



# VOTER INFORMATION PAMPHLET



COMPILED BY HOLLY L. WOLCOTT, CITY CLERK



**PRIMARY NOMINATING ELECTION**  
**TUESDAY, MARCH 7, 2017**



**For Election Information,  
please call 1-888-873-1000**

**The City of Los Angeles provides voter information  
in English as well as in the following languages:**

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1-800-994-VOTE (8683) հեռախոսահամարով:**

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**이 팸플릿을 한국어로 원하시면 다음 전화번호로  
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**POLLS OPEN AT 7 A.M. AND CLOSE AT 8 P.M.**

**Note:** This pamphlet contains only information on ballot measures pertaining to the City of Los Angeles. It is not a sample ballot. You will receive your sample ballot with polling place location from the Los Angeles County Registrar - Recorder.

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**VOTER INFORMATION**

The County of Los Angeles is conducting the March 7, 2017  
Primary Nominating Election.

For information concerning the election, such as polling place locations, please contact the County Registrar-Recorder at (800) 815-2666 or visit their website at [www.lavote.net](http://www.lavote.net).



The next 4 pages contain simplified versions of the City ballot measures. The full text of each measure, along with other information, is printed after the Ballot Summary (see TABLE OF CONTENTS Page).



## CITY OF LOS ANGELES PROPOSITION M

### **TITLE:**

CANNABIS REGULATION AFTER CITIZEN INPUT, TAXATION AND ENFORCEMENT.

### **THE ISSUE:**

Shall an ordinance be adopted providing the Council and Mayor the authority to enact a regulatory and enforcement framework regarding commercial cannabis activity after conducting public hearings on this matter, and tax commercial cannabis activity?

### **THE SITUATION:**

Over the past several years, the California legislature and voters have enacted various laws which decriminalize or legalize commercial cannabis activity. In November of 2016, voters adopted Proposition 64, which authorizes aspects of non-medical cannabis activity. Proposition D, adopted by City voters in 2013, currently addresses only medical cannabis, and does not allow for the issuance of a state license for commercial cannabis activity.

### **THE PROPOSAL:**

This measure would:

- Retain the authority of the Council and Mayor to regulate commercial cannabis activity in the City;
- Allow for the replacement of Proposition D with a new regulatory and enforcement framework regarding commercial cannabis activity, after gathering input from residents, law enforcement, Neighborhood Councils, and other stakeholders through public hearings;
- Give priority in the processing of applications to existing medical cannabis establishments operating in compliance with Proposition D;
- Authorize criminal penalties, nuisance abatement, increased civil fines and the disconnection of water and power for unauthorized commercial cannabis activities; and
- Establish new gross receipts taxes on medical cannabis sales (5%), recreational cannabis sales (10%) and transportation, testing or research, manufacturing, cultivation, or other commercialization of cannabis (between 1% and 2%), effective January 1, 2018.

### **A YES VOTE MEANS:**

You want the Council and Mayor to retain the authority to comprehensively regulate commercial cannabis activity in the City after conducting public hearings, and tax commercial cannabis activity.

### **A NO VOTE MEANS:**

You do not want the Council and Mayor to regulate commercial cannabis activity in the manner described above.

**THE FULL TEXT OF THIS MEASURE BEGINS ON PAGE 12.**



# CITY OF LOS ANGELES INITIATIVE ORDINANCE N

## **TITLE:**

CANNABIS ACTIVITY PERMITS, REGULATION AND TAXATION (INITIATIVE ORDINANCE).

## **THE ISSUE:**

Shall an ordinance be adopted to allow commercial cannabis activity in the City of Los Angeles, subject to a permit program administered by a new Los Angeles Department of Marijuana Regulation that imposes specified requirements on commercial cannabis establishments, gives priority to existing medical cannabis dispensaries compliant with current City law, and limits City Council authority to further regulate commercial cannabis activity?

## **THE SITUATION:**

Over the past several years, the California legislature and voters have enacted various laws which decriminalize or legalize commercial cannabis activity. In November of 2016, voters adopted Proposition 64, which authorizes aspects of non-medical cannabis activity. Proposition D, adopted by City voters in 2013, currently addresses only medical cannabis, and does not allow for the issuance of a state license for commercial cannabis activity.

## **THE PROPOSAL:**

This citizen-sponsored initiative would:

- Replace Proposition D with a new permit program for commercial cannabis activities in the City, maintaining at least 135 establishments;
- Give licensing priority and other preferences (including land-use preferences) to existing cannabis establishments operating in compliance with current City law;
- Authorize fines and other penalties, but limit enforcement procedures for violations of the Ordinance by permit holders;
- Set minimum distance requirements from some schools, licensed childcare facilities, and other sites;
- Create a new Los Angeles Department of Marijuana Regulation to oversee commercial cannabis activity; and
- Establish a new business tax on non-medical cannabis sales of 8%, and maintain existing tax on medical sales of 6%.

## **A YES VOTE MEANS:**

You want to directly amend the Municipal Code to establish a specific permitting and enforcement system for commercial cannabis activity in the City giving priority to existing establishments compliant with current City law, and add a new 8% tax on non-medical cannabis sales.

## **A NO VOTE MEANS:**

You do not want to directly amend the Municipal Code in the manner described above.

**THE FULL TEXT OF THIS MEASURE BEGINS ON PAGE 30.**



## CITY OF LOS ANGELES CHARTER AMENDMENT P

### **TITLE:**

MAXIMUM TERM OF HARBOR DEPARTMENT LEASES.

### **THE ISSUE:**

Shall the City Charter be amended to increase the maximum term for franchises, concessions, permits, licenses and leases that may be entered into by the Harbor Department from the current maximum of 50 years to a new maximum of 66 years, to be the same as state law?

### **THE SITUATION:**

Under City Charter Section 607, the maximum allowable length of franchises, concessions, permits, licenses and leases that may be issued by the Harbor Department is 50 years. State law was recently amended to allow the Harbor Department to issue franchises, concessions, permits, licenses and leases for terms up to 66 years, if permitted under City law.

### **THE PROPOSAL:**

The proposed measure would amend Section 607 of the City Charter to increase the maximum term for franchises, concessions, permits, licenses and leases issued by the Harbor Department from the current maximum of 50 years to a new maximum of 66 years. This change would realign the maximum term for Harbor Department franchises, concessions, permits, licenses and leases in the Charter with the maximum term provided in current state law.

### **A YES VOTE MEANS:**

You want to increase the maximum term for franchises, concessions, permits, licenses and leases issued by the Harbor Department from the current maximum of 50 years to a new maximum of 66 years, to be the same as state law.

### **A NO VOTE MEANS:**

You do not want to increase the maximum term for franchises, concessions, permits, licenses and leases issued by the Harbor Department from the current maximum of 50 years to a new maximum of 66 years.

**THE FULL TEXT OF THIS MEASURE BEGINS ON PAGE 67.**



# CITY OF LOS ANGELES INITIATIVE ORDINANCE S

## **TITLE:**

BUILDING MORATORIUM; RESTRICTIONS ON GENERAL PLAN AMENDMENTS; REQUIRED REVIEW OF GENERAL PLAN (INITIATIVE ORDINANCE).

## **THE ISSUE:**

Shall a citizen-initiated ordinance be adopted to impose a building moratorium on certain development projects; restrict General Plan amendments; require periodic review of the General and Community Plans; impose requirements on General Plan review and environmental impact report preparation; and limit reduction of required parking.

## **THE SITUATION:**

General Plan amendments may be initiated by the City, provided the area involved has significant social, economic, or physical identity. Zone, height district, and parking changes are reviewed by the City on a project by project basis.

## **THE PROPOSAL:**

This initiative would:

- Impose a maximum two-year building moratorium on projects seeking General Plan amendments or zone or height district changes resulting in: a more intense land use; an increase in floor area ratio, density or height; or a net loss of open space, agricultural or industrial areas. Provide exceptions, including for certain projects providing 100% affordable housing that do not seek a General Plan amendment.
- Limit General Plan amendments to an entire Community or District Plan, Specific Plan, Neighborhood Council, or other area no less than 15 acres.
- Require public review and possible update of the City's General Plan (including Port and Airport District Plans) and 35 Community Plans every five years.
- Prohibit project applicants from preparing their own environmental impact reports and require the City to prepare such reports.
- Provide that on-site and remote off-site parking requirements may not be reduced by more than one-third.

## **A YES VOTE MEANS:**

You want to directly amend City law to impose a building moratorium and restrictions on General Plan amendments, prohibit project applicants from preparing environmental impact reports, limit parking reductions and make other changes regarding City planning.

## **A NO VOTE MEANS:**

You do not want to directly amend City law to impose a building moratorium and in the manner described above.

**THE FULL TEXT OF THIS MEASURE BEGINS ON PAGE 82.**





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## **M CANNABIS REGULATION AFTER CITIZEN INPUT, TAXATION AND ENFORCEMENT. PROPOSITION M.**

Shall an ordinance providing for enforcement, taxation and regulation of cannabis and/or cannabis products (cannabis) by: 1) providing that the City Council retains the authority to amend existing and adopt new regulations regarding cannabis activity in the City after conducting public hearings regarding various aspects of the commercialization of cannabis and medical cannabis, and giving priority in the processing of applications to existing medical marijuana dispensaries operating in compliance with current City law; 2) authorizing criminal penalties, nuisance abatement, increased civil fines and disconnection of water and power utilities for unauthorized cannabis activities; and 3) establishing new business taxes, effective January 1, 2018, including taxes of \$100 per each \$1,000 of gross receipts from cannabis sales and \$50 per each \$1,000 of gross receipts from medical cannabis sales, \$10 per each \$1,000 of gross receipts from cannabis transportation, testing or research, and \$20 per each \$1,000 of gross receipts from cannabis manufacturing, cultivation or other commercialization of cannabis; be adopted?

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### **IMPARTIAL SUMMARY BY SHARON M. TSO, CHIEF LEGISLATIVE ANALYST**

This is one of two competing ballot measures that propose to regulate commercial cannabis activity in the City of Los Angeles. This measure is a proposition by the City Council and Mayor. The other measure on the ballot is a citizen-sponsored initiative.

This ballot proposition, if approved, will retain the authority of the Council and Mayor to create a new regulatory framework after citizen input for commercial cannabis activity in the City of Los Angeles and provides for the repeal and replacement of the City's current law regarding medical cannabis activity, Proposition D, which is no longer consistent with State law. This proposition also establishes new gross receipt tax rates for cannabis-related activity and authorizes criminal penalties for violation of the City's laws on commercial cannabis activity.

In 2015, the State legislature passed the "Medical Cannabis Regulation and Safety Act" which created new licensing requirements for medical cannabis activities. In November 2016, California voters approved the "Adult Use of Marijuana Act," which legalized the recreational use of cannabis. These acts also established the rights of local governments to regulate commercial cannabis activity in their jurisdictions. Prior to the passage of these laws, local jurisdictions regulated this activity in a variety of ways. In the City of Los Angeles, Proposition D, passed by the voters in May 2013, allowed for certain medical cannabis dispensaries to operate with potential limited immunity from enforcement. With the passage of these State laws, the City can establish a new regulatory framework or prohibit commercial cannabis activity outright.



This proposition affirms the Council and Mayor's authority to regulate all aspects of commercial cannabis activity in the City. The proposition requires that prior to enacting new laws on commercial cannabis activity, the Council shall convene a series of public hearings with the participation of various stakeholders on this issue. Stakeholders include, but are not limited to, Neighborhood Councils, the Police Department, school officials, probation officers, civic organizations, chambers of commerce, cannabis-related industries and others. This proposition will require the Council to adopt an Ordinance repealing Proposition D, effective on January 1, 2018, unless the Council adopts a Resolution specifying another date for the repeal and would give dispensaries that have been operating lawfully under Proposition D priority licensing under any new framework the Council and Mayor approve.

The proposition establishes the following gross receipt tax rates for commercial cannabis activity, effective January 1, 2018:

- \$100 per each \$1,000 of gross receipts from sales of cannabis and/or cannabis products;
- \$50 per each \$1,000 of gross receipts from sales of medical cannabis and/or medical cannabis products;
- \$10 per each \$1,000 of gross receipts from transport, testing or research of cannabis and/or cannabis products;
- \$20 per each \$1,000 of gross receipts from manufacture or cultivation of cannabis and/or cannabis products; and
- \$20 per each \$1,000 of gross receipts from the commercialization of cannabis and/or cannabis products not specifically taxed under the rates specified above.

The proposition also makes it unlawful to engage in commercial cannabis activity without a license after January 1, 2018, and establishes criminal and civil penalties for violations. These include fines, nuisance abatement and the possible disconnection of water and power services to unlawfully operated commercial cannabis businesses.

If both of the competing ballot measures are approved by a majority of voters, the ballot measure that receives the most votes will become effective.



**FINANCIAL IMPACT STATEMENT**  
**BY MIGUEL A. SANTANA, CITY ADMINISTRATIVE OFFICER**

This measure will allow the City to establish new regulations and enforcement measures, after public input, for commercial cannabis activity. Additionally, starting January 1, 2018, the gross receipt tax on medical cannabis sales will be reduced from 6% to 5% and the gross receipts tax will be applied for recreational cannabis sales at 10%. Furthermore, the gross receipts tax will be established at 1% to 2% for transportation, testing or research, manufacturing, cultivation, or other commercialization of cannabis.

The impact of this measure cannot be currently quantified. Revenue loss from decreasing the medical cannabis tax and additional expenditures for expanded regulatory and enforcement efforts may be offset by revenues from taxes, permits, fees, and fines related to recreational and commercial cannabis activities.

Gross receipt tax revenue is deposited in the General Fund and is used to fund police, fire, street services, parks, libraries and other general purposes throughout the City.



## ARGUMENT IN FAVOR OF PROPOSITION M

Now that the voters of California have approved the sale and use of marijuana by adults in the state, it is up to each city to decide how to license, regulate and tax local marijuana operations.

**PROPOSITION M will give the residents of Los Angeles a voice in writing the rules for our city.**

PROPOSITION M allows parents and teachers to help determine how to keep children from being exposed to advertising of marijuana products and establish limits on how far marijuana stores must be from schools, youth centers and parks.

PROPOSITION M allows neighborhood associations to help decide how many marijuana stores there can be in any neighborhood and how far they must be from residential areas.

PROPOSITION M allows police officials to help develop methods to enforce laws against driving under the influence of marijuana.

PROPOSITION M allows business leaders to recommend how to limit the number of marijuana stores in commercial areas to avoid the kind of saturation we see with liquor stores in some neighborhoods.

In addition, **PROPOSITION M** –

- Sets tough fines and penalties for unauthorized marijuana sales
- Helps local police prevent crime
- Assures that the city will be able to close down illegal marijuana stores, and
- Creates certainty and a regulatory framework for businesses that operate legally

If you want to make sure the voices of all the people of Los Angeles are heard when it comes time to license, regulate and tax marijuana, you will vote **YES ON PROPOSITION M.**

**VOTE YES on PROPOSITION M.**

**Arguments printed on this page are the opinions of the authors and are not checked for accuracy by any City agency.**



**PERSONS SIGNING ARGUMENT IN FAVOR OF PROPOSITION M**

CRAIG LALLY  
President  
Los Angeles Police Protective League

JILL BANKS BARAD  
Founder and Chair  
Valley Alliance of Neighborhood  
Councils

CHARLIE BECK  
Chief of Police  
City of Los Angeles

MARY LESLIE  
President  
Los Angeles Business Council

MINNIE HADLEY-HEMPSTEAD  
President  
NAACP Los Angeles

YAMILETH BOLAÑOS  
Medical Marijuana Advocate

RUSTY HICKS  
Executive Secretary-Treasurer  
Los Angeles County Federation of Labor

STEVEN K. LUBELL  
Commissioner (ret.)  
Superior Court of California

**NO ARGUMENT AGAINST THIS MEASURE WAS SUBMITTED.**



## RESOLUTION

An ordinance amending the Los Angeles Municipal Code regarding the enforcement, taxation and regulation of cannabis related activity in the City of Los Angeles.

**WHEREAS**, the Compassionate Use Act (CUA), adopted by the voters in 1996, and the Medical Marijuana Program Act (MMPA), enacted by the State Legislature in 2003, provided California's qualified patients and their primary caregivers with limited immunities to specified criminal prosecutions under state law, including to ensure that qualified patients and their primary caregivers who obtain and use cannabis for medical purposes are not subject to state criminal prosecution;

**WHEREAS**, commencing in 2007, according to local media reports and neighborhood observations and complaints, hundreds of medical cannabis establishments, including self-named collectives, caregivers and dispensaries, (Businesses) opened, closed and reopened storefront shops in the City without land use approval under the Los Angeles Municipal Code (LAMC);

**WHEREAS**, the proliferation of cannabis Businesses led to increased crime and negative secondary impacts in neighborhoods, including but not limited to violent crimes, robberies, the distribution of tainted marijuana, and the diversion of marijuana;

**WHEREAS**, beginning in August 2007, the City enacted a series of ordinances designed to curb the rampant increase in cannabis dispensaries, which resulted in an explosion of lawsuits against the City;

**WHEREAS**, at the municipal election held on March 8, 2011, the voters of the City of Los Angeles passed Measure M and thereby enacted Los Angeles Municipal Code Section 21.50, which imposed a tax of \$50 for every \$1,000 of revenues generated by Medical Marijuana Collectives;

**WHEREAS**, on May 21, 2013, the voters of the City of Los Angeles passed Proposition D, adding Article 5.1 of Chapter IV of the Los Angeles Municipal Code, providing potential limited immunity from enforcement to approximately 135 cannabis dispensaries that had potentially complied with the City's 2007 Interim Control Ordinance, 2011 Temporary Urgency Ordinance and 2011 Measure M, and also met other specified requirements, and increasing the tax to \$60 for every \$1,000 of revenues generated by Medical Marijuana Collectives;

**WHEREAS**, since the passage of Proposition D, the City Attorney's Office has initiated over 1,700 criminal filings against individuals and entities regarding non-immunized cannabis Businesses and shut down over 800 non-immunized medical cannabis Businesses;

**WHEREAS**, despite this aggressive enforcement by the City Attorney's Office, with the passage of Proposition D, an unknown number of medical cannabis Businesses, including



growers, delivery apps and delivery services continue to open, close, and reopen in Los Angeles, with no regulatory authorization from the City;

**WHEREAS**, because large profits can be earned by operating medical cannabis Businesses, it is necessary to have commensurate monetary penalties to prevent persons and entities from opening and operating non-immunized or illegal medical cannabis Businesses and to discourage property owners from renting to these kind of medical cannabis Businesses;

**WHEREAS**, medical cannabis Businesses require sustained police enforcement, because they are attractive targets for criminals as well as to individuals who buy cannabis and resell it to minors and others who cannot purchase it for themselves. These secondary sales further damage blighted areas of the City and are a drain on police resources. Large monetary sanctions are a rational way to discourage the proliferation of illegal businesses which generate these negative secondary impacts;

**WHEREAS**, in 2015, the Legislature and Governor enacted the Medical Cannabis Regulation and Safety Act ("MCRSA") consisting of three separate bills, creating a state licensing system for the commercial cultivation, manufacture, retail sale, transport, distribution, delivery, and testing of medical cannabis. Licenses under MCRSA are not expected to be available until 2018;

**WHEREAS**, on November 8, 2016, the voters of the State of California will be asked to vote on Proposition 64, an initiative also known as the Adult Use of Marijuana Act (AUMA). Under AUMA, personal possession of an ounce or less of cannabis and/or up to eight grams of concentrated cannabis would be legal. Retail sales of nonmedical cannabis may only take place pursuant to a state license, scheduled to become available in 2018;

**WHEREAS**, the potential approval of AUMA would impose new challenges for local governments to properly legislate the commercialization of nonmedical cannabis and medical cannabis, including their derivative products and services;

**WHEREAS**, it is the belief of the City that the circumstances in which cannabis activity should be allowed or not should be the subject of a robust, deliberative process that includes comprehensive public discussion and debate, and to that end, the City Council retains the legislative power and authority to determine the extent to which any such activity should be allowed in the City;

**WHEREAS**, in order to protect the public and consumers of medical and nonmedical cannabis, and reduce the negative secondary impacts on the City's communities, the City Council intends to receive public input, deliberate and then enact by ordinance a comprehensive regulatory and enforcement system related to medical and nonmedical cannabis activity; and that in order to enact a comprehensive regulatory and enforcement system, cannabis lawmaking authority must be retained by the City Council and Mayor;



**WHEREAS**, so that medical marijuana is available to patients in need of it, medical marijuana Businesses that have been operating in compliance with the limited immunity and tax provisions of Los Angeles Municipal Code Sections 45.19.6.3 and 21.50 at the one location identified in the Business's business tax registration certificate on file with the City should continue to operate until City licenses or permits are available, and, thereafter, priority in the processing of applications for a City license or permit should be given to those Businesses;

**WHEREAS**, the City also wishes to impose and obtain voter approval of a gross receipts tax regime of various rates on those who engage in the commercialization of nonmedical and medical cannabis, including their derivative products and services to the extent allowed by any comprehensive regulatory system established by the City; and

**WHEREAS**, the tax regime proposed would assist the City in raising revenue, improve access, measure the commercial growth of the cannabis industry and assess the need for further rules or regulations to prevent access by minors, improve access to those who are medically in need, and protect public safety, public health and the environment;

**NOW, THEREFORE,**

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

Section 1. This ordinance shall be known and may be cited as the "Los Angeles Cannabis Enforcement, Taxation, and Regulation Act (CETRA)."

