

Prop. 64 Preserves the Independence of Local Governments

Californians for
Responsible
Marijuana
Reform.

Brought to you by Drug Policy Action.

Proposition 64, or the Adult Use of Marijuana Act (“Prop. 64”), is designed to allow the responsible use of marijuana by adults 21 and over within a tightly regulated system. It will allow adults to legally possess, transport, purchase, consume and share up to one ounce of marijuana and 8 grams of concentrated marijuana. Adults may also legally grow up to six plants at home. The newly-formed Bureau of Marijuana Control within the Department of Consumer Affairs will coordinate efforts of the Departments of Public Health and Food & Agriculture, among others, to oversee regulation for both medical and nonmedical marijuana.

Prop. 64 Utilizes a State-Centered Model

In October 2015, Governor Jerry Brown signed into law a series of bipartisan bills passed by the state legislature—the Medical Marijuana Regulation and Safety Act (“MMRSA”)—that together established the first statewide regulatory system for medical marijuana in California. The adult use of nonmedical marijuana will be regulated using the same centralized statewide framework and by the same state agencies provided for in those laws.

Local Governments May Issue Permits or Licenses

Unlike MMRSA, Prop. 64 does not require cities and counties to provide local commercial businesses permits or licenses for a business to operate legally under state law. However, if they choose to do so, local governments have the ability to regulate nonmedical marijuana businesses through zoning and local laws, and allows local governments to ban businesses from existing within their jurisdictions.

Prop. 64 Allows Local Governments to License Onsite Consumption

Prop. 64 permits licensed businesses, subject to local approval, to sell nonmedical marijuana for the

purposes of onsite consumption by adults 21 and over. Those businesses may not sell or permit the consumption of alcohol or tobacco.

Prop. 64 Will Generate Significant Revenue for CA

Prop. 64 imposes a 15 percent excise tax on all retail sales of marijuana (both medical and nonmedical), in addition to the state sales tax, and a separate tax on cultivation. State officials estimate that this will generate from hundreds of millions of dollars to over \$1 billion in new revenue each year.

Tax Revenue Will Benefit Local Governments

After ensuring the new law is adequately funded and researched, 20 percent of the remaining funds will be placed in a separate State and Local Government Law Enforcement Account. Funds from the account will be disbursed to the Board of State and Community Corrections for making grants to local governments to assist with law enforcement, fire protection, or other local programs addressing public health and safety associated with the implementation of Prop. 64. Local governments will not be eligible for these grants if they ban the cultivation (including personal cultivation) or retail sale of marijuana.

Local Governments May Impose Their Own Tax

Consistent with state law, local governments may establish their own taxes on medical and nonmedical marijuana.

Local Governments May Ban Businesses

Local governments are permitted to ban commercial marijuana businesses under Prop. 64. However, a local government may not ban the indoor cultivation (of up to six marijuana plants). They may ban outdoor cultivation until federal law changes. If a local government bans businesses or outdoor cultivation, they are ineligible for a share of the state tax revenue.