

Working for
local
government
and with the
cannabis
industry to:

Capture Revenue

Support Business
Compliance

Implement
Ordinances

MuniServices presents:
Interactive **Webinar** Discussion on

Proposition 64

The Impacts of Recreational Cannabis

Tuesday, November 29, 2016
2:00 PM

Cannabis Support Services

Working for local government.

Administration * Education * **Revenue** * Compliance



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Panelists

- **Jeff Kolin, Senior Advisor to MuniServices.** Retired California City Manager of Beverly Hills, Santa Rosa and Pittsburg. Jeff brings decades of experience tackling complex issues facing city governments.
- **Larry Bergkamp, Senior Technical Advisor to MuniServices.** Retired from Board of Equalization with over 28 years of tax expertise. Larry has extensive experience in auditing, compliance, policy, legislation and was the BOE's lead technical expert on medical marijuana issues since 2005.
- **Jonathan V Gerth Esq, VP Audit MuniServices.** Manages tax compliance and audit activities including the company's Cannabis audit program in California.
- **Mike Madrid, Principal, GrassrootsLab.** Political consultant and public affairs professional with an expertise in California local government; *California Marijuana Policy* publisher and recently launched www.calmarijuanapolicy.org

WEBINAR MODERATOR

- **Robert Hamud, Client Services Manager, MuniServices.** Over 13 years of state and local public sector experience including working on Medical Marijuana reform for the State of Montana.



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TOPICS TO BE DISCUSSED

- What types of policies do cities need to establish to implement local controls on cannabis?
- What if a city wants to ban all cannabis activities?
- Will local ordinances passed either regulating or prohibiting cannabis before the passage of Proposition 64 need to be re-evaluated?

HOW WE GOT HERE

- **Proposition 64 Vote:** **Yes:** 56.1% or 5,052,413; **No:** 43.9% or 957,829
- **What:** Legalizes adult nonmedical use of marijuana; changes state law to legalize use of marijuana for nonmedical purposes; legalizes nonmedical marijuana activities with restrictions.
- **What About Locals:** Does not change local governments' ability to place other taxes on medical or nonmedical marijuana.
- **For Whom:** Adults age 21 and over.
- **When Does Proposition Become Effective:** November 9, 2016
- **When Will Recreational Cannabis Businesses Activities Begin:** January 1, 2018



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REGULATIONS

State Agency Role: State agencies have responsibilities similar to those under current law for medical cannabis. Under the measure, the system for tracking medical cannabis products would be expanded to include recreational marijuana products.

CITIES AND COUNTIES

Local License and Zoning: Requires recreational cannabis businesses to obtain a local license and set rules for such businesses.



STATE REGULATIONS / PRE-REGULATORY MEETINGS

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It is anticipated that pre-regulatory meetings will be held by the control agencies related to recreational cannabis. The dual licensing requirements for Recreational Cannabis preserve local control and emphasize the importance of local agency involvement in the development of Statewide standards and regulations. Involvement is needed to make sure the minimum standards are set appropriately and consistency is created statewide

- **Bureau of Medical Cannabis Regulation**
<http://www.bmcr.ca.gov/meetings/index.shtml>
- **California Department of Food and Agriculture**
<https://www.cdffa.ca.gov/is/mccp>
- **California Department of Public Health**
<https://www.cdph.ca.gov/programs/Pages/OMCSStakeholderMeeting.aspx>
- **State Board of Equalization** <http://www.boe.ca.gov/news/marijuana.htm>



Anticipated
Regulations will
be Developed by
January 1, 2018

LOCAL ISSUES NOT WITHSTANDING BANS

- **Consumption in Public and Intoxication:** What enforcements and regulations are needed
- **Driving and Traffic Enforcement:** DUI and public intoxication standards
- **Neighbors:** Housing and cooperative enforcement and regulation
- **What About our Youth:** What prevention programs are needed that work
- **Enforcement:** Illegal and black-market activities
- **Sales and Use Tax Exemption:** Consumers must have state issued medical identification card as compared to medical prescription or doctor's note.
- **Others TBD**

