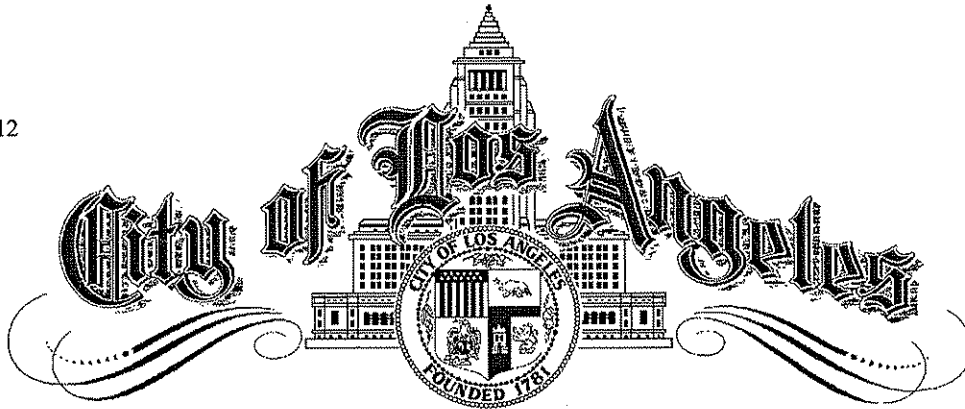


City Hall East  
200 N. Main Street  
Room 800  
Los Angeles, CA 90012

(213) 978-8100 Tel  
(213) 978-8312 Fax  
CTrutanich@lacity.org  
www.lacity.org/atty



CARMEN A. TRUTANICH  
City Attorney

REPORT NO. R 10 - 0080

MAR 18 2010

**REPORT RE:**

**DRAFT OF ORDINANCE AMENDING SECTIONS 45.19.6.1, 45.19.6.2, 45.19.6.3, 98.0410 AND 98.0416 OF THE LOS ANGELES MUNICIPAL CODE TO ESTABLISH FEES FOR THE PROCESSING OF REGISTRATION APPLICATIONS UNDER THE MEDICAL MARIJUANA COLLECTIVES PROVISIONS, ADD A DEFINITION OF "YOUTH CENTER," AND CLARIFY THE REQUIREMENTS APPLICABLE TO THE FILING OF THE NOTICE OF INTENT TO REGISTER AND THE OPERATIVE DATE OF ORDINANCE NO. 181069**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Council File No. 08-0923  
CPC File No. 2007-4749-CA

Honorable Members:

We are transmitting to you for your consideration, approved as to form and legality, a final draft ordinance amending Sections 45.19.6.1, 45.19.6.2, 45.19.6.3, 98.0410 and 98.0416 of the Los Angeles Municipal Code relating to Medical Marijuana Collectives, and to amend Ordinance No. 181069 for clarification.

Summary of Ordinance Provisions

The draft ordinance would establish fees for the processing of registration applications under the Medical Marijuana Collectives provisions, add a definition of

"youth center" and clarify the requirements applicable to the filing of the notice of intent to register. This draft ordinance would also amend Ordinance No. 181069 to clarify the Council's intent with respect to its operative date.

### CEQA Findings

Regarding a finding pursuant to the California Environmental Quality Act (CEQA), you can find that adoption of this ordinance is exempt from the provisions of CEQA under Section 15378 (b) (4) of the State CEQA Guidelines and Article II, Section 2(m) of the City's CEQA Guidelines, in that the adoption of this ordinance does not constitute a project because the draft ordinance creates a government funding mechanism or other government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. You must make this finding prior to or concurrent with your action on the ordinance.

### Fee Notice

Prior to adopting a new fee or increasing an existing fee, the Council must conduct a public hearing concerning the matter, as required by Government Code section 66016. Notice of the time and place of the meeting at which the hearing will be held, including a general description of the matter to be considered, must be published in accordance with Government Code section 6062a. State law requires that prior to adoption of a new or increased fee a public hearing be held and notice of that hearing be published in a newspaper with two publications at least five days apart over a ten day period. The notice period begins the first day of publication, and there must be at least five days intervening between the first and the second publications, not counting the dates of publication.

At least ten days prior to the meeting, data indicating the amount of the cost, or estimated cost, required to provide the service for which the fee is levied and the revenue source anticipated to provide the service, must be made available to the public. After conducting the hearing, the Council should determine whether the amounts of the fees contained in the ordinance are appropriate. The Council may impose these fees so long as they do not exceed the expected cost of implementing this City program.


### Council Rule 38 Referral

The draft ordinance was sent, pursuant to Council Rule 38, to the City Administrative Office, Chief Legislative Analyst, City Clerk, Department of Building and Safety, and the Los Angeles Police Department. The various offices and departments were requested to report their comments directly to you at the time this matter is considered.

