



400 South Federal Hwy  
Hallandale Beach, FL 33009

## City of Hallandale Beach City Commission Agenda Cover Memo

<b>Meeting Date:</b>	June 7, 2017		<b>Item Type:</b> (Enter X in box)	<b>Resolution</b> X	<b>Ordinance</b> X	<b>Other</b>	
<b>Fiscal Impact:</b> (Enter X in box)	<b>Yes</b>	<b>No</b>	<b>Ordinance Reading:</b> (Enter X in box)	<b>1<sup>st</sup> Reading</b>		<b>2<sup>nd</sup> Reading</b>	
	X		<b>Public Hearing:</b> (Enter X in box)	<b>Yes</b> X	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>Funding Source:</b>			<b>Advertising Requirement:</b> (Enter X in box)	<b>Yes</b> X		<b>No</b>	
<b>Account Balance:</b>			<b>Quasi Judicial:</b> (Enter X in box)	<b>Yes</b>		<b>No</b> X	
<b>Project Number:</b>			<b>RFP/RFQ/Bid Number:</b>	N/A			
<b>Contract/P.O. Required:</b> (Enter X in box)	<b>Yes</b>	<b>No</b>	<b>Strategic Plan Priority Area:</b> (Enter X in box)				
		X	<b>Safety</b> <input checked="" type="checkbox"/> <b>Quality</b> <input checked="" type="checkbox"/> <b>Vibrant Appeal</b> <input type="checkbox"/>				
<b>Sponsor Name:</b>	Roger M. Carlton, City Manager		<b>Department:</b> <b>Development Services</b>	Keven R. Klopp, Director			

### Short Title:

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, CREATING CHAPTER 7, ARTICLE XIV, MEDICAL CANNABIS BUSINESS REGULATIONS; PROVIDING FOR PERMIT APPLICATION PROCEDURES AND REVIEW; OPERATION REGULATIONS, AND REVOCATION; RESERVING SECTIONS 7-465 THROUGH 7-480; PROVIDING FOR CODIFICATION; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY AND PROVIDING FOR AN EFFECTIVE DATE.

AND,

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, ESTABLISHING THE MEDICAL CANNABIS

**BUSINESS TAX; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY;  
AND PROVIDING FOR AN EFFECTIVE DATE.**

**Staff Summary:**

**Background:**

Recent advances in medicine have concluded that there are medicinal benefits to the use of cannabis for certain medical conditions, including cancer, seizures, and the like. In June of 2014, Governor Rick Scott signed Senate Bill 1030, which made one strain of the drug available to Floridians for medical use. This strain, referred to as Charlotte's Web, is known to be beneficial to children suffering from epilepsy. The law also called for the establishment of five dispensing organizations to cultivate, process, and dispense low-THC cannabis. The Florida Department of Health must authorize one dispensing organization in each of the following regions: northwest, northeast, central, southwest, and southeast Florida. Since the signing of the Compassionate Medical Cannabis Act of 2014, the Office of Compassionate Use (OCU) has designated the authorized dispensing agencies. These agencies may dispense statewide; thus, development and zoning regulations are required to determine where such agencies will be permitted and how they will be regulated. In addition, the City will need to provide for such business uses in the fee schedule for business tax receipts.

To adequately prepare regulations and pursuant to Article III, Section 32-966(g) of the City's Code of Ordinances, the City of Hallandale Beach declared a 180 day Zoning in Progress Moratorium on the filing and acceptance of business tax receipts or development applications for dispensing organizations within the City, through December 16, 2016. On July 6, 2016, City Commission approved a Resolution invoking a moratorium relative to medical cannabis and dispensing organizations; it has twice been extended by the Commission. The moratorium is scheduled to expire on June 9, 2017. On March 13, 2107 the Commission discussed the proposed regulations at its workshop meeting.

Medical cannabis was the subject of a Florida ballot referendum on November 8, 2016. The voters of Florida supported the referendum, making medical marijuana legal in the state effective January 3, 2017. The Florida Legislature, however, concluded its 2017 session without taking action on medical marijuana.

