tax Effective January 1, 2018	Tax on all harvested medical and recreational cannabis that enters the commercial market. Tax does not apply to cannabis cultivated for personal use or cultivated by a qualified patient or primary caregiver. Tax is calculated as follows: <ul style="list-style-type: none"> • Cannabis flowers: \$9.25 per dry-weight ounce • Cannabis leaves: \$2.75 per dry-weight ounce

**AUMA requires that a study be conducted by January 1, 2018, to determine whether nonprofit recreational cannabis businesses should also be exempt from the state taxes and fees.*

Any cannabis businesses operating within Santa Monica would also be subject to all Business License requirements outlined in Article 6 of the Santa Monica Municipal Code. As such, a for-profit cannabis retailer, whether for medical or commercial uses, would be classified as Tax Rate Group 1 Retail business under Section 6.08.140 of the Santa Monica Municipal Code and would therefore be required to pay \$1.25 for each \$1,000 or fraction thereof of gross receipts in excess of \$60,000 in addition to a \$75 minimum tax on receipts up to \$60,000. For example, a business that report \$1,000,000 in gross receipts for the tax year would be required to pay \$1,255 in business license tax.

Local governments can impose additional taxes on cannabis businesses, however, imposing any new taxes would require voter approval.

The State also adopted several other bills to augment MCRSA and AUMA and new legislation has been introduced that is currently pending in the legislature. (Attachment E).

Discussion

For the purpose of this report the term cannabis is used interchangeably with marijuana. It is also intended to mean cannabis in raw plant form (i.e. flower, bud) and processed forms (e.g. edibles, beverages, extracts, topicals, etc.).

The laws regarding cannabis are complicated and conflicting. Laws differ dramatically from state to state, between states and the federal government, and between the MCRSA and AUMA within California. Most importantly, cannabis remains illegal under federal law. Recently, federal officials have made statements to indicate that they may view state authorized medical marijuana use differently than recreational marijuana use for enforcement purposes.

As of November 9, 2016, the use of both recreational and medical cannabis has been entirely legalized in Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon and Washington. The District of Columbia has also fully legalized recreational and medical cannabis, but the sale of cannabis for recreational use is currently blocked by Congress. For the remaining states, laws vary widely with some states only legalizing the non-psychoactive form of cannabis (i.e. CBD).

Medical cannabis has been distributed in a “retail” setting through dispensaries in California since the voters adopted the Compassionate Use Act (i.e. Proposition 215) in 1996. A person must demonstrate that they have a physician recommendation^[4] to use cannabis due to a medical condition.

The Department of Consumer Affairs (DCA) is currently in the process of establishing the Bureau of Medical Cannabis Regulation (bmcr.ca.gov) which will regulate various aspects of the cannabis market for both medical and recreational cannabis businesses, including cultivation, transporting, distribution, manufacturing, packaging, labeling, testing, and retail sales. The California Department of Food and Agriculture (CDFA) has begun establishing the Medical Cannabis Cultivation Program (MCCP) to develop regulations for cultivation. The California Department of Public Health (CDPH) has begun establishing the Office of Manufactured Cannabis Safety (OMCS) but has not produced any publications to date. The following chart provides a high level summary of the administrative structure for establishing the regulatory scheme:

Bureau of Cannabis Regulation (Lead Agency)	<ul style="list-style-type: none"> • Distributors • Dispensaries • Transporters
Department of Food and Agriculture	<ul style="list-style-type: none"> • Cultivation • Track and Trace
Department of Public Health	<ul style="list-style-type: none"> • Manufacturing • Testing

State agencies are also currently establishing rules to govern the market which means the state of cannabis regulations for both medical and recreational businesses are far from settled and will likely continue to develop for the next several years.

Enforcement Challenges and Compliance

Regardless of the action taken by Council on recreational cannabis related business activities within Santa Monica, enforcement and regulatory staff will still need to be prepared for the unfolding impacts of legalization statewide. The legalization of cannabis has brought increased challenges and costs

for law enforcement. Particularly since Los Angeles borders Santa Monica, cannabis related tourism will also likely grow.

