Government & Fiscal Affairs Council Meeting
March 19, 2019
10 – 11:30 a.m

1. Welcome & Introductions

2. Los Angeles Budget with Councilmember Paul Krekorian

3. Action Items
   a. Assemblymember Nazarian bill
   b. SB 658 Bradford

4. Discussion
   a. Access DC wrap up

Next Council Meeting:
May 21, 2019
10:00 am – 11:30 am
Honorable Paul Krekorian  
Los Angeles City Council

Born and raised in the San Fernando Valley, Paul Krekorian has spent more than a decade in public service. Since 2010, he has served on the Los Angeles City Council where his leadership as chairman of the Budget and Finance Committee helped guide the city through the Great Recession and toward greater economic promise.

Paul is also chairman of the Ad Hoc Committee on Job Creation, the Vice Chair of the Entertainment and Facilities Committee, and sits on the Economic Development Committee, Trade, Commerce and Technology Committee, Executive Employee Relations Committee and the Board of Referred Powers.

He also serves on the board of the Los Angeles County Metropolitan Transportation Authority (Metro), Metrolink and the San Fernando Valley Council of Governments, a coalition of leaders advocating for the Valley’s two million residents.

Paul graduated from Reseda’s Cleveland High School before earning his B.A. in political science from the University of Southern California and a law degree from UC Berkeley. Upon graduating, he spent two decades practicing business, entertainment, and property litigation, while also devoting his time to reducing domestic and gang violence.

In 2006, after three years on the Burbank Board of Education, Paul won election to the California State Assembly, representing the 43rd District. In Sacramento, Paul worked to increase government accountability and transparency as co-chair of the Legislative Ethics Committee. He also worked on landmark legislation to improve the environment, and authored the state’s first successful film and television production tax incentive, which stemmed the tide of runaway production and secured thousands of California jobs.

Paul is the first Armenian-American elected to public office in the City of Los Angeles. He lives in the San Fernando Valley with his wife, Tamar, and children Hrag, Andrew and Lori.
Bill Summary:

AB XXX would require California to contract with an armored car service provider to pick up, count, and transport to a bank or financial institution the cash payments for state-imposed taxes and fees, including for cannabis-related businesses.

Solution:

AB XXX would require a state agency to contract with an armored car service provider to pick up, count, and transport to a bank or financial institution the cash payments for state-imposed taxes and fees, including for cannabis-related businesses.

Background:

California voters passed Proposition 64 in November 2016 legalizing the production, distribution, sale, and possession of adult recreational cannabis on the state level.

Unfortunately, since marijuana is still illegal under federal law, cannabis businesses are largely unable to access basic banking services. The inability to write checks, make and receive electronic payments, or accept credit and debit cards means the industry deals with large sums of cash. This creates security risks for everyone involved in the supply chain as well as for state agencies collecting cash tax payments.

Banking Access Strategies for Cannabis-Related Businesses, a report created by the California State Treasurer’s Cannabis Banking Working Group, investigated potential strategies for dealing with the cannabis industry’s inability to access banking services. The report found that without a major shift in the federal administration, banking will continue to be unavailable to cannabis businesses. It did however propose a stopgap method for dealing with the safety issues associated with handling giant quantities of cash.

Support:
None on file

Opposition:
None on file

Staff Contact:
Emellia Zamani
916-319-2046
Emellia.Zamani@asm.ca.gov
Title: AB XXX, Empowering Local Regulation and Consumer Safety

**Bill Summary:**

AB XXX would guarantee local regulators access to Track and Trace, create an emblem program for cannabis businesses, and allow local jurisdictions to control excessive concentration limits.

**Background:**

California voters passed Proposition 64 in November 2016 creating a legal adult-use cannabis market in the state. A key feature of Proposition 64 was the exceptional amount of authority assigned to cities and counties when partnering with the state to create a functional cannabis market.

However, the pre-existing illicit cannabis market and complex state licensing rules have worked to slow the efforts of local jurisdictions in issuing cannabis licensing. The illicit market remains a viable alternative for many cannabis customers due in large part to its ability to disguise illegal operations as high end, legal businesses. As customers do not have a readily available method to determine a shop’s legality, many consumers unknowingly patronize illicit operators. If a city manages to minimize the illicit market, they must still deal with abstract excessive concentration limits from the state that place obscure restraints on how locally designed markets can develop.

Data is another invaluable resource used to combat the illicit market. The Track and Trace program is a powerful regulatory tool used to monitor every cannabis product grown, manufactured, and sold in California.

Currently, local regulators do not have guaranteed access to Track and Trace and the data it generates, forcing them to consider either creating and maintaining replacement reporting systems, or forego data collection all together.

**Solution:**

AB XXX would empower local regulators in three ways:

- AB XXX guarantees local jurisdictions licensing cannabis businesses access to Track and Trace.
- AB XXX will utilize licensing data to create an emblem program legal cannabis retailers will display, allowing customers to easily know where legal, safe, and laboratory tested cannabis is available.
- AB XXX will eliminate excessive concentration limits set by the state and allow local jurisdictions to determine excessive concentrations appropriate for their locality.

**Support:**

None on file

Anticipated: League of California Cities, Cities of: Los Angeles, San Diego, Sacramento, Oakland, San Francisco, California Medical Association, LAPD, UFCW, NCIA, California Chamber of Commerce

**Opposition:**

None on file

**Staff Contact:**