



# Proposed Local Commercial Marijuana Zoning Regulations

## Town Hall Meeting

City Council Chambers

**Thursday  
February 18th  
6:00 PM**

The City Council and Planning & Zoning Commission held a work session on Wednesday, January 27<sup>th</sup> to review local options for Commercial Marijuana operations. The next two pages summarize important State information and direction provided by Council at the meeting. A copy of the draft zoning amendments and additional information can be found on the City's website at: [www.ci.valdez.ak.us/marijuana](http://www.ci.valdez.ak.us/marijuana)

### LOCAL JURISDICTION

Valdez **cannot prohibit personal** possession, consumption, and cultivation as authorized under AS 17.18.020 as legal.

Valdez **can regulate commercial** Marijuana Facilities identified in 3 AAC 306.300 – 3 AAC 306.600:

- Retail Stores
- Cultivation Facilities
  - Limited Cultivation Facilities (500 ft<sup>2</sup> or less)
- Product Manufacturing Facilities
  - Marijuana Concentrate Manufacturing Facilities
- Marijuana Testing Facilities



### IMPORTANT DATES

**February 24, 2016**

State of AK Marijuana Control Board (MCB) begins accepting applications for commercial marijuana facilities.

**May 24, 2016**

First commercial licenses are to be awarded by MCB.

**April 30, 2016**

The City should strive to have any laws effecting commercial license applications on the books ASAP so the State and applicants have clear guidance regarding local license criteria. **Administration is planning for local regulations to be adopted no later than the end of April so the MCB has Valdez-specific standards prior to issuance of licenses by the State.**

### MARIJUANA CONSUMPTION

- State law allows marijuana consumption on Retail Facility premises.
- City may choose to allow or preclude this activity.
- The City Council is considering **on-site consumption at Retail Facilities will be allowed.**

### LIMIT NUMBER OF FACILITIES

- State does not limit number of facilities.
- City may limit number of facilities.
- The City Council is considering there will **be no local limit to the number of facilities.**

### LIMIT HOURS OF OPERATION

- State only requires closure between 5:00 a.m. and 8:00 a.m.
- City may limit further.
- The City Council is considering **no further operational time restriction.**

### LICENSES & FEES

#### State License Fees

- Retailer license - \$5000
- Cultivation Facility license - \$5000
  - Limited Cultivation Facility license - \$1000
- Product Manufacturing Facility license - \$5000
  - Extract Only Manufacturing Facility license - \$1000
- Testing facility license - \$1000

#### Local License Fees

- The Council is considering there will be **no additional local marijuana license or fee.**
- A local business registration will be required. There is no fee.

### TAXES

- The State is charging a \$50/ounce excise tax on marijuana.
- The City Council is contemplating at this time there will be **no local sales or excise tax.**





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## STATE DE FACTO ZONING REQUIREMENTS

- No premises may be located within 500 feet of the property perimeter of school grounds, a recreation or youth center; nor 500 feet as calculated by the most direct route to the main entrance to a building in which religious services are regularly conducted, or a correctional facility (3 AAC306.010(a)).
- No premises may be located in a liquor license premises (3 AAC 306.010(b)).

## DRUG FREE SCHOOL ZONE LAWS

- Under Alaska criminal law possessing marijuana within 500 ft. of school grounds or recreation or youth center is a class C Felony. However it is an affirmative defense if the prohibited conduct took place entirely within a private residence (AS 11.71.040(a)(4)(A)).
- Under Federal law distributing, manufacturing, or possessing with intent to distribute a controlled substance within 1000 feet of a school, playground, or public housing facility or within 100 feet of a youth center, public swimming pool or video arcade is subject to twice the penalty authorized under federal law. (21 U.S.C.A. § 860).
- The City may enact laws that are more restrictive but not more permissive.
- The City Council is considering here will be **no more restrictive local regulations added to these exclusion zones.**

## PROPOSED AMENDMENTS TO LOCAL ZONING REGULATIONS

### WHERE COMMERCIAL MARIJUANA OPERATIONS WOULD BE ALLOWED

#### General Commercial, Central Business District and Waterfront Commercial

- Retail Facilities as a principal use.
- Testing Facilities as a principal use.
- Manufacturing Facilities if associated with a retail store as a conditional use.
- Limited Cultivation facilities (500 ft<sup>2</sup> or less) if associated with a retail store as a conditional use.

#### Light Industrial, Heavy Industrial and Waterfront Industrial

- Retail Facilities as a principal use.
- Testing Facilities as a principal use.
- Manufacturing Facilities as a principal use.
- Cultivation Facilities as a principal use.

#### Public Zoning District

- Cultivation Facilities as a conditional use only on privately owned or City leased land.

#### Airport Zoning District

- Retail Facilities as a principal use.

## AREAS PROPOSED AS

### WHOLLY EXCLUDED

#### FROM

### COMMERCIAL MARIJUANA OPERATIONS

- **All Residential Zoning Districts**
- **Valdez Container Terminal District**
- **Conservation District**
- **Avalanche District**
- **Heavy Industrial-Gravel Extraction District**



## STATE OF ALASKA DEFINITIONS & ALLOWED USES OF EACH TYPE OF COMMERCIAL OPERATION

**Retail Stores (3 AAC 306.300)** may: sell marijuana purchased from a marijuana cultivation facility; sell a marijuana product purchased from a marijuana product manufacturing facility; store marijuana and marijuana products on the premises; and with prior approval of the board, permit consumption of marijuana or a marijuana product purchased on the premises, in a designated area on the premises. **Cultivation Facilities (3 AAC 306.400)** may: propagate, cultivate, harvest, prepare, cure, package, store and label marijuana; store inventory on the premises; sell marijuana to a retail marijuana store, to another marijuana cultivation facility, or to a marijuana product manufacturing facility; provide samples to a marijuana testing lab for testing; transport marijuana in compliance with 3 AAC 306.750; conduct in-house testing for the marijuana cultivation facility's own use; provide marijuana samples to a retail marijuana store or marijuana product manufacturing facility for the purpose of negotiating a sale; and apply for a marijuana product manufacturing facility license and a retail marijuana store license. **Limited Cultivation Facilities (3 AAC 306.410)** are granted all the privileges of marijuana cultivation facilities "except that [they] must have fewer than 500 ft<sup>2</sup> under cultivation." **Product Manufacturing Facilities (3 AAC 306.500)** may: purchase marijuana from a marijuana cultivation facility or from another marijuana product manufacturing facility; extract marijuana concentrate in compliance with 3 AAC 306.555; manufacture, refine, process, cook, package, label, and store marijuana products approved under 3 AAC 306.525; sell, distribute, or deliver marijuana extract or any marijuana product only to a retail marijuana store or to another marijuana product manufacturing facility; provide and transport samples of marijuana concentrate or other marijuana product to a certified marijuana testing lab for testing; provide a sample of marijuana concentrate or a marijuana product approved under 3 AAC 306.525 to a retail marijuana store for the purpose of negotiating a sale; store inventory in a restricted access area on the premises; transport marijuana in compliance with 3 AAC 306; conduct in-house testing for the marijuana product manufacturing facility. **Marijuana Concentrate Manufacturing Facilities** have all the privileges granted to a marijuana product manufacturing facility **except they may not:** manufacture, refine, process, cook, package, label or store any marijuana product other than marijuana concentrate; sell, distribute, or deliver any marijuana product other than marijuana concentrate to a retail marijuana store or to another marijuana product manufacturing facility; provide and transport a sample of any marijuana product other than marijuana concentrate to a marijuana testing lab for testing; or provide samples of any product other than marijuana concentrate to a retail marijuana store for purposes of negotiating a sale. **Testing Facilities (3 AAC 306.600)** may: have any amount of marijuana and marijuana product on its premises at any given time provided that the testing facility's marijuana inventory tracking system and other records document that all marijuana and marijuana products are on the premises only for the testing purposes described in 3 AAC 306.600 - 3 AAC 3306.675. [WWW.CI.VALDEZ.AK.US/MARIJUANA](http://WWW.CI.VALDEZ.AK.US/MARIJUANA)