Sec. 2. A new section 21.51 is added to Article 1 of Chapter II the Los Angeles Municipal Code to read as follows:

**SEC. 21.51. TAXATION OF CANNABIS.**

Nothing in this Section shall be construed as requiring the City to allow, permit, license, authorize, or otherwise regulate cannabis, cannabis products or any business related to cannabis and/or cannabis products.

(a) For the purpose of this Section, the following words and phrases shall be defined as follows:

1. "Cannabis" shall mean all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, resin, separated resin, the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the





mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination, or industrial hemp, as defined by Section 11018.5 of the Health and Safety Code.

2. “Cannabis products” shall mean any product that includes cannabis that has undergone a process whereby the plant material has been transformed into a concentrate or such other form in order to enhance or deliver the cannabinoid active ingredient.

3. “Cultivating” shall mean to plant, grow, harvest, dry, cure, grade, or trim cannabis.

4. “Gross receipts” shall have the same meaning as set forth in Section 21.00(a) of this Article and shall include without limitation, membership dues, value of in kind contributions, reimbursements, the amount of any tax imposed by the state, county or rapid transit district whether imposed upon the retailer or the consumer, and any other property received by the business in its ordinary course.

5. “License” shall consist of (i) a state license issued under Division 10 of the California Business and Professions Code, Chapter 3.5 of Division 8 of the California Business and Professions Code, or such other applicable cannabis related provisions under state law, and (ii) any such other applicable City authorization, permit, or license (not including a business tax registration certificate which shall not be construed as a permit in any way).

6. “Manufacturing” shall mean to compound, blend, extract, infuse, or otherwise make, process, or prepare cannabis or cannabis products.

7. “Testing” shall mean to perform a test of cannabis and/or cannabis products in a testing laboratory that is accredited by an accrediting body that is independent from all other persons involved in commercial or medical cannabis, and registered with the State Department of Public Health.

8. “Testing laboratory” shall mean a facility, entity, or site in the City of Los Angeles that offers or performs testing.

9. “Transporting” shall mean to transfer cannabis and/or cannabis products from the location of one person with a license to the location of another person with a license.

(b) For purposes of this Section, the business tax to be imposed shall be as follows:



1. Every person with a license that is engaged in business of conducting the sale of cannabis and/or cannabis products shall pay a business tax of \$100.00 for each \$1,000.00 of gross receipts or fractional part thereof. The sale of medical cannabis shall be taxed as provided under Section 21.52 of this Article.

2. Every person with a license that is engaged in business of transporting cannabis and/or cannabis products shall pay a business tax of \$10.00 for each \$1,000.00 of gross receipts or fractional part thereof.

3. Every person with a license that is engaged in business of testing cannabis and/or cannabis products shall pay a business tax of \$10.00 for each \$1,000.00 of gross receipts or fractional part thereof.

4. Every person with a license that is engaged in business of researching cannabis and/or cannabis products shall pay a business tax of \$10.00 for each \$1,000.00 of gross receipts or fractional part thereof.

5. Every person with a license that is engaged in business of manufacturing or cultivating cannabis and/or cannabis products shall pay a business tax of \$20.00 for each \$1,000.00 of gross receipts or fractional part thereof.

6. Every person with a license that is engaged in business relating to the commercialization of cannabis and/or cannabis products not specifically taxed under this Section shall pay a business tax of \$20.00 for each \$1,000.00 of gross receipts or fractional part thereof.

(c) The Office of Finance shall file quarterly reports summarizing the amount of business taxes collected from the persons described in subsection (b) of this Section with the City Council, Mayor, Controller, and City Administrative Officer beginning April 1, 2018.

(d) All business taxes shall be due and payable quarterly as provided under Section 21.04(b) of this Article beginning July 1, 2018, which shall include any taxes owed from January 1, 2018, and then monthly as provided under Section 21.04(c) of this Article beginning July 1, 2019.

(e) The Office of Finance shall prescribe and implement a reasonable process, including set times and secure conditions, whereby every person subject to business tax under this Section is allowed to pay, in cash, the amount of business tax reported on their written statement, as prescribed under Section 21.14 of this Article.

(f) The Director of Finance may prescribe such additional requirements or conditions, as provided under Section 21.15(h) of this Article, when granting a



business tax registration certificate under Section 21.08 of this Article with respect to a person subject to this Section, which may include an affidavit of compliance and/or proof of license. Any person who makes a false statement or misrepresentation in any required affidavit under this Section is guilty of a misdemeanor.

(g) It shall be a misdemeanor for any person operating a nonmedical cannabis business to maintain or display a business tax registration certificate for any classification other than that set forth herein for nonmedical cannabis business activity or to maintain or display an expired, suspended or otherwise invalid business tax registration certificate.

(h) No business tax registration certificate issued for purposes of this Section or the payment of any tax required under this Section shall be construed as authorizing the conduct or continuance of any illegal business or of a legal business in an illegal manner. Nothing in this Section implies or authorizes that any activity in connection with cannabis and/or cannabis products is legal unless otherwise authorized by federal and any other applicable law.

(i) Every person subject to this Section must pay the full tax imposed by this Section regardless of any rebate, exemption, incentive, or other reduction set forth elsewhere in the Municipal Code, except as required by state or federal law. No provision in the Municipal Code shall lower the tax rate set forth in this Section or otherwise reduce the amount of taxes paid hereunder unless the provision specifically states that the reduction applies.

(j) The City Council may impose the tax authorized by this Section at a lower rate and may establish exemptions, incentives or other reductions as otherwise allowed by the Charter and state law. No action by the Council under this paragraph shall prevent it from later increasing the tax or removing any exemption, incentive, or reduction and restoring up to the maximum tax specified in this Section.

(k) The provisions of this Section shall be effective January 1, 2018.

Sec. 3. A new Section 21.52 is added to Article 1 of Chapter II the Los Angeles Municipal Code to read as follows:

**SEC. 21.52 TAXATION OF MEDICAL CANNABIS.**

Nothing in this Section shall be construed as requiring the City to allow, permit, license, authorize, or otherwise regulate medical cannabis or any business related to medical cannabis.

(a) For the purpose of this Section, the following words and phrases shall be defined as follows:



1. "Cannabis" shall have the same meaning as set forth in Section 21.51(a)(1) of this Article.

2. "Cannabis products" shall have the same meaning as set forth in Section 21.51(a)(2) of this Article.

3. "Gross receipts" shall have the same meaning as set forth in Section 21.51(a)(4) of this Article.

4. "License" shall have the same meaning as set forth in Section 21.51(a)(5) of this Article.

5. "Medical cannabis" shall mean a product containing cannabis or cannabis products sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996, found at Section 11362.5 of the California Health and Safety Code.

(b) For purposes of this Section, the business tax to be imposed shall be as follows:

1. Every person with a license engaged in business of conducting the sale of medical cannabis shall pay a business tax of \$50.00 for each \$1,000.00 of gross receipts or fractional part thereof.

(c) The Office of Finance shall file quarterly reports summarizing the amount of business taxes collected from the persons described in subsection (b) of this Section with the City Council, Mayor, Controller, and City Administrative Officer beginning April 1, 2018.

(d) All business taxes shall be due and payable quarterly as provided under Section 21.04(b) of this Article beginning July 1, 2018, which shall include any taxes owed from January 1, 2018, and then monthly as provided under Section 21.04(c) of this Article beginning July 1, 2019.

(e) The Office of Finance shall prescribe and implement a reasonable process, including set times and secure conditions, whereby every person subject to business tax under this Section is allowed to pay, in cash, the amount of business tax reported on their written statement, as prescribed under Section 21.04 of this Article.

(f) The Director of Finance may prescribe such additional requirements or conditions, as provided under Section 21.15(h), as may be necessary when granting a business tax registration certificate under Section 21.08 of this Article with respect to a business subject to this Section, which may include an affidavit of compliance and proof of License. Any person who makes a false statement or misrepresentation in any required affidavit under this Section is guilty of a misdemeanor.



(g) It shall be a misdemeanor for any person operating a medical cannabis business to maintain or display a business tax registration certificate for any classification other than that set forth herein for medical cannabis business activity or to maintain or display an expired, suspended or otherwise invalid business tax registration certificate.

(h) No business tax registration certificate issued for purposes of this Section or the payment of any tax required under this Section shall be construed as authorizing the conduct or continuance of any illegal business or of a legal business in an illegal manner. Nothing in this Section implies or authorizes that any activity in connection with cannabis and/or cannabis products is legal unless otherwise authorized by federal and any other applicable law.

(i) Every person subject to this Section must pay the full tax imposed by this Section regardless of any rebate, exemption, incentive, or other reduction set forth elsewhere in the Municipal Code, except as required by state or federal law. No provision in the Municipal Code shall lower the tax rate set forth in this Section or otherwise reduce the amount of taxes paid hereunder unless the provision specifically states that the reduction applies.

(j) The City Council may impose the tax authorized by this Section at a lower rate and may establish exemptions, incentives or other reductions as otherwise allowed by the Charter and state law. No action by the Council under this paragraph shall prevent it from later increasing the tax or removing any exemption, incentive, or reduction and restoring up to the maximum tax specified in this Section.

(k) The provisions of this Section shall be effective January 1, 2018, at which time the language of this Section shall govern in the event of any conflict between this Section and Section 21.50 regarding taxation of medical marijuana collectives.

Sec. 4. A new Article 5.2 is added to Chapter IV of the Los Angeles Municipal Code to read as follows:

## **ARTICLE 5.2**

### **CANNABIS REGULATION AND ENFORCEMENT**

#### **SEC. 45.19.7.1. REPEAL OF PROPOSITION D (MEDICAL MARIJUANA).**

The voters of the City of Los Angeles adopted Article 5.1 of Chapter IV of the Los Angeles Municipal Code regarding medical marijuana (Sections 45.19.6 through 45.19.6.9) as part of Proposition D, a referendum submitted to the voters by the City Council at the election held on May 21, 2013. The Council shall adopt an ordinance



repealing these provisions of Proposition D (Sections 45.19.6 through 45.19.6.9) effective January 1, 2018, unless the Council adopts a Resolution, by majority vote, specifying another date for the repeal. The Council retains and possesses authority to amend, by ordinance, these provisions of Proposition D prior to its repeal.

## **SEC. 45.19.7.2. COUNCIL AUTHORITY TO REGULATE CANNABIS RELATED ACTIVITY AFTER PUBLIC HEARINGS AND PRIORITY OF DISPENSARIES COMPLIANT WITH PROPOSITION D.**

A. **Council Authority.** The City retains and possesses complete authority to regulate all aspects of cannabis related activity, including, without limitation, the authority of the Council to adopt ordinances amending any of the provisions of this Article and/or any other provision of City law regarding cannabis related activity, other than taxation provisions to the extent that voter approval of any changes to taxation provisions is required under the State Constitution.

B. **Public Hearings.** The City intends to adopt a comprehensive regulatory process and structure for all cannabis related activity by September 30, 2017. Prior to the creation of a comprehensive regulatory process and structure for cultivation, processing, distribution, sale and other cannabis related activity, including enforcement of any licensing and related oversight (*i.e.*, the “commercialization” of cannabis), the Council shall convene public hearings in the City involving all stakeholders in the process of developing the rules, regulations and ordinances necessary to regulate the safe commercialization of cannabis, including, but not limited to, Neighborhood Councils, police officers, school officials, probation officers, civic and service organizations, chambers of commerce, cannabis related industries and others. The public hearings shall include consideration and attempted resolution of matters including:

1. Rules concerning who may qualify to operate in any of the phases of commercialization of cannabis;
2. Penalties, fines, and other enforcement tools needed to ensure strict compliance with licensing to avoid the unlawful conduct of cannabis related activities in the City;
3. Regulation of transportation of cannabis products within the City;
4. Siting of all buildings and facilities involved in all phases of commercialization of cannabis;
5. Preventing the over-concentration of businesses involved in commercialization of cannabis;
6. Determinations of any necessary land use requirements such as distances to schools, parks, libraries, residences, liquor stores, stores selling



candy to children, and other such matters affecting the locations of stores and facilities involved in commercialization of cannabis;

7. Constitutional and appropriate measures regarding advertising commercialization of cannabis in such a way as to prohibit exposure to anyone under the age of 21;

8. Updated training and protocols to enable police officers to enforce laws against driving while under the influence of cannabis;

9. Requirements for auto rental agencies, particularly at airports, to advise visitors to the City regarding the rules concerning driving while under the influence, and other cannabis regulations, of which visitors may not be aware;

10. Historical issues of social equity and social justice related to the commercialization of cannabis;

11. Issues regarding how the City addresses compliance, complaints, and civil or criminal proceedings related to Proposition D medical marijuana dispensaries; and

12. Any and all other issues that may arise regarding the commercialization of cannabis in the City.

**C. Priority of Proposition D Compliant Dispensaries.** An existing medical marijuana dispensary (“EMMD”) that is operating in compliance with the limited immunity provisions (Los Angeles Municipal Code Section 45.19.6.3) and tax provisions (Los Angeles Municipal Code Section 21.50) of Proposition D, may continue to operate within the City at the one location identified in its original or amended business tax registration certificate until such time that the EMMD applies for and receives a final response to its application for a City permit or license for commercial cannabis activity being conducted at that location. The City’s designated licensing or permitting agency shall give priority in processing applications of EMMDs that can demonstrate to the City’s designated licensing or permitting agency that the EMMD has operated in compliance with the limited immunity and tax provisions of Proposition D. To avail itself of the terms of this Section, including the priority processing, an EMMD must apply for a City permit or license within sixty calendar days of the first date that applications are made available for commercial cannabis activity. If the City issues the EMMD a license or permit for commercial cannabis activity, the EMMD shall continue to operate at its location within the City in accordance with the rules and regulations set forth by the City.



**SEC. 45.19.7.3. ENFORCEMENT, PENALTIES AND DISCONNECTION OF UTILITIES FOR UNLAWFUL CANNABIS RELATED ACTIVITY.**

A. This Section is effective January 1, 2018 and applies to all entities and persons engaging in medical and/or nonmedical cannabis related activity, who are legally required to, but do not have, a City issued license, permit or authorization (“Establishment”).

B. It is unlawful to: (1) Own, set up or operate an Establishment, (2) Participate as an employee, contractor, agent or volunteer or in any other capacity in an Establishment, (3) Use any portion or portion of any parcel of land as an Establishment, or to (4) Lease, rent to, or otherwise allow an Establishment to occupy any parcel or portion of parcel of land.

C. A violation of subsection B is a public nuisance and may be abated by the City or by the City Attorney, on behalf of the people of the State of California, as a nuisance by means of a restraining order, injunction or any other order or judgment in law or equity issued by a court of competent jurisdiction. The City or the City Attorney, on behalf of the people of the State of California, may seek injunctive relief to enjoin violations of, or to compel compliance with this Section or seek any other relief or remedy available at law or equity. Each day that a violation continues is deemed to be a new and separate offense and subject to a maximum civil penalty of \$20,000 for each and every offense.

D. Any person violating subsection B shall be guilty of a misdemeanor punishable by a fine of not more than \$1,000.00 or by imprisonment in the County Jail for a period of not more than six months, or by both a fine and imprisonment. Each day that a violation continues is deemed to be a new and separate offense.

E. The Department of Water and Power is authorized to disconnect utilities for Establishments. The circumstances and manner in which disconnection shall occur shall be specified by the City Council after receiving input from the Department of Water and Power.

F. The remedies specified in this Section are cumulative and in addition to any other remedies available under state or local law for a violation of this Code.

G. Nothing in this Section shall be construed as requiring the City to allow, permit, license, authorize or otherwise regulate medical or nonmedical cannabis, or as abridging the City’s police power with respect to enforcement regarding medical or nonmedical cannabis.

Sec. 5. Nothing in this ordinance is intended to be in conflict with state law or to abrogate local police power and/or charter city authority derived from the California Constitution.





Sec. 6. Future Amendment. The City retains and possesses complete authority to regulate all aspects of cannabis related activity, including, without limitation, the authority of the Council to adopt ordinances amending any of the provisions of this ordinance, any of the provisions of Article 5.1 of Chapter IV of the Los Angeles Municipal Code regarding medical marijuana adopted by the voters as part of Proposition D at the election held on May 21, 2013 (Sections 45.19.6 through 45.19.6.9) prior to the repeal of those provisions, and/or any other provision of City law regarding cannabis related activity, other than taxation provisions to the extent that voter approval of any changes to taxation provisions is required under the State Constitution.

Sec. 7. Competing Measures. In the event that this measure and any other measure relating in any way to the regulation of cannabis in the City of Los Angeles are submitted to the voters of the City of Los Angeles on the same ballot, all of the provisions of the other measure shall be deemed to be in complete and total conflict with this measure. In the event that this measure receives a greater number of affirmative votes than the other measure, the provisions of this measure shall prevail in their entirety over all of the provisions of the other measure, and the other measure shall be null and void.

Sec. 8. Severability. If any section, subsection, subdivision, clause, sentence, phrase or portion of this measure is held unconstitutional or invalid or unenforceable by any court or tribunal of competent jurisdiction, the remaining sections, subsections, subdivisions, clauses, sentences, phrases or portions of this measure shall remain in full force and effect, and to this end the provisions of this measure are severable. In addition, the voters declare that they would have passed all sections, subsections, subdivisions, clauses, sentences, phrases or portions of this measure without the section, subsection, subdivision, clause, sentence, phrase or portion held unconstitutional or invalid.

Sec. B. The City Clerk is hereby authorized and directed to publish a notice containing the proposed ballot measure, specifying the date of March 7, 2017, as the date the measure is to be voted upon by the qualified voters of the City of Los Angeles. The notice shall be published once in a newspaper of general circulation in the City of Los Angeles, and in each edition thereof during that day of publication. The City Clerk is authorized and directed to prepare and keep in the City Clerk's office a sufficient supply of copies of the proposed ballot measure and to distribute the proposed ballot measure to any and all persons requesting a copy. Further, the City Clerk is authorized and directed to mail copies of the proposed ballot measure to each of the qualified voters of the City of Los Angeles.

Sec. C. The City Clerk is hereby authorized and directed to cause a notice to be published once in a newspaper of general circulation that copies of voter information pamphlets containing the proposed ballot measure may be obtained upon request in the City Clerk's office.

Sec. D. The City Clerk shall file a duly certified copy of this Resolution forthwith with the Board of Supervisors and with the Registrar-Recorder of the County of Los Angeles.



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## **N CANNABIS ACTIVITY PERMITS, REGULATION AND TAXATION. INITIATIVE ORDINANCE N.**

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?

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### **IMPARTIAL SUMMARY BY SHARON M. TSO, CHIEF LEGISLATIVE ANALYST**

This is one of two competing ballot measures that propose to regulate commercial cannabis activity in the City of Los Angeles. This measure is an initiative ordinance. The other measure on the ballot is a City-sponsored proposition.

This citizen-sponsored ballot initiative, if approved, would establish a permitting system and a regulatory scheme allowing for commercial cannabis activity in the City of Los Angeles, prioritizing licensing for existing, legally-operating medical cannabis businesses and maintaining at least 135 dispensaries in the City unless that number is increased by the City Council. This initiative would authorize commercial cannabis activity in the City, and establish a new Los Angeles Department of Marijuana Regulation to issue permits and enforce regulations for commercial cannabis activities. This initiative would also establish a tax of \$80 per each \$1,000 of gross receipts from the sale of recreational cannabis and establish specified zoning rules for the location of commercial cannabis businesses, with some exceptions for existing locations. Passage of this initiative ordinance would restrict Council and the Mayor's ability to create or amend the rules or modify enforcement mechanisms for operation of commercial cannabis activities.

