

Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of September 13, 2016

**LEGISLATIVE UPDATE: PROPOSITION 64 (CALIFORNIA MARIJUANA
LEGALIZATION INITIATIVE)**

Recommended Action:

This is merely an informational update. No City Council action is requested on this item at this time.

Proposition 64

California Proposition 64, the California Marijuana Legalization Initiative, will be on the November 8, 2016 ballot in California as an initiated state statute. Supporters refer to the initiative as the "Adult Use of Marijuana Act" (AUMA). Currently, medical marijuana is legal in California, but *recreational marijuana* is illegal. The AUMA was designed to establish state agencies to oversee the licensing and regulation of the marijuana industry while legalizing marijuana under state law for use by adults 21 or older. Moreover, it would allow local regulation and taxation of marijuana by enacting a sales and cultivation tax, with exceptions for qualifying medical marijuana sales and cultivation. The initiative was also designed to prevent licenses for corporate or large-scale marijuana businesses for five years in order to deter the "unreasonable restraints on competition by creation or maintenance of unlawful monopoly power." The initiative would also establish packing, labeling, advertising, and marketing standards and restrictions for marijuana products; including prohibitions on marketing and advertising marijuana directly to minors. Importantly, this initiative would authorize resentencing and destruction of criminal records for prior marijuana convictions. Other provisions relate to the rights of employers to screen for marijuana use, driving under the influence of marijuana, and marijuana business locations.

Under the proposed "Adult Use of Marijuana Act", local governments may regulate non-medical marijuana-related activities, subject non-medical marijuana businesses to zoning and permitting requirements, and ban non-medical marijuana businesses by a vote of the people within a locality. However, it is currently unclear whether local governments may continue to ban deliveries from licensed providers to patients in their jurisdiction (see proposed amendment to H&S section 26200); or ban indoor cultivation. Otherwise, like the MMRSA, the AUMA would require a local license prior to the issuance of a state license in order to dispense, deliver, and cultivate marijuana within local jurisdictions.

To reiterate, this proposition does not impact the City's ability to regulate medical marijuana sales or distribution as outlined in our Municipal Code. Furthermore, should the proposition pass, the City could reasonably regulate recreational marijuana uses, but would not be able to *ban* recreational marijuana within the City without a vote of the people.