Currently, the City's Code of Ordinances does not address or define grow houses, dispensing organizations, or other similar uses. The existing Zoning and Land Development Code also does not provide for business hours of operation, location and size requirements, or distance separation requirements for such uses.

Staff has used the Moratorium period to research best practices for regulating these uses, establishing appropriate locations for them, and siting the conditions under which they may be allowed within the City, including distance separation requirements, hours of operation, setbacks, screening, size, and height limitations. A summary of the ordinance is provided below:

Proposed ordinance amending Chapter 7, Businesses:

- Requires a Medical Marijuana Permit and Identification Tag.
- Requires a background investigation (Level 2) for permit applicants, and establishes the permit expires on September 30<sup>th</sup> of each year.
- Establishes grounds for the denial of a Medical Marijuana Permit application.
- Prohibits transfer of the Medical Marijuana Permit.
- Establishes grounds for the revocation of a Medical Marijuana Permit.
- Establishes the hours of operation for Medical Marijuana Retail Centers.
- Stipulates provisions to be taken for security.
- Prohibits the hiring of employees under the age of 21.
- Prohibits the hiring of employees that have not passed a level 2 background screening.
- Requires any state violations or changes in state licensure to be reported to the City.

Proposed ordinance amending the Business Tax Receipt schedule of fees (Exhibit 2) to include:

1. Medical Cannabis dispensary Business Tax
  - a. Medical Marijuana Retail Establishment Fee of \$8,500
  - b. Medical Marijuana Treatment Center fee of \$12,500
2. Physician – Medical Cannabis (Rx) Business Tax of \$1,500

Exhibit 3 provides a proposed resolution establishing business permit fees related to the processing and approval of the cannabis dispensaries within the city.

In addition to three ordinances establishing regulations on the business operations (cannabis business regulations, business tax established, and property maintenance requirements), zoning regulations are proposed in the Zoning and Land Development Code and there are resolutions for the related fees. All other ordinances will be heard as separate agenda items for City Commission consideration on the May 17, 2017 agenda.

Ordinances

Business Regulations  
Business Taxes Established  
Property Maintenance Requirements  
Land Development Regulations (Zoning)

Resolutions

Application Fees Set  
Business Tax Fees Set

**Why Action is Necessary:**

Pursuant to Article V, Section 5.01 of the City of Hallandale Beach Charter, a City Ordinance must be adopted by the City Commission to amend the Code of Ordinances. As staff is recommending revisions to Section 32 of the City Code, approval of the attached ordinance is necessary. Also, in accordance with Article III, Section 10-61, Fees, of the City of Hallandale Beach Code of Ordinances, service or user charges or fees shall be set or amended by a Resolution of the City Commission. Finally, pursuant to Section 8-36 of the Hallandale Beach Code of Ordinances, upon the completion of all zoning district changes relating to a moratorium, the commission shall issue its order terminating the moratorium.

**Fiscal Impact:**

Should the City Commission decide to adopt the proposed ordinances related to cannabis regulations, corresponding fees associated with processing and monitoring cannabis dispensaries and related activities must also be adopted, the attached resolution (Exhibit 2)

addresses the fees related to cannabis business tax and business permit applications. Assuming at least three (3) physicians in Hallandale Beach will become certified by the State of Florida to write medical cannabis prescriptions; and, at least three (3) new retail centers for medical cannabis will be located within the city limits, potential revenues equate to \$30,000 for business tax receipts and \$25,500 for business permits. Additional revenues of \$22,500 would also be collected for cannabis conditional use permit applications for a total of \$78,000.

**Proposed Action:**

Staff is requesting the City Commission approve the proposed ordinance (Exhibit 1) establishing zoning regulations for retail and treatment center cannabis dispensaries upon first reading. Upon approval, second Reading will be scheduled for June 7, 2017. The related fee resolution will also be brought forth at second reading for Commission approval. The cannabis related moratorium will sunset upon adoption of the proposed ordinance.

**Attachment(s):**

Exhibit 1 - Proposed Ordinance – Chapter 7  
Exhibit 2 - Proposed Ordinance - BTR Fee  
Exhibit 3 - Proposed Cannabis Fee Resolution

Prepared by:



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Keven R. Klopp, Development Services Director