

# ATTACHMENT 1

## TITLE:

Allow Operation of up to Eight Medical Marijuana (Cannabis) Businesses in City of Costa Mesa

## SUMMARY:

The Initiative amends the City of Costa Mesa Municipal Code to authorize establishment of up to eight medical marijuana (cannabis) businesses within City boundaries.

Medical marijuana businesses may engage in retail sales, planting, cultivation, harvesting, transporting, manufacturing, processing, preparing, storing, packaging, and provision of medical marijuana, provided such activities are not in conflict with state and federal law.

Medical marijuana businesses are exempt from the need to obtain any and all special use permits, conditional use permits, or any other permits. Medical marijuana businesses are exempt from any requirements outside the Initiative requiring special site plans, variances, or any other permit or certificate otherwise requiring by law.

Operational requirements are limited to only those provided in the Initiative. These include: authority to cultivate a reasonable amount of marijuana consistent with member patient needs; no operations within 600 feet of a public school; no operations within 1000 feet from another medical marijuana business; during hours of operation no minors allowed; hours of operation limited to 9 a.m. to 10 p.m. seven days a week; no alcohol or marijuana to be consumed on, or within 50 feet of, the premises; employees/volunteers must annually pass a criminal background check; security guard patrol provided for the premises during all hours of operation; warning labels and packaging restrictions; odor restrictions; minimum client records are only the medical marijuana identification card number issued by the State or County; and possession of a commercial general liability insurance policy.

Medical marijuana businesses are subject to a six percent sales tax on the distribution, sale or transfer of medical marijuana products, and a one percent sales tax on all other tangible personal property at retail.

Medical marijuana businesses may operate in certain commercial and industrial areas, but not in residential areas.

If certain conditions are met, the first eight applicants for a medical marijuana business license shall be granted a business license pursuant to "priority registration" status. If less than eight applicants qualify for "priority registration" status, the City may continue to issue business licenses until eight have been issued.

City Council may increase number of business licenses available to more than eight, but cannot decrease number below eight.

Certain operations shall not be considered medical marijuana businesses, including residences where three or fewer people cultivate marijuana, and certain health care facilities, hospices, residential care facilities, and clinics.

Other than provided for in the specific sections of the Initiative, the new regulations cannot be amended or repealed unless such amendment or repeal is approved by a majority of the voters at another City-wide election.

The Initiative calls for a special or regular election at the earliest time allowed by law. If competing medical marijuana measures appear on the same ballot, then in the event multiple measures pass, and this Initiative receives the most affirmative votes, then this Initiative provides that the competing measure(s) shall be null and void.

**TITLE:**

Allow Operation of up to Four Licensed Medical Marijuana Businesses in City of Costa Mesa

**SUMMARY:**

The Initiative amends the City of Costa Mesa Municipal Code to authorize the establishment of up to four medical marijuana businesses within City boundaries subject to an annual licensing procedure.

Medical marijuana businesses may engage in the cultivation, distribution or transfer of medical marijuana.

Operation of medical marijuana business requires license which must be renewed annually, and operation managers require individual operator permit which must be renewed annually.

Medical marijuana licenses issued if license application meets certain conditions which include: no false statements of material fact; no revocation by any public entity of a medical marijuana license in last two years; no felony convictions in last ten years. License will be automatically issued if not processed within thirty days.

Medical marijuana operator permits issued if operator permit application meets certain conditions which include: no false statements of material fact; applicant at least 21 years of age; applicant has not been convicted of a felony in the last ten years. Permit will be automatically issued if not processed within fifteen days.

Licenses and operator permits may be suspended and/or revoked for unlawful distribution of marijuana, failure to follow the provisions of this Initiative, or failure to abide by any disciplinary action previously imposed by an appropriate City of Costa Mesa official.

Operational requirements include: at least one person with medical marijuana operator permit during hours of operation; no operations abutting residential area; no operations 1,000 feet from any school; no operations 600 feet from public park, public library or licensed child care facility; no operations 1000 feet from another medical marijuana business; no observable marijuana from outside location; parking lot lighting; hours of operation 8 a.m. to 10 p.m.; no minors; no alcohol to be purchased/consumed during hours of operation.

Operations violating Initiative provisions are subject to closure as public nuisance.

Medical marijuana businesses are subject to six percent sales tax, and they may operate in certain commercial and industrial areas, but not in residential areas.

If certain conditions are met, first four applications for a license shall be granted pursuant to "priority registration" status. If less than four applicants qualify for "priority registration" status, City may continue to issue licenses until four have been issued.

City Council may increase number of licenses available to more than four, but cannot decrease number below four.

Certain operations shall not be considered medical marijuana businesses, including certain health care facilities, hospices, and residential care facilities.

To further the purposes of this Initiative, City Council may amend Initiative provisions. Repeal of any Initiative provision must be approved by majority of voters at another City-wide election.

Initiative calls for special or regular election at earliest time allowed by law. If competing medical marijuana measures appear on same ballot, then in the event multiple measures pass, and this Initiative receives the most affirmative votes, then this Initiative provides that the competing measure(s) shall be null and void.