

Impartial Analysis for Measure X: The City of Costa Mesa Medical Marijuana Measure

Measure X, known as the “The City of Costa Mesa Medical Marijuana Measure”, would amend the Costa Mesa Municipal Code to allow medical marijuana (“MMJ”) distributing, manufacturing, processing, and transporting businesses, and research and development and testing laboratories, to be located in one specific area of the city, provided such businesses obtain a conditional use permit, a MMJ business permit, and a business license. The proposed ordinance would also impose a 6% annual gross receipts tax on any marijuana business, including but not limited to businesses specifically authorized by the Measure.

A MMJ business permit would be required for any person to engage in wholesale distribution, manufacturing, processing, and transporting, or to operate research and development and/or testing laboratories, as specifically defined. Retail sale or distribution of MMJ or marijuana products are prohibited, as are dispensaries and cultivation. Distribution and transport of MMJ must be between licensed and permitted entities. Persons must be in current compliance with all applicable state and local laws and regulations pertaining to the MMJ business. Permits, issued by the City CEO, are non-transferable and valid for two years unless revoked. The permit requires business records, inventory control systems, and provides for inspection thereof by the City; security and loss prevention measures; and liability insurance. Operating requirements include prohibitions against marijuana graphics, alcohol or marijuana sales or consumption, and persons under 21; signage restrictions, background checks for owners and employees; and inspection of the business by the City. The CEO is authorized to establish administrative regulations governing the procedures for implementing these provisions. Prior to operation a city business license must be obtained. A conditional use permit authorizing the location of the business is required, which may only be in the Manufacturing Park (MP) and Planned Development Industrial (PDI) zones in the area that is both north of South Coast Drive and west of Harbor Blvd, excluding any portion of the South Coast Collection, or any lot within 500 feet of Moon Park.

The Measure directly competes with the two initiatives entitled “Allow Operation of Up to Four Licensed Medical Marijuana Businesses Within the City of Costa Mesa” and “Allow Operation of Up to Eight Licensed Medical Marijuana (Cannabis) Businesses Within the City of Costa Mesa”. The Measure specifically rejects the changes to the Municipal Code proposed by these two initiatives. The Measure comprehensively regulates the same subject as, and expressly prohibits the activities that would be allowed by these two initiatives. Because of this conflict, the measure that passes with the highest number of affirmative votes will prevail.

Any future changes or amendments to the ordinance proposed by the Measure, including changes or amendments the Municipal Code provisions affected by it, may occur in the manner set forth by law, and shall not require a vote of the people; excepting that any change related to dispensaries and/or cultivation, the specific area within the City where MMJ businesses may be located, and/or an increase in the tax imposed, would require a vote of the people.

The above statement is an impartial analysis of Ordinance or Measure X. If you desire a copy of the ordinance or measure, please call the elections official’s office at 714-754-5225 and a copy will be mailed at no cost to you.