



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE • BEVERLY HILLS, CALIFORNIA 90210

Lili Bosse, Mayor

August 18, 2022

The Honorable Scott Wiener
California State Senate, 11th District
1021 O. St. Suite 6630
Sacramento, CA 95814

Re: SB 1186 (Wiener) — Medicinal Cannabis: Local Regulation
City of Beverly Hills - OPPOSE

Dear Senator Wiener,

I write to inform you that the City of Beverly Hills remains in respectful **OPPOSITION** to SB 1186, your measure to severely undermine local decision-making under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). SB 1186 undermines the intent of the MAUCRSA by eliminating local authority to prohibit medical cannabis retail activities, regardless of the needs or conditions in the jurisdiction, and restricting our City's authority to set appropriate local regulations which are developed in a public process.

Your measure undermines voter intent, as expressed through the statewide approval of the Adult Use of Marijuana Act (AUMA) in 2016 (Proposition 64). Proposition 64 allowed local jurisdictions to choose if cannabis activity was the best direction for their respective communities. This was a central tenet of this voter-approved law. Among the declared purposes contained within AUMA was to "allow local governments to ban nonmedical marijuana businesses, as set forth in this Act."

The Legislature worked closely with stakeholders to create a regulatory framework for medical cannabis over a year before Proposition 64 was enacted. That legislatively enacted framework serves as the basis of regulatory structure provided for in the adult-use scheme. In the construction of both frameworks, the crafters recognized the critical need for local control, primarily as part of local land-use authority.

We believe local control must be sustained to keep faith with the voters and to ensure local jurisdictions can continue to set regulatory standards associated with the local land-use authority that resides with cities. This includes the ability to restrict or prohibit commercial cannabis activities or impose stricter local standards than those afforded in state regulations.

Marijuana use, possession, and distribution is still illegal under federal law 21 U.S.C. § 801 et seq. There are no exceptions or special treatments allowed for medical use. Over 70 percent of all cannabis-based businesses are cash-only in the states where cannabis is legal. The United States Department of Justice and the United States Treasury Department's Financial Crimes Enforcement Network have issued guidelines allowing banks to work with marijuana businesses that follow new state legalization laws. However, even with the Treasury guidelines, bank officials continue to be reluctant to do business with cannabis-based businesses as they fear that they will still be subject to investigation and prosecution. As these businesses are typically cash only, they are more likely to be victims of crime. Additionally, a study conducted in Long Beach demonstrated that crime increases in areas where cannabis businesses operate.

In Beverly Hills, our City Council adopted a resolution which became the basis for our Municipal Code prohibiting all sales of cannabis in our city. The City Council found the establishment of cannabis-based businesses has the potential to adversely change the character of the Beverly Hills community. General Plan Policy LU 2.9 Public Safety requires developments be located and designed to promote public safety. There are no locations in Beverly Hills where a cannabis-based business would promote public safety, especially given the recent increase in theft not only in Beverly Hills, but throughout Los Angeles County. The city is spending millions of dollars annually to augment Police Department personnel with armed security patrols in our business district as well as our residential areas and yet we are still seeing an increase in crime.

Permitting any new industry, particularly one with well-documented state regulatory challenges, is a complex matter. While any industry would prefer the simple expedient of overriding local concerns and regulations, such an approach is manifestly bad for communities and for California and this is no different for the cannabis industry. This also sets a dangerous precedent where the state legislature could override local control over zoning for any other industry whether or not that industry is truly an appropriate business for the area.

Many local jurisdictions, including the City of Beverly Hills, regulate the hours an establishment can sell alcohol and where these establishments can be located. Ideally, they are not located near our schools or residential areas. This prevents these establishments from becoming a public nuisance to those going to school or living in the area and while the federal government does not prohibit the sale of alcohol, our city does regulate where they can be located and when they can operate.

Not only would SB 1186 completely override the determination made by our City Council that the selling of cannabis in any form creates a public safety issue for Beverly Hills, it would further prohibit our City Council from being able to determine the hours of operations for medical cannabis businesses and their location while carefully considering how to limit the adverse impact the business will have on public safety in our City should it pass.

When crafting our municipal code for prohibiting the sale of cannabis in our City, we did carefully consider the compassionate use of medical cannabis. While our City did determine that the sale of cannabis in any form was detrimental to the public safety of our residents and our business community, we did provide an allowance for the delivery of cannabis for medicinal purposes to someone's home. Given our proximity to

other jurisdictions who do allow for these types of sales, we do not believe we are unreasonably restricting the access for compassionate use. Your bill does not take this into account.

For these reasons, the City of Beverly Hills must respectfully OPPOSE your SB 1186.

Sincerely,

A handwritten signature in black ink, appearing to read "Lili Bosse", followed by a long horizontal line extending to the right.

Lili Bosse, Mayor
City of Beverly Hills

Cc: The Honorable Ben Allen, Senator 26th District
The Honorable Richard Bloom, Assemblymember 50th District
Andrew K. Antwih, Shaw Yoder Antwih Schmelzer & Lange