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City of Laguna Beach, City of Laguna Beach Initiative Measure to Rescind Laguna Beach’s Ban on Medical Marijuana Dispensaries and Authorizing the Operation and Regulation of Medical Marijuana Dispensaries

Shall an ordinance rescinding the City of Laguna Beach’s prohibition of medical marijuana dispensaries, allowing for one dispensary for every 10,000 residents, and adopting regulations providing for administrative approval process, operator priority registration, operating standards, distance requirements from residential areas and schools, and which could allow the sale of marijuana for recreational use, known as An Initiative Measure Rescinding the City of Laguna Beach’s Ban on Medical Marijuana Dispensaries and Authorizing the Operation and Regulation of Medical Marijuana Dispensaries, be adopted?

What your vote means

YES	NO
A “Yes” vote on Measure KK would rescind the City’s existing prohibition on medical marijuana dispensaries and would authorize the operation of at least two dispensaries in the City.	A “No” vote on Measure KK would disapprove the proposed ordinance and, as a result, would keep in place the City’s existing prohibition against medical marijuana dispensaries.

For and against

FOR	AGAINST
No argument was filed in favor of Measure KK	<p>Laura Farinella Laguna Beach Chief of Police</p> <p>Ketta Brown Parent/Education Leader</p> <p>Toni Iseman Laguna Beach Mayor Pro Tem</p> <p>Kelly H. Boyd Laguna Beach City Councilmember/Former mayor</p> <p>Gary Jenkins, M.D. Retired Pediatrician</p>



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Full Text of Measure KK City of Laguna Beach

WHEREAS, The League of California Cities and California Police Chiefs Association have authored statewide legislation to provide a clear road map for reasonable statewide implementation of Proposition 215 and the Medical Marijuana Program Act of 2004 in California;

WHEREAS, legislation regulating the medical marijuana industry is supported by the Association for Los Angeles Deputy Sheriffs; Association of Orange County Deputy Sheriffs; California Fraternal Order of Police; International Faith Based Coalition; Long Beach Police Officers Association; Los Angeles County Professional Peace Officers Association; Los Angeles Police Protective League; Riverside Sheriffs Association and Santa Ana Police Officers Association;

WHEREAS, it is in the interest of the citizens of the City of Laguna Beach to have Medical Marijuana Businesses operate within reasonable regulation that mirror those put forward by The League of California Cities and Counties and The California Police Chiefs Association in order to regulate the distribution of medical marijuana, which if unregulated threatens the interests of local neighborhoods and businesses, as well as negatively impacting those seriously ill residents of the City;

WHEREAS, the City has a substantial and clear interest in ensuring that medical marijuana is cultivated and distributed in an orderly manner, in order to protect the public health, safety and welfare of its residents, the neighborhoods in which Medical Marijuana Businesses operate, while ensuring compassionate access by seriously ill residents to medical marijuana in accordance with the Compassionate Use Act of 1996 and the Medical Marijuana Program Act of 2004;

WHEREAS, to accomplish the goals of the City, this ordinance intends to limit the number of Medical Marijuana Businesses by zoning enforcement and implements operational standards which include maintaining safe distances from schools, prohibiting commercial signs in front or near Medical Marijuana Businesses, and requiring background checks of Medical Marijuana Business operators, while providing city revenue where marijuana is cultivated, processed, provided, sold, distributed, delivered or given away to qualified patients or primary caregivers;

NOW, THEREFORE,

THE PEOPLE OF THE CITY OF LAGUNA BEACH HEREBY ORDAIN AS FOLLOWS:

Section 1. Code Amendment. Section 25.02.003 of the Laguna Beach Municipal Code is hereby repealed and amended to state the following:

25.02.003 Medical Marijuana Business Prohibited.

- (A) It shall be unlawful to own, establish, operate, use, or permit the establishment or operation of a Medical Marijuana Business, or to participate as an employee, contractor, agent, volunteer, or in any manner or capacity.
 - a. The general prohibition contained in this section shall include renting, leasing, or otherwise permitting a Medical Marijuana Business to occupy or use a location, vehicle, or other mode of transportation.
- (B) Individual Use in Compliance With Compassionate Use Act. Nothing in this section shall be construed to make unlawful an individual's cultivation and/or consumption of medical marijuana in his or her own residence for their own use, or for the use of a qualified patient, if such cultivation, possession, or use is lawful under California Health and Safety Code Sections 11362.5 through 11362.83, inclusive.

