

Potential Local Impacts from Proposition 64 and Measure L



Three Scenarios



- Proposition 64 only passes
- Measure L only passes
- Proposition 64 and Measure L both pass



Proposition 64

Adult Use of Marijuana

Statewide measure to legalize adult use of recreational marijuana.

- Adults 21 years and older could:
 - use and possess up to one ounce,
 - cultivate up to 6 living plants.

Local Control

**Personal cultivation of 6 plants
could be restricted to indoors by
the Board of Supervisors.**



Proposition 64

Regulates
commercial
activities.

Commercial License types available for:

- Cultivation
- Manufacturer
- Retailer
- Tester
- Distributor
- Microbusiness

Local Control

**The Board of Supervisors would
have authority to restrict or
prohibit commercial activities.**



Proposition 64

Revenue and Taxation

Proposed State Taxes

- Cultivation tax
 - \$9.25 per ounce for dried flowers
 - \$2.75 per ounce for dried leaves
- Retail excise tax
 - 15 percent
- California sales tax would apply.

Local Control

**Butte County voters could pass
local taxes on marijuana
activities.**



Proposition 64

Criminal Penalties

Criminal penalties for possession and sales of recreational marijuana for adult use would be changed.

- LAO estimates savings from the tens of millions to over \$100 million.
- Butte County law enforcement officials anticipate little to no operational savings locally.

The Colorado Experience



- Revenue and Taxation
- Local Economic Impact
- Law Enforcement





The Colorado Experience

Revenue and Taxation

Recreational marijuana businesses in Colorado.

- Stores: 242
- Cultivation site: 514
- Manufacturers: 168
- Testing Facilities: 17

941 recreational marijuana business licenses issued since October 1, 2013.



The Colorado Experience

Revenue and Taxation

Tax Revenue and Regulatory Costs in Colorado.

Tax Revenue	\$77.8 million
Users Fees	<u>\$ 4.3 million</u>
Total Revenue FY 14-15	\$82.1 million
Regulatory Costs	\$8.6 million

Revenue is for recreational marijuana.

Regulatory costs include both recreational and medical marijuana.



The Colorado Experience

Local Jurisdictions

Local Jurisdiction Marijuana Business Licensing Status in Colorado

	2014	2015
Medical and Retail Marijuana Banned	228	218
Medical Marijuana Licensees Only	21	22
Recreational Marijuana Licensees Only	5	9
Medical and Recreational Marijuana Licensees	67	73
Total	321	332



The Colorado Experience

Local Economic Impact

Case Study: Town of Parachute

- 1 dispensary
 - Sales tax revenue
 - 10 jobs
- 1 manufacturing facility (5,000 sq. ft.)
 - 18 jobs.
- 1 cultivation site (10,000 sq. ft.)
 - Cultivation tax revenue
 - 15 jobs.



The Colorado Experience

Enforcement

Marijuana enforcement is challenging for Colorado law enforcement.

- Gray market
- Burglaries and robberies at marijuana businesses
- Confusion about which marijuana provisions apply



Measure L

Medical Cannabis Cultivation and Commerce

Medical Cannabis

Commercial activities

- would be permitted in nearly every zone in Butte County.

Personal cultivation

- up to 100 sq. ft. for individuals
- up to 500 sq. ft. for up to five patients
- No other land use restrictions would apply.



Measure L

Medical Cannabis Cultivation and Commerce

Medical Cannabis

Prohibited cultivation

- outdoors in some residential zones
- outdoors on parcels less than a $\frac{1}{4}$ acre
- outdoors on parcels within 1,000 feet of schools and daycare facilities



Measure L

Interpretation

Enforcing Measure L would be difficult and risky for the County because the proposed ordinance is difficult to consistently interpret and the use would be controversial and prevalent.



