



CITY OF LOS ANGELES DEPARTMENT OF  
**CANNABIS  
REGULATION**

CF 25-1126: Updates to LAMC 104.03 & 104.12  
3/3/2026, Government & Operations  
Committee



- 1) Addressing outstanding taxes through allowing a payment plan, complementing the upcoming tax amnesty program;
- 2) Clarifying renewal periods; and
- 3) Re-defining good standing for the purpose of re-filing.

# 1) Creating a Path for Businesses to Address Outstanding Taxes and be in Good Standing with DCR



- Between 2020 and 2024, the number of commercial cannabis licenses doubled (table 1), but tax revenue decreased (table 2).
- The uncollected revenue is symptomatic of a struggling industry pressured by a thriving illegal market, high taxes, predatory investors, and a federal ban.

Table 1. Commercial Cannabis Licenses Issued (2021-2024).

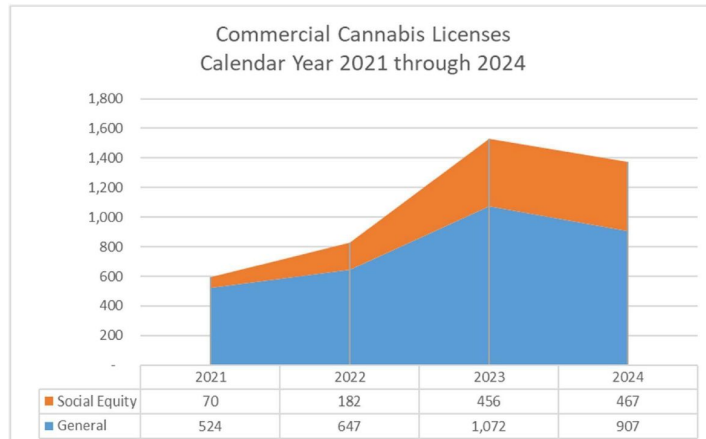
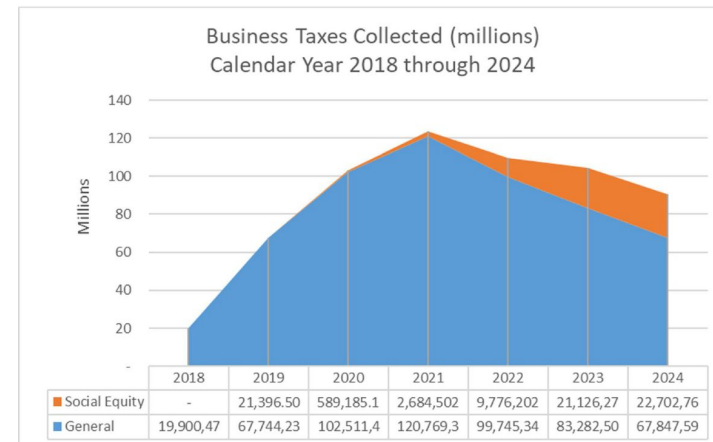


Table 2. Commercial Cannabis Business Taxes Collected (2018-2024).



# Creating a Path for Businesses to Address Outstanding Taxes... (continued)



Table 3. Cannabis Taxpayers with Unremitted\* Tax Balances by Group (December 2025 Data).

- As of December 2025, there were 856 tax delinquent cannabis accounts totaling \$416M
- 60% (510 accounts) have exited the market, leaving no path, besides legal action, to recover these back-owed taxes totaling \$227M
- The remaining 40% (346 accounts) remained licensed, totaling \$188M

