

**MOTION BY SUPERVISOR HILDA L. SOLIS**

**May 21, 2019**

**Implementation of the Unlicensed Cannabis Business Closure Plan**

Unlicensed cannabis dispensaries create significant negative impacts to communities. Residents and businesses are forced to contend with nuisance issues such as odor, littering, and parking problems. Many illegal cannabis businesses are concentrated in low-income neighborhoods, in communities of color, and areas already overburdened by businesses that can create unwelcoming and unhealthy community environments, such as liquor stores. Communities are not the only ones impacted by unlicensed cannabis businesses and products. Cannabis products sold at unlicensed stores are generally untested for harmful chemicals such as pesticides and could present health risks to consumers who use them. Revenues from unlicensed cannabis sales may also support organized criminal gangs and unlicensed sellers do not pay taxes, resulting in an unfair advantage for those who skirt the rules.

In July 2017, the County of Los Angeles (County) expanded an existing ban on medical marijuana dispensaries to include all types of commercial cannabis activity, including commercial cultivation, manufacturing, processing, testing, transportation, and retail sale of medical and non-medical cannabis. Since 2016, the Medical Marijuana

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Dispensary Enforcement Team (MMDT), comprised of County Counsel, the District Attorney, the Sheriff's Department, and the Department of Regional Planning, has monitored all reports of illegal cannabis activities for investigation and has conducted enforcement actions against dispensaries operating in violation of the ban. In most cases, their efforts have resulted in the closure of an illegal business.

However, preventing new cannabis stores from opening remains a challenge. During a six-month period in 2017, the MMDT reported that 29 illegal cannabis businesses had been closed, but 31 new businesses opened during the same period. Given these realities, a more comprehensive approach is needed to eliminate unlicensed cannabis commercial activity. Recognizing this need, the Los Angeles County Board of Supervisors (Board) passed a motion on July 3, 2018, directing the Department of Consumer and Business Affairs' (DCBA) Office of Cannabis Management (OCM) to develop an Unlicensed Cannabis Closure Plan (Closure Plan) with new and innovative strategies to close illegal businesses in the unincorporated areas, and keep them closed.

OCM submitted the Closure Plan on May 6, 2019. The Closure Plan was collaboratively developed by OCM, MMDT members, and other involved departments, and provides a diverse toolkit of strategies that will enhance enforcement activities against illegal cannabis stores. Among those strategies is a focus on education and outreach to consumers who may be unaware of applicable cannabis laws, how to tell if a cannabis store or delivery service is licensed, and what risks they face by shopping at illegal stores. Importantly, the Closure Plan emphasizes non-criminal interventions to

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avoid the inequities brought about by the War on Drugs.

**I, THEREFORE MOVE**, that the Board of Supervisors:

1. Direct DCBA, in collaboration with County Counsel, the Chief Executive Office (CEO), the Sheriff's Department, and the Departments of Fire, Public Health, Public Works, Regional Planning, the Treasurer and Tax Collector, and other departments and agencies as appropriate, to implement the Closure Plan, including but not limited to DCBA's recommendation to deploy the cannabis crime abatement team (Strategy 2.5) after the County creates appropriate procedures to lock and seal the physical premises of an illegal business (Strategy 2.2) and explores the feasibility of shutting off utilities to illegal businesses (Strategy 2.1).
2. Authorize the Director of DCBA to engage a consultant to prepare a wide-ranging outreach and education campaign designed to advance the public education and outreach strategies in the Closure Plan (Strategies 1.2 through 1.7).
3. Direct County Counsel, in collaboration with the CEO and DCBA, to evaluate the availability of funding for the Closure Plan from civil penalties paid to the County pursuant to the California Unfair Business Practices Act.
4. Direct DCBA, in collaboration with CEO, County Counsel, and submit a written report back to the Board on progress in 120 days, and biannually thereafter.

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