In 2015, the State legislature passed the "Medical Cannabis Regulation and Safety Act" which created new licensing requirements for medical cannabis businesses. In November 2016, California voters approved the "Adult Use of Marijuana Act (AUMA)," which legalized the recreational use of cannabis. These acts also established the rights of local governments to regulate commercial cannabis activity in their jurisdictions. Prior to the passage of these laws,



local jurisdictions regulated this activity in a variety of ways. In the City of Los Angeles, Proposition D, passed by the voters in May 2013, allowed for certain medical cannabis dispensaries to operate with potential limited immunity from enforcement. With the passage of these State laws, the City can establish a new regulatory framework or prohibit commercial cannabis activity outright. This initiative would replace Proposition D with a new regulatory scheme that allows for a variety of commercial cannabis activity in the City of Los Angeles.

This initiative would grant priority licensing and other preferences to dispensaries operating under Proposition D if they are in substantial compliance with the law, as specified in the initiative. Proposition D compliant businesses would be given priority to apply for a permit for the dispensing or onsite cultivation of cannabis until December 31, 2019. This initiative would also authorize commercial medical cannabis activity permit holders to sell recreational cannabis as allowed for under AUMA, and allow licensed cannabis businesses to transfer their licenses to new operators.

This initiative establishes regulations for the operation of commercial cannabis businesses, including background check requirements for employees and operators, security requirements, standard operating hours and requirements on distances from schools or other sensitive use facilities and from other commercial cannabis activities, with some land-use exemptions for some Proposition D compliant businesses. The initiative allows for a variety of other commercial cannabis activities, including manufacturing, testing, distribution and transport.

This initiative creates a two-tiered enforcement system. For non-permitted commercial cannabis activity, the initiative authorizes penalties, and violators could be subject to misdemeanor charges, nuisance abatement procedures and fines. For permit holders, one violation would result in a 'correction letter,' a second violation in a two-year period could result in an infraction, a third violation in a permit suspension and a fourth violation in possible misdemeanor charges, nuisance abatement procedures or permit revocation.

If both of the competing ballot measures are approved by a majority of voters, the ballot measure that receives the most votes will become effective.



**FINANCIAL IMPACT STATEMENT**  
**BY MIGUEL A. SANTANA, CITY ADMINISTRATIVE OFFICER**

This measure will establish a new permit program for commercial cannabis activity in the City and create a new Department of Marijuana Regulation. Additionally, a new gross receipts tax rate for recreational cannabis sales will be set at 8% and the current rate for medical cannabis sales will remain unchanged at 6%.

The impact of this measure cannot be currently quantified. Revenue from new permits, fees and fines implemented for commercial cannabis activity and tax revenue from recreational cannabis sales may offset costs for a new department and expanded regulation and enforcement efforts.

The measure limits permits to 135 cannabis establishments, unless otherwise increased by the City. Existing dispensaries operating in compliance with current City law may be granted a licensing priority.

Gross receipt tax revenue is deposited in the General Fund and is used to fund police, fire, street services, parks, libraries and other general purposes throughout the City.



## ARGUMENT IN FAVOR OF INITIATIVE ORDINANCE N

### Cannabis Activity Permits, Regulations and Taxation. Initiative Ordinance N

As the official proponents of Initiative Ordinance N, we no longer believe that this measure is in the City's best interests.

Therefore, we strongly urge you to VOTE NO ON INITIATIVE ORDINANCE N.

Instead, we believe that Initiative Ordinance M is better for the City, and therefore we urge you to VOTE YES ON INITIATIVE ORDINANCE M.

## PERSONS SIGNING ARGUMENT IN FAVOR OF INITIATIVE ORDINANCE N

KERRIE RANDOLPH  
Proponent Initiative Ordinance N

DIANA DE LA MORA  
Proponent Initiative Ordinance N

CARLOS DELATORRE  
Proponent Initiative Ordinance N

GAIL MACKENZIE-SMITH  
Proponent Initiative Ordinance N

COREY SCHWARTZ  
Proponent Initiative Ordinance N

**Arguments printed on this page are the opinions of the authors and are not checked for accuracy by any City agency.**



## ARGUMENT AGAINST INITIATIVE ORDINANCE N

Even the original backers of Initiative Ordinance N now agree that **Proposition M will make Los Angeles a safer and more secure city** and urge you to

### **VOTE YES on M and NO on N.**

- Initiative Ordinance N would create a monopoly on licenses to sell marijuana and freeze out any competition.
- Initiative Ordinance N would open marijuana stores within two blocks of a school.
- Initiative Ordinance N would open marijuana stores within one block of parks, playgrounds, churches, youth centers or child care facilities.
- Initiative Ordinance N would permit advertising of marijuana products where it can be seen by children and teens.
- Initiative Ordinance N would go easy with minimal penalties if they violate city regulations covering their marijuana stores.
- Initiative Ordinance N was **written without consulting law enforcement officials, local neighborhood councils, homeowners associations, educators or child welfare officials** about what they think is best for the city and its residents.

Initiative Ordinance N was written without any input from residents, law enforcement, and businesses in the city.

### **VOTE NO on INITIATIVE ORDINANCE N.**

**Arguments printed on this page are the opinions of the authors and are not checked for accuracy by any City agency.**



**PERSONS SIGNING ARGUMENT AGAINST INITIATIVE ORDINANCE N**

**CRAIG LALLY**  
President  
Los Angeles Police Protective League

**JILL BANKS BARAD**  
Founder and Chair  
Valley Alliance of Neighborhood Councils

**CHARLIE BECK**  
Chief of Police  
City of Los Angeles

**MARY LESLIE**  
President  
Los Angeles Business Council

**MINNIE HADLEY-HEMPSTEAD**  
President  
NAACP Los Angeles

**YAMILETH BOLAÑOS**  
Medical Marijuana Advocate

**RUSTY HICKS**  
Executive Secretary-Treasurer  
Los Angeles County Federation of Labor

**STEVEN K. LUBELL**  
Commissioner (ret.)  
Superior Court of California



## INITIATIVE ORDINANCE N

### CANNABIS ACTIVITY PERMITS AND REGULATION. INITIATIVE ORDINANCE.

This ordinance would establish a City permitting program for cannabis activity, giving priority to existing medical marijuana businesses compliant with current City law (MMBs) and maintaining 135 dispensaries in the City unless increased by the City Council. The ordinance would: 1) authorize the City to issue permits for cannabis activity including the cultivation, manufacture and sale of medical cannabis; 2) provide existing compliant MMBs a limited time to register for initial permits for specified cannabis activity and other priority in the permitting process; 3) allow permitted cannabis activity in certain non-residential zones; 4) provide operational standards and minimum-distance requirements from schools and other sites; 5) authorize fines and other penalties for non-permitted cannabis activity but limit enforcement procedures for violations of the ordinance by permit holders; and 6) allow permittees to operate as adult use marijuana businesses and impose a business 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.

ORDINANCE NO. \_\_\_\_\_

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

#### Section 1. **Title.**

This measure shall be known and may be cited as the “Los Angeles Marijuana Regulation and Safety Act.”

#### Sec. 2. **Finding and Declarations.**

(a) In 1996, the voters of the State of California legalized cannabis for medical purposes by enacting the Compassionate Use Act of 1996 (hereinafter, the “CUA”) (codified as Section 11362.5 of the Health and Safety Code). By enacting the CUA, the voters of the State sought to (A) ensure that “Californians have the right to obtain and use marijuana for medical purposes”; (B) ensure that “patients and their primary caregivers who obtain and use marijuana for medical purposes upon the recommendation of a physician are not subject to criminal prosecution or sanction”; and (C) “encourage the federal and state governments to implement a plan to provide for the safe and affordable distribution of marijuana to all patients in medical need of marijuana.”

(b) In 2003, the California Legislature enacted the Medical Marijuana Program Act (hereinafter, the “MMPA”) (codified Health and Safety Code Section 11362.7) which permits qualified patients and their primary caregivers to associate collectively or cooperatively to cultivate medical cannabis without being subject to criminal prosecution.





(c) The MMPA's allowance of collective and cooperative cultivation projects allowed for commercial cannabis activity throughout California and particularly the City of Los Angeles, the MMPA did not explicitly regulate the manner of conduct for commercial cannabis activity.

(d) Local governments were encouraged to regulate cannabis activity under the MMPA. (See Health & Safety Code, § 11362.83.)

(e) The California Supreme Court concluded in *City of Riverside v. Inland Empire Patients Health & Wellness Ctr., Inc.* (2013) 56 Cal.4th 729, that neither the CUA nor the MMPA “preempts the authority of California cities and counties, under their traditional land use and police powers, to allow, restrict, limit, or entirely exclude facilities that distribute medical marijuana, and to enforce such policies by nuisance actions.” (*Id.* at p. 512.)

(f) In August 2007, the City enacted Interim Control Ordinance 179027 (hereinafter, the “ICO”), which prohibited commercial cannabis activity but exempted from that prohibition certain existing medical cannabis facilities that timely registered with the City Clerk (hereinafter, “Pre-ICO Medical Cannabis Dispensaries”).

(g) In January 2010, the City enacted Medical Marijuana Ordinance 181069 later amended by Temporary Urgency Ordinance 181530 in 2011 (“TUO”), which added Article 5.1 to Chapter IV of the Los Angeles Municipal Code. After a series of lawsuits and court decisions, the City enacted Ordinance 182190 (hereinafter, the “Gentle Ban”) in August 2012, which prohibited all commercial cannabis activity with limited exceptions for dwelling units used by three or fewer qualified patients, hospices, and licensed clinics, care facilities and home health agencies.

(h) Voters of the City responded to the Gentle Ban Ordinance and its absolute ban on commercial cannabis activity by submitting a referendum petition to the City Council. In response to the comments, objections and proposals, the City Council enacted Ordinance 182286 repealing the Gentle Ban Ordinance in October 2012.

(i) The voters of the City of Los Angeles considered three competing medical cannabis initiatives in the May 2013 municipal elections, ultimately voting to approve Proposition D, Ordinance 182580, which prohibits commercial cannabis activity but provides an immunity from enforcement to Pre-ICO Medical Cannabis Dispensaries that do not violate the specified restrictions contained in this Act, including but not limited to conducting all commercial cannabis activity at one location.

(j) On October 9, 2015, Governor Brown signed into law three bills, Assembly Bill 266 (“AB 266”), Assembly Bill 243 (“AB 243”) and Senate Bill 643 (“SB 643”) collectively referred to as the “Medical Marijuana Regulation and Safety Act” which established a comprehensive regulatory structure for commercial cannabis activity (hereinafter, “MMRSA”). Unlike the MMPA (which only provided persons conducting commercial cannabis activity a defense in court) MMRSA affirmatively permits and licenses commercial cannabis activity conducted in accordance with local ordinances and MMRSA's to-be-issued regulations.



(k) An expressed intention of the voters in enacting Proposition D was to amend Proposition D once there was clarity at the State-level “regarding what cities can and cannot regulate” concerning commercial cannabis activity in California.

(l) MMRSA has provided the City of Los Angeles clarity “regarding what cities can and cannot regulate” concerning commercial cannabis activity in California.

(m) The underlying “spirit” of MMRSA is one of regulating commercial cannabis activity entities and affirmatively permitting and licensing those medical cannabis business entities that comply with promulgated regulations.

(n) The City of Los Angeles intends to issue permits for dispensing, cultivating, nonvolatile manufacturing, distribution, transport and testing of cannabis subject to strict zoning and regulatory requirements, in full accordance with MMRSA but specifically is not licensing nor permitting the delivery of cannabis in the City of Los Angeles.

(o) The voters of the State of California will vote in November of 2016 on the Adult Use Marijuana Act initiative, which utilizes MMRSA to regulate the Adult use of marijuana without a physician’s recommendation.

(p) This Act: (a) allows commercial cannabis activity subject to a permit program administered by the Los Angeles Department of Medical Marijuana Regulation that imposes comprehensive requirements and limitations on applicants, permittees, and locations conducting commercial cannabis activity; and (b) amends Proposition D by providing a limited window for Pre-ICO Medical Cannabis Dispensaries operating in compliance with the City’s laws and regulations to register with the Los Angeles Department of Medical Marijuana Regulation.

**Sec. 3. Amendment to Article 5.1 of Chapter IV of the Los Angeles Municipal Code.**

Article 5.1 of Chapter IV of the Los Angeles Municipal Code is replaced in its entirety to read as follows:

**ARTICLE 5.1  
MEDICAL CANNABIS**

**SEC. 45.19.6. PURPOSES AND INTENT.**

By enacting this Article, the People of the City seek to implement the State Legislature’s recently enacted Medical Marijuana Regulation and Safety Act within the City by:

(a) Allowing commercial cannabis activity subject to a permit program administered by the Los Angeles Department of Medical Marijuana Regulation that shall be created by the City of Los Angeles within 60 days of the Effective Date of this Act, that imposes comprehensive requirements and limitations on applicants, permittees, and locations conducting commercial cannabis activity.



(b) Amending Proposition D by providing a limited window for dispensaries operating in compliance with the City's laws and regulations since 2007 to register with the Los Angeles Department of Medical Marijuana Regulation and obtain a Collective Cannabis Activity Permit.

(c) Allowing the City to transition the Commercial Cannabis permit program for medical marijuana, provided for herein, to a permit program for Adult Use marijuana, in the event that in November of 2016, the voters of the State of California adopt the Adult Use Marijuana Act.

(d) Allowing other types of Commercial Cannabis Activity to apply for Commercial Cannabis Activity Permits with the Los Angeles Department of Medical Marijuana Regulation and bring all cannabis activity in the City of Los Angeles in full compliance with MMRSA.

#### **SEC. 45.19.6.1. DEFINITIONS AND CALCULATIONS.**

(a) For purposes of this Article, the following definitions shall apply:

(1) "Applicant" means a person applying for a Collective Cannabis Activity Permit or Commercial Cannabis Activity Permit issued pursuant to this Article and includes:

(A) The person seeking a permit under this Article to engage in commercial cannabis activity;

(B) Any individual (or person) who has an aggregate ownership interest (other than a security interest, lien, or encumbrance) of 5 percent or more in the entity seeking a permit under this Article to engage in commercial cannabis activity; and

(C) Any individual (or person) who has the power to direct, or cause to be directed, the management or control of the entity seeking a permit under this Article to engage in commercial cannabis activity.

(2) "Cannabis" has the same meaning as that term is defined in Section 19300.5 of the Business and Professions Code.

(3) "City" means the City of Los Angeles and refers to the City of Los Angeles as purposes of referring to jurisdictional geography and the governmental entity.

(4) "Collective Cannabis Activity" means any cultivation, manufacture, processing, storing, labeling, or sale of medical cannabis or medical cannabis products conducted within the City under a Collective Cannabis Activity Permit (as defined below) issued pursuant to section 45.19.6.2 of this Article.



(5) “Commercial cannabis activity” means any cultivation, manufacture, processing, storing, testing, labeling, transporting, distribution, or sale of medical cannabis or medical cannabis products taking place within the City; however:

(A) A qualified patient who possesses, stores, or transports cannabis exclusively for his or her personal medical use but who does not provide, donate, sell, or distribute cannabis to any other person is not engaged in commercial cannabis activity and is exempt from the permitting requirements of this Article.

(B) A primary caregiver who possesses, stores, transports, donates, or provides cannabis exclusively for the personal medical purposes of no more than five specified qualified patients for whom he or she is the primary caregiver, but who does not receive remuneration for these activities except for compensation in full compliance with subdivision (c) of Section 11362.765 of the Health and Safety Code, is exempt from the permitting requirements of this Article.

(C) A qualified patient who cultivates cannabis exclusively for his or her personal medical use but who does not provide, donate, sell, or distribute cannabis to any other person is not engaged in commercial cannabis activity and is exempt from the permitting requirements of this Article, so long as the total canopy size he or she uses to cultivate cannabis does not exceed 100 square feet.

(D) A primary caregiver who cultivates cannabis exclusively for the personal medical purposes of no more than five specified qualified patients for whom he or she is the primary caregiver, but who does not receive remuneration for these activities except for compensation in full compliance with subdivision (c) of Section 11362.765 of the Health and Safety Code, is exempt from the permitting requirements of this Article, so long as the total canopy size he or she uses to cultivate cannabis does not exceed 500 square feet.

(E) A person transporting medical cannabis or medical cannabis products from one location not within the City to another location not within the City (even if for commercial purposes) is exempt from the permitting requirements of this Article per State law (sec 19338(b).)

(6) “Collective Cannabis Activity Permit” is an official document issued by the City pursuant to section 45.19.6.2 of this Article that authorizes a person to conduct commercial cannabis activity and does constitute a “permit” as that term is defined in Section 19300.5 of the Business and Professions Code.

(7) “Commercial Cannabis Activity Permit” is an official document issued by the City pursuant to section 45.19.6.3 of this Article that authorizes a person to conduct commercial cannabis activity and does constitute a “permit” as that term is defined in Section 19300.5 of the Business and Professions Code.



(8) “Day” means calendar day. Periods of time in this Article are calculated by excluding the first day and including the last; except that the last day is excluded if it is a Saturday, Sunday, or other holiday specified in Section 6700 of the Government Code.

(9) “Department” means the Los Angeles Department of Medical Marijuana Regulation.

(10) “Effective Date” means the date this Article takes effect.

(11) “Labor Peace Agreement” shall have the same definition as set forth in the Business and Professions Code, Chapter 3.5, Division 8, Article 1, Section 19300.5(v), and as may be amended.

(12) “LAMC” means the City of Los Angeles Municipal Code.

(13) “Location” means a parcel of land, whether vacant or occupied by a building or premises in a building, or group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area where commercial cannabis activity is or will be conducted.

(14) “Medical cannabis” or “medical cannabis product” has the same meaning as that term is defined in Section 19300.5 of the Business and Professions Code.

(15) “The Medical Marijuana Regulation and Safety Act” means Chapter 3.5 of Division 8 of the Business and Professions Code.

(16) “Nonconforming use” has the same meaning as that term is defined in Section 12.03 of the LAMC.

(17) “Offense that is substantially related to the qualifications, functions, or duties of the business or profession” means the following:

(A) A felony conviction for the illegal possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance;

(B) A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code;

(C) A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code; and

(D) A felony conviction involving fraud, deceit, or embezzlement.



(18) “Permitted location” is a location to which a valid Collective Cannabis Activity Permit or Commercial Cannabis Activity Permit applies. A “permitted location” is only one location.

(19) “Permittee” is a person to whom a valid Collective Cannabis Activity Permit or Commercial Cannabis Activity Permit applies. A “permittee” is only one person.

(20) “Person” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, cooperative, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.

(21) “Police Department” means the Los Angeles Police Department.

(22) “Premises” means a building or a defined portion of or unit in a building where a specified user, owner, tenant, lessee or Permittee is utilizing the space. In a building with multiple units, each defined unit shall be deemed a single premise.

(23) “Primary caregiver” has the same meaning as that term is defined in Section 11362.7 of the Health and Safety Code.

(24) “Proposed location” means a location where commercial cannabis activity is or will be conducted.

(25) “Public park” means an area of land, beach, or pier set aside for public recreational or ornamental purposes that is under the control, operation, or management of a governmental agency. “Public park” does not include any golf courses that are under the control, operation, or management of a governmental agency.

(26) “Qualified patient” has the same meaning as that term is defined in Section 11362.7 of the Health and Safety Code and includes a “person with an identification card” as that term is defined in Section 11362.7 of the Health and Safety Code.

(27) “Religious institution” means a building which is used primarily for religious worship and related religious activities where members of the public congregate on a regular basis and the owner or occupant possesses a Certificate of Occupancy to operate said use.

(28) “School” means a public or private institution of learning for minors providing instruction in kindergarten or grades 1 to 12 (inclusive), which offers instruction in several branches of learning and study required to be taught in the public schools by the Education Code of the State. “School” does not include any private school in which education is primarily conducted in private residences.



(29) “State” means the State of California.

(30) “Total canopy size” means the aggregate area of vegetative growth of live plants under artificial lighting within a location.

(31) “Vehicle” means a device by which any person or property may be propelled, moved, or drawn upon a street, sidewalk or waterway, including but not limited to a device moved exclusively by human power. A “vehicle” is not a location.

(32) “Vertical Integration” means all cannabis activity that was required to be performed by a marijuana business on a single parcel or at a single location pursuant to the terms of Proposition D which went into effect in June 2013.

