

# LOS ANGELES MARIJUANA REGULATION AND SAFETY ACT

## Frequently Asked Questions

### **Who is the UCBA?**

UCBA Trade Association (UCBA), is a trade association of Proposition D compliant medical marijuana dispensaries operating legally within the City of Los Angeles. The association's charter members include over 40 of the 135 legally authorized medical marijuana dispensaries in the City of Los Angeles.

### **What is the “Los Angeles Marijuana Regulation and Safety Act?”**

UCBA submitted to the City of Los Angeles, an initiative that was coauthored with the UFCW Local 770 titled the [Los Angeles Marijuana Regulation and Safety Act](#) (the Act). The new initiative will likely appear on the March 2017 City of Los Angeles ballot. If approved by a majority of voters, the Act will only affect cannabis activity within the City of Los Angeles.

### **Why did the UCBA create the “Los Angeles Marijuana Regulation and Safety Act?”**

The short answer is that because the California Legislature passed the MMRSA last year, all cannabis operations in the City of LA would be illegal starting in January 2018 unless the City passed a permitting system. Prop D is not a permitting system.

Also, the UCBA and UFCW wants to demonstrate that the legally operating dispensaries and its supporters can put forth solutions. We feel that we can inform politicians and bureaucrats about the needs of our industry so they have a better understanding of how to regulate this emerging market of both patients and recreational users.

### **What does it do?**

The purpose of the Act is: (1) require the City of LA to create a permitting system as required by recently enacted state legislation (MMRSA, see FAQ below) while anticipating the passage of statewide adult use in November 2016; (2) formally legalize long standing, Prop D compliant dispensaries that have been operating in the City since September 2007; (3) ensure cannabis activity in the City of LA is operating in a safe and transparent manner; (4) create an enforcement system to punish illegal cannabis activity; and (5) provide the City with flexibility in responding to the needs of the growing cannabis industry while allowing the City to determine when and in what manner it will allow cultivation, manufacture, distribution and delivery of cannabis.

### **What is Prop D?**

In 2013, 63% of Los Angeles voters approved [Proposition D](#), which granted a limited immunity to 135 medical marijuana dispensaries. If nothing is done to revise Proposition D, which may only be done by a voter initiative, then all legal cannabis activity in the City of Los Angeles will be illegal under new state law, MMRSA.

### **What is MMRSA?**

On October 9, 2015, Governor Brown signed into law three bills, Assembly Bill 266, Assembly Bill 243, and Senate Bill 643 collectively referred to as the “Medical Marijuana Regulation and Safety Act.

The Medical Marijuana Regulation and Safety Act creates comprehensive oversight for the industry including the cultivation, distribution and sale of cannabis products throughout California. The bill requires local licensing or permitting as well as licensing from the State of California in order for a medical marijuana business to operate in their local jurisdiction. The Act specifically prohibits a person from engaging in commercial cannabis activity without possessing both a State license and a local permit, license, or other authorization.

**I thought Prop D allowed medical cannabis sales and cultivation in the City of LA?**

Prop D only provides limited immunity from enforcement. The City has no formalized permitting or licensing system as required by MMRSA. While the City issues the Business Tax Registration Certificate (BTRC), the dispensary is still subject to arbitrary closure by the City - even if the dispensary is Prop D compliant. As of August 2016, the City of Los Angeles is attempting to shut down what are believed to be fully compliant, Prop D dispensaries.

**Will the Los Angeles Marijuana Regulation and Safety Act allow other segments of the industry?**

Yes. The UCBA initiative provides the flexibility for the City to amend existing laws without having to go back to the voters’ every time a change to cannabis laws in the state warrant a change. This means the City can allow cultivation, manufacturing, transportation, dispensing, distribution, testing and even delivery if it wants to. The UCBA puts no limits on how the City permits and enforces.

**Will the UCBA/UFCW initiative allow for minority owned and operated cannabis business?**

Yes. It gives the City the latitude to open the door to anyone in any segment of the cannabis industry without regard to ethnicity.

**Are there limits on the number of operators?**

Initially yes, recognizing the will of the voters and continuing a limit of 135 dispensaries. But, the City has the ability to open the door to license as many cultivators, manufacturers, distributors, testing labs and it can even increase retail dispensaries if it so desires.

**Is it true that the UCBA ordinance has fines for illegal activity?**

Yes, the ordinance imposes a \$10,000 per day fine for unpermitted cannabis activity within the City of Los Angeles. We felt that the fines would be a deterrent to illegal activity and give the enforcement side of the industry more tools to work with when confronting unpermitted activity.

**Who is working with UCBA on this?**

UCBA has partnered with the [United Food and Commercial Workers Union](#) (UFCW Local 770) to work together to ensure that the City of Los Angeles creates a permitting process for

cannabis related business. As we work closely with the UFCW, UCBA is also working with over 40 independently operating medical cannabis dispensaries as well as cultivators, manufactures, patient groups, City Council members, legal advisors, advertisers, Chambers of Commerce, local law enforcement and many other stakeholders in the industry.