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WSJ: Though Colorado and Washington Allow Recreational Marijuana, Many Municipalities Are Seeking to Bar Businesses Selling It.

Like Coloradans as a whole, voters in Colorado Springs voted to legalize recreational pot last fall. Nonetheless, their city leaders held a packed public meeting Thursday to seek opinions on whether local businesses should be able to sell it.

Colorado Springs, the state's second-largest city with roughly 426,000 residents, is one of numerous municipalities in Colorado that are considering opting out of part of the state's new marijuana law. The legislation allows anyone 21 and older to possess and grow pot in small amounts but also gives local authorities the right to bar pot plantations and stores.

More than two dozen cities and towns, including Calhan and Woodland Park near Colorado Springs, have already prohibited marijuana retail stores, according to the Colorado Municipal League, a lobbying group for the state's cities. Others, like Aurora outside of Denver, decided to postpone a decision on whether to allow sales. In Denver, leaders want to allow pot sales, but have said they want to push back the starting date for new businesses other than medical-pot outlets.

The opt-out clause included in the Colorado pot law doesn't exist in Washington, which also legalized recreational pot last November. But local officials there have some control over rules such as licensing and zoning, and some are using that authority to keep pot shops at bay.

Richland, a city of roughly 49,000 people in southeastern Washington, passed an ordinance that requires marijuana stores to comply with federal laws, for example, which is impossible because of pot's continued federal status as an illegal substance.

Local power to determine how the marijuana trade operates, or whether it exists at all, will likely be included in measures that pot advocates attempt to pass in other states as they seek to broaden pot legalization.

Part of the reason some municipalities in Washington and Colorado have been reluctant to allow pot sales, experts say, is uncertainty over how those states will handle the new marijuana market. Both are still setting up regulatory systems for recreational pot.

In Washington, where rules won't be finalized until August, applicants for pot licenses have a 30-day window in September to file paperwork that is supposed to include where they plan to set up shop. That means jurisdictions would have only about a month to study the state's rules and come up with their own in time for locals to apply for licenses.

"It's going to be a little bit bumpy as we roll out this new legalized system," said Brian Smith, a spokesman at the Washington State Liquor Control Board, which is now tasked with also regulating marijuana.

In Colorado, a pending issue is taxation of pot, which will be used to fund the state marijuana enforcement agency. Voters in November are set to vote on a 25% tax rate proposed by lawmakers. Until then, local officials won't know what kind of resources state officials will have to oversee marijuana businesses.

The discussion in Colorado Springs is complicated by local politics. The city at the base of the Rocky Mountains is home to large socially-conservative groups that are against marijuana use, but is also a stronghold for libertarians, who view pot smoking as a personal freedom government shouldn't interfere with.

In El Paso County, where Colorado Springs is located, voters passed the marijuana amendment by only 10 votes, 141,696 to 141,686. The Colorado Springs City Council is expected to take a vote on pot stores next month.

Keith King, the council's president, said he favors a moratorium, but added that the council is evenly divided between that option, a ban and allowing sales.

Mayor Steve Bach, who doesn't have a vote, wants a full ban. He and others in the business community said allowing sales amounts to endorsing marijuana use, which would alienate military facilities and religious nonprofits that make up a large portion of the local economy.

"We have to give a message to our employers that we are not going to promote a drug that is federally illegal," Mr. Bach said.

But others said prohibiting sales would deny expansion opportunities to the 50 or so medical-pot dispensaries in the city, which would have the first shot at recreational licenses, and go against the town's traditional hands-off approach to government. "This is more than just about pot," said Liz Oldach, who chairs the local chapter of the Libertarian Party of Colorado. "It's about freedom."

The prospect of a ban in one of the state's biggest cities isn't discouraging the activists that pushed for legalization. "Marijuana will be legal for adults…regardless of whether businesses are allowed in their localities," said Mason Tvert, a spokesman for the Marijuana Policy Project.

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