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Local Considerations



PREPARING FOR JANUARY 1, 2018

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- **Discuss with Stakeholders:** Cannabis policy and determine governing body level of support
- **Review and Update:** Land use regulations to conform to policy direction
- **Permits and Regulations:** Consider requiring permits and inspections for fire safety and code compliance
- **Examine Prohibitions and What Will be Allowed:** Be specific do not rely on permissive zoning regulations.
- **Existing Municipal Codes and Ordinances:** Review to ensure that they meet the needs for both medical and recreational cannabis



Local Considerations

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Options for Local Jurisdictions

PERSONAL CULTIVATION LIMITATIONS AND REGULATIONS?

Personal indoor cultivation must be allowed with reasonable regulations.

- Require permits for recreational residential cultivation
- Develop a registration program for plants or use a track and trace system
- Charge a plant fee to cover processing, inspection and administration costs
- Require electrical and building inspections
- Specify and/or limit lighting types
- Prohibit generators and storage of fuels
- Prohibit extraction processes in residential buildings
- Require fire extinguishers or fire sprinklers
- Require ventilation and odor control plans
- Inspect annually or more frequently
- Require an annual registration and plant tag purchase program
- Require written approval to cultivate from property owner of rental units

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Options for Local Jurisdictions

INTERIM BANS/PERMANENT BANS

Limitations

- Must allow personal indoor cultivation – can be regulated with up to 6 plants
- Must allow the transportation of cannabis through a local jurisdictions

Prohibitions

- May ban all commercial recreational cannabis activities
- May ban outdoor personal cultivation

Considerations

- Existing medical cannabis regulations may not apply to recreational cannabis
- Do not rely solely on permissive regulations
- Consider an interim measure until a permanent policy is developed
- Jurisdictions that enact complete bans will not be eligible for state recreational cannabis fund grants or programs

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MuniServices
provides exceptional
comprehensive
consultative services
to localities in
California
that include, but are
not limited to:

PREPARING FOR JANUARY 1, 2018

- Evaluating the level of support for the type and size of industry activity
- Ordinances development to address specific local issues and requirements
- Assist on revenue and cost projections for local ballot measures
- Deficiency Audit Services
 - To ensure all applicable taxes are reported accurately and timely
 - Performs reviews to ensure entities are in compliance with all applicable ordinances
- Educational and training services for city/county staff and industry representatives
- Developing market analysis and resources allocations studies that addresses staffing, contract services, multi-department coordination, prevention and intervention programs
- Working with the California Bureau of Cannabis Regulations during the regulation development process to ensure that local government interests are considered and any issues are addressed for both medical and recreational cannabis activities

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CANNABIS SUPPORT SERVICES

MuniServices has assembled a “Blue Chip” specialized staff that has the expertise to assist cities and counties develop a comprehensive cannabis policy. We provide technical support from the initial discussion stages to the final implementation process. Our medical cannabis audit staff was the first to complete dispensary audits for municipalities throughout California.

MuniServices has extensive experience in the state regulatory process, dispensary audits, and industry business activities including, but not limited to:

- Cultivation
- Track and Trace
- Transportation
- Mobile Dispensaries
- Storefront Dispensaries
- Registration
- Personal Use
- Taxes

Services



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STRATEGIC PARTNERSHIPS - EXPERTISE

MuniServices is establishing partnerships with industry leading entities to provide premier services to ensure the best information is available to address future medical and recreational cannabis issues.

- Polling & Research
- Ordinance development and implementation
- Identifying Key Constituencies & Stakeholder Outreach
- Coordinating involvement and input from key demographics
 - Law Enforcement
 - Parent Organizations
 - Ethnic Organizations
 - Chambers of Commerce
- Coordinating cannabis business activity education and tours
- Electorate Considerations



Contacts and Resources

CONTACTS

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Fran Mancina: Fran.Mancina@MuniServices.com/ 559.288.7296

Your Client Services Representative

RESOURCES

<http://www.muniservices.com/services/cannabis-support-services/>

www.calmarijuanapolicy.org

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