

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 24, 2016

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Council File No. 14-0366-S5
Council District: All

To: Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **MARIJUANA REPORT BACK #6 – ANALYSIS OF ADMINISTRATIVE COSTS TO REGULATE MARIJUANA-RELATED BUSINESSES (C.F. 14-0366-S5)**

During its consideration of a joint report from the Offices of the City Administrative Officer (CAO) and the Chief Legislative Analyst (CLA) dated August 13, 2016 regarding options to regulate marijuana-related businesses within the City (C.F. 14-0366-S5), the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee requested the CAO to report on an analysis of administrative costs to regulate marijuana-related businesses (MRBs).

The City's regulation of marijuana may span across many policy and program areas. Administrative costs to regulate marijuana-related businesses should, at a minimum, include costs from the Office of the City Attorney (City Attorney), Department of City Planning (DCP), Department of Building and Safety (DBS), Office of Finance (Finance), and Police Department (LAPD). The City could adopt ordinances to enact a comprehensive regulatory framework which could cover the entire supply chain for medical and recreational marijuana businesses – from the cultivation, production, and processing of marijuana plants/products to point-of-sale distribution and marketing. The appropriate fees, set at full cost recovery, should be embedded in the enabling ordinances.

In 2015, the State legislature enacted the Medical Marijuana Regulation and Safety Act (MMRSA), which establishes comprehensive regulation of medical marijuana including a licensing system and prohibition of commercial marijuana activity without possessing a State license and a local permit, license, or other authorization. MMRSA recognizes a range of medical marijuana businesses including cultivation, marijuana product manufacturers, marijuana distributors and transporters, marijuana testing laboratories, and dispensaries, and provides immunity to marijuana businesses operating with both a state license and a local permit. Under MMRSA, all medical marijuana businesses (MMBs), or persons engaged in commercial marijuana activities, must have both a state license and local permit in order to operate lawfully within California. A person cannot commence any commercial marijuana activity under a state license until the applicant has obtained a local permit, license or other authorization. However, under Proposition (Prop) D, the City does not issue a license or permit to MMDs. Thus, when the state starts licensing medical marijuana businesses on or after January 1, 2018, the Prop D-compliant dispensaries in the City will be illegal under MMRSA. In order to ensure Prop D compliant MMDs and potential MMBs conform to state law, the City needs to update its own medical marijuana regulatory framework. On July

8, 2016, the City Attorney transmitted a confidential report (C.F. 14-0366-S4) regarding already enacted, as well as, proposed state legislation regarding medical marijuana.

The new dual licensing framework represents a much more objective standard than the existing immunity for collective and cooperative cultivation under Health and Safety Code Section 11362.775 and should make it easier for the City to determine which MMBs are operating lawfully. Rather than having to determine whether an establishment is a bona fide collective or cooperative, which can be difficult to do when dealing with all-cash businesses that often do not maintain accurate records, the City will only need to confirm that the establishment has a state license and local permit.

FUNDAMENTAL QUESTIONS

As discussed earlier in this report, MMRSA requires all MMBs, or persons engaging in commercial marijuana activities, to obtain both a state license and local permit in order to operate lawfully within California. However under Prop D, the City does not issue a permit or license to medical marijuana dispensaries (MMD). If the City wishes to allow MMDs granted limited immunity from enforcement under Prop D to apply for a state license, the City should establish a regulatory framework. In establishing a regulatory framework to complement MMRSA, staff could also recommend enhancements to the framework which would complement AUMA.

Responses to these four questions will be utilized by staff to prepare the appropriate report backs to the action items presented throughout the remainder of this report:

1. **Should the City allow the MMDs granted limited immunity from enforcement under Prop D to continue to operate when State Law goes into effect?**

-No: MMDs granted limited immunity from enforcement under Prop D will be unable to apply for a state license. When MMRSA goes into effect, all MMDs in the City will be non-compliant with state law and potentially subject to enforcement action.

-Yes: Go to Question #2.

2. **Should the City allow the MMDs granted limited immunity from enforcement under Prop D to engage in the expanded marijuana activities provided in State Law?**

-No: Instruct staff to report back on options to limit MMD marijuana activities to those contained in Prop D within the City's limits.

-Yes: Go to Question #3.

3. **Should the City establish precedence for these 135 MMDs for expanded activities?**

-No: Instruct staff to report back on options.

