

MOTION

RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS

Proposition 64, approved by voters on November 8, 2016, allows for the recreational use of, sale, and taxation of cannabis in the State of California. The Initiative set an effective date of January 1, 2018 for the sale of cannabis, necessitating the implementation of state and local rules to regulate commercial cannabis activity. As a result, businesses must have both a state license and local approval to engage in commercial cannabis activity.

Within the City of Los Angeles, local approval to engage in commercial cannabis activity is addressed by the Department of Cannabis Regulation (DCR). The DCR is responsible for licensing and regulating legal cannabis businesses.

Despite efforts to effectively regulate cannabis sales, there is growing concern over the illegal sale of cannabis by unlicensed businesses. The illegal sale of cannabis can impact communities and effect the operations of properly licensed businesses.

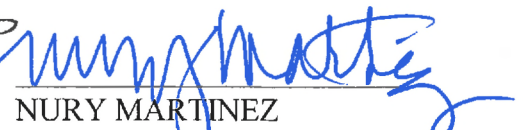
Cities in the region have considered different methods and approaches to address the sale of cannabis by unlicensed businesses. One of the key options considered has been the disconnection/shut-off of utility service to unlicensed businesses involved in cannabis sales. By cutting off water and power, these businesses are immediately hampered from engaging in this activity; thereby limiting their impact on the local community.

The City's regulation of commercial cannabis activity could benefit from this approach. It should strongly consider the viability of implementing utility service disconnection/shut-off to aid local enforcement efforts.


I THEREFORE MOVE that the Department of Water and Power and the Department of Cannabis Regulation be requested/instructed to report to the Council in 30 days on the viability of implementing an ordinance that allows the City to disconnect/shut-off utility service to unlicensed businesses engaged in cannabis sales.

CO-PRESENTED BY:


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