

MOTION

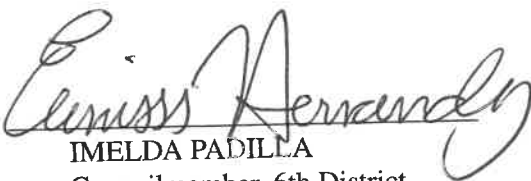
In 2017, the voters of Los Angeles directed the City of Los Angeles to establish a legal pathway for commercial cannabis activity for both medical and adult use. The Department of Cannabis Regulation (DCR) issues licenses for commercial cannabis activity throughout the City which must be renewed annually. DCR's main renewal period is from September 1, 2026 to November 2, 2026, with a late renewal period through November 30, 2026.

On June 2, 2026, the Government Operations Committee considered a draft ordinance (Council File 25-1126) amending Los Angeles Municipal Code (LAMC) section 104.12(c) to require that cannabis licensees owe less than \$1,000,000 in City-owned business taxes, interest, and penalties, and be delinquent on City-owned business taxes, interest, and penalties for less than four years, in order to file a renewal application this year. During the same Government Operations meeting, the Committee also considered a proposed cannabis tax amnesty program (Council File 25-0600-S125) to allow the Office of Finance to waive penalties and interest on delinquent cannabis taxes and enter payment plan agreements as long as five years. At the time, it was expected that the tax threshold renewal requirement and the tax amnesty program would be implemented simultaneously during DCR's renewal period opening on September 1, 2026.

Ordinance No. 189000, amending LAMC section 104.12(c), took effect on August 26, 2026. It has since come to light, however, that implementation of the tax amnesty program will be delayed until at least spring 2027. DCR anticipates that approximately 125 licensees are not eligible for renewal under the new tax threshold requirement in Los Angeles Municipal Code section 104.12(c)(1). Many, if not all, of these licensees were relying on the tax amnesty program to come into good standing on their delinquent taxes in order to renew their cannabis licenses. It would be unfair to deny the renewal of licensees under LAMC section 104.12(c), notwithstanding that this ordinance just took effect, given this last minute change in circumstances.

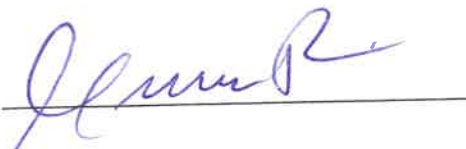
I THEREFORE MOVE that the City Council instruct the Department of Cannabis Regulation to renew licenses for licensees that would have been eligible to participate in the City's Cannabis Tax Amnesty Program for calendar year 2027, submit timely and complete applications, and pay all renewal fees regardless of their current tax delinquency status.

PRESENTED BY:

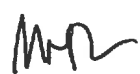

IMELDA PADILLA
Councilmember, 6th District

For

SECONDED BY:



ORIGINAL


SEP 15 2026