

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT and RESOLUTION relative to revising fees to accurately represent the cost of providing services to commercial cannabis businesses and to achieve full cost recovery.

Recommendations for Council action:

1. APPROVE amending the Los Angeles Municipal Code (LAMC) Section 104.19 to revise fees to accurately represent the cost of providing services to commercial cannabis businesses and to achieve full cost recovery, as outlined in Attachment 1 of the Department of Cannabis Regulation (DCR) report dated June 15, 2020, attached to the Council file.
2. REQUEST the City Attorney, with the assistance of the DCR, to prepare and present an ordinance, no later than June 26, 2020, to amend the LAMC Section 104.19 in accordance with the proposed fee changes as stated in said DCR report.

Fiscal Impact Statement: The DCR reports that approving the above recommendations comply with the City's financial policies inasmuch as the proposed fees for special services for commercial cannabis application, licensing, inspection and regulatory services are set at full cost recovery and all eligible costs will be fully covered by the associated fees for special services. If the fees for special services are not set at full cost recovery, General Fund monies will need to be appropriated to subsidize the DCR's cost of providing special services.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on June 23, 2020, your Rules, Elections, and Intergovernmental Relations Committee considered a DCR report relative to revising fees to accurately represent the cost of providing services to commercial cannabis businesses and to achieve full cost recovery. After an opportunity for public comment was held, the Committee moved to approve the DCR's recommendations, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|----------------|-------------|
| MARTINEZ: | ABSENT |
| HARRIS-DAWSON: | YES |
| WESSON: | YES |