Tax Balance Group/DCR Record	Sum of Tax Balance	Count of Taxpayers	Avg Tax Due
<b>A - Owe Over \$1 million</b>	<b>\$314,506,176.85</b>	<b>93</b>	<b>\$3,381,786.85</b>
No Record to Suspend/Revoke/Deny	\$190,373,575.47	45	\$4,230,523.90
Open DCR Record	\$124,132,601.38	48	\$2,586,095.86
<b>B - Owe \$750,000 to \$999,999</b>	<b>\$13,100,465.36</b>	<b>15</b>	<b>\$873,364.36</b>
No Record to Suspend/Revoke/Deny	\$3,191,645.44	4	\$797,911.36
Open DCR Record	\$9,908,819.92	11	\$900,801.81
<b>C - Owe \$500,000 to \$749,999</b>	<b>\$29,003,486.83</b>	<b>46</b>	<b>\$630,510.58</b>
No Record to Suspend/Revoke/Deny	\$5,567,706.03	9	\$618,634.00
Open DCR Record	\$23,435,780.80	37	\$633,399.48
<b>D - Owe \$250,000 to \$499,999</b>	<b>\$23,019,361.07</b>	<b>61</b>	<b>\$377,366.57</b>
No Record to Suspend/Revoke/Deny	\$7,821,753.69	21	\$372,464.46
Open DCR Record	\$15,197,607.38	40	\$379,940.18
<b>E - Owe \$100,000 to \$249,999</b>	<b>\$15,256,010.89</b>	<b>96</b>	<b>\$158,916.78</b>
No Record to Suspend/Revoke/Deny	\$5,317,778.95	36	\$147,716.08
Open DCR Record	\$9,938,231.94	60	\$165,637.20
<b>F - Owe \$50,000 to \$99,999</b>	<b>\$9,987,426.15</b>	<b>150</b>	<b>\$66,582.84</b>
No Record to Suspend/Revoke/Deny	\$6,675,412.25	102	\$65,445.22
Open DCR Record	\$3,312,013.90	48	\$69,000.29
<b>G - Owe \$10,000 to \$49,999</b>	<b>\$11,518,319.49</b>	<b>395</b>	<b>\$29,160.30</b>
No Record to Suspend/Revoke/Deny	\$8,924,432.35	293	\$30,458.81
Open DCR Record	\$2,593,887.14	102	\$25,430.27
<b>Grand Total</b>	<b>\$416,391,246.64</b>	<b>856</b>	

# Creating a Path for Businesses to Address Outstanding Taxes... (continued)



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## DCR POLICY PROPOSAL #1

If a Licensee owes...	And they have been delinquent for...	They can renew in...
<= \$1,000,000	Less than 4 years	September 2026
<= \$750,000	Less than 3 years	September 2027
<= \$500,000	Less than 2 years	September 2028
<= \$250,000	Less than 1 year	September 2029
<= \$100,000	Less than 1 year	September 2030 and after

Establish a **phased-in approach** to allow licensees to enter into a **payment plan**, like the one above, with the Office of Finance to continue **allowing these businesses to renew their licenses annually**.

## 2) Providing Clarity for Renewal Periods



Submissions	REN (LIC)	DOC (ANN/TMP)	TOTAL	
Submitted Timely (9/2/25 - 11/1/25)	642	84	726	82.5%
Submitted Late (11/2/25 - 2/28/26)	22	10	32	3.6%
Total	664	94	758	86.1%

\*chart as of 12/31/25

- DCR launches license and record renewal periods every September 1st, concluding timely renewals on October 31st. Late renewals are accepted November through December.
- All licenses and records expire every December 31st at 11:59 PM, meaning the business can no longer operate but may get that ability back if they renew during the late-late renewal period.
- During the pandemic the City allowed for greater flexibility, establishing a second late renewal period into the following year, from January through February and finally concluding renewals on March 1st.
- **This second renewal period causes confusion**, since businesses must stop operating January 1st if they haven't renewed, but could still file for renewal as late as February 28th.

# Providing Clarity for Renewal Periods (continued)



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## DCR POLICY PROPOSAL #2:

**Remove** the second late renewal period in January and February, and **establish** a license reinstatement period of 6 months. These updates will establish a **clear policy** that businesses may not operate after December 31st without renewal, and **eliminates operational confusion**.

## 3) Re-Defining Good Standing for the Purpose of Refiling



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### Currently:

[LAMC 104.03 \(h\)](#) allows an applicant to re-start the process within 5 years of a license expiring or being abandoned **IF they are not delinquent** on taxes, fees, fines, or payments previously deferred (i.e., “good standing”).

### DCR POLICY PROPOSAL #3

Allow an applicant to enter into a **payment plan** for any such delinquency and still be considered in good standing. This will allow these businesses to retain the opportunity to re-start the application process while they work to become current on owed amounts.

**Note:** It’s important this proposal passes alongside tax amnesty. If not, even if an applicant enters into a payment plan, the LAMC would still consider licensees “not in good standing.”

