



## Legislation Text

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**File #:** 10-0522, **Version:** 1

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Recommendation to receive supporting documentation into the record, conclude the hearing, and adopt resolution amending the Master Fee and Charges Schedule for Medical Marijuana Collective application and permitting fees; and receive and file a report regarding the implementation of Chapter 5.87 of the Long Beach Municipal Code relating to Medical Marijuana Collectives. (Citywide)

City Council approval is requested of the List of Proposed Fee Adjustments (Attachment A), which describes proposed changes to the City's Master Fee and Charges Schedule. On May 4, 2010, the City Council approved an amended Master Fee and Charges Schedule for specified City services that included proposed fee adjustments for the Second Quarter of Fiscal Year 2010. The attached additional fees are necessary to effectuate Long Beach Municipal Code (LBMC) Chapter 5.87, relating to Medical Marijuana Collectives, which became effective on May 2, 2010. Attachment A lists the proposed Application and Regulatory Permit fees to implement the ordinance.

### **Medical Marijuana Collective Application and Permit Fees**

#### Application Process

After thorough planning and numerous meetings with the various departments, the Department of Financial Management has developed a Medical Marijuana Collective Implementation Plan. This Plan incorporates a number of processes: 1) public workshops to educate potential collectives about both the application and permit processes; 2) the establishment of an application period; 3) site review and inspection timetables; 4) public noticing; 5) Regulatory Permit hearings; and, 6) selection process.

#### Application Fee

All applicants for a Medical Marijuana Collective and/or cultivation site will be charged an initial application fee (primary) of \$14,742 for the application, site review and investigative processes required under LBMC Chapter 5.87, including but not limited to Financial Management, Police, Fire, Health and Development Services Departments' investigations. If applicants submit an application for a separate cultivation site, an additional application fee (secondary) of \$11,584 will be charged for the additional work required to investigate the second site. Both the primary and secondary application fee, if applicable, are due upon submittal of the application(s) and are non-refundable.

#### Annual Regulation Permit Fee

For Medical Marijuana Collectives to be eligible to receive a non-transferable permit pursuant to LBMC Chapter 5.87, the annual Regulatory Permit fee will be based on the number of patients/caregivers enrolled in the collective as follows:

- Collectives with 4 to 500 patients or caregivers must pay \$10,000 annually;

- Collectives with 501 to 1,000 patients or caregivers must pay \$20,000 annually;
- Collectives with 1,001 to 1,500 patients or caregivers must pay \$25,000 annually; and,
- Collectives with 1,501 or greater patients or caregivers must pay \$30,000 annually.

The annual Regulatory Permit fee is non-refundable and non-transferable.

Please note that the above Medical Marijuana Collective application and Regulatory Permit fees are in addition to other required permit fees charged by other City departments under their separate permitting or regulatory requirements.

#### Appeal Fee

If the Regulatory Permit is denied and the Medical Marijuana Collective wants to appeal the decision to the City Council, a non-refundable appeal fee in the amount of \$3,304 will be charged to recover the City's costs.

#### Penalty Fee

Any person(s) violating any provision of LBMC Chapter 5.87 or knowingly or intentionally misrepresenting any material fact in procuring the Medical Marijuana Collective Regulatory Permit shall be guilty of a misdemeanor punishable by a fine of not more than \$1,000, or imprisonment, or both.

This matter was reviewed by Assistant City Attorney Michael J. Mais on May 3, 2010 and Budget and Performance Management Bureau Manager David Wodynski on April 27, 2010.

In order for the fees to be implemented and the City's costs recovered, the attached resolution must be adopted by the City Council. Therefore, City Council action is requested on May 18, 2010 to allow for cost recovery for these regulatory activities at the earliest possible time.

The total value of the annual revenue changes included in all funds (Attachment A) cannot be determined at this time, since the number of applicants and resulting permits is currently unknown. The requested fees are required to support each department's costs associated with implementing and ensuring compliance with Chapter 5.87 of the LBMC.

As the fees described above are based on the efforts of several departments, the revenues will be deposited into the budgets of each participating department to offset the costs incurred in administering each department's regulatory and investigative obligations. Therefore, the application fee will be credited to several funds based on their proportionate share of the effort including the General Fund, the Development Services Fund, and the Health Fund. Actual revenue received as a result of the fees identified in Attachment A will be reported to the City Council subsequently through the standard Fiscal Year 2010 Quarterly Budget Performance Reports, as applicable.

Approve recommendation.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE MASTER FEE AND CHARGES SCHEDULE FOR SPECIFIED CITY SERVICES FOR THE CITY OF**

LONG BEACH.

LORI ANN FARRELL  
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

NAME  
TITLE

APPROVED:

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PATRICK H. WEST  
CITY MANAGER