

## 5 Reasons Los Angeles Cannabis Will Thrive Post Measure M

On March 7, Los Angeles voters overwhelmingly passed Measure M by 79%. You may not have thought that Los Angeles needed any revision to its cannabis rules because it has a whole lot of dispensaries that from every appearance are licensed. So why did they need Measure M?

5 reasons Measure M will make a difference:

- 1. Measure M Overturns Prop D.** Prop D did not give any “permit” to cannabis businesses, it really gave a tacit “agreement not to prosecute” a limited number of cannabis dispensaries. This made for a very subjective environment in which to operate. One infraction could mean the business was shuttered. Prop D was passed in 2013 and as a voter measure, it could barely be touched by the City Council, making it very hard for the industry to grow or be regulated or taxed.
- 2. Los Angeles Cannabis Dispensaries Can Stay Open Past 1/1/18.** Prop D did not have a vehicle for businesses to get a LA business permit, and the new Medical Cannabis Regulation and Safety Act (MCRSA) requires that cannabis businesses have both a state and local permit. If Measure M had not passed, as of 1/1/18 every Los Angeles medical cannabis business would have been at risk of closure.
- 3. Measure M Allows New Businesses Into LA.** Prop D did not allow anything but dispensaries (and arguably as mentioned those were merely tolerated). Now the City Council can consider whether growers, manufacturers, deliverers, testers, and distributors can be permitted in LA. This is huge. When cities give permits, they earn revenue and know the good operators from the bad. Businesses can confidently invest in their operations because they know that they have authorization to stay.
- 4. There is a Lot of Tax Income to Be Had.** As a city with a population larger than many states, the loss of tax revenue from cannabis sales and operations impacts law enforcement and youth prevention and education programs. With Measure M the city can collect taxes on recreational and medical cannabis sales, transportation, testing and research, manufacturing, cultivation and other commercial cannabis operations.
- 5. You Can Still Go To Your Favorite Dispensary.** Most likely, Prop D storefronts will have a priority in the permit process, but if they were taking advantage of the virtual monopoly Prop D afforded them, and if they did not keep their storefronts clean and operate responsibly, they are at risk of being passed over. Observers expect that Measure M will bust the monopoly and drive high end, professional and comfortable dispensaries into LA. Measure M allows new dispensaries to compete and they will raise the bar, so if your old digs close up shop, you may even find a nice new place to purchase your medicine.

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