

GOVERNMENT OPERATIONS COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to proposed amendments regarding the issuance of licenses for Cultivation, Delivery, and Manufacturer Commercial Cannabis Activity.

Recommendation for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

PRESENT and ADOPT the ORDINANCE dated July 17, 2026 amending Section 104.06 of Article 4, Chapter X of the Los Angeles Municipal Code regarding the issuance of licenses for Cultivation, Delivery, and Manufacturing Commercial Cannabis Activity.

Fiscal Impact Statement: None submitted by the Department of Cannabis Regulation (DCR) nor the City Attorney. Neither the City Administrative Officer or the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On August 18, 2026, your Committee considered April 30, 2026 DCR and July 17, 2026 City Attorney reports and Ordinance relative to proposed amendments regarding the issuance of licenses for Cultivation, Delivery, and Manufacturer Commercial Cannabis Activity. According to the MFC, on March 3, 2026, a Motion was introduced 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.

According to the City Attorney, the draft Ordinance makes amendments to LAMC Section 104.06 regarding the issuance of licenses for Cultivation, Delivery, and Manufacturing Commercial Cannabis Activity based on the recommendations in the April 30, 2026 DCR report. The Ordinance also removes prior, outdated language concerning the issuance of these license types through the Social Equity Program. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Ordinance. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Government Operations Committee

COUNCILMEMBER	VOTE
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PADILLA:	YES
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LEE:	ABSENT
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JURADO:	YES
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8/18/26

-NOT OFFICIAL UNTIL COUNCIL ACTS-