

MOTION

GOVERNMENT OPERATIONS
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In 2017, City Council adopted a commercial cannabis regulatory program that created the Department of Cannabis Regulation (DCR). In 2019 it established a licensing framework for the Social Equity Program. The Social Equity Program's mission is to promote equitable ownership and employment opportunities in the cannabis industry to decrease disparities in life outcomes for marginalized communities, and to address the disproportionate impacts of the War on Drugs in these communities. As part of this mission, the City of Los Angeles offers cannabis licensing opportunities exclusively to individuals in the Social Equity Program.

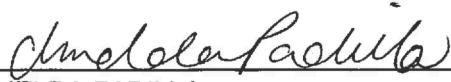
Starting a cannabis business is exceedingly difficult. Due to the federal prohibition on cannabis, cannabis businesses generally do not have access to traditional banking services, including access to capital and commercial loans. They are further subject to additional hurdles that other businesses do not face, such as high rents due to a limited number of available compliant properties. These challenges are exacerbated for individuals who are part of the Social Equity Program and may have limited resources.

Currently, Los Angeles Municipal Code (LAMC) section 104.03(h) allows applicants the opportunity to re-start the application process within three years of their application or license expiring or being abandoned as long as they are in good standing and not delinquent on any City tax, fee, fine, or fee payments previously deferred. This allows applicants to retain their application opportunity, and restart the licensing process in the event they have experienced loss of capital, eviction or rising rents, construction delays, or other challenges associated with starting a cannabis business. This process has proven helpful for many of DCR's applicants and should be expanded from three years to four years.

LAMC section 104.03(h) also states that applications may only be refiled if the original application was deemed filed pursuant to LAMC section 104.06(a). To be deemed filed, an applicant must be in good standing with no delinquencies on any City tax, fee, fine, or fee payments previously deferred in order to refile. This means that applications that were abandoned for failure to pay prior fees, fines or taxes may be ineligible to refile. Allowing applicants an additional opportunity to come into good standing would afford these applicants a greater chance of success while creating an incentive for the City to receive monies owed.

I THEREFORE MOVE that the City Attorney's Office be instructed to draft an amendment to LAMC section 104.03(h) to: (1) expand the refiling window from three to five years from the date DCR notifies the Applicant by electronic mail that the original application is abandoned or expired; and (2) allow an applicant to pay or begin a payment plan to pay previously due taxes, fines or fees to come into good standing at the time an abandoned or expired application is refiled.

PRESENTED BY:


IMELDA PADILLA
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ORIGINAL

SECONDED BY:



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