-Yes: Go to Question #4.

4. **If AUMA, Prop 64, passes, should the City consider establishing regulations authorizing some, or all, recreational marijuana businesses?**

-No: Instruct staff to report back on options to limit or ban recreational marijuana sales, cultivation, manufacturing, or other related activities within the City's limits.

-Yes: Instruct staff to report back on options to establish regulations for AUMA.

ADMINISTRATION

Staffing and Administration

The regulation of marijuana-related businesses in the City may require new staff to oversee licensing and regulation. Business owners seeking a permit to operate in the City may have to receive sign-offs from various Departments (DCP, DBS, Finance, etc.) to ensure they are in compliance with the City's regulations. First, the City should identify which businesses, if any, will be allowed to apply and what requirements it will impose on business owners prior to issuing a permit to operate. These should include distance requirements, safety and security requirements, among others. If the Council decides to establish a regulatory framework, then the Council should consider existing City permitting processes and whether or not an existing process could be replicated or expanded to regulate marijuana-related businesses. The City could require a new Certificates of Occupancy (DBS), as well as, a Conditional Use Permit (CUP) for all marijuana-related businesses.

The City currently issues permits for establishments that sell alcohol (CUB) and establishments that provide adult entertainment (CUX). If the City creates a process that clearly identifies which businesses are authorized to do business in the City, then Finance could establish a process to reject businesses who apply for a Business Tax Registration Certificate (BTRC) to conduct marijuana-related business without the appropriate authorization. Alternatively, the City could consider creating a new unit within an existing department or adopt an ordinance to create a new panel, board, or department to oversee and regulate marijuana-related businesses. The costs associated with marijuana regulation should also be calculated, in order to determine the appropriate fee for full cost-recovery. Further, licenses to operate a marijuana-related business should be annual, with renewals required to ensure that businesses are continuing to meet the City's requirements.

Conditional Use Permit

The City may choose to regulate marijuana sales through the Conditional Use Permit (CUP) process, overseen by DCP, much like the sale of alcohol for on- or off-site consumption. This process ensures community input is received and enables the City to effectively regulate certain types of land uses which may need special conditions to ensure that the use is compatible with the surrounding area. The CUP process is well-established, and

has worked well for other sensitive uses, and could likely be expanded to include the regulation of MMBs. The CUP process would also enable the DBS and LAPD to more effectively enforce laws related to marijuana, as the right to inspection by LAPD and other requirements can be included in the CUP. If the City decides to not use the CUP process to regulate marijuana related businesses in the City, a new process should be created.

ACTION

A1. Should marijuana businesses be regulated through the CUP process?

-Yes: Instruct DCP to report on staffing and resources necessary to oversee all MRB permitting.

-No: Instruct staff to develop an alternative regulatory processes.

Other policy options to consider if the CUP process is not acceptable include: 1) establishing a City Board/Commission to oversee the regulation of marijuana-related businesses; or, 2) creating a new Panel under the authority of an existing Board/Commission to manage the City's oversight of marijuana-related businesses.

Board/Commission

Policy makers could create a new, independent Board of Commissioners to oversee all marijuana-related issues in the City. This Board could be modeled after others in the City, with five members appointed by the Mayor for staggered five-year terms and confirmed by the Council. With the exception of the Board of Public Works, all other City Boards are part-time, with Commissioners paid an attendance fee. A Board can be established by ordinance or by Charter amendment.

Panel

Instead of creating a new Board, the City could create a new Panel under the oversight of an existing Board of Commissioners, modeled after the Police Permit Review Panel (PPRP), which is responsible for issuing and overseeing permits for Café Entertainment and Shows, Motion Picture Shows, and Picture Arcades. The PPRP is composed of seven members, at least two of which have expertise that is relevant to the regulation of charitable organizations and the various activities in which they engage. Subsidiary Panels enable the Board they serve under to focus on major policy issues instead of permit issuance and oversight.

Insofar as all commercial marijuana activity is still illegal under federal law, a Police Department-affiliated body may not be the appropriate body to authorize such conduct. Ultimately, the decision to use an existing process, create a new process, or create a new entity to oversee marijuana business licenses in the City is a policy decision.

ACTION

A2. Should the entity responsible for regulating MRBs be part of an existing Department?

