



# CITY OF CARSON

## Legislation Text

File #: 2020-556, Version: 1

### Report to Mayor and City Council

Tuesday, August 04, 2020

Discussion

#### SUBJECT:

**CONSIDERATION OF RESOLUTION NO. 20-127 APPROVING A CHARTER AMENDMENT AND CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2020, FOR THE PURPOSE OF SUBMITTING TO THE VOTERS A CANNABIS REGULATION MEASURE; CONSIDERATION OF RESOLUTION NO. 20-128 PROVIDING FOR THE FILING OF REBUTTAL ARGUMENTS REGARDING A CITY CANNABIS MEASURE; CONSIDERATION OF RESOLUTION NO. 20-129 AUTHORIZING THE DRAFTING OF DIRECT ARGUMENTS, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENT(S) AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS, REGARDING A CITY MEASURE ENTITLED CARSON PUBLIC SAFETY MEASURE TO REGULATE CANNABIS OPERATIONS, SUBMITTED AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 3, 2020 (CITY COUNCIL)**

#### I. SUMMARY

Carson currently permits all cannabis operations in the City except medical and recreational dispensaries. Specifically, the Carson Charter currently allows cannabis cultivation, wholesale distribution, delivery, manufacturing, and testing, but does not allow Carson residents to purchase medicinal and recreational cannabis from dispensaries within the City. The proposed Measure, which has been requested by the Mayor, would create regulations to allow all cannabis operations consistent with state law, including medical and recreational dispensaries, but limited to the same restricted locations already approved.

Pursuant to California Constitution Article XI, Section 7 and the California Government Code Section 37100, local agencies may adopt regulations to protect the health, safety and welfare of the public - either regulating cannabis operations or prohibiting. This Measure lets the residents of Carson decide.

In 1996, Carson and California voters approved Proposition 215, the Compassionate Use Act ("CUA"), codified as Section 11362.5 of the Health and Safety Code, and in October 2015, the State of California adopted AB 266, AB 243, and SB 643, collectively referred to as the Medical Marijuana Regulation and Safety Act ("MCRSA"), which legalized cannabis

medical dispensaries.

At the November 8, 2016 general election, the majority voters in Carson and California approved the Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA") that established a comprehensive regulatory and licensing scheme for commercial recreational (adult use) cannabis operations and that also legalized limited personal recreational cannabis use, possession, and cultivation.

In November 2017, the Carson City Council adopted Ordinance No. 17-1637, Adding Chapter 15 (Commercial Cannabis Operations Regulatory Program) to allow cannabis operations consistent with state law in the City except for medical and recreational dispensaries.

Currently, Carson does not have any cannabis operations and is not accepting any applications for any cannabis operations. This Measure, subject to voter approval, would authorize the City to ministerially approve cannabis operations consistent with state law, including medical and recreational dispensaries limited to the same amount as noted in the Charter (4-four) and create an objective points system and thorough review process to approve cannabis operations for qualified applicants via an efficient and neutral administrative process.

Or alternatively, if the majority of residents vote no on the Measure, the Charter shall be amended to prohibit all cannabis operations in the City, including medical and recreational dispensaries.

<b>I. CARSON CANNABIS REGULATION MEASURE: “CARSON PUBLIC SAFETY MEASURE TO REGULATE CANNABIS OPERATIONS.” Do you favor cannabis operations consistent with state law, including medical and recreational dispensaries - YES or NO? II. A YES vote means amending the Carson charter to allow all cannabis operations consistent with state law, including medical and recreational dispensaries. III. A NO vote means amending the Carson charter to prohibit cannabis operations and forgoing millions of tax dollars for the City’s general fund?</b>	YES
	NO

## **II. RECOMMENDATION**

TAKE the following actions:

1. APPROVE Resolution No. 20-127, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, APPROVING A CHARTER AMENDMENT AND CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2020, FOR THE PURPOSE OF SUBMITTING TO THE VOTERS A CANNABIS REGULATION MEASURE ENTITLED CARSON PUBLIC SAFETY MEASURE TO REGULATE CANNABIS OPERATIONS, WHICH REPLACES SECTION 209 (CANNABIS REGULATION; RETAIL DISPENSARY BAN) TO ARTICLE II (POWERS OF THE CITY) OF THE CITY CHARTER; AND, IN ACCORDANCE THEREWITH, REQUESTING THE COUNTY OF LOS ANGELES TO CONSOLIDATE THE SUBMISSION OF THIS MEASURE AT THE CITY'S GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2020, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THAT DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE"

2. APPROVE Resolution No. 20-128, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, PROVIDING FOR THE FILING OF REBUTTAL ARGUMENTS REGARDING A CITY CANNABIS MEASURE ENTITLED CARSON PUBLIC SAFETY MEASURE TO REGULATE CANNABIS OPERATIONS, SUBMITTED AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 3, 2020 "

3. APPROVE Resolution No. 20-129, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, AUTHORIZING THE DRAFTING OF DIRECT ARGUMENTS, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENT(S) AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS, REGARDING A CITY MEASURE ENTITLED CARSON PUBLIC SAFETY MEASURE TO REGULATE CANNABIS OPERATIONS, SUBMITTED AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 3, 2020"

4. ADOPT Ordinance No. 20-XXX, "

## **III. ALTERNATIVES**

TAKE another action(s) that Council deems appropriate.

#### IV. BACKGROUND

The cannabis industry is well-regulated by state law. In 1996, Carson and California voters approved Proposition 215, the Compassionate Use Act ("CUA"), codified as Section 11362.5 of the Health and Safety Code, to exempt certain patients and their primary caregivers from criminal liability under state law for the possession and cultivation of cannabis for medical purposes; in 2003 the California legislature enacted Senate Bill 420, the Medical Marijuana Program Act ("MMPA"), codified as Sections 11362.7, et seq., of the Health & Safety Code, and as later amended, to clarify the scope of the Compassionate Use Act of 1996 relating to the possession and cultivation of cannabis for medical purpose, and to authorize local governing bodies to adopt and enforce laws consistent with its provisions; and in October 2015, the State of California adopted AB 266, AB 243, and SB 643, collectively referred to as the Medical Marijuana Regulation and Safety Act ("MCRSA"), which established a comprehensive regulatory and licensing scheme for commercial medical cannabis operations.

In the November 8, 2016 general election, the majority of Carson voters and California voters approved the Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA") that established a comprehensive regulatory and licensing scheme for commercial recreational (adult use) cannabis operations and that also legalized limited personal recreational cannabis use, possession, and cultivation; and on June 27, 2017 Governor Brown signed Senate Bill 94, the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA"), which merged the regulatory regimes of MCRSA and AUMA.

In November 2017, the Carson City Council adopted Ordinance No. 17-1637, adding Chapter 15 (Commercial Cannabis Operations Regulatory Program) to allow cannabis operations consistent with state law in the City except for medical and recreational dispensaries.

Under the proposed Measure to Amend the Carson Charter:

- Carson residents would be able to legally purchase medical and recreational cannabis products at locations within the City instead of having to travel to neighboring cities.
- Cannabis operations must be located and operated only in industrial or commercial zones and must comply with the Location Restrictions of Subsection "C" of Section 15.150 of Chapter 15 of Carson Ordinance NO. 17-1637.
- Only four (4) cannabis operation locations may be authorized under this Measure, pursuant to Section 209 of the Charter and Section 150.50 of the City Municipal Code.
- Within sixty (60) days following the effective date of this Measure, the City Manager or designee(s) shall make available a cannabis operation permit application for an objective, administrative approval process.

