

## Thank You for Joining!

Stakeholder Comment Period: 9:00 a.m. - 10:00 a.m.

SPARK Session: 10:00 a.m. - 11:30 a.m.





### SPARK Sessions Recording Disclaimer



The Department of Cannabis Regulation (DCR) is recording this meeting by audio and visual means. By continuing with this meeting, you consent to this recording and acknowledge that the Department of Cannabis Regulation owns the recording and may use or reproduce it in any manner it deems necessary. If you do not consent to being recorded, please discontinue your participation in this meeting.









Raise your hand (or use \*9 if calling from a phone) to provide stakeholder comment.

Feel free to state your name, if interested.

Participants have two (2) minutes to speak.

Participants are allowed to speak once per Stakeholder Comment Period.

Comment collection and not an engagement method.

Comments must remain on topic.



## SPARK Virtual Meeting Room



## SPARK Virtual Meeting Room Now Available!

- RSVP for future SPARK Sessions.

- Watch past SPARK Sessions.
  Utilize SPARK Resource Station.
  Take a SPARK Survey.
  Provide feedback in the SPARK Comment Box.

Access the Virtual Meeting Room from the DCR website's SPARK landing page.





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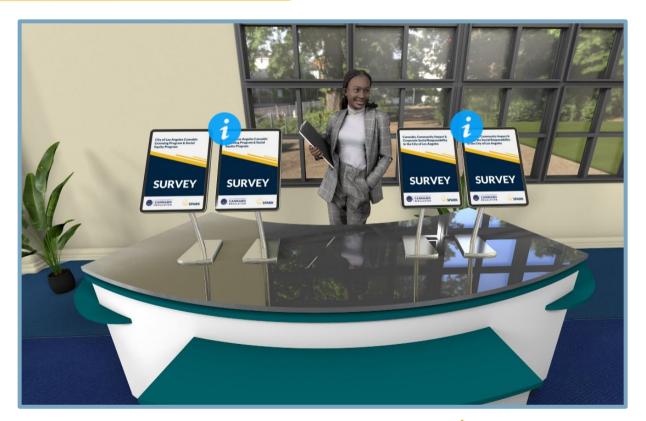
## Staying Connected to SPARK! SPARK Surveys



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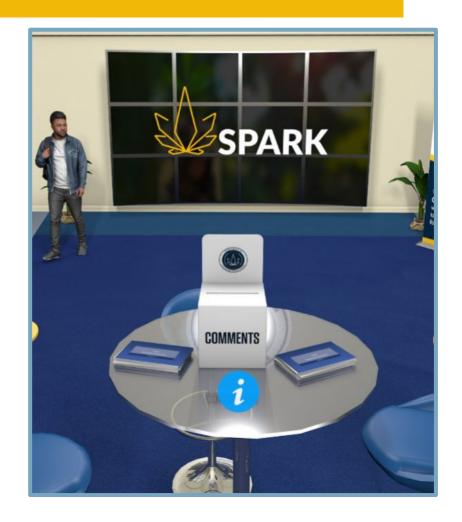


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#### **SPARK Email List**

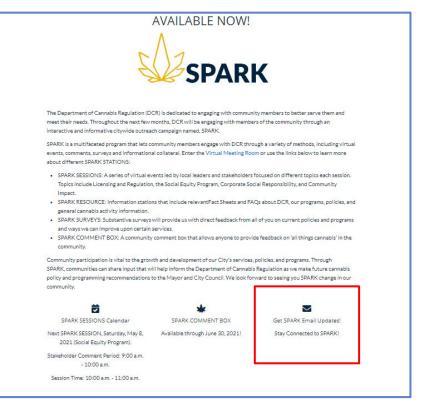


## Sign-Up for the SPARK Email List!

Get all the latest SPARK news, direct access to the Virtual Meeting Room and additional updates from DCR.

Sign-up link on the SPARK Landing Page on the DCR website.









