

Commercial Cannabis Business Operational Fees

COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

City Council

August 19, 2025



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BACKGROUND




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DISCUSSION

- Establish Fees to recover staff time and costs
- Engaged Consultant (MGT) to prepare fee study
- Approach to Establish Fees




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FEE ANALYSIS AND SURVEY

- Better understand costs
- Cities have taken various approaches
- Fees are often updated over time



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CITY COMPARISONS

Activity	Riverside Proposed Fee	City of Los Angeles	Corona	San Bernardino	Pasadena	Santa Ana
Annual Permit Renewal	\$3,719	\$8,486	\$2,180	Annual Regulatory fee: \$15,016 Renewal (every 3 yrs): \$2,647	\$10,639	Registration fee: \$2,069 Regulatory Safety Fee: \$14,802
Change in Location	\$1,814	\$3,554	\$3,720	\$5,918	\$2,037	Registration fee: \$2,069 Regulatory Safety Fee: \$14,802
Transfer of Cannabis Business Permit	\$4,089	Requires new license	Requires new license.	\$5,918	No fee listed.	Registration fee: \$2,069 Regulatory Safety Fee: \$14,802
Modification of Site/Premises	\$1,668	Modification Request Form: \$542 Business Diagram Modification: \$3,368	\$1,834	\$5,918	\$3,975	Regulatory Safety Fee: \$14,802
Ownership Change (less than majority ownership)	\$991	\$2,335	\$1,974	\$5,918	No fee listed.	No fee listed.
Employee Background Check Review	\$1,342 per person	\$450	\$128 plus DOJ fee	\$600 per owner	No fee listed.	No fee listed.
Out-of-Town Cannabis Delivery	\$1,043	No fee.	No fee.	No fee.	No fee listed.	Not allowed.



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FEE OPTIONS

Flat Fee*

- Time and materials approach
- Reduced administrative impacts
- Predictable costs for businesses

Deposit Method:

- Time / fees charged against deposit
- Requires – tracking time, processing refunds

Agreements, Tax or CUP

- Additional fee tool to address community issues
- Additional time, process and varying results

* Recommended Option

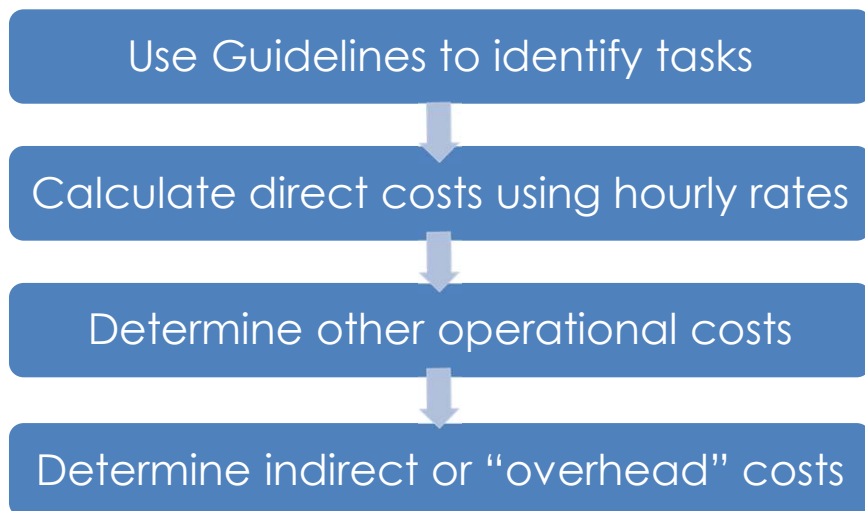


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FLAT FEE CALCULATION



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PROPOSED FEES

Annual renewal fee	• \$3,719
Change in location	• \$1,814
Transfer of Cannabis Business Permit	• \$4,089
Modification of Site/Premises	• \$1,668
Ownership change (less than majority)	• \$991
Employee Background Check Review (per employee)	• \$1,342
Out-of-town Cannabis Delivery Fee	• \$1,043



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RECOMMENDATIONS

Staff recommends that the City Council:

1. Conduct a public hearing to amend the City of Riverside's Fiscal Year 2025/26 Master Fees and Charges Schedule for the addition of seven (7) Commercial Cannabis Business Permit Fees;
2. Introduce and subsequently adopt an ordinance amending the Riverside Municipal code Chapter 3.30 Section 3.30.030 – Schedule of Regulation, Products and Services, subsection IV Community and Economic Development – Planning to rename one category titled Commercial Cannabis Sales Permit Fee to Commercial Cannabis Permit Fee; and
3. Adopt a resolution approving the addition of amending the City's Fees and Charges Schedule providing for seven (7) Commercial Cannabis Business Permit operation fees: (1) Annual Renewal Fee, (2) Change in Location Fee, (3) Transfer of Permit Fee, (4) Modification of Site/Premises Fee, (5) Less than Majority Ownership Change Fee, (6) Employee Background Check Fee, and (7) Out-of-town Cannabis Delivery Fee.

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