-Yes: Instruct staff to identify which Department is best suited to take on this authority.

-No: Instruct staff to identify what resources are needed to establish a new entity by ordinance. The new entity should be responsible for regulating all MRBs. Consider and provide examples for the following options:

- Board/Commission;
- Panel;
- Office; and,
- Department.

Regulatory Framework

A regulatory framework which is consistent for medical and recreational marijuana creates numerous operational efficiencies for the City's permitting, inspection, enforcement, and auditing functions since the same set of rules can be applied to all marijuana businesses based on their segment within the distribution channel. This would eliminate the confusion of identifying the client base (medical or recreational) and disincentivize a business from applying for a permit type that is inconsistent with their client base.

ACTION

B1. To reduce confusion, marijuana-related business (MRB) will be used in action items throughout the remainder of this report unless the action item pertains to a specific subgroup of MRB. Which of the following should MRB represent?

- 1) MMDs granted limited immunity from enforcement under Prop D;
- 2) MMDs granted limited immunity from enforcement under Prop D which may engage in the expanded marijuana activities provided in State Law;
- 3) MMDs covered by #1 or #2 and non-Prop D MMBs which may engage in the expanded marijuana activities provided in State Law (MMRSA); or,
- 4) MMDs and MMBs covered by #3 and all other MRBs which may engage in the expanded marijuana activities provided in State Law (MMRSA and, if approved, AUMA).

ACTION

B2. Should the City establish a regulatory framework that complements MMRSA?

-No: MMDs granted limited immunity from enforcement under Prop D will be unable to apply for a state license. When MMRSA goes into effect, all MMDs in the City will be non-compliant with state law and potentially subject to enforcement action.

-Yes: Establish a regulatory framework that complements MMRSA. The framework should recognize the MRBs identified in Action Item A1.

ACTION

B3. If the City chooses to establish a regulatory framework that complements MMRSA for medical marijuana, should the City also prepare a regulatory framework that complements AUMA for recreational marijuana?

-No: If necessary, the City will address AUMA at a later date.

-Yes: A3a. Establish a single regulatory framework that complements MMRSA and AUMA. The framework should recognize the MRBs identified in Action Item A1.

-Yes: A3b. Establish separate regulatory frameworks for MRBs covered by MMRSA and MRBs covered by AUMA. The framework should recognize any additional MRB activities not covered by Prop D.

RETAIL SALES, CULTIVATION, MANUFACTURE, DISTRIBUTION, AND TESTING

While marijuana remains illegal at the federal level, California and a handful of other states may allow the sale of recreational marijuana following expected votes in November 2016. Four states and the District of Columbia have already legalized recreational marijuana, and a total of 23 states have legalized medical marijuana.

The potential passage of the AUMA in November would legalize recreational marijuana throughout the state, and thus require the City to determine whether recreational marijuana sales, cultivation, manufacturing, or other related activities should be authorized within the City.

If the City authorizes recreational sales, cultivation, manufacturing, processing, distribution, and/or testing of marijuana, then it should consider instituting a licensing system mirroring that for MMRSA. An expansion of the existing marijuana market necessitates the City

to be duly equipped to regulate new MRBs. The following policy questions should be resolved prior to staff presenting a framework to support MRBs.

ACTION

C1. If AUMA passes, should the number of all MRBs within the City be capped at 135?

-Yes: Instruct staff to report back on options to implement an effective cap including options that allot a specific number of permits/licenses to each unique activity area (e.g. MMD, MMB, recreational marijuana sales, cultivation, and manufacturing).

-No: Instruct staff to report back on one or more of the following options:

-B1a. Instruct staff to report back on options to implement an effective cap less than 135 MRBs including options that allot a specific number of MRBs to each unique activity area (e.g. recreational marijuana sales, cultivation, and manufacturing).

-B1b. Instruct staff to report back on options to implement an effective cap greater than 135 MRBs including options that allot a specific number of MRBs to each unique activity area (e.g. recreational marijuana sales, cultivation, and manufacturing).

-B1c. Instruct staff to report back on options with no cap on MRBs. Options may include caps on specific numbers of MRBs in unique activity areas (e.g. recreational marijuana sales, cultivation, and manufacturing).

ACTION

C2. If AUMA passes, should the City authorize MMDs under Prop D to participate in other MRB activities? If yes, should Prop D MMDs be subject to the same regulations/standards?

