



DEPARTMENT OF PLANNING & ZONING

PLANNING | ZONING | LAND PRESERVATION | FOREST CONSERVATION | GIS

RZ-24-003

August 20, 2024

WASHINGTON COUNTY ZONING ORDINANCE
STAFF REPORT AND ANALYSIS

ARTICLES 3, 7A, 8, 9, 10, 11, 12, 13, 14, 19C, 28A

Proposal: This application is proposing to amend several sections of the Zoning Ordinance (see Exhibit 1) to address the state legalization of adult-use cannabis. Presently the Zoning Ordinance does not include language for cannabis and facilities associated.

Staff Report: The legalization of recreational cannabis has been occurring more frequently since the first state legalization in 2012. Currently, cannabis is legal in 24 states, several US territories, and Washington, D.C. Only medical cannabis is legalized in the county's bordering states of Pennsylvania and West Virginia. Every state and territory have differing laws and regulations for recreational adult-use cannabis. With the recent legalization, communities need to update ordinances to allow the new land use. The state of Maryland has characterized the dispensary use comparable to alcohol retail use. Presently, Washington County has one active medical cannabis dispensary; medical may become recreational through an application with the state. Through the first round of licensing Washington County was given 3 standard dispensary licenses in addition to the medical dispensary. Maryland's cannabis licensing and regulations are handled by the Maryland Cannabis Administration. There are two types of recreational cannabis licenses for growers, processors, and dispensaries: Standard and Micro. These are defined in the definitions.

Analysis: In 2022 a referendum was placed on the voting ballot allowing voters to support or oppose legalization of recreational cannabis use and sales in Maryland. The referendum was supported by a majority of Maryland residents to legalize recreational cannabis use after July 1, 2023. Since that time, several bills have been adopted by the Maryland General Assembly to allow and regulate this industry.

The initial regulatory bill passed in 2023 provided rules related to zoning administration of the use. These rules were further refined during the 2024 session and have prompted these amendments to the zoning ordinance.

Maryland House Bill 805 outlines and refines the zoning authorities of a local elected body. HB-805 states that a local elected body is prohibited from establishing more restrictive zoning requirements for cannabis dispensaries than alcohol package retail stores. The zoning restrictions do not apply to medical cannabis licenses that were issued on or before July 1, 2023.

The state law provided the required maximum setbacks for dispensaries.

Dispensaries must be:

- 500 feet from a pre-existing primary or secondary school in the State, or a licensed childcare center or registered family childcare home; a pre-existing playground, recreation center, library, public park, or place of worship.

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- Up to one half-mile from another dispensary

The proposed amendments to Articles 3, 7A, 8, 9, 10, 11, 12, 13, 14, and 19C are additions to define where cannabis dispensaries, processors, and growers are permitted or prohibited.

Per state law, the zoning districts where alcoholic beverage package stores are permitted shall permit cannabis dispensaries; relatively zoning districts where alcohol production facilities are permitted shall allow cannabis processors. The growing on cannabis is a strictly agricultural use.

Cannabis Dispensaries are proposed to be permitted as follows:

- In the urban areas, cannabis dispensaries shall be principally permitted in Business, Local (BL) and Special Economic districts. By allowing cannabis dispensaries in these districts as a permitted use they shall be permitted in the Business, General (BG), Mixed Use (MX), Planned Unit Development (PUD), Planned Business (PB), Highway Interchange (HI) districts through cross reference. In the rural areas, these uses shall be principally permitted use in the Rural Business (RB) floating zoning district. Per the definition of agriculture provided in Article 28A, the growing, drying and packaging of cannabis, a product of the soil, is considered an agricultural use. Therefore, cannabis growing facilities must be permitted in every district agriculture is permitted.

Cannabis processing facilities are proposed to be permitted as follows:

- In the urban areas, cannabis processing facilities shall be principally permitted in the Industrial Restricted (IR). By allowing cannabis processor facilities in these districts as a principally permitted use they shall be permitted in the Industrial, General (IG) and Highway Interchange (HI) districts through cross references. This use may also be permitted as a special exception in the Business, General (BG) district. In the rural areas the use may be special exceptions in the Agriculture Rural (AR), Environmental Conservation (EC), Preservation (P) and Rural Business (RB) floating zoning district.

Articles 28A will be amended to include definitions of cannabis: cannabis products, dispensary, grower, and processor.

Maryland Cannabis Administration defines Cannabis products as:

“Products that are composed of cannabis, cannabis concentrate, cannabis extract, or other ingredients and are intended for use or consumption, including edible products, oils, and tinctures”.

Dispensary is defined as:

“An entity licensed under this title that acquires, possesses, repackages, transports, sells, distributes, or dispenses cannabis or cannabis products, including tinctures, aerosols, oils, and ointments, related supplies, and educational materials for use by qualifying patients, caregivers, or consumers through a storefront or through a delivery service, based on license type”

- A standard licensed dispensary operates a store at a physical location that sells cannabis or cannabis products.
- A micro licensed dispensary operates a delivery service that sells cannabis or cannabis products without a physical storefront, provided that the licensee employs not more than 10 employees.

Grower is defined as:

“An entity licensed under this title that: (1) cultivates or packages cannabis; and (2) is authorized by the Administration to provide cannabis to other cannabis licensees and registered independent testing laboratories”

- A standard licensed grower operates more than 10,000 square feet, but not more than 300,000 square feet, of indoor canopy or its equivalent, as calculated by the Administration.
- A micro licensed grower operates not more than 10,000 square feet of indoor canopy or its equivalent, as calculated by the Administration.

