



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 1 6 - 0 0 1 1  
JAN 0 8 2016

**REPORT RE:**

**REVISED DRAFT ORDINANCE DISCONTINUING THE ISSUANCE OF  
BUSINESS TAX REGISTRATION CERTIFICATES TO MEDICAL MARIJUANA  
DISPENSARIES NOT IN COMPLIANCE WITH PROPOSITION D**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Council File No. 14-0366-S2

Honorable Members:

On December 14, 2015, the Office of the City Attorney (City Attorney) and the Office of Finance (Finance) issued a joint report responding to the City Council's actions taken on October 28, 2015, relating to medical marijuana collectives/dispensaries (MMDs) not in compliance with Proposition D, together with a proposed draft ordinance.

The City Attorney now transmits for your consideration the enclosed revised draft ordinance, approved as to form and legality, which includes the following:

1. No new business tax registration certificate (BTRC) shall be issued for any MMD business activity;
2. An MMD seeking to file its annual business tax renewal for 2016 shall complete an affidavit in a form approved by Finance attesting to the business' compliance with Proposition D;

3. A person who makes a false statement or representation in the affidavit is guilty of a misdemeanor;
4. All existing MMD BTRCs in their current form shall be invalid March 31, 2016, and businesses that filed their 2016 MMD business tax renewal and completed the affidavit before March 31 will receive from Finance a new form of MMD BTRC which shall also make clear that the BTRC is not a permit to operate a business; and
5. An MMD that filed its 2016 MMD business tax renewal before the effective date of this ordinance must, before March 31, complete the affidavit attesting to its compliance with Proposition D.

A business that pays its 2016 MMD business taxes and does not attest to compliance with Proposition D may claim a refund of the paid MMD 2016 business tax.

Council Rule 38 Referral

Pursuant to Council Rule 38, a copy of the revised draft ordinance was provided to Finance. Finance concurs with the revised draft ordinance.

If you have any questions regarding this matter, please contact Assistant City Attorney Beverly Cook at (213) 978-7760. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON  
Chief Assistant City Attorney

DM/BC:pj  
Transmittal