

## Council approves medical marijuana license fees

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Sean Dieterich - The Independent |

SHOW LOW - The city council approved proposed business license fees for medical marijuana dispensaries during their regular meeting Jan. 4, another step for a possible new business coming into the city.

Under the fee schedule, any medical marijuana dispensary would pay an annual \$500 fee for license application and investigation, an annual \$250 fee for a business license and an annual \$250 employee license fee per employee. Planning and Zoning Director Justen Tregaskes said the fees were recommended based on the "added constraints" of medical marijuana facilities and to cover city costs of dealing with those constraints.

"The business license fees would be the final step for a medical marijuana business (if approved by the Arizona Department of Health) opening up in Show Low," he said.

Councilman Michael Allsop asked how the employee fee would work if an employee left the business in the middle of the year and the business hired another person. Tregaskes said the business would not be credited, as the employee fee goes toward a background check making sure the employee does not have an offense, such as violent crime or drug dealing, that would exclude them from working in a medical marijuana dispensary.

"The intent of the \$250 fee per employee is to make sure they do not have one of the excluded offenses," he said.

Councilman Jack Latham asked if the resolution carried a late fee schedule or made reference to an ongoing education requirement if required by the state. Tregaskes said there was nothing like that in the resolution, especially on the late fee front. When asked by Mayor Rick Fernau if something like that would be an issue, Tregaskes said he believed there would be some self-policing because of the Department of Health and possible competition.

"If one person lets their license lapse, then they're going to be out and another one's going to come in," he said.

When the council opened the floor for public comment, Daris Gibbons was the first to speak. She said she is a licensed massage therapist and she believed the fees were steep when she pays lower fees as someone that puts their hands on someone else. She added the fees seemed disproportionate based on research she did on similar fees in other states.

"The more you pile on, the less attractive Show Low looks to anyone looking to open such a business," she said.

Travis Pollock, a representative for a medical marijuana firm out of Phoenix, said he was part of a group that pushed for Proposition 203's passage in the state. He said he owns two dispensaries in Colorado and the fees for employee background checks there were \$125 per person.

"I want to make sure we're treating this product the same as any other agricultural product," he said. "This is for sick and dying patients."

Pollock added he wanted the council to consider reasonable zoning regulations before the Department of Health's deadline of April 1.

Tregaskes defended the fees, saying the \$250 fee for the business license covered the background check for the business owners and any board members. The \$500 fee, he said, covered the physical inspection now required by the police department, building department and fire district.

"The goal there is to make sure they're still in compliance in state statutes," he said. "It's a number we feel is appropriate for what the city is

going to have to do annually."

Tregaskes said the state statute requires that any medical marijuana dispensary grows their product in a locked, enclosed facility, has an off-site security system and a single, secure entrance. He said Arizona was stricter than other states in requirements for medical marijuana dispensaries and their fees were also a reflection of that.

Tregaskes added the Arizona Department of Health is charging \$5,000 for a business license application for medical marijuana dispensaries.

Latham said he did not believe the fees were out of line, given what he has to pay for his pest control business.

"I pay \$500 a year to do business in Whiteriver and \$150 per employee," he said.

Vice Mayor Daryl Seymore said he saw the fees as assuring there could only be one dispensary in Show Low, based on the number of pharmacies in the city. Tregaskes said he has heard Navajo County could receive two dispensaries, one in the north and one in the south. He said city staff is concerned about the 25-mile rule, that anyone who can legally obtain medical marijuana and lives 25 miles outside of a dispensary can grow their own.

As for Show Low, Tregaskes said the city has received word from 11 people interested in opening a dispensary.

Fernau said, "I would like to see one in our community just so it can be controlled and regulated."

The fees were adopted with a 6-0 vote, with Councilman Gerry Whipple excused from the meeting.

Reach the reporter at [sd Dieterich@wmicentral.com](mailto:sd Dieterich@wmicentral.com)