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MOTION

I MOVE that the matter of Rules, Elections and Intergovernmental Relations Committee Report and Ordinances First Consideration relative to amending various sections of the Los Angeles Municipal Code (LAMC) pertaining to the regulation of commercial cannabis activity, and amending the Rules and Regulations for cannabis procedures, Item 4 on today's Council Agenda (C.F. 14-0366-S5), BE AMENDED as follows:

1. DELETE Recommendation 3(h) and REPLACE with the following: Increase term of Social Equity Program (SEP) agreements to three years. A Tier 3 Social Equity Applicant shall have right of first refusal to buy out a Tier 1 or Tier 2 Social Equity Applicant if the Tier 1 or Tier 2 Social Equity Applicant chooses to transfer its license to another eligible person.
2. DELETE Recommendation 3(i).
3. DELETE Recommendation 3(k) and REPLACE with the following: Provide a process and allow for the DCR to register incubator projects with multiple licenses for the education, training, etc. for social equity applicants.
4. DELETE Recommendation 3(m) and REPLACE with the following: Allow DCR to begin processing applications of Tier 1 and Tier 2 Social Equity Applicants who have not yet identified a Business Premises at which they will conduct Commercial Cannabis Activity. A Tier 1 or Tier 2 Social Equity Applicant must identify a Business Premises before DCR may finish processing their applications.
5. ADD Recommendation 3(q) as follows: All commercial cannabis businesses that receive temporary approval from DCR must comply with all rules and regulations.
6. ADD Recommendation 3(r) as follows: Change the definition of "California Cannabis Conviction" in LAMC Sec 104.20(b) to the following: "'California Cannabis Conviction" means an arrest or conviction for any crime under the laws of the State of California relating to the sale, possession, use, manufacture, or cultivation of Cannabis that occurred prior to November 8, 2016." An arrest, prosecution or conviction for a violation of Proposition D, as codified in former Article 5.1 of Chapter IV of the Los Angeles Municipal Code, notwithstanding that Proposition D has been repealed, is not a California Cannabis Conviction. A Social Equity Applicant with a California Cannabis Conviction shall be ineligible to apply for a License in any of the circumstances specified in Section 104.03(c) subject to the time restrictions therein."
7. ADD Recommendation 3(s) as follows: Change definition of "Temporary Approval" in LAMC Sec 104.01(a) to the following: "Temporary Approval means a DCR-issued temporary license that authorizes an Applicant to engage for a limited period in

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Commercial Cannabis Activity as would be permitted under the privileges of a non-temporary License of the same type. An Applicant with Temporary Approval shall follow all applicable rules and regulations as would be required if the Applicant held a non-temporary License of the same type. Temporary Approval does not create a vested right in the holder to either an extension of the Temporary Approval or to the issuance of a subsequent non-temporary License. DCR may revoke Temporary Approval without a hearing based upon written findings that an Applicant violated applicable rules and regulations.”

8. ADD Recommendation 3(t) as follows: Amend LAMC Sec 104.16 to state the following: “DCR shall administer the Rules and Regulations as adopted by the City Council. The DCR may promulgate and enforce Rules and Regulations, and issue determinations and interpretations related to this Article and to the Rules and Regulations adopted by the City Council in support of this Article. Any rules and Regulations promulgated by the DCR shall have the force and effect of law, and may be relied upon by Applicants, Licensees, or other parties to determine their rights and responsibilities. The Commission may recommend to the City Council or DCR amendments to the Rules and Regulations.”
9. ADD Recommendation 3(u) as follows: Clarify an applicant may satisfy testing requirements under sec 104.08(a)(8) by providing a written attestation that it will enter into agreement with a testing laboratory for testing of all cannabis and cannabis products.
10. ADD Recommendation 3(v) as follows: Amend 104.06 and all other relevant provisions to revise the requirement of a public hearing conducted by the Commission. In its place, require DCR to conduct a community meeting within the defined geographic area of the Area Planning Commission at which it shall receive written and oral testimony regarding an application. DCR shall conduct a community meeting prior to conducting a pre-licensing inspection, and it shall provide the Commission a written summary of the testimony at the meeting.
11. ADD Recommendation 3(w) as follows: Amend LAMC Section 104.05(b) as follows:
 - Change the notice period from 45 days to 20 business days; Require the DCR to provide notice instead of the Applicant or Licensee; and Make all necessary changes throughout Article IV to reflect these amendments.
12. ADD Recommendation 3(x) as follows: Add the following reasons to deny issuance of a license under LAMC Section 104.06(a)(1): Applicant failed to adhere to the requirements of this Article or the Rules and Regulations; Applicant engaged in unlicensed commercial cannabis activity in violation of LAMC Sec 104.15
13. Add Recommendation 3(y) as follows: Amend reasons for applicant ineligibility in 104.03(c) as follows: Change 104.03(c)(8) to include a violent felony conviction under Penal Code Section 667.5 and a serious felony conviction under Penal Code Section

1192.7; Make a person ineligible to apply for a license if the person has a felony conviction for a crime involving fraud, deceit, or embezzlement.

14. Add Recommendation 3(z) as follows: Clarify LAMC Section 104.20(e) to require Social Equity Tier 3 Applicants to provide capital, leased space, business, licensing and compliance assistance to a Tier 1 Social Equity Applicant, as well as business, licensing and compliance assistance to a Tier 2 Social Equity Applicant.
15. Add Recommendation 3(aa) as follows: Add the following commercial cannabis activity under LAMC Section 104.02(a): (10) OTHER COMMERCIAL CANNABIS ACTIVITY – Any commercial cannabis activity which requires a State of California license as currently defined or amended by the State of California and not identified in LAMC Section 104.02(a)(1) to LAMC Section 104.02(a)(9).
16. Add Recommendation 3(bb) as follows: Add the following commercial cannabis license type under LAMC Section 104.02(a)(7): (v) Type S - Shared-Use Facility.
17. ADD Recommendation 3(cc) as follows: REQUEST the City Attorney to transmit the necessary reports and draft Ordinance as outlined above to the City Clerk's office no later than 2 pm on Friday June 15, 2018.
18. ADD Recommendation 8 as follows: INSTRUCT the CAO and REQUEST the City Attorney, with the assistance of DCR, to report back in 45 days with an analysis of an annual in-lieu fee as proposed under Recommendation 3(l).

PRESENTED BY:


HERB J. WESSON, JR.
Councilmember, 10th District

SECONDED BY:

