



## City Council Staff Report

Date: February 19, 2014

LEGISLATIVE

Subject: PROPOSED ORDINANCE OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING SECTION 1.01.110, PARAGRAPH A.20 OF SECTION 92.15.01, PARAGRAPH A.6 OF SECTION 92.10.01, PARAGRAPH A.5 OF SECTION 92.17.1.01, AND SECTION 93.23.15 OF, AND ADDING CHAPTER 5.35 AND SECTIONS 3.35.080, 3.35.090, 3.35.100, 3.35.110, AND 3.35.120 TO, AND REPEALLING SECTION 6.08.150 OF, THE PALM SPRINGS MUNICIPAL CODE, RELATING TO REGULATIONS FOR MEDICAL CANNABIS COOPERATIVES AND COLLECTIVES IN THE CITY.

From: Douglas Holland, City Attorney

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### SUMMARY

This proposed Ordinance relates to the City's regulatory program for medical cannabis cooperatives and collectives in the City. The current Code established a regulatory program as a part the City's Zoning Code. This Ordinance removes the regulatory aspects from the Zoning Code and retains traditional zoning and land use considerations affecting medical cannabis cooperatives and collectives in the Zoning Code. This Ordinance creates a comprehensive regulatory program for medical cannabis and collectives in the City as Chapter 5.35 of the Palm Springs Municipal Code. As part of the regulatory program, this Ordinance increases the number of allotted cooperatives or collectives from 3 to 4, removes the prohibition on the use of cash in transactions at each collective or cooperative, allows collectives and cooperatives to operate seven days a week, provides for the City Manager to adopt and implement administrative rules and regulations for the testing of cannabis, and imposes certain labeling and disclosure requirements.

### RECOMMENDATION:

1. Waive the reading of the ordinance text in its entirety and read by title only and introduce ORDINANCE OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING SECTION 1.01.110, PARAGRAPH A.20 OF SECTION 92.15.01, PARAGRAPH A.6 OF SECTION 92.10.01, PARAGRAPH A.5 OF SECTION 92.17.1.01, AND SECTION 93.23.15 OF, AND ADDING CHAPTER 5.35 AND SECTIONS 3.35.080, 3.35.090, 3.35.100, 3.35.110, AND 3.35.120 TO, AND REPEALLING SECTION 6.08.150 OF,

THE PALM SPRINGS MUNICIPAL CODE, RELATING TO REGULATIONS FOR MEDICAL CANNABIS COOPERATIVES AND COLLECTIVES IN THE CITY.

STAFF ANALYSIS:

The proposed Ordinance incorporates the direction the City Council provided at its December, 2013 meeting regarding the City's medical cannabis program. A comprehensive regulatory program is proposed to be added as Chapter 5.35 of the Code. This revised regulatory program provides for an increase in the number of permitted collectives from 3 to 4; allows collectives to operate seven days a week; eliminates the prohibition on cash as a method of payment at each collective; provides for certain health and safety practices coupled with periodic testing of product. The Ordinance also establishes certain labeling requirements, and requires that Owners of medical cooperatives and collectives secure management permits in addition to the medical cannabis collective permit the City Council required in its initial regulatory program.

This Ordinance also separates the regulatory aspects of medical cannabis from the land use and zoning requirements in Chapter 93. A draft of this Ordinance that dealt solely with the amended Zoning Code provisions was submitted to the Planning Commission for its recommendation. The Planning Commission on February 12 voted to recommend the amendment to the City Council. In separating the regulatory aspects from the land use, the permits will no longer be viewed as land use entitlements and will be treated as more traditional regulatory permits. Management permits are also proposed to be issued in addition to permits for each collective. The term of each permit will be one year, renewable annually.

This ordinance also consolidates other actions of the City Council. Certain tax administrative functions and responsibilities the Council previously adopted by resolution (Resolution 23476) have been added to Chapter 3.35, the Cannabis Tax provision, and the mobile marijuana dispensary regulations in PSMC Section 6.08.150 have been moved to Chapter 5.35 of the Code.

FISCAL ANALYSIS

City revenue derived from the Cannabis and Marijuana Tax program should be sufficient to fully fund any costs to the City in administering the program.

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Douglas Holland, City Attorney

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David Ready, City Manager