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April 15, 2019

Councilmember Herb J. Wesson Jr., Chair
Rules, Elections, and Intergovernmental Relations Committee

RE: COUNCIL FILE TRANSMITTAL

On April 15, 2019, the Budget and Finance Committee considered an Office of Finance (Finance) report dated July 27, 2018 relative to the viability, benefits, and possible detriments of requiring cannabis businesses operating in the City to conduct only non-cash transactions and to pay taxes and fees by cashless means. After consideration of the matter, the Budget and Finance Committee approved the recommendations in the Finance report as amended:

1. INSTRUCT Finance, with the assistance of the Department of General Services, Bureau of Engineering, Information Technology Agency, Los Angeles Police Department, City Administrative Officer (CAO), and any other necessary departments to continue to identify and develop options to address space issues, cash acceptance facility requirements, and security needs related to cannabis cash acceptance.
2. INSTRUCT Finance and CAO, with the assistance of the Department of Cannabis Regulation (DCR), to prepare a schedule to phase out cash tax payments to the City by the cannabis industry.
3. INSTRUCT Finance and CAO, with the assistance of the DCR, to conduct a study and report on providing incentives for licensed cannabis businesses to transition to electronic transactions, including adjustments to the gross receipt tax.
4. INSTRUCT Finance and CAO, with the assistance of the DCR, to report on the possibility of utilizing Credit Unions and Co-ops as alternative payment methods for cannabis businesses tax payments.

This file is now transmitted to the Rules, Elections, and Intergovernmental Relations Committee.

Andrew Choi
Legislative Assistant
Budget and Finance Committee
213-978-1080

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN	YES
PRICE	YES
KORETZ	ABSENT
BONIN	ABSENT
BLUMENFIELD	YES

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