Section 2. Code Amendment. Chapter 5 of the City of Laguna Beach Municipal Code is hereby amended to include Chapter 5.85, henceforth entitled "Medical Marijuana Business" and is hereby added to read as follows:

Section 5.85.010. Purpose.

The people of the City of Laguna Beach hereby declare that the purpose of the regulations in this chapter is to provide a uniform and enforceable set of rules for the operation of Medical Marijuana Businesses, in compliance with state law and to future state-wide regulation, to prevent the proliferation of unlawful Medical Marijuana Businesses, and to protect the public health, safety and welfare of residents and business.

Sec. 5.85.020. Definitions.

The following terms and phrases, whenever used in this section, shall be construed as defined in this section:

- (a) "Applicant" A person who is required to file an application for a license under this chapter, including an individual owner, managing partner, officer of a corporation, or any other operator, manager, employee, or agent of a Medical Marijuana Business or an operator of a Medical Marijuana Business.
- (b) "Building" means any structure having a roof supported by columns or walls, for the housing, shelter or enclosure of persons, animals, chattels, or property of any kind.
- (c) "Cultivation" means the act of planting, cultivating, harvesting, drying, or processing any marijuana or any part thereof;
- (d) "Director of Planning" means the Planning Director (herein "Director") or his or her designee.
- (e) Department of Finance" means the department of finance in the city of Laguna Beach, which is directed by the director of finance.
- (f) "Director of Finance" means the director of finance for the city of Laguna Beach, or his or her designees.
- (g) "Establishment" Includes any of the following:
 - i. The opening or commencement of any such business as a new business;
 - ii. The conversion of an existing business, whether or not a Medical Marijuana Business, to any of the Medical Marijuana Businesses defined herein;
 - iii. The addition of any of the Medical Marijuana Businesses defined herein to any other existing Medical Marijuana Business; or
 - iv. The relocation of any such Medical Marijuana Business.
- (h) "Licensee" The person or entity to which a Medical Marijuana Business License is issued.
- (i) "Live Scan" means a system for inkless electronic fingerprinting and the automated background check developed by the California Department of Justice (DOJ) which involves digitizing fingerprints and electronically transmitting the fingerprint image data along with personal descriptor

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information to computers at the DOJ for completion of a criminal record check; or such other comparable inkless electronic fingerprinting and automated background check process as determined by the City Council.

- (j) "Live Scan application" means a form developed by the City Clerk to request Live Scan services and to contain information relevant to the Live Scan process.
- (k) "Location" means any parcel of land, whether vacant or occupied by a building, group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area.
- (l) "Marijuana" shall be construed as defined in California Health and Safety Code Section 11018 and further shall specifically include any product that contains marijuana or a derivative of marijuana.
- (m) "Medical Marijuana Business," "Medical marijuana dispensary" as defined in section 25.08.024 of the Laguna Beach Municipal Code.
- (n) "Operator" means any person with responsibility for the establishment, organization, registration, supervision, or oversight of a Medical Marijuana Business, including but not limited to any person who performs the functions of president, vice president, board member, director, owner, operating officer, financial officer, secretary, or treasurer of the Medical Marijuana Business.
- (o) "Person" means any Business, individual, partnership, co-partnership, firm, association, joint stock company and corporation.
- (p) "Police Chief" The police chief of the City of Laguna Beach or the authorized representatives thereof.
- (q) "Premises" means the space in any buildings of a Medical Marijuana Business together with the spaces within any structures, yards, open spaces, lot width, and lot area at a location that is occupied or used in the operation of the Medical Marijuana Business.
- (r) "Structure" means anything constructed or erected which is supported directly or indirectly on the ground, but not including any vehicle.
- (s) "Vehicle" means a device by which any person or property may be propelled, moved, or drawn upon a street, including but not limited to a device moved exclusively by human power.
- (t) The following words or phrases when used in this Section shall be construed as defined in California Health and Safety Code Sections 1746, 11362.5, 11362.7 and 11834.02
 - i. "Alcoholism or drug abuse recovery or treatment facility";
 - ii. "Hospice";
 - iii. "Identification card";
 - iv. "Person with an identification card"
 - v. "Primary Caregiver"; and
 - vi. "Qualified Patient";