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## Complaint Portal



#### City of Los Angeles Complaint Portal

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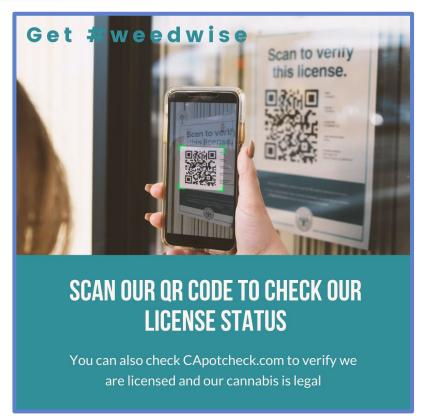


### Finding an Authorized Retailer



The State of California has a California Cannabis Portal to do searches for locations licensed by the state.

Be sure to check out the <u>Bureau of Cannabis Control "Get #weedwise" campaign</u>, which aims to educate consumers about the risks associated with purchasing and using unlicensed cannabis, and increase awareness of the benefits of licensure.







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## Welcome and Introduction(s)



## **SPARK Updates**







## Staying Connected to SPARK!





## Welcome and Introduction(s)











#### **SPARK Session Breakout Rooms**





How comfortable are you with a licensed cannabis business in your community?

- Very Comfortable
- Comfortable
- Neutral
- Uncomfortable
- Very Uncomfortable





Is your community adversely impacted by one or more unlicensed cannabis businesses?

- Yes
- No
- Unsure





Do you know how to identify licensed cannabis businesses in the City of Los Angeles?

- Yes
- No
- Unsure





Do you know how to report unlicensed cannabis businesses?

- Yes
- No
- Unsure





#### **SPARK Session Breakout Rooms**



## SPARK Session Breakout Rooms Guidelines



To foster and inclusive environment during our breakout rooms, we are asking attendees to observe the following guidelines:

- DCR representatives are in rooms to present information to \*SPARK\* discussion and comments. No specific licensing or application questions will be answered.
- Use the Raise Hand function (or \*9 on phone) to make a comment.
- Keep comments and recommendations on topic to the prompt / question.
- Allow time for others to provide feedback on each prompt.
- Use Chat Box to respond if you do not want to speak on a prompt.







#### **SPARK Session Breakout Room:**

**Topic 1: Cannabis Impacts** 



## Commercial Cannabis Activity: Cannabis Laws and Regulations



In March 2017, Measure M, passed in the City of Los Angeles by more than 80% of voters, giving the 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.





### Department of Cannabis Regulation (DCR)



The Department of Cannabis Regulation (DCR) is responsible for administering the commercial cannabis licensing and regulatory program established by the Los Angeles City Council. Specifically, DCR processes all applications for commercial cannabis licenses in the City of Los Angeles, makes licensing decisions or licensing recommendations to the Cannabis Regulation Commission, and regulates the operations of licensed commercial cannabis businesses in the City. In addition, DCR manages the City's Social Equity Program and is charged with the development of Corporate Social Responsibility Reporting requirements for licensed cannabis businesses.





### Cannabis Regulation Commission (CRC)



The Cannabis Regulation
Commission was established
by <u>ordinance</u> on July 30,
2017 and holds a number of
important roles in cannabis
licensing in the social equity
program in Los Angeles.





#### Cannabis Procedures Ordinance



The City of Los Angeles Cannabis Procedures establish the manner in which the Department and Commission are required to process commercial cannabis license applications and further establish requirements of commercial cannabis applicants and licensees.

The Cannabis Procedures authorize the Department and Commission to issue licenses for the following commercial cannabis activity types: cultivation, manufacturing, distribution, testing, retail and delivery.





