

CALIFORNIA PROPOSITION 64 & Measure cc

March 8, 2022

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City of Hawthorne

Proposition 64

Adopted By the Voters of California in 2016 and became effective in 2017.

Medical and Adult Use of Cannabis Regulation and Safety Act (MAUCRSA) – Legalized commercial sale, distribution and production
2018

Department of Cannabis Control

- Department of Cannabis Control created :
- Regulates Commercial Cannabis Industry

Types of Licenses

- Established some 20 types of licenses, covering cultivation, manufacture, testing laboratory, retailer, distributor and microbusiness. The licenses are differentiated between adult use and medicinal use.

Retail License

- Must Have a Physical Location
- The Location Need Not be Open to the Public if Exclusively Sell by Delivery
- Must Not be Located Within a 600 Feet Radius of a K-12 School or Daycare Center
- Local Jurisdiction May Specify a Different Radius

Cannabis Product Packaging

- Must be Labeled
- Tamper-Proof, Child Resistant
- Bear a Universal Symbol
- Not Attractive to Children

Must Sell To 21 And Over

- Cannot Permit Under 21 to be on the Premise
- May Not Employ Anyone Under 21
- ID Must Be Checked at Entry
- For “M” License (Medicinal), 18 and Over Allowed If Show a Medicinal Authorization

Advertising

- Must Not Advertise or Market Within 1,000 Feet of a K-12 School, or a Daycare Center
- Must Not Encourage Under 21 to Consume Cannabis
- Retailer Not Allowed To Advertise on a Billboard on an Interstate Highway

Record Keeping

- Must Record Each Sale, Including Name and Address of the Customer
- Must be Kept on the Retail Premises
- Must be Retained for 7 Years
- Records Subject to Inspection by Dept. of Cannabis Control, other State and Local Agency
- Violation Subject to Citation and a Fine up to \$30,000.
- Must Not Disclose to a Third Party

Local Agency

- Allowed to Adopt and Enforce Local Ordinance and Regulate
- Local Zoning and Land Use May be Applied
- Business License Ordinance
- Ordinance on Secondhand Smoke
- May Prohibit Some or All Cannabis License
- Cultivation License Must Follow State and Local Land Use Laws and Requires Environmental Impact Analysis

Local Agency (continued)

- Must Notify Department of Cannabis Control when a License is Revoked
- May Establish Standards for Health & Safety, Environmental Protection, Testing, Security, Food Safety, Worker Protection In Addition To the Department Standard
- Must Provide a Copy of Ordinance Relating to Commercial Cannabis
- Must Provide Name and Contact Information to the Dept. of Cannabis Control

Statutory Provisions

- State Laws Regarding Commercial Cannabis is Codified in Division 10 of the Business and Professions Code, Section 26000, et. seq.

Hawthorne Resolution No. 8148

- Adopted on January 28, 2020 by a 5-0 Vote
- Placed on November 3, 2020 Statewide Election as Measure cc
- Imposing a 5% Cannabis Business Tax on the Gross Receipts on Cannabis Business.

Measure cc

- **Ballot Title:** Shall the City of Hawthorne Cannabis Business Tax Ordinance of 2020 be approved, imposing a 5% cannabis business on the gross receipts of cannabis businesses, until ended by voters (This tax will generate no revenues initially, but would generate revenue if, in the future, cannabis businesses are permitted or exist in the City)?
- **“Yes” Vote – 18,304 or 61.49%**
- **“No” Vote – 11,464 or 38.51%**

Council Directives from January 2021

- Request For Proposals for Consultants
- For Zoning and Ordinance for Commercial Cannabis
- Expected City Revenue: \$100 to \$300,000 per store per H. Mosesman (consultant) 8-12 Retail Stores
- February 23, 2021, Draft RFP Provided
- May 12, 2021 – Five Cannabis Consultants Interviewed

Council Actions Continued

- August 24, 2021 – ejma Planning + Development, Inc. Selected as City's Cannabis Consultant.
- September 28, 2021 – Approved to form a Working Committee
- October 12, 2021 – Approved Resolution No. 8305 Creating a Cannabis Program Working Committee

Anticipated Steps Ahead

- Ordinance with all licenses council voted to be looked at.
 - First reading with public hearing - council votes on the types of license(s) to be in the ordinance
 - Another first reading of ordinance with license(s) selected by council.
 - Second reading for adoption (Council can reject the ordinance)

Anticipated Steps Continued

- Formation of Oversight Committee (Recommended by the Working Committee)
- Resolution for Council to Approve Oversight Committee
- Formation of Licensing Committee (Recommended by Working Committee)
- Resolution for Council to Approve Licensing Committee

Thank you!

Robert Kim
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