In preparation for this study session, staff attended the 2016 Marijuana Management Symposium, a gathering of regulators, law enforcement personnel, elected officials, public health officials, and tourism staff. Denver has seen a decrease in arrests but an increase in demands on police. The most common cannabis industry related crime in Denver is burglary, accounting for 63% of cannabis industry related crime in 2015.

Law enforcement representatives at the symposium emphasize a need to provide adequate and appropriate staffing for administration, inspections, and enforcement. For example, training of law enforcement personnel around issues related to driving while under the influence (THC or THC-Combination w/Alcohol); no reliable THC field-testing for sobriety exists currently as with alcohol[5].

Law enforcement representatives at the symposium also encouraged cities to obtain clear guidance from policy makers on the prioritization of enforcement. The Police Foundation and the Colorado Association of Chiefs of Police issued *Colorado's Legalization of Marijuana and the Impact on Public Safety: A Practical Guide for Law Enforcement*, which is provided as Attachment F.

If Council directs staff to move forward with the selection of the two medical dispensaries and due to the legalization of cannabis statewide, it will be critical for the City to establish:

- Procedures for monitoring compliance for any Medical Cannabis dispensaries that are approved to operate in Santa Monica;
- Training programs for police officers and other enforcement staff;
- Enforcement priorities

Additional staffing may be required to ensure that the cannabis program compliance and education programs in Santa Monica are being addressed. Staff will make any necessary proposals for staffing or resources related to regulating the two medical cannabis dispensaries with any future staff report that may be submitted to create a regulatory permit and selection process.

The Legalization of Marijuana in Colorado – The Impact (Volume 4), published in September 2016 by the Rocky Mountain High Intensity Drug Trafficking Area, Investigative Intelligence Unit[6] is also provided as Attachment G for additional information.

Licensing Options

The Zoning Ordinance currently requires that a medical cannabis dispensary obtain a Conditional Use Permit. The following chart outlines several options to regulate and permit cannabis dispensaries.

A	Conditional Use Permit (CUP) only	Existing local law currently requires a Medical Cannabis Dispensary to obtain a CUP.	CUP is approved by the Planning Commission. A CUP may be appealed to or by City Council.	A CUP runs with the land, and does not allow for a vetting process to select each successive business operator. It only allows the City to grant or deny the CUP as a land use entitlement to the property based on objective factors. Would only allow for either a “first come, first served” or lottery selection process.
B	Conditional Use Permit w/Regulatory Permit	Existing local law currently requires a Medical Cannabis Dispensary to obtain a CUP.	CUP is approved by the Planning Commission. A CUP may be appealed to or by City Council. A regulatory permit is approved by City Staff and appealable to a Hearing Examiner.	In addition to the CUPs discretionary entitlement process, a regulatory permit would allow the City to vet and approve each successive operator based on objective factors. The City could create a selection process or rely on a “first come, first served” or lottery system process. A regulatory permit provides staff with effective means for enforcement of regulatory requirements.
C	Development Agreement (DA)	The law currently does not require a Medical Cannabis Dispensary to obtain a DA. A change to the Zoning Ordinance would be required to implement this option.	DAs are approved by City Council which receives recommendations from the Planning Commission.	Similar to a CUP, a DA runs with the land and does not allow for a vetting process to select each successive business operator. . The DA process is time consuming. Additionally, DAs are somewhat more difficult to enforce through administrative enforcement or police enforcement means.

Staff recommends that Council direct staff to implement option B and draft an ordinance to create the regulatory permit for medical cannabis dispensaries with an objective selection process for an operator to obtain a Medical Cannabis Dispensary operating permit. Staff recommends that the Medical Cannabis dispensaries be required to obtain the Medical Cannabis Dispensary permit prior to submitting a CUP application. Staff recommends that the selection process include a defined application period where the City would accept applications. Those applications would be reviewed

based on objective permit criteria related to the proposed operator's business experience, proposed operations, and reputations of the applicants. Land Use and related location/size considerations would be addressed as part of the CUP application process. The Regulatory Permit application and criteria envisioned would likely include:

