



Seattle City Council

Central Staff – Memorandum

Date: June 8, 2015
To: Finance and Culture Committee
From: Mark Baird and Ketil Freeman, Council Central Staff
Subject: Proposed Marijuana Regulation

At its June 10th meeting, the Finance and Culture Committee (Committee) will receive an initial briefing on proposed licensing regulations and a resolution establishing enforcement priorities for marijuana establishments that do not have a state license. This memorandum provides some brief background and describes the content of the Mayor's proposed legislation. The legislation will likely be introduced on June 15th.

Background

In 1998, voters approved Initiative 692, which authorized the use of marijuana to treat patients with debilitating medical conditions. I-692 allows patients to grow a limited amount of marijuana or to form collectives of up to ten patients to grow and process marijuana. In 2012, voters approved Initiative 502, which created a regulatory framework for growing, processing, and distributing recreational marijuana.

In April, the legislature passed and the Governor signed [Second Substitute Senate Bill \(2SSB\) 5052](#), also known as the Cannabis Patient Protection Act. Among other things, 2SSB 5052 attempts to integrate and harmonize the regulatory framework for medical and recreational marijuana by:

- Creating a medical marijuana authorization database for patients and providers,
- Creating a medical marijuana endorsement to a recreational marijuana retail license,
- Expanding the number of retail licensees, and
- Establishing how applicants for additional licenses will be prioritized.

2SSB 5052 will be effective on July 24, 2015.

The legislature is currently considering other changes to the marijuana regulatory framework. Specifically, [House Bill 2136](#), which is under consideration in the second special session, would, among other things, authorize local jurisdictions to reduce the 1,000 foot buffer that marijuana businesses must maintain from sensitive land uses like child care centers, parks, libraries, and transit centers. Changes to the City's zoning regulations may be proposed if HB 2136 is enacted.

Seattle currently has approximately 14 open and licensed recreational marijuana retail stores and 25 licensed producers. There are approximately 99 additional storefronts without I-502 licenses.

Proposed Regulations

The Mayor proposes three pieces of legislation to implement changes in state law: 1) a resolution signaling how the City will prioritize enforcement, 2) a council bill amending business license regulations, and 3) a council bill establishing a new regulatory license for marijuana businesses. Proposed legislation is summarized below.

Legislation	What It Would Do
Enforcement Resolution	<ul style="list-style-type: none">▪ Establish the City’s intent to create a marijuana regulatory license;▪ Articulate enforcement priorities for departments with regulatory authority over marijuana businesses that do not have a state license; and▪ Establish how buffer requirements from sensitive land uses and other unlicensed establishments would be measured.
Business License Bill	<ul style="list-style-type: none">▪ Amend business license regulations to allow the Director of the Department of Finance and Administrative Services to revoke the city business license of marijuana businesses that do not have a state license.
Regulatory License Bill	<ul style="list-style-type: none">▪ Establish a city regulatory business license for state-licensed marijuana businesses, including application requirements, application fees, right of inspection by city departments, processes for license suspension and revocation, and penalties for violations; and▪ Amend the adopted 2015 budget to provide appropriation authority to implement the proposed license.

Next Steps

The Mayor’s proposed legislation will likely be introduced on June 15th. The Committee will continue to discuss the proposed legislation at its regularly scheduled meeting on June 24th. A committee recommendation on the proposed legislation could occur as early as July 8th.