Sec. 5.85.030. Interpretation.

The provisions of this chapter shall be read consistent with all the provisions of Federal and State law as well as section 5.08.210 (Unlawful business) of the Laguna Beach municipal code. At no time shall a Medical Marijuana Business in compliance with state law and chapter 5.85 be read to be an unlawful business pursuant to Section 5.08.210.

Section 5.85.040 Medical Marijuana Business Limited Immunity.

- A. Any Medical Marijuana Business which has obtained a Medical Marijuana Business License pursuant to Chapter 5.85 of Title 5 of the Laguna Beach Municipal Code shall be immune from all citation, prosecution or punishment for violation of the prohibition set forth under section 25.02.003.
- B. Any Medical Marijuana Business which is immune from the prohibition set forth in section 25.02.003 is permitted to obtain building permits or other permission from the City of Laguna Beach and those permits and permissions shall be valid subject to the business maintaining its immunity under section 5.85.040.
- C. This chapter shall not apply to:
 - 1. Any vehicle during only that time reasonably required for its use by:
 - i. A qualified patient or person with an identification card to transport marijuana for his or her personal medical use, or
 - ii. A primary caregiver to transport, distribute, deliver, or give away marijuana to a qualified patient or person with an identification card who has designated the individual as a primary caregiver, of the personal medical use of the qualified patient or person with an identification card, in accordance with California Health and Safety Code Section 11362.76
- D. Every business shall display its Medical Marijuana Business License prominently in an area open to the public at all times when the location is open for business.

Sec. 5.85.050 License For One Location Only.

- A. A license issued for a particular location shall authorize the Medical Marijuana Business to conduct the Licensee's business at such location only, and such license shall not be used for conducting such business at any other location.
- B. The city shall issue no more than one Medical Marijuana Business Licenses per ten thousand (10,000) residents.

Sec. 5.85.060. Application for Medical Marijuana Business License.

- A. An applicant requesting issuance of a Medical Marijuana Business License shall file a written, signed and verified application or renewal application in a form provided by the finance director. Each application shall be accompanied by a non-refundable fee for filing or renewal in an amount determined by resolution of the city council, which fees will be used to defray the costs of investigation, inspection and processing of such application. License fees required under this chapter shall be in addition to any license, or fee required under any other chapter or title of the city of Laguna Beach Municipal Code.
- B. An application for a Medical Marijuana Business License shall contain the following information:
 - 1. The complete name of the Medical Marijuana Business's corporation, the date of its incorporation, evidence that the corporation is in



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good standing under the laws of California, the names and capacity of all officers and directors, the name of the registered corporate agent and the address of the registered office for service of process;

2. If the applicant intends to operate the Medical Marijuana Business under a name other than that of the applicant, the applicant shall file the fictitious name of the Medical Marijuana Business and show proof of registration of the fictitious name at the time it submits its application;
 3. A description of the type of Medical Marijuana Business for which the license is requested and the proposed address where the Medical Marijuana Business will operate, plus the names and addresses of the director/s or officer/s or owner/s of the Medical Marijuana Business with a successful Live Scan background check of each such person;
 4. The address to which notice of action on the application is to be mailed;
 5. The names of each person who dispenses marijuana at the Medical Marijuana Business together with a successful Live Scan background check of each such person.
 - a. A unsuccessful or failed Live Scan is any Live Scan that shows a felony conviction having occurred within the past 10 years and/or shows that the manager is currently on parole or probation for the sale or distribution of a controlled substance;
- C. If the finance director determines that the applicant has completed the application improperly, the department of finance shall promptly notify the applicant of such fact and, on request of the applicant, grant the applicant an extension of time of no less than thirty (30) days to complete the application properly. In addition, the applicant may request an extension, not to exceed thirty (30) days, of the time for the director of finance to act on the application. The time period for granting or denying a license shall be stayed during the period in which the applicant is granted an extension of time.
- D. The fact that an applicant possesses other types of state or city permits or licenses does not exempt the applicant from the requirement of obtaining a Medical Marijuana Business License.

