



Cannabis Presentation

October 5, 2021

Presentation Purpose



- This presentation is to serve as an informational meeting to receive and discuss information related to commercial cannabis activities

Background



1996:
Compassionate
Use Act passed
that allowed for
medical
marijuana use

2003: Medical
Marijuana
Program Act
passed to help
implement/clarify
CUA

2016: Proposition
64 passed that
allowed for
recreational
marijuana use

2017: Yuba City
implemented
cannabis ordinance
prohibiting all
commercial
cannabis activities

2020: State
Supreme Court
ruling upheld
decision allowing
delivery of cannabis
to any City

Commercial cannabis
allowed and serving
Yuba City residents:
Sacramento - 2017
Colusa - 2017
Woodland - 2017/21
Marysville - 2018
Chico - 2020

Commercial Cannabis Business Types

- Cultivation
- Cultivation - nursery
- Manufacturing
- Testing laboratory
- Retailer
- Distributor
- Distributor (transport only)
- Microbusiness
- Event Organizer



City Regulatory Authority



- Regulation through local ordinance is allowed for. Typically via local zoning and land use requirements and through business license requirements. A city may also completely ban commercial cannabis activity

City Regulatory Authority



- Personal cannabis cultivation:
 - Cities may reasonably regulate but may not prohibit personal cultivation.
- Buffer Zone:
 - Cannabis dispensaries may not be located within 600 feet of schools, youth centers, and day care centers under State law. However, a City may adopt a local ordinance that would require even more separation and increase the distance.
- Delivery:
 - Cities can regulate deliveries within their borders – but cannot legally ban them. Likewise, cities cannot prevent a delivery service from using public roads to pass through its jurisdiction.

Current Taxes on Cannabis:



Type of Tax	Type of Cannabis Taxed	Rate of Taxation
State tax on cultivation ¹¹³	Both medicinal and nonmedicinal	\$9.25 per ounce of dried cannabis flowers and \$2.75 per ounce of dried cannabis leaves
State retail excise tax ¹¹⁴	Both medicinal and nonmedicinal	15% of gross receipts
Existing state and local sales tax ¹¹⁵	Nonmedicinal only ¹¹⁶	Rates vary across the state
Existing state and local use tax ¹¹⁷	Nonmedicinal only ¹¹⁸	Rates vary across the state

Local Regulation

Potential Decision Points for Agencies:



- Activities Allowed
 - Complete ban
 - Specific types of licenses
- Number of licenses
- Approval Processes
- Zoning
- Sensitive Use Buffers
- Background Checks
- Record Keeping
- Inspections
- Enforcement
- Fees / Tax / Permits

Industry Representatives



- Caity Maple with Perfect Union
 - Retail / Dispensary
- Wesley Clark with Horizon Capital
 - Cultivation