

RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS, AND NEIGHBORHOODS COMMITTEE REPORT, CERTIFICATION OF SUFFICIENCY OF ORDINANCE INITIATIVE PETITION, RESOLUTIONS, and ORDINANCES FIRST CONSIDERATION relative to a Certified Petition proposing cannabis activity permits and regulations, and authorization of a new tax.

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

1. ADOPT the accompanying RESOLUTION provided in response to an initiative petition that an ordinance related to cannabis activity permits and regulations, and authorization of a new tax, be submitted to the qualified electors of the City of Los Angeles at a Special Election to be called and consolidated with the City's Primary Nominating Election held on March 7, 2017.
2. ADOPT the accompanying BALLOT TITLE RESOLUTION as follows:

CANNABIS ACTIVITY PERMITS, REGULATION AND TAXATION. INITIATIVE ORDINANCE ____.

Shall an ordinance establishing a City permitting program for cannabis activity, prioritizing existing medical marijuana businesses compliant with current City law (MMBs) and maintaining 135 dispensaries in the City unless increased by the City Council, including by: 1) authorizing the City to issue permits for cannabis activity including cultivation, manufacture and sale of medical cannabis; 2) providing existing compliant MMBs a limited time to register for initial permits for specified cannabis activity and other priority in the permitting process; 3) allowing permitted cannabis activity in certain non-residential zones; 4) providing operational standards and minimum-distance requirements from schools and other sites; 5) authorizing fines and other penalties for non-permitted cannabis activity but limit enforcement procedures for violations of the ordinance by permit holders; and 6) allowing permittees to operate as adult use marijuana businesses and impose a tax of \$80 per each \$1,000 of gross receipts from adult use marijuana sales if state law changes to allow non-medical adult use of marijuana; be adopted?

3. PRESENT and ADOPT the accompanying ORDINANCE, dated October 20, 2016, calling a Special Election to be held on Tuesday, March 7, 2017 for the purpose of submitting to the qualified voters of the City of Los Angeles a certain initiative ordinance and consolidating this Special Election with the City's Primary Nominating Election to be held on the same date.

Fiscal Impact Statement: The City Clerk reports that there is zero to minimal fiscal impact, relative to elections costs, to place this measure before the voters on the March 17, 2017 Primary Nominating Election, assuming the City does not place in inordinate number of measures on that ballot. The City Clerk expects to absorb the cost of petition checking by re-allocating approximately \$60,000 from salary savings.

Community Impact Statement: None submitted.

TIME LIMIT FILE - NOVEMBER 1, 2016

(LAST DAY FOR COUNCIL ACTION - NOVEMBER 1, 2016)

(The Council may recess to Closed Session, pursuant to Government Code Section 54956.9(d)(4) to confer with its legal counsel regarding possible initiation of litigation [one case] relative to the above matter.)

SUMMARY

At a special meeting held on October 26, 2016, the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee considered a report from the City Clerk dated October 12, 2016, and report from the City Attorney dated October 20, 2016 that includes Resolutions and Ordinances relative to a Certificate of Sufficiency of Ordinance Initiative for a certified initiative petition regarding cannabis activity permits and regulation, and authorization of a new tax.

City Attorney reports that on September 28, 2016 the City Clerk completed its preliminary review of the initiative petition and accepted it for processing. The City Clerk thereafter examined the voter signatures contained on the petition using the random sampling method authorized in the City Election Code and in accordance with Charter Section 451. The City Clerk has now completed that examination and has determined that the initiative petition contains a sufficient number of valid voter signatures to qualify for presentation to the City Council. The City Clerk certified the petition as sufficient and presented the certified petition to Council on October 12, 2016.

The City Attorney reports that the option to the Council of adopting the ordinance as presented by the initiative is not available inasmuch as the initiative would amend an existing ordinance adopted by a vote of the people (Proposition D - an Ordinance regulating and taxing medical marijuana businesses in the City). Therefore, in accordance with Charter Section 453, the Council must act within 20 days to place the initiative before the voters at a Special Election or the next City or State election to be held 110 days after the Council's action. The City Clerk and City Attorney report that the City's Primary Nominating Election, to be held on March 7, 2017, can accommodate the 110-day timeframe. The City Clerk and City Attorney reports, attached to the Council file, provide background information and additional details on the actions that Council may take.

After consideration and providing an opportunity for public comment, the Committee recommended that Council adopt the accompanying Resolutions and Ordinance. This matter is now forwarded to the Council for consideration.

Respectfully Submitted,

RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS, AND NEIGHBORHOODS
COMMITTEE



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

REW
10/26/16
FILE NO. 16-1274

-NOT OFFICIAL UNTIL COUNCIL ACTS-