

GOVERNMENT OPERATIONS and BUDGET AND FINANCE COMMITTEES REPORT relative to amending Article 4, Chapter 10, of the Los Angeles Municipal Code (LAMC) concerning the City's commercial cannabis record refile and renewal requirements.

Recommendations for Council action:

1. Request the City Attorney to prepare and present three separate Ordinances as follows:
 - a. Amend LAMC Section 104.03(h) to:
 - i. Add a provision to allow an Applicant to refile an Annual License Application if the Applicant possessed an Annual License that was cancelled prior to its expiration date.
 - ii. Allow an Applicant to pay or begin a payment plan to pay previously due taxes, and to pay previously due fines or fees to the Department of Cannabis Regulation (DCR), at the time they refile an abandoned or expired application, or cancelled Annual License.
 - b. Amend LAMC Section 104.12 to defer the requirement of City gross receipts tax compliance, subject to certain threshold limits to be adjusted annually, in processing a renewal application of an Applicant or Licensee, as detailed in the December 15, 2025 DCR report, attached to the Council File.
 - c. Amend LAMC Section 104.12 to change the renewal periods as detailed in the December 15, 2025 DCR report, attached to the Council file.
2. REQUEST the City Attorney, with the assistance of the DCR, to prepare and present an Ordinance to amend the LAMC consistent with the December 15, 2025 DCR report, attached to the Council file; and, AUTHORIZE the City Attorney to include amendments to sections of the LAMC not directly detailed in the December 15, 2025 DCR report, attached to the Council file, to ensure internal consistency and enable the DCR to implement the intent of said DCR report.

Fiscal Impact Statement: None submitted by the DCR. Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On March 3, 2022, the Government Operations (GO) Committee considered a December 15, 2025 DCR report relative to amending Article 4, Chapter 10, of the LAMC concerning the City's commercial cannabis record refiling and renewal requirements. According to the DCR, currently, LAMC Section 104.03(h) allows applicants the opportunity to re-start the application process within five years of their application or license expiring or being abandoned as long as they are in good standing and not delinquent on any City tax, fee, fine, or fee payments previously deferred. This allows applicants to retain their application opportunity, and restart the licensing process in the event they have experienced loss of capital, eviction or rising rents, construction delays, or other challenges associated with starting a cannabis business.

However, applications may only be refiled if the original application was deemed filed pursuant to LAMC section 104.06(a). This means that applications that were abandoned for failure to pay prior fees, fines or taxes may be ineligible to refile. Allowing applicants the opportunity to come into good standing at the time they refile would afford these applicants a greater chance of success while creating an incentive for the City to receive monies owed. Therefore, the DCR recommends allowing an applicant to pay or begin a payment plan to pay previously due taxes, and to pay previously due fines or fees to come into good standing at the time an abandoned or expired application is refiled.

Additionally, under the current provisions of LAMC Section 104.03, an Applicant may refile an Annual License Application if the Applicant possessed a License that expired under Section 104.12. However, the LAMC does not include a provision allowing an Applicant to refile an Annual License that was cancelled prior to its expiration date. Since all Licenses expire after 11:59 pm on December 31 for the year issued, an Applicant may not initiate the refiling process until the following calendar year. Additionally, the LAMC allows late renewals to be submitted through the last day of February, so the DCR licensing map may not be updated to remove recently expired licenses until after March 1 which prevents DCR from processing a Pre-Application within 700-feet of the expired license since the expired License could be renewed through the last day of February. Amending the LAMC to allow an Annual License, in good standing on the date it was cancelled, to be refiled will enable a commercial cannabis business to refile earlier than their current expiration date and enable DCR to remove cancelled licenses from its licensing map sooner which makes compliant properties available to other prospective applicants sooner.

After consideration and having provided an opportunity for public comment, the GO Committee made a series of recommendations that are summarized in the above recommendations to include a series of changes to the LAMC. The GO Committee emphasized that they wish each change to the LAMC to be accomplished through separate Ordinances.

Subsequently, on March 23, 2026, the Budget and Finance Committee also considered this item. After consideration and having provided an opportunity for public comment, the Committee moved to concur with the GO Committee. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Government Operations Committee

COUNCILMEMBER VOTE

PADILLA: YES

LEE: YES

JURADO: ABSENT

Budget and Finance Committee

COUNCILMEMBER VOTE

YAROSLAVSKY: YES

BLUMENFIELD: YES

HUTT: YES

McOSKER: ABSENT

HERNANDEZ: YES

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3/23/26

-NOT OFFICIAL UNTIL COUNCIL ACTS-