



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 19-0123  
APR 26 2019

**REPORT RE:**

**REVISED DRAFT ORDINANCES AMENDING SECTIONS 104.01 THROUGH 104.04,  
104.06.1, 104.08, AND 104.20 OF ARTICLE 4, CHAPTER X OF THE  
LOS ANGELES MUNICIPAL CODE AND THE RULES AND REGULATIONS  
FOR CANNABIS PROCEDURES**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Council File No. 14-0366-S5

Honorable Members:

As requested by the City Council, this Office previously transmitted for your consideration two draft ordinances to amend various sections of Article 4, Chapter X of the Los Angeles Municipal Code (LAMC) and the Rules and Regulation for Cannabis Procedures (City Attorney Report No. R19-0106, dated April 12, 2019). Based on input from the Rules, Elections and Intergovernmental Relations (REIR) Committee, this Office has revised the draft ordinances and now transmits them, approved as to form and legality, for your consideration. The revised sections of the draft ordinances: (1) remove the Certificate of Occupancy requirement from the initial Phase 3 retailer licensing process; (2) allocate 150 licenses in Round 2 of Type 10 application processing; (3) specify that technical assistance must be available at least 45 days before DCR accepts any Phase 3 applications; (4) allow DCR, on or after January 1, 2020, to process applications that have received a finding of public convenience or necessity from the City Council; (5) prohibit the transfer of equity shares in a Tier 1 or Tier 2 Social Equity business until DCR adopts minimum standards for such transfers;

(6) remove Type 4 nursery licenses from the definition of Undue Concentration; and (7) conform the City's delivery regulations with the state's delivery regulations.

The REIR Committee also requested that the draft ordinances be revised to allow a Phase 3 retail license applicant to amend its application to add non-retail commercial cannabis activities. However, the City's Cannabis Procedures currently allow eligible applicants to apply for additional activities, so an amendment to the Municipal Code is not necessary.

Council Rule 38 Referral

Copies of the revised draft ordinances were sent, pursuant to Council Rule 38, to DCR with a request that all comments, if any, be presented directly to the City Council when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Alexander Freedman at (213) 978-7476. He or another member of this Office will be present when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney



By

DAVID MICHAELSON  
Chief Assistant City Attorney

DM:pj  
Transmittals