

Cannabis Business Blog

Emergency Moratorium in Unincorporated King County

on 5.4.16 | Posted in Marijuana business owners, Marijuana processors, Marijuana retailers, Washington State

In a surprise move, the Metropolitan King County Council imposed a four-month moratorium on accepting or issuing permits for marijuana growers, processors, and retailers. The moratorium took effect Monday, April 25th, and will be subject to a public hearing within 60 days. No statement clearly outlining the primary concern regarding legal marijuana businesses has been issued by the council. Although Council member Reagan Dunn, who represents rural areas, “likened the lack of restrictions on growers and processors in the county’s rural residential areas to the “wild West.””

As way of reminder, while marijuana is legal in Washington, cities, towns, and counties can still ban marijuana sales and production. Also as way of reminder, unincorporated areas of King County are those areas outside of any city within King County. Such areas, cover 82 percent of King County’s land area.

The Seattle Times article is available here: <http://www.seattletimes.com/seattle-news/marijuana/with-no-notice-king-county-slaps-ban-on-pot-businesses/>

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Warning Regarding Federal Law: The possession, distribution, and manufacturing of marijuana is illegal under federal law, regardless of state law which may, in some jurisdictions, decriminalize such activity under certain circumstances. Penalties for violating federal drug laws are very serious. For example, a conviction on a charge of conspiracy to sell drugs carries a mandatory minimum prison term of five years for a first offense and, depending on the quantity of marijuana involved, the fine for such a conviction could be as high as \$10 million. In addition, the federal government may seize, and seek the civil forfeiture of, the real or personal property used to facilitate the sale of marijuana as well as the money or other proceeds from the sale. Although the U.S. Department of Justice (DOJ) recently rescinded its guidance regarding prioritization of criminal prosecutions of individuals and entities operating in compliance with effective state regulatory systems, DOJ left in place long standing guidance to federal prosecutors regarding how to exercise this discretion. Individuals and companies

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are cautioned to consult with experienced attorneys regarding their exposure to potential criminal prosecution before establishing business operations in reliance upon the passage of state laws which may decriminalize such activity. Federal authority to prosecute violations of federal law as crimes or through seizures and forfeiture actions is not diminished by state law. Indeed, due to the federal government's jurisdiction over interstate commerce, when businesses provide services to marijuana producers, processors or distributors located in multiple states, they potentially face a higher level of scrutiny from federal authorities than do their customers with local operations.

Tags: Council member Reagan Dunn, King County, legal marijuana businesses, marijuana growers, marijuana processors, marijuana retailers, Metropolitan King County, moratorium, permits, Washington state