March 6, 2017

Honorable Council President Herb Wesson Jr. President, Los Angeles City Council 200 North Spring Street, Room 430 Los Angeles, CA 90012

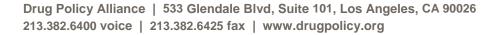
Dear Honorable Council President and the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee:

On behalf of the Drug Policy Alliance (DPA), a local and national organization that advocates to end the war on drugs and to build new drug policies that are grounded in science, compassion, health, and human rights, I write to express support of the LA City ballot measure commonly known as Measure M, or the Los Angeles Cannabis Enforcement, Taxation and Regulation Act. Nonetheless, we respectfully request the City to consider our primary concerns with the measure, as we understand that Prop D must be repealed and the passage of Measure M is a necessary next step towards equitable cannabis reform in Los Angeles.

Measure M requires all marijuana business to possess a city issued license, permit or authorization. In order to persuade businesses to comply, Measure M subjects unlicensed businesses to a civil penalty, which is a public nuisance subject to a maximum civil penalty of \$20,000 for each and every offense. The measure further states that each day a violation continues is deemed to be a new and separate offense. This fee is unreasonable. Although intended to curb the illicit market and push businesses into regulatory compliance, this excessive fee will likely have the opposite effect. It is likely to prevent small and emerging businesses from competing fairly with larger businesses with access to more capital. We hope that future amendments and changes to this measure include fees that are reasonable and scaled appropriately to business type and size or to the size of the violation.

In addition to the civil penalty, Measure M creates a new criminal penalty, with the possibility of a jail sentence, for failure to comply with the licensing provisions. The Adult Use of Marijuana Act reduced the penalties for selling cannabis and possessing cannabis with the intent to sell from felonies to misdemeanors with certain exceptions. *See* Cal. Health and Safety Code  $\S$  11359 and 11360. Violation of either statute can result in a misdemeanor punishable by a fine of not more than \$500, up to six months in jail, or both. Measure M, would create a new misdemeanor, for similar conduct that is already punishable as such under state law, yet with a more expensive fine.

Furthermore, Measure M spreads liability for such conduct in ways that may have unintended consequences. For example, the \$500 fine or six month term of imprisonment may be levied against an employee or volunteer who works or volunteers for an entity that engages in medical or adult use cannabis related activities without a license. As the language of the measure reads, this is true regardless of whether or not the employee or volunteer was aware of whether the entity was properly licensed. It would be unreasonable to require that an unknowing employee or volunteer be subject to criminal liability because their employer was without proper license permit or authorization, especially because these can be revoked at any time for a number of different reasons.





**Board Members** Larry Campbell Christine Downton Jodie Evans James E. Ferguson, II Jason Flom Ira Glasser Carl Hart, PhD Kenneth Hertz David C. Lewis, MD Pamela Lichty Svante Myrick Ethan Nadelmann, JD, PhD Angela Pacheco Josiah Rich, MD Rev. Edwin Sanders George Soros llona Szabó de Carvalho

Honorary Board Former Mayor Rocky Anderson Harry Belafonte Richard Branson Former Defense Secretary Frank C. Carlucci, III Deepak Chopra Rep. John Conyers, Jr. Walter Cronkite [1916-2009] Ram Dass Vincent Dole, MD [1913-2006] Former President of the Swiss Confederation Ruth Dreifuss Former Surgeon General Joycelyn Elders Judge Nancy Gertner (Ret.) Former Police Chief Penny Harrington Former President of the Czech Republic Václav Havel [1936-2011] Calvin Hill Arianna Huffington Former Governor Gary Johnson Judge John Kane Former Attorney General Nicholas deB. Katzenbach [1922-2012] Former Police Chief Joseph McNamara [1934-2014] Former Police Commissioner Patrick V. Murphy [1920-2011] Benny J. Primm, MD [1928-2015] Dennis Rivera Former Mayor Kurt Schmoke Charles R. Schuster, PhD [1930-2011] Alexander Shulgin, PhD [1925-2014] Former Secretary of State George P. Shultz Russell Simmons Sting Judge Robert Sweet Former Chairman of the Federal

Reserve Paul Volcker

DPA seeks clarification as to the intent of these aforementioned penalties to ensure that there is a distinction between penalties levied against formal businesses and their related entities as opposed to individuals who merely violate state law.

As it is imperative to remove the restrictive and ineffective policies of Prop. D, the Drug Policy Alliance looks forward to necessary changes to cannabis policy within the City of Los Angeles. At the present time, Measure M seems to be the most effective vehicle to reach such a destination. However, it will be just as important to recognize and address these concerning issues with the measure. By addressing these issues, the City can work to ensure that cannabis reform is equitable, inclusive and committed to social justice.

We appreciate all that the City has done to move these important policies forward and look forward to working with the City as you continue this process. For more information about our organization or position, please contact Cat Packer at 213-226-6427 or cpacker@drugpolicy.org.

Sincerely,

Cat Packer

Cat Packer Policy Coordinator Drug Policy Alliance