



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

ELIZABETH BUENROSTRO GINSBERG
INTERIM TREASURER AND TAX COLLECTOR

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April 2, 2024

SENT VIA EMAIL

Dear Interested Party:

REQUEST FOR INFORMATION FOR THE PROVISION OF A CANNABIS BUSINESS TAX SYSTEM

The County of Los Angeles Department of Treasurer and Tax Collector (TTC) is seeking information from highly qualified firms for a cannabis business tax system.

This Request for Information (RFI) is for research purposes only. This RFI is not a competitive solicitation and will not result directly in a contract for the products and services described herein. Should the TTC issue a Request for Proposals, an Invitation for Bids, or any other competitive solicitation, the TTC will not restrict proposals to those firms that responded to this RFI.

Responses to this RFI are due no later than 4:00 p.m. Pacific Time on Tuesday, May 7, 2024.

Very truly yours,

ELIZABETH BUENROSTRO GINSBERG
Interim Treasurer and Tax Collector

KK:VN:MV:lac



**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

REQUEST FOR INFORMATION

**FOR THE PROVISION OF
CANNABIS BUSINESS TAX SYSTEM**

TTC RFI 2024-01 CBTS

April 2024

**Prepared By
County of Los Angeles**

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County of Los Angeles Department of Treasurer and Tax Collector
Request for Information
CANNABIS BUSINESS TAX SYSTEM

1.0 INTRODUCTION

1.1 Cannabis Business Tax

The Cannabis Business Tax (CBT) is authorized under [Los Angeles County Code Chapter 4.71](#). The CBT is a tax to each Person engaged in Business as a Cannabis Business in the unincorporated areas of the County of Los Angeles (County). The County Department of Treasurer and Tax Collector (TTC) is responsible for administering the CBT.

The TTC is seeking software solutions from highly experienced firms to assist the County with:

- 1) Registering Cannabis Businesses to remit the CBT.
- 2) Receiving, monitoring, reconciling, and auditing the CBT.

This Request for Information (RFI) is for research purposes only. This RFI is not a competitive solicitation and will not result in a contract for the products and services described herein. If a firm would like to furnish information about a product, system, or service of which it has knowledge, but is not the provider of the product, system, or service, it may do so by sending an email to:

Email address: contracts@ttc.lacounty.gov
Subject Line: TTC RFI 2024-01 CBTS (Information-Product/System)
Attention: Maria Vadai

1.2 Information May Be Used in Preparation of Competitive Solicitation

Information received in response to this RFI may, at the County's sole discretion, be used in the preparation of a Request for Proposals, Invitation for Bids, or any other County competitive solicitation process for the same or related subject matter.

1.3 Confidentiality of Information

Please be advised that:

- 1) Responses to this RFI will become the exclusive property of the TTC. Absent extraordinary circumstances, information submitted in response to this RFI will become a matter of public record with the exception of

those parts of a response to the RFI that are justifiably defined by the responding firm as a business or trade secret and are clearly marked as "Trade Secret", "Confidential", or "Proprietary".

- 2) The TTC will not, in any way, be liable or responsible for the disclosure of any such response, or any parts thereof, if disclosure is required or permitted under the California Public Records Act or otherwise by law.
- 3) A blanket statement of confidentiality or the marking of each page of an RFI response as confidential will not be deemed sufficient notice of exception. The firm must specifically label only those provisions of the information which are "Trade Secret(s)", "Confidential", or "Proprietary", in nature.

2.0 CBT Process

2.1 Registration

Prior to remitting CBT, any Person who engages in Business as a Cannabis Business must submit a Cannabis Business Tax Registration Application to the TTC within 30 days after commencing operation.

2.2 CBT Structure

The CBT rates vary by Business type. The current CBT rates are as follows:

CBT Business Type	Rate
Cultivation - Artificial Lighting only	\$7 per sq ft of Canopy Space (annual)
Cultivation - Natural and Artificial Lighting	\$4 per sq ft of Canopy Space (annual)
Cultivation - No Artificial Lighting	\$4 per sq ft of Canopy Space (annual)
Cultivation - Nursery	\$2 per sq ft of Canopy Space (annual)
Retail	4% of Gross Receipts
Manufacturing or Processing	3% of Gross Receipts
Distribution	3% of Gross Receipts
Testing Laboratory	1% of Gross Receipts
Other Type of Cannabis Business	4% of Gross Receipts

2.3 Remittance

- 1) Payment is due on or before the last day of each calendar month for the prior month's collection of CBT. Payments may be made in-person at the TTC's Cashiering windows, by mail via check, or by Automated Clearing House (ACH).
- 2) Every Person who owes CBT must complete and remit a completed Monthly Computation Form with the associated CBT payment. One Computation Form is required per each type of Cannabis Business that the Person is operating.

