

Marijuana

Advisory vote on November 8th

On the November 8th, 2016 ballot, registered voters living in Benton City will be asked their **opinion on a proposal to either allow recreational and medicinal marijuana production, processing, and retail sales within the City of Benton City or prohibit it.**

The **Advisory Vote** will be one consideration used by the City Council in making their final decision regarding whether to pass regulations allowing recreational and medicinal marijuana production, processing, and retail sales or to pass regulations prohibiting it.

State law does not allow for a direct vote by current City residents, but the **City Council wants your opinion.**

History

With the passage of Initiative 502 in 2012, the state of Washington moved to a comprehensive regulatory approach on marijuana, with state-licensed producers, processors, and retailers. As of July 1, 2016, the production and marketing of medical marijuana is also incorporated into the same regulatory framework as recreational marijuana, with some variations such as the allowance of medical marijuana cooperatives. Under the new legislation, all marijuana licensing is regulated and enforced by the Washington State Liquor and Cannabis Board (LCB).

Cities, towns, and counties in Washington State can choose to prohibit or to designate appropriate zones for state-licensed marijuana businesses because Washington local governments have authority to enact legislation regulating land uses within their jurisdictions. However, it is the State Liquor and Cannabis Board (LCB) that has final authority over whether to grant or deny the license to operate in Washington State.

Minimum Buffer Distance

RCW 69.50.331(8) requires licensed marijuana producers, processors or retailers to be **located at least 1,000 feet** from the following entities:

- Elementary or secondary school;
- Playground;
- Recreation center or facility;
- Child care center;
- Public park;
- Public transit center;
- Library; or
- Any game arcade (where admission is not restricted to persons age 21 or older).

The 1,000 feet buffer distance must be measured as the shortest straight line distance from the property line of the proposed business location to the property line of any of the entities listed above. See WAC 314-55-050 (10). Definitions for the entities are found at WAC 314-55-010.

Taxing Marijuana and Revenue Sharing

The State currently taxes marijuana through a **single excise tax of 37%** at the time of retail sale, in addition to the regular state and local sales tax. The revenue from the excise tax is shared with cities, towns, and counties (RCW 69.50.540). This tax took effect in June 2015 when the legislature passed HB 2136 and fully replaced the previous excise tax of 25% at three different phases (production, processing, and retail sale) established by the original marijuana initiative of 2012.

Medical Marijuana Exemption

The normal retail sales tax for each jurisdiction has always applied to retail sales of marijuana at licensed stores, and that has not changed, but RCW 82.08.9998 provides that, starting in July 1, 2016 the retail sales tax will not be applied to:

- Retail sales of medical marijuana to “qualifying patients or designated providers who have been issued recognition cards.”
- Retail sales tax of high CBD/low THC medical cannabis to any person.

Distribution of Tax Revenue

During fiscal years 2016 and 2017, the state will distribute \$6 million to cities and counties that have licensed retail marijuana stores within their jurisdiction.

Beginning in fiscal year 2018, if marijuana excise tax collection exceeds 25 million dollars, 30% of all marijuana excise taxes deposited into the general fund the prior fiscal year will be distributed to local governments as follows:

- 30% will go to counties, cities, and towns where retailers are located, based on the retail sales from stores within each jurisdiction;
- 70% will be distributed to counties, cities, and towns on a per capita basis – but only to jurisdictions that do not prohibit the siting of state-licensed producers, processors, or retailers.

The State Treasurer will make the transfers to local governments in four installments, by the last day of each fiscal quarter.

