

# Marijuana Legislative Proposals

---

**DAVID B. MENDOZA**

**OFFICE OF POLICY AND INNOVATION**



# State of the Seattle Market

- **502**
  - 14 retail locations now open
  - 7 retail locations pending
  - 25 fully licensed producer/processors
  - 70 pending producer/processors
- **Non-502 – (Approximate)**
  - 99 storefronts
    - 45 storefronts with business licenses issued before January 1, 2013
    - 54 storefronts without business licenses or issued on or after January 1, 2013
  - 72 producers, processors and delivery services with business licenses



# 1. Enforcement Resolution

## Tier 1:

- Distributing or delivering marijuana or marijuana infused products directly to anyone under 21 years old or people other than qualifying patients.
- Under law enforcement investigation for criminal violations or public safety concerns.
- Manufacture or distribute products that mimic trademark protected products or are otherwise appealing to children.
- Operating without a business license or with a business license obtained after January 1, 2013.

## Tier 2:

- Violation of City building, fire, or other codes.
- Engaged in delivery services of marijuana for medical purposes.
- Allow consumption of marijuana or marijuana infused products on their premises.

## Tier 3:

- Distributing marijuana that has not undergone microbial and potency testing.
- Located within 500 feet of another licensed or unlicensed marijuana establishment or are within 1000 feet of a school or playground.

## ENFORCEMENT PREFERENCE

- **City agencies will favor civil remedies to address compliance.**
- **Criminal sanctions may be imposed if civil remedies fail to gain compliance.**



## 2. Title 5 – Business License

- Change name from “Business License” to “Business License Tax Certificate”
  - Purpose to emphasize Title 5 as a tax registration and not authorization to engage in business.
- Amendment would allow the Director of FAS to reject or revoke the business license of any business that is:
  - Operating in violation of the law or
  - A type of business that requires a Title 6 regulatory business license and does not have or does not qualify for one.



# 3. Title 6 Regulatory Business License

- Limited to only those businesses that have received a license to produce, process or distribute marijuana by the WA State Liquor and Cannabis Board (LCB).
  - LCB rules for marijuana businesses would be incorporated in a way to allow the City of Seattle to enforce.
- Non-state-licensed marijuana establishments in compliance with MUCA and enforcement guidelines allowed continue to operate without a regulatory license until July 2016.
  - *Exemption only extended to those that opened before 1/1/13.*



# Future Legislation Major Marijuana Activity, Buffer Zone and Dispersion

- Major Marijuana Activity –
  - Align definition to reflect changes brought by SB 5052.
  - Individual and cooperative grows will only be allowed in residences.
  - Any other marijuana-related activity without a state-license or exemption until July 2016 will be considered MMA.
- Further changes dependent on passage of HB 2136.
  - Reduce buffer zones for non-school entities
  - Create buffer zone between marijuana retail



# Estimated 1<sup>st</sup> Year Financial Impacts

- FAS - \$553,000
- DPD - \$218,000
- SPD - \$56,000
  - **Approximate total cost - \$827,000**
    - Law, Fire and other departments are not included in this estimate but will also have significant costs related to enforcement.
- Potential Sources of Revenue
  - Share of MJ Excise Tax – Dependent of HB 2136
  - Fees from Regulatory License



# Thank you!