Measure L

Permitted Activities

Proposed Permit Types

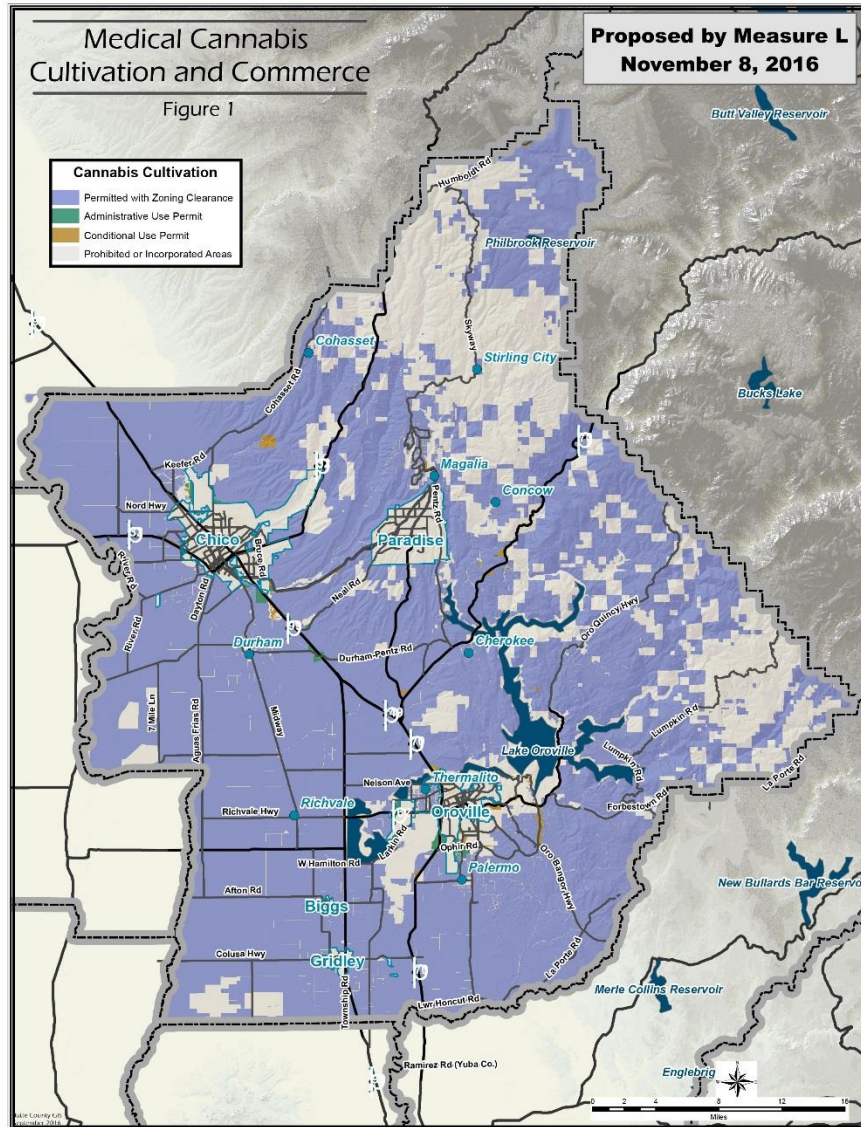
- Zoning Clearance
- Administrative Use Permit
- Conditional Use Permit



Measure L

Permitted Activities

- ✓ Cultivation





Measure L

Permitted Activities

- ✓ Cultivation

Cultivation – Zoning Clearance

- 5 acre minimum parcel size.
- Canopy Size Limit
 - Up to 25 percent of parcel
 - Subject to State license
- Permanent residence required.
- Permitted water and wastewater required.



Measure L

Permitted Activities

- ✓ Cultivation

Cultivation – Administrative Use Permit

- No minimum parcel size.
- Canopy Size Limit
 - Up to 25 percent of parcel
- No requirement for a structure.
- No requirement for permitted water and wastewater.



