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NEWS RELEASE

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CITY TREASURER CAN REFUSE BUSINESS CERTIFICATE TO MEDICAL MARIJUANA OUTFITS

San Diego, CA: The City of San Diego is not required to issue business tax certificates to marijuana distributors, a Superior Court judge has ruled.

Wisdom Organics Inc. of Lemon Grove sued City Treasurer Gail Granewich in April 2011 after Granewich refused to accept the nonprofit company's application for a business tax certificate. Wisdom Organics stated in court documents that it grows marijuana for medicinal purposes outside the City of San Diego and applied for the license so it could deliver it to customers inside the City.

Superior Court Judge Randa Trapp ruled in the City's favor Feb. 3, 2011, saying that the City can't be compelled to do something that amounts to an illegal act. Although Wisdom Organics' operation is legal under state law, the use and distribution of marijuana remains illegal under federal law, the judge concluded.

"Further, there is evidence presented that the U.S. Attorney is now putting marijuana dispensaries on notice that they are violating federal law and that federal law takes precedence over state law," the ruling states. "Consequently, issuing a business tax certificate under these circumstances would tend to aid in an unlawful purpose."

The judge's tentative ruling, which was confirmed as the final ruling, is attached.

This case was different from others recently successfully prosecuted by the City Attorney's Office, in that all of the previous cases involved the distribution of marijuana from storefront dispensaries. There is currently no zone in the City of San Diego in which that is allowable.

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