



COMMUNITY DEVELOPMENT AGENCY
PLANNING DIVISION

October 20, 2015

Brian C. Crawford
DIRECTOR

Thomas Lai
ASSISTANT DIRECTOR

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

Re: First Reading of Proposed Ordinance to License Medical Cannabis
Dispensaries in Unincorporated Marin County

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Dear Supervisors:

RECOMMENDATION: Conduct a first reading of the proposed ordinance by title only, consider public comments, and schedule the merit hearing for December 8, 2015 to adopt an ordinance licensing medical cannabis dispensaries.

SUMMARY: The proposed ordinance would establish a regulatory framework to license medical cannabis dispensaries to meet the medical needs of, and expand options for, patients to access medical cannabis consistent with the state's Compassionate Use Act and Medical Cannabis Program. Dispensaries are currently not allowed in unincorporated areas of Marin County.

Over the past several months, staff worked with a subcommittee of the Board of Supervisors comprised of Supervisors Arnold and Connolly to research various regulatory models used by different cities and counties and to develop an ordinance that would be appropriate for the county. On June 9, 2015, your Board conducted a public workshop, received many comments both in writing and at the workshop, and directed staff to consider areas for additional review. A second draft of the proposed ordinance was released on October 2, 2015. The proposed ordinance would:

- Establish a competitive process for licensing medical cannabis dispensaries that are operated by non-profit patient collectives under the state's Medical Cannabis Program;
- Confer the authority to issue, revoke, and modify licenses to the County Administrator, with the Board of Supervisors serving to hear appeals;
- Limit the number of licensed dispensaries in the unincorporated areas of the county to four, with no more than two dispensaries in the urbanized (Highway 101) corridor, and two dispensaries in rural central/west Marin;
- Identify potential eligible sites based on one of three commercial zoning districts (C1, CP/C-CP, VCR/C-VCR) where retail use is allowed as of right;
- Require eligible sites to maintain a distance of at least 800 feet from public or private schools (K-12) and youth-oriented facilities (public park with playgrounds and amenities intended for, and used predominantly by minors);
- Allow, but does not regulate, delivery of medical cannabis by a dispensary to members and laboratory testing of cannabis by a dispensary for potency, molds, fungi, and other contaminants; and

- Require dispensaries to meet best management/operation standards, such as restricted hours, security measures, patient limits, and to be subject to county monitoring and reporting.

The proposed ordinance will also complement the recently approved California Medical Marijuana Regulation and Safety Act (MMRSA) (which was signed into law by the Governor on October 9, 2015) by establishing local standards for medical cannabis dispensaries before the state's licensing program takes effect, thereby allowing those dispensaries that have a County license to be eligible to apply for the new state license when the state's program launches in a few years. Unlike the new state law, this ordinance does not regulate delivery, cultivation, manufacturing, labeling, and laboratory testing of medical cannabis. Since the MMRSA allows local jurisdictions to regulate and establish more restrictive standards with respect to medical cannabis, staff will continue to work with the Board's subcommittee to monitor the state's implementation of the MMRSA and consider potential future amendments to the County ordinance. Furthermore, the ordinance does not protect the dispensary operator, property owner, patients, or caregivers from potential Federal prosecution and enforcement under the Federal Control Substances Act since cannabis remains a controlled substance that is illegal for any person to possess under federal law.

FISCAL/STAFFING IMPACT: Administration of the ordinance will increase the workload for the Community Development Agency. There will likely be additional costs borne to the County Administrator's Office, the Sheriff's Office, and other departments related to implementation, administration, and enforcement. These direct costs will be offset by application review and monitoring fees to be established separately by the Board of Supervisors to ensure that the program is cost covered. Staff will monitor and work with the County Administrator as part of Fiscal Year 2016-17 budget planning.

REVIEWED BY: (These boxes must be checked)

- | | |
|--|------------------------------|
| <input type="checkbox"/> Department of Finance | <input type="checkbox"/> N/A |
| <input checked="" type="checkbox"/> County Counsel | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Human Resources | <input type="checkbox"/> N/A |

SIGNATURE:

Tom Lai
Assistant Director

Reviewed By:

Brian C. Crawford
Director

Attachment: (1) Proposed Ordinance