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June 2, 2026

Good morning Chair Padilla and Members of the Government Operations Committee-

My name is Kika Keith, owner of Gorilla Rx Wellness, the first Black woman owned Social Equity dispensary in Los Angeles.

I want to begin by acknowledging Item 1 and the reappointment of Commissioner Adam Bierman to the Cannabis Regulation Commission. Commissioner Bierman has participated in important discussions regarding the challenges facing licensed cannabis businesses and Social Equity operators throughout Los Angeles.

As the Committee considers his reappointment, I would like to remind Members that in August of last year, the Cannabis Regulation Commission submitted recommendations to the City regarding many of the issues before us today. Commissioner Bierman was part of those discussions and supported the Commission's recommendations. Nearly a year later, many of those recommendations remain unanswered.

That brings us to Items 6, 7, and 9.

These items should not be viewed independently. They are directly connected.

Item 6 establishes a formal definition of good standing for cannabis license renewals. Historically, the City has not maintained a clear definition of good standing tied to tax obligations, which allowed operators with tax debt to continue renewing their licenses while working toward compliance.

Under this proposal, operators who are not considered in good standing due to tax debt could lose their ability to renew. According to discussions and reports presented by the Office of Finance, approximately 700 licenses may be affected, including my own.

Item 7 creates a tax amnesty program that would allow operators to negotiate their tax debt and maintain their licenses. While I appreciate the City's effort to create a pathway toward compliance, tax amnesty is not the same as **tax relief**. The debt remains, and many operators continue to struggle under years of accumulated costs, regulatory burdens, and economic hardship due to the LACK OF ENFORCEMENT of illegal stores in our neighborhoods, surrounding our businesses.

Item 9 would allow Social Equity applicants to sell ownership interests to investors. Access to capital is important, and investment should absolutely be available as an option. However, many operators are concerned that this proposal is being presented as a solution to problems that government helped create. Where is the relief for those of us who have lost everything while the City and State have been failing to get this right to this point.

When viewed together, these three items create a clear chain of events: a new good standing requirement, pressure to resolve tax debt, and then the need to seek outside investment or sell ownership interests to remain operational.

The concern is not that operators oppose investment. The concern is that many operators may have no practical alternative.

Social Equity applicants are not asking for special treatment. They are asking for meaningful solutions.

The City should consider fee reductions, reductions in cannabis taxes, debt forgiveness programs, reasonable repayment structures, and the removal of unnecessary administrative hurdles that continue to increase the cost of compliance.

The Cannabis Regulation Commission identified many of these same concerns last August, yet many remain unresolved today. The industry has been raising these concerns for years, and today's agenda demonstrates that those concerns were valid.

The success of Social Equity should not be measured by the number of licenses issued. It should be measured by the number of businesses that remain open, profitable, compliant, and owned by the people the program was designed to help.

With federal cannabis reform advancing and new interstate and international opportunities emerging, it is concerning that many Los Angeles operators are focused on surviving tax debt and regulatory burdens rather than preparing for growth. The City should ensure its operators are positioned to compete in the future of the cannabis industry, not left behind because longstanding challenges remain unresolved.

I respectfully urge the Committee not only to advance these items, but also to revisit the Cannabis Regulation Commission's recommendations and pursue the broader reforms necessary to ensure that Social Equity operators have a genuine opportunity to succeed.

Blessings,

Kika Keith

kika@lifedevelopmentgroup.org

323-439-6760