



News from: **City Administrator's Office**

IMMEDIATE RELEASE

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Oakland City Council Passes Groundbreaking New Medical Cannabis Regulations

Oakland is first city in the nation to require employment opportunities for those hardest hit by the "War on Drugs;" changes bring medical cannabis businesses "into the light"

Oakland, CA – In the wee hours of the morning today, the Oakland City Council unanimously voted to approve landmark changes to its medical cannabis regulations that will improve public health and safety by establishing a licensing structure for the full spectrum of medical cannabis activities from “seed to sale,” including cultivation, manufacturing, transportation, distribution, testing, dispensing and on-site consumption of medical cannabis.

Oakland’s ordinance amendments include groundbreaking equity provisions that will provide ownership and job opportunities for Oakland residents in the burgeoning medical cannabis industry and address the disproportionate impact that the War on Drugs has had on people of color. Oakland is the first city in the nation to:

- Require licensed medical cannabis facilities to maintain a staff of at least 50 percent Oakland residents, including 25 percent of all staff from Oakland census tracts high in unemployment
- Issue 50 percent of all permits to applicants who meet new Equity Permit Program requirements: Oakland residents who have lived for at least two years in specific police beats most heavily impacted by cannabis-related arrests OR individuals incarcerated for cannabis-related crimes that occurred in Oakland in the past 10 years
- Require the applicant to maintain at least 50 percent ownership of the operation
- Establish that prior marijuana or cannabis convictions will not be a bar to equity ownership
- Encourage permittees to hire and retain formerly incarcerated Oakland residents

“Californians have made it clear that they want people to have safe, legal access to medical marijuana,” said Oakland Mayor Libby Schaaf. “I’m proud that by adopting groundbreaking medical cannabis regulations, the City of Oakland is creating a national model for how communities can bring every aspect of this growing sector of our economy into the light. For too long the businesses that provide this invaluable service to Oaklanders have been operating in the shadows. With the passage of these laws, Oakland will be able to ensure the safe production, transport and distribution of medical cannabis, properly regulate and tax these businesses and begin to right past wrongs by making it possible for those who have been arrested and incarcerated as a result of failed and inconsistent national drug policies to secure local jobs in this industry.”

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The new changes amend City ordinances in place since 2004 to align with a recent state law, the Medical Marijuana Regulation and Safety Act (MMRSA), that establishes a comprehensive regulatory system for California's medical cannabis industry.

The lack of regulation of non-dispensary medical cannabis facilities has had a number of negative impacts on the City of Oakland, including burglaries, fires and lost revenue. These revised rules should reduce electrical fires and burglaries, ensure that medical cannabis activities are established in appropriate locations, provide clarity to law enforcement and the medical cannabis industry alike, and allow for the collection of appropriate revenue from existing and new medical cannabis businesses.

In summary, the amended ordinance:

- Creates a local permitting process for medical cannabis cultivation, distribution, laboratory, manufacturing and transporting facilities consistent with the State of California Medical Marijuana Regulation and Safety Act (MMRSA). By aligning with State law the City will minimize bureaucratic obstacles for medical cannabis businesses seeking to comply with state law and will encourage unregulated medical cannabis operators in Oakland to come into the light.
- Establishes a distinction between brick-and-mortar and delivery-only dispensaries
- Allows non-smoking, on-site consumption
- Increases the number of dispensaries in the City from the current eight licensed facilities

The new rules could have considerable positive fiscal impacts resulting from new businesses paying taxes at the City's elevated medical cannabis business tax rate. In 2015, the eight licensed dispensaries generated more than \$4 million in tax revenue.

The City Council's unanimous 8-0 vote was the first of two required to formally adopt the amendments to the medical cannabis ordinance. The second and final reading will occur on Tuesday, May 17, 2016.

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