-Yes: Instruct staff to report back on options to implement the measures outlined above.

-No: Instruct staff to report back on options to limit Prop D MMDs to activities authorized under Prop D within the City's limits.

ACTION

<p>C3. If AUMA passes, should Prop D MMBs be considered one category of marijuana businesses and all other MRBs be considered under separate categories?</p> <p>-Yes: Instruct staff to report back on options to implement the measures outlined above.</p> <p>-No: B3a. Instruct staff to report back on alternative options.</p> <p>B3b. Instruct staff to report back on options to ban recreational marijuana sales, cultivation, manufacturing, or other related activities within the City's limits.</p>	
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ACTION

<p>C4. If AUMA passes, should commercial cultivation occur within the City? If so, should commercial cultivation be limited to industrial or agricultural zones?</p> <p>-Yes: Instruct staff to report back on options to implement the measures outlined above.</p> <p>-No: Instruct staff to report back on options to limit or ban commercial cultivation activities within the City's limits.</p>	
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ACTION

<p>C5. If AUMA passes, should commercial manufacturing occur within the City? If so, should commercial manufacturing be limited to industrial or agricultural zones?</p> <p>-Yes: Instruct staff to report back on options to implement the measures outlined above.</p> <p>-No: Instruct staff to report back on options to limit or ban commercial manufacturing activities within the City's limits.</p>	
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Despite Prop D limits on the number of MMDs that can operate in the City and Prop D's prohibition on delivery, there are illegal marijuana delivery services in the City. Neither the product, nor the delivery person is regulated or screened.

ACTION

<p>C6. Should marijuana delivery be allowed and if so, under what circumstances?</p> <p>-Yes. Instruct the CAO with the assistance of the City Attorney's Office to report back with recommendations.</p> <p>-No. Instruct staff to report back on options to ban marijuana delivery services within the City's limits.</p>	
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ACTION

<p>C7. Should the City require the Department of Water and Power (DWP) to assess electrical systems used by MRBs and require electrical systems upgrades for operations as identified by DWP?</p> <p>-Yes: Instruct staff to report back on options to implement the measures outlined above.</p> <p>-No: B7a. Instruct staff to report back on alternative options to assess electrical systems used by marijuana businesses and recommend electrical systems upgrades for operations within the City's limits.</p> <p>B7b. The City should not require an electrical systems assessment.</p>	
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Operating Conditions and Annual Inspections

The licensing and permitting processes will inform the permit types, operating conditions, and agencies that will be involved in the approval process. The City may choose to require a CUP (issued by DCP) and a certificate of occupancy (issued by DBS) in addition to the business tax registration certificate (BTRC) which is issued for tax purposes.

CUPs are required for certain land uses which may need special conditions to ensure compatibility with surrounding land uses. Major issues involved with the evaluation of CUP requests include consistency with the General Plan; compatibility with surrounding land uses; conditions to ensure compatibility; land suitability and physical constraints; project design; availability of adequate access, public services, and facilities to serve the development; and potential environmental impacts and mitigation measures. The City requires these for establishments that sell alcohol (CUB) and adult entertainment (CUX). The City could adopt a similar process for marijuana businesses or create an entirely new process.

Certificates of occupancy are only issued for a new building and/or a new use or a change of use. The City could require a marijuana business to acquire a building permit which would only be approved if plans showing compliance with the terms of the Los Angeles Municipal Code (LAMC) for the new use are reviewed and approved by DBS. The site would also be inspected by DBS pursuant to the terms of the permit and the approved plans. A

Certificate of Occupancy would only be issued to a marijuana business when the establishment complies with the plans and the terms of the permit and the DBS inspector approves. Currently, a marijuana dispensary is simply a retail establishment. Therefore, a dispensary going into an already approved retail store would need no approvals or inspections from DBS.

At least three City agencies have a vested interest in conducting inspections: 1) LAPD should be allowed to do inspections of marijuana businesses in a manner similar to bars and liquor stores with a license from the California Department of Alcohol Beverage Control (ABC), 2) DBS should be allowed to verify that operating conditions are maintained after permit issuance, and 3) Finance should be allowed to audit each marijuana business. All inspections and related permit fees charged to marijuana businesses should be set at full cost recovery.

