

SLT struggles to cultivate workable pot regulations

By Kathryn Reed

The future of recreational marijuana and even expanded medicinal offerings in South Lake Tahoe remains hazy.

It might become a littler clearer after Tuesday's cannabis workshop being led by the City Council. The focus is on retail sales in the city limits. The meeting begins at 5pm Feb. 20 at Tahoe Beach Retreat.

The community cannabis subcommittee delivered recommendations to the City Council on Feb. 6. Not all of the electeds were enamored with what was presented. That subcommittee has met at least twice since then. Members are expected to be at the workshop to share tweaks they've made, answer questions and provide information.

Some of the subcommittee recommendations include:

- All shops should sell marijuana for recreational and medicinal use.
- Delivery should be allowed if tied to a storefront, with GPS tracking.
- No outdoor cultivation.
- Maximum grows of 5,000 square feet.
- Local tax of at least 3½ percent of gross receipts, with tax question going to voters in November at the earliest.
- Allow three retail licenses.
- No one with a felony allowed to open a shop.

- Prefer local operators.
- Provide a place for people to consume the pot so it's not being done illegally at a tourist accommodation; and provide a shuttle service.
- Allow local law enforcement enhanced access to the facility and books.

Some of the issues brought up by the council and/or the public centered on the distribution regulations and whether to allow microbusinesses.

It is ultimately up to the City Council to decide what to do. It can adopt some, all or none of the subcommittee recommendations.

The state has a number of rules that are already in place that can only be changed by the city by making them stronger, more restrictive.

The council has an urgency ordinance in place regarding recreation pot. It was first approved in December and then extended in January by 10 months and 15 days per state law. The plan was to amend it on Feb. 6 to allow for development agreements. However, the city was provided with inaccurate legal advice by interim City Attorney Nira Doherty at the second January meeting. She said it would be fine to amend the ordinance in February. That would have been illegal. So, the ordinance as first approved is what is in effect.

The whole urgency ordinance could be replaced and then the urgency measure would be disbanded. This is the likely scenario as the city moves forward with the recreational ordinance.

Barton Health was asked to participate and chose not to.

"Barton participates in the Community Health Advisory Committee, a group of local health and wellness organizations

facilitated by the Barton Foundation that identifies unmet health needs in the community. This group is working to make a recommendation to City Council that a portion of tax revenue generated by the sale of cannabis be used for education, awareness and prevention surrounding minors and cannabis use," Barton spokeswoman Jenna Palacio told *Lake Tahoe News*.

It's not clear if Councilman Jason Collin will be able to vote his conscience for the city or be beholden to the stance his employer takes if they are different.

While the subcommittee started with 15 members, there have only been 13 who have actually participated. The other two were Barton employees.

It's expected that recreational facilities would also be allowed to sell medicinal marijuana. The current medical marijuana ordinance only allows for three such establishments in the city, with the council needing to sign off on all future ones. Today there is only one such business.

Tahoe Wellness Cooperative was one of the original three. It has been on tenuous footing with the city for a while. Litigation is ongoing regarding the validity of the permit. It keeps being a closed session discussion with the council, with no reportable action being taken Feb. 6.

Cody Bass, who runs TWC, told *Lake Tahoe News* that he presented a settlement agreement to the council at that meeting. The council didn't bite.

When asked why the agreement was rejected, Mayor Wendy David told *LTN*, "This information is privileged and confidential."

Bass is barely operating because he has not been able to restock his shelves with most products since the first of the year. This is in large part because the city told the state he doesn't have a valid permit. It's a technicality in that the court has allowed him to stay open as the dispute lingers.

“With regards to commercial sales of cannabis, Tahoe Wellness Cooperative has been engaged in commercial cannabis sales since we opened in 2009 and begin collecting sales tax, of which we’ve collected over a million dollars in sales tax to the state of California for commercial cannabis sales,” Bass told *Lake Tahoe News*. “The [state Bureau of Cannabis Control’s] statement is accurate and all commercial cannabis sales in the state of California will now be through for profit entities with no requirement to operate on a not for profit basis. The problem for TWC is that we cannot engage with other licensees as the bureau stated, therefore we cannot acquire the medicine our members require for their ailments, greatly hindering the products we carry for the sickest of our members. Something that happened only because of the chief of police writing a letter. The misinformation that was spread around that the city can’t authorize a for profit use because it is not written in their current ordinance is very inaccurate, and now even the city attorney agrees it’s inaccurate. State law allows for local authorization through a ‘permit’ or ‘other authorization,’ which in this case is clearly the stay from the superior court, not a statement saying there is ‘no authorized cannabis use in the city of South Lake Tahoe’ as the chief wrote to the bureau.”

That letter the police chief sent has nearly put TWC out of business.