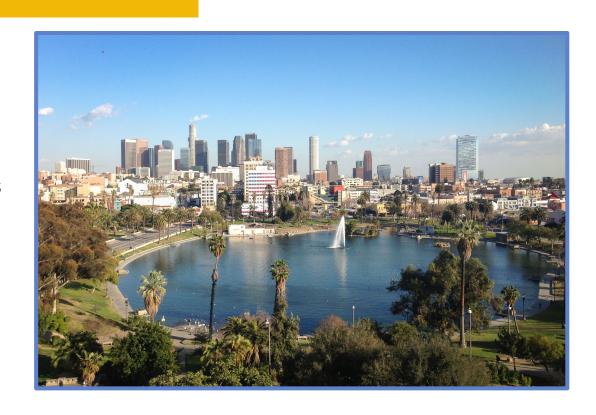
#### Cannabis Location Requirements



The City of Los Angeles restricts where Commercial Cannabis Activity may lawfully occur. The City restricts Commercial Cannabis Activities to specific zones.

Sensitive use restrictions include but may not be limited to following:

- A licensed retail storefront must be outside of a 700-foot radius of a School, Public Park, Public Library, Alcoholism or Drug Abuse Recovery or Treatment Facility, Day Care Center, Permanent Supportive Housing, and any other licensed storefront retailer.
- A licensed non-storefront retailer (delivery), distributor, cultivator, non-volatile manufacturer or testing lab must be outside of a 600-foot radius of any School.
- A volatile manufacturer must be outside of a 600-foot radius of any School and a 200-foot radius of any Residentially Zoned Property.





### **Topic 1 Prompts**



- Please describe how cannabis prohibition and its enforcement has impacted your community.
- Please describe how cannabis legalization has impacted your community.
- What is your vision for cannabis in the City of Los Angeles?





#### **SPARK Session Breakout Room:**

Topic 2: Cannabis Information and Resources

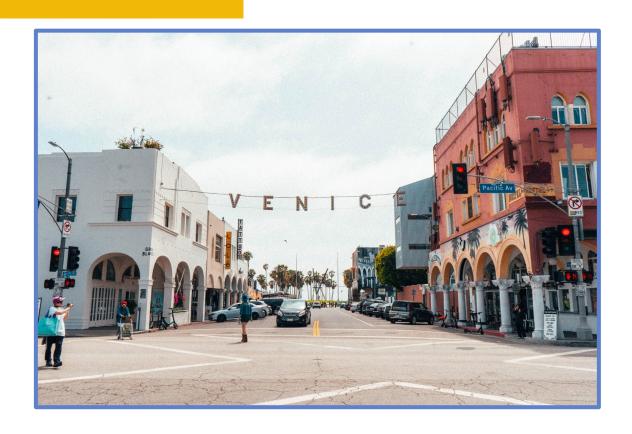


### Personal Cannabis Activity



California voters approved <u>Proposition 64, the Adult Use of Marijuana Act (AUMA)</u>, in November 2016. Proposition 64 eliminates the criminal consequences for personal level possession and cultivation of marijuana by persons 21 years of age or older. Subject to certain exceptions, it allows persons 21 or older to:

- possess, process, transport, purchase, obtain, or give away to persons 21 years old or older without compensation 28.5 grams or less of marijuana and 8 grams or less of concentrated cannabis;
- possess, plant, cultivate, harvest, dry, or process six or fewer living marijuana plants and products produced by the plants;
- smoke or ingest marijuana and marijuana products; and
- possess, transport, purchase, obtain, use, manufacture, or give away without compensation to persons 21 or older, any marijuana accessories.

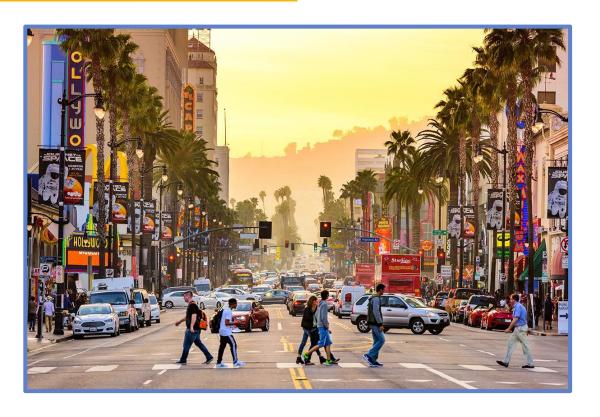




#### Personal Cannabis Use (What Isn't Legal)



- Public Consumption
- Driving While Under the Influence
- Travel Restrictions





### Legal Relief and Expungement



Proposition 64 also reduced criminal penalties for specified marijuana-related offenses for adults and juveniles; and authorized resentencing or dismissal and sealing of prior, eligible marijuana-related convictions. For additional <u>information about Proposition</u> 64, visit https://www.courts.ca.gov/prop64.htm.

