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## **MEMORANDUM**

**To:** Mayor and City Council

**From:** Paul Leonhardt, Planning & Zoning Manager

**Date:** February 23, 2023

**Subject:** Considerations for Regulating Medical Cannabis Dispensaries

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### **ITEM DESCRIPTION**

This item presents background information on the legal framework for medical cannabis in Georgia, summarizes experiences of Florida cities with existing medical cannabis dispensaries, summarizes recent developments in Georgia, and provides preliminary staff thought on potential regulations.

### **ATTACHMENTS**

Presentation Slides



# *City of* **Dunwoody** *Georgia*

## Considerations for Regulating Medical Cannabis Dispensaries

February 13, 2023

Packet page:...

# Current Regulations

## HB 324 – Georgia's Hope Act (2019)

- Allows for production, distribution, and dispensing of low THC oil to registered patients
- Establishes two pathways to legally dispense medical cannabis
  - Georgia Access to Medical Cannabis Commission: In July, approved the first two licenses for five dedicated dispensaries each in Georgia. Ultimately, expected to license six operators with a total of 30 dispensaries statewide
  - State Board of Pharmacy: Develops dispensing licensing regulations for pharmacies. No clear timeline for rules as of 2022
- Minimum distance of 1,000 feet from public or private schools, early care or education programs, and places of worship
- Local governments specifically authorized to use zoning powers to regulate based on local needs



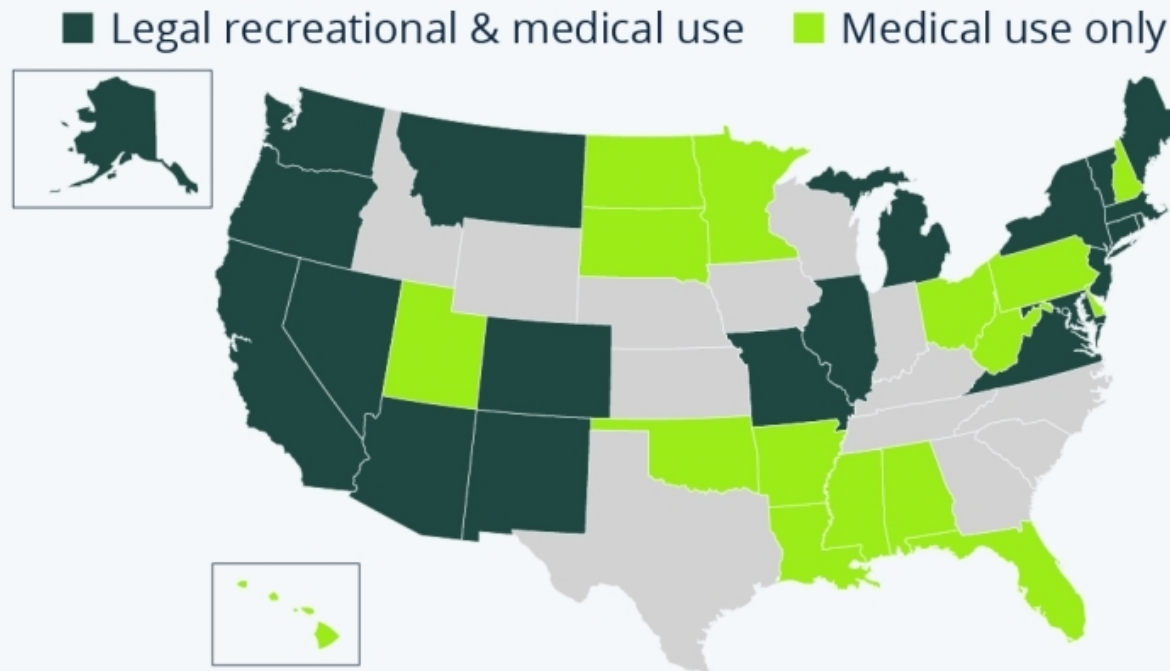
# Medical vs Recreational Cannabis

- Georgia only legalized low THC (THC is the main active ingredient in cannabis) oil with no more than 5% THC content and only for specified medical purposes
- By comparison, recreational cannabis can have THC content of more than 19%
- Requires medical doctor's consultation and registration with the state
- Medical cannabis only given for 17 specific medical conditions
- Likely, legal dispensaries will only capture a certain percentage of the currently illegal market:
  - Reduced THC content and variety
  - Likely more expensive than illegal market
  - Overly strict regulations can shift market share towards illegal market: Estimated 68% of total cannabis sales in Massachusetts are illegal

# The State of Marijuana Legalization in the U.S.



Laws on recreational and medical marijuana use in the United States



As of Nov 9, 2022. Some states not highlighted allow limited medical marijuana access.

Sources: NORML



- Georgia's low THC oil is called CBD oil in other states. CBD is a non-toxicating compound of cannabis
- Georgia's medical cannabis program is not considered a full-fledged medical cannabis program

# Florida Experiences

- Community Development reached out to seven municipalities in Florida to gain experiences about medical marijuana dispensaries; obtained feedback from four
- Medical marijuana legal in Florida since 2014; rules more permissive than Georgia's
- Dispensaries prefer small retail spaces between 2,000 sf and 5,000 sf, often inline retail suites or freestanding retail/restaurant buildings
- Traffic impact similar to pharmacies
- No reported nuisances

# Pensacola, 3119 N Davis Hwy





# Lake City, 2670 W US Hwy 90





# West Palm Beach, 1695 Forum Pl



# Doraville Regulations

- Doraville has passed legislation in early 2022
- Medical cannabis dispensaries as a special use, requiring a special land use permit
- Maximum floor area of 10,000 sf
- Maximum number of licenses set to 4 per 10,000 residents

# Surrounding Municipalities

- Roswell has recently adopted a moratorium on medical cannabis dispensaries to draft regulations
- Truelieve (one licensee) has announced locations in Marietta, Macon, and Pooler
- Botanical Sciences (second licensee) has not announced locations yet



# Regulatory Considerations

- State of Georgia has decided that medical cannabis is a valuable medical resources to its residents
  - Only 30 locations statewide; burdensome regulations may push businesses to surrounding communities
- Likely few negative impacts:
  - Positive experiences from Florida communities
  - Georgia laws stricter than those of neighboring states
- Permitted use vs special use: staff recommends permitted use
  - Special use really intended for uses that requires additional conditions, e.g. landscape buffers, operating hours, design standards
  - Medical cannabis dispensaries typically do not cause increased impacts when compared to typical retail spaces

# Regulatory Considerations

- Minimum distance requirements in accordance with state law: Minimum distance of 1,000 feet from public or private schools, early care or education programs, and places of worship
- For comparison: package liquor stores cannot be within 300 feet of places of worship, 600 feet of schools, and 600 feet of other liquor package stores
- Recommendation to provide minimum distance requirement from other medical cannabis dispensaries to prevent clustering (app. 1 mile)
- Recommendation to include language that prevents consumption on the premises