ACTION

C8. Which City Department(s) will be responsible for conducting inspections? – LAPD, DBS, Finance, or a combination of all three departments?

A. Should LAPD be allowed to do inspections of MRBs (similar to bars and liquor stores with a license from ABC)?

-Yes: Instruct staff to report back on options to implement the measures outlined above.

-No: Instruct staff to report back on alternatives.

B. Should DBS be allowed to verify that operating conditions are maintained after permit issuance?

-Yes: Instruct staff to report back on options to implement the measures outlined above.

-No: Instruct staff to report back on alternatives.

C. Should Finance audit MRBs on a regular basis?

-Yes: Instruct staff to report back on options to implement the measures outlined above.

-No: Instruct staff to report back on alternatives.

ACTION

C9. Should measures be taken to address public safety impacts?

-Yes. Instruct the CAO with the assistance of the City Attorney's Office to report back with recommendations.

-No.

Other Considerations

The Mayor and Council may wish to consider the following additional issues:

- Create criminal and administrative penalties, and give the regulatory authority the ability to suspend and/or revoke a business license or any other permit/authorization
- Include enforcement in the Administrative Citation Enforcement (ACE) program;
- Require annual renewals of licenses/permits, and possibly require all employees to have a permit to work in a marijuana business, similar to the City's regulation for employees involved in ammunition sales;
- Ensure that all fees include the cost allocation plan (CAP) rates for other City department employees involved in marijuana regulation;
- Set clear requirements for LiveScan results that would disqualify an individual from working/owning a marijuana business;
- High taxes and different tax frameworks for recreational marijuana and medical marijuana could encourage individuals to continue to buy marijuana on the black market;
- Registration and permitting process that clearly states which businesses are authorized and which ones are not. LAPD, DBS, DCP, and the Office of Finance currently have no way of knowing which MMBs are legal without significant research; and,
- Licenses should be tied to physical locations and not to individuals.

The Mayor and Council should also consider options for each unique MRB segment for the following issues:

- What is the license/application process?
- How long will licenses/permits be valid for?
- How often should licenses/permits be renewed?

- If a license/permit is revoked, what process, if any, should the City use to backfill the license/permit within City's framework?
- Should marijuana businesses be authorized to sell either medical marijuana, recreational marijuana, or both?
- How often should marijuana businesses be inspected?

MEDICAL MARIJUANA REGULATION AND SAFETY ACT

The Bureau of Medical Marijuana Regulation, within the Department of Consumer Affairs, was created to administer and enforce MMRSA. MMRSA divides state licensing and enforcement responsibilities among three agencies:

- The Department of Food and Agriculture will issue medical marijuana cultivation licenses.
- The Department of Consumer Affairs will issue licenses for medical marijuana dispensaries, distributors, and transporters.
- The Department of Public Health will issue licenses for medical marijuana manufacturers and testing laboratories.

State licenses will be valid for one year and a separate state license is required for each commercial marijuana business location. Each of the state licensing authorities is responsible for creating regulations governing their respective areas of responsibility. Once MMRSA's regulatory framework is in operation, which the State anticipates will be in January 2018, the medical marijuana industry will operate as follows:

- Medical marijuana cultivators and manufacturers produce medical marijuana products in accordance with state and local regulations.
- Medical marijuana cultivators and manufacturers deliver their products to a medical marijuana distributor.
- The distributor confirms the identity and quality of the products and sends them to a medical marijuana testing laboratory.
- The testing laboratory performs batch testing on a random sampling of the product. If the product meets the safety standards established by the state, the testing laboratory issues a certificate of analysis and returns the product to the distributor.
- The distributor performs a final quality assurance review and then transports the product to a medical marijuana dispensary.
- The dispensary distributes the medical marijuana to qualified patients and primary caregivers.

ADULT USE OF MARIJUANA ACT (AUMA)

The potential passage of AUMA – the state-wide initiative that California voters will consider in November 2016 (Prop 64) – could present another expansive change in the regulation of marijuana. AUMA's passage would legalize recreational marijuana throughout the state and allow the City, at its sole discretion, to institute a licensing system for cultivation, manufacturing, processing, distribution, and testing of marijuana, mirroring that in MMRSA. AUMA recognizes similar categories of marijuana businesses as MMRSA and requires these businesses to obtain a state license in a manner very similar to MMRSA. AUMA does not contain a dual licensing requirement; marijuana businesses can apply for a state license without having to show proof of compliance with local regulations. However, AUMA contains a provision preserving local control and states that nothing in AUMA shall limit or supersede the authority of local jurisdictions "to completely prohibit the establishment or operation of one or more types of businesses licensed under" AUMA. With regard to personal cultivation, AUMA provides that local agencies can completely prohibit outdoor cannabis plants at private residences and can reasonably regulate indoor cannabis plants at private residences. Such an expansion of the marijuana market calls for the City to be duly equipped to regulate it through ordinance and/or ballot initiative.

