ORDINANCE NO. _____

An ordinance amending Subsection (b) of Section 21.50 of Article 1, Chapter II of the Los Angeles Municipal Code to limit taxation of medical marijuana collectives to those that attest to compliance with Proposition D; adding Subsection (g) to Section 21.50 to require medical marijuana collectives to attest to compliance with Proposition D when submitting their annual renewals; and adding Subsection (h) to Section 21.50 to make posting an invalid BTRC a misdemeanor and to similarly prohibit any medical marijuana collective from displaying a BTRC of a different classification.

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. Subsection (b) of Section 21.50 of Article 1, Chapter II of the Los Angeles Municipal Code is amended to read as follows:

(b) Every person engaged in operating or otherwise conducting a medical marijuana collective that attests under penalty of law to compliance with Proposition D and not otherwise specifically taxed by other business tax provisions of this Chapter, shall pay a business tax of $60.00 for each $1,000.00 of gross receipts or fractional part thereof. No new business tax registration certificates shall be issued for any medical marijuana collective business activity. Any medical marijuana collective that does not attest to compliance with Proposition D shall not be taxed under any Section of this Article for any medical marijuana collective business activity. It shall be the burden of the medical marijuana collective to determine and accurately represent to the Office of Finance whether it complies with Proposition D.

Sec. 2. A new Subsection (g) of Section 21.50 of Article 1, Chapter II of the Los Angeles Municipal Code is added to read as follows:

(g) Every medical marijuana collective taxed by this section shall remit with its annual renewal an affidavit in a form approved by the Director of Finance attesting to its compliance with Proposition D and such affidavit shall be subject to public disclosure. Any person who makes a false statement or representation in the affidavit is guilty of a misdemeanor.

Sec. 3. A new Subsection (h) to Section 21.50 of Article 1, Chapter II of the Los Angeles Municipal Code is added to read as follows:

(h) It shall be a misdemeanor for any person operating a medical marijuana collective as defined by Section 21.50(c) to maintain or display a business tax registration certificate for any classification other than that set forth in Section 21.50(b) for medical marijuana collective business activity or to maintain or display an expired, suspended or otherwise invalid business tax registration certificate.

Sec. 4. **Urgency Clause**. The City Council finds and declares that this ordinance is required for the immediate protection of the public peace, health and safety for the following reason: In order to protect the public from being misled by medical marijuana collectives that display City business tax registration certificates to give the impression to the public, and even to courts of law, that the City endorses their businesses or certifies that they are in compliance with Proposition D, as has been reported regarding many such businesses found not to be in compliance with Proposition D and prosecuted by the City Attorney.

Sec. 5. **Severability Clause.** If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this ordinance which can be implemented without the invalid provisions, and to this end, the provisions of this ordinance are declared to be severable. The City Council hereby declares that it would have adopted this ordinance and each provision thereof irrespective of whether any one or more provisions are found invalid, unconstitutional or otherwise unenforceable.

Sec. 6. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, **by a vote of not less than three-fourths** of all of its members, at its meeting of _____.

HOLLY L. WOLCOTT, City Clerk

By _____
Deputy

Approved _____

_____
Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By _____
DAVID MICHAELSON
Chief Assistant City Attorney

Date DEC 14 2015

File No. CF 14-0366-S2

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