

RECOMMENDATIONS

- 1) REQUEST the City Attorney's office, with the assistance of the Department of City Planning, the Department of Cannabis Regulation, and the Chair of the Rules, Elections, and Intergovernmental Relations Committee, to make the following changes, additions, or deletions to the Draft Ordinances Adding Article 4 to Chapter X of the Los Angeles Municipal Code to regulate Commercial Cannabis Activities in the City of Los Angeles and Establishing Rules and Regulations in Support of Article 4 of Chapter X of the Los Angeles Municipal Code, and transmit new draft ordinances and regulations to the City Council by Wednesday November 22, 2017:
 - a) MODIFY Sections 104.02 (A)(1) and (A)(2) relative to Retail and Delivery for Retailer Commercial Cannabis Activity to include "Type 9 – Non-Storefront Retailer" as the license for delivery services that do not include retail on-site.
 - b) ADD language to Section 104.02 (4) relative to Cultivation Commercial Cannabis Activity to include "Type 1C - Specialty Cottage Small" (Indoor Only) and "Processor" to the types of licenses for Indoor Cultivation.
 - c) ADD language to Section 104.03 (5) relative to Manufacture Commercial Cannabis Activity to include "Type N – Infusion" and "Type P – Packaging" to the types of licenses for Manufacture.
 - d) ADD language to create a definition of employee in the draft ordinances and regulations that includes contract employees and seasonal employees as part of the definition of employee.
 - e) ADD language to Section 104.03 (C) relative to a person ineligible to apply for a License to include:
 - i) Any owner, business entity, or individual convicted of violating and State of local law involving distribution or sales of tobacco or alcohol to minors for a period of 5 years from the date of conviction.
 - ii) Any owner, business entity, or individual with a felony convicted of violating any State of local law involving the importation, exportation, manufacture, distribution or sales of illegal drugs, other than cannabis, for a period of 5 years from the date of conviction.
 - iii) Any owner, business entity, or individual with a felony convicted of violating any State of local law involving violent crimes, sex trafficking, rape, crimes against children, gun crimes, and hate crimes will be banned from Commercial Cannabis Activity within the City of Los Angeles for a period of 10 years from the date of conviction.
 - f) DELETE Section 104.07 (G)(2) relative to Proposition M Priority Processing.
 - g) ADD language to Regulation 3 (A)(3) relative to application requirements to include an applicant's Federal Employer Identification Number and BTRC number as part of the application requirements. If

an applicant does not have a BTRC issued yet, the applicant will attest to providing their BTRC number within 5 business days of Temporary Approval or Licensure.

- h) MODIFY the language of Regulation 10 (D)(4) relative to Hours of Operation to be consistent with the State of California Code of Regulations Title 16, Division 42, Chapter 3, Section 5403 and continue to require patrons to exit the premises 15 minutes after closing.
- i) REMOVE the language of Regulation 4 (B)(2) relative to Delivery for Retailer Commercial Cannabis Activity to be consistent with the “Type 9 – Non-Storefront Retailer” license.
- j) MODIFY the language of Regulation 3 (A)(14) relative to submission of a radius map to include horizontal lines and labeling of any sensitive uses that are applicable to the license being applied for. For an EMMD applying for Proposition M Priority Processing, the radius map shall include the sensitive uses required under Proposition D as well.
- k) CREATE a new Section within the draft ordinances and rules and regulations that would give priority processing to applicants for Type 8 – Testing licenses at any time and accept applications for Testing Laboratories on the first date that applications are available from DCR, including during the Proposition M Priority Processing time period.
- l) ADD language to Section 104.14 to prohibit the establishment and operation of a medical marijuana collective, as well as participation in such a collective, excepting collectives of three (3) qualified persons or less.
- m) ADD language to Section 104.14 which prohibits unlicensed commercial cannabis activity.
- n) MODIFY language to Regulation 3(A)(13) to ensure that an applicant attests that they will not sell alcoholic beverages or tobacco products on the premises.
- o) MODIFY the language of Section 104.03 (C)(5) relative to ineligible applicants to clarify that the conviction should be for illegal commercial cannabis activity.
- p) MODIFY the language of Section 104.10 (B) relative to manufacturing to be consistent with the State of California Code of Regulations.
- q) ADD language to Section 104.10 relative to mandatory requirements that requires an applicant and business to designate a Supervisor, Manager, or Person-In-Charge at all times during regular business hours.

- r) MODIFY the language of Section 104.08 relative to Non-Retail Commercial Cannabis Activity to create an application window for processing that begins at the discretion of DCR and closes at 5pm Pacific Time on April 1, 2018.
 - s) REMOVE the term "Police Commission" anywhere referenced in the draft ordinances and regulations and replace with "Police Department".
 - t) REMOVE the term "Police Department" from Regulation 3 (A)(8), Regulation 10 (A)(30), and Regulation 10 (E)(16).
 - u) REPLACE the language of Regulation 10 (E)(4) relative to age verification for deliveries to read:
"Electronic age verification shall be utilized to determine the age of any individual attempting to purchase cannabis goods for delivery and shall be required at each point-of-sales location. All employees shall be instructed in its use. Cannabis products shall not be sold to the public without electronic age verification."
 - v) AUTHORIZE the City Attorney, with the assistance of the Department of Cannabis Regulation and the Chair of Rules, Elections, and Intergovernmental Relations Committee, to make any technical modifications and/or legal corrections to the draft ordinances, draft resolutions, draft ordinance requests, and any other related actions listed above in order to further the objectives as described in these recommendations.
- 2) INSTRUCT the CLA, with the assistance of the CAO, the Department of Building and Safety, the City Attorney, and DCR to report back with recommendations on establishing a Cannabis Event Organizer License and a Temporary Cannabis Event License pursuant to State of California Code of Regulations Title 16, Division 42, Chapter 5 Cannabis Events.
 - 3) REQUEST the City Attorney, with the assistance of DCR, to report back as quickly as possible with recommendations on technical amendments to all cannabis-related ordinances and rules and regulations to ensure consistency with the State of California Code of Regulations.
 - 4) REQUEST the City Attorney to prepare and present a Resolution that would extend the provisions of Proposition D until April 1, 2018 under the provisions of Los Angeles Municipal Code Section 45.19.7.1.

Date: 11/20/17
 Submitted in Rules Committee
 Council File No: 14-0366-55
 Item No.: 1
~~Resolution~~ Commentation From
Chair - Rules, Elections,
and Intergovernmental
Relations
Committee