

# Website FAQs

## GENERAL INFO ON PERSONAL CANNABIS ACTIVITY

### **What does it mean that cannabis is “legal?”**

Under California law, adults 21 or older can buy, consume, possess, and grow cannabis up to the limits set by state law. If you are 21 or older, you can buy and possess up to one ounce (28.5 grams) of cannabis and up to eight grams of concentrated cannabis. You can also plant, harvest, dry, and process up to six cannabis plants in your private residence or on the grounds of your residence. If you are 18 or older and have a current qualifying physician’s recommendation, a valid county-issued medical marijuana identification card, or are a Primary Caregiver as defined in Health and Safety Code Section 11362.7(d), you can possess up to eight ounces of dried cannabis and up to six mature or 12 immature cannabis plants, unless the physician’s recommendation specifies a higher amount.

The cultivation, possession, sale and use of cannabis in California may remain unlawful under federal law.

Please click here to download the Guide to Adult-Use Cannabis Sales and Consumption Within the City of Los Angeles: <http://cannabis.lacity.org/resources>

### **May I consume cannabis in public?**

No. It is illegal to use, smoke, eat or vape cannabis in public places or within 1,000 feet of a school, day care center or youth center while children are present. It is also unlawful to smoke cannabis in places where it is illegal to smoke tobacco.

Cannabis may be consumed in a private residence, unless otherwise prohibited by law. Property owners may ban the use and possession of cannabis on their privately-owned properties.

The City currently prohibits onsite consumption of cannabis at licensed cannabis businesses. The City is considering permitting limited onsite consumption at certain licensed cannabis businesses, but no formal decision has been made.

### **Is cannabis still illegal under federal law?**

Yes. Cannabis remains a Schedule I substance under the Controlled Substances Act, meaning it is illegal under federal law to possess, use, manufacture, distribute or sell cannabis.

**Can I consume cannabis while driving a vehicle? Are there “open container” cannabis laws?**

It is unlawful for a person to consume cannabis while driving. It is also unlawful for a person who is under the influence of cannabis to operate a vehicle.

It is unlawful for a person to possess “open containers” of cannabis -- any receptacle containing any cannabis or cannabis products which has been opened or has a seal broken, or loose cannabis flower not in a container -- while driving, unless placed in the trunk of the vehicle.

**How will law enforcement determine if a driver is under the influence of cannabis?**

Currently, law enforcement may conduct a sobriety test on persons suspected of driving under the influence.

The State of California is establishing an Impaired Driving Taskforce to develop policies that will address the issue of impaired driving under the influence of cannabis and shall examine the use of technology to identify drivers under the influence of cannabis.

**Can I travel outside of California with cannabis?**

No. It is unlawful for a person to transport cannabis across state lines, even when traveling to another state where cannabis is legal.

**Where can I buy legal cannabis in the City?**

View the list of authorized cannabis retail businesses in the City [here](#).

**Can I sell cannabis in the City?**

You may only sell cannabis or engage in any other form of Commercial Cannabis Activity if you obtain a state license and a City license. Persons engaged in unlicensed commercial cannabis activity may be subject to civil and criminal enforcement actions.

**What is commercial cannabis activity?**

“Commercial Cannabis Activity” includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products.

**Are there any public health resources about cannabis in California?**

Yes. The California Department of Public Health has established and launched “[Let’s Talk Cannabis](#)” a public information campaign to increase awareness about cannabis and its impacts on health.

### **Where do I submit a complaint about cannabis businesses in the City?**

You can submit complaints and concerns about a cannabis business through the online complaint portal at [cannabis.lacity.org](http://cannabis.lacity.org).

### **Do I need to license to sell CBD oil in the City?**

CBD oil derived from cannabis, as defined in Cal. Bus. & Prof. Code Sec 26001, may only be manufactured, distributed or sold by a person with a state and City license. DCR does not regulate the sale of CBD oil derived from industrial hemp, as defined in Section 11018.5 of the Cal. Health and Safety Code, and no cannabis-specific City license is required to sell it. Federal and state law may prohibit the sale of some or all forms of CBD oil derived from industrial hemp, but the City cannot advise businesses on whether they are in compliance with those laws. Please refer to the CDPH ([here](#)) for more information about CBD oil from industrial hemp.

### **How do I file a Public Records Request with the Department of Cannabis Regulation?**

Those seeking public records may submit a request to [cannabis@lacity.org](mailto:cannabis@lacity.org) with the subject line “Public Records Request.” Please try to identify the records you seek with as much specificity as possible. The Department will respond with any appropriate records or a status update within 10 calendar days. You may also be able to find certain public records and licensee information on the Bureau of Cannabis Control’s [website](#), the Department of Food & Agriculture’s [website](#), and the Department of Public Health’s [website](#). Please keep in mind that some records are exempt from disclosure under the California Public Records Act.

