

Planning Commission

Marijuana Briefing/Discussion

May 6, 2014



BACKGROUND

- Initiative I-502 was approved by Washington voters in November 2012
- WA Liquor Control Board has established rules and procedures to implement I-502
- The City amended SeaTac Municipal Code (SMC) 15.05.060 as part of the work plan that extended the January 24, 2012 moratorium.

BACKGROUND (Cont.)

- The amendment reads as follows:
“This Title does not allow any use which is in violation of any local, State, or Federal laws, regulations, codes and/or ordinances.”
- Based on this section of the Municipal Code, **no permits** can be issued to allow marijuana retailers, producers or processors within the City.

Liquor Control Board Rules Highlights

- A retailer can not be a producer or processor, and a producer and processor can not have a financial interest in a retail store.
- A limited amount of retail licenses will be granted. SeaTac is designated for one license.
- *Home grown marijuana for recreational use, as well as sale, is illegal. Recreational use marijuana must be purchased from a state-licensed retailer.*

Liquor Control Board Rules Highlights

- LCB Objectives:
 - Create a tightly controlled and regulated marijuana market;
 - Strict controls to prevent diversion, illegal sales, and sales to minors;
 - Provide reasonable access to products to mitigate the illicit market.

- Timeline: the 30 day window **closed** for producer, processor and retailer license applications on December 18, 2013.

- No applications have been received for any retail outlets.

- The City has received three producer/processor licenses and formally objected to all three licenses in writing to LCB.

Liquor Control Board Rules Highlights (Cont.)

- License limits:
 - Licensed entity or principals limited to one producer license;
 - Licensed entity or principals limited to three processor licenses; and
 - Licensed entity or principals limited to three retail licenses. Multiple-location licensees not allowed to hold more than 33 percent of the allowed licenses in any county or city.

- **1,000 foot measurement:**
 - Producers, processors and retailers cannot be located within 1,000 feet of an elementary school or secondary school, playground, recreation center or facility, child care center, public park, public transit center or library.

Liquor Control Board Rules Highlights (Cont.)

- Other Rule Inclusions:
 - Background checks;
 - State residency requirements;
 - Production limits;
 - Maximum amount of product allowed in licensed locations;
 - State Taxes;
 - Insurance;
 - Public safety requirements; and
 - Consumer safety requirements

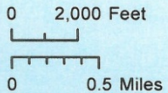
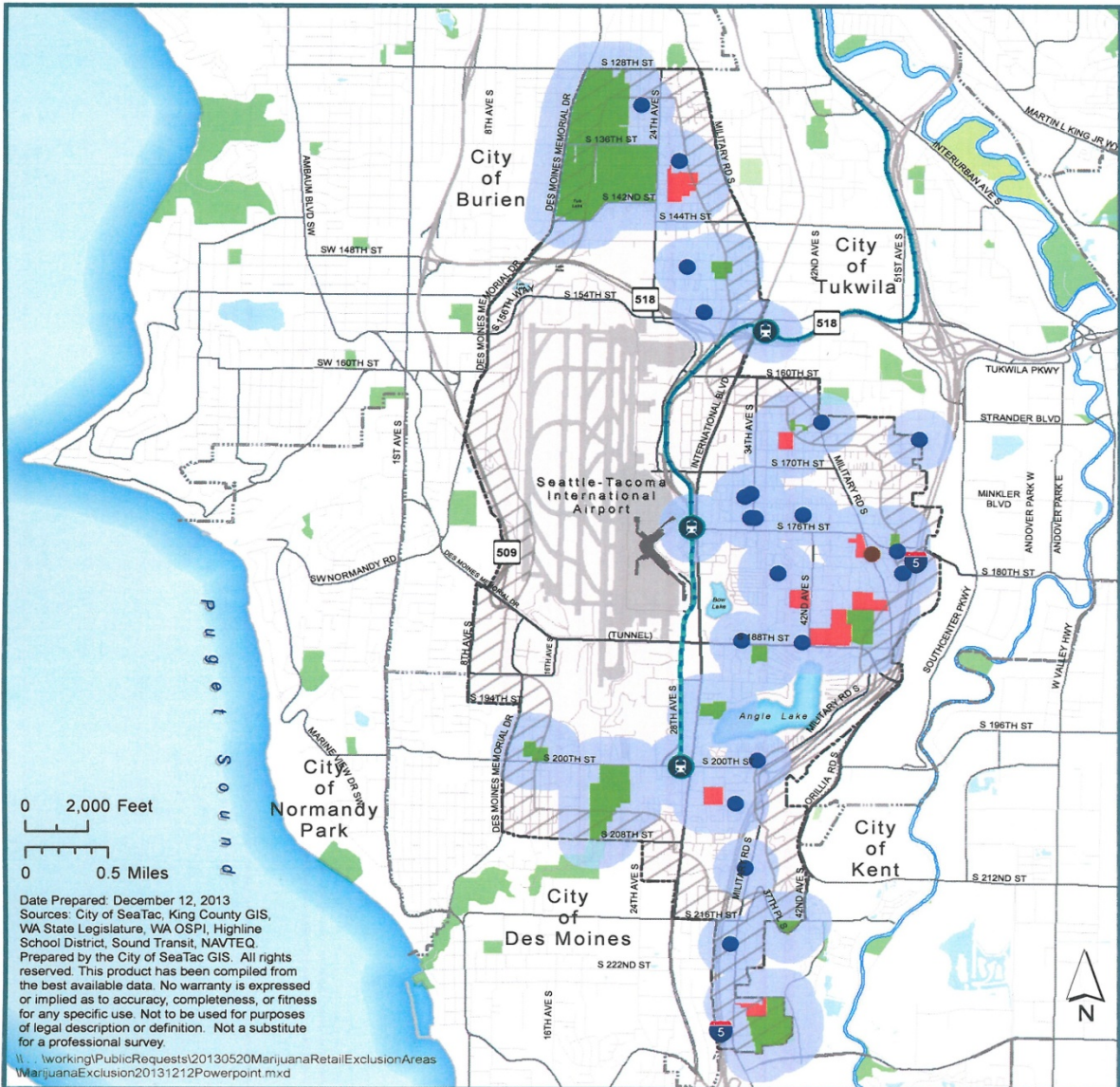
LCB Revision to Rules – 2/27/14