(33) “Youth center” means a building (i) dedicated to providing programs, activities, or services for persons who have not yet reached the age of 18 years on a regular basis, (ii) for which a Certificate of Occupancy has been issued indicating the building is used as a youth center. “Youth center” does not include (i) any programs, activities, or services for persons who have not yet reached the age of 18 years on a regular basis primarily conducted in private residences, (ii) a location or facility used to provide programs, activities, or services for persons who have not yet reached the age of 18 years for less than 5 hours per day each day the building is open, or (iii) a location or facility where less than 50% of the activities at that location are provided to persons who have not yet reached the age of 18.

(b) A Collective Cannabis Activity Permit or a Commercial Cannabis Activity Permits may apply for the following types of commercial cannabis activity, each such activity must be independently permitted:

(1) “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

(2) “Dispensing” means any activity involving the retail sale of medical cannabis or medical cannabis products to qualified patients or primary caregivers from a location. However, in no event shall there be more than 135 Dispensaries in the City of Los Angeles unless at some future date the Los Angeles City Council amends this Act.

(3) “Manufacturing” means any activity involving the production, preparation, propagation, or compounding of raw cannabis into a concentrate, an edible product, or a topical product, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis.

(4) “Testing” means any activity involving the offering or performing of tests on medical cannabis or medical cannabis products.



(5) “Distributor” means the procurement, sale, and transport of medical cannabis and medical cannabis products between entities licensed pursuant to this Article.

(6) “Transport” means the transfer of medical cannabis or medical cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conduction commercial cannabis activity authorized pursuant to this Article.

(c) Distances specified in this Article shall be the horizontal distance measured in a straight line from the property line of the sensitive use to the closest property line of the location without regard to intervening structures.

#### **SEC. 45.19.6.2. COLLECTIVE CANNABIS ACTIVITY PERMIT.**

(a) It shall be unlawful for any person to conduct collective cannabis activity without a valid Collective Cannabis Activity Permit issued pursuant to this Article subject to (b) and (c) below. A separate Collective Cannabis Activity Permit is required for each location.

(b) When the voters of the City of Los Angeles previously passed Proposition D, the City estimated that there could be 135 dispensaries that qualified as Pre ICO Medical Cannabis Dispensaries that have been open and operating in the City since on or before September 14, 2007 and that have met the operational requirements of Proposition D.

(c) The City of Los Angeles will allow the Pre ICO Medical Cannabis Dispensaries operating in compliance with Proposition D to continue to operate in the City after the Effective Date of the Act and until they receive or are denied a Collective Cannabis Activity Permit.

(d) Each Pre ICO Medical Cannabis Dispensary shall apply for a Collective Cannabis Activity Permit within 45 days of the date that the Department makes an application available to the public.

(e) The Department is responsible for issuing Collective Cannabis Activity Permits pursuant to this Article.

(f) Within 90 days after the Effective Date of this Act, the Department shall develop a form and procedure for processing Collective Cannabis Activity Permit applications pursuant to this Article.

(g) The types of Dispensary Permits and Cultivation Permits available to Pre-ICO Medical Cannabis Dispensaries under the Collective Cannabis Activity Permit are set forth in Section 45.19.6.3(b)(1) and (2) of this Article.





(h) All applications for a Collective Cannabis Activity Permit shall require the following information:

(1) The name of the applicant, the applicant's "doing business as" (i.e., D.B.A.), if applicable and the address of the location where the applicant is currently conducting collective cannabis activity;

(2) The name, telephone number, and address of a person authorized to accept service of process on behalf of the registrant;

(3) The name, telephone number, address, and email address of a person responsible for receiving, logging, and responding to complaints regarding the applicant as well as a list of all managers of the applicant;

(4) The name and address of all managers of the applicant;

(5) A copy of the business tax registration or tax exemption certificate issued by the City to the applicant on or before November 13, 2007;

(6) Certification that the applicant registered with the City Clerk by November 13, 2007 pursuant to Interim Control Ordinance 179027;

(7) Certification that the applicant registered with the City Clerk under the City's Medical Marijuana Ordinance 181069 as amended by the Temporary Urgency Ordinance 181530;

(8) A copy of the 2016 business tax registration certificate for taxation as a medical marijuana collective with the City Office of Finance;

(9) Proof that the applicant has paid all of its gross receipt taxes as a medical marijuana business, including without limitation any penalties, interest, or additional assessments, for calendar years 2011, 2012, 2013, 2014, 2015 and 2016 to the City before the Effective Date of this Article, or entered into an installment plan or a settlement agreement with the City for the payment of said taxes before the Effective Date of this Article. Notwithstanding anything to the contrary herein, any additional tax obligations assessed against the applicant as a result of a pending Office of Finance Audit will not be considered unpaid for the purposes of this subsection, and the applicant shall have the right to appeal or seek judicial determination of the propriety of any amounts alleged by the City as unpaid tax obligations;

(10) A statement, signed by the applicant under penalty of perjury, that the applicant was in substantial compliance with the operational restrictions contained in subsections G, H, I, J, K, L, N, and O of Section 45.19.6.3 of the City's Ordinance 182580;



(11) A copy of the applicant's Seller's Permit issued by the State Board of Equalization pursuant to Part 1 of Division 2 of the Revenue and Taxation Code;

(12) Evidence of the legal right for the registrant to occupy and use the location. In the event the applicant is not the owner of record of the location the registration must be accompanied by a notarized statement and consent from the owner of the property acknowledging that commercial cannabis activity is being conducted at the location. In addition to furnishing such notarized statement, the applicant shall furnish the name and address of the owner of record of the location, as well as a copy of the lease or rental agreement pertaining to the location;

(13) A security plan, including, but not limited to, lighting, alarms and security guard arrangements;

(14) A 1,000 foot radius map as well as a 600 foot radius map with a minimum scale of 1"=75' signed by a licensed civil engineer, architect, or land surveyor showing streets names, lot boundaries, sensitive uses, uses on adjacent properties adjacent to the proposed location, and addresses of all properties at the perimeter of the 600 foot as well as the 1,000 foot radius;

(15) The type (or types) of Dispensary Permit(s) or Cultivation Permit(s) for which the applicant is applying;

(16) The type (or types) of cannabis activity (Cultivation, Dispensing, Manufacturing) that will be conducted at the proposed location along with a detailed description of the applicant's operating procedures, which demonstrate that the applicant complies (or will comply) with the requirements contained in sections 45.19.6.4 through 45.19.6.8 of this Article for the type (or types) commercial cannabis activity that will be conducted at the proposed location;

(17) On-site Cultivation shall be allowed so long as the applicant has been cultivating continuously since prior to the Effective Date of this Article; and total canopy size dedicated to on-site Cultivation does not exceed the total canopy size allowed under California State law. The City Council may not amend the right for a vertically integrated licensee who has been cultivating on site pursuant to the requirements of Proposition D to discontinue on-site cultivation until five years after the Effective Date of this Act;

(18) A Request for Live Scan Service completed by the applicant and any additional persons required to submit a background check pursuant to the requirements contained in sections 45.19.6.4 through 45.19.6.8 of this Article for the type (or types) of commercial cannabis activity that will be conducted at the proposed location;



(19) Evidence of a Labor Peace Agreement if the applicant anticipates it will, or currently does employ ten (10) or more employees;

(20) A statement, signed by the registrant under penalty of perjury, that the information provided in the registration is complete, true, and accurate;

(21) Authorization for the City to verify the information and representations contained in the registration; and

(22) An executed release of liability and hold harmless in the form set forth in the Department's application form.

(i) In the event one or more Pre ICO Medical Cannabis Dispensaries are located within 600 feet of each other, but otherwise meet the criteria of this Article, the business with the earliest BTRC shall remain at the location and the other shall be required to move within 90 days of written notification from the Department that another Pre ICO Medical Cannabis Dispensary is within 600 feet. Failure to relocate within 90 days shall be grounds for denial of an application for a Collective Cannabis Activity Permit.

(j) Upon receipt of an application for a Collective Cannabis Activity Permit the Department shall:

(1) Within 45 days of receipt of the application, the Department shall render an initial decision whether to approve or deny the application. If the Department's initial decision is to deny the application, the Department shall send a notice to the applicant within 5 days of rendering a decision to deny the application specifying the reasons for denying the application ("Denial Notice"). Within 60 days of receipt of the Denial Notice, the applicant may submit an amended application curing any deficiencies with the original application. Within 30 days of receipt of the amended application, the Department shall render a final decision whether to approve or deny the application. If the applicant fails to submit an amended application within 60 days of the Department's Denial Notice of deficiency or the applicant's revised application failed to correct all the deficiencies with the original application, the Department shall render a final decision whether to approve or deny the registration.

(2) Within 10 days of approval of the application, the Department shall send a written notice to (i) the City Attorney; (ii) the Police Department; (iii) the City Council member of the district in which the location is located; and (iv) the Certified Neighborhood Council, containing:

(A) The address of the proposed location where commercial cannabis activity will be conducted under a Collective Cannabis Activity Permit;



(B) The type (or types) of commercial cannabis activity (Cultivation, Dispensing, Manufacturing) that will be conducted at the proposed location under a Collective Cannabis Activity;

(C) The name, telephone number, and address of a person authorized to accept service of process on behalf of the applicant; and

(D) The name, telephone number, and address of a person responsible for receiving, logging, and responding to complaints regarding the applicant.

(3) Within 10 days of rendering a decision to approve an application for a Collective Cannabis Activity Permit, the Department shall issue a Collective Cannabis Activity Permit to the applicant. The type of Dispensary Permit and/or Cultivation Permit issued under the Collective Cannabis Activity Permit shall be subject to the provisions of Sec. 45.19.6.3 (b) of this Article. Upon issuance, the Collective Cannabis Activity Permit shall be valid for one year. A Collective Cannabis Activity Permit issued by the Department shall include the following on its face:

(A) A serial number;

(B) The seal of the City and the Department;

(C) The LAMC Chapter and Article regulating the issuance of Collective Cannabis Activity Permits;

(D) The name of the permittee;

(E) The “doing business as” (i.e., D.B.A.) permittee;

(F) The address of the permitted location;

(G) The type (or types) of commercial cannabis activity (Cultivation, Dispensing, Manufacturing) covered by the Collective Cannabis Activity Permit;

(H) The name, telephone number, and address of a person authorized to accept service of process on behalf of the permittee;

(I) The name, telephone number, and address of a person responsible for receiving, logging, and responding to complaints regarding the permittee;

(J) The date that the Collective Cannabis Activity Permit was issued; and

(K) The date that the Collective Cannabis Activity Permit expires.



(k) **Transfer of Ownership.** A permit issued under this section is transferrable as long as the:

(1) The applicant and/or the transferee notify the Department of the transfer or change in ownership by submitting an amendment to the application for a Collective Cannabis Activity Permit within 10 days of the date of the transfer; and

(2) A Request for Live Scan Service completed by the transferee, any new owner, and any additional persons required to submit a background check pursuant to the requirements contained in sections 45.19.6.4 through 45.19.6.6 of this Article for the type (or types) of commercial cannabis activity that will be conducted at the proposed location.

(l) **Fees.** The Department shall charge a non-refundable fee for a Collective Cannabis Activity Permit application. The City shall set the fee based upon the cost of providing the permitting and enforcement required by this Act. The application fee shall be in addition to all other fees and taxes including taxes paid by an applicant under Section 21.50 of the LAMC.

(m) **Renewal.** Upon expiration of the Collective Cannabis Activity Permit, the applicant shall thereafter reapply for a Commercial Cannabis Activity Permit. All Collective Cannabis Activity Permits shall expire the later of one year from the date of issuance or January 31, 2019. Thereafter, the Department shall convert all Collective Cannabis Activity Permits to Commercial Cannabis Activity Permits and all Commercial Cannabis Activity within the City shall be conducted under Commercial Cannabis Activity Permits. Notwithstanding anything to the contrary in this Article, conversion from a Collective Cannabis Activity Permit into a Commercial Cannabis Activity Permit will not affect any nonconforming uses.

### **SEC. 45.19.6.3. COMMERCIAL CANNABIS ACTIVITY PERMIT.**

(a) A person may not conduct commercial cannabis activity without a valid Collective Cannabis Activity Permit issued pursuant to Section 45.19.6.2 or Commercial Cannabis Activity Permit issued pursuant to this section. A separate Commercial Cannabis Activity Permit is required for each location.

(b) The Department is responsible for issuing Commercial Cannabis Activity Permits. The Department shall develop a form and procedure for processing Commercial Cannabis Activity Permit registrations and these forms shall be available as follows:

(1) **Dispensaries.** When the voters of the City of Los Angeles previously passed Proposition D, the City estimated that there could be 135 dispensaries that qualified. The Department shall first process all of the applications for Collective Cannabis Activity Permits for the Pre ICO Medical Cannabis Dispensaries and shall



issue Dispensary Permits to all of the dispensaries that qualify in accordance with the conditions set forth in Sec. 45.19.6.2. In the event the number of qualifying dispensaries are less than 135, then on January 31, 2018, the Department shall provide an application for applicants to apply for a retail Dispensary Permit pursuant to the requirements set forth herein. The Department shall establish merit based standards for issuing permits to maintain no less than 135 retail Dispensaries in the City. The Department shall issue the following Dispensing permits:

- (a.) 10 – Dispensary General (with no cultivation)
- (b.) 10A – Dispensary, cultivation and manufacturing

(2) **Cultivation.** Within 90 days of the Effective Date of this Article, the Department shall allow the Pre ICO Medical Cannabis Dispensaries that have applied for a Collective Cannabis Activity Permit to apply for a Cultivation Permit. The Department shall first issue Cultivation permits to the Pre ICO Medical Cannabis Dispensaries who were required to conduct all cannabis businesses in a single location pursuant to Proposition D and are vertically integrated and have been cultivating on-site at the premises of their dispensary. The Department shall thereafter begin issuing off-site Cultivation permits. The Department shall have the sole discretion to determine the number of Cultivation permits for off-site cultivation. Notwithstanding anything to the contrary in this Article, at no time shall the on-site vertically integrated cultivation licenses issued to the Pre ICO Medical Cannabis Dispensaries be included in a capped number of cultivation permits in the event the Department decides to limit the number of cultivation permits.

On January 31, 2018, the Department shall provide an application for a Cultivation permit that contains the information set forth in (c) below. All Cultivation shall be indoor cultivation and shall be limited by canopy size as set forth in the State of California Medical Marijuana Regulation and Safety Act. The Department shall issue the following cultivation permits:

- (a.) Type 1A – specialty indoor for indoor cultivation of less than or equal to 5,000 square feet of total canopy size on one premises;
- (b.) Type 2A – small indoor for indoor cultivation between 5,001 and 10,000 square feet, inclusive of total canopy size on one premises;
- (c.) Type 3A – indoor cultivation between 10,001 and 22,000 square feet.

(3) **Manufacturing.** Within 90 days of the Effective Date the Department shall provide an application for a Type 6 (nonvolatile) extraction Commercial Cannabis Activity Permit. The Department shall determine the number of Manufacturing Permits it would like to issue. All Manufacturing shall meet the requirements as set forth in the State of California Medical Marijuana Regulation and Safety Act. The Department shall issue the following Manufacturing Permits:



Type 6 – Manufacturer 1 – for manufacturing sites that produce medical cannabis products using nonvolatile solvents.

(4) **Testing.** On January 31, 2018, the Department shall provide an application for a Testing Commercial Cannabis Activity Permits and shall determine the number of Testing Permit it would like to issue. All Testing shall meet the requirements as set forth in the State of California Medical Marijuana Regulation and Safety Act. The Department shall issue the following permit to Test Laboratories:

Type 8 – Testing – this classification can hold no other type of license.

(5) **Distribution.** On January 31, 2018, the Department shall provide an application for a Distribution Commercial Cannabis Activity Permits and shall determine the number of Distributor Permits it would like to issue. All Distribution shall meet the requirements as set forth in the State of California Medical Marijuana Regulation and Safety Act. The Department shall issue the following Distribution Permit:

Type 11 – Distributor Permit. A Type 11 licensee shall be bonded and insured at a minimum level established by MMRSA. A Distributor may only hold a license in Type 11 and Type 12 (Transport)

(6) **Transport.** On January 31, 2018, the Department shall provide an application for a Transport Commercial Cannabis Activity Permits. The number of Transport Permits shall be determined by the Department. All Transport shall meet the requirements as set forth in the State of California Medical Marijuana Regulation and Safety Act. The Department shall issue the following Transport Permit:

Type 12 – Transport Permit. A Transport Permit shall be bonded and insured at a minimum level established by MMRSA. A Type 12 licensee may also hold a Type 11 license.

(c) All applications for a Commercial Cannabis Activity Permit shall require the following information:

(1) The name of the applicant, the applicant's "doing business as" (i.e., D.B.A.), and the address of the proposed location;

(2) The name, telephone number, and address of a person authorized to accept service of process on behalf of the applicant;

(3) The name, telephone number, and address of a person responsible for receiving, logging, and responding to complaints regarding the applicant;



(4) A Request for Live Scan Service completed by the applicant and any additional persons required to submit a background check pursuant to the requirements contained in sections 45.19.6.4 through 45.19.6.8 of this Article for the type (or types) of commercial cannabis activity that will be conducted at the proposed location;

(5) Evidence of the legal right for the applicant to occupy and use the proposed location. In the event the applicant is not the owner of record of the location, the application must be accompanied by a notarized statement and consent from the owner of the property acknowledging that commercial cannabis activity is or will be conducted at the location. In addition to furnishing such notarized statement, the applicant shall furnish the name and address of the owner of record of the location, as well as a copy of the lease or rental agreement pertaining to the location;

(6) A copy of the applicant's Seller's Permit issued by the State Board of Equalization pursuant to Part 1 of Division 2 of the Revenue and Taxation Code;

(7) A security plan, including, but not limited to, lighting, alarms and security guard arrangements;

(8) A 1,000-foot radius map with a minimum scale of 1"=75' signed by a licensed civil engineer, architect, or land surveyor showing streets names, lot boundaries, sensitive uses, uses on adjacent properties adjacent to the proposed location, and addresses of all properties at the perimeter of the 1,000-foot radius;

(9) The type (or types) of commercial cannabis activity (Cultivation, Manufacturing, Testing, Distribution or Transport) that will be conducted at the proposed location along with a detailed description of the applicant's operating procedures, which demonstrate that the applicant complies (or will comply) with the requirements contained in sections 45.19.6.4 through 45.19.6.6 of this Article for the type (or types) commercial cannabis activity that will be conducted at the proposed location;

(10) Proof of a Labor Peace Agreement commitment if the applicant anticipates it will, or currently does employ ten (10) or more employees;

(11) An executed release of liability and hold harmless in the form set forth in the City's application form;

(12) A statement, signed by the applicant under penalty of perjury, that the information provided in the application is complete, true, and accurate; and

(13) Authorization for the City to verify the information and representations contained in the application.





(e) Upon receipt of an application for a Commercial Cannabis Activity Permit the Department shall:

(1) Within 45 days of receipt of the application, the Department shall render an initial decision whether to approve or deny the application. If the Department's initial decision is to deny the application, the Department shall send a notice to the applicant within 5 days of rendering a decision to deny the application specifying the reasons for denying the application ("Denial Notice"). Within 60 days of receipt of the Denial Notice, the applicant may submit an amended application curing any deficiencies with the original application. Within 30 days of receipt of the amended application, the Department shall render a final decision whether to approve or deny the application. If the applicant fails to submit an amended application within 60 days of the Department's notice of deficiency or the applicant's revised application failed to correct all the deficiencies with the original application, the Department shall render a final decision whether to approve or deny the registration.

(2) Within 10 days of approval of the application, the Department shall send a written notice to (i) the City Attorney; (ii) the Police Department; (iii) the City Council member of the district in which the location is located; and (iv) the Certified Neighborhood Council, containing:

(A) The address of the proposed location where commercial cannabis activity will be conducted;

(B) The type (or types) of commercial cannabis activity (Cultivation, Dispensing, Manufacturing, Testing) that will be conducted at the proposed location;

(C) The name, telephone number, and address of a person authorized to accept service of process on behalf of the applicant; and

(D) The name, telephone number, and address of a person responsible for receiving, logging, and responding to complaints regarding the applicant.