Sec. 5.85.070. Review of Medical Marijuana Business License Application.

- A. Upon receipt of a completed application and payment of the application and license fees, the department of finance or director of finance shall immediately stamp the application as received and promptly investigate the information contained in the application to determine whether the applicant shall be issued a Medical Marijuana Business License.
- B. Within thirty (30) days of receipt of the completed application, the director of finance shall complete the investigation, grant or deny the application in accordance with the provisions of this section, and so notify the applicant as follows:
 1. The director of finance shall write or stamp "Granted" or "Denied" on the application and date and sign such notation.
 2. If the application is denied, the director of finance shall attach to the application a statement of the reasons for denial.
 3. If the application is granted, the director of finance shall attach to the application a Medical Marijuana Business License.
 4. The application as denied or granted, shall be placed in the United States mail, first class postage prepaid, addressed to the applicant at the address stated in the application.
 5. The director of finance shall grant the application and issue the medical marijuana Business license upon findings that the proposed business meets the locational criteria of section 5.85.110(f); and that the applicant has met all of the safety standards and requirements of section 5.85.110 of this chapter and the applicant is not denied for one (1) or more of the reasons set forth in section 5.85.080.
- C. If the director of finance neither grants or denies the application within thirty (30) days after it is stamped as received, the application shall be deemed granted and forwarded to the director of finance for the issuance of a Medical Marijuana Business License.
 1. The City Finance Department shall issue no more than one (1) Medical Marijuana Business License per ten thousand (10,000) residents.
 - i. The City Council shall have the discretion to increase, but not decrease, the number of business licenses issued by the city Finance Director pursuant to this Chapter.
- D. Medical Marijuana Business Priority Registration
 1. Priority Review- For one year after the Medical Marijuana Business License application is made available by the director of finance, the director of finance or his/her designee shall conduct a *priority* review of any applicant for a Medical Marijuana Business License who meets the following criteria:
 - i. The Applicant is a valid and active California Non-profit mutual benefit corporation that was incorporated prior to May 15, 2014; and
 - ii. The Applicant possess a current and valid City of Laguna Beach business license certificate, issued in the name of the entity, to provide home care or therapeutic services, first issued prior to May 15, 2014; and
 - iii. The Applicant maintains a California re-sellers License issued in the name of the entity.
 - iv. The Applicant is the lessor or owner of a location which qualifies under section 5.85.110(f).
 2. No application of any applicant will be accepted for the first year unless that Applicant meets the priority requirements in 5.85.070 (D).
 3. After expiration of the 1 year priority review period, the director of finance or his/her designee may accept additional applications for a Medical Marijuana Business License.

Sec. 5.85.080. Denial of application for Medical Marijuana Business license.

- A. The department of finance shall deny the application for any of the following reasons:
 1. That the applicant, his or her employee, agent, partner, director, officer, stockholder or manager has knowingly made any false, misleading or fraudulent statement of material fact in the application for a license or in any report or record required to be filed with the department of finance or other department of the city.
 2. That the applicant has had any type of Medical Marijuana Business License revoked by any public entity within two (2) years of the date of the application.
 3. Within ten (10) years immediately preceding the date of the filing of the application for a license under this chapter, the applicant has been convicted of a felony and/or a misdemeanor; a misdemeanor which has been classified by the state as an offense involving

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narcotics not limited to, the violation of any crime requiring registration under California Penal Code Section 11590, or any violation of California Health and Safety Code Sections 11358, 11359, and 11360.

