

Impartial Analysis for Measure W: An Initiative to Allow Operation of up to Four Licensed Medical Marijuana Businesses in the City of Costa Mesa

Measure W, known as an Initiative ordinance entitled “Allow Operation of up to Four Licensed Medical Marijuana Businesses in the City of Costa Mesa”, would amend the Costa Mesa Municipal Code to authorize up to four medical marijuana businesses in the City. Such businesses would be allowed to engage in cultivation, distribution or transfer of medical marijuana. Each medical marijuana businesses requires a separate license issued by the Chief of Police which remains valid until revoked. Each operator of medical marijuana must have an individual operator’s permit issued by the Chief of Police which must be renewed annually. Certain state licensed health care facilities, hospices and residential care facilities are exempt.

Licenses must be issued if application meet certain conditions, and will be automatically be deemed granted if not granted or denied within 30 days. Operator permits must be issued if operator permit applicant meets certain conditions, and will automatically be issued if not granted or denied within 15 days. Licenses and permits may be suspended and/or revoked for unlawful distribution of marijuana, failure to follow the provisions of the initiative, of failure to abide by any disciplinary action imposed by an appropriate City official.

Such business are allowed as a matter of right in certain commercial (AP, C1, C2, C1S, TC & PDC) and industrial (MG, MP & PDI) zones, but are not permitted in residential zones. Operation requirements include: one permittee present during hours of operation (8 a.m. to 10 p.m.); no operations abutting residential areas (with exceptions); no operations 1,000 feet from any school, 600 feet from public park, library or licensed child care facility or 1,000 feet from another medical marijuana business; no observable marijuana from outside location; parking lot lighting; and no minors; no purchasing or consumption of alcohol during hours of operation. Violations of the ordinance are punishable as misdemeanors, and may be abated as a public nuisance.

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 a priority registration, City may continue to issue license until four have been issued. City Council may increase number of licenses available to more than four, but cannot decrease number below four. To further the purposes of the initiative, City Council may amend the initiative provisions. Repeal of any initiative provisions must be approved by a majority of voters at another city wide election.

Businesses licensed are subject to 6% sales tax; however under current law, a sales tax increase in this amount may cause the State Board of Equalization to terminate its contract to collect the City’s sales tax.

If competing medical marijuana measures appear on the same ballot, then in the event multiple measures pass, and this Measure receives the most affirmative votes, then the competing measure(s) shall be null and void.

This Measure was placed on the ballot by a petition signed by the requisite number of voters.