



SOUTHERN CALIFORNIA COALITION

November 27, 2017

President Herb J. Wesson, Jr
President of the Los Angeles City Council
Mr. Andrew Westall
Assistant Chief Deputy
Tenth Council District
200 N. Main Street
Los Angeles, CA 90012

Re: Proposed Cannabis Ordinance Released November 16, 2017. The ordinance adds Article 4 to Chapter X of the Los Angeles Municipal Code to regulate commercial cannabis activities in the City of Los Angeles. Council File No. 14-0366-S5

Dear President Wesson and Andrew:

We are very concerned about a change in the definitions section of the latest version of the proposed ordinance, (see: Page 2, Section 104.01 (a) (12) Definitions). The language reads:

“EMMD” means an existing medical marijuana dispensary that is in compliance with all restrictions of Proposition D, notwithstanding those restrictions would have been repealed, including, but not limited to, either possessing a 2017 L050 BTRC and current with all City-owned business taxes, or received a BTRC in 2007, registered with the City Clerk by November 13, 2007 (in accordance with the requirements under Interim Control Ordinance 179027), **received a L050 BTRC in 2015 and each year thereafter, and is current with all City-owned business taxes**” (emphasis added).

As defined, the section above would seem to indicate that Pre-ICO Dispensaries are no longer to be licensed by the City of Los Angeles. The language: “...received a L050 BTRC in 2015 and each year thereafter, and is current with all City-owned business taxes.” Is impossible for Pre-ICO’s to comply with.

On January 19, 2016 the Council passed Ordinance No. 184135 (see: http://clkrep.lacity.org/onlinedocs/2014/14-0366-s2_ORD_184135_1-22-16.pdf). This ordinance made it impossible for Pre-ICO’s to continue paying under the L050 designation and those that attempted to do so were turned away by the City of Los Angeles Department of Finance. Thus, they could not pay taxes nor receive a BTRC “each year thereafter” 2015 nor would they be “current with all City-owned business taxes” as City ordinance No. 184135 made it impossible for them to perform these tasks.



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We see nothing in the new ordinance that would repeal or modify the prohibition in the earlier ordinance, thus, any Pre-ICO's who wished to come forward and register, are stopped from doing so by the terms of the new ordinance.

The fix for this is easy, Measure M, which gave you back the power to regulate, would allow you to modify the definitions section to allow Pre-ICO's to come forward and pay all back taxes, providing they met all the other requirements of the current definition (i.e. received a BTRC in 2007, registered with the City Clerk by November 13, 2007 (in accordance with the requirements under Interim Control Ordinance 179027), and received a L050 BTRC in 2015).

It was always our understanding that the few dispensaries which needed this accommodation, would receive it in the new ordinance. In the latest version of the new cannabis ordinance, previous language which would allow such an accommodation has disappeared without explanation. We respectfully request, that going forward, language be restored which would allow Pre-ICOs to come forward, pay their taxes and receive a priority license.

The Southern California Coalition (the Coalition) is the Southland's largest industry trade association, representing cannabis stakeholders across all licensing categories. It is unique in that it also includes major advocacy groups for minorities, patients and veterans as well as an organized labor component. The Southern California Coalition's mission is to ensure that cannabis legislation is fair, balanced, and inclusive.

Should you have any questions or concerns, our President, Virgil Grant, can be contacted at (310) 493-7651.

Sincerely,

A handwritten signature in blue ink, appearing to be "V. Grant", written over a faint circular stamp.

Virgil Grant
President

Southern California Coalition