(3) Within 10 days of rendering a decision to approve an application for a Commercial Cannabis Activity Permit, the Department shall issue the Commercial Cannabis Activity Permit to the permittee. Upon issuance, the Commercial Cannabis Activity Permit shall be valid for one year. A Commercial Cannabis Activity Permit issued by the Department shall include the following on its face:

(A) A serial number;

(B) The seal of the City and the Department;



(C) The LAMC Chapter and Article regulating the issuance of Commercial Cannabis Activity Permits;

(D) The name of the permittee;

(E) The “doing business as” (i.e., D.B.A.) permittee;

(F) The address of the permitted location;

(G) The type (or types) of commercial cannabis activity (Cultivation, Dispensing, Manufacturing, Testing) covered by the Commercial Cannabis Activity Permit;

(H) The name, telephone number, and address of a person authorized to accept service of process on behalf of the permittee;

(I) The name, telephone number, and address of a person responsible for receiving, logging, and responding to complaints regarding the permittee;

(J) The date that the Commercial Cannabis Activity Permit was issued;  
and

(K) The date that the Commercial Cannabis Activity Permit expires.

(f) **Transfer of Ownership.** A permit issued under this section is transferrable as long as the

(1) The applicant and/or the transferee notify the Department of the transfer or change in ownership by submitting an amendment to the application for a Commercial Cannabis Activity Permit within 10 days of the date of the transfer; and

(2) A Request for Live Scan Service completed by the transferee, any new owner, and any additional persons required to submit a background check pursuant to the requirements contained in sections 45.19.6.4 through 45.19.6.6 of this Article for the type (or types) of commercial cannabis activity that will be conducted at the proposed location;

(g) **Fees.** The Department shall charge a non-refundable fee for a Commercial Cannabis Activity Permit application. The application fee shall be in addition to all other fees and taxes including taxes paid by an applicant under Section 21.50 of the LAMC. The Commercial Cannabis Activity Permit application fee may be recalculated annually and approved by the City Council.



#### **SEC. 45.19.6.4. COMMERCIAL CANNABIS CULTIVATION.**

(a) Cultivation covered by a Commercial Cannabis Activity Permit, unless the Cultivation Permit was issued first to a Collective Cannabis Activity Permit, shall be an allowed use subject to the conditions and requirements of this Article in the following zoning districts listed in Article 2 of Chapter I of the LAMC:

- (1) "A1" Agriculture Zone;
- (2) "A2" Agricultural Zone;
- (3) "CM" Commercial Manufacturing Zone;
- (4) "MR1" Restricted Industrial Zone;
- (5) "M1" Limited Industrial Zone;
- (6) "MR2" Restricted Light Industrial Zone;
- (7) "M2" Light Industrial Zone; or
- (8) "M3" Heavy Industrial Zone.

(b) Cultivation under a Commercial Cannabis Activity Permit, unless the Cultivation Permit was issued first to a Collective Cannabis Activity Permit, is prohibited in all the zoning districts listed in Article 2 of Chapter I of the LAMC that are not specifically listed in subsection (a) above.

(c) Notwithstanding subsections (a) and (b), conducting Cultivation pursuant to a Collective Cannabis Activity Permit at a location where Dispensing and Cultivation have been conducted continuously since prior to the Effective Date of this Article and is not within the zoning set forth in (a) above, said use shall be deemed a legal, nonconforming use and shall be grandfathered in.

#### **SEC. 45.19.6.5. COMMERCIAL CANNABIS DISPENSING.**

(a) Dispensing covered by a Commercial Cannabis Activity Permit is an allowed use subject to the conditions and requirements of this Article in the following zoning districts listed in Article 2 of Chapter I of the LAMC, provided that the proposed location is not (i) located within a 1,000-foot radius from a school; (ii) located within a 600-foot radius from a public park, religious institution, licensed child care facility, youth center, substance abuse rehabilitation center, or any other permitted location to which a Commercial Cannabis Activity Permit covering Dispensing applies; or (iii) abutting, across the street or alley from, or having a common corner with a residentially zoned lot or a lot improved with a residential use, Dispensing covered by a Collective Cannabis Activity Permit or a Commercial



Cannabis Activity Permit is a use permitted subject to the conditions and requirements of this Article in the following zoning districts listed in Article 2 of Chapter I of the LAMC:

- (1) "CM" Commercial Manufacturing Zone;
- (2) "MR1" Restricted Industrial Zone;
- (3) "M1" Limited Industrial Zone;
- (4) "MR2" Restricted Light Industrial Zone;
- (5) "M2" Light Industrial Zone;
- (6) "M3" Heavy Industrial Zone;
- (7) "CR" Limited Commercial Zone;
- (8) "C1" Limited Commercial Zone;
- (9) "C1.5" Limited Commercial Zone;
- (10) "C2" Commercial Zone;
- (11) "C4" Commercial Zone;
- (12) "C5" Commercial Zone.

(b) Dispensing covered by a Commercial Cannabis Activity Permit is prohibited in all the zoning districts listed in Article 2 of Chapter I of the LAMC that are not listed in subsection (a).

(c) Notwithstanding subsections (a) and (b), conducting Dispensing covered by a Collective Cannabis Activity Permit at a location where Dispensing has been conducted continuously since prior to the Effective Date of this article shall be a nonconforming use and shall be grandfathered in.

#### **SEC. 45.19.6.6. COMMERCIAL CANNABIS MANUFACTURING AND DISTRIBUTION.**

(a) Manufacturing and Distribution covered by a Commercial Cannabis Activity Permit shall be an allowed use subject to the conditions and requirements of this Article in the following zoning districts listed in Article 2 of Chapter I of the LAMC:

- (1) "CM" Commercial Manufacturing Zone;
- (2) "MR1" Restricted Industrial Zone;



- (3) "M1" Limited Industrial Zone;
- (4) "MR2" Restricted Light Industrial Zone;
- (5) "M2" Light Industrial Zone; or
- (6) "M3" Heavy Industrial Zone.

(b) Manufacturing covered by a Collective Cannabis Activity Permit or a Commercial Cannabis Activity Permit is prohibited in all the zoning districts listed in Article 2 of Chapter I of the LAMC that are not listed in subsection (a).

#### **SEC. 45.19.6.7. COMMERCIAL CANNABIS TESTING.**

(a) Testing covered by a Commercial Cannabis Activity Permit may be conducted subject to the conditions and requirements of this Article in the following zoning districts listed in Article 2 of Chapter I of the LAMC:

- (1) "CR" Limited Commercial Zone;
- (2) "C1" Limited Commercial Zone;
- (3) "C1.5" Limited Commercial Zone;
- (4) "C2" Commercial Zone;
- (5) "C4" Commercial Zone;
- (6) "C5" Commercial Zone;
- (7) "CM" Commercial Manufacturing Zone;
- (8) "MR1" Restricted Industrial Zone;
- (9) "M1" Limited Industrial Zone;
- (10) "MR2" Restricted Light Industrial Zone;
- (11) "M2" Light Industrial Zone; or
- (12) "M3" Heavy Industrial Zone.

(b) Testing covered by a Commercial Cannabis Activity Permit is prohibited in all the zoning districts listed in Article 2 of Chapter I of the LAMC that are not listed in subsection (a).



**SEC.45.19.6.8. COMMERCIAL CANNABIS ACTIVITY OPERATIONAL REQUIREMENTS.**

(a) Notwithstanding zoning requirements set forth in Section 45.19.6.4, Section 45.19.6.5, Section 45.19.6.6 and Section 45.19.6.7 herein, all Collective Cannabis Activity and Commercial Cannabis Activity is subject to the following operational requirements:

- (1) The location shall not be located within a 1,000-foot radius from a School;
- (2) The location shall comply with the provisions of Chapter I and IX of the LAMC;
- (3) Cultivation, Dispensing, (and to the extent permitted by the City) Manufacturing, Testing, Distribution and Transport shall be conducted in accordance with State laws and regulations;
- (4) There shall be at least one responsible person at the location to act as manager and supervise employees at all times during business hours. Such manager (including any proposed or prospective manager) shall not have been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession currently or within the last 10 years;
- (5) The permittee shall enter into a labor peace agreement if the applicant anticipates it will, or currently does employ ten (10) or more employees;
- (6) The location shall be monitored at all times by web-based closed-circuit television for security purposes. The camera and recording system must be of adequate quality, color rendition, and resolution to allow the ready identification of any individual committing a crime anywhere on or adjacent to the location. The recordings shall be maintained for a period of not less than 30 days and shall be made available to the Department, the Police Department, or the City Attorney upon request;
- (7) The location shall have a centrally-monitored fire and burglar alarm system and shall contain a fire-proof safe;
- (8) The location shall have adequate security to ensure the safety of persons and to protect the location from theft at all times. The permittee shall also provide a security guard during all hours of operation. All security guards employed by the permittee shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times.
- (9) Exterior building lighting and parking area lighting for the location must be in compliance with Sections 93.0104, 93.0107, and 93.0117 of the LAMC;
- (10) Windows and roof hatches of the location shall be secured from the inside with bars so as to prevent unauthorized entry, and shall be equipped with latches that



may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable California and City Building Code provisions;

(11) For all Cultivation, Manufacturing, Testing and Distribution Permits, entrances to the locations on the premises where cultivation, manufacturing, testing or distribution is being performed shall remain locked from the outside to prevent unauthorized ingress. Ingress shall be allowed by means of a remote release operated from within the location. In all cases, doors shall remain openable from the inside to allow egress without the use of a key or special knowledge. If installed, access controlled egress doors shall comply with Section 1008.1.3.4 of the California Building Code;

(12) Cannabis within the location shall not be visible from the exterior to the location;

(13) All finished medical cannabis and medical cannabis products (except for limited amounts of cannabis used for display purposes, samples, or immediate sale) shall be secured and locked in a room, safe, or vault in a manner as to prevent diversion, theft, and loss;

(14) No persons under the age of 18 shall be allowed at the location, unless that minor is a qualified patient and accompanied by his or her licensed attending physician, parent, or documented legal guardian;

(15) No recommendations or approvals by a physician to use medical cannabis or medical cannabis products shall be issued at the location;

(16) There shall be no on-site sales of alcohol or tobacco, and no on-site consumption of cannabis, alcohol, or tobacco by patrons or employees at the location;

(17) A sign shall be posted at the entrance to the location providing the name, telephone number, and address of a person responsible for receiving, logging, and responding to complaints regarding the permittee; and

(18) Agents or employees of the City requesting admission to the location for the purpose of determining compliance with this Article shall be given unrestricted access.

(b) Dispensing covered by a Collective Cannabis Activity Permit or a Commercial Cannabis Activity Permit in addition to (1) – (18) above shall also be subject to the following operational requirements:

(1) All retail sales to qualified patients shall occur between the hours of 10:00 a.m. and 10:00 p.m.;



(2) The permittee shall notify patrons of the following verbally (or by written agreement) and by posting of a sign (or signs) conspicuously within the location:

(A) “The sale or diversion of cannabis without a Commercial Cannabis Activity Permit issued by the City of Los Angeles is a violation of State law and the Los Angeles Municipal Code.”

(B) “Use of medical marijuana shall be limited to the patient identified on the doctor’s recommendation. Secondary sale, barter, or distribution of medical cannabis or medical cannabis products purchased from [Insert Name of Permittee] is a crime and can lead to arrest.”

(C) “Patrons must immediately leave the location and not consume medical cannabis or medical cannabis products until at home or in an equivalent private location. Staff shall monitor the location and vicinity to ensure compliance.”

(D) “Forgery of medical documents is a felony crime. Entry into the premises by persons under the age of eighteen is prohibited unless they are a qualified patient and accompanied by a licensed attending physician, parent, or legal guardian.”

(E) “CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to marijuana smoke. Cannabis smoke is known by the State of California to cause cancer.”

(3) The Location is not (i) located within a 1,000-foot radius from a School; (ii) located within a 600-foot radius from a public park, religious institution, licensed child care facility, youth center, substance abuse rehabilitation center, or any other permitted location to which a Commercial Cannabis Activity Permit covering Dispensing applies; or (iii) abutting, across the street or alley from, or having a common corner with a residentially zoned lot or a lot improved with a residential use.

(c) In the event a school or other sensitive use herein locates within the distance requirements set forth in paragraph (1) for Cultivation, Manufacturing, Testing or Distribution activity covered by a Commercial Cannabis Activity Permit at a permitted location, said use shall be a legal, nonconforming use so long as the permitted location is continuously used for Cultivation, Manufacturing, Testing or Distribution.

(d) In the event that a sensitive use (school, public park, religious institution, licensed child care facility, youth center, substance abuse rehabilitation center, any other permitted location to which a Collective Cannabis Activity Permit or a Commercial Cannabis Activity Permit covering Dispensing, or a residentially zoned lot, or lot improved with a residential use) locates within the distance requirements set forth in Section 45.19.6.5, subsection





(b) after Dispensing covered by a Collective Cannabis Activity Permit or a Commercial Cannabis Activity Permit commences at a permitted location, Dispensing covered by either Permit at the permitted location shall be a legal, nonconforming use so long as the permitted location is continuously used for Dispensing covered by a valid Permit.

**SEC. 45.19.6.9. ANNUAL RENEWAL REQUIREMENTS FOR ALL CANNABIS ACTIVITY PERMITS.**

All Commercial Cannabis Activity Permits are valid for one year from the issuance of the permit. In order to renew the permit each year the applicant must provide the Department with the following:

(a) The Renewal Fee;

(b) The list of managers for the business;

(c) Request for Live Scan Service completed by the applicant and any additional persons required to submit a background check pursuant to the requirements contained in Sections 45.19.6.4 through 45.19.6.7 of this Article for the type (or types) of commercial cannabis activity that will be conducted at the proposed location;

(d) Proof of renewal of the City of Los Angeles Business Tax Registration Certificate (which shall be renewed timely each year) and payment of any and all business taxes due for said renewal period. A permittee shall not be in breach of this subsection if it enters into and fully performs per the terms of an installment plan, offer and compromise or other settlement agreement with the City; and

(e) Proof of a State Issued license. Failure to maintain a state license once made available by the State of California shall be automatic grounds for suspension of a Collective Cannabis Activity Permit or a Commercial Cannabis Activity Permit and applicant shall immediately cease all cannabis related business until Proof of a State License is provided.

**SEC. 45.19.6.10. COMMERCIAL CANNABIS PERMIT LIMITS.**

(a) After the one year anniversary of this Act, the City Council may amend this subsection to provide (i) expand or place a limit on the number of Commercial Cannabis Activity Permits covering Cultivation, Manufacturing, Testing, Distribution and Transport that the Department may issue but in no event shall the number be less than set forth in each section herein; and (ii) a mechanism for determining the priority order in which the Department will consider applications for Commercial Cannabis Activity Permits. If the City Council fails to amend this subsection to provide a mechanism for determining the priority order in which the Department will consider applications for Commercial Cannabis Activity Permits covering Cultivation, Manufacturing and Testing, the Department shall consider



applications for Commercial Cannabis Activity Permits on a first-submitted, first-processed basis.

(b) Notwithstanding subsections (a) and (b) of Section 45.19.6.5 of this Article, once Dispensing is simultaneously conducted in at least 135 permitted locations, the Department shall cease issuing Commercial Cannabis Activity Permits covering Dispensing at additional proposed locations unless the City Council amends this subsection allowing for additional Dispensing locations and provides a mechanism for determining a priority order in which the Department will consider additional Dispensing locations. Notwithstanding the foregoing a Dispensary may relocate to compliant location.

(c) In the event that the number of permitted locations where Dispensing is simultaneously conducted falls below 135, (i) the Department shall resume issuing Commercial Cannabis Activity Permits covering Dispensing at additional proposed locations, and (ii) the City Council may amend this subsection to provide a mechanism for determining the priority order in which the Department will consider applications for Commercial Cannabis Activity Permits covering Dispensing at additional proposed locations. If the City Council fails to amend this subsection to provide a mechanism for determining the priority order in which the Department will consider applications for Commercial Cannabis Activity Permits covering Dispensing at additional proposed locations, the Department shall consider applications for Commercial Cannabis Activity Permits covering Dispensing at additional proposed locations on a first-submitted, first-processed basis.

#### **SEC. 45.19.6.11. ENFORCEMENT.**

(a) Conducting commercial cannabis activity without a valid Collective Cannabis Activity Permit or Commercial Cannabis Activity Permit issued pursuant to this Article in violation of Section 45.19.6.2 or 45.19.6.3 shall be subject to the remedies set forth in Sections 11.00 and 12.27.1 of the LAMC and the City may also seek any unpaid taxes pursuant to Section 21.50 of the LAMC. Each day shall be considered a new violation with fines of \$10,000 per day per violation.

(b) A violation of any other requirement or provision of this Article other than a violation of Subsection (a) of Section 45.19.6.2 shall be subject to the remedies set forth in the following schedule:

(1) A person's first violation in any two-year period shall result in a correction letter from the City Attorney that will require the violation to be remedied within ninety (90) days with one (1) ninety (90) day extension allowed.

(2) A person's second violation in any two-year period shall be punished as an infraction pursuant to Section 11.00 of the LAMC.



(3) A person's third violation in any two-year period shall result in suspension of the Collective Cannabis Activity Permit or Commercial Cannabis Activity Permit for a period of 90 days.

(4) A person's fourth violation in any two-year period shall be subject to the remedies set forth in Sections 11.00 and 12.27.1 of the LAMC including the right of the Department to revoke the Permit but only following the right to a hearing and due process.

(c) Upon suspension or revocation of a person's Collective Cannabis Activity Permit or Commercial Cannabis Activity Permit, the Department shall inform the Bureau of Medical Marijuana Regulation.

(d) The City shall not begin instituting enforcement actions against Pre ICO Medical Cannabis Dispensaries for until at least 180 days after the Effective Date of this Article. No enforcement action shall be taken against a Pre ICO Medical Cannabis Dispensary that has submitted an application to the Department for a Collective Cannabis Activity Permit while they are waiting for approval or denial of their application.

(e) For the purpose of cumulating violations under subsection (b), the same violation spanning multiple days constitutes a single violation. This subsection does not apply for the purpose of calculating monetary penalties.

(f) The Department, the Police Department, or the City Attorney may inspect a permitted location at any reasonable time to ensure compliance with the requirements and provisions of this Article except that private medical records shall only be made available pursuant to a properly executed search warrant, subpoena, or court order.

(g) A permittee shall collect and maintain accurate records of commercial cannabis activity conducted pursuant to requirements and provisions of this Article. Records collected pursuant to this subsection shall be maintained by the permittee for a period of seven years and shall be made available by the permittee to the Department, the Police Department, or the City Attorney upon request, except that private medical records shall be made available only pursuant to a properly executed search warrant, subpoena, or court order.

(h) A permittee (or its agent or employee) that refuses, impedes, obstructs, or interferes with an inspection of a permitted location or records collected and maintained by the permittee pursuant to this section has engaged in a violation of this Article.

(i) All fines and fees collected pursuant to the enforcement of this Article shall offset the cost of both the administration and enforcement of this Article, including the costs of issuing permits, renewing permits, administering the permit program, education, inspections and compliance checks, documentation of violations, prosecution of violators, adjudications, and convictions.



**SEC. 45.19.6.12. PRIVACY.**

(a) Information identifying the names of patients, their medical conditions, or the names of their primary caregivers received and contained in records kept by the City for the purposes of administering this Article are confidential and shall not be disclosed pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), except as necessary for authorized employees of the City to perform official duties pursuant to this Article.

(b) Information identifying the names of patients, their medical conditions, or the names of their primary caregivers received and contained in records kept by the City for the purposes of administering this Article shall be maintained in accordance with Chapter 1 (commencing with Section 123100) of Part 1 of Division 106 of the Health and Safety Code, Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code, and other State and federal laws relating to confidential patient information.

(c) The City shall not disclose any information received or maintained for the purposes of administering this Article beyond what is necessary to achieve the goals of a specific investigation, notification, or the parameters of a specific court order or subpoena. The City shall resist to fullest extent afforded by law any efforts of the federal government to acquire any information received or maintained by the City for the purposes of administering this Article.

**SEC. 45.19.6.13. ADULT USE.**

In the event the voters of the State of California adopt the Adult Use Marijuana Act (“AUMA”), marijuana businesses who have already been granted permits pursuant to and subject to the above, may also operate under those permits as an Adult Use Marijuana Businesses in the same category of permit, upon the date the State of California makes available licensing under AUMA. Pursuant to Business and Professions Code Section 26054.2, priority shall be given to all Collective Cannabis Activity Permittees to operate until December 31, 2019. If the Adult Use Marijuana Act has become law, any limitation by the word “medical” in the operational section of this Act shall be removed.

All Adult Use Permittees shall operate in full compliance with all City and State laws including the Adult Use Marijuana Act.