4. The required application fees have not been paid.
 5. The City may not issue any additional Medical Marijuana Business Licenses pursuant to section 5.85.050.
- B. In the case of the director of finance not acting within the time period under section 5.85.070 (C), the city shall grant the application and issue the Medical Marijuana Business License.

Sec. 5.85.090. Suspension or revocation of Medical Marijuana Business Licenses.

A Medical Marijuana Business License may be suspended or revoked in accordance with the procedures and standards of this section.

- A. On determining that grounds for license revocation exist, the director of finance shall furnish written notice of the proposed suspension or revocation to the licensee. Such notice shall set forth the time and place of a hearing, and the ground or grounds upon which the hearing is based, the pertinent Code sections, and a brief statement of the factual matters in support thereof. The notice shall be mailed; postage prepaid, addressed to the last known address of the licensee, or shall be delivered to the licensee personally, at least thirty (30) days prior to the hearing date. Hearings shall be conducted in accordance with procedures established by the director of finance, but at a minimum shall include the following:
1. All parties involved shall have a right to offer testimonial, documentary, and tangible evidence bearing on the issues; may be represented by counsel; and shall have the right to confront and cross-examine witnesses. Any relevant evidence may be admitted that is the sort of evidence upon which reasonable persons are accustomed to rely in the conduct of serious affairs. Any hearing under this section may be continued for a reasonable time for the convenience of a party or a witness. The director of finance's decision may be appealed in accordance with the city of Laguna Beach municipal code.
- B. A licensee may be subject to suspension or revocation of his/her license, or be subject to other appropriate disciplinary action, for any of the following causes arising from the acts or omissions of the licensee, or an employee, agent, partner, director, or manager of a Medical Marijuana Business:
1. The licensee has knowingly made any false, misleading or fraudulent statement of material facts in the application for a license, or in any report or record required to be filed with the City.
 2. The licensee, employee, agent, partner, director, owner or manager of a Medical Marijuana Business knowingly allowed or permitted, and has failed to make a reasonable effort to prevent the occurrence of any of the following on the premises of the Medical Marijuana Business, or in the case of a Medical Marijuana Business operator, the licensee has engaged in one (1) of the activities described below while on the premises of a Medical Marijuana Business:
 - i. Any act of unlawful distribution of marijuana;
 - ii. Any conduct prohibited by this chapter;
 - iii. Failure to abide by any disciplinary action previously imposed by an appropriate city official.
- C. After holding the hearing in accordance with the provisions of this section, if the director of finance finds and determines that there are grounds for disciplinary action, based upon the severity of the violation, the director of finance shall impose one (1) of the following:
1. A warning;
 2. Suspension of the license for a specified period not to exceed six (6) months; or
 3. Revocation of the license.
 - i. Revocation of the license shall issue only after two earlier determinations of violation.

Sec. 5.85.100. Appeal of denial, suspension or revocation.

After denial of an application for a Medical Marijuana Business license or after denial of renewal of a license, or suspension or revocation of a license; the aggrieved person to whom the license was denied, may seek review of such administrative action by the city council in accordance with the City of Laguna Beach Municipal Code. Any proceeding to appeal such decision to the city council shall be filed within fourteen (14) days after publication of such decision. If the denial, suspension or revocation is affirmed on review, the applicant, licensee may seek prompt judicial review of such administrative action pursuant to California Code of Civil Procedure section 1094.5. The city shall make all reasonable efforts to expedite judicial review, if sought by the licensee.

Sec. 5.85.110. Medical Marijuana Business Safety Standards.