Processor is defined as:

“An entity licensed under this title that: (1) transforms cannabis into another product or an extract and packages and labels the cannabis product; and (2) is authorized by the Administration to provide cannabis to licensed dispensaries and registered independent testing laboratories”

- A standard licensed processor processes more than 1,000 pounds of cannabis per year, as calculated by the Administration.
- A micro licensed processor processes no more than 1,000 pounds of cannabis per year, as calculated by the Administration.

Staff Recommendation: Based upon feedback and comments from other government agencies, developers, property owners, and the general public, Staff recommends approval of these amendments in order to provide consistent implementation of our land use policies and regulations.

Respectfully submitted,



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Comprehensive Planner



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Exhibit 1 for Cannabis Ordinance Text Amendment

ARTICLE 3. DISTRICTS ESTABLISHED; ZONING MAPS, DISTRICT BOUNDARIES; LAND USE REGULATIONS (RURAL AREA USES)

Section 3.3 - Table No. 3.3 - TABLE OF LAND USE REGULATIONS (RURAL AREA USES)

Land Uses	A(R)	EC	P	RV	RB	IM	Intensity of Use
K. Manufacturing							
<u>Cannabis Processor, Standard</u>	<u>SE</u>	<u>SE</u>	<u>SE</u>	<u>N</u>	<u>P</u>	<u>N</u>	<u>N/A</u>
<u>Cannabis Processor, Micro</u>	<u>SE</u>	<u>SE</u>	<u>SE</u>	<u>N</u>	<u>P</u>	<u>N</u>	<u>N/A</u>
P. Retail and Wholesale Trade							
<u>Cannabis Dispensary, Standard</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>P</u>	<u>N</u>	<u>N/A</u>
<u>Cannabis Dispensary, Micro</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>SE</u>	<u>P</u>	<u>N</u>	<u>N/A</u>

Article 11 “BL” Business, Local District

Section 11.1 Principal Permitted Uses

- (a) Local retail goods and service shops, including:

Cannabis Dispensary, Standard and Micro. Provided that the use is a minimum 500 feet from pre-existing primary or secondary school in the State, or a licensed childcare center or registered family childcare home; a pre-existing playground, recreation center, library, public park, or place of worship; and that the use be a minimum one half-mile from another dispensary.

Article 12 “BG” Business, General District

Section 12.2 Special Exception Uses (Requiring Board Authorization After Public Hearing)

(l) Cannabis Processor, Standard and Micro.

~~(m)~~ Any other use that the Board finds is functionally similar to any principally permitted use or special exception except adult book stores, adult mini-motion picture theaters, or any other type of adult entertainment listed in this Article. The Board shall not grant any special exception which is inconsistent with the purpose set forth for this District, nor which will materially or adversely affect the use of any adjacent or neighboring properties.

Article 13 “IR” Industrial, Restricted District

Section 13.1 Principal; Permitted Uses

(i) Cannabis Processor, Standard and Micro.

Article 19C “Special Economic District”

Section 19C.2 Principal Permitted Uses

Cannabis Dispensary, Standard and Micro. Provided that the use is a minimum 500 feet from pre-existing primary or secondary school in the State, or a licensed childcare center or registered family childcare home; a pre-existing playground, recreation center, library, public park, or place of worship; and that the use be a minimum one half-mile from another dispensary.

ARTICLE 28A – DEFINITIONS

Cannabis Dispensary: An entity licensed under this title that acquires, possesses, repackages, transports, sells, distributes, or dispenses cannabis or cannabis products, including tinctures, aerosols, oils, and ointments, related supplies, and educational materials for use by qualifying patients, caregivers, or consumers through a storefront or through a delivery service, based on license type

- A standard licensed dispensary operates a store at a physical location that sells cannabis or cannabis products.
- A micro licensed dispensary operates a delivery service that sells cannabis or cannabis products without a physical storefront, provided that the licensee employs not more than 10 employees.

Cannabis Grower: An entity licensed under this title that: (1) cultivates or packages cannabis; and (2) is authorized by the Administration to provide cannabis to other cannabis licensees and registered independent testing laboratories. Per the definition of agriculture provided in Article 28A, the growing, drying and packaging of cannabis, a product of the soil, is considered an agricultural use. Therefore, cannabis growing facilities must be permitted in every district agriculture is permitted.

- A standard licensed grower operates more than 10,000 square feet, but not more than 300,000 square feet, of indoor canopy or its equivalent, as calculated by the Administration.
- A micro licensed grower operates not more than 10,000 square feet of indoor canopy or its equivalent, as calculated by the Administration.

Cannabis Processor: An entity licensed under this title that: (1) transforms cannabis into another product or an extract and packages and labels the cannabis product; and (2) is authorized by the Administration to provide cannabis to licensed dispensaries and registered independent testing laboratories

- A standard licensed processor processes more than 1,000 pounds of cannabis per year, as calculated by the Administration.
- A micro licensed processor processes no more than 1,000 pounds of cannabis per year, as calculated by the Administration.

Cannabis Products: Products that are composed of cannabis, cannabis concentrate, cannabis extract, or other ingredients and are intended for use or consumption, including edible products, oils, and tinctures