- This Measure establishes fair review criteria, according to a point system or equivalent quantitative evaluation scale, that analyzes: Qualifications of the applicant's owners and managers; Plans, renderings, and overall location; Business plan; Operations plan; Safety plan; Security plan; Odor control plan and an environmental impact mitigation plan; Community benefits plan (to include a local employment plan); and Established business commitment to the City.
- Establishes minimum safety and security building guidelines, tracking and database technology record requirements, and armed security requirements.

### Three Election Resolutions

Three election resolutions concerning the proposed Cannabis Regulation Measure are presented for City Council consideration:

The first resolution orders the submission of the proposed Cannabis Regulation Measure to the voters at the November 3, 2020, election.

The second resolution is concerned with written arguments (both in favor and against) about the Cannabis Regulation ballot measure, as well as directing the City Attorney to prepare an impartial analysis of the proposed Cannabis Regulation Measure.

The third resolution provides for the filing of rebuttal arguments to the primary written arguments. The rebuttal arguments are prepared by the opposite authors of the primary written arguments.

### Issues Concerning Three Election Resolutions

a. Ballot Label. The first resolution includes a “ballot label” (commonly known as the “ballot question”) which describes the proposed Cannabis Regulation Measure and which is the question presented to the voters. Ballot labels are limited to 75 words or less. The Council may revise the language used for the ballot label within the following state law restrictions:

i. “The statement of the measure shall be a true and impartial synopsis of the purpose of the proposed measure and shall be in language that is neither argumentative nor likely to create prejudice for or against the measure.” (Election Code section 13119(c).)

This proposed Cannabis Regulation Measure’s revenues will be deposited into the General Fund and may be spent for unrestricted general revenue purposes; the ballot label may make reference to possible uses (while not committing the revenue to those uses).

b. Argument Authorization. The second resolution authorizes councilmembers to write arguments concerning the ballot measure by providing space for the City Council to authorize

councilmembers to draft arguments. If three or more Councilmembers jointly write a ballot argument, then the Brown Act will require the collaboration to occur at a noticed public meeting.

c. Rebuttals. Rebuttal arguments are optional under state law and are allowed at the discretion of the City Council. If the City Council does not desire to authorize rebuttal arguments, then Council should not approve this third election resolution.

#### Procedures

A majority vote of all members of the City Council will be required to pass the resolution to order the submission of the proposed Cannabis Regulation Measure to the voters.

Passage of the Cannabis Regulation Measure will require approval by a majority of the voters.

<b>IV. CARSON CANNABIS REGULATION MEASURE: “CARSON PUBLIC SAFETY MEASURE TO REGULATE CANNABIS OPERATIONS.” Do you favor cannabis operations consistent with state law, including medical and recreational dispensaries - YES or NO? V. A YES vote means amending the Carson charter to allow all cannabis operations consistent with state law, including medical and recreational dispensaries. VI. A NO vote means amending the Carson charter to prohibit cannabis operations and forgoing millions of tax dollars for the City’s general fund?</b>	YES
	NO

#### **V. FISCAL IMPACT**

The following cities have already approved cannabis operations, and are collecting tax revenues that could otherwise be available for Carson:

City	Population
Bellflower	77,682
Costa Mesa	115,296
Cudahy	24,000
Culver City	39,860
La Puente	40,686
Long Beach	478,561
Los Angeles	4,054,400
Lynwood	71,000
Malibu	12,957
Maywood	28,044
Pasadena	144,388
Pomona	155,687
Santa Ana	338,247
Stanton	38,305
West Hollywood	36,723

It is difficult for staff to estimate the fiscal impact without collecting revenue data from licensed businesses. For this reason, staff is unable to provide a long-term General Fund fiscal impact projection; however, over the next few years it could be in the tens of millions of dollars.

## **VI. EXHIBITS**

1. Resolution No. 20-127
2. Resolution No. 20-128

3. Resolution No. 20-129
4. Carson Retail Cannabis Regulation Safety Measure
5. Ordinance No. 20-XXX (Proposed Ordinance will be provided day of Council)

Prepared by: City Manager's Office