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CALIFORNIA



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Dear Registered Medical Marijuana Collective Business Owner:

On January 19, 2016, the Los Angeles City Council adopted City Ordinance No. 184135, which became effective on January 22, 2016. City Ordinance No. 184135 amends Los Angeles Municipal Code Section 21.50 to:

- Limit taxation of medical marijuana collectives to those that attest to compliance with Proposition D
- Require medical marijuana collectives to attest, under penalty of law, to compliance with Proposition D by March 31, 2016, and, thereafter, when submitting their annual Business Tax renewals
- Make it a misdemeanor for any person operating a medical marijuana collective as defined by Section 21.50(c) to maintain or display a Business Tax Registration Certificate for any classification other than that set forth in Section 21.50(b) for medical marijuana collective business activity
- Make it a misdemeanor for any person operating a medical marijuana collective as defined by Section 21.50(c) to maintain or display an expired, suspended or otherwise invalid Business Tax Registration Certificate
- Preclude the issuance of new Business Tax Registration Certificates for any medical marijuana collective business activity

Effective January 22, 2016, every medical marijuana collective taxed by Los Angeles Municipal Code Section 21.50 shall remit with its 2016 annual renewal of business taxes by February 29, 2016, and an affidavit in a form approved by the Director of Finance attesting to its compliance with Proposition D by March 31, 2016. A medical marijuana collective that remitted its annual payment of business taxes for the 2016 tax period before the January 22, 2016 effective date of City Ordinance No. 184135, shall complete and submit before March 31, 2016 the affidavit attesting to its compliance with Proposition D.

Please see the attached affidavit, which must be submitted in person at a City of Los Angeles Office of Finance public counter location. The completed and signed affidavit may only be submitted to the Office of Finance by one of the following, as applicable: 1) Individual owner; 2) Partner; 3) Officer of the corporation, with office held specified; 4) Member of the LLC; or 5) Manager of the LLC.

Please note that it shall be the burden of the medical marijuana collective to determine and accurately represent to the Office of Finance whether the medical marijuana collective complies with Proposition D.

All medical marijuana collective Business Tax Registration Certificates in their current form shall be invalid effective March 31, 2016. Subsequent to March 31, 2016, the Office of Finance will issue an updated Business Tax Registration Certificate in a form approved by the Director of Finance, to those medical marijuana collectives that have submitted an affidavit attesting to compliance with Proposition D. The updated Business Tax Registration Certificate will further clarify that such certificate is not a permit to operate a business.

Please visit finance.lacity.org for more information regarding City Ordinance No. 184135 and the Office of Finance's public counter locations.

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