January 3, 2013

Honorable Members of the Los Angeles City Council
c/o Room 395, City Hall
200 North Spring Street
Los Angeles, CA 90012

RE: Certification of Sufficiency of an Ordinance Initiative Petition Regarding Medical Marijuana Collectives (MMI)

Honorable Members:

On December 7, 2012, in accordance with Charter Section 451, an Initiative Petition entitled Medical Marijuana Collectives, Initiative Ordinance containing 70,619 signatures was filed with the Office of the City Clerk, for which 41,138 valid signatures were required. As provided in City of Los Angeles Election Code Section 711 (b), a random sampling of five percent (5%) or 3,531 signatures were verified to determine the sufficiency or insufficiency of the entire Initiative Petition.

Of the random sample of 3,531 signatures, 2,263 or more were required to be valid in order for the Initiative Petition to qualify as sufficient. Based on the examination of the signatures compared with the voter registration records maintained by the Los Angeles County Registrar-Recorder, a total of 2,265 valid signatures were identified. Thus, I have determined that the Initiative Petition is SUFFICIENT, and I hereby present the attached Certification of Sufficiency to the City Council.

Charter Section 452 provides that the Council must take one of the following three actions within 20 days of the transmittal of the attached Certificate of Sufficiency to the City Council:

1. Adopt the proposed ordinance, without alteration; or
2. Call a special election to be held not earlier than 110 days nor more than 140 days after Council action on the petition to submit the proposed ordinance, without alteration, to a vote of the electors of the City; or
3. Determine to submit the proposed ordinance, without alteration, to a vote of the electors of the City at the earlier of the following two elections that occurs more than 110 days from the date of Council action on the petition:
Honorable City Council
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a. The next regular City election; or
b. A special election consolidated with the next election conducted by the County of Los Angeles occurring wholly or partially within the same area, provided that the voters eligible to vote in the County-conducted election comprise 100% of all the voters eligible to vote on the measure.

The second option of Charter Section 452, ordering a stand-alone special election, is not recommended since it is by far the most expensive option (approximately $5.5 million). The regularly-scheduled General Municipal Election which will be conducted by the City on May 21, 2013 can accommodate the 110 day minimum time frame dictated by the Charter with zero to minimal cost. Funds were allocated in the Clerk's Fiscal Year 2012-13 Budget for both the 2013 Primary and General Municipal Elections.

It should be noted that as provided by Charter Section 452, any ordinance proposed by initiative petition, adopted by the Council and approved by the Mayor, or adopted over the Mayor's veto, shall be subject to a referendary vote in the same manner as other ordinances adopted by the Council.

RECOMMENDATION:

That the City Council take one of the following two actions:

1. Adopt the proposed ordinance presented by the Initiative Petition proponents, without alteration; or
2. Determine to submit the proposed ordinance, without alteration, to a vote of the electors of the City at the regularly-scheduled General Municipal Election scheduled for May 21, 2013.

FISCAL IMPACT
There is zero to minimal General Fund Impact to either adopt the ordinance as presented or place a measure before the voters on the May 21, 2013 General Municipal Election. The non-Election impacts to the General Fund could be higher depending on other Departments' costs associated with implementing and enforcing the ordinance if it is adopted.

Sincerely,

June Lagmay
City Clerk

Attachments

JL:HW:anm
EXE-001-13
ELECTION COSTS

Option 1: **Adopt the proposed Ordinance, without alteration.**

There would be no additional financial impact relative to Election costs.

Option 2: **Call a stand-alone special election (Citywide) to be held not earlier than 110 days nor more than 140 days after the Council's action to submit the ordinance to a vote.**

This option would require a City-administered, Citywide Special Election to be held no earlier than May 13, 2013 and no later than June 11, 2013, which is within a few weeks of the already scheduled May 21, 2013 Municipal General Election. An allocation of approximately $5,500,000 would be required. Costs for a Citywide special election would include establishing polling sites for 1,600 voting precincts; recruiting, training and deploying 6,400 poll workers; preparing, translating and distributing 1.6 million Sample Ballots/Voter Information Pamphlets, and other election support functions.

This option would also entail possible voter fatigue due to City of Los Angeles voters being asked to vote in two elections within a month.