Measure L

Permitted Activities

✓ Cultivation

Cultivation – Conditional Use Permit

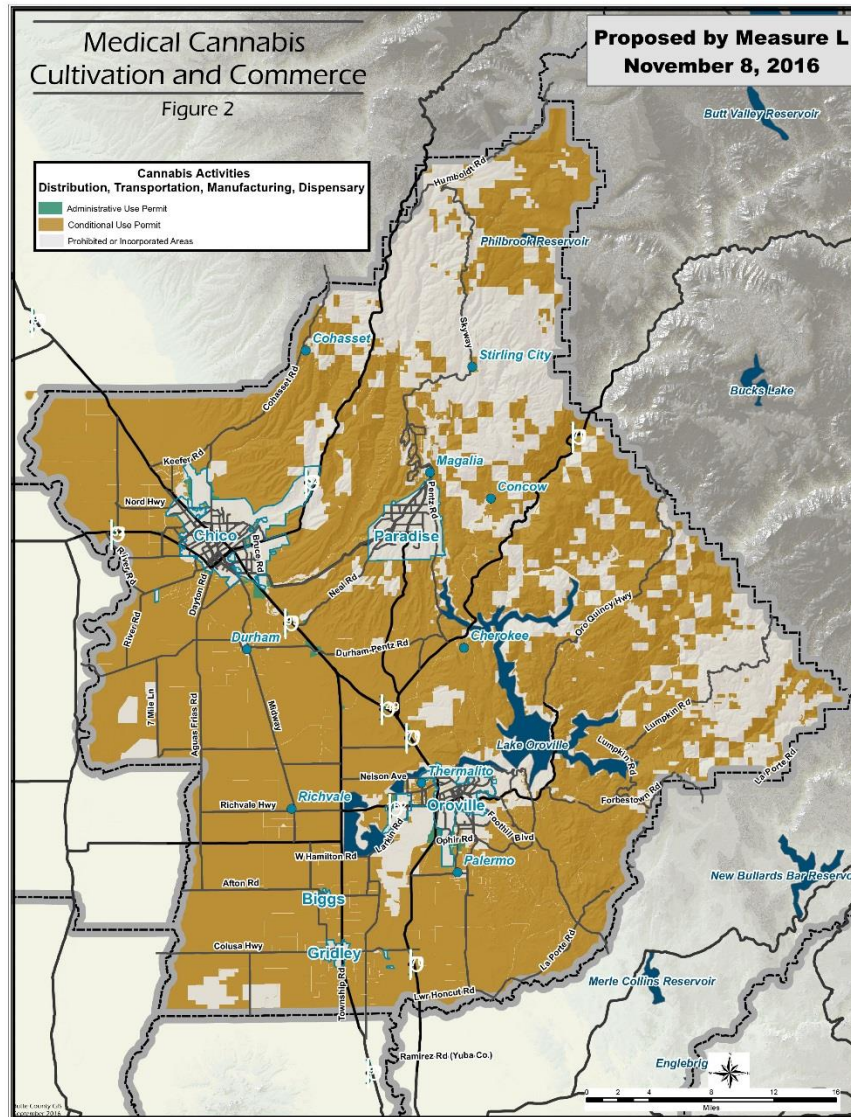
- No minimum parcel size.
- Canopy Size Limit
 - Up to 25 percent of parcel
- No requirement for a structure.
- No requirement for permitted water and wastewater.
- County may impose health and safety requirements.



Measure L

Permitted Activities

- ✓ Dispensaries
- ✓ Manufacturing
- ✓ Transportation
- ✓ Distribution





Measure L

Revenue and Taxation

Local Taxes

- Butte County voters could pass taxes on medical cannabis.

User Fees

- Butte County could adopt user fees for commercial activities.



Measure L

Enforcement

Measure L lacks adequate enforcement mechanisms to encourage compliance with land use requirements.



Measure L

Enforcement

- Cannabis would not be classified as a nuisance.
- An administrative hearing program would not be available.
- No penalties could be assessed for violations.
- Cost recovery for enforcement would not be available to the County in many cases.



Measure L

Local Impacts

Local impacts from Measure L

- Commercial activity could increase.
- Personal cultivation would not be subject to land use restrictions.
- Enforcement
 - Could require more resources to address public complaints.
 - Enforcement could be difficult and risky for the County.



Proposition 64 & Measure L

Revenue and
Taxation

Local Taxes

- Proposition 64 exempts medical marijuana from sales tax.



Proposition 64 & Measure L

Enforcement

Multiple Provisions to Enforce

	Personal/Caregiver	Commercial
Prop 64	6 plants	Commercial Activities Allowed
Measure L	100 sq. ft. to 500 sq. ft.	Commercial Activities Permitted

Local Impacts



Proposition 64

- A local ordinance regulating commercial recreational marijuana activities could be adopted.
- Personal cultivation or use of recreational marijuana could have impacts to local land use and law enforcement.

Local Impacts



Measure L

- Commercial medical cannabis activities
- Personal and caregiver cultivation
- More resources could be required to address public complaints.
- Enforcement could be difficult and risky for the County.