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ORDINANCE NO. _____

An ordinance amending the Rules and Regulations for Cannabis Procedures contained in Ordinance No. 185344, which were established in support of Article 4, Chapter X of the Los Angeles Municipal Code to regulate commercial cannabis activities in the City of Los Angeles.

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

Section. 1. A new Paragraph 4 is added to Regulation No. 1 of Ordinance No. 185344 to read as follows:

4. **“Limited-Access Area”** means an area of the Business Premises in which cannabis goods are stored or held or through which cannabis goods will be moved, except for a retail area in which cannabis goods are sold or displayed.

Sec. 2. Subdivision (g) of Paragraph 4 of Subsection A of Regulation No. 3 of Ordinance No. 185344 is amended to read as follows:

(g) The Applicant’s organizational structure for the Commercial Cannabis Activity business, for example, partnership or corporation. The business-formation documents, which may include, but are not limited to; articles of incorporation, operating agreements, partnership agreements, and fictitious business name statements. The Applicant shall also provide all documents filed with the State of California, which may include, but are not limited to, articles of incorporation, certificates of stock, articles of organization, certificates of limited partnership, and statements of partnership authority.

The Applicant shall also identify all of its financial interest holders, as defined in Section 26001 of the California Business and Professions Code and in all interpretive state regulations.

Sec. 3. Regulation No. 7 of Ordinance No. 185344 is amended to read as follows:

DCR shall process applications for Licenses in a manner consistent with Article 4 of Chapter X of the LAMC and the Rules and Regulations.

Sec. 4. Paragraph 4 of Subsection D of Regulation No. 10 of Ordinance No. 185344 is amended to read as follows:

4. A Licensee conducting Retailer Commercial Cannabis Activity may only sell cannabis goods during the hours allowed by the State of California Code of Regulations Title 16, Division 42, Chapter 3, Section 5403. At any time the Licensee is not open for

retail sales, the Licensee shall ensure the following: the Business Premises shall be securely locked with commercial-grade, non-residential door locks; the Business Premises shall be equipped with an active alarm system; and only authorized employees and contractors of the Licensee shall be allowed to enter the Business Premises after hours. All patrons must exit the Business Premises 15 minutes after closing. (Violation Type – Moderate)

Sec. 5. Paragraph 3 of Subsection E of Regulation No. 10 of Ordinance No. 185344 is amended to read as follows:

3. All deliveries of cannabis goods shall be made in person, pre-ordered, packaged for sale, labeled, and placed in exit packaging prior to being delivered to a customer. Prior to arrival at any delivery location, a Licensee must have received a delivery request from the customer and provided the delivery request receipt to the Licensee's delivery employee electronically or in hard copy. A delivery of cannabis goods shall not be made through the use of an unmanned vehicle. A Licensee may only deliver cannabis goods to a physical address within the boundaries of the City of Los Angeles. A Licensee may only deliver outside of the City of Los Angeles with the approval of DCR and the affected jurisdiction. A Licensee shall not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency. (Violation Type – Moderate)


Sec. 6. Paragraph 9 of Subsection E of Regulation No. 10 of Ordinance No. 185344 is amended to read as follows:

9. While making deliveries, a delivery employee of a Licensee shall not carry cannabis goods in excess of \$5,000 at any time. The value of cannabis goods carried in the delivery vehicle for which a delivery order was not received and processed by a Licensee prior to the delivery employee departing from the licensed premises may not exceed \$3,000. This value shall be determined using the current retail price of all cannabis goods carried by, or within the delivery vehicle of, the delivery employee. (Violation Type – Moderate)

Sec. 7. 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.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
ALEXANDER J. FREEDMAN
Deputy City Attorney

Date 4/12/2019

File No. _____

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____