Option 3: **Determine to submit the proposed ordinance, without alteration to the General Municipal Election to be held May 21, 2013.**

If the City Council determines to submit the proposed ordinance to the electorate at the May 21, 2013 General Municipal Election, there will be zero to minimal additional financial impact relative to Election costs assuming the City does not place an inordinate number of measures on that ballot.

COST OF PROCESSING THE PETITION SIGNATURES

The cost expended by the City Clerk to process the initiative petition and verify the signatures is estimated to be $90,000. Inasmuch as no funds were budgeted for this purpose, an allocation may be required by year end. The City Clerk will work with the Office of the City Administrative Officer to provide full accounting for this effort in a future Financial Status Report.

Costs associated with implementing and enforcing this ordinance would require analysis by the Department or Departments charged to implement and enforce it, and are not addressed in this report.
INITIATIVE PETITION RANDOM SAMPLING COMPUTATIONS

ASSUMPTIONS:
(A) 41,138 valid signatures are required*
(B) 70,619 total signatures submitted

Step #1 – Compute percentage of necessary valid signatures to signatures submitted:
\[
\frac{41,138}{70,619} = 58.25\%
\]

Step #2 – Draw at least a 5% random sample of signatures submitted:
5% of 70,619 = 3,531

Step #3 – Apply valid signature percentage (Step #1) to random sample (Step #2):
58.25% x 3,531 = 2,057

Step #4 – Compute 90 to 110% range of random sample valid signature amount (Step #3):
.9 x 2,057 = 1,851
1.1 x 2,057 = 2,263

*15% of the total number of votes cast for all candidates for the Office of Mayor at the last General Municipal Election or Primary Nominating Election at which the mayor was elected.
STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) SS
CITY OF LOS ANGELES )

CERTIFICATION OF SUFFICIENCY

ORDINANCE INITIATIVE PETITION: MEDICAL MARIJUANA COLLECTIVES

I, JUNE LAGMAY, City Clerk of the City of Los Angeles, hereby certify to the Los Angeles City Council that I have verified the signatures submitted with the Initiative Petition for the above referenced initiative ordinance, utilizing the random sampling method provided for in Election Code Section 711 (b); and further certify that the Initiative Petition is SUFFICIENT and that the attached summary represents a true, correct, and complete summary validation of the Initiative Petition.

IN WITNESS WHEREOF, I hereunto set my hand and affix the seal of the City of Los Angeles this 28th day of December, 2012.

JUNE LAGMAY
CITY CLERK
LOS ANGELES COUNTY REGISTRAR-RECORDER/COUNTY CLERK
PETITION STATISTICS REPORT

PETITION ID: 11928

REPORT RUN DATE: 12/28/12 11:15 am

PETITION DESCRIPTION: MEDICAL MARIJUANA COLLECTIVES 1
CITY OF LOS ANGELES

Total Signatures Submitted: 70,619
Total Sample Size: 3,531 (5%)

Total Valid Signatures: 2,265
Total Invalid Signatures: 854

Total Processed: 3,119
Total Not Processed: 67,500

TOTAL: 70,619

BREAKDOWN OF INVALID SIGNATURES

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<th>CHALLENGE DESCRIPTION</th>
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<td>FATAL PENDING</td>
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<td>PO BOX/MAILING ADDRESS</td>
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<tr>
<td>MAX NUMBER OF TIMES SIGNED</td>
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<tr>
<td>MISCELLANEOUS</td>
<td>10</td>
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<tr>
<td>NO ADDRESS</td>
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</tr>
<tr>
<td>NOT REGISTERED</td>
<td>354</td>
</tr>
<tr>
<td>MISMATCH SIGNATURE</td>
<td>39</td>
</tr>
<tr>
<td>WRONG DISTRICT</td>
<td>73</td>
</tr>
<tr>
<td>TOTAL</td>
<td>854</td>
</tr>
<tr>
<td>Category</td>
<td>Total Challenged</td>
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<tr>
<td>------------------------------</td>
<td>------------------</td>
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<tr>
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<tr>
<td>FP   FATAL PENDING</td>
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<td>MADD PO BOX/MAILING ADDRESS</td>
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</tbody>
</table>

**TOTAL VALID:** 2,265