If you have any questions regarding this matter, you may contact Deputy City Attorney Terry Kaufmann Macias at (213) 978-8248. She or another member of this Office will be present to answer any questions you may have when you consider this matter.

Very truly yours,

CARMEN A. TRUTANICH, City Attorney

By   
PEDRO B. ECHEVERRIA  
Chief Assistant City Attorney

PBE/TKM:pj  
Transmittal

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Sections 45.19.6.1, 45.19.6.2, 45.19.6.3, 98.0410 and 98.0416 of the Los Angeles Municipal Code to establish fees for the processing of registration applications under the Medical Marijuana Collectives provisions, add a definition of "youth center," and clarify the requirements applicable to the filing of the notice of intent to register and the operative date of Ordinance No. 181069.

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. Subsection B of Section 45.19.6.1 of the Los Angeles Municipal Code is amended by adding a definition for the term "Youth Center" in proper alphabetical order to read:

**"Youth Center."** A building, other than a private residence or a multiple dwelling unit, where the primary use is the administration of programs which provide, on a regular basis, activities or services to persons who have not yet reached the age of 18 years with or without the attendance of their family members and the building has a validly issued building permit or Certificate of Occupancy from the Department of Building and Safety for the use of a youth center.

Sec. 2. Subdivision 1 of Subsection C of Section 45.19.6.2 of the Los Angeles Municipal Code is amended to read:

1. All collectives that meet the requirements set forth in Paragraph 2 of Subsection B, that notify the City Clerk within one week after the effective date of this ordinance of their intention to register under this Article and pay a fee of \$324.00 to the City Clerk and a fee of \$151.00 to the Los Angeles Police Department for each owner and/or member engaged in the management of the collective shall be eligible to apply for pre-inspection pursuant to Subsection D, below. The City Clerk shall use the date and time that these collectives registered with the City pursuant to Interim Control Ordinance No. 179,027, as evidenced by the date and time stamp placed on each registration form by the City Clerk, to determine the priority order in which the Department of Building and Safety will conduct the pre-inspections of these collectives. However, no collective may file their notice of intent with the City Clerk if one or more of its owners or members engaged in its management were convicted currently or within the previous ten years of a felony or a crime of moral turpitude, or are currently on parole or probation for the sale or distribution of a controlled substance.

Sec. 3. The first paragraph of Subdivision 2 of Subsection C of Section 45.19.6.2 of the Los Angeles Municipal Code is amended to read:

2. If at any time after 180 days following the effective date of this ordinance, the total number of registered collectives in the City falls below 70, the City Clerk may hold one or more drawings for the purpose of determining the priority order in which the Department of Building and Safety will consider pre-inspection of these additional collectives. Any collective that notifies the City Clerk within one week after the publication of the date of a priority drawing and pays a fee of \$50.00 to the City Clerk and a fee of \$151.00 to the Los Angeles Police Department for each owner and/or member engaged in the management shall be eligible to participate in the drawings. However, no collective may participate in a drawing if one or more of its owners or members engaged in its management were convicted currently or within the previous ten years of a felony or a crime of moral turpitude, or are currently on parole or probation for the sale or distribution of a controlled substance.

Sec. 4. Subsection D of Section 45.19.6.2 of the Los Angeles Municipal Code is amended by deleting the word "starting" from the last sentence.

Sec. 5. Subsection E of Section 45.19.6.2 of the Los Angeles Municipal Code is amended by replacing the words "a request" with the words "an application" in the first sentence.

Sec. 6. Subsection F of Section 45.19.6.2 of the Los Angeles Municipal Code is amended to read:

**F. Registration Form.** Upon receipt of a Department of Building and Safety pre-inspection report verifying compliance with the standards set forth in Section 45.19.6.3 A of this Article, the collective shall file a registration form with the Department of Building and Safety and pay a registration fee of \$688.00 plus any applicable surcharges to the Department of Building and Safety. The registration form shall require the following accurate and truthful information: the address and physical description (e.g., one-story commercial building, etc.) of the proposed location at and upon which the collective will be located; the name, telephone number, and address of a person authorized to accept service of process for the collective; the name(s), telephone number(s), and address(es) of each member engaged in the management of the collective; the onsite telephone number at the collective and the name of the member engaged in the management of the collective who is responsible for receiving, logging, and responding to complaints regarding the collective; and any other information reasonably required to show that the collective complies with this Article. In addition, the registration form shall confirm the consent by the collective, without requirement for a search warrant, subpoena or court order, for the inspection and copying by the Police Department of the recordings and records required to be maintained under Sections 45.19.6.3, 45.19.6.4, and 45.19.6.5 of this Article, except that private medical records shall be made available by the collective to the Police

Department only pursuant to a properly executed search warrant, subpoena, or court order.