In California, all County District Attorney's Offices were required to implement <u>AB 1793</u> which created a statewide process for automatic review of convictions that may qualify for a reduced punishment by July 1, 2020.

To find out if your record has been cleared, or for more information about this initiative, contact the Los Angeles County Public Defender's Office by phone at (323) 760-6763 or visit <a href="http://pubdef.lacounty.gov">http://pubdef.lacounty.gov</a>. The Public Defender's Office will reply to all inquiries.





#### Additional Resources









Los Angeles County







#### **Topic 2 Prompts**



 DCR recognizes that communities need access to information and resources related to personal and commercial cannabis activity, including public health and safety information.
 Please describe any specific recommendations regarding how the City can make these resources more accessible to your community.





#### **SPARK Session Breakout Room:**

Topic 3: Cannabis Tax Rate and Tax Revenue



# Commercial Cannabis Activity: Cannabis Business Tax Rates



Monthly Classification	Activities Taxed	Tax Rate
L711 – Medical Cannabis Sales	All sales related to medical use cannabis by Retail or Microbusiness operations.	\$50 per \$1,000 in Gross Receipts
L712 – Adult-Use Cannabis Sales	All sales related to adult or recreational cannabis use by Retail or Microbusiness operations.	\$100 per \$1,000 in Gross Receipts
L713 – Cannabis Transportation	Transportation or delivery of cannabis products.	\$10 per \$1,000 in Gross Receipts
L714 – Cannabis Testing	Activities related to the testing of cannabis products.	\$10 per \$1,000 in Gross Receipts
L716 – Cannabis Cultivation	Wholesale sales related to the cultivation of cannabis.	\$20 per \$1,000 in Gross Receipts
L718 – Cannabis Miscellaneous	Sales related to all other cannabis activities such as manufacturing and packaging.	\$20 per \$1,000 in Gross Receipts



## Commercial Cannabis Activity: Cannabis Business Tax Revenue

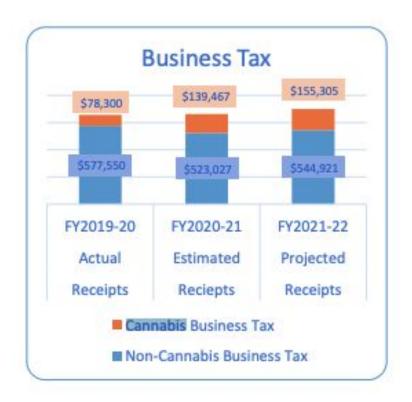


#### Fiscal Year 2020-21

Business Tax receipts are estimated to be \$662.5 million. Non-cannabis Business tax receipts are estimated to decrease by \$54.6 million (9.5%) based on economic estimates, while cannabis Business Tax is estimated to grow by \$61.2 million based on recent trends.

#### Fiscal Year 2021-22

Non-cannabis Business tax receipts are estimated to grow by 4.2% based on six months of reduced activity and six months of recovery. Cannabis Business Tax is estimated to grow by 11.4% based on conservative estimates of new permit approvals and business growth.





### Topic 3 Prompts



- For business licensees and applicants, please describe the impact of the City's tax rate on your business or business model. Please describe any desired amendments to the City's tax rate.
- Currently, cannabis tax revenue is directed into the City's general fund to be used for functions of general government, protection of persons and property, public works, health and sanitation, transportation, cultural and recreational services, community development, capital outlay, and debt service;
  - Many stakeholders have requested that the City designate a percentage of cannabis tax revenue for community reinvestment. Please describe the types of services and or programs that should be funded by a community reinvestment program.