**Sec. 4. Amendment to Article 1 of Chapter II of the Los Angeles Municipal Code.**

Section 21.50 of Article 1 of Chapter II of the Los Angeles Municipal Code is amended to read as follows:



## **SEC. 21.50. TAXATION OF COMMERCIAL CANNABIS ACTIVITY.**

(a) No registration certificate or permit issued under the provisions of Article 1 or Article 1.5 of Chapter 2 of this Code, or the payment of any tax required under the provisions of Article 1 or Article 1.5 of Chapter 2 of this Code shall be construed as authorizing commercial cannabis activity not permitted pursuant to Article 5.1 of Chapter IV of this Code.

(b) Every person engaged in commercial cannabis activity 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 from the sale of medical cannabis or medical cannabis products. In the event Adult Use Marijuana Act passes, then every person engaged in commercial cannabis activity not otherwise specifically taxed by other business tax provisions of this Chapter, shall pay a business tax of \$80.00 for each \$1,000.00 of gross receipts or fractional part thereof from the sale of Adult Use cannabis or Adult Use cannabis products.

(c) For purposes of this section, “commercial cannabis activity” has the same meaning as that term is defined in Section 45.19.6.1 of Article 5.1 of Chapter IV of this Code and “medical cannabis” or “medical cannabis product(s)” has the same meaning as the terms are defined in Section 45.19.6.1 of Article 5.1 of Chapter IV of this Code.

(d) For purposes of this section, “gross receipts” includes all amounts that would be considered gross receipts under section 21.00, including without limitation:

- (i) Membership dues;
- (ii) The value of in-kind contributions;
- (iii) Reimbursements provided by members, regardless of form; and
- (iv) Anything else of value obtained through commercial cannabis activity.

(e) All taxpayers subject to this section must pay the full tax imposed by this section regardless of any rebate, exemption, incentive, or other reduction set forth elsewhere in the Municipal Code, except as required by California or Federal Law. No provision in the Municipal Code can lower the tax rate set forth in this section or otherwise reduce the amount of taxes paid hereunder unless the provision specifically states that the reduction applies.

(f) The City Council may impose the tax authorized by this section at a lower rate and may establish exemptions, incentives, or other reductions as otherwise allowed by the Charter and California law. No action by the Council under this paragraph shall prevent it from later increasing the tax or removing any exemption, incentive, or reduction and restoring the maximum tax specified in this section.



**Sec. 5. Amendment to Article 1 of Chapter IX of the Los Angeles Municipal Code.**

Subsection 5 of Section 91.107.3.2 of Article 1 of Chapter IX of the Los Angeles Municipal Code is amended to read as follows:

5. **Commercial Cannabis Activity Inspection Fee.** An inspection fee shall be collected by the Department to conduct inspections and re-inspections pursuant to the requirements of Sections 45.19.6.2 and 45.19.6.3 of Article 5.1 of Chapter IV of the Los Angeles Municipal Code. The inspection fee shall be in addition to any other fee that the Department determines is necessary due to the nature of the work involved.

**Sec. 6. Amendment to Article 8 of Chapter IX of the Los Angeles Municipal Code.**

Sections 98.0410 and 98.0416 of Article 8 of Chapter IX of the Los Angeles Municipal Code is amended to read as follows:

**SEC. 98.0410. SURCHARGE FOR ONE-STOP PERMIT CENTER.**

There shall be added to the total of all fees imposed for the registration and permitting of commercial cannabis activity provided for in Article 5.1 of Chapter IV of this Code and for any permit, plan check, license, application, report, and inspection provided for in Articles 1 through 8 of this chapter excluding Sections 91.6205.18, 91.107.4.4, 91.107.4.6, 98.0402, 98.0411, 98.0416, 98.0418 and 98.0716 of this Code a surcharge in an amount equal to the greater of two percent of the fees or one dollar. All monies received from this surcharge shall be deposited to and expended as provided for the Construction Services Trust Fund pursuant to Section 5.321 of the Los Angeles Administrative Code.

**SEC. 98.0416. BUILDING AND SAFETY SYSTEMS DEVELOPMENT SURCHARGE.**

There shall be added to the total of all fees imposed for the registration and permitting of commercial cannabis activity provided for in Article 5.1 of Chapter IV of this Code and for any permit, plan check, license, application, report and inspection provided for in Articles 1 through 8 of this chapter excluding Sections 91.6205.18, 91.107.4.4, 91.107.4.6, 98.0402(f), 98.0410, 98.0411, 98.0416, 98.0418 and 98.0716 of this Code a surcharge in the amount equal to the greater of six percent of the fee or one dollar. All monies received from this surcharge shall be deposited to and expended as the "Building and Safety Systems Development Account" of the Department of Building and Safety Building Permit Enterprise Fund pursuant to Section 5.121.8 of the Los Angeles Administrative Code.

**Sec. 7. Effective Date.**

Except as otherwise provided herein, this Act shall become effective the day after its approval by the voters.



## **Sec. 8. Amendment and Repeal.**

This Act shall be broadly construed to accomplish its purposes and intent as stated in herein. The City Council may by majority vote amend the provisions of this Act to implement the substantive provisions of this ballot measure, provided that such amendments are consistent with and further the purposes and intent of this Act and the permit process provided for herein.

But for Delivery licensing in the City of Los Angeles, the City Council shall have the right to amend this Act to bring the City of Los Angeles in full compliance with the Medical Marijuana Regulation and Safety Act by adding additional licenses as added by the State of California.

This Act specifically does not permit “Delivery” in the City of Los Angeles. The City Council shall have the right to amend this Act to allow Delivery permits in Los Angeles but “Delivery” can only be amended and permitted to existing “brick and mortar” Dispensary Permittees in the City of Los Angeles and must be in full compliance with State Law.

## **Sec. 9. Severability.**

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Article is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases of this Article. The voters of the City declare that they would have independently adopted each section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Article irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases of this Article is declared invalid or unenforceable.

## **Sec. 10. Liberal Construction.**

This Act is an exercise of the public power of the people of the City for the protection of the health, safety, and welfare of the people of the City, and shall be liberally construed to effectuate its purposes.

## **Sec. 11. Competing Measures.**

In the event that another measure or measures relating to the regulation of cannabis in the City of Los Angeles appears on the same ballot as this measure, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes than the other measure or measures, the provisions of this measure shall prevail in their entirety over all provisions of the competing measure or measures, and the competing measure or measures shall be null and void.



Sec. B. The City Clerk is hereby authorized and directed to publish a notice containing the proposed ballot measure, specifying the date of March 7, 2017, as the date the measure is to be voted upon by the qualified voters of the City of Los Angeles. The notice shall be published once in a newspaper of general circulation in the City of Los Angeles, and in each edition thereof during that day of publication. The City Clerk is authorized and directed to prepare and keep in the City Clerk's office a sufficient supply of copies of the proposed ballot measure and to distribute the proposed ballot measure to any and all persons requesting a copy. Further, the City Clerk is authorized and directed to mail copies of the proposed ballot measure to each of the qualified voters of the City of Los Angeles.

Sec. C. The City Clerk is hereby authorized and directed to cause a notice to be published once in a newspaper of general circulation that copies of voter information pamphlets containing the proposed ballot measure may be obtained upon request in the City Clerk's office.

Sec. D. The City Clerk shall file a duly certified copy of this Resolution forthwith with the Board of Supervisors and with the Registrar-Recorder of the County of Los Angeles.





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## **P MAXIMUM TERM OF HARBOR DEPARTMENT LEASES. CHARTER AMENDMENT P.**

Shall the City Charter be amended to increase the maximum term for franchises, concessions, permits, licenses and leases that may be entered into by the Harbor Department from the current maximum of 50 years to a new maximum of 66 years, to be consistent with recent changes to state law?

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### **IMPARTIAL SUMMARY BY SHARON M. TSO, CHIEF LEGISLATIVE ANALYST**

The proposed Charter Amendment would align current provisions in the City Charter applicable to the City's Harbor Department with recently amended state law.

Currently, City Charter Section 607 provides that the maximum allowable length of franchises, concessions, permits, licenses and leases that may be issued by the City's three proprietary departments shall not exceed 30 years, or the term specified by applicable state and federal law, whichever is less. It further states that if the City Council finds that a term longer than 30 years is in the City's best interests, a term not to exceed 50 years may be authorized with a two-thirds vote of the City Council.

Existing state law, under Section 1 of Chapter 651 of the Statutes of 1929, protects the public's right to use California waterways for commerce, navigation, fishing, boating, natural habitat protection, and other water oriented activities. Under these protections, the City of Los Angeles is granted in trust, all rights, title, and interest of State tidelands and submerged lands within the boundaries of the City for certain purposes, including promotion of commerce, navigation, and fishery. Prior to October 2015, this law also authorized the City to issue franchises, permits and leases in connection with those lands [through its Harbor Department] for terms not to exceed 50 years.

In October 2015, this state law was amended to allow the Harbor Department to issue franchises, concessions, permits, licenses and leases for a maximum term of 66 years, if permitted under City law. However, the City Charter limits the terms to 50 years, creating an inconsistency between state and local laws.

If approved, this proposed measure would amend Charter Section 607 to increase the maximum allowable term applicable to the Harbor Department's franchises, concessions, permits, licenses and leases from the current maximum allowable of 50 years to a new maximum allowable of 66 years, consistent with new state law. Other provisions of this Charter section would remain unchanged.

This measure would become effective if approved by a majority vote.



**FINANCIAL IMPACT STATEMENT**  
**BY MIGUEL A. SANTANA, CITY ADMINISTRATIVE OFFICER**

This City Charter amendment changes the maximum term for franchise, concession, permit, license, and lease agreements issued by the Harbor Department from the current fifty (50) years to a new maximum of sixty-six (66) years, consistent with State law.

The proposed Charter amendment would retain language in Charter Section 607(a) requiring Council approval of long-term leases.

Any fiscal impact in costs and revenue to the Harbor Department and City cannot be determined until future agreements subject to this amendment are proposed by the Harbor Department and reviewed as part of a public approval process.

The measure potentially impacts the Harbor Revenue Fund. There is no anticipated impact to the City's General Fund.



## **ARGUMENT IN FAVOR OF CHARTER AMENDMENT P**

Yes on P proposes a technical change that would update our City Charter to make it consistent with a recent state law change that extends from 50 to 66 years the maximum term that the Port of Los Angeles may lease or grant, as specified, its tidelands and submerged lands for specified purposes.

Major public and private stakeholders, including the Los Angeles County Economic Development Corporation, have concluded that Yes on P will create additional tourism and visitor opportunities at the LA Waterfront.

Yes on P will be consistent with a majority of the ports up and down the state of California, including the ports of San Francisco, Oakland, Long Beach and San Diego.

Yes on P will help support actions taken by the City of Los Angeles to improve and better connect the Los Angeles waterfront area to tourists and the community, generate enhanced public and private investments, promote transit use, create jobs and increase public access to their waterfront.

In summary, Yes on P:

- Is a technical change that amends the City Charter to be consistent with state law
- Will assist in attracting private investments to upgrade the LA Waterfront, creating jobs, adding sales taxes, and economic benefits
- Allows the Port of Los Angeles to enter into longer term leases, but does not require it

## **PERSONS SIGNING ARGUMENT IN FAVOR OF CHARTER AMENDMENT P**

JOE BUSCAINO  
Councilmember, 15<sup>th</sup> District

**NO ARGUMENT AGAINST THIS MEASURE WAS SUBMITTED.**

**Arguments printed on this page are the opinions of the authors and are not checked for accuracy by any City agency.**



## **REBUTTAL TO THE ARGUMENT AGAINST CHARTER AMENDMENT P**

YES ON P promotes the Port of Los Angeles, an economic engine generating good jobs and economic activity benefiting every area of California, including:

- 1.1 million jobs in California
- \$89.2 billion in California trade value
- \$5.1 billion in state tax revenues

YES ON P will help the communities of San Pedro and Wilmington by improving opportunities on the waterfront, which have diminished in recent decades. For example, downtown San Pedro and Ports O' Call Village are currently not performing to their potential, due to isolated areas of retail/commercial development at the waterfront, along with abandoned, vacant, or underutilized sites.

VOTE YES ON P to update the City Charter with recent changes to State law and put us on par with all major ports in the State of California, thereby increasing opportunities for additional investment and growth.

### **PERSONS SIGNING REBUTTAL TO THE ARGUMENT AGAINST CHARTER AMENDMENT P**

JOE BUSCAINO  
Councilmember, 15<sup>th</sup> District  
City of Los Angeles

ELISE SWANSON  
President/CEO  
San Pedro Chamber of Commerce

GARY TOEBBEN  
President & CEO  
LA Area Chamber of Commerce

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New provisions or language added to the Charter or to existing Charter sections are shown in underline type; words deleted from the Charter or from existing Charter sections are shown in ~~strikeout~~ type.

## CHARTER AMENDMENT P

Section 1. Section 607 of the Charter of the City of Los Angeles is amended to read as follows:

### **Sec. 607. Limitations on Franchises, Concessions, Permits, Licenses and Leases.**

Franchises, concessions, permits, licenses and leases shall be subject to further limitations specified in this Article for each Proprietary Department and the following:

(a) **Length.** The term shall not exceed 30 years or the term specified by applicable federal or state law, whichever is less. If Council makes a finding that a term longer than 30 years would be in the best interest of the City, Council may, by a two-thirds vote, subject to Mayoral veto, or three-fourths vote over the veto of the Mayor, authorize a term up to 50 years for the Airports Department and Department of Water and Power and a term up to 66 years for the Harbor Department, or the maximum period allowed by any federal or state law, whichever is less.

(b) **Compensation Adjustments.** Every franchise, concession, permit, license, or lease shall include a procedure to adjust the compensation periodically but in no case shall the period between adjustments exceed five years.



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**S BUILDING MORATORIUM; RESTRICTIONS ON GENERAL PLAN AMENDMENTS:  
REQUIRED REVIEW OF GENERAL PLAN. INITIATIVE ORDINANCE S.**

Shall an ordinance amending City laws related to the General Plan, including to: 1) impose a two-year moratorium on projects seeking General Plan amendments or zone or height-district changes resulting in more intense land use, an increase in density or height, or a loss of zoned open space, agricultural or industrial areas, with exceptions including for affordable housing projects and projects for which vested rights have accrued; 2) prohibit geographic amendments to the General Plan unless the affected area has significant social, economic or physical identity (defined as encompassing an entire community or district plan area, specific plan area, neighborhood council area or at least 15 acres); 3) require systematic, public review of the General Plan every five years; 4) prohibit project applicants from completing environmental impact reports for the City; 5) require the City make findings of General Plan consistency for planning amendments, project approvals and permit decisions; and 6) prohibit certain parking variances; be adopted?

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**IMPARTIAL SUMMARY  
BY SHARON M. TSO, CHIEF LEGISLATIVE ANALYST**

This citizen-initiated ordinance, if adopted, will amend City law to impose a maximum two-year moratorium on certain development projects, with specified exceptions; restrict General Plan amendments; require periodic review of the General Plan and Community Plans; impose requirements on General Plan review and environmental impact report preparation; and, limit reduction of required parking. It would also restrict the City's ability to issue building or demolition permits for previously approved projects which meet certain criteria.

This ordinance would impose a maximum two-year moratorium on the approval of new projects seeking General Plan amendments or zone and height district changes which would result in a more intense land use, such as a less restrictive zone or the construction of a higher structure; an increase in floor area ratio, density or height; or, a net loss of land zoned for open space, agricultural, or industrial areas.

Similarly, the ordinance would impose a maximum two-year building moratorium by prohibiting the issuance of a building or demolition permit on a previously approved project that the City granted a General Plan amendment, zone or height district change that resulted in a more intense land use; an increase in floor area ratio, density or height; or, a net loss of land zoned for open space, agricultural or industrial areas.

Exceptions to the two-year moratorium would be provided for projects with 100% affordable housing that apply for a zone or height change but do not seek a General Plan amendment;



projects necessary to comply with a City-issued order relative to an unsafe or substandard condition; projects for which a vested right has been obtained under state law or the Municipal Code; and, certain residential projects.

If approved, this ordinance will restrict General Plan amendments to areas meeting one or more of the following criteria: (1) entire community or district plan area; (2) entire area included in a specific plan; (3) entire Neighborhood Council area; and/or (4) an area of 15 acres or more.

The ordinance would establish a public process for the systematic review and possible amendments to the General Plan, 35 Community Plans and the Port and Airport District Plans every five years. The City would be required to adopt a schedule in advance for this public review process.

The preparation of environmental clearances is also proposed to change if the ordinance is approved, wherein it will require the City or its third party consultant to prepare any required environmental impact report, rather than the applicant, subject to possible reimbursement.

The ordinance proposes to limit allowable reductions in on-site and off-site parking requirements for projects located in transit corridors to no more than one third of the number required by City codes. If approved, the ordinance will require City decision makers to make findings that the project is consistent with the General Plan.

This measure would become effective with a majority vote.

**FINANCIAL IMPACT STATEMENT  
BY MIGUEL A. SANTANA, CITY ADMINISTRATIVE OFFICER**

This measure will amend City laws related to the General Plan, void inconsistent zoning laws, and impose a two-year building moratorium, with certain exceptions, on projects seeking amendments, zone or height-district changes.

This measure will cost the City millions of dollars in lost revenue from permits, licenses, and other fees charged to impacted projects. Additionally, services and community benefits funded through associated mitigation impact fees and other exactions related to development will decrease by millions of dollars. To offset this revenue loss, the City may have to reduce existing staffing levels. The decrease in building, planning, and public works activity in the City during and immediately after the building moratorium will determine the extent of the revenue loss and staff reductions. The number of projects that will be subject to the moratorium after the effective date of this measure and their impact on the local economy is unknown.



## ARGUMENT IN FAVOR OF INITIATIVE ORDINANCE S

**Los Angeles is Worth Fighting For. VOTE YES on S.** Join the good government, environmental, homeowner, social justice, neighborhood council and tenant groups from all across LA saying **YES on S. Save Our Neighborhoods!**

**Billionaire Developers are Ruining LA — Towering Buildings, Traffic, Destruction of Rent-Controlled Housing.** We can stop them only through Change at City Hall. Records show that billionaire developers shower City Hall leaders with **millions of dollars**. Then in backroom meetings, our leaders work out plans with these billionaires. In the end, billionaire developers get to skip around our protective zoning rules. At terrible cost to you and your family.

**Mayor Garcetti** agrees that these rewards to developers “must become the rare exceptions.” But the *L.A. Times* has uncovered major corruption, now being investigated by our LA District Attorney: A luxury complex got built between warehouses, where it’s not allowed, after vast amounts of money flowed to City Hall politicians’ pockets. The “Sea Breeze” scandal shows how developers bypass our land-use rules. “Pay to play” is wrong. Buying votes is wrong. It’s destroying LA.

**Yes on S** is our best hope for controlling the Manhattanization of LA and the mega-developments that clog our streets with traffic, disrupt stable neighborhoods and create congested canyons of luxury towers.

**Yes on S** empowers all of us to shape the future of our communities, not just billionaire developers. City Hall has blindly allowed **22,000 rent-controlled units to be destroyed**, displacing our seniors and working-class. They’ve jammed skyscrapers into once-affordable communities. On **a nearly weekly basis, City Hall breaks the rules** — to reward billionaire developers. They’re destroying our open space, severely increasing traffic and overwhelming our water, sewer and emergency services.

**Yes on S. Save Our Neighborhoods** by ending this politically rigged system. Yes on S establishes a reasonable 2-year ban on “spot zoning” that will halt the rule-breakers who build 5% of LA’s buildings. This small pool of politically connected developers cause a huge negative impact on our neighborhoods.

**Yes on S Encourages Affordable Housing!** Housing, new shops, restaurants will all flourish. And the vast majority of affordable housing plans will be protected under this moratorium. Meanwhile, after years of billionaire developer influence, voters will require City Hall **to sensibly plan ahead** for LA’s growth.

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**Yes on S. For Accountability and Transparency.** Yes on S stops billionaire developers from writing their own self-serving environmental reports, which far too often downplay the traffic and environmental damage their mega-developments cause. And Yes on S forces City Hall to hold key Community Planning hearings in the communities at night — not Downtown during the day, when lobbyists usually dominate.

**Yes on S. We Deserve Politicians Who Work for Us, Not Billionaire Developers.** In 2005, our City Council quietly voted to **abandon its core duty** of updating the blueprint for LA, called a General Plan. In every great city, this Plan is updated every 5 years to adapt to change. But thanks to our irresponsible City Council, much of our Plan is 20 years old — and our embarrassing infrastructure “plans” are far older.

**Yes on S says: “City Council, follow the rules and do your job!”**

To quote Attorney Grace Yoo, Co-founder of the Environmental Justice Collaborative, “They promised us a park in our neighborhood. But we got a huge luxury complex instead. **If it can happen to our neighborhood, it can happen to yours.** Please vote Yes on S.”