## **GENERAL INFO ON COMMERCIAL CANNABIS ACTIVITY**

### **Do I need a license to operate a cannabis business in the City?**

Yes. To engage in any type of Commercial Cannabis Activity in the City, a person must obtain a license from both the state and the City.

### **Which State of California agencies issue licenses for cannabis businesses?**

The [Bureau of Cannabis Control](#) (BCC) is responsible for licensing retailers, distributors, testing labs and microbusinesses.

The [Manufactured Cannabis Safety Branch](#), a division of the California Department of Public Health (CDPH), is responsible for licensing the manufacturers of manufactured cannabis products.

[CalCannabis Cultivation Licensing](#), a division of the California Department of Food and Agriculture (CDFA), is responsible for licensing cultivators of cannabis.

### **Which City of Los Angeles agencies issue licenses to cannabis businesses?**

DCR is primarily responsible for licensing cannabis businesses in the City. In addition, the Cannabis Regulation Commission issues certain types of cannabis licenses and hears appeals of DCR's licensing decisions.

### **Can I operate a cannabis business with only a state or City license?**

No. A person must obtain a license from both the state and the City before operating a cannabis business.

### **Where can a licensed cannabis businesses be located in the City?**

The City's Commercial Cannabis Activity ordinance ([here](#)) specifies the zoning restrictions for each type of Commercial Cannabis Activity as well as the sensitive use and location restrictions that apply to each type of Commercial Cannabis Activity.

### **Will DCR tell me before I apply whether my proposed business location complies with the zoning, sensitive use and location restrictions?**

Currently, DCR does not provide location compliance verifications for potential business locations before the submission of an application. Please refer to the City's Commercial Cannabis Activity ordinance ([here](#)) for the zoning restrictions for each type of Commercial Cannabis Activity as well as the sensitive use and location restrictions that apply to each type of Commercial Cannabis Activity.

### **Is the City of Los Angeles restricting the number of licenses issued?**

The City has set undue concentration limits for the following license types in each of the City's community plans: ratio of one license per 10,000 residents for Retailer (Type 10); ratio of one license per 7,500 residents for Microbusiness (Type 12); ratio of 1 square foot of cultivated area for every 350 square feet of land zoned M1, M2, M3, MR1, and MR2 with a maximum aggregate of 100,000 square feet of cultivated area and a maximum aggregate number of 15 Licenses at a ratio of one License for every 2,500 square feet of allowable cultivated area for Cultivation (Types 1A, 1C, 2A, 3A, 4 and 5A); and ratio of one license per 7,500 residents for Manufacture (Type 7).

There are no undue concentration limits for Manufacturing (Type 6, N, P, S), Non-storefront Retailer (Type 9), Distributor (Type 11) or Testing (Type 8) licenses.

Additionally, an Applicant is limited to holding up to a maximum of three Retailer licenses and may not obtain licenses to cultivate more than 1.5 acres.

### **Is the City of Los Angeles prohibiting any types of commercial cannabis activity?**

The City will not issue licenses for any type of large cultivation, outdoor cultivation or mixed-light cultivation.

### **What's the difference between Temporary Approval and a License?**

DCR may issue a temporary license, referred to as Temporary Approval, to eligible applicants, which allows an applicant to legally engage in the Commercial Cannabis Activity for which it has applied for a license. An applicant operating under Temporary Approval is subject to the rules and regulations that apply to annual licensees. Temporary Approval does not create a vested right in the holder to either an extension of the Temporary Approval or to the issuance of a subsequent annual license.

### **If an Applicant receives Temporary Approval from the City, can it engage in Commercial Cannabis Activity before it gets approval from the State?**

An applicant that receives Temporary Approval from DCR still needs to obtain a state annual or temporary license before commencing operations.

### **How is cannabis taxed?**

The State of California imposes a 15 percent excise tax on the purchase of medical and "Adult-Use" cannabis. Cultivators will also have to pay a tax on dry flowers (\$9.25 per ounce) and dry leaves (\$2.75 per ounce).

The City of Los Angeles imposes the following cannabis business taxes on licensed cannabis businesses:

- 10% gross receipts from Adult-Use Sales
- 5% gross receipts from Medical Sales
- 1% gross receipts from Transportation, Testing or Research, and
- 2% gross receipts from Manufacturing, Cultivation or other commercialization of cannabis

### **Where do I submit my application for a City license?**

Applications are only accepted electronically through the DCR website. The online application link can be found at [cannabis.lacity.org](http://cannabis.lacity.org) as application phases open.

### **When will DCR begin accepting applications for licenses?**

DCR will accept license applications in three phases:

During Phase 1, DCR accepted applications for Prop M Priority Processing and for Testing licenses. The Phase 1 application window is now closed.