#### SPARK Session Breakout Room:

Topic 4: Unlicensed Activity and Public Safety



### California Commercial Cannabis Activity



Commercial cannabis activity includes activities that are plant touching such as cultivating, manufacturing, and transporting cannabis, as well as activities that are not plant touching such as procuring and selling cannabis.

A state license is required to engage in commercial cannabis activity in California. Applicants will also need to provide proof of approval from the local jurisdiction they'll be operating in before a license can be issued. Please note that if a local jurisdiction prohibits commercial cannabis activity, the state cannot issue a license for a premises within that local jurisdiction.









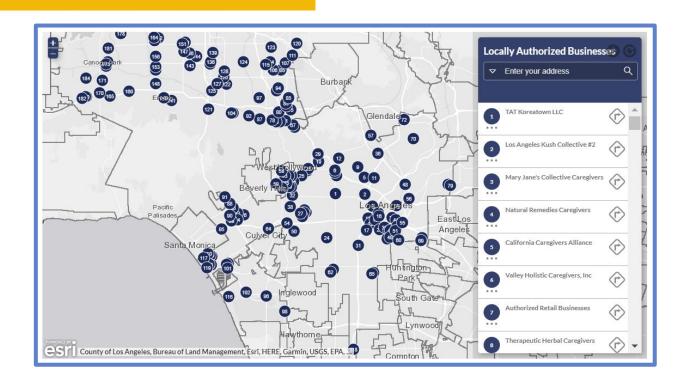
### Finding an Authorized Retailer



Within the City's regulatory program, businesses must obtain local authorization to engage in commercial cannabis activity.

DCR has created a webpage that includes a comprehensive list and map of all businesses with Temporary Approval or a License to sell Medicinal or Adult-Use cannabis and cannabis products.

The State of California also has a California Cannabis Portal to do searches for locations licensed by the state.





### Legal Cannabis Retailers



- Prominent Display of Temporary Approval or License Is Required
- Prominent Display of Neighborhood Liaison is Required
- Responsible Premises Management
- Hours of Operation
- Daily Limits



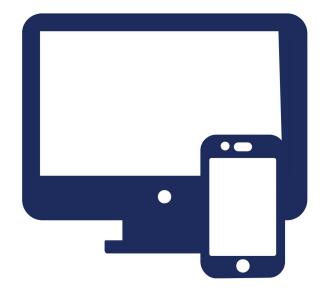


## Compliance and Enforcement: City of Los Angeles Complaint Portal



#### City of Los Angeles Complaint Portal

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# Compliance and Enforcement: Mayor's Enforcement Task Force







DEPARTMENT OF BUILDING AND SAFETY















#### **Topic 4 Prompts**



- How have cannabis businesses impacted your local neighborhood?
- What types of complaints, if any, do you have about the presence of licensed cannabis businesses in your local neighborhood?
- DCR plans to establish a compliance program to assist operators stay compliant with local laws, regulations and operating requirements. Please describe any recommendations you have regarding how the City's manages complaints and or unlicensed cannabis activity.





#### **SPARK Session Breakout Room:**

Topic 5: Community Engagement and Corporate Social Responsibility



## Licensing Program: Corporate Social Responsibility



The Department of Cannabis Regulation is dedicated to ensuring community engagement, equitable property, and corporate social responsibility within the commercial cannabis industry in Los Angeles. The Cannabis Procedures Ordinance mandates that DCR shall develop criteria and guidelines for Cannabis Corporate Responsibility Reports (Report).

Community members can provide their feedback on what should be included in a Corporate Social Responsibility Report via a Corporate Social Responsibility Survey or through the Comment section of the Virtual Meeting Room.