The following safety standards shall be satisfied by a Medical Marijuana Business and included in any approved medical marijuana Business license:

- (a) No Medical Marijuana Business shall operate in any manner that permits the observation of any marijuana from outside the location.
- (b) Parking lot lighting shall be provided to illuminate all off-street parking areas serving such use for the purpose of increasing the personal safety of patrons and employees and reducing the incidents of vandalism and theft. The lighting shall provide a level of illumination not less than one (1) foot-candle, measured at the surface of the pavement, at all areas of the parking lot. The lighting shall be shown on the required plot plans and shall be reviewed and approved by the planning and/ or zoning department.
- (c) A Medical Marijuana Business shall be open or operating for business only between the hours of 8:00 a.m. and 10:00 p.m. on any particular day.
- (d) All indoor areas of the Medical Marijuana Business within which patrons are permitted, except restrooms, shall be open to view by the management at all times.
- (e) The Medical Marijuana Business shall possess a valid and current State of California Board of Equalization Seller's permit;
- (f) The Medical Marijuana Business shall not be located within:
 1. 1000 foot radius of a "school" as defined under Health and Safety Code 11362.768 (h); and
 2. 1000 foot radius of another Medical Marijuana Business.
- (g) Medical Marijuana Business shall not allow alcohol to be purchased or consumed at the premises or in any area of the location used for parking any vehicle;
- (h) Medical Marijuana Business shall only be located in a commercial zoned property or industrial zoned property. Medical Marijuana Business shall not be located on property lot abutting or across the street from a lot which is zoned for residential use.



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Sec 5.85.120. Statewide Regulation. This ordinance, and the provisions herein, shall be read consistent with any statewide regulation of medical marijuana that is promulgated by the legislature or by voter approval in the future, In the event Statewide Regulation is passed which implements the decriminalization or legalization, for recreational use, of marijuana, this ordinance shall govern the conduct of a business allowed to distribute marijuana under such provisions.

Section 3. Amendment and Repeal.

The provisions of the City of Laguna Beach Municipal Code added by, amended by, or contained in this initiative measure may be amended to further its purposes by ordinance passed by a majority vote of the Council and approved by the Mayor. The provisions of the city of Laguna Beach Municipal Code added by, amended by, or contained in this initiative measure shall not be repealed, except by an ordinance adopted either by petition or by the Council at its own instance and adopted by a vote of the electors.

Section 4. Severability.

If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The People of the City of LAGUNA BEACH hereby declare that they would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words or portions thereof be declared invalid or unconstitutional.

Section 5. Majority Approval; Effective Date. This ordinance shall be effective only if approved by a majority of voters and shall go into effect as required by law.

Section 6. Competing Measure.

Competing Measures. In the event that this measure and another measure or measures relating to the regulation of medical marijuana shall appear on the same ballot, the provisions of the other measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other relating to regulation of medical marijuana shall be null and void.

Section 7. Special or General Election.

This initiative Measure shall be set for a special or regular election at the earliest time allowed by law.



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Impartial Analysis City of Laguna Beach Measure KK

This measure has been placed on the ballot by an initiative petition signed by the requisite number of voters. The City Council declined to adopt the measure.

Currently, the Laguna Beach Municipal Code prohibits medical marijuana dispensaries within the entire City. Medical marijuana dispensaries are defined to include any facility or location where medical marijuana is dispensed, sold or delivered.

This measure, if adopted by the voters, repeals the prohibition on medical marijuana dispensaries and amends the Municipal Code to authorize the operation of dispensaries within the City subject to certain regulations.

The measure establishes a licensing procedure for medical marijuana dispensaries and describes the information required for an application. The City cannot exercise its discretion in determining who should receive medical marijuana licenses and is required to issue a license to applicants as an administrative matter if specified requirements are met; however, the measure further provides that priority must be given to the first two applications where the applicant (1) is a California nonprofit mutual benefit corporation incorporated before May 15, 2014; (2) possesses a City business license to provide home care or therapeutic service issued before May 15, 2015; (3) maintains a California resellers license; and (4) is the owner or lessor of property at a qualified location.

The measure authorizes the City to issue 1 medical marijuana license for each 10,000 residents; thus, at least two medical marijuana dispensaries could be located within the City. The measure authorizes the City Council to increase the number of licenses in excess of this formula.

Approved medical marijuana dispensaries must be located on a commercially or industrially zoned property, cannot be on property abutting or across the street from a residentially zoned lot, and cannot be within 1000 feet of a public or private school (K-12) or another medical marijuana dispensary. Approved dispensaries are subject to regulations concerning parking lot lighting, hours of operation, visibility, and sales and consumption of alcoholic beverages, among other standards.

