

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT and ORDINANCES FIRST CONSIDERATION relative to amending the Los Angeles Municipal Code (LAMC) and Los Angeles Administrative Code (LAAC) pertaining to the regulation of commercial cannabis activity and amending the rules and regulations for cannabis procedures; and funding for the Department of Cannabis Regulation (DCR) Social Equity Fee Deferral Program.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. REQUEST the City Attorney to prepare and present a revised Ordinance, amending Section 45.19.7.2 of Article 5.1 of Chapter IV of the LAMC to regulate commercial cannabis activities in the City of Los Angeles to provide the following: if an Existing Medical Marijuana Dispensary (EMMD) submits a request to relocate on or after October 19, 2018, the DCR may approve the request after it receives a letter of acknowledgment from the impacted Council office by November 26, 2018.
2. PRESENT and ADOPT the accompanying ORDINANCE, dated November 9, 2018, amending Article 4 of Chapter X of the LAMC to regulate commercial cannabis activities in the City of Los Angeles.
3. PRESENT and ADOPT the accompanying ORDINANCE, dated November 9, 2018, amending various sections of the Rules and Regulations, contained in Ordinance No. 18533, which were established in support of Article 4 of Chapter X of the LAMC to regulate commercial cannabis activities in the City of Los Angeles.
4. PRESENT and ADOPT the accompanying ORDINANCE, dated November 9, 2018, amending Chapter 31 of Division 22 of the LAAC to regulate commercial cannabis activities in the City of Los Angeles.
5. TRANSFER / APPROPRIATE \$250,000 from the Unappropriated Balance (Fund No. 100/58) Various Programs and Services - Contingent Revenue Account, to the DCR Special Revenue Trust Fund (Fund No. 60E/13) Social Equity Fee Deferral Program (Account No. TBD), to advance payment of cannabis business application fees under the City's Social Equity Fee Deferral Program.
6. RECEIVE and FILE the DCR report dated November 9, 2018 relative to supplemental cannabis business fees.
7. RECEIVE and FILE the DCR report dated November 9, 2018 relative to Tier 3 Social Equity Applicant In-Lieu Fee.

Fiscal Impact Statement: None submitted by the City Attorney nor the DCR. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

**URGENCY CLAUSE - 12 VOTES REQUIRED ON SECOND READING**

**SUMMARY**

At a special meeting held on November 16, 2018, the Rules, Elections, and Intergovernmental Relations Committee considered a City Attorney report and Ordinances relative to amending the LAMC and LAAC pertaining to the regulation of commercial cannabis activity and amending the rules and regulations for cannabis procedures; and three reports from the DCR regarding supplemental cannabis business fees, Tier 3 Social Equity Applicant In-Lieu Fee, and Social Equity Fee Deferral Program, respectively.

The Director and Assistance Director of the DCR and a representative of the City Attorney addressed the Committee and responded to related questions. During discussion of the matter, the Committee requested a revision to the Ordinance amending Section 45.19.7.2 of Article 5.1 of Chapter IV of the LAMC to allow the DCR to approve EMMD's requests to relocate provided the request was received within a specific time-frame and with an acknowledgment of the request by the affected Council district.

After consideration, and after providing an opportunity for public comment, the Committee recommended that the Council: request a revised Ordinance as detailed in Recommendation No. 1 above, adopt the Ordinances as detailed in Recommendations No. 2 through 4 above, approve the DCR recommendation relative to the DCR Social Equity Fee Deferral Program as amended to reduce the funding amount from \$2,000,000 to \$250,000, and to note and file the remaining DCR reports. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

**RULES, ELECTIONS, AND INTEGGOVERNMENTAL RELATIONS COMMITTEE**



<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
WESSON:	YES
HARRIS-DAWSON:	YES

REW 11/16/18 FILE NO. 14-0366-S5

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**