



**City Manager's Report**  
**August 14, 2018 City Council Meeting**  
**Prepared By: M. Cleve Morris**  
**Item#: 12.4**

**Subject:** Authorize the City Manager to submit comments to Lori Ajax, Chief Bureau of Cannabis Control objecting to the proposed regulations for the implementation of the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

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**Purpose:** To object to proposals by the State to limit local authority to regulate deliveries of Marijuana and time limits for jurisdictions to respond to the State regarding business compliance with local ordinances in the City of Placerville.

**Background:** Since the adoption of Proposition 64, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) the State has been working on guidelines to implement the Proposition. In January, temporary emergency regulations were adopted. Included in those regulations is language that allows local jurisdictions to decide what types of businesses will be allowed. This is consistent with Proposition 64. In addition, the interim language gives 60 days for local governments to respond to a request from the State for a license application.

**Discussion:**

On July 13, 2018, the Bureau of Cannabis Control released the proposed Final Regulations. Included in the proposed regulations under Section 5416(d) it states:

*(d) A delivery employee may deliver to any jurisdiction within the State of California.*

This provision would allow any licensed business, either within the City or outside the City limits to make deliveries inside the City. Licenses for these types of deliveries would be issued by the State, but no local approval would be required.

This provision not only limits our ability to control what type of Cannabis Business we allow in our City, but also is potential precedent setting in allowing the State to determine local issues. Currently under Section 26055(d) of the Business and Professions Code it states:

*d) Licensing authorities shall not approve an application for a state license under this division if approval of the state license will violate the provisions of any local ordinance or regulation adopted in accordance with Section 26200.*

In addition, Sections 5001(c) (11) and 5002(c) (28) would undermine the ability of local agencies to ensure community standards are met by reducing from 60 to 10 days the period to verify if a licensee has obtained necessary local approvals.

This provision would put extreme pressure on local government staff to respond to the state in a short period of time or risk approval of a license for which the City does not allow. Although it will always be the intent of staff to respond timely, workloads and schedules in a small city with a small staff can impact these responses.

These new regulations are not necessary and should not be changed. For these reasons, staff is recommending that Council authorize comments to be submitted to the Bureau of Cannabis Control, objecting to the proposed new regulations, specifically Section 5416(d) and Sections 5001(c) (11) and 5002(c) (28).

**Options:**

1. Authorize Staff to submit the comments as outlined
2. Amend the comments and authorize staff to proceed.
3. Direct staff to not submit comments at this time.

**Cost:** There will be minimal time to prepare and submit the comments.

**Budget Impact:** None. This can be absorbed in the current budget

**Recommendation:** Authorize the City Manager to submit comments to Lori Ajax, Chief Bureau of Cannabis Control objecting to the proposed regulations for the implementation of the Medicinal and Adult-Use Cannabis Regulation and Safety Act.



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M. Cleve Morris, City Manager

*Attachment: Draft Comments*