The measure would allow medical marijuana dispensaries to distribute marijuana for recreational use in the event of adopted statewide regulations that legalize the recreational use of marijuana.

The measure must be approved by a majority of the voters to take effect. If the measure is adopted, repealing it would require approval by the City's voters.

Legal questions exist as to whether federal law authorizes the operation of medical marijuana dispensaries in the manner proposed by the measure because federal law makes it illegal to manufacture, distribute, or possess marijuana for any purpose.

A "yes" vote on Measure KK would rescind the City's existing prohibition on medical marijuana dispensaries and would authorize the operation of at least two dispensaries in the City.

A "no" vote on Measure KK would disapprove the proposed ordinance and, as a result, would keep in place the City's existing prohibition against medical marijuana dispensaries.

The above statement is an impartial analysis of Measure KK. If you desire a copy of the measure, please call the City Clerk's office at (949) 497-0705 and a copy will be provided at no cost to you.

s/ Philip D. Kohn
City Attorney

Fiscal Analysis City of Laguna Beach Measure KK

This measure will repeal the current City of Laguna Beach prohibition on the establishment of medical marijuana dispensaries within the City. The measure, if adopted by the voters, will authorize the operation of at least two medical marijuana dispensaries within the City. The City of Laguna Beach Finance Division estimates that the filing fees, business license tax, as well as state and local sales and use tax related to the operation of medical marijuana dispensaries would generate \$5,000-\$60,000 in additional revenue annually to the City. Revenues derived from the operation of medical marijuana dispensaries would be deposited in the General Fund and be available to fund general City operations and services. No additional local taxes are imposed to offset costs resulting from dispensary operations.

If the measure is adopted by the voters, the City will incur additional costs relating to the administration and enforcement of the measure, enforcement of certain marijuana-related offenses administratively and through criminal cases in the court system, and the training of City staff. Data is not available to accurately predict the total amount of these additional costs.

The magnitude of the effects on both revenues and costs would in part depend upon (1) how and to what extent the State and the City regulate the sale of marijuana, including for recreational use purposes, (2) future consumption and behavior by marijuana users, and (3) the extent to which the United States Department of Justice exercises its discretion to enforce federal prohibitions on marijuana activities otherwise permitted by the measure. Thus, the potential revenue and expenditure impacts of the measure are subject to considerable uncertainty.

s/ John Pietig
City Manager

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Laguna Beach residents live here because our quality of life offers residents a safe, healthy, family-friendly environment. Measure KK threatens the safety of our neighborhoods, our kids, our village and the quality of life we all expect as Laguna residents.

If Measure KK passes, it will:

- Permit medical marijuana dispensaries to locate next to pre-schools, daycare centers, and parks
- Make Laguna Beach the only city in the southern half of Orange County with a dispensary, creating a magnet for out-of-town people seeking marijuana
- Allow convicted felons to operate medical marijuana dispensaries
- Allow more medical marijuana dispensaries than Laguna Beach needs, with the potential to expand sales for recreational use
- Prevent our City from exercising local control to select responsible operators of local dispensaries
- Grant multiple medical marijuana dispensaries a license to operate without City review of security issues and business plans
- Give dispensaries a “pass” on use permits required of other businesses
- Fail to provide any additional public safety funding to help offset impacts to our community

If, as a community working together, we decide to lift the ban on medical marijuana dispensaries, we need a thoughtful plan that ensures the safety of all our residents, including those with special needs.

Join Laguna residents, parents, public safety and community leaders and vote NO on Measure KK.

s/ Laura Farinella
Laguna Beach Chief of Police

s/ Ketta Brown
Parent/Education Leader

s/ Toni Iseman
Laguna Beach Mayor Pro Tem

s/ Kelly H. Boyd
Laguna Beach City Councilmember/Former mayor

s/ Gary Jenkins, M.D.
Retired Pediatrician

No argument in favor of this measure was submitted.