During Phase 2, which is open from August 1, 2018 until 4:00 p.m. on September 13, 2018, DCR will accept applications for priority processing for Non-Retailer Commercial Cannabis Activity. Applicants for this priority processing must meet the eligibility requirements as described in LAMC Section 104.08.

During Phase 3, DCR will accept applications from any person who is eligible to apply for a license. DCR has not yet been determined when Phase 3 will open.

### **How can I find out more about the licensing process?**

In addition to reviewing the Cannabis Procedures ordinance ([here](#)) and the Rules and Regulations ([here](#)), an applicant may review one of the many informational resources on DCR's website about the City's licensing process. These include, but are not limited to:

Phase 2 Application Workshop Powerpoints: [Part 1](#) and [Part 2](#)

Phase 2 Application Workshop [Video](#)

DCR Presentation to the Cannabis Regulation Commission: [here](#)

### **What information and documents do I need to submit as part of my application?**

The application requirements vary based on the application phase and the type of commercial cannabis activity. In general, an applicant will have to provide DCR relevant information and documents about its owners, its proposed business premises, and its proposed operational plans. A detailed description of the the annual license application requirements can be found in Regulation No. 3 of the Rules and Regulations ([here](#)). DCR may also request additional documents and information from an applicant as necessary to determine whether an applicant is eligible for priority processing or a license.

### **Will DCR inspect my business premises during the application process?**

Yes. DCR is required to and will inspect an applicant's business premises before DCR or the Cannabis Regulation Commission issues an annual license. A detailed description of the the pre-license inspection can be found in Regulation No. 5 of the Rules and Regulations ([here](#)).

### **Is there an application manual?**

DCR has published an application manual for Phase 2 applicants ([here](#)) that explains how to navigate DCR's online application system. DCR anticipates publishing an application manual for Phase 3 applicants.

### **How do I find out the status of my application?**

DCR will notify you via email, mail or other means when it has an update to provide regarding your application.

### **Is there a fee to apply for a City license?**

Yes, you will be required to pay one or more of the following fees, as follows:

Phase 1 EMMD Retail License Fee - \$9,360

Phase 2 License Fee - \$11,806

Cannabis License Fee - \$8,059

Cannabis LAFD Inspection Fee - \$918\*

Cannabis License Modification Fee - \$1,700

All fees are due within 10 business days after submittal of application.

\*LAFD Inspector rate is an additional \$216 per hour for inspections exceeding four (4) hours.

### **Are the license fees refunded if the business is denied a license?**

No. DCR does not refund license fees if it denies a license.

### **How do I withdraw an application?**

Please submit a withdrawal request to DCR by email. After review, DCR staff will send an email to the applicant(s) instructing them to visit our office and sign the application withdrawal form. The applicant(s) may schedule an appointment by calling (213) 978-0738. If the application includes more than one owner, individual owners may request different appointment times. Every owner listed on the application must sign the withdrawal form for it to be fully executed.

### **When will DCR accept applications for testing licenses?**

DCR is currently accepting testing license applications.

### **How do I add a commercial cannabis activity to an already submitted application?**

To add an additional activity to an already submitted application, an applicant must submit an email to [DCRLicensing@lacity.org](mailto:DCRLicensing@lacity.org) requesting the addition of an activity.

### **How does an applicant demonstrate compliance with the the California Environmental Quality Act (CEQA)?**

Please refer to BCC Regulation Section 5010, CDFA Regulation Section 8102, or CDPH Regulation Section 40128 for direction on the CEQA requirements for an application for each type of Commercial Cannabis Activity.

### **What is an EMMD?**

An EMMD means an existing medical marijuana dispensary that is in compliance with all restrictions of Proposition D, notwithstanding those restrictions are or would have been repealed, including, but not limited to, either possessing a 2017 L050 BTRC and current with all City-owed business taxes, or received a BTRC in 2007, registered with the City Clerk by November 13, 2007 (in accordance with the requirements under Interim Control Ordinance 179027), received a L050 BTRC in 2015 or 2016 and submits payment for all City-owed business taxes.