**Vote Yes on S.** Your Yes Vote Ensures that LA’s Future Belongs to All of Us, Not the Billionaire Developers!

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**PERSONS SIGNING ARGUMENT IN FAVOR OF INITIATIVE ORDINANCE S**

MICHAEL WEINSTEIN  
President  
AIDS Healthcare Foundation

RICHARD CLOSE  
President  
Sherman Oaks Homeowners Association

RICHARD J. RIORDAN  
Former Mayor of Los Angeles

KENNETH S. ALPERN, M.D.  
Chairman  
The Transit Coalition

REV. ALICE CALLAGHAN  
Founder  
Las Familias del Pueblo Skid Row

MABEL CHANG  
Los Angeles City Planning Commission  
President (Ret.)

GLORIA ROMERO  
California State Senate Majority Leader (Ret.)

OPAL M. YOUNG  
President  
Baldwin Hills Crenshaw Homeowners  
Coalition

SEAN CHANDRA, ESQ.  
Los Angeles Tenants Union

GRACE YOO  
Co-Founder  
Environmental Justice Collaborative



## REBUTTAL TO THE ARGUMENT IN FAVOR OF INITIATIVE ORDINANCE S

### Measure S is a recipe for recession.

That's why such a broad coalition say NO on Measure S, including Mayor Eric Garcetti, Firefighters, Neighborhood Council leaders, the Chamber of Commerce, labor unions, homeless and housing advocates, renter advocates, and many other organizations and leaders we trust.

See the full list of the many people and organizations saying **NO on Measure S** at <http://www.goestoofar.com/endorsements>

**Experts and community leaders agree: Measure S goes too far and does NOT do what it claims**, instead stopping affordable and homeless housing, costing taxpayers millions, and eliminating tens of thousands of jobs each year.

Measure S supporters use made-up numbers and misleading claims to try and trick you about what it really does.

Here's the truth about what Measure S DOES NOT do, and what it really DOES.

### **What Measure S DOES NOT do:**

- **Does NOT stop corruption.** Read the initiative – there are no provisions even mentioning this.
- **Does NOT protect rent-controlled housing.** Check the facts – very few rent controlled units have been eliminated by the type of housing Measure S bans, and by banning new housing Measure S encourages the further elimination of affordable housing.
- **Does NOT punish developers or city hall.** In fact, it punishes the people of L.A. – renters, middle class workers, the homeless, and L.A. taxpayers by raising rents and destroying jobs.

Here's what experts, university professors, independent economists, and Mayor Eric Garcetti say Measure S actually DOES:

- **Puts us at risk of a recession by slamming the brakes on L.A.'s economic recovery**, eliminating nearly \$2 billion in economic activity and costing taxpayers \$70 million every year.
- **Blocks building of new affordable and homeless housing.** The L.A. Times reported that Measure S would block 90% of the planned housing for L.A.'s homeless, and stop voter-approved plans to increase affordable housing.

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- **Eliminates tens of thousands of jobs each year.** The L.A. Daily News said “if Measure S should pass, according to a study released Thursday, it would not only put a \$2 billion dent in the Los Angeles economy, but put 24,000 people out of work and cut \$70 million from city coffers – enough to hire 1,000 firefighters or cops.”

Read the real facts reported by experts and economists:

**[www.GoesTooFar.com/report](http://www.GoesTooFar.com/report)**

“Measure S will drive L.A. into recession, will cost taxpayers millions, and will make our housing and homelessness crisis even worse. Please join me and leaders across our city in saying NO to Measure S.”

-Mayor Eric Garcetti

Who says NO on Measure S?

- Mayor Eric Garcetti
- United Firefighters Los Angeles
- United Way of Greater Los Angeles
- National Organization for Women
- Downtown Women’s Center
- Los Angeles Chamber of Commerce
- LA Federation of Labor AFL-CIO
- More than 30 Neighborhood Council leaders  
(see the full list at [www.GoesTooFar.com/endorsements](http://www.GoesTooFar.com/endorsements))

Measure S goes too far and hurts Los Angeles. Vote NO on Measure S.

**[www.GoesTooFar.com](http://www.GoesTooFar.com)**

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**PERSONS SIGNING REBUTTAL TO THE ARGUMENT IN FAVOR OF  
INITIATIVE ORDINANCE S**

**RUSTY HICKS**  
Executive Secretary-Treasurer  
Los Angeles County  
Federation of Labor, AFL-CIO

**MARTIN WACHS**  
Distinguished Professor Emeritus  
of Urban Planning  
UCLA Luskin School of  
Public Affairs

**ERIC GARCETTI**  
Mayor  
City of Los Angeles

**MICHAEL MANVILLE**  
Professor of Urban Planning  
UCLA Luskin School of  
Public Affairs

**RON MILLER**  
Executive Secretary  
L.A./O.C. Building &  
Construction Trades Council, AFL-CIO

**KEN CRAFT**  
President & CEO  
Hope of the Valley  
Rescue Mission

**RABBI JONATHAN KLEIN**  
Executive Director  
Clergy & Laity  
United for Economic Justice

**MICHAEL MENJIVAR**  
Treasurer and Chair of Planning &  
Land Use Committee  
North Hollywood  
North East Neighborhood Council

**LERON GUBLER**  
President & CEO  
Hollywood Chamber of  
Commerce

**ANGUS BEVERLY**  
Student Director  
Westwood Neighborhood Council



## ARGUMENT AGAINST INITIATIVE ORDINANCE S

### ***BALLOT ARGUMENT - NO ON MEASURE S***

**“Measure S is a poorly written measure that goes too far.** It will cost our city billions in economic activity, block voter-approved efforts to build affordable and homeless housing, and drive our city back into recession. That’s why a broad coalition of people and organizations from across Los Angeles say Vote NO on Measure S.”

-Jay Handal, Treasurer, West Los Angeles Neighborhood Council\*

Economic studies show Measure S will not fix our planning process but will instead destroy 24,000 jobs, eliminate \$3.8 billion in economic activity, and drive our city back into recession.

**According to economists and other experts,** this poorly written and complicated measure will:

- **destroy 24,000 jobs**, costing workers \$1.28 billion in lost wages
- **eliminate \$3.8 billion in economic activity**, and drive our city back into recession
- block the building of voter-approved affordable and homeless housing
- **cost taxpayers \$140 million** in lost revenue needed for police, firefighters, and other vital city services

(source: Beacon Economics, “Economic Analysis: Measure S”, December 2016)

**That’s why so many responsible community leaders and organizations say vote NO on Measure S.** The United Way of Greater Los Angeles, Los Angeles firefighters, the Los Angeles Area Chamber of Commerce, labor unions, environmentalists, and nonprofit groups that advocate for affordable housing and the homeless all agree Measure S is bad for Los Angeles.

Even the L.A. Times called Measure S “a recipe for higher housing costs, more homelessness and greater inequality.”

(source: LA Times Editorial; “Housing for the homeless is a crisis”, May 17, 2016)

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“We need to fix L.A.’s planning process, but Measure S goes too far and will destroy jobs, immediately harm our fragile economic recovery, and stop efforts to build affordable housing and address the homelessness crisis. Vote NO on S, it is a poorly written law that goes too far and hurts our city and residents.”

-Alan Greenlee, Executive Director, Southern California Association of Non-Profit Housing

*\*Titles for identification purposes only*

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## PERSONS SIGNING ARGUMENT AGAINST INITIATIVE ORDINANCE S

RUSTY HICKS  
Executive Secretary-Treasurer  
Los Angeles County  
Federation of Labor, AFL-CIO

ELISE BUIK  
President & CEO  
United Way of  
Greater Los Angeles

GARY TOEBBEN  
President & CEO  
Los Angeles Area  
Chamber of Commerce

ALAN GREENLEE  
Executive Director  
Southern California Association  
Of Non-Profit Housing

ANNE MISKEY  
Chief Executive Officer  
Downtown Women's Center

FRANK LIMA  
President  
United Firefighters of  
Los Angeles City

PAAVO MONKKONEN  
Professor of Urban Planning  
UCLA Luskin School of  
Public Affairs

JONATHAN PARFREY  
Executive Director  
Climate Resolve

CAROL NEWMAN  
Secretary  
Lake Balboa  
Neighborhood Council

JAY HANDAL  
Treasurer  
West Los Angeles  
Neighborhood Council





## REBUTTAL TO THE ARGUMENT AGAINST INITIATIVE ORDINANCE S

We have made friends in virtually every zip code of L.A. We've listened and learned what residents want: Our greatest shared desires are to get control of our horrific street traffic, skyrocketing housing prices, destruction of neighborhood integrity and displacement of our elderly and working-class.

Billionaire developers are fueling America's worst housing affordability and homeless crisis, and the demolition of more than 22,000 rent-stabilized affordable apartments.

The Los Angeles Times calls City Hall's loss of control over what is unfolding a "**borderline corrupt development-approval system.**"

Our opponents, funded by four global billionaires and the Chamber of Commerce, are desperate to protect the status quo. Because they cannot win on the merits, **they lie, launch personal attacks and create fake news** like an "economic study" no better than a fiction novel.

A growing coalition of neighborhood councils, homeowner associations, social justice organizations, former elected officials and planners are demanding change and backing Measure S.

### **Measure S is simple:**

VOTE YES ON S to fix our broken system of backroom dealing at City Hall that lets developers build as big as they want, on streets that can't handle it, in areas that can't absorb it.

VOTE YES ON S to say "no more" to the billionaire developers who shower City Hall leaders with money and get big favors back. The limited two-year moratorium **holds up only 5% of development — the insiders who get around the land-use rules** that protect us all from overdevelopment, severe traffic and loss of our heritage.

VOTE YES ON S to **empower neighborhoods**. Residents strongly opposed City Hall's approvals of a skyscraper in a 2-story community, a luxury hotel on an active quake fault and megaprojects at infamous intersections that have left parts of the Westside, Valley and Hollywood impassable. Now it's spreading citywide.

VOTE YES ON S to address the **shocking luxury housing glut of huge 15% vacancy rates**, which Zillow's top economist warns is creating a severe imbalance. No city should keep encouraging \$3,500 ghost apartments when its \$800 apartments are full to bursting.

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VOTE YES ON S to stop developers from cooking the books. Measure S requires independent professionals to write the environmental reports about how developments hurt our traffic, emergency services, parks, water, sewers, open space and schools. Bizarrely, City Hall lets developers write their own environmental reports, **a glaring conflict of interest. It must stop.** And the developers must pay this bill.

We launched this citizens initiative in February 2016, collecting 104,000 signatures from people who want City Hall to work for the public interest, not special interests. We have proudly accepted over 400 donations — a record in local giving to a citizen-launched ballot measure. More than 95% of our contributions are under \$20 each.

We can **SAVE OUR NEIGHBORHOODS** by forcing City Hall to set clear rules, and do their jobs, with real input from each community.

**Los Angeles is worth fighting for.**

VOTE YES ON S, and let's remove that "For Sale" sign from City Hall.

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**PERSONS SIGNING REBUTTAL TO THE ARGUMENT AGAINST INITIATIVE ORDINANCE S**

**MICHAEL WEINSTEIN**  
President  
AIDS Healthcare Foundation

**CARMEN TRUTANICH**  
Los Angeles City Attorney (Ret.)

**DIANE E. WATSON**  
US Congresswoman (Ret.)

**ELENA POPP**  
Co-Founder and Executive Director  
Eviction Defense Network

**JOYCE FOSTER**  
Past President  
Board of Los Angeles Building  
and Safety Commissioners

**DICK PLATKIN**  
Los Angeles City Planner (Ret.)

**GERALD A. SILVER**  
President  
Homeowners of Encino

**XOCHITL GONZALES**  
Westsidiers Opposed to Overdevelopment

**ROBERT FARRELL**  
Los Angeles City Councilmember  
Planning and Land Use Committee (Ret.)

**ANASTASIA MANN**  
President  
Hollywood Hills West Neighborhood Council



## INITIATIVE ORDINANCE S

### **BUILDING MORATORIUM; RESTRICTIONS ON GENERAL PLAN AMENDMENTS; REQUIRED REVIEW OF GENERAL PLAN. INITIATIVE ORDINANCE.**

The proposed ordinance would amend City laws related to the General Plan, including to: 1) impose a two-year moratorium on projects seeking General Plan amendments or zone or height-district changes resulting in more intense land use, an increase in density or height, or a loss of zoned open space, agricultural or industrial areas, with exceptions including for affordable housing projects and projects for which vested rights have accrued; 2) prohibit geographic amendments to the General Plan unless the affected area has significant social, economic or physical identity (defined as encompassing an entire community or district plan area, specific plan area, neighborhood council area or at least 15 acres); 3) require systematic, public review of the General Plan every five years; 4) prohibit project applicants from completing environmental impact reports for the City; 5) require the City make findings of General Plan consistency for planning amendments, project approvals and permit decisions; and 6) prohibit certain parking variances.

**ORDINANCE NO.** \_\_\_\_\_

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

#### Section 1. **Name**

This ordinance initiative shall be known and may be cited as “The Neighborhood Integrity Initiative,” and shall be referred to herein as “the Act.”

#### Sec. 2. **Findings**

The people of Los Angeles hereby find:

A. Today, Los Angeles City Hall’s elected leaders reward developers who support their campaigns and pet projects, giving them special treatment by approving inappropriate or oversized developments. The People have attempted to improve this system previously, but Los Angeles elected city officials have wiped out these reforms. These attempted reforms came about after Los Angeles had dramatic zoning scandals in the 1960s that unveiled a corrupt planning system at City Hall. The resulting bribery trials sent to prison a City Councilman and a developer was convicted of grand theft. Judge Pearce Young declared that city officials’ practice of “rezoning” individual parcels of land for developers who wanted bigger buildings than allowed by zoning was “the power to create great wealth.”

B. Voters forced dramatic zoning reforms on city officials in 1969. A Citizens Committee on Zoning Practices and Procedure proposed banning parcel-by-parcel, or spot, zoning. The



Citizens Committee report specifically found that “a completely piecemeal approach to General Plan amendments would defeat the principle of comprehensiveness and destroy the integrity of the [General] Plan. To prevent this, any change in the Plan should be viewed in at least a community-wide context. Therefore ... we propose that recognized community areas with social and economic identity be the minimum size units for general plan study and revision.” The People adopted this ban in 1969’s charter reform, severing the dirty link between developers and the elected city officials who take their gifts, money for pet projects, and campaign contributions.

C. Today, Los Angeles city officials have quietly wiped out the People’s reforms. Developers are drenching elected city officials in gifts, campaign donations and funding for council members’ and mayoral pet projects. Usurping the voter reforms of 1969, the City Council grants scores of parcel-by-parcel piecemeal amendments to the General Plan. The City Council and Mayor routinely let developers build bigger and taller projects than the General Plan/zoning allows – at the clear expense of a community’s traffic, infrastructure, and character. Environmental impact reports prepared by developers compound the problems by masking the true impact of these massive, inconsistent projects.

D. The People find that the voters of the City must put a stop to the City Council’s and Mayor’s doling out of entitlements. Elected city officials are so attached to developers’ gifts, campaign donations and donations to their pet projects that, in 2005, the City Council quietly changed a local law so that the City Council no longer updates the General Plan on a schedule to assure it is up-to-date. Pointing to its aging General Plan as “out-of-date”, which they refuse to update, City politicians have given themselves a circular excuse for their constant amendments to the General Plan at the behest of developers.

E. Spot zoning and spot General Plan amendments are not acceptable “planning.” This practice has overwhelmed the City’s roads with traffic, displaced existing residents, and destroyed neighborhood character. It also has strained the capacity of the City’s sewers, water mains, electrical distribution networks, fire and police services, parking, and transportation systems. City officials have failed in their duty to track the cumulative harm inflicted on infrastructure in granting these parcel-by-parcel zoning changes and spot General Plan amendments. Indeed, the City Controller recently issued an audit showing Los Angeles elected officials are leaving millions of dollars per year on the table they could legitimately obtain from development projects to avoid these cumulative harms.

F. As a result of the City Council’s approval of greater density and greater intensity of use through spot zoning and spot General Plan amendments, there is a current and immediate threat to public health, safety and welfare.

G. Nothing in this measure affects the City’s ability to change zoning or General Plan designations to create new parks or to require lower-intensity uses than currently permitted by the zoning or General Plan designation. This measure does not require the amendment of any Specific Plan.



H. It is necessary for the People to direct City officials to comply with the City Charter reforms, and with state law that makes the General Plan the supreme land-use document at the top of the hierarchy of planning and zoning laws, by now enacting these municipal code provisions, which can only be modified by a subsequent vote of the People. This Act:

1. Ends spot General Plan amendments with the exception of significant areas.

2. Forces the City to once again comprehensively plan for the physical development of Los Angeles at the community or city wide level, use reliable population data, water availability, infrastructure capacity and fire and police response times in the planning process, and exercise better control over environmental review of large projects requiring environmental impact reports.

I. There exists a current and immediate threat to public health, safety and welfare as a result of the City's approval of spot general plan amendments that increase density and intensity of use, and the City's failure to regularly update its General Plan to fully evaluate the capacity of the City's infrastructure to support the level of development provided for by piecemeal General Plan amendments. These piecemeal plan amendments interfere with the creation of a harmonized and appropriate General Plan.

J. The development of projects containing a significant component of multifamily housing have a negative impact on health and safety when such projects are approved in areas that are not zoned for such housing or which do not permit such housing under the General Plan. This negative impact is caused because the City's infrastructure is threatened, in that fire response times do not consistently meet standards for safety (Los Angeles Times, "L.A. Fire Department response time slow, data show," (October 23, 2014), the City's water supply utilizes an aging infrastructure that must be upgraded (Business Week, "L.A. Faces \$1.5 Billion Bill as Pipes Spring Leaks: Cities," (August 10, 2014)), and streets that are failing in condition (City of Los Angeles, Bureau of Street Services, 2011 State of the Streets Report). These conditions have been well-documented and have not improved (New York Times, "Infrastructure Cracks as Los Angeles Defers Repairs," (Sept. 1, 2014)). These threats to public safety are mitigated by permitting multifamily development to take place only where the General Plan and zoning has been designed for it, until the General Plan has been updated with the necessary environmental review establishing that the City's infrastructure is capable of serving increased population density in areas which are not currently planned for such density. There are no feasible alternatives to conducting such a plan update and its environmental review.

K. While City officials have used spot General Plan amendments to permit increasingly dense development, they have also granted various reductions and waivers of municipal code parking requirements without adequate demonstration that project occupants and users will not park in adjoining residential and business districts to the detriment of the quality of life of the City's diverse residential neighborhoods. This measure will impose an outer bounds on City official's ability to grant such discretionary waivers for projects, including subdivisions such as small lot subdivisions and condominium conversions, and other large development projects that obtain development agreements, zone or height district changes.



NOW THEREFORE, based upon the foregoing findings the People find and declare corrective legislation is required to restore the Comprehensive General Plan Process, strengthen its link to the capacity of infrastructure to support coherent physical development of the City, and enforce the General Plan and its corresponding zoning to make land use decisions, as well as the environmental review process inextricably linked to such decisions, more consistent, fair, predictable, and accordingly to end harmful speculative and politicized land use decision making by City officials.

Sec. 3. **Retitling**

Section 11.5.1 of Article 1.5 of the Los Angeles Municipal Code is amended to read as follows: “Sec. 10.4.1. Title. This article shall be known as the Comprehensive General Plan Program of the City of Los Angeles.”

Sec. 4. **Temporary Moratorium Stops Council Approvals of Projects that Seek Spot Zoning and General Plan Amendments to Intensify Land Use**

A. Definitions. For purposes of the Act, the term “project” shall be defined as “the construction, erection, alteration of, or addition to a structure.” The term project shall not include interior or exterior improvements that do not increase the floor area over that of an existing structure.

B. Notwithstanding any section of the Los Angeles Municipal Code and during the effective period of the moratorium imposed by the Act no project that seeks a General Plan amendment, a zone or height district change shall be approved by the City Council if such approval would result in:

1. changes of existing zoning to permit more intense land use (as defined by a zone change from a more restrictive to less restrictive zone according to the Los Angeles Municipal Code section 12.04 A, or to a height district permitting the construction of a higher structure); or
2. an increase in floor area ratio, density or height; or
3. a net loss of land zoned open space, agricultural or industrial.

