

## **LEGISLATIVE DIGEST**

[Business and Tax Regulations, Health Codes - Permit, License and Inspection Fees for Cannabis Businesses]

**Ordinance amending the Business and Tax Regulations and Health Codes to require the Director of the Office of Cannabis to collect permit application fees of \$2,000 and annual license fees of \$5,000 for cannabis business permits; authorize the Department of Public Health to impose fees relating to the inspection of cannabis businesses; and establish annual license fees for cannabis consumption permits; and require the Director of the Office of Cannabis and the Department of Public Health to waive certain fees for Equity Applicants.**

### Existing Law

Existing law establishes the Office of Cannabis and requires that beginning January 1, 2018, the Director of the Office of Cannabis shall charge every applicant for a cannabis-related permit a non-refundable permit application fee. Existing law also requires that the Office of Cannabis shall charge every business that receives a cannabis-related permit an annual license fee.

### Amendments to Current Law

This ordinance requires that the Director of the Office of Cannabis charge applicants a one-time non-refundable permit application of \$2,000, an hourly permit amendment fee, and an initial license fee of \$3,000 and annual license fee of \$5,000 for subsequent years. This ordinance also requires that cannabis business permit applicants pay fees to the Department of Public Health (“DPH”) to cover DPH’s costs in conducting initial and ongoing inspections of cannabis businesses. This ordinance requires that the Director of the Office of Cannabis waive the one-time non-refundable permit application fee of \$2,000, the initial license fee of \$3000, and any fees for the hourly costs of processing a permit amendment for the first year of operation, for Equity Applicants as that term is defined in Section 1604 of the Police Code. This ordinance also requires that the Department of Public Health waive any initial inspection fees for Equity Applicants.

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