

MOTION PLANNING & LAND USE MANAGEMENT

Although cannabis and cannabis-related activities have been legalized, unlicensed cannabis operations continue to be an issue in the City of Los Angeles, negatively affecting the residents of the City. Many of these unlicensed businesses do not adhere to the City's rules for cannabis-related activity, do not collect or pay taxes, and undermine the City's regulated marketplace of licensed cannabis businesses. These unlicensed cannabis businesses also pose serious threats to public health, as customers patronize illegal shops with products that have not been tested for safe consumption. Furthermore, there has also been a rise in acts of violence at unlicensed cannabis businesses throughout the City, which creates public safety issues for the City's residents. Most recently, a civil enforcement action against an unlicensed cannabis business resulted in the collection of \$295,000 in penalties, and the arrest and charging of five individuals for the homicide of an employee at an illegal shop.

Over the last several years, City departments have worked in coordination to identify business owners and properties where illicit cannabis activities are occurring. When shutting down these unlicensed cannabis businesses, the City Attorney's office can use a series of civil enforcement actions, including filing injunctions that prohibit further illegal cannabis activities at a certain location, immediate closure and eviction of the business operators from the location, and issuing penalties up to \$20,000 for each day the offense is occurring, as well as costs and fees associated with the investigation. Coupled with these civil enforcement actions, the City also makes use of an escalating set of enforcement practices, including issuing Cease and Desist letters, padlocking and fencing of properties, disconnecting or shutting-off utility services to unlicensed businesses, and conducting search warrants and raids.

The City Attorney has filed eight civil actions since 2019 that included 16 businesses. LAPD's most recent report cites 90 illegal cannabis shops around the City, while in Council District 8 alone City staff has recently counted approximately 30 illegal cannabis shops that are currently operating. This is a marked decrease from close to 100 illegal shops that had been counted in recent years, and while the LAPD, LAFD, Department of Building and Safety and other departments should be commended for this progress, the City needs to identify additional resources that are needed to complete this important task. Cannabis enforcement actions have resulted in the closure of approximately 113 locations in the City. Although these enforcement actions have resulted in the closure of several locations, unlicensed cannabis businesses continue to operate in the City as they await legal action against business owners, and if necessary, the respective property owners. In order to help deter the continued operation of unlicensed cannabis businesses, the City needs to evaluate all enforcement actions that have occurred to date and determine whether there are new and innovative methods of enforcement that can more effectively curb these illicit activities.

I THEREFORE MOVE that the City Council request the City Attorney to report on all Civil Enforcement actions against unlicensed cannabis businesses that have occurred to date, and evaluate the feasibility of issuing new Cease and Desist letters that can more effectively deter the continued operation of unlicensed businesses.

I FURTHER MOVE that the City Council request the City Attorney to report on the feasibility of utilizing outside counsel to pursue civil enforcement actions on behalf of the City as an additional enforcement tool against illegal cannabis.

I FURTHER MOVE that the City Council instruct the Los Angeles Police Department (LAPD) to report on all of the LAPD's enforcement actions against unlicensed cannabis businesses in 2021, including additional resources that may be needed to reduce the number of unlicensed cannabis businesses, such as additional funding and staffing for utility disconnections and padlock actions.

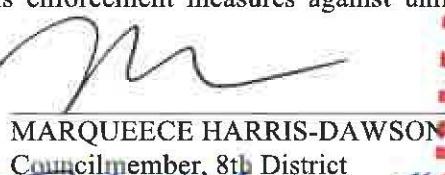
I FURTHER MOVE that the City Council instruct the LAPD to report on the demographics of arrests that have been made Citywide relative to unlicensed cannabis businesses, as well as charges that have been issued to employees of unlicensed cannabis businesses.

I FURTHER MOVE that the City Council instruct the Department of Cannabis Regulation, with the assistance of the Chief Legislative Analyst, to report on best practices as it relates to cannabis enforcement measures against unlicensed cannabis businesses that other cities have in place.

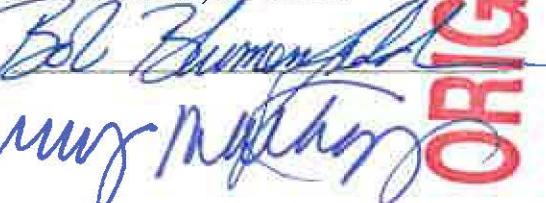
MAY 17 2022


Joe Baca

PRESENTED BY:


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Councilmember, 8th District

SECONDED BY:



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Mary McFadden
ORIGINAL