2.4 Reconciliation and Reporting

- 1) The TTC reconciles and reports on CBT collections monthly.
- 2) Payments that are not postmarked by the due date are subject to:
 - a. A penalty (10% of the unpaid tax);
 - b. A second penalty (10%) if the unpaid tax remains unpaid for a period exceeding one calendar month beyond the due date; and
 - c. Interest (1.5%) per month on the amount of the unpaid tax, exclusive of penalties, until the balance is paid in full.
- 3) Payments made by checks that are subsequently returned unpaid by the bank upon which the check is drawn are subject to returned check fees.
- 4) The TTC also reports on CBT collections on an as-needed basis. Such reports may include aggregate collections over varying periods by:
 - a. Supervisorial District of each Cannabis Business.
 - b. Cannabis Business type.
 - c. Individual Cannabis Business.

2.5 Auditing

The TTC is also responsible for auditing CBT collections periodically.

2.6 Additional Information

Additional information regarding CBT is available online in [TTC's CBT Frequently Asked Questions](#).

3.0 INFORMATION REQUESTED

3.1 Required Information

Firms should propose software solutions for CBT administration based upon the information provided in Paragraph 2.0, CBT Process, of this RFI. Firms may include details of their own products and/or services and, if applicable, any products or services provided by their subcontractors or partners.

Responses should include the following information:

- 1) The firm's point of contact, including the contact's name, title, street address, email address, and telephone number.
- 2) The proposed solution name, its description, and identification of any subcontractor or partner that will provide any product and/or service used in the proposed solution.
- 3) The proposed solution's method of software delivery (on-premises, hosted, or cloud-based).
 - a. If cloud-based, whether all services (e.g., application hosting, data repository, data backup) are provided within the contiguous United States.
- 4) The types of tax structures proposed solution supports.
- 5) A comprehensive description of the proposed solution's capacity to process:
 - a. Tax registrations.
 - b. Payments.
 - c. Payment adjustments and reversals, including the number of approval levels allowed.
 - d. Penalties.
 - e. Interest.
 - f. Notices of non-payment.
- 6) If the proposed solution supports other municipal taxes aside from CBT and, if so, which types of taxes.
- 7) The proposed solution's reporting formats and a description of the reporting capabilities available to authorized County staff, including:

- a. Whether the proposed solution allows for flexible and customizable ad-hoc reporting.
 - b. Whether the proposed solution exports raw report data as a Microsoft Excel-readable file in a manner which allows the user to easily aggregate and analyze data.
 - c. Whether the proposed solution allows for geo-rule-based reporting.
- 8) A description of the proposed solution's audit trail functionality.
 - 9) A description of the proposed solution's customer service and troubleshooting model for the County (e.g., a toll-free number, a customer support center or helpdesk with staff available 24/7, error reporting and tracking dashboard, etc.).
 - 10) A list of other applications the proposed solution can interface with and/or interfacing software requirements.
 - 11) If any government entity is using the proposed solution, the government entity's name and contact information.
 - 12) Provide a statement whether firm would have a Business Continuity Plan for providing continuing services to the TTC in the event of an emergency (i.e., power outages, natural disaster, fire, cyber terrorism, etc.) that disrupts the Contractor's operations.

3.2 Estimated Costs

For each proposed solution, provide a description of costs to the County, including the cost of system maintenance and support as well as future system upgrades, if any. The description of costs may reflect estimates for variables and other fees/charges impacting the price if exact costs are not known.

4.0 QUESTIONS REGARDING THE REQUEST FOR INFORMATION

4.1 Questions

Firms may submit questions regarding business requirements or to clarify information provided in this RFI. When submitting questions, please specify the RFI paragraph number, page number and quote the specific language that prompted the question. This will ensure that the County responds to inquiries accurately.

4.2 Submission Deadline for Questions

Firms may submit written questions regarding this RFI by email to the individual identified in Subparagraph 5.2, Timeframe, of this RFI. All questions must be received by **11:00 a.m. Pacific Time (PT) on Wednesday, April 10, 2024.**

4.3 Answers to the Questions

The TTC reserves the right to group similar questions when providing answers. The TTC will compile all the questions (without identifying the name of the firm submitting them) with the corresponding answers, and then issue as an addendum to the RFI on or about **Tuesday, April 23, 2024**, via email to all firms that received the RFI directly from the TTC.

5.0 RESPONSE METHOD AND TIMEFRAME

5.1 Method

The TTC encourages all firms to submit a response consistent with the content provided in Paragraph 3.0, Information Requested, of this RFI.

Please submit one searchable Portable Document Format copy of the RFI response to the email address indicated in Subparagraph 5.2, Timeframe. The total file size, **including both** the email and all attachments, must not exceed 35MB.

5.2 Timeframe

Responses to this RFI must be submitted no later than **4:00 p.m. PT on Tuesday, May 7, 2024**, and must be emailed to:

Email address: contracts@ttc.lacounty.gov
Subject Line: TTC RFI 2024-01 CBTS
Attention: Maria Vadai