

BILL SUMMARY & FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
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1. BILL SUMMARY

Legislation Title: A RESOLUTION concerning the creation of enforcement priorities for city departments regarding non-state-licensed marijuana establishments.

Summary and background of the Legislation: In the two and half years since Initiative 502 passed in Washington State, there has been an uncontrolled growth of non-state licensed marijuana businesses in Seattle. The number of non-state licensed marijuana storefronts has more than doubled since January 2013, going from 45 to 96 as of May 2015. For comparison purposes, the Washington State Liquor and Cannabis Board has limited the total number of recreational marijuana retail stores in the City of Seattle to 21.

Since the passage of the Initiative 692, the City of Seattle has allowed patients, caregivers and designated providers to meet the needs of the seriously ill in order to alleviate their pain and suffering with the medical use of cannabis. However, a doubling of storefronts in two and half years raises serious concerns that these stores are taking advantage of the tolerance the City has shown towards the medical marijuana community by providing marijuana for recreational purposes while circumventing the regulatory scheme for that product.

Among the concerns raised by community members, law enforcement and school district officials are: the increasing presence of marijuana edibles confiscated from students, armed robberies from dispensaries and dispensaries that are providing marijuana to persons without medical authorization.

The resolution creates a three-tiered enforcement priority scheme that directs City departments to address the highest priority public safety concerns raised by this unregulated segment of the marijuana market in Seattle, while still allowing reputable providers of medical marijuana to provide their services.

2. CAPITAL IMPROVEMENT PROGRAM

This legislation creates, funds, or amends a CIP Project.

3. SUMMARY OF FINANCIAL IMPLICATIONS

This legislation has direct financial implications.

The financial implications from this legislation are detailed in the Bill Summary & Fiscal Note for the companion Council Bill to create Chapter 6.500.

3.a. Appropriations

_____ This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/##*	2015 Appropriation Change	2016 Estimated Appropriation Change
TOTAL				

Appropriations Notes:

To implement this Resolution, the FAS and DPD Departments will need additional resources for the initial enforcement effort in 2015. Appropriations from this Resolution and the Council Bill to amend Section 5.55.230 of the Seattle Municipal Code are included in the Fiscal Note for the accompanying Council Bill to create a new Chapter 6.500 of the Seattle Municipal Code.

Additional resources needed for on-going compliance efforts will be requested as part of the 2016 Budget process.

3.b. Revenues/Reimbursements

_____ This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2015 Revenue	2016 Estimated Revenue
TOTAL				

Revenue/Reimbursement Notes:

None

3.c. Positions

_____ This legislation adds, changes, or deletes positions.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2015 Positions	2015 FTE	Does it sunset? (If yes, explain below in Position Notes)
TOTAL							

Position Notes:

Position additions from this Resolution and the Council Bill to amend Section 5.55.230 of the Seattle Municipal Code are included in the Fiscal Note in the accompanying Council Bill to create a new Chapter 6.500 of the Seattle Municipal Code.

4. OTHER IMPLICATIONS

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**
 No.
- b) **Is there financial cost or other impacts of not implementing the legislation?**
 Departments would remain unclear how to best address the complicated problem posed by non-state licensed marijuana establishments. As such, problems related to public safety, access by non-qualifying patients and teenagers would continue unabated.
- c) **Does this legislation affect any departments besides the originating department?**
 This resolution will serve as a guide for the Department of Finance and Administration, Department of Planning and Development, Seattle Police Department and other city departments as they structure enforcement of non-state licensed marijuana establishments.
- d) **Is a public hearing required for this legislation?**
 No.
- e) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
 No.
- f) **Does this legislation affect a piece of property?**
 No.
- g) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically**

disadvantaged communities?

Initiative 502 was passed in Washington State as a way to address the disproportionate impact criminal prosecutions for marijuana possession and distribution has on ethnic and low-income communities in the state. This legislation seeks to further that goal by creating greater authority for City departments to utilize civil code enforcement to avoid the negative consequences of enforcement of the criminal code alone.

h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.

When combined with the proposed marijuana regulatory business license, the main goal of this new effort at regulating marijuana establishments in Seattle is to close the approximately 54 non-state licensed storefronts that have opened since January 2013.

Another goal is to ensure that access to marijuana by those under 21 or non-qualifying patients from these unregulated establishments is significantly reduced or eliminated entirely. The combination of the enforcement resolution and the regulatory business license creates a path towards full legalization for approximately 45 non-state licensed marijuana establishments while making clear that approximately 54 have no such path and will need to close in the immediate future.

In addition, the resolution offers clear operating guidelines that the remaining 45 marijuana establishments will have to follow before becoming fully licensed by the state in July 2016.

i) Other Issues:

List attachments below: