



**City Council Memorandum    Police Memo No. 2020-082**

**Date:** December 7, 2020

**To:** Mayor and Council

**Thru:** Marsha Reed, City Manager

**From:** Sean Duggan, Police Chief

**Subject:** Introduction of Ordinance No. 4949 Amending Chapter 11 of the City Code to Allow for the Regulation of Recreational Marijuana by Prohibiting the Consumption of Marijuana on City Property, Prohibiting Recreational Marijuana Retail Sales and Marijuana Testing Facilities, Repealing Conflicting Ordinances, Providing for Severability, and Providing for Penalties, in Response to Voter Initiative Proposition 207

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**Proposed Motion:**

Move City Council introduce and tentatively adopt Ordinance No. 4949, amending Chapter 11 of the City Code to allow for the regulation of recreational marijuana by prohibiting consumption of marijuana on City property, prohibiting recreational marijuana retail sales and marijuana testing facilities, repealing conflicting ordinances, providing for severability, and providing for penalties.

**Background:**

Proposition 207, also known as the “Smart and Safe Arizona Act,” was approved by the voters during the November 2020 election. The law legalizes the possession and consumption of recreational marijuana in the state of Arizona. Among the provisions of Proposition 207 are:

- Allowing personal possession of limited amounts of marijuana;
- Allowing limited, secure cultivation of marijuana plants on residential property;
- Imposing a 16% excise tax on recreational marijuana sales;
- Banning smoking marijuana in public (but not edibles or vaping);
- Authorizing the state and local regulation of recreational marijuana licensees;
- Eliminating criminal penalties for small quantity marijuana possession; and
- Allowing for the expungement of marijuana convictions.

Proposition 207 allows current nonprofit medical dispensaries in the state to become “dual licensees,” meaning they will be permitted to sell marijuana to medical marijuana cardholders for medical purposes and to non-cardholders for recreational purposes. Because there is a medical dispensary already operating within Chandler, the City Council would not be able to prohibit all sales of recreational marijuana.

The law allows the City to limit some sales of recreational marijuana. In addition to the “dual licenses” that will be issued, the law directs the Arizona Department of Health Services to issue twenty-six additional recreational licenses under a new “social equity ownership program” (SEOP). The purpose of this program is to issue recreational dispensary licenses to people who come from communities that have historically been adversely affected by marijuana-related law enforcement policies. These SEOP licenses will authorize recreation-only sales.

Proposition 207 authorizes cities to implement some limited regulations related to recreational marijuana,

including:

- enacting reasonable zoning regulations that limit recreational marijuana establishments to specified areas;
- prohibiting or regulating conduct otherwise allowed by the proposition that occurs on or in property occupied, owned, controlled or operated by the City;
- limiting the number of recreational marijuana establishments or testing facilities, or both;
- prohibiting recreational marijuana establishments or testing facilities;
- regulating the time, manner, and place of operations;
- enacting reasonable signage regulations regarding marijuana; and
- prohibiting delivery within the city limits.

While the City cannot prevent recreational marijuana sale and consumption in Chandler, the proposed Ordinance No. 4949 takes reasonable steps to limit sales activity in Chandler, as the law permits, by prohibiting any recreational marijuana retail sales that are not operating as a dual licensee and by prohibiting the operation of a testing facility.

The proposition does not specifically prohibit the possession or consumption of recreational marijuana on City property, but authorizes cities to prohibit or regulate conduct otherwise allowed by the proposition that occurs on or in property occupied, owned, controlled or operated by the City. The ordinance takes advantage of this authorization by prohibiting the use, smoking or consumption of recreational marijuana on or in City property.

#### **Financial Implications:**

The City will collect its standard transaction privilege tax rate on all sales of recreational marijuana occurring within the City limits.

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### **Attachments**

Ordinance 4949

Prop 207

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