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CANNABIS REGULATION

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April 30, 2026

Council File 26-0301

Honorable Members of the Los Angeles City Council  
c/o Office of the City Clerk  
City Hall, Room 395  
Los Angeles, CA 90012

Attention: Government Operations Committee

**PROPOSED ORDINANCE AMENDMENTS TO LOS ANGELES MUNICIPAL CODE ARTICLE 4,  
CHAPTER X CONCERNING THE ISSUANCE OF LICENSES FOR CULTIVATION, DELIVERY, AND  
MANUFACTURING ACTIVITIES**

Dear Honorable Members:

Pursuant to Council File no. 26-0301 and a request from the Government Operations Committee, the Department of Cannabis Regulation (DCR) hereby submits this report and recommended amendments to Article 4, Chapter X of the Los Angeles Municipal Code (LAMC) regarding the issuance of licenses for Cultivation, Delivery, and Manufacturer Commercial Cannabis Activity. The proposed amendments are provided in a red-lined ordinance in Attachment A, which is subject to review and edits by the City Attorney's Office.

**BACKGROUND**

On March 3, 2026, Councilmember Padilla introduced a motion instructing DCR to report back on a process for implementing licenses for Cultivation and Delivery to the public. Key provisions related to delivery have not been comprehensively updated since adoption in 2017, and cultivation provisions were last updated in 2018. Since then, the State of California has modified cannabis license classifications and regulatory structures, contributing to misalignment between local and state frameworks. Expanding and modernizing licensing opportunities, particularly for delivery and cultivation, also presents a meaningful opportunity to increase legal market participation and generate new tax revenue for the City. Consumer trends indicate a growing preference for cannabis delivery services. Because customers value the convenience of pre-ordering from home, online and delivery transactions typically yield higher average values than those conducted in-store, providing cannabis enterprises with increased returns.

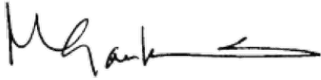
Recommendation

DCR recommends amending the process for Annual Licenses for non-Storefront Retail Commercial Cannabis concerning the issuance of licenses for Cultivation, Delivery, and Manufacturer Commercial Cannabis Activity. Licenses for Types 1A, 1C, 2A, 3A, 5A and 7 shall be issued on a first come, first serve basis in each available community plan until Undue Concentration is reached. Applications for uncapped activities will be accepted on a rolling basis indefinitely, as there is no limit on these license types. DCR

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also recommends deleting subsections (e) and (f) entirely from Section 104.06.01 of the Municipal Code so it is clear non-retail applicants must obtain Annual Licenses pursuant to Section 104.06.

For any questions regarding this report, please reach out to Michelle Garakian at [michelle.garakian@lacity.org](mailto:michelle.garakian@lacity.org).

A handwritten signature in black ink, appearing to read "Michelle Garakian", with a long horizontal stroke extending to the right.

MICHELLE GARAKIAN  
Executive Director

Attachment: Proposed Red-lined Ordinance

## ATTACHMENT A

### Proposed Red-lined Ordinance

Section 1. Subsection (c) of Section 104.06 of Article 4, Chapter X of the Los Angeles Municipal Code is amended, without effect to its subdivisions, as follows:

(c) **Annual Licenses for All Other Commercial Cannabis Activity.** For Commercial Cannabis Activity that is not Storefront Retailer Commercial Cannabis Activity, within 30 days of the filing of an Annual Application pursuant to Subsection (a), DCR shall send a Notice of Complete Application by electronic mail to the Applicant. DCR shall either deny the issuance of the Annual License with no hearing at any time during application processing, or, within 90 days of the date DCR sends a Notice of Complete Application, approve the issuance of the Annual License with no hearing. ~~Except as otherwise permitted under Sections 104.07 and 104.08, Types 1A, 1C, 2A, 3A, 4, 5A and 9 Licenses shall be limited to only Social Equity Applicants, as defined in Section 104.20, until December 31, 2025.~~ Licenses for Types 1A, 1C, 2A, 3A, 5A and 7 shall be issued on a first come, first served basis in each available community plan until Undue Concentration is reached.

Section 2. Subsections (e) and (f) of Section 104.06.01 of Article 4, Chapter X of the Los Angeles Municipal Code are deleted in their entirety.