C. Notwithstanding any section of the Los Angeles Municipal Code and during the effective period of the moratorium imposed by the Act, no building or demolition permit shall be issued after the effective date of the Act for any project for which the City granted a General Plan amendment, zone or height district change that resulted in:

1. changes to existing zoning or height districts that permit more intense land use or an increase in floor area ratio, density or height from what is permitted in the current General plan; or



2. a change of zone from open space, agricultural or industrial to any other type of zoning that is not open space, agricultural or industrial.

D. Moratorium Expiration. The moratorium imposed by this Section 4 will expire upon the City Council's final adoption of both 1) an updated General Plan Framework and 2) an updated community plan text and zoning map for a particular community plan area or 3) within 24 months of the effective date of the Act, whichever is sooner.

E. Exceptions. The moratorium prohibitions specified in this Section 4 of the Act shall not apply:

1. to any Project in which 100% of the units are deed restricted Affordable Housing Units, that seeks a zone change or height district change only, but not a General Plan amendment. An Affordable Housing Unit is defined as a unit that is affordable to households with a gross household income at or below Low Income levels (including Extremely Low Income and Very Low Income) as determined by the California Department of Housing and Community Development (or successor agency) for Los Angeles County on an annual basis, and that is rented or sold for no more than the percentage of gross household income required by Health and Safety Code section 50052.5.

2. to any construction for which a building or demolition permit is required a) to comply with an order issued by the Department of Building and Safety to repair, remove or demolish an unsafe or a substandard condition or b) to rebuild as a result of destruction by fire, earthquake or other natural disaster, provided that the development is not prohibited by any provision of the Los Angeles Municipal Code and the development does not increase the square footage beyond what previously existed on the site.

3. to any project (a) for which a vested right has accrued under state law or the provisions of the Los Angeles Municipal Code prior to the effective date of this Act, nor (b) to RA, RE, RS and R1 zoned properties upon any Interim Control Ordinance is presently in effect, including but not limited to the Interim Control Ordinance No. 184397 and any extensions of that provision.

**Sec. 5. Protecting the Integrity of the General Plan: Permanent Restrictions on Spot Zoning that Usurps the City Charter**

The first unnumbered paragraph and Subdivisions A and B of Section 11.5.6 of Article 1.5 of the Los Angeles Municipal Code are amended to read as follows (all other provisions of Section 11.5.6 are unchanged):

**SEC. 11.5.6. GENERAL PLAN.**

Pursuant to Charter Section 555, the City's comprehensive General Plan may be adopted, and amended from time to time, either as a whole, by complete subject elements,





by portions of elements, or by substantial geographic areas. Consistent with Charter Section 555, no General Plan amendment shall be adopted for a portion of an element or any geographic area of the City that does not have a significant social, economic or physical identity.

**A. Amendments.** Amendments to the General Plan of the City shall be initiated, prepared and acted upon in accordance with the procedures set forth in Charter Section 555 and this section.

**B. Initiation of Plan Amendment.** As provided in Charter Section 555, an amendment to the General Plan may be initiated by the Council, the City Planning Commission or the Director of Planning. Initiations by the City Council or City Planning Commission shall be by majority vote. If an amendment is initiated by the Council or City Planning Commission, then it shall be transmitted to the Director of Planning for report and recommendation to the City Planning Commission. Consistent with Charter Section 555, the City Council, the City Planning Commission, or City Planning Director may not initiate a General Plan amendment, including at the behest of any person, unless the proposed amendment encompasses an area which has significant social, economic, or physical identity, as defined herein.

Whether initiated by the Director, the Council or the City Planning Commission, the Director shall prepare the amendment and a report recommending action by the City Planning Commission. The report shall contain an explanation of the reasons for the action recommended. After the Director prepares a Plan amendment and report, the Director shall transmit the file to the City Planning Commission for its action.

1. The following standards shall govern the determination by the City Council, the City Planning Commission or the Director of Planning of what constitutes “an area which has significant social, economic, or physical identity,” for purposes of evaluating a proposed General Plan amendment. Any General Plan amendment must meet one or more of the below four criteria to be considered to encompass “an area which has significant social, economic, or physical identity,”

- (a) An entire community or district plan area;
- (b) An entire area that has been included in a specific plan;
- (c) An entire named neighborhood council area;
- (d) An area no less than 15 acres.

2. Under no circumstances may a General Plan amendment be approved that permits a single project or group of pending or concurrently-submitted real property development projects to be approved where the approval of such project or projects would otherwise be inconsistent with the General Plan. The City Council's approval



of any General Plan amendment must include specific findings based on substantial evidence demonstrating that the amendment is not solely to facilitate the approval of a pending project or projects.

3. In approving the adoption or amendment of any portion of the General Plan, the City Planning Commission and City Council must make findings based on substantial evidence that the proposed adoption or amendment is internally consistent with itself and all other elements of the General Plan.

**Sec. 6. Requires General Plan and Community Plan Updates and Consistency in an Improved Environment of Transparency**

Section 11.5.8 of Article 1.5 of the Los Angeles Municipal Code is amended to read as follows:

**SEC. 11.5.8. SYSTEMATIC GENERAL PLAN REVIEW AND ACCESSIBILITY OF HEARINGS**

A. Within ninety days of the effective date of the Act, the City Council, after considering the recommendations of the Planning Director and the City Planning Commission, shall adopt by resolution a schedule and program for the immediate systematic public review and possible amendment of all elements of the General Plan. This review and updating process shall occur every five years.

B. This program shall include the review and possible updating of the 35 Community Plans and the Port and Airport District Plans. The City Planning Commission shall hold all public hearings concerning the review and possible updating of the Community Plans or District Plans at a location in each of the 35 Community Plan areas and two District Plan areas at any time that such plan is reviewed and updated. All such City Planning Commission public hearings shall be held in the evening or on a weekend to increase the ability of the public to attend. The applicable City Council subcommittee reviewing any proposed Community Plan or District Plan review or update shall hold at least one public hearing in the affected area, and shall hold such hearing in the evening or on the weekend. Nothing in this Act prevents communities from holding citizen-initiated meetings to develop their planning visions and recommendations to the City.

**Sec. 7. Environmental Impact Reports Can No Longer Be Prepared by Developers And Project Approvals and Permits Must Be Consistent With The General Plan**

A new section, 11.5.11, is hereby added to Article 1.5 of the Los Angeles Municipal Code, as follows:

**SEC. 11.5.11. PREPARATION OF ENVIRONMENTAL IMPACT REPORTS AND INDEPENDENCE OF CONSULTANTS; REQUIRED CONSISTENCY WITH GENERAL PLAN.**



**A. Environmental Impact Reports.** Notwithstanding any provisions in the California Environmental Quality Act, Public Resources Code section 21000 et seq., the California Environmental Quality Act Guidelines, or the City of Los Angeles California Environmental Quality Act Guidelines, whenever an environmental impact report is required to be prepared prior to the approval of a project for which the City of Los Angeles is the Lead Agency pursuant to Public Resources Code section 21067, the environmental impact report may only be prepared by the staff of the Lead Agency or by contract between the Lead Agency and another public or private entity, and may not be prepared by an applicant or by a consultant or third party retained by an applicant. The City may prepare an environmental impact report or contract with a consultant to prepare an environmental impact report for projects on which the City is an applicant. The Lead Agency may require the applicant to reimburse the agency for the cost of preparing the environmental impact report.

**B. Consistency of Project and Permit Approvals.**

1. In approving any proposed development project, each City decision maker (i.e. City planning director, zoning administrator, city planning commission, area planning commission, or City Council) must make findings based on substantial evidence that the proposed project is consistent with all elements of the General Plan.

2. Before issuing a permit of any kind, the City official responsible for its issuance must find that the proposed permit is consistent with the General Plan Land Use Designation, all applicable zoning code provisions, all project conditions, and determine that no significant changes have been made to the project as originally approved that would require any new discretionary review by a City decision maker.

**Sec. 8. Ensures that Large Developments as well as Small Lot Subdivisions and Condominium Conversions Provide Adequate Parking**

Los Angeles Municipal Code Article 2, Section 12.21, Subdivision A.4, paragraph (y), is amended solely by adding the final sentence to paragraph (y) as shown in the below text. No additional provisions of any part of Section 12.21 are amended by this measure.

(y) City Planning Commission Authority for Reduced On-Site Parking with Remote Off-site Parking or Transportation Alternatives. The City Planning Commission may, upon application, authorize reduced on-site parking and remote off-site parking. The City Planning Commission authorization may only be approved in connection with a City Planning Commission approval of an application or appeal otherwise subject to its jurisdiction including the following: the City Planning Commission action on an application for a zone change, height district change, supplemental use district, and conditional use pursuant to Section 12.24U; the City Planning Commission action on a tentative tract map appeal, a vesting tentative tract map appeal, a development agreement; and the City Planning Commission action on a request for a density bonus greater than the minimum 25



percent required by California Government Code Section 65915, exception from a specific plan, or a project permit pursuant to a moratorium ordinance or interim control ordinance. In exercising this authority, the City Planning Commission shall act on an application in the same manner and subject to the same limitations as applicable to the Zoning Administrator, under Section 12.27X. However, the procedures for notice, hearing, time limits, appeals and Council review shall be the same as those applicable to the underlying discretionary approval. Under no circumstances may the required on-site parking be reduced by more than one-third (including by remote off-site parking) from the number of spaces otherwise required to be provided by any other applicable provisions of the Los Angeles Municipal Code.

**Sec. 9. Request for Placement on Earliest Possible Ballot**

The voters signing this petition request, failing adoption by the City Council of this initiative measure, that this initiative measure be placed on the next City election ballot in March 2017. The urgency of the permanent impact of the current deluge of general plan exemptions for mega-developments currently under consideration in the City of Los Angeles requires prompt action, and delay would only deny voters their ability to weigh in on a timely basis.

**Sec. 10. Inconsistent Provisions Repealed**

Any provisions of the Los Angeles Municipal Code, the City of Los Angeles General Plan or any other ordinances of the City inconsistent with this Act, to the extent of such inconsistencies and no further, are hereby repealed. Any amendments to the Los Angeles Municipal Code between the date the Notice of Intent to circulate the Act was submitted to the Los Angeles City Clerk, and the date the Act is effective, to the extent such amendments are inconsistent with this Act, are hereby repealed. The amendments to the Los Angeles Municipal Code set forth in Sections 5, 6, 7 and 8, above, express the voters' intent to eliminate any possible inconsistency between the General Plan and the Los Angeles Municipal Code. It is the voters' intent that the ordinances contained in Sections 5, 6, 7 and 8 be read and construed in full harmony with all provisions of the General Plan.

**Sec. 11. Judicial Enforcement and Liberal Construction**

Any aggrieved person or City of Los Angeles registered voter shall have the right to maintain an action for equitable relief to restrain any violation of this Act, or City failure to enforce the duties imposed on it by this Act. The provisions of this Act shall be construed liberally to effectuate its intent and purposes.

**Sec. 12. Adoption Date and Effective Dates**

If the City Council approves this measure, or if a majority of the voters pass this Act, it shall become a valid enactment of the City, binding on the City Council and all other City officials, as of the earliest date allowed by law.



### Sec. 13. **Competing Measures**

If this initiative measure and another measure on the same subject matter appear on the same ballot, and a majority of the voters approve both measures, the measure that receives the most votes shall prevail over the other measure in its entirety, as this measure is deemed to irreconcilably conflict with any other measure addressing the same subject matter.

### Sec. 14. **Future Amendments**

This Act may be amended or rescinded only by a vote of the People at a municipal election.

### Sec. 15. **Severability**

This Act shall be interpreted so as to be consistent with all federal, state and local laws, rules and regulations. If any section, subsection, subdivision, clause, sentence, phrase or portion of this Act is declared unconstitutional or invalid by a court of competent jurisdiction, the remaining sections, subsections, subdivisions, clauses, sentences, phrases and portions shall remain in full force and effect, and to this end the provisions of this Act are severable. The voters thus declare that they would have passed all sections, subsections, subdivisions, clauses, sentences, phrases and portions of this Act without the section, subsection, subdivision, clause, sentence, phrase or portion held unconstitutional or invalid.

Sec. B. The City Clerk is hereby authorized and directed to publish a notice containing the proposed ballot measure, specifying the date of March 7, 2017, as the date the measure is to be voted upon by the qualified voters of the City of Los Angeles. The notice shall be published once in a newspaper of general circulation in the City of Los Angeles, and in each edition thereof during that day of publication. The City Clerk is authorized and directed to prepare and keep in the City Clerk's office a sufficient supply of copies of the proposed ballot measure and to distribute the proposed ballot measure to any and all persons requesting a copy. Further, the City Clerk is authorized and directed to mail copies of the proposed ballot measure to each of the qualified voters of the City of Los Angeles.

Sec. C. The City Clerk is hereby authorized and directed to cause a notice to be published once in a newspaper of general circulation that copies of voter information pamphlets containing the proposed ballot measure may be obtained upon request in the City Clerk's office.

Sec. D. The City Clerk shall file a duly certified copy of this Resolution forthwith with the Board of Supervisors and with the Registrar-Recorder of the County of Los Angeles.



# Voter Bill of Rights

- 1. The right to vote if you are a registered voter.** You are eligible to vote if you are:
  - ★ a U.S. citizen living in California
  - ★ registered where you currently live
  - ★ at least 18 years old
  - ★ not in prison or on parole for a felony
- 2. The right to vote if you are a registered voter even if your name is not on the list.**

You will vote using a provisional ballot. Your vote will be counted if elections officials determine that you are eligible to vote.
- 3. The right to vote if you are still in line when the polls close.**
- 4. The right to cast a secret ballot** without anyone bothering you or telling you how to vote.
- 5. The right to get a new ballot if you have made a mistake,** if you have not already cast your ballot. You can:
  - Ask an elections official at a polling place** for a new ballot; or
  - Exchange your vote-by-mail ballot** for a new one at an elections office, or at your polling place; or
  - Vote using a provisional ballot,** if you do not have your original vote-by-mail ballot.
- 6. The right to get help casting your ballot** from anyone you choose, except from your employer or union representative.
- 7. The right to drop off your completed vote-by-mail ballot at any polling place** in the county where you are registered to vote.
- 8. The right to get election materials in a language other than English** if enough people voting in your voting precinct speak that language.
- 9. The right to ask questions to elections officials about election procedures** and watch the election process. If the person you ask cannot answer your questions, they must send you to the right person for an answer. If you are disruptive, they can stop answering you.
- 10. The right to report any illegal or fraudulent election activity** to an elections official or the Secretary of State's office.

If you believe you have been denied any of these rights, call the Secretary of State's confidential toll-free Voter Hotline at (800) 345-VOTE (8683).



On the web at [www.sos.ca.gov](http://www.sos.ca.gov)



By phone at (800) 345-VOTE (8683)



By email at [elections@sos.ca.gov](mailto:elections@sos.ca.gov)



## Election Date Reminder

**Election Day is Tuesday, March 7th**

<b>March 2017</b>						
SUN	MON	TUE	WED	THU	FRI	SAT
			<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>
<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>
<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>
<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>	<b>31</b>	

**Polls open at 7:00 a.m. and close 8:00 p.m.**



## Voter's Notes

**Election Day is Tuesday, March 7<sup>th</sup>.**

*This page is necessary due to printing layouts.*





## Voter's Notes

**Election Day is Tuesday, March 7<sup>th</sup>.**

*This page is necessary due to printing layouts.*



# Information for Voters with Special Needs

**Accessibility and other assisted devices.....800-815-2666 (LA County Hotline)**

LA County polling places provide for wheelchair accessibility and/or curbside voting. Inside the polling place you may find devices to assist you in your voting experience. For more information, please contact Los Angeles County, the Administrator of the March 7th, 2017 election.

**Audio Recordings ..... (213) 978-0444**



Audio equipment is available at your polling place to assist you.

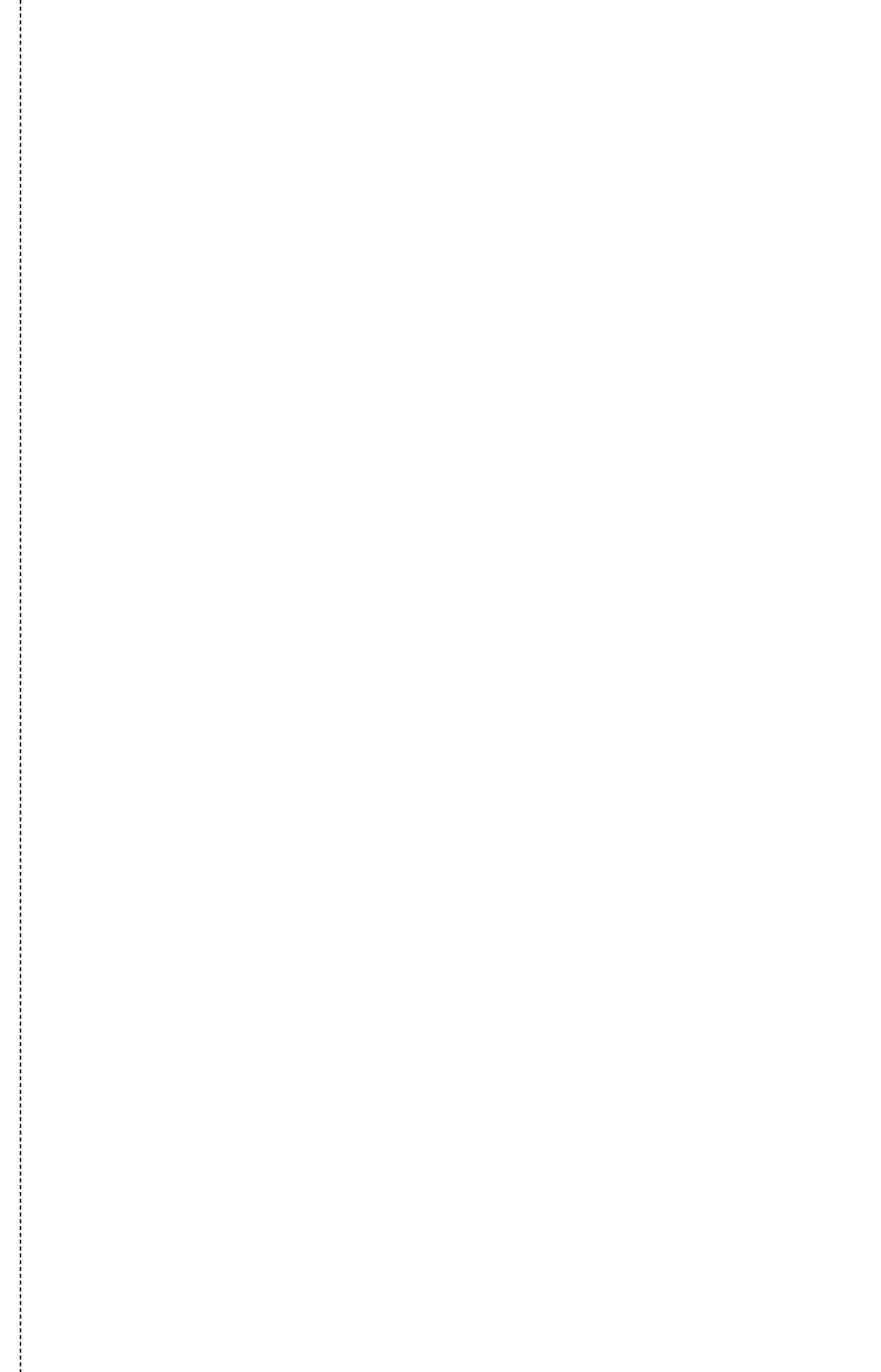
Audio recordings of the offices and/or measures included in this booklet are available in English, Armenian, Chinese (Mandarin and Cantonese), Farsi, Hindi, Japanese, Khmer, Korean, Russian, Spanish, Tagalog, Thai, and Vietnamese. These recordings are available on our website: **clerk.lacity.org/elections** under the “Voters” tab, and at the following locations:

Braille Institute Library  
741 North Vermont Avenue  
Los Angeles, CA 90029  
(323) 660-3880

Central Library  
630 West 5<sup>th</sup> Street  
Los Angeles, CA 90071  
(213) 228-7000

Voters may also request a copy of the audio recordings from our office:  
Office of the City Clerk-Election Division  
Attn: Audio Recordings  
555 Ramirez Street, Space 300  
Los Angeles, CA 90012





OFFICE OF THE CITY CLERK  
ELECTION DIVISION  
555 RAMIREZ STREET  
SPACE 300  
LOS ANGELES, CA 90012



NON PROFIT ORG.  
U.S. POSTAGE  
**PAID**  
CITY OF LOS ANGELES  
ELECTION DIVISION