



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE • BEVERLY HILLS, CALIFORNIA 90210

Lili Bosse, Mayor

September 6, 2022

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: SB 1186 (Wiener) — Medicinal Cannabis: Local Regulation
City of Beverly Hills – REQUEST FOR VETO

Dear Governor Newsom,

On behalf of the City of Beverly Hills, I respectfully request your VETO on SB 1186 (Wiener), which severely undermines local decision-making under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). SB 1186 would require local jurisdictions to allow the delivery of medicinal cannabis and allow non-retail storefront facilities to serve as storage for this activity.

SB 1186 runs counter to MAUCRSA by eliminating local authority to prohibit medical cannabis retail activities, regardless of the needs or conditions in the community. This measure undermines voter intent, as expressed through the statewide approval of the Adult Use of Marijuana Act (AUMA) in 2016 (Proposition 64). SB 1186 would restrict our authority to set appropriate local regulations which are developed in a public process.

Proposition 64 allows local jurisdictions to choose if cannabis activity is 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.

Combined, these legislatively enacted frameworks serve as the basis of regulatory structure for both the medical and adult-use of cannabis. In the construction of both frameworks, the crafters of the legislation and Proposition 64 recognized the critical need for local control, primarily as part of local land-use authority. We believe local control must be retained 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.

Since we first communicated our position to the author's office in a letter dated April 8, 2022, SB 1186 has been amended to narrow the focus of this measure on the local regulation of medical cannabis deliveries. Unfortunately, the current provisions of SB 1186 continue to override local control on the question of medical cannabis deliveries. These recent changes to SB 1186 do not go far enough to change our position on SB 1186.

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 Planning Commission adopted a resolution which became the basis for our Municipal Code prohibiting all sales of cannabis in our city. The Planning Commission 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. This also sets a dangerous precedent where the state legislature could override local control over zoning for any other industry without sufficient consideration of whether that industry is truly an appropriate business for the area.

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. This bill does not take this into account.

For these reasons, the City of Beverly Hills requests your VETO on SB 1186.

Sincerely,

A handwritten signature in black ink that reads "Lili Bosse". The signature is written in a cursive, flowing style.

Lili Bosse

Mayor, City of Beverly Hills

Cc: The Honorable Scott Wiener, Senator, 11th District
 The Honorable Ben Allen, Senator, 26th District
 The Honorable Richard Bloom, Assemblymember, 50th District
 Andrew K. Antwih, Shaw Yoder Antwih Schmelzer & Lange