REGULATORY OPTIONS AVAILABLE TO THE CITY

The City has a wide range of land use regulatory options to address medical marijuana. The following regulatory options can be applied to Prop D MMDs and potential MMBs we may wish to authorize.

Options include:

- Express bans –MMRSA recognizes a range of new medical marijuana businesses, including cultivators, manufacturers, distributors, transporters, and testing laboratories. The City may opt to ban all or specific activities under MMRSA.
- Regulatory framework – Since MMRSA establishes a state framework for regulating all aspects of the medical marijuana industry, the City could explore the option of allowing some or all such businesses through some form of a local regulatory permit/license system.

For example, a regulatory permit system could:

- A) Require an annual renewal;
- B) Impose safety-related operating requirements;
- C) Impose operating requirements which may include:
 - a. the use of licensed security guards;
 - b. designated hours of operation;
 - c. prohibition against sales of alcohol and/or tobacco;
 - d. prohibition against on-site alcohol and/or tobacco consumption;
 - e. installation of adequate odor control devices and ventilation systems;
 - f. limitations on access to minors; and,
 - g. mandatory inspections by LAPD, DBS, and Finance.

- D) Impose locational restrictions, including zoning designation and separation requirements to avoid clustering of MMBs;
- E) Specify certain zoning designations to encourage clustering (e.g. within an industrial zone); and,
- F) Limit the number and type of MMB permits that are issued.

If the City establishes a regulatory framework for MMBs under MMRSA, the City should expect to be inundated with permit inquiries and/or applications. Additionally, unsuccessful applicants will likely look for potential ways to attack the City's selection and evaluation process. Therefore, the City should give careful consideration to how applications will be processed for MMBs. The enabling ordinances should provide clear guidelines as to what information is required in the application, what grounds constitute a basis for denial of a permit, the type of permit or license to be issued Conditional Use Permit (CUP) or other regulatory permit), and the responsible party for making the decision on issuing the permit.

The City could utilize a number of approaches to processing applications and issuing permits, such as:

- A) Scoring System – The City could implement a subjective evaluation process to review MMB applicants. Applicants would receive a score based on a review of their applications. Those applicants who receive the highest scores would then be recommended for approval to the decision making authority. If this selection method is used, it may be preferable to use a neutral outside consultant to review the applications and make recommendations.
- B) First Come, First Serve – The City could accept and review applications in the order they are received, subject to applicable zoning requirements and separation restrictions. The reviewer will ensure that the applicant meets the applicable standards for a MMB and on that basis either grant or deny the permit.
- C) Lottery – The City should expect to receive a large number of applications and may want to consider a lottery system for issuing permits. The advantage of the lottery system is that it provides a degree of neutrality in the selection process. The disadvantage is that a lottery can deprive the City of control over who gets a permit.
- Permissive zoning – The Zoning Code is drafted in a permissive fashion such that any use not enumerated therein is presumptively prohibited. Under permissive zoning principles, the omission of any particular land use from local zoning regulations is the equivalent of an expressed ban unless the City finds that the proposed use is substantially the same in character and intensity as those land uses listed in the code. If the City can make this finding, such a use is subject to the permit process and zoning requirements which govern the land use category in which it falls. The City can rely on permissive zoning to prohibit medical marijuana uses if it so chooses. However, medical marijuana establishments may argue that they fall within various land use categories and descriptions, such as pharmacies, retail sales, nurseries, and agriculture. The City should be cautious in relying on permissive zoning to prohibit medical marijuana land use. These case-by-case requests could result in time-consuming administrative

hearings and costly and uncertain litigation. If the City wishes to ban all or some medical marijuana activities, the City should consider adopting expressed prohibitions or create new zones for MMBs and MMDs.

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Report Back No.6