

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

JULY 12, 2016

The Need for a Public Health Approach to Marijuana Taxation  
Relates #R-2 and 36

The testimony today by various Los Angeles County (County) Department representatives underscore the potential public health and safety impacts that are likely to be created by the legalization of marijuana, and the importance of proceeding prudently with any form of taxation.

Taxation of marijuana across the County should be done at a responsible level to ensure that it does not exacerbate an illicit market, and also ensures that sufficient resources are available for the administrative and enforcement costs of creating an environment that fosters responsible use. Moreover, any revenue generated should address the public health and other costs resulting from legalization.

If indeed California voters choose to legalize marijuana in November, the County must prepare for a new pool of potential residents that will require substance abuse treatment. Prevention-based education and outreach should also be established to promote the responsible use of recreational marijuana. Therefore, funds generated should be specifically targeted to the new population of individuals – specifically youth - who are

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RIDLEY-THOMAS \_\_\_\_\_

KUEHL \_\_\_\_\_

KNABE \_\_\_\_\_

ANTONOVICH \_\_\_\_\_

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anticipated to be in need of services directly tied to marijuana use, not siphoned for other County needs.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:**

1. Direct the Chief Executive Officer in coordination with affected departments and outside experts to come back to the Board in 30 days with a proposal to agendize for the March 2017 ballot, should the Adult Use of Marijuana Act's (AUMA) pass in November 2016, a plan to tax recreational marijuana at a level that will sufficiently cover administration and enforcement costs, as well as provide needed revenue to target additional public health interventions tied to the anticipated proliferation of drug use tied to the legalization of marijuana. This report should include:
  - a. A description of the potential one-time and ongoing costs and timeline to create the necessary regulatory, enforcement and taxation structures;
  - b. A description of the costs that the County could incur as a result of the AUMA passage across the health, law enforcement and County departments and how those costs could be strategically addressed;
  - c. A projection and timeline for the receipt of any potential revenue generated by the AUMA state tax rate and a potential additional County tax;
  - d. A description of everything the County would need to legally and administratively do to preserve status quo on the day post passage; and
  - e. A recommended timeline and budget for taking regulatory action.

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**I FURTHER MOVE THAT THE BOARD OF SUPERVISORS:**

Direct the CEO to work with representatives from local cities and surrounding counties to explore a potential regional taxation and regulatory scheme that best protects public health and safety and promotes the economic well-being across the Southern California region, especially in those communities impacted disproportionately by high crime rates and public health harms; and report back in writing in 30 days with a plan to potentially place a marijuana taxation measure on the March 2017 ballot should it be legalized.

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(YV/KK)