
5 Reasons San Jose Lifted its Ban on Medical Cannabis Deliveries

In November of 2016 San Jose, the third largest city in California and the heart of Silicon Valley, lifted its ban on medical cannabis deliveries. Recognized as a city with one of the more tightly controlled cannabis programs (they have long attempted to maintain a strict collective model wherein each collective has to operate within an unbreakable vertical) San Jose finally gave in to requests from patients, residents, the small business community and industry leaders on this issue. As of early January the police department began allowing dispensaries to deliver to patients. San Jose lifted its ban for 5 compelling reasons:

1. **Access to collectives was poor.** With only 16 collectives allowed by the city, and the majority of those in industrial zones, access to legitimately grown and dispensed medical cannabis was poor, particularly if patients had to spend almost an hour in California traffic to reach the collective. When faced with calls to issue additional licenses and more storefronts, San Jose decided access through safe professional delivery might be a better option.

2. **Illegal deliveries proliferated.** Despite the best efforts of law enforcement, on any given day between 30 and 75 unregulated delivery operations advertised through online portals. Those underground activities were far more dangerous to law enforcement than known, regulated businesses using background checked drivers with inspected vehicles deployed from licensed collectives. At the end of the day the market and law enforcement had to compromise for public safety.

3. **Technology controls were compelling.** In the heart of Silicon Valley, some of the new technology platforms like Eaze (www.eaze.com) that help collectives extend the collective to the patient's door were appealing to the city. The Police Department already incorporates state-of-the-art technology throughout its force, so when they saw that medical cannabis delivery could be deployed with real time inventory controls and identity verification, delivery changed from a criminal endeavor to a tool for licensed businesses to maintain a clear record of every transaction just as there is for in-collective sales.

4. **Residents and businesses prefer delivery.** One poll taken prior to passage of the delivery ordinance showed that the majority of San Jose residents did not even know cannabis deliveries were illegal. When small businesses began to voice support for deliveries as the access point over new retail storefronts, the City Council had more incentive to act. Community leaders like Reverend Moore, president of the San Jose Silicon Valley NAACP, called for patient compassion and asked that the city help bring the activity out of the shadows into a path of legitimate employment for drivers.

5. **Making delivery a legal activity stands to add significant tax revenue to the city.** Illegal delivery operations do not collect taxes. They often buy from cultivation locations that burden law enforcement and neighborhoods and infrastructure and also do not operate with any tax collected. With projected budget shortfalls as high as \$16M, to continue to allow a major commerce sector to operate with no taxation would have been fiscally irresponsible for the city. The revenue generated through license and inspection fees could also allow the SJPD to enforce against illegal delivery operations.