



**City of Seattle**  
Edward B. Murray  
Mayor

June 2, 2015

Honorable Tim Burgess  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Burgess,

I am pleased to transmit three proposed Council Bills for your consideration. This legislation addresses the effects of the marijuana industry in Seattle. With the passage of Initiative 502 in 2012, we entered a new era that allowed for above-board, legal, and regulated marijuana businesses in a way that has never existed in Washington state or, quite frankly, the world.

While the City of Seattle has long allowed for patients to access medical marijuana, it was never a regulated system and in recent years there has been growing abuse of that system and negative consequences from it. This set of proposed legislation is designed to accomplish two goals: first, to create a more formal system in which the City of Seattle can oversee the burgeoning new legal marijuana market and, secondly, to create a structured transition for medical marijuana, and its users, as it is folded into the fully legal and regulated system over the next 13 months. I would like to give you some background on specifics of the three pieces of proposed legislation.

*Title VI Regulatory Business License*

The proposed regulatory business license will ensure that city departments can inspect Title VI businesses and ensure that they are fully compliant with our building codes and other city regulations. Incorporating Washington State Liquor and Cannabis Board rules will allow city officials to enforce rules regarding operating hours, age verification and signage which are of concern to community members.

The doubling of storefronts since 2012 raises serious doubts as to whether those operating stores are taking advantage of the tolerance the City has shown towards medical marijuana and providing marijuana for recreational purposes while circumventing the regulatory scheme for that product.

The proposed license has an exemption for operations that began before January 2013 and meet other tax and license requirements. However, the regulatory license also makes clear that operations established after January 2013 are not exempted from the requirement to obtain a regulatory business license and as such must close soon after enactment of the proposed regulatory license. This key component of the proposal will allow the City of Seattle to reduce the size of this previously unregulated aspect of the marijuana market while still allowing sufficient access to medicine for qualifying patients.

Office of the Mayor  
Seattle City Hall, 7<sup>th</sup> Floor  
600 Fourth Avenue  
PO Box 94749  
Seattle, Washington 98124-4749

Tel (206) 684-4000  
Fax: (206) 684-5360  
Hearing Impaired use the Washington Relay Service (7-1-1)  
[www.seattle.gov/mayor](http://www.seattle.gov/mayor)

Honorable Tim Burgess  
June 2, 2015  
Page 2

*Enforcement Resolution*

The enforcement resolution provides clear operating guidelines for the approximately 45 businesses exempted from the requirement to obtain a regulatory business license so as to ensure that concerns about underage access, clustering of locations and quality controlled product for patients are addressed.

In addition, the combined effect of the regulatory license with the proposed marijuana enforcement resolution will allow city officials to address the problem of the metastasizing non-state licensed marijuana establishments located in Seattle. In the two and half years since Initiative 502 in passed in Washington State, there has been an uncontrolled growth of non-state licensed marijuana businesses in Seattle.

*Title V Amendment*

This ordinance creates clear authority for the Director of Finance & Administration (FAS) to deny applications for or revoke business licenses of businesses that are operating in violation of the law or are required to have a regulatory business license and do have one or do not qualify for one.

The proposed ordinance is constructed not as a way to regulate the operations of businesses utilizing our standard business license. Instead, it is a way to ensure that when other departments identify a business as operating in violation of the law, the Director of FAS can ensure the City of Seattle is not sanctioning such operations by issuing a business license. In addition, the ordinance holds businesses accountable to acquire needed regulatory business licenses to ensure those businesses are not operating in violation of the law.

Together, these proposals aim to address the significant public health and safety concerns raised by the marijuana industry while creating a clear set of rules that will allow scrupulous businesses to grow and thrive within the City of Seattle.

Thank you for your consideration of this legislative package. Don't hesitate to contact David Mendoza, in my Office of Policy and Innovation, at 386-1256.

Sincerely,



Edward B. Murray  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council