



County of Los Angeles CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

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October 20, 2016

To: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Sachi A. Hamai
Chief Executive Officer

NOTICE OF NEW OFFICE OF MARIJUANA MANAGEMENT AND UPDATE ON ITS ACTIVITIES

In response to polls indicating Proposition 64 (Adult Use of Marijuana Act) is likely to pass this November, I have established an Office of Marijuana Management (OMM) within the Chief Executive Office and have appointed Joseph M. Nicchitta as the Countywide Coordinator for the OMM.

Marijuana legalization impacts many County departments, including the Departments of Public Health, Sheriff, District Attorney, Regional Planning, Fire, Consumer and Business Affairs, Agricultural Commissioner/Weights and Measures, and Treasurer and Tax Collector, among others. The OMM will serve as a countywide coordinating body, working closely with your Board and affected County departments to implement your Board's marijuana policy. The OMM will also work with other cities and counties, and the State of California, to advance the County's marijuana policy goals. The OMM is modeled after similar offices in the State of Colorado where medical and recreational (nonmedical) marijuana are legal, including offices established by Colorado Governor, John Hickenlooper, and the City and County of Denver.

In the short time since the OMM was established, OMM staff has met with department heads, government officials from jurisdictions where medical and recreational marijuana are legal, representatives from the State Department of Consumer Affairs, and the State Bureau of Medical Cannabis Regulation, and industry experts. Staff has also reviewed existing and pending marijuana legislation, as well as reports, scholarly articles, and trade journals on the topics of marijuana legalization and regulation. To date, OMM staff has sought to understand the regulatory landscape from multiple vantage points, to identify areas of concern, and to formulate initial plans to address those concerns.

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There are myriad approaches to marijuana regulation, each with its own set of benefits and challenges. Based on its work thus far, however, the OMM recognizes that legal medical and recreational marijuana will impact the County in certain ways regardless of the specific policies or regulations your Board may adopt. With that in mind, and as informed by the OMM's meetings with County departments and government officials, and by literature identifying best practices for regulating legal marijuana, the OMM has identified the following key objectives to guide its approach to marijuana coordination and management:

1. Protect the public health and safety;
2. Prevent the underage use of marijuana and adult dependency on marijuana;
3. Eliminate the black and grey marijuana markets;
4. Achieve uniformity of regulation and best practices across contiguous jurisdictions; and
5. Establish a County infrastructure that predicts and evolves with changes in the developing marijuana market.

OMM staff will continue to meet with County departments, industry experts, and representatives from other jurisdictions to refine the OMM's objectives, as necessary, and to develop strategies to implement the objectives.

The OMM intends to submit its next update to your Board on or around Election Day, November 8, 2016. At that time, and assuming Proposition 64 passes, the OMM expects to provide your Board with a summary of potential next steps for regulating marijuana. The OMM also intends to provide your Board with an economic analysis of potential marijuana tax revenues and regulatory costs. In the meantime, I recommend each Board office provide the OMM with a "point person" for issues related to marijuana legalization and regulation.

Should you have any questions, please contact me at (213) 974-1101, or Joseph M. Nicchitta, Countywide Coordinator for the Office of Marijuana Management, at (213) 974-4530.

SAH:JJ
JMN:rld

c: Executive Office, Board of Supervisors
County Counsel
District Attorney
Sheriff Department
Department of Public Health
Department of Regional Planning
Department of Fire
Department of Consumer and Business Affairs
Department of Agricultural Commissioner/Weights and Measures
Treasurer and Tax Collector