■ **Producer License Reduction**

- The WSLCB received 2,858 marijuana producer applications. The plant canopy of these applications far exceeds a manageable plant canopy set by the Board in its rules.
- To make a manageable plant canopy for marijuana production, the Board filed an interim policy that limits any qualified entity or principals within any entity to one marijuana producer license.
- Applicants will have the option of withdrawing their additional applications for a refund or having their additional applications held for up to one year or until the Board determines more marijuana producer licenses are needed.

Potential Revenue to City

- \$35 for a business license
- \$.0085 for each \$1 of retail sale (Example \$5,000,000 Of gross sales = \$42,500 in sales tax back to the City)
- The City **Does Not** have a Business & Occupation Tax
- The City **Does Not** have a utility tax
- **No increase** in the City's tax levy rate



Date Prepared: December 12, 2013
 Sources: City of SeaTac, King County GIS, WA State Legislature, WA OSPI, Highline School District, Sound Transit, NAVTEQ. Prepared by the City of SeaTac GIS. All rights reserved. This product has been compiled from the best available data. No warranty is expressed or implied as to accuracy, completeness, or fitness for any specific use. Not to be used for purposes of legal description or definition. Not a substitute for a professional survey.

WorkingPublicRequests\20130520MarijuanaRetailExclusionAreas\MarijuanaExclusion20131212Powerpoint.mxd

City of SeaTac



I-502 MARIJUANA EXCLUSION AREAS

WAC 314-55 effective 11.21.13 defines areas of exclusion for marijuana licenses.

 Exclusion Area

Marijuana licenses may not be issued within 1,000 feet of the following land uses:

-  Child Care
-  Library
-  School
-  Parks and Recreation
-  Light Rail

1,000 ft buffers around protected sites in adjacent cities may result in marijuana retail exclusion areas in SeaTac.

 Area Within 1,000 ft of Adjacent City

Medical Marijuana and Collective Gardens

- Medical Marijuana and Collective Gardens is regulated by RCW 69.51A – Medical Cannabis

- Recreational Marijuana is regulated by:
 - WAC 314-55 – Marijuana Licenses, Application Process, Requirements & Reporting AND
 - RCW 69.50 – Uniformed Controlled Substance Act

- The City's zoning code does not authorize collective gardens anywhere within city limits as the proposed land-use is illegal under federal and state laws.

State Law Update

- During 2014 legislative session, legislation was proposed that attempted to regulate and reconcile medical marijuana and collective gardens within the state.
- The State legislature ended in 2014 without approving any legislation regarding medical marijuana.
- Other bills were proposed relating to recreational marijuana businesses, but none of these bills were approved.

Unresolved Legal Issues

■ Federal Law vs. State Law

- At the federal level, marijuana remains classified as a Schedule I substance under the Controlled Substance Act of 1970, thus marijuana businesses could still be prosecuted under federal law.

- Can the State force local jurisdictions to comply with I-502 even though it violates Federal law?
 - *Unknown, no court with jurisdiction has ruled on the issue.*

Next Steps

- **Additional research requested, if desired by PC**
- **Formulate PC recommendation at the May 20, 2014 meeting**
- **Present PC recommendation to the City Council on May 27, 2014**

Questions & Discussion

Planning Commission
May 6, 2014

