

14-0366-52

MOTION

BUDGET & FINANCE

On May 21, 2013, the voters of Los Angeles overwhelmingly passed Proposition D, a comprehensive measure to manage medical marijuana dispensaries in the City. This measure was drafted in a manner intended to balance the needs of patients while protecting neighborhoods and communities by limiting dispensaries' proximity to sensitive locations such as parks, schools and churches. Under this measure, a limited number of dispensaries who have been registered with the City since 2007, and met specific requirements and operational standards would be allowed to continue to operate. All other medical marijuana dispensaries would be banned and remain outlawed in the City of Los Angeles. Following the enactment of Proposition D, the City Council and the Mayor adopted Ordinance No. 182580 in June of 2013 detailing the requirements of Proposition D.

Unfortunately, despite the City's concerted efforts through Proposition D and contrary to the demands of voters, scores of illegal medical marijuana dispensaries continue to operate throughout Los Angeles. Through consistent enforcement by the City Attorney and the Los Angeles Police Department many non-compliant dispensaries have been closed down in accordance to the regulations set forth by Proposition D. However, certain actions and practices by other City agencies have undermined enforcement efforts. Hundreds of dispensaries have been able to obtain Business Tax Registration Certificates (BTRC) from the Office of Finance, a number far beyond the approximately 135 maximum number of medical marijuana businesses indicated in Proposition D.

The Office of Finance has attempted to clarify that a BTRC is only a mechanism for their collection of business taxes and is not a license to operate. Still, to the general public, an official City of Los Angeles BTRC displayed in a local business gives the appearance that the location is operating legitimately. Immediate clarification of the law is needed to discontinue the practice of issuing BTRCs to these illegal operations, and limit the number of certificates issued to 135, the number of businesses that voters understood would be the maximum limit when they approved Proposition D.

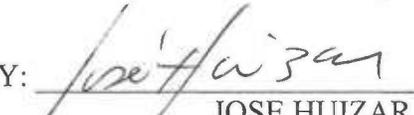
I THEREFORE MOVE that the City Council instruct the Office of Finance to immediately cease the issuance of any new Business Tax Registration Certificates to any medical marijuana dispensary not compliant with Proposition D.

I FURTHER MOVE that the City Attorney be requested to prepare and amend the ordinance as needed to immediately cease the issuance of new Business Tax Registration Certificates to non-Proposition D dispensaries.

I FURTHER MOVE that the City Attorney, develop a verification process to be used by the City for determining potentially eligible dispensary operators.

I FURTHER MOVE that the Office of Finance and the City Attorney revise the language or appearance of the BTRC in order to prevent the perception and misrepresentation of the certificate's intent and that it is not a license to operate.

PRESENTED BY:   
NURY MARTINEZ  
Councilmember, 6<sup>th</sup> District

PRESENTED BY:   
JOSE HUIZAR  
Councilmember, 14<sup>th</sup> District

SECONDED BY: 

DEC 09 2014

ORIGINAL