



DAYTON PLANNING COMMISSION
PRELIMINARY AGENDA
111 S. 1st Street, Dayton, WA

MEETING DATE: Tuesday, June 17, 2014
MEETING TIME: 6:30 p.m.

1. CALL TO ORDER
2. ROLL CALL
3. MINUTES of meeting approval. - See Agenda Attachments A

Action - Approval of minutes for 5/20/14

4. COMMUNICATIONS FROM CITIZENS
5. FINAL ACTION on Short Plat SP 01-2012

Action - Approval of Short Plat & Signing of Mylar See Agenda Attachments B

6. PUBLIC HEARING continued from 5/20/2014 to 6/17/2014 for:

AN ORDINANCE OF THE CITY OF DAYTON WASHINGTON, ADOPTING REGULATIONS AND OFFICIAL CONTROLS PURSUANT TO RCW 36.70A.390 RELATING TO LAND USE AND ZONING FOR STATE ALLOWED MARIJUANA RELATED USES; ADDING NEW CHAPTERS: DMC 11-13 RECREATIONAL MARIJUANA RELATED USES AS REGULATED PURSUANT TO WASHINGTON STATE INITIATIVE NO. 502, DMC 11-14 MEDICAL CANNABIS AS REGULATED BY RCW 69.51A AND DMC 3-6 ESTABLISHING A COLLECTIVE GARDEN SAFETY LICENSE; LIFTING THE MORATORIUM ON MARIJUANA RELATED USES; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE. *(Updated description)*

- Staff introduction of new exhibits and recommended revisions to the draft ordinance.
See Agenda Attachments C
- New testimony
- Commission Discussion
- Next Steps

7. NEW BUSINESS – none
8. OTHER –
9. ADJOURN MEETING

Next Meeting July 15, 2014 @ 6:30 pm



DAYTON PLANNING COMMISSION MEETING MINUTES

111 S. 1st Street, Dayton, WA

Tuesday, May 20, 2014

1. CALL TO ORDER by Joe Huether at 6:30 pm
2. ROLL CALL: Joe Huether, Chair; Greg Abramson, Vice Chair; Candace Jones, Leslie Sweetwood and Carol Rahn all present.

Also: Karen Scharer, Dayton Planning Director

3. MINUTES REVIEW & APPROVAL – Leslie provided a correction to the minutes regarding medical marijuana. Leslie made a motion and Candace seconded the motion to accept the minutes for 4/15/2014 with the correction. The commission voted to accept.
4. COMMUNICATIONS FROM CITIZENS – none
5. PUBLIC HEARING for:

AN ORDINANCE OF THE CITY OF DAYTON WASHINGTON, ADOPTING REGULATIONS AND OFFICIAL CONTROLS PURSUANT TO RCW 36.70A.390 RELATING TO LAND USE AND ZONING FOR STATE ALLOWED MARIJUANA RELATED USES; ADDING A NEW CHAPTER 11-13 DMC MARIJUANA RELATED USES TO INCLUDE PERMITTING THE PRODUCTION, PROCESSING AND/OR RETAILING OF MARIJUANA AS REGULATED PURSUANT TO WASHINGTON STATE INITIATIVE NO. 502 IN DESIGNATED ZONING DISTRICTS, AND ONLY AT FACILITIES THAT HAVE OBTAINED A VALID LICENSE ISSUED BY THE WASHINGTON STATE LIQUOR CONTROL BOARD; LIFTING THE MORATORIUM ON MARIJUANA RELATED USES AND MEDICAL CANNIBAS COLLECTIVE GARDENS; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

Testimony and Discussion –

Public testifying:

Debra Callahan – 1017 Preston Ave, Waitsburg, WA
Marchand Hovrud, 206 E Park St, Dayton, WA
Rocky Miller, Columbia Co. Sherriff, 324 E Main St, Dayton WA

Debra questioned if the hearing was limited to recreational marijuana only.

Joe answered that the commission's position is that medical marijuana is regulated differently by the state than recreational marijuana and since they are not regulated the same, the commission is looking to only address recreational use of marijuana at this time.

Debra indicated that she chose to educate herself about medical marijuana two years ago as she personally has a number of medical problems for 10 years and was hospitalized in critical condition 3 times. Her goal was to own a medical marijuana business and now is licensed to sell medical marijuana. She serves Vietnam vets, cancer and other patience in Southeast Washington.

Debra stated that there will be a huge mess, “everyone and their dog will be headed to Dayton” if the city chooses not to regulate medical marijuana. She stated that under the guise of collective gardens businesses will be opening everywhere by felons and no business background. She indicated that the Feds will be here in no time to try to clean up the problem.

Debra suggested that the city adopt a conditional use permit process for all collective gardens and recreational marijuana retail sales or a permitting process that requires fingerprinting and background checks just like I-502.

She stated that the city won’t be able to restrict the number of shops. Dayton might have 15 medical shops like Spokane. This is something the city doesn’t want.

Debra indicated that at some point medical will need to meet I-502 criteria. She recommended the commission review to determine if there is sufficient commercial space for these uses. She indicated that Brian Smith of the State Liquor Control Board has stated that there will be a second round of licensing at the end of the year for retail of recreational marijuana.

Debra stated that as she is on the Waitsburg City Council, she knows that the city can apply to the state for an addition 2% tax for revenues from marijuana to help offset costs.

Karen had a number of questions for Debra.

Debra responded that she recommends a CUP for collective gardens and medical marijuana. Waitsburg only has allowed collective gardens who registered with the city and (grandfathered) now no new collective gardens are allowed. Walla Walla County has a moratorium, and has separated recreational from medical. The City of Walla Walla has allowed recreational in commercial and Industrial. They state that if you don’t have a Liquor Control Board License you can’t have a marijuana business. In other words, no medical marijuana businesses are allowed, it’s illegal. Debra provided the city with the map from the City of Walla Walla showing location of where marijuana is permitted.

Candace requested that staff send the commission a copy of the map.

Marchand stated that the city has worked so hard to make Dayton a Tourist friendly community. She is concerned that there could be unintended consequences by whatever the city chooses to adopt. The city must be very careful in its planning of such uses.

Rocky Miller, Sheriff of Columbia County stated that he would like to see a registration or permitting as Debra had stated. Such information will save on manpower, his office will know where such uses are allowed and won’t need to send deputies out when people call in. The State Liquor Control Board does not have the manpower to respond to all the potential requests for information and issues raised by the locals. A registration will help his office so not to

Carol questioned if the 2% tax will help the sheriff’s office to defray costs.

Rocky clarified that he does not believe that the state will be bringing in as much money as they predict. The Black Market who will be selling marihuana for ½ the price as in a legal shop, will continue to do lots of business in the state. The 2% will not offset cost but would help.

Candace asked how many collective gardens there are in the county & city.

Rocky indicated he did not know.

Karen questioned if Rocky has access to Department of Health information/registry regarding medical marijuana.

Rocky responded that he does not believe so.

Debra stated that DOH has no licensing, registry, nothing. Anyone who wants to apply for a state medical marijuana business license can send in their \$25 without having a background check. Tax revenue in Spokane has gone up 5% in the last two years & the 15 medical marijuana shops are thought to be a big part in the increase in taxes.

Karen clarified that with the 1000' setback from schools, parks, library and daycare in Dayton, recreational marijuana will not be able to locate in the central portion of the city. Such uses would only be allowed on the far east and west areas on Main St. It is questionable if the General Store would be defined as an arcade.

Candace questioned how the draft ordinance aligns with the County.

Karen indicated that she was unable to actually have a sit down meeting with the County as most representatives did not respond to email requests. She did speak to Rocky regarding his thoughts on the draft and city's the criminal code and need for update the provisions regarding marijuana. However, the criminal code is not a Planning Commission item.

Candace questioned what Walla Wall County is doing.

Debra responded that they don't have a draft yet but plan to begin hearings in June. There is a current moratorium for recreation but not medical in Walla Walla County. The only license for medical marijuana is a business license, Liquor Control & DOH do not license. Carol spoke to DOH about the number of shops in Spokane and was told that it is a local issue and "tolerance by the locals".

Karen explained the Exhibits given to the commission to date and information available on the City website, issuance of the SEPA determination of non-significance, notice given about the public hearing.

Candace asked Debra how one qualifies for medical marijuana.

Debra explained that there are about 10 types of conditions which qualifies and that a physician must document/certify your condition and makes recommendations for a medical marijuana certificate and other remedies. Debra also explained that medical marijuana has a different balance of chemicals than recreational marijuana. For recreational marijuana, a consumer will be allowed an ounce whether it has THC at 1% or 25%. Since the legislature did not address combining medical and recreational regulations in 2014, they will most likely not address this until 2016.

Greg questioned the number of recreational retail outlets allowed by the state.

Karen clarified that one retail outlet is allowed for Columbia Co, including Dayton & Starbuck .

Leslie stated concern over privacy. Should someone need to register their medical cabinet with local law enforcement? Where is the protection for the person who has the license?

Debra stated the City would be the one to require a CUP. She stated that she thinks everything needs to be very transparent to reduce the potential for illegal activity and associated risk.

Rocky stated that this need for a CUP or license should be in association with collective gardens, not the individual who grows for his or her personal medical use. He used the analogy that the person making a pain medication is licensed but the individual user is not licensed. Also, an individual can have 15 plants.

Debra clarified that the law limits a collective garden to up to 10 people at one time, so people sign in and sign out (you join, buy the product and then sign out). There is never over 10 people as members at any one time, but the collective garden may actually serve well over 10 people. Also, an individual can go to more than one collective garden to purchase marijuana.

Joe stated that he sees that there is really two separate issues, the zoning regulation of recreational use of marijuana and regulation of medical marijuana. He indicated that since the state has not brought the two together, probably the city of Dayton should kept them separate as well.

Karen spoke to the need for many of the same requirements applying to both recreational and medical marijuana because the land use impacts are the same. They one difference is that the state has specific requirements for establishing a recreational marijuana business (registration, license, fingerprinting and security) and none for medical.

Candace questioned if growing in a home would have a long term effect on the structure and future inhabitants.

Debra stated no, unless the grower was using a strong pesticide. The smell could be a problem, where someone wanting to sell the home would need to completely repaint, etc. (similar to a home with cats, cigarette smokers, etc.).

Marchand voiced concern over the potential for unintentional consequences by the choices of regulations that the City ultimately adopts.

Joe stated that an inside grow is almost required to address security. And since the city does not have large parcels, Joe indicated he is leaning to requiring all growing be indoors.

Karen explained that the two options for City tracking of medical is to require a CUP or to require a business license. Current the City does not issue business licenses and there is little support to begin business licensing. CUP's as of 11/2013 require a public hearing with the hearing examiner and the applicant paying for costs (\$150 per hr).

Joe commented about limiting the total number of collective gardens inside the City. And, that potential long hearings with the examiner would assist in weeding out marginal applicants.

Karen wasn't sure whether the limiting of the number of collective gardens would be a legal application of zoning.

Joe indicated that with continuing changes to laws and information, the commission may never get the perfect, full perspective on which to make a recommendation to the council, but must do our best to address the needs of the community.

The commission determined that the Public Hearing be continued to the next regularly scheduled Planning Commission meeting. The commission also directed staff to consider the testimony to date, review how other jurisdictions have used the CUP process and/or other methods to address the issues of tracking, impacts to neighbors and limiting the potential number of medical marijuana collective gardens.

6. NEW BUSINESS: none

7. OTHER:

Shorelines Master Plan Update: Karen provided an update to the commission and an update on the City GIS project.

8. MEETING ADJOURNED at 7:45pm. Next Meeting & Continuation of the Public Hearing – June 17, 2014 @ 6:30 pm.

Joe Huether, PC Chair

Date Signed

Karen J Scharer, Planning Director

Date Signed

BASIS OF BEARINGS

S 34°50'00" E, AS SHOWN ON THE ORIGINAL PLAT OF RAINWATER'S AND MUSTARD'S ADDITION TO THE CITY OF DAYTON, BETWEEN THE MONUMENTS FOUND AT THE INTERSECTION OF THE NORTHERLY BIGHT OF WAY OF MUSTARD STREET WITH THE CENTERLINE OF 3rd STREET AND THE CENTERLINE INTERSECTION OF JACKSON STREET AND 3rd STREET. MONUMENTS NOT SHOWN HEREON, PLEASE REFER TO THAT SURVEY IN BOOK 6 AT PAGE 81 FOR ADDITIONAL INFORMATION.

SCALE
1 INCH = 50 FEET



FOUND 2x4 BRASS CAP IN WELL MONUMENT STAMPED "APA", SET AS A PERPETUATION OF THAT 2" ALUMINUM CAP OF RECORD SHOWN HEREON.

<p>BRYAN LAND SURVEYING PROPERTY GPS/GIS MAPPING 321 WEST MAIN STREET DAYTON, WASHINGTON 99328 PHONE (509) 382-4189</p>		<p>DATE: 10-12-14 DRAWN BY: [Signature] CHECKED BY: [Signature]</p>	<p>DATE: 10-12-14 DRAWN BY: [Signature] CHECKED BY: [Signature]</p>
<p>BRYAN LAND SURVEYING PROPERTY GPS/GIS MAPPING 321 WEST MAIN STREET DAYTON, WASHINGTON 99328 PHONE (509) 382-4189</p>		<p>DATE: 10-12-14 DRAWN BY: [Signature] CHECKED BY: [Signature]</p>	<p>DATE: 10-12-14 DRAWN BY: [Signature] CHECKED BY: [Signature]</p>

CITY OF DAYTON SHORT PLAT SP 01-2012
CITY OF DAYTON APPROVALS

PLANNING COMMISSION EXAMINED AND APPROVED:

PLANNING COMMISSION CHAIRMAN DATE

PLANNING DEPARTMENT EXAMINED AND APPROVED: DATE

PUBLIC WORKS DIRECTOR EXAMINED AND APPROVED: DATE

DEVELOPMENT REVIEW DATE

COLUMBIA COUNTY ASSESSOR EXAMINED: DATE

OWNERS DECLARATION

KNOW ALL MEN BY THESE PRESENTS THAT WE, JAMES T. QUADE AND HELEN QUADE, OWNERS OF THE LANDS DESCRIBED HEREON, HAVE CAUSED THESE LANDS TO BE SURVEYED AND THIS SHORT SUBDIVISION HAS BEEN MADE WITH OUR FREE CONSENT AND IN ACCORDANCE WITH OUR DESIRES. WE HEREBY WAIVE FOR OURSELVES AND OUR SUCCESSORS ANY CLAIMS FOR DAMAGES RESULTING FROM THE CONSTRUCTION OR MAINTENANCE OF PUBLIC FACILITIES WITHIN THIS SUBDIVISION.

JAMES T. QUADE
HELEN QUADE
ACKNOWLEDGEMENT
STATE OF WASHINGTON)
COUNTY OF COLUMBIA) SS

ON THIS DAY PERSONALLY APPEARED BEFORE ME, JAMES T. QUADE, AND HELEN QUADE, TO ME KNOWN TO BE THE INDIVIDUAL DESCRIBED HEREIN AND WHO EXECUTED THE WITHIN AND FOREGOING INSTRUMENT, AND ACKNOWLEDGED THAT THEY SIGNED THE SAME AS THEIR FREE AND VOLUNTARY ACT AND DEED, FOR THE USES AND PURPOSES THEREIN MENTIONED.

GIVEN UNDER MY HAND AND OFFICIAL SEAL THIS DAY OF _____, 2014.

NOTARY PUBLIC FOR THE STATE OF WASHINGTON, RESIDING AT DAYTON

NOTARY SEAL

SURVEYORS CERTIFICATE

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF: JAMES T. QUADE

Bryan A. Martin
BRYAN A. MARTIN PLS 39568



AUDITORS CERTIFICATE

FILED FOR RECORD THIS _____ DAY OF _____, 2014 AT _____ AT THE REQUEST OF _____

IN BOOK _____ OF SURVEYS AT PAGE _____

OF THE CITY OF DAYTON

LEGEND

- FOUND 2" ALUMINUM CAP STAMPED "BRYAN LAND SURVEYING PLS 39568", AS SHOWN ON THAT SURVEY IN BOOK 6 AT PAGE 81.
- SET 5/8" x 24" REBAR WITH PLASTIC CAP STAMPED "BRYAN PLS 39568"
- ORIGINAL LOT NUMBER OF RAINWATER & MUSTARD'S ADDITION TO DAYTON

Dayton Planning Commission

5/20/2014 – 6/17/2014

Exhibit List for Public Hearing on Marijuana Related Uses Ord.

1. Draft Ord. _____ 4/15/2014 Amending the Zoning Code for Marijuana Related Uses**
2. Notice of Public Hearing and SEPA Threshold Determination of Nonsignificance issued 4/24/2014. **
3. Environmental Checklist for SEP14-003 Non-Project Action, signed 4/22/14**
4. Outline of Dayton Zoning Provisions Related to Marijuana Land Uses*
5. MRSC.org Log of Jurisdictions Taking Action on Marijuana Related Uses, Updated 3/2014*
6. Dayton Ord. 1854, Extension of Moratorium regarding Rec. & Medical Marijuana Ord. 1893 Including Attachment A – Work Program*
7. Marijuana Issues – Paper Prepared by Dayton Planning & presented 3/18/14 to the PC*
8. Rec. Marijuana – MRSC.org Frequently Asked Question (2/2014)*
9. Enforcement of Rec. Marijuana – MRSC.org (2/2013)*
10. Elizabeth N. Brown/3/3/2014, Hit & Run Blog – WA ST Wants to Elim. Med. Marijuana Co-ops... (Bills to revise Medical Marijuana State Laws)*
11. Police Use ‘nose telescope’ - Odor Nose Scope – Smell Issues*
12. Recreational Marijuana Discussion Topics*
13. MRSC.org - New Medical Marijuana Court Decision Adds to Confusion!, Jim Doherty, 2/2/2014*
14. Robert Ferguson, WA ST. Attorney General, opinion on preemptions and police powers regarding marijuana related uses.*
15. WAC 314-55-160 Objections to marijuana license applications.*
16. Marijuana Use May Pose Heart Dangers, by Dennis Thompson, Health, 4/24/2014**
17. Potential for Heart attack, stroke risk seen with marijuana use, by Melissa Healy, 4/23/2014**
18. Map of Dayton generally showing areas where 1000’ radius’s would limit the location of recreational marijuana uses.
19. Map of the City of Walla Walla showing potential for recreational marijuana and medical cannabis sites in the city. (Provided by Debra Callahan at hearing) print date 10/16/2013
20. Medical Marijuana Location & Regulation Comparisons, prepared by staff, 6/10/2014
21. Email from Debra Callahan, regarding 2% B&O tax, 6/11/2014
22. Draft Ord. _____ 6/15/2014 Amending the Zoning Code for Marijuana Related Uses

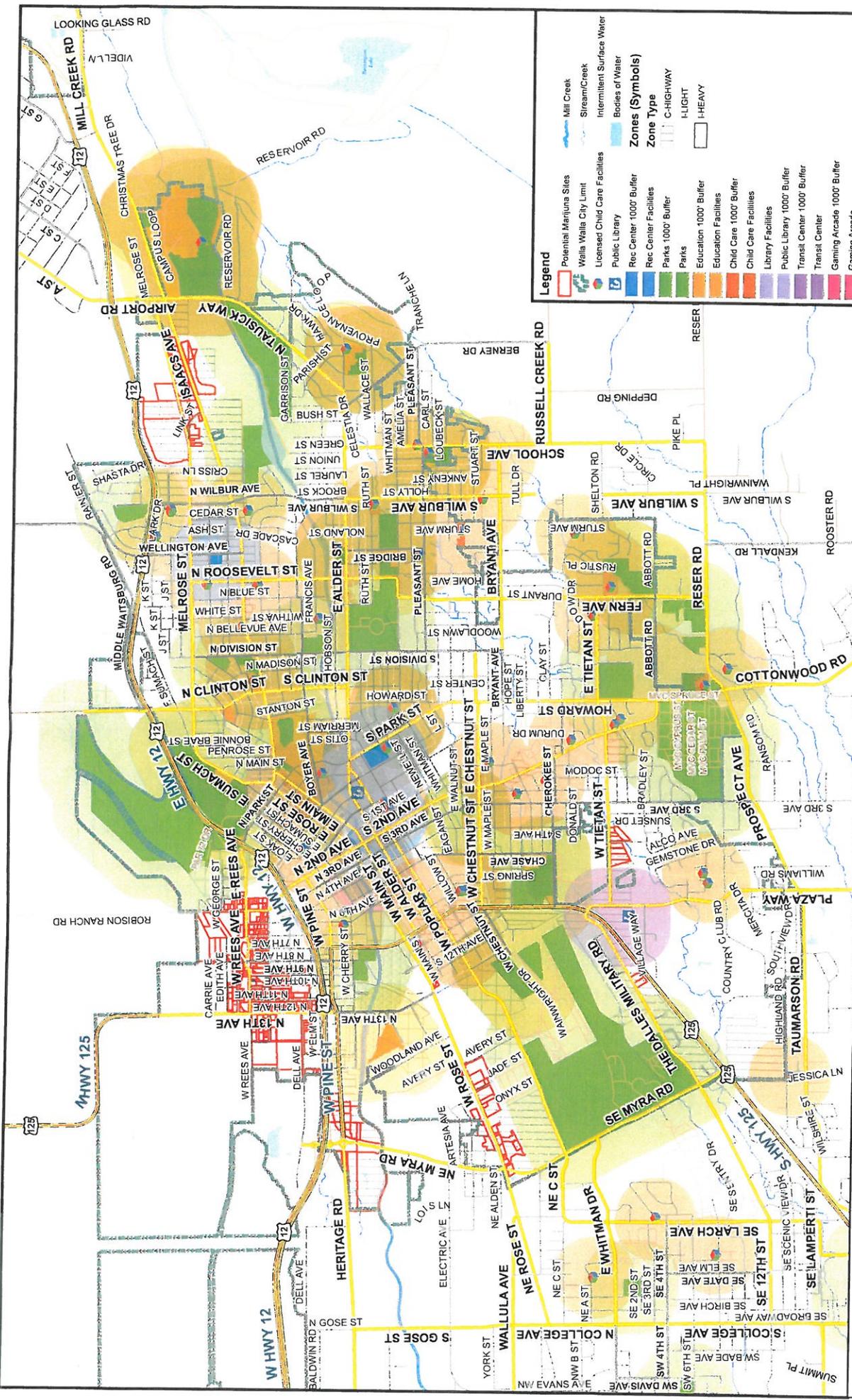
* Documents previously presented to the PC prior to 5/20/2014.

** Documents presented to the PC included in their Agenda Packets of 5/20/2014.

20-22 Presented 6/15/2014 to Planning Commission on 6/17/2014

Documents are available on-line or upon request.

C



Legend

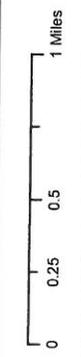
- Potential Marijuana Sites
- Walla Walla City Limit
- Licensed Child Care Facilities
- Public Library
- Rec Center 1000' Buffer
- Rec Center Facilities
- Parks 1000' Buffer
- Parks
- Education 1000' Buffer
- Education Facilities
- Child Care 1000' Buffer
- Child Care Facilities
- Library Facilities
- Public Library 1000' Buffer
- Transit Center 1000' Buffer
- Transit Center
- Gaming Arcade 1000' Buffer
- Gaming Arcade

Zones (Symbols)

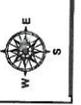
- Mill Creek
- Stream/Creek
- Intermittent Surface Water
- Bodies of Water
- Zones (Type)
- C-HIGHWAY
- I-LIGHT
- I-HEAVY



The City of Walla Walla does not warrant, guarantee or accept any liability for the accuracy, precision or completeness of any maps shown hereon. Any use made of this information is solely at the risk of the user.



I-502 MARIJUANA FACILITIES POTENTIAL SITE ANALYSIS



Print Date: 10/16/2013

Medical Marijuana Location & Regulation Comparisons

COLLECTIVE GARDENS

	Proposed Dayton	No Action Dayton	Cheney ^{1&2}	Ellensburg	Issaquah	Walla Walla (City) ^{1,2&5}	MRSC/Seabeck – Model Ord.
Residential Zone	Permitted in AR w/limits & restrictions / <u>Not</u> Allowed in UR	Permitted <u>Only</u> as accessory & as Home Occupation	Not Allowed	Permitted w/limits & restrictions	Not Allowed	Not Allowed	Permitted w/limits & restrictions
Commercial Zone	Permitted w/limits & restrictions	Not Allowed	Not Allowed	Permitted w/limits & restrictions	Permitted w/ Permit (like CUP) & Safety License	CUP in HC / Not Allowed in CC Zones	Permitted w/limits & restrictions
Business Park	n/a	n/a	CUP (BP)	Permitted w/limits & restrictions	Not Allowed	n/a	
Industrial Zone	Permitted w/limits & restrictions	Permitted	CUP (Light Industry)	Permitted w/limits & restrictions	Not Allowed	CUP in LI / Not Allowed in HI Zones	Permitted w/limits & restrictions
Regulatory Requirements	Dayton Proposed	Dayton No Action	Cheney ^{1&2}	Ellensburg	Issaquah	Walla Walla (City) ^{1&2}	MRSC/Seabeck – Model Ord.
CUP or Admin. Permit (compatibility - odor, noise, light, glare and traffic impacts)	n/a	n/a	Required	n/a	Required	Required	n/a
Security License	Required	n/a	n/a	n/a	Required ⁴	n/a	n/a
Business licenses	n/a		Required	n/a	Required	?	n/a
State Liquor Control Board's regulation compliance	Some Similar requirements stated in local ord.	n/a	Required ²	Some Similar requirements stated in local ord.	Similar requirements stated in local ord.	Required ²	n/a
non-conforming production or processing <u>not</u> allowed	Non-Conforming <u>not</u> allowed	n/a	Non-Conforming <u>not</u> allowed	Non-Conforming <u>not</u> allowed	unknown	unknown	Non-Conforming <u>not</u> allowed
<u>not</u> allowed as an accessory use or as home occupation.	AU & HO <u>not</u> allowed	n/a	AU & HO <u>not</u> allowed	AU & HO <u>not</u> allowed	AU & HO <u>not</u> allowed	AU & HO <u>not</u> allowed	AU & HO <u>not</u> allowed

<i>Regulatory Requirements</i>	Dayton Proposed	Dayton No Action	Cheney ^{1&2}	Ellensburg	Issaquah	Walla Walla (City) ^{1,2&5}	MRSC/Seabeck – Model Ord.
Separation from school, playground, recreation center or facility, child care center, public park, public transit center, or library, or any game arcade	1000' Required	n/a	1000' Required	300' Required from only school or public park	500' Required from only park, preschool & daycare 1000' community center & School	1000' Required	Separation Recommended
Separation from other Collective gardens	500' Required	n/a	n/a	n/a	1000' Required	n/a	Separation Recommended
Only one Garden per Property	Required	n/a	Required	Required	Required	Required	Required
Within an enclosed structure.	Required	n/a	Required	Required	Required	Enclosed or 8' fence	Recommended / limits on outdoor
No Objectionable Odors Permitted	Required	(nuisance)	Required	Required	Required	Required	Required
Display not visible from a public right-of-way	Required	Required	Required	Required	Required	Required	Required
Maximum Area	100 sf	n/a	n/a	100 sf	n/a	n/a	100 sf

Medical Personal Use							
	Dayton Proposed	Dayton No Action	Cheney ^{1&2}	Ellensburg	Issaquah	Walla Walla (City) ^{1,2&5}	MRSC/Seabeck – Model Ord.
Growing limits & Standards	n/a	n/a	n/a	n/a	n/a	n/a	Required

Medical Cannabis Dispensaries							
Zoning	Dayton Proposed	Dayton No Action	Cheney ^{1&2}	Ellensburg	Issaquah	Walla Walla (City) ^{1,2&5}	MRSC/Seabeck – Model Ord.
residential	Not Allowed	Permitted – AU or HO	Not Allowed	n/a	n/a	Not Allowed	n/a
Commercial	CUP	Permitted	CUP in C-2 only ³	n/a	n/a	CUP in CC only ³	n/a
Business Park	n/a	n/a	Not allowed	n/a	n/a	n/a	n/a
Industrial	Not Allowed	Accessory Use	Not allowed	n/a	n/a	Not allowed	n/a
<i>Regulatory Requirements</i>	Dayton Proposed	Dayton No Action	Cheney	Ellensburg	Issaquah	Walla Walla (City)	MRSC/Seabeck – Model Ord.
State Liquor Control Board's regulation compliance	n/a	n/a	Required ²	n/a	n/a	Required ²	n/a
Other Standards	Required (Similar to Collective Gardens)	n/a	Required	n/a	n/a	Required	n/a

1 Cheney & Walla Walla (city) combines rec & med marijuana to regulate and treats them the same.

2 De Facto Ban until Liquor Control regulates

3 Limited in total to two outlets – whether Recreation Retail or Medical Dispensaries

4 Requires all (max. of 10) collective garden members be registered, fingerprinted and on file with the City. This addresses the issue of signing in and out having more than 10 people in a day, week or month as members of the collective garden.

5 Interim Zoning Amendment

Karen Scharer

Subject: FW: FW: Draft Minutes of 5/20 & Draft Agenda for 6/17

From: Debra Callahan [mailto:wellnessww@gmail.com]
Sent: Wednesday, June 11, 2014 1:32 PM
To: Karen Scharer
Subject: Re: FW: Draft Minutes of 5/20 & Draft Agenda for 6/17

This is the response Randy Hinchliffe received from the state.

I won't be at the next meeting. I will be attending the Association of Washington Cities Conference that week. There will be several workshops on I-502 which I hope to attend to collect more information.

Debra

Debra
Wellness Walla Walla Deliveries
509-520-4849

From: Joe Levan [mailto:jlevan@mrsc.org]
Sent: Friday, February 07, 2014 8:58 AM
To: rjhinch@gotvc.net
Subject: Inquiry Response

I'm a bit unclear about your reference to "new recreational/medical marijuana legislation" and whether you're referring to new legislation that is being considered by the legislature, or you're referring to I-502 (which is focused on recreational, but not medical, marijuana). If you're asking whether I-502 or some other Washington law provides cities with additional authority to increase the amount they receive as their share of the sales tax, or to increase the local sales tax rate, as related to marijuana, I'm not aware of such additional authority being granted through I-502 or otherwise.

More generally, we have a web page on [Taxing Recreational Marijuana](#) which has useful information on the topic of tax revenue. I-502 and its implementing regulations create a new taxing scheme through which a 25% excise tax is imposed on each level of the recreational marijuana system (i.e., (1) growing; (2) processing; and (3) retail sale to consumers), but the initiative doesn't provide for direct funding to local governments. The 25% excise tax goes into a dedicated marijuana fund which is distributed to the Liquor Control Board for administration and to other specific state programs (e.g., the state's Basic Health Plan and DSHS).

We have noted, however, that cities have the option of imposing a local B&O tax, and cities will also get their share of the sales tax, as detailed below.

B&O taxes:

We have opined that for cities that adopt a local B&O tax, the tax would apply to the retail sale of marijuana. However, it appears that such a B&O tax wouldn't apply to level 1 (growing) of the recreational marijuana system since the state has exempted agricultural production from B&O tax. [RCW 82.04.330](#). See also the [report](#) on the Taxation of Agriculture in Washington State by the State Senate Ways and Means Committee where it explains on [page 2](#) that agricultural activity is exempt from the B&O tax. Based on this information, if the

grower is also the processor, then B&O tax wouldn't apply to the processing either. If the processor is different from the grower, B&O tax would apply.

Sales tax:

We have also indicated that cities will receive their share of local sales tax revenues. It appears that sales tax would apply to the sales that occur at all three levels of the recreational marijuana system. See the following Senate report, which indicates that only agricultural sales of food are exempt from sales tax, whether made by a farmer or otherwise.

According to a Fact Sheet provided by the Association of Washington Cities (AWC), the Washington State Office of Financial Management (OFM) estimates that local governments could receive as much as \$120 million over five years from "these taxes." The Fact Sheet doesn't clarify whether the \$120 figure is referring only to state sales tax or also to local B&O taxes. The Fact Sheet notes, also, that there has been some concern that OFM overestimated how much marijuana will actually be consumed from these state-licensed stores. We indicate on our Taxing Recreational Marijuana web page that cities won't see any revenue from marijuana sales until at least April 2014.

Please feel free to call me at (800) 933-6772 if you'd like to discuss this further.

Best Regards,
Joe Levan
Legal Consultant
MRSC
2601 4th Ave., Ste. 800
Seattle, WA 98121
Phone: (206) 625-1300 or (800) 933-6772

Email: jlevan@mrsc.org

Web: www.mrsc.org

Facebook: www.facebook.com/munigov

On Tue, Jun 10, 2014 at 11:17 PM, Karen Scharer <kscharer@daytonwa.com> wrote:

Debra-

Please review the attached meeting minutes for 5/20. Please let me know of any corrections so I can correct before the next meeting and recirculate a new draft to you & the commission.

Also – Can you direct me to finding more information about the 2% tax?

Thanks!

Karen J Scharer, AICP

Planning Director

Direct Line & Cell **509-540-6747**

kscharer@daytonwa.com

City of Dayton - 111 S. 1st Street - Dayton, WA 99362
City Hall **509-382-2361** - City Fax **509-382-2539**
www.daytonwa.com

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