



Information Item

Date: October 12, 2015

To: Mayor and City Council
From: Danielle Noble, Deputy City Manager
Subject: Recent Medical Cannabis Legislation

Introduction

This information item is meant to inform the Council of recent legislative action by the California State Senate and the California State Assembly pertaining to the regulation of medical cannabis.

Background

The use of medical cannabis has been legal in the state of California since the passage of the Compassionate Use Act (Proposition 215) in 1996. However, there have been very few laws and regulations governing the industry in the last two decades. In advance of a probable statewide ballot measure in 2016 legalizing the recreational use of cannabis by adults, in September 2015 the state Legislature acted in unison to establish a regulatory framework around the medical cannabis industry.

Assembly Bills 243 and 266 and Senate Bill 643, authored by Assemblymen Bonta, Cooley, Jones-Sawyer, Lackey, Wood and Senator McGuire were packaged together as the Medical Marijuana Regulation & Safety Act and passed both the Assembly and Senate on Friday, September 11th, 2015. These bills are expected to be signed by Governor Jerry Brown without issue.

On [May 12, 2015](#), a new Zoning Ordinance Update was introduced and later passed by Council on [June 23, 2015](#) allowing for up to two medical cannabis dispensaries within city limits so long as they also secure a conditional use permit and comply with other public safety requirements. Furthermore, at their [July 28, 2015](#) meeting, Council, via a 13-item, directed staff to explore how best to allocate the aforementioned dispensary permits to encourage the greatest community compatibility and benefits including provisions such as free or discounted service for low-income patients.

Discussion

Given Council's recent action on medical cannabis, both in the Zoning Ordinance Update and the direction given to staff at their July 28, 2015 meeting, staff is analyzing other cities' practices for permitting and licensing medical cannabis dispensaries within their jurisdictions to best determine how to enact a permitting process in Santa Monica that is reflective of Council's direction and vision. The passage of the Medical Marijuana Regulation & Safety Act offers requirements and regulations to consider within a proposed permitting process for the two future medical cannabis dispensaries.

This comprehensive legislation would pave the way for state regulation of the cultivation, manufacture, transportation, storage, distribution and sale of medical cannabis in California. Having a statewide regulatory system in place that still respects the autonomy of local governments will set the stage for further statewide cannabis regulation should the aforementioned ballot measure receive voter approval.

The Medical Marijuana Regulation & Safety Act will create a new Bureau of Medical Marijuana Regulation (BMRR) within the Department of Consumer Affairs (DCA) that will oversee a multiagency licensing and regulatory system for growers, processors and retailers. The BMRR will work in conjunction with the following statewide departments:

- The Department of Food and Agriculture (DFA) will be charged with the licensing and regulation of indoor and outdoor cultivation sites;

- The Department of Pesticide Regulation (DPR) will develop standards for pesticides in marijuana cultivation;
- The Department of Public Health (DPH) will develop standards for production and labeling of all edible medical cannabis products including uniform health and safety standards, testing standards and security requirements; and
- The State Water Resources Control Board (SWRCB) will be charged with statewide enforcement of illegal water diversion for marijuana cultivation; and
- The Department of Fish and Wildlife (DFW) will monitor any potential environmental impacts to California’s marine life and habitats.

Local jurisdictions and municipalities will be able to adopt ordinances and regulations establishing additional standards for licensing and permitting. Should they choose to do so, municipalities could also effectively ban delivery services within their borders. Additionally, cities will have the authority to revoke permission to operate should any established local or statewide regulations be violated and have the authority to impose local fees and taxes. This legislation also expressly protects existing local zoning ordinances and constitutional police power.

Next Steps

Staff will thoroughly analyze the new legislation and determine how state law may inform a local permitting process. Once this is completed, staff will return to Council with further information and recommendations.

Prepared By: Stephanie Venegas, Council Office Coordinator