- Names and addresses of any person with a financial interest in the dispensary, including but not limited to all principals, officers, or managers.
- Names and address of any person responsible for the dispensary activities, including employees, if any.
- Authorization to conduct background check on all individuals associated with the dispensary as determined by the Police Department[7].
- A description of the intended business plan, including intent to operate as non-profit or for-profit business, any plans for including cultivation on site.
- A description, of any proposals that would benefit the community.
- Detailed financial information, including information on existing and proposed loans and lenders.
- Names and addresses of current and proposed suppliers for cannabis products proposed to be sold.
- Names and addresses of current and proposed testing facilities to be used to ensure quality and potency and a full description of the quality control/testing protocols to be followed and labeling to be used. (*note: this provision is conditional on when the state begins issuing licenses for testing facilities and standards for such testing and quality control*)
- Copies of articles of organization or incorporation.
- A listing of all other cannabis related business locations owned and/or operated by applicant, including any person with a financial interest in the dispensary, along with copies of any operating permits for each of the locations
- A description of the proposed security plan. (Note: The Zoning Ordinance currently requires an applicant to submit a security plan, however, staff recommends moving this requirement to be part of the regulatory permit for more effective enforcement. The dispensary would also be required to update the security plan once a location was identified and updated periodically throughout the time the dispensary is permitted.)

Applicants would likely be disqualified if:

- Any person associated with the application has made one or more false or misleading statements, or omissions on the application or during the application process;
- If any person associated with the application has been convicted of a felony, or convicted of a misdemeanor involving moral turpitude, or the illegal use, possession, transportation, distribution or similar activities related to controlled substances, with the exception of

marijuana related offenses for which the conviction occurred prior to passage of the Compassionate Use Act. A conviction would include a plea or verdict of guilty or a conviction following a plea of nolo contendere (i.e. "no contest")

- If any person with a financial interest, principals, officers, managers, or any person responsible for the dispensary activities has been convicted of any unlawful, fraudulent, unfair, or deceptive business acts or practices. A conviction would include a plea or verdict of guilty or a conviction following a plea of nolo contendere (i.e. "no contest");
- If any person with a financial interest, principals, officers, managers, or any person responsible for the dispensary activities has operated a marijuana dispensary, cooperative, or collective without a permit issued or approved by the governing jurisdiction and/or has refused or failed to comply with any order or instruction any jurisdiction to cease such operation.

Staff recommends that the Director of Planning and Community Development, or designee, make the decision to grant or deny the Medical Dispensary Permit based on the recommendations of an evaluation committee, created by the Director of Planning and Community Development. The committee is proposed to be made up of representatives from various City departments such as Planning and Finance, as well as enforcement staff and individuals with expertise within the cannabis industry. The Director's decision would be appealable to a City Hearing Officer, consistent with existing law. Following the issuance of the Medical Cannabis Dispensary Permit, the applicant would then be required to apply for a Conditional Use Permit for the specific location proposed, Santa Monica Business License, and any necessary state permits. Staff also recommends that all employees of the dispensary be required to undergo a California Department of Justice criminal fingerprinting LiveScan background check prior to being able to begin working within the dispensary, and throughout the time the dispensary is permitted.

Commercial Recreational Cannabis and State Law Changes

The City has not been accepting applications for medical cannabis dispensaries pending the establishment of a selection process and a regulatory framework, and in anticipation of changes to State law. Subsequent to the adoption of the ZO, new state laws regulating cannabis were adopted, including the Medical Cannabis Regulation and Safety Act (MCRSA) and the Adult Use of Marijuana Act (AUMA). These new laws have significantly changed the legal landscape since the ZO was adopted in June 2015, which necessitates updates to the ZO to conform to state law.

The state is required by AUMA to begin issuing operating licenses to cannabis businesses by January 1, 2018. Although there have been some suggestions that there could be delays, until the state law is changed, this is the expected date for the state to begin issuing permits.

Both MCRSA and AUMA allow local jurisdictions to ban or regulate any type of medical or recreational cannabis business licensed under the laws. This includes banning all cannabis sales or

banning just recreational cannabis businesses but allowing medical cannabis. MCRSA requires medical cannabis businesses to obtain both a state license and a permit from their local government; however, while the AUMA does not explicitly require a local permit, it does reserve to local jurisdictions the right to regulate, license or prohibit commercial recreational marijuana related uses.

