

MICHAEL N. FEUER
CITY ATTORNEY

REPORT NO. R 18 - 0203

JUN 15 2018

REPORT RE:

DRAFT ORDINANCES AMENDING SECTIONS 104.01 THROUGH 104.06, 104.08, 104.09, 104.16, AND 104.20 OF ARTICLE 4, CHAPTER X, OF THE LOS ANGELES MUNICIPAL CODE PERTAINING TO THE REGULATION OF COMMERCIAL CANNABIS ACTIVITY AND AMENDING 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:

Pursuant to your request, this Office has prepared and now transmits for your consideration, two enclosed draft ordinances, approved as to form and legality. The draft ordinances would amend various sections of Article 4 of Chapter X of the Los Angeles Municipal Code (LAMC) and the implementing rules and regulations to: re-define the meaning of Temporary Approval; add additional license types; expand the reasons a person is ineligible to apply for a license; require the Department of Cannabis Regulation (DCR) to hold community meetings during the licensing process; modify the procedures for providing notice to the public regarding applications; add reasons DCR or the Cannabis Regulation Commission may deny a license application; expand eligibility for Temporary Approval for testing laboratories; permit DCR to promulgate rules and regulations; clarify the requirements for priority processing for Social Equity Applicants; re-define California Cannabis Conviction; allow Tier Social Equity Applicants to provide alternative forms of business assistance to Tier 1 Social Equity Applicants; instruct DCR to establish a registry for Social Equity incubator projects; regulate the

activities of commercial cannabis management companies; allow DCR to begin processing applications from Social Equity Applicants who have not yet identified a location for their business; remove the requirement that Applicants enter into a Community Benefits Agreement with the City; and require all cannabis delivery vehicles to carry a California Motor Carrier permit.

The draft ordinance amending Article 4 of Chapter X of the LAMC contains an urgency clause which would allow its provisions to go into effect upon publication. As explained in the ordinance, it is necessary for these provisions to go into immediate effect to authorize DCR to respond to recent amendments to State cannabis regulations and frequent changes in practices in the cannabis industry. Absent immediate authority, DCR will not be able to modify its licensing procedures to address ongoing threats to public welfare posed by the continued proliferation of unauthorized cannabis businesses

Council Rule 38 Referral

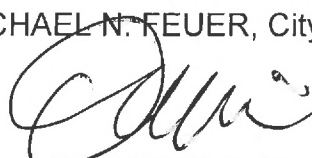
Copies of the draft ordinances were sent, pursuant to Council Rule 38, to the Department of Cannabis Regulation with a request that all comments, if any, be presented directly to the City Council when this matter is considered.

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