



TO: T.C. Broadnax, City Manager
FROM: Lisa Wojtanowicz, Division Manager, Community Services Division, Neighborhood and Community Services Department
Tansy Hayward, Neighborhood and Community Services Department
COPY: City Council and City Clerk
SUBJECT: Ordinance—Adopting Nuisance Regulations related to Recreational Cannabis – October 29, 2013
DATE: October 15, 2013

SUMMARY:

An ordinance amending Chapter 8.30 of the Tacoma Municipal Code (TMC) to identify activities related to recreational cannabis as nuisances. These regulations are being proposed in response to the voter-approved Initiative 502.

BACKGROUND:

Initiative 502, approved by Washington voters in November 2012, provides a framework for licensing and regulating the production, processing, and retail sale of recreational marijuana. The Washington State Liquor Control Board (“WSLCB”) is tasked with establishing rules and procedures to implement Initiative 502. According to the WSLCB’s current timeline, the rules would become effective on November 16 and the State would begin accepting applications for all license types on November 18, 2013.

With the passing of Initiative 502 amendments to Substitute Ordinance No. 28083 are warranted. The proposed amendments to TMC Chapter 8.30 create better alignment with the State rules and proposed Land Use regulations that have been recommended by the Planning Commission.

ISSUE:

On July 31, 2012 the City Council amended TMC Chapter 8.30 related to medical cannabis as a public nuisance. With the passage of I-502 and the associated rules from the WSLCB, it is necessary for the City Council to review current policy regarding nuisance regulations and the use of cannabis.

ALTERNATIVES:

Alternatives to the proposed legislation include taking no action. If Council chose to take no action at this time then the present nuisance regulations with regards to medical cannabis would remain in place but there would be no nuisance regulation for recreational cannabis.

RECOMMENDATION:

The City Council is requested to consider the first reading on October 29, 2013 to adopt amendments to TMC Chapter 8.30 regarding nuisance regulations as related to recreational cannabis. The proposed regulations will define nuisance activities as related to recreational cannabis. These proposed regulations will bring the Municipal Code into alignment with the rules set forth by the WSLCB and the proposed Land Use regulations recommended by the Planning Commission.

FISCAL IMPACT:

The full impacts of Initiative 502 implementation, including any local regulations, are largely unknown as this involves the formation of a completely new industry, based on new, untested rules and an



undetermined level of demand. While recent state guidance has clarified that Tacoma may get up to eight retail outlets, the actual number will not be known until the state opens the licensing process. In addition, while the additional regulations being contemplated at the local level will likely create a small enforcement impact, most of the standards regarding recreational marijuana uses will exist at the state level and the state's role in enforcement remains unclear.

With regards to taxation, all of the excise tax revenue generated by this new industry is being captured at the state level, and thus direct financial benefits to the City are largely dependent on separate discussions regarding the local licensing of these businesses. Other positive financial impacts could include expanded employment opportunities and increased sales tax revenue, but these are inherently difficult to quantify for this brand new industry.