GOVERNMENT OPERATIONS COMMITTEE REPORT relative to pursuing legal action against tobacco shops illegally selling cannabis in the City of Los Angeles.

Recommendation for Council action, pursuant to Motion (Hutt – Padilla):

INSTRUCT the Los Angeles Police Department, with the assistance of the City Attorney's Tobacco Enforcement Operations Unit, to report on methods to pursue legal action against tobacco shops illegally selling cannabis in the City, including collaboration with the California Department of Tax and Fee Administration and any responsible state law enforcement agency.

<u>Fiscal Impact Statement</u>: Neither the City Administrative Officer nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On September 16, 2025, your Committee considered a Motion (Hutt – Padilla) relative to pursuing legal action against tobacco shops illegally selling cannabis in the City of Los Angeles. According to the Motion, California's cannabis regulations, similar to other states with legal cannabis markets, is a two-tiered licensing system. A business-owner must obtain authorization from both the local jurisdiction and the state to operate a cannabis business. Therefore, in order to sell cannabis and cannabis products in the City, a business owner is required to have a local license from the City of Los Angeles and a state license from the California Department of Cannabis Control. Those who sell cannabis without both of those licenses are in violation of state and local law.

In the City there is a persistent issue of local tobacco shops selling cannabis without the proper licenses. This sale of cannabis without the proper licenses is illegal and poses a threat to public safety. The cannabis products being sold at these businesses is not properly tested and could potentially harm consumers. The regulation of cannabis was created to ensure that safe production practices are being followed, that products are being tested, and that the consumer can be confident about the safety of their purchase. When cannabis is not being properly tested the public could be exposed to harmful substances such as lead and cadmium, both of which can have harmful effects on humans in low concentrations. In the interest of public safety and to uphold both local and state law, the City must take steps to halt the illegal sale of cannabis at local tobacco shops. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Government Operations Committee

COUNCILMEMBER VOTE

PADILLA: YES LEE: ABSENT JURADO: YES

ARL 9/16/25

-NOT OFFICIAL UNTIL COUNCIL ACTS-