California City Ushers in Delivery-Only Cannabis Dispensaries

Cannabis use may be legal in the Golden State, but that doesn't mean counties have to get on board with it. Municipalities have the option of just saying no to legal marijuana. According to analysis by The Mercury News, only one in seven California cities allow recreational retail cannabis stores. Clearly, when it comes to the shape of legal marijuana regulations, one size does not fit all. And Kern County's California City is a good example of that.

Despite Kern County Supervisors banning the sale of marijuana in 2017, California City's City Council recently voted to allow just two retail dispensaries and ten delivery-only cannabis businesses to operate within its borders. The public will not be permitted to drop in to latter and peruse the shops' wares; rather, the dispensaries will deliver to the public for both medical and recreational use.

California City's mayor: "It's the moral thing to do."

As reported by 420 Intel, Chuck McGuire, the mayor of California City, said he has personal reasons for supporting marijuana accessibility within his city: his father-in-law used cannabis while undergoing cancer treatment. Referring to the vote he cast to permit the operation of ten cannabis delivery establishments, McGuire said, "It's the moral thing to do. If it improves the quality of life for people or at least one person, then why should we not?"

Now comes the task of getting the ten delivery-only dispensaries and the two retail shops up and running. The application process is first; that window has recently begun and will likely run through mid-March.

City Manager Robert Stockwell is cited in 420 Intel about the prospects of attracting canna-preneurs to the area: "I don't think we'll have any trouble at all getting 10 or 12 successful applicants out of the process. We've had a substantial amount of interest since the very beginning."

Furthermore, California City already permits the cultivation and manufacture of cannabis (and the mayor reports that several businesses are already growing within the city), which not only adds money to the city's coffers in the form of licensing fees, but also bodes well for expanding the industry as a whole.

City eyes a possible $10M in tax revenue

Beyond the possibility of helping individuals in need, the mayor also sees the opportunity for the city to be enriched by the establishments the Council's vote will usher in. McGuire shared the common expectation that the dozen dispensaries will result in a tax revenue harvest of $10 million for California City, though he added the disclaimer that he personally wondered whether or not that projection was more hopeful than likely.

McGuire explained that the city has heavily relied on its parcel tax to underwrite many municipal services, but that the goal is to shake off that dependence since it comes with its own complications. For example, California City has had trouble approving a new parcel tax, and therefore some services have been on shaky fiscal ground. And this is where the dozen-dispensary yes-vote comes in.

"For me, it wasn't a tough vote because it's going to benefit the city in the long run," McGuire said. "When [the dispensaries] get their licenses from us, they can go sell in L.A. County and we're still going to get the tax revenue."

McGuire added: "These deliveries are not going to be driving around the city of California City all the time, they are

going to be fanning out." He gave the example of a delivery area as distant as Inyo County. "And the city is going to get money from that."

California City and Arvin will soon be the only Kern County municipalities where the purchase of marijuana will be legal.

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