

# PROPOSED CHANGES TO PUBLIC HEALTH FEES

## CANNABIS FACILITY

### ENVIRONMENTAL HEALTH



The Los Angeles County Department of Public Health, Environmental Health Division (EH), is proposing changes to the Los Angeles County Code, Title 8 – Consumer Protection, Business, and Wage Regulations; Division 1 – Public Health Licenses. These changes impact permit, plan check, and service fees that are collected under the authority of State and County Codes to carry out duties that protect public health and safety.

### Overview of Program

Beginning in October 2020, EH started permitting and conducting health and sanitation inspections of commercial cannabis facilities (cultivation, distribution, manufacturer, and retail) when contracted by a city ([cities that have contracts with us](#)) to perform these services. The Cannabis Compliance & Enforcement Program (CCEP) verifies that basic construction and equipment requirements are met and conduct inspections to verify compliance with applicable State regulations and local ordinances.

### Why are the fees changing now?

Fees were last increased in 2018. While fees have remained the same, operational costs have increased annually due to negotiated employee salaries and benefits, along with inflation. From FY 19/20 through FY 25/26, the Consumer Price Index (CPI) increased by about 25%, and cost-of-living increases approved for County workers totaled 20.5%. Yet fees have remained at 2018 levels despite these cost increases.

A comprehensive fee study was conducted along with an evaluation of current operational costs and the fee levels required to cover those costs. The study reviewed direct and indirect costs associated with program administration, inspection, oversight and enforcement. The fee analysis structure was validated by the LA County Auditor-Controller. The last comprehensive fee study for EH programs was conducted in 2011.

### What are the fee changes?

A summary of the proposed fees is listed below. If approved by the Board of Supervisors, the new fees will go into effect December 15, 2026. Existing permitted businesses will receive a supplemental invoice for any increases in annual health permit fees for Fiscal Year 26/27, and existing businesses where annual permit fee decreased will receive a credit during the FY27/28 annual health permit billing.

To minimize the impact of future increases, starting in FY 27/28, fees will be adjusted annually based on the Consumer Price Index (CPI), with no fee exceeding the reasonable cost of providing services.

## SUMMARY OF CANNABIS PROGRAM FEES

| PERMIT TYPES                                                                                                                                               | Current Fee | Proposed New Fee |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------|
| <b>CANNABIS-RETAIL:</b><br>Store front that sells cannabis directly to the customer                                                                        | \$1,942     | <b>\$1,035</b>   |
| <b>CANNABIS-DISTRIBUTION:</b><br>Companies that receive, sell and transport cannabis to those with permits to sell cannabis                                | \$3,098     | <b>\$933</b>     |
| <b>CANNABIS-MANUFACTURING:</b><br>Businesses that manufacture edibles, topical ointments, or concentrates made from cannabis                               | \$3,098     | <b>\$1,690</b>   |
| <b>CANNABIS-CULTIVATION:</b><br>Businesses that grow cannabis                                                                                              | \$1,623     | <b>\$1,401</b>   |
| <b>CANNABIS SHARED COMPLEX:</b><br>Businesses that share a facility, including equipment that is available for use by more than one cannabis permit holder | <b>NEW</b>  | <b>\$1,193</b>   |
| <b>CANNABIS SHARED COMPLEX – TENANT:</b><br>Operator using shared complex                                                                                  | <b>NEW</b>  | <b>\$842</b>     |

| PLAN CHECK FEES                                                                                                                                            | Current Fee | Proposed New Fee |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------|
| <b>CANNABIS-RETAIL:</b><br>Store front that sells cannabis directly to the customer                                                                        | \$1,573     | <b>\$1,663</b>   |
| <b>CANNABIS-DISTRIBUTION:</b><br>Companies that receive, sell and transport cannabis to those with permits to sell cannabis                                | \$2,139     | <b>\$1,603</b>   |
| <b>CANNABIS-MANUFACTURING:</b><br>Businesses that manufacture edibles, topical ointments, or concentrates made from cannabis                               | \$2,139     | <b>\$1,742</b>   |
| <b>CANNABIS-CULTIVATION:</b><br>Businesses that grow cannabis                                                                                              | \$1,721     | <b>\$1,297</b>   |
| <b>CANNABIS SHARED COMPLEX:</b><br>Businesses that share a facility, including equipment that is available for use by more than one cannabis permit holder | <b>NEW</b>  | <b>\$2,080</b>   |
| <b>CANNABIS - SHARED COMPLEX TENANT APPLICATION:</b><br>Operator using shared complex                                                                      | <b>NEW</b>  | <b>\$225</b>     |

## FEE COMPARSION BY COUNTY

The proposed fees are consistent with those of comparable jurisdictions when accounting for differences in scale and scope. Given Los Angeles County's large population and extensive inspection and service responsibilities, the proposed fees are appropriately aligned with comparable jurisdictions.

| PERMIT FEES            | LOS ANGELES<br>PROPOSED NEW<br>FEE | PASADENA        | LONG BEACH      |
|------------------------|------------------------------------|-----------------|-----------------|
| CANNABIS-RETAIL        | \$1,035                            | \$2,243-\$2,541 | \$1,974-\$2,078 |
| CANNABIS-MANUFACTURING | \$1,742                            | \$2,243-\$2,541 | \$2,246-\$3,035 |
| CANNABIS-CULTIVATION   | \$1,297                            | \$2,351         | \$1,840-\$2,027 |

Visit our website to learn more about [Cannabis](#).

### How to provide feedback

Questions and comments can be submitted to: <https://www.surveymonkey.com/r/EHfees> or scan the QR code.

