

City of McMinnville

The Changing Marijuana Landscape



**Council Work Session
August 19th, 2015**

**Martha Meeker
City Manager**



Overview

- **Regulatory changes fall into three “bins”**
 - **Early Sales**
 - **Growing, Processing, Wholesaling and Sales**
 - **Taxation**

- **What are the effects of recent state legislature and what actions the Council can take as a result?**



“Early Sales” SB 460

- **Allows medical marijuana dispensaries to sell recreational marijuana starting Oct 1, 2015**
 - **Allowed sales will include:**
 - **One quarter ounce of dried marijuana leaves and flowers per person per day**
 - **Four marijuana plants that are not flowering (immature plants)**
 - **Marijuana seeds**
 - **Program ends Dec 31, 2016**
 - **Taxes**
 - **Prior to Jan 2016: None**
 - **Jan 2016 – Dec 2016: 25%**
 - **10% of State revenues to participating cities for law enforcement**
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“Early Sales” SB 460

- **The Council has the option to ban medical marijuana dispensaries from selling recreational marijuana**
- **This is the most pressing area for decision due to the approaching implementation date**
- **Does not require a voter referral**
- **Suggest public hearing on Early Sales Sep 8th**



Growing, Processing, Wholesaling and Sales

- **HB 3400 – Omnibus bill amending Measure 91**
- **Allows Cities to ban....**
 - **Medical processing and sales**
 - **Commercial growing / processing / wholesaling and sales**
- **If the Council elects to impose a ban on any of the six categories, it will go to the ballot in Nov 2016**
 - **Ban acts as moratorium on new facilities until election occurs**
- **Note: Counties where more the 55% voted against Measure 91 would not have to go to the ballot in 2016**
 - **Yamhill is NOT one of those counties**
 - **Yamhill Yes = 49.92% No = 50.08%**
 - **McMinnville Yes = 52.85% No = 47.20%**



Growing, Processing, Wholesaling and Sales

- **For any of the six categories that will be allowed**
 - **The Council may restrict via “Time, Place and/or Manner”**
 - **Restrictions may be imposed on hours of operation, location (may not impose more than a 1,000 foot buffer between retail locations), manner of operation and the public’s access to the premises**
 - **Restrictions in place via State Legislation**
 - **No medical or recreational sales in residential zone**
 - **No medical or recreational processing extracts in a residential zone**
 - **No medical or recreational sales within 1,000 feet of elementary or secondary school**
 - **No medical marijuana dispensaries within a 1,000 feet of each other**
 - **No Medical marijuana dispensaries at a grow site**
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Growing, Processing, Wholesaling and Sales

- **Restrictions in place via existing City Ordinance**
 - **Medical facilities cannot locate within 1,000 feet of a preschool, the McMinnville Public Library, the McMinnville Aquatic Center, and the McMinnville Community Center**
 - **Operating hours for medical facilities restricted to between 10:00 a.m. and 7:00 p.m**



Growing, Processing, Wholesaling and Sales

➤ **Schedule**

- **OLCC accepting applications for licensing Jan 4th**
- **Unknown how long the review process will be**
- **If ban implementation delayed to a point allowing commercial operation to open, that same entity would have to cease operations once the restriction is in place**
- **Established medical operations not affected**

➤ **Public Hearing Timing**

- **Balance need for planning for interested businesses with time for public discussion**
 - **Banning: Public discussion late Oct**
 - **Time / Place / Manner: If any category is not banned suggest time / place / manner public hearing in Nov or Dec**
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Existing Taxation

- **HB 2041 shifts taxation from grow to sales**
 - **Existing State Tax Regulation**
 - **“Early Sales”**: No tax until Jan 2016 / after Jan, 25% tax
 - **Commercial retail**: 17% tax rate
 - **State Tax Distribution**
 - **Prior to Jul 1 2017**: 10% of State tax revenue (based on population) to Cities allowing marijuana facilities
 - Funds will go to assist City law enforcement duties
 - **After Jul 2017**: 10% State tax revenue dispersed based on the number and type of licenses issued within City
 - 50% of the 10% - based on number of growing / processing / wholesaling licenses issued within City
 - 50% of the 10% - based on number of commercial retail
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New Taxation

- **HB 3400 allows City to add up to a 3% sales tax independent of State tax on commercial retail**
- **Council would need to decide prior to Jun 2016 to meet Nov 2016 ballot**
- **What if City invokes bans all or part of marijuana actives?**
 - **City will not receive any State revenue if it bans any marijuana activity**
 - **City cannot implement a local tax if it bans any marijuana activity**



Questions??

Respectfully

Martha A. Meeker
City Manager