Government & Fiscal Affairs Council Meeting  
June 29, 2018  
10 – 11:30 a.m.

1. Welcome & Introductions

2. **Legal Cannabis in Los Angeles: What Does the Business Community Need to Know?**

   Cat Packer, Director  
   Department of Cannabis Regulation

3. **Q&A with Cat Packer**

4. **Discussion: Cannabis Policy**

Next Council Meeting:  
TBD: August
Cat Packer
Executive Director
City of Los Angeles, Department of Cannabis Regulations

Cat Packer is the first Executive Director of the Department of Cannabis Regulation for the City of Los Angeles where she oversees the implementation of the City’s new commercial cannabis regulatory program.

Prior to this role, Ms. Packer served as California Policy Coordinator for the Drug Policy Alliance, where she worked to ensure the successful & equitable implementation of California’s recently passed Adult Use of Marijuana Act.

Prior to joining DPA, Ms. Packer served as the Campaign Coordinator for Californians for Responsible Marijuana Reform, Drug Policy Action’s social justice-driven campaign in support of the Adult Use of Marijuana Act.

Ms. Packer also has participated in marijuana policy reform efforts in Ohio. There she served as the Deputy Director of Central Ohio NORML and participated in their statewide legalization effort in 2015.

Ms. Packer is an alumna of The Ohio State University where she received a Bachelor’s in Political Science, a Master’s in Public Policy & Management and a Juris Doctor.

Department of Cannabis Regulation;

The Department of Cannabis Regulation (DCR) is responsible for administering the Rules and Regulations adopted by the Council for licensed commercial cannabis businesses within the City of Los Angeles. The DCR administers the business application process in conjunction with the Cannabis Regulation Commission, makes determinations related to non-retail cannabis licensing, administers and coordinates the audit and inspection processes for licensed cannabis-related businesses, and enforcing regulatory compliance of licensed businesses engaged in commercial cannabis activity.

Measure M, passed by over 80% of voters in March 2017, gave City Council the full authority to regulate cannabis-related activity within the City of Los Angeles. With that authority, the Department of Cannabis Regulation was established by ordinance on July 30, 2017.
FEDERAL:

1. Senators Cory Gardner (R-Colo) and Elizabeth Warren (D-Mass) have been discussing bipartisan legislation, strengthening the 10th amendment though entrusting states, to remove the threat of federal intervention and prosecution in states that regulate cannabis use and sale. Representatives David Joyce (R-Ohio) and Earl Blumenauer (D-Ore.) introduced companion legislation in the House. This marks the first bicameral, bipartisan legislation to end the federal enforcement of prohibition in states that have reformed their marijuana laws.

2. S. 1374 - CARERS Act: A bipartisan bill authored by Sens. Cory Booker (D-NJ) and Rand Paul (R-KY), this legislation would reclassify marijuana as a schedule II drug — meaning it has a legitimate medical use — and allow states to operate medical marijuana programs without federal interference.

STATE:

1. **AB 3157**: This is the tax reduction bill that technically died in the Assembly Appropriations Committee. If it had been approved, it would have lowered the statewide cannabis excise tax to 11% from 15% temporarily through June 2021. The bill has been killed, but Jenkins said the issue may be resurrected later this year as an amendment to the state budget or in some other fashion.

2. **SB 1302**: Prohibit municipalities and counties from banning marijuana delivery companies from performing deliveries into jurisdictions that have banned MJ businesses, essentially giving delivery operators more leeway into where they can service customers.
   **Status**: Awaiting approval by the full Senate.

3. **AB 2020**: Currently, events that allow recreational marijuana sales and consumption are relegated to county fairgrounds or properties run by district agricultural associations. This bill would allow such events to be held at any site as long as organizers have the permission of local authorities, basically expanding the scope of legal cannabis festivals like the Emerald Cup.
   **Status**: Passed by the full Assembly, awaiting its first Senate committee hearing.

4. **AB 1741**: Allow licensed marijuana companies with monthly tax bills of $10,000 or more to pay state taxes via means other than only an electronic funds transfer. Essentially it would help businesses without bank accounts comply with the law and pay their taxes.
   **Status**: Passed by the Assembly, awaiting its first Senate committee hearing.

5. **AB 1863**: Allow licensed marijuana companies to take standard business expense deductions under the state Personal Income Tax Law.
   **Status**: Passed by the Assembly, awaiting its first Senate committee hearing.
CITY:

Ballot measures:

1. Special Tax on Cannabis-Related activities:
   a. Language: Shall an ordinance funding: public improvements, parks, libraries, recreation centers near cannabis businesses; cannabis-related programs including education, outreach, social equity and enforcement; and youth and education programs; through special 1 percent gross receipts taxes on commercial cannabis activity, cannabis event organizers and management companies, and $5 surcharges on tickets to cannabis events and tests of cannabis products; raising approximately $30 million annually, until ended by the City/voters, be adopted?

2. Formulation of a Municipal Bank of Los Angeles:
   a. The City has been evaluating the possibility of forming a municipal bank to serve the needs of the City’s residents and businesses. A municipally chartered bank would be able to provide financial services to residents, reinvestment in the City to support the development of affordable housing and local infrastructure, and banking solutions for other local businesses that are not currently served by the commercial banking industry. This would allow the City to accept cash from the Cannabis industry.