

Memorandum

To: Town Council

From: Jeff Nutting



Re: Marijuana Bylaws & Local Option Tax

The Council will consider five zoning bylaw amendments relating to the new recreational marijuana law and one resolution to accept the local option tax provision in the new law that took effect on December 15th.

Overall, town staff believe these zoning bylaws and resolution are a proactive approach to best handle the new law with the best information we have. With uncertainty at the legislative and regulatory levels, the Town should be proactive now to do what we can within current state laws and zoning laws. The town can always modify things down the road when those uncertainties become clearer.

Zoning bylaws

The Council will consider five zoning bylaw amendments, which will:

1. Eliminate the Medical Marijuana Overlay District and create a Marijuana Overlay District that will relate to both medical marijuana and recreational marijuana. The overlay district includes the town's industrial parks and a portion of Grove Street.

This overlay district has worked well for medical marijuana and town staff are recommending the Town simply create one overlay district for all marijuana related uses.

2. Both medical marijuana and recreational marijuana will now require a special permit for any marijuana use. Currently, the medical marijuana uses are by right. Town staff are recommending any marijuana use is by special permit only in order for the town to properly evaluate any application for a medical or recreational use.
3. Protect the downtown area, commercial and residential districts from ever having a recreational marijuana store.

It is important to note that the medical marijuana laws and regulations allow applications for grow facilities and stores to begin at the local level. The new recreational law is the opposite. The application begins at the state level, thus underscoring the importance of addressing zoning now.

Local Option Tax

The new marijuana law allows for a local option 2% sales tax on all sales of recreational marijuana. Like the local option hotel and meals tax, town staff believe it's in the best interest to protect the town to have this on the books now before any applications are ever filed to the state. The maximum percentage allowed under the law is 2%. If the legislature raises this tax in the future, which is uncertain right now, the town can always increase it.



Sponsor: Administration

TOWN OF FRANKLIN

RESOLUTION 16-75

**LOCAL ADOPTION OF G.L. CHAPTER 64N, SECTION 3:
LOCAL TAX ON MARIJUANA RETAIL SALES AND
ESTABLISHMENT OF TAX RATE**

WHEREAS, The Regulation and Taxation of Marijuana Act passed by voters at the November 2016 state election added a new Chapter 64N to the General Laws, and

WHEREAS, Section 3 of Chapter 64N provides a local sales tax option on the sale or transfer of marijuana or marijuana products by a marijuana retailer at a rate not greater than two percent of the total sales price.

NOW, THEREFORE, the Franklin Town Council, acting on behalf of the Town of Franklin, hereby adopts G.L. Chapter 64N, Section 3 authorizing the imposition of a local sales tax on the sale or transfer of marijuana or marijuana products by a marijuana retailer, all as defined in the statute, and establishes the rate of said tax at the maximum of two percent (2%), as provided in said statute.

This Resolution shall become effective according to the rules and regulations of the Town of Franklin Home Rule Charter.

DATED: _____, 2016

VOTED:
UNANIMOUS _____

A True Record Attest:

YES _____ **NO** _____

ABSTAIN _____

Teresa M. Burr
Town Clerk

ABSENT _____

Judith Pond Pfeffer, Clerk
Franklin Town Council