Due to the difficulty in expressly prohibiting or permitting every possible unlawful or lawful use, the Santa Monica ZO is established under the principles of permissive zoning, meaning that the ZO expressly lists permitted uses and prohibited uses. Any other uses not listed are presumed to be prohibited. The AUMA does not contain the same protective language as MCRSA with respect to permissive zoning, and to provide greater certainty, if Council desires ban commercial recreational cannabis activities (including commercial deliveries of recreational cannabis) or may consider allowing but regulating such activities in the future, staff recommends that Council adopt an express prohibition.

Due to the current work plan of the Planning and Community Development Department and to allow time for staff to implement the changes needed to implement the two medical dispensaries envisioned by the ZO, staff recommends that Council direct staff to draft an ordinance prohibiting all recreational commercial cannabis business activities (including commercial deliveries of recreational cannabis). Staff also recommends that Council direct staff to amend the Zoning Ordinance to align with recent changes in State law.

Alternative Options

Staff recommends that Council direct staff to prepare an ordinance prohibiting commercial cannabis related business activities, however, Council could choose to direct staff to:

1. Return with a more comprehensive study session on potential cannabis related business activities and land uses for both recreational and medical operations; or
2. Return with a limited review to consider authorizing certain additional low impact cannabis related business activities, such as testing and manufacturing that does not include volatile solvents, since the current definition of Medical Marijuana Dispensary arguably allows for testing and manufacturing currently, and changes to the definitions will be necessary to align with state law.

Next Steps

Depending on the guidance and direction provided by Council on key areas noted above, staff will initiate specific projects to implement that direction and return with any necessary ordinance and/or resolutions.

Should Council direct staff to draft an ordinance banning recreational sales of cannabis, various amendments to the ZO would still be proposed to reconcile local law with state law for the purpose of

licensing medical cannabis business, including the two dispensaries currently envisioned.

[1] The status of the Cole Memo is unclear as the current administration could choose to revoke the memo at any time.

[2] The Medical Cannabis Regulation and Safety Act (MCRSA) was originally titled Medical Marijuana Regulation and Safety Act. On June 27, 2016, Senate Bill 837 was adopted to amend certain areas of the MCRSA, including changing the name of the Medical Marijuana Regulation and Safety Act, to the Medical Cannabis Regulation and Safety Act. All references to medical marijuana or marijuana throughout the bill are also changed to medical cannabis or cannabis. These changes reflect the legislature's recognition of the industry's preference for the term "cannabis" over "marijuana" or "marihuana"

[3] 28.5 grams is the equivalent of 1 ounce.

[4] A physician may recommend marijuana, however, federal law prohibits a physician from issuing a "prescription".

[5] The detection of any THC in blood is not an indicator of impairment but only indicates presence in the system. Detection of delta-9 THC, one of the psychoactive properties of marijuana, may be an indicator of impairment (*source: Colorado Department of Public Safety Division of Criminal Justice Office of Research and Statistics*). In 2016 SB1462 was introduced to allow the use of an oral fluid screening test to determine the presence or concentration of drugs, to assist an officer in making a determination that a person was driving under the influence of drugs. The Senate Committee Appropriations staff report also notes that "there is currently no per se level at which a person is presumed intoxicated due to a controlled substance, and a standard level has not been established at which a person is presumed to be impaired."

[6] The High Intensity Drug Trafficking Area Program (HIDTA) is a component of former President Obama's National Drug Control Strategy which provides federal resources help eliminate or reduce drug trafficking. Law enforcement organizations within HIDTAs assess drug trafficking problems and design specific initiatives to reduce or eliminate the production, manufacture, transportation, distribution and chronic use of illegal drugs and money laundering.

[7] MCRSA does require that applicants obtain a local permit and proof of their legal right to occupy the proposed location. Applicants are required to submit to a Department of Justice fingerprint background check. Applicants may be denied for convictions such as violent or serious felonies, felonies involving fraud, deceit or embezzlement, any sanctions by a local licensing jurisdiction in the prior 3 years, or felony drug offences.

Meeting History

Mar 7, 2017 5:30 PM **City Council** **Special Meeting**

 **Draft**

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