The collective shall file an updated registration form quarterly, but only if there were changes during the previous quarter to any of the information provided in the initial registration form or any change in status of compliance with the regulations set forth in Section 45.19.6.3 of this Article. Each updated registration form shall be accompanied by a fee of \$140.00 plus any applicable surcharges. If an enforcement action has been filed against the collective for any violation of this Article, the updated registration form shall include the names of all of the members of the collective. A change of location cannot be accomplished by an updated registration form, but shall instead require a new pre-inspection and registration. Each and every member who is engaged in the management of the collective shall print his or her name and sign the initial registration form and any subsequent updated registration form, under penalty of perjury certifying that all information contained in the registration form is true and correct. It shall be the sole responsibility of the members engaged in the management of the collective to ensure that all forms and documents are submitted as required by this Article and that the information provided is accurate, complete and timely submitted. A collective cannot operate under an updated registration until the updated registration has been filed with the Department of Building and Safety and the appropriate fee has been paid.

Sec. 7. Subdivision 14 of Subsection B of Section 45.19.6.3 of the Los Angeles Municipal Code is amended to read:

14. Only members of the collective may be engaged in the management of the collective. A person who has been convicted currently or within the previous ten years of a felony or a crime of moral turpitude, or who is currently on parole or probation for the sale or distribution of a controlled substance, as determined by the Police Department, shall not be engaged directly or indirectly in the management of the collective and, further, shall not manage, handle, or benefit from the receipts and expenses of the collective. Verification shall be processed and received by the Police Department in accordance with the State of California Department of Justice guidelines. All requests for verification shall be accompanied by a processing fee of \$151.00 for each owner and/or member engaged in the management. No person may be engaged in the management of more than one collective located within the City;

Sec. 8. Section 98.0410 of the Los Angeles Municipal Code is amended to read:

**SEC. 98.0410. SURCHARGE FOR ONE-STOP PERMIT CENTER.**

There shall be added to the total of all fees imposed for registration of medical marijuana collectives provided for in Article 5.1 of Chapter IV of this Code and for any permit, plan check, license, application, report, and inspection provided for in Articles 1 through 8 of this chapter excluding Sections 91.6205.18, 91.107.4.4, 91.107.4.6, 98.0402, 98.0411, 98.0416, 98.0418 and 98.0716 of this Code a surcharge in an

amount equal to the greater of two percent of the fees or one dollar. All monies received from this surcharge shall be deposited to and expended as provided for the Construction Services Trust Fund pursuant to Section 5.321 of the Los Angeles Administrative Code.

Sec. 9. Section 98.0416 of the Los Angeles Municipal Code is amended to read:

**SEC. 98.0416. BUILDING AND SAFETY SYSTEMS DEVELOPMENT SURCHARGE.**

There shall be added to the total of all fees imposed for registration of medical marijuana collectives provided for in Article 5.1 of Chapter IV of this Code and for any permit, plan check, license, application, report and inspection provided for in Articles 1 through 8 of this chapter excluding Sections 91.6205.18, 91.107.4.4, 91.107.4.6, 98.0402(f), 98.0410, 98.0411, 98.0416, 98.0418 and 98.0716 of this Code a surcharge in the amount equal to the greater of six per cent of the fee or one dollar. All monies received from this surcharge shall be deposited to and expended as the "Building and Safety Systems Development Account" of the Department of Building and Safety Building Permit Enterprise Fund pursuant to Section 5.121.8 of the Los Angeles Administrative Code.

Sec. 10. Section 3 of Ordinance No. 181069 is amended to read as follows:

**Sec. 3. Operative Date.**

This ordinance shall not become operative until the ordinance adopting the registration fee specified in Section 1 of this ordinance becomes effective. The references in the Los Angeles Municipal Code Section 45.19.6.2, Subsections B, C and H, and Section 45.19.6.10 to the effective date of this ordinance shall be deemed, construed and applied to refer to the operative date determined as set forth herein.

Sec. 11. Section 10 of this ordinance is a clarification of and not a change to Ordinance No. 181069 and is thus a declaration of the original intent of the City Council in adopting that ordinance.

Sec. 12. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of \_\_\_\_\_.

JUNE LAGMAY, City Clerk


By \_\_\_\_\_ Deputy

Approved \_\_\_\_\_

\_\_\_\_\_  
Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By   
TERRY P. KAUFMANN MACIAS  
Deputy City Attorney

Date MAR 17 2010

File No. CF 08-0923

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