

PATRICE Y. LATTIMORE  
CITY CLERK

RUBEN VIRAMONTES  
EXECUTIVE OFFICER

# City of Los Angeles

CALIFORNIA



KAREN BASS  
MAYOR

OFFICE OF THE  
CITY CLERK

**Council and Public Services Division**  
200 North Spring Street, Room 395  
Los Angeles, CA 90012  
General Information - (213) 978-1133  
FAX: (213) 978-1040

[clerk.lacity.gov](http://clerk.lacity.gov)

February 3, 2026

Councilmember Katy Yaroslavsky, Chair  
Budget and Finance Committee

RE: 25-0600-S125

On February 3, 2026, the Government Operations Committee considered an October 2, 2025 Office of Finance report relative to the implementation of a business tax amnesty program for cannabis businesses. After consideration, the Committee moved to make the following recommendations:

1. INSTRUCT the Office of Finance to implement a business tax amnesty program for registered cannabis businesses as detailed in the October 2, 2025 Office of Finance report, attached to the Council File, with full waiver of penalties and interest and installment agreements for up to 36 months.
2. APPROPRIATE the following to provide for staffing resources to enact this program, and to be funded by increased Cannabis business tax revenues:
  - a. \$200,000 to Office of Finance General Fund No. 100/39, Overtime General, Account No. 1090
  - b. \$100,000 to the Office of Finance General Fund No. 100/39, Salaries, As Needed, Account 1070
3. INSTRUCT the Office of Finance to report to Council, within 45 days of the deadline for businesses to apply for amnesty, with:
  - a. Number of businesses applying
  - b. Number of businesses provided amnesty
  - c. Total amount of liability waived

- d. Amount of additional revenue anticipated based on participation in the program
4. REQUEST the City Attorney to prepare and present an Ordinance authorizing the business tax amnesty program for registered cannabis businesses.
5. REQUEST the City Attorney, in coordination with the City Administrative Officer (CAO) and the Chief Legislative Analyst (CLA), to prepare and present an Ordinance for the creation of the Cannabis Tax Amnesty Program Fund with said Ordinance to additionally specify that Tax Amnesty Program Fund receipts be programmed in the following manner through the City Annual Budget Process:
  - a. 20 Percent Citywide and Office of Finance reimbursement
  - b. 40 Percent Los Angeles Police Department (LAPD) and City Attorney for illegal cannabis enforcement
  - c. 40 Percent CID/Employment and Workforce Department (EWDD) for Social Equity Cannabis Business Grants.
6. INSTRUCT the LAPD, EWDD, CID; and, REQUEST the City Attorney to report with an itemized list of staffing and costs associated with the above mentioned programming options in Recommendation No. 5 for the Cannabis Tax Amnesty Program Fund.

This file is hereby transmitted to the Budget and Finance Committee.

Adam R. Lid  
Legislative Assistant II

VOTE:  
PADILLA: YES  
LEE: YES  
JURADO: YES