



## Proposition 64 Workshop

Community & Economic Development  
Department

City Council  
July 25, 2017

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## BACKGROUND

1. On November 8, 2016, California voters approved Proposition ("Prop") 64.
2. On March 7, 2017, City Council held a workshop on the potential impacts of Proposition 64 on the City of Riverside. At this meeting, additional questions were asked to be addressed in another workshop.
3. On June 27, 2017, Governor Jerry Brown, signed SB 94, creating the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) which effectively repealed the Medical Cannabis Regulations and Safety Act (MCRSA).



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## SB 94 KEY CHANGES

1. Established a Bureau of Cannabis Control.
2. Cities retain full land use authority and may prohibit cannabis businesses.
3. State Medical Marijuana I.D. cardholders are exempt from paying sales and use tax on cannabis purchases.
4. State must notify a local jurisdiction when it receives an application for commercial cannabis activity.



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## SB 94 KEY CHANGES

5. Cities are required to submit local ordinances on cannabis uses to the state.
6. Adoption of an ordinance exempt from CEQA.
7. Types of licenses available for commercial adult-use cannabis activity and commercial medicinal cannabis activity will remain the same.
8. Producing dispensary and transporter licenses will not be available.



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## SB 94 KEY CHANGES

9. Retail cannabis license or delivery operations will be allowed to operate from a location closed to the public.
10. Quality assurance, inspection, and testing requirements of cannabis prior to retail sale will change.
11. The combinations of medicinal cannabis licenses a person may hold has been limited.
12. The residency requirement in AUMA is now repealed.



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## SB 94 KEY CHANGES

13. Additional advertising requirements will be implemented.
14. Cannabis excise tax will be measured by the average market price of the retail sale.
15. Applicants for cultivation licenses will need to identify the water supply source.
16. The Bureau will no longer have the authority to regulate and control industrial hemp.
17. State may issue temporary event licenses.



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## Supplemental Questions

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Current Cost to the City and Enforcement Issues	4	4-5
Revenue and Banking	6	5-8
Lessons Learned from Other Jurisdictions	7	8-10
Implementation	8	10-12
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## RECOMMENDATIONS

That the City Council:

1. Receive the update and participate in the workshop on the State of California's implementation of Cannabis Regulation Framework;
2. Provide direction regarding any proposed policy, plan, and/or regulations of medical and recreation cannabis in the City; and
3. Direct staff to establish a moratorium on all commercial cannabis activity until a fully developed Cannabis Regulation Program can be fully developed for City Council approval.



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