#### Topic 5 Prompts



- What type of community engagement would you like to see from the Department of Cannabis Regulation and Cannabis Regulation Commission?
- Stakeholders have previously mentioned the establishment of a community working group or forum; if a community working group is formed, what should it's purpose be? Should participation be limited to a selected group or open to any member of the public? How should participants be identified and or selected? How often should this forum be available?
- What type of community engagement would you like to see from licensed retail cannabis businesses? Other types of cannabis businesses?





#### **SPARK Session Breakout Room:**

Topic 6: Licensing Program and Social Equity Program

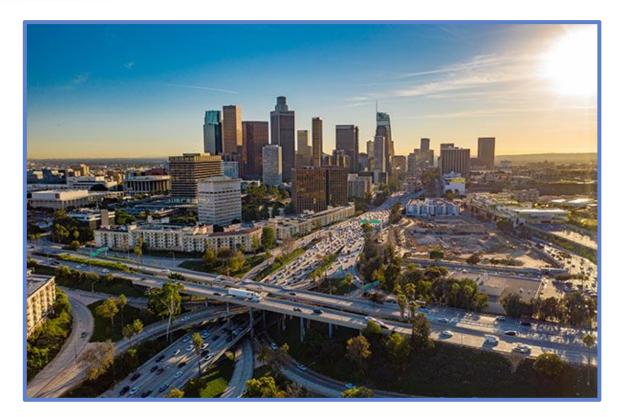


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## Social Equity Program



The Mission of the Social Equity
Program is "to promote equitable
ownership and employment
opportunities in the cannabis industry in
order to decrease disparities in life
outcomes for marginalized communities,
and to address the disproportionate
impacts of the War on Drugs in those
communities."





### Social Equity Program



#### Social Equity Program Benefits and Resources

- Eligibility Verification
  - Individual Verification
  - Entity Verification (Equity Share Compliance)
- Priority Application Processing
- Business, Licensing, and Compliance Assistance
- Fee Waiver Program and Fee Deferral Program
- SEED Grant Program
- Pro Bono Legal Services





### Topic 6 Prompts



- Please describe any additional recommendations you have in regards to the City's Cannabis Licensing Program.
- Please describe any additional recommendations you have in regards to the City's Cannabis Social Equity Program.





# SPARK Session Breakout Rooms End.



#### Poll Question(s)



How familiar are you with laws related to personal cannabis activity (i.e. what's legal for adults 21 and older) in California?

- Very Familiar
- Somewhat Familiar
- Unfamiliar



#### Poll Question(s)



Would you participate in programming designed to promote community engagement and community service by the cannabis industry?

- Yes
- No
- Unsure



#### Poll Question(s)



#### Select any topic that you would like to receive more information about:

- Laws and Penalties for Personal Cannabis Activity (What's Legal)
- Public Health & Health Equity
- Public Safety
- Responsible Adult Activity Consumer Information
- Medicinal-Use of Cannabis Patient Information
- Cannabis Businesses in Your Community
- Youth Prevention
- How to Identify Legal Cannabis Businesses
- Filing Complaints about Cannabis
- Information about Corporate Social Responsibility In the Legal Cannabis Industry
- Commercial Cannabis Activity
- Cannabis Tax Revenue



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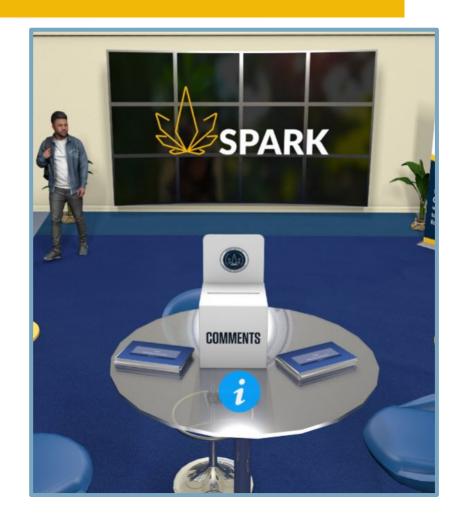


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## SPARK Session Breakout Rooms Session Share!





## **Closing Remarks**