### **Who is eligible for Phase 2 application processing?**

An applicant who meets the following criteria is eligible for Phase 2 processing: 1) the Applicant was engaged prior to January 1, 2016, in the same Non-Retailer Commercial Cannabis Activity that it now seeks a License for; 2) the Applicant provides evidence and attests under penalty of perjury that it was a supplier to an EMMD prior to January 1, 2017; 3) the Business Premises meets all of the land use and sensitive use requirements of Article 5 of Chapter X of this Code; 4) the Applicant passes a pre-license inspection; 5) there are no fire or life safety violations on the Business Premises; 6) the Applicant paid all outstanding City business tax obligations; 7) the Applicant indemnifies the City from any potential liability on a form approved by DCR; 8) the Applicant provides a written attestation that it will enter into an agreement with a testing laboratory for testing of all Cannabis and Cannabis products and attests to testing all of its Cannabis and Cannabis products in accordance with state standards; 9) the Applicant is not engaged in Retailer Commercial Cannabis Activity at the Business Premises; 10) the Applicant attests that it will cease all operations if denied a State license or City License; 11) the Applicant qualifies under the Social Equity Program; and 12) the Applicant attests that it will comply with all operating requirements imposed by DCR and that DCR may immediately suspend or revoke the Temporary Approval if the Applicant fails to abide by any City operating requirement.

### **How long is Phase 2 open?**

DCR will accept Phase 2 applications until 4:00 p.m. on September 13, 2018.



## **Who has to submit the ownership attestation form for Phase 2 applicants?**

Anyone who is considered an Owner of the business that is applying for a license must submit an ownership attestation form.

## **What documentation is needed to prove eligibility for Phase 2?**

Please view these [Eligibility Guidelines](#) for more information. DCR may request additional information and documents as necessary to confirm an applicant's eligibility for Phase 2.

## **Will Business Tax Registration Certificates (BTRC) be required in Phase 2?**

An applicant does not need to possess a BTRC at the time of submitting an application for Phase 2 processing. If you do not have a BTRC, please complete and upload this [Placeholder Document](#) with your application.

## **Can an Applicant with Temporary Approval change the location of its Business Premises?**

An applicant with Temporary Approval may not change the location of its Business Premises without approval from DCR. Re-location requests may be submitted to [DCRLicensing@lacity.org](mailto:DCRLicensing@lacity.org), after which DCR staff will contact the applicant for any additional required information and documents and then determine whether the applicant is eligible to relocate.

## **When will pre-licensing inspections for Phase 2 applicants begin?**

DCR will contact an applicant to schedule a pre-license inspection. Scheduling will vary based on a number of factors, including the type of Commercial Cannabis Activity, the availability of staff from DCR and other City agencies, and an applicant's readiness for an inspection.

## **Does a Phase 2 applicant have to pass a pre-license inspection before receiving Temporary Approval?**

Yes. Every Phase 2 applicant must pass a pre-license inspection before receiving Temporary Approval.

## **Are Microbusiness licenses available during Phase 2?**

DCR will not accept applications for Microbusiness (Type 12) licenses during Phase 2, but an applicant may still apply for licenses for multiple types of Commercial Cannabis Activity.

## **Is the Social Equity Program part of Phase 2?**

Yes. To be eligible for Phase 2, an applicant must qualify under the Social Equity Program as Tier 1, Tier 2, or Tier 3 Social Equity Applicant. Please see the Social Equity Program section below for more information about qualifying for the program.

## **GENERAL INFO ON SOCIAL EQUITY PROGRAM**

### **When does the Social Equity Program start and what phase is it in now?**

With the submission and review of Phase 2 applications underway, the Social Equity Program has already begun, in part, because all Phase 2 applicants must qualify under the Social Equity Program. The development and implementation of other Social Equity Program components are ongoing. Please check back periodically for updates.

### **Who qualifies for the Social Equity Program?**

The Social Equity Program is divided between Tier 1, Tier 2, and Tier 3 Social Equity Applicants.

A Tier 1 Social Equity Applicant shall own no less than a 51 percent equity share of the business that would benefit from the issuance of the License and meet the following criteria at time of applying for a License:

1. Low Income and prior California Cannabis Arrest or Conviction; or
2. Low Income and a minimum of five years cumulative residency in a Disproportionately Impacted Area.

A Tier 2 Social Equity Applicant shall own no less than a 33 1/3 percent equity share of the business that would benefit from the issuance of the License and meet the following criteria at time of applying for a License:

1. Low Income and a minimum of five years cumulative residency in a Disproportionately Impacted Area; or
2. a minimum of 10 years cumulative residency in a Disproportionately Impacted Area.

A Tier 3 Social Equity Applicant shall enter into a Social Equity Agreement with the City to provide capital, leased space, business, licensing and compliance assistance for a period of three years to Persons who meet the criteria to be a Tier 1 Social Equity Applicant, and business, licensing and compliance assistance for a period of three years to Persons who meet the criteria to be a Tier 2 Social Equity Applicant. A Tier 3 Social Equity Applicant shall also provide Tier 1 Social Equity Applicants access to property with no rent and with prorated utilities for a minimum of three years in a manner consistent with LAMC Sec. 104.20(e)

## **What does Low Income mean?**

As defined in LAMC Sec. 104.20, Low Income means 80 percent or below of Area Median Income for the City based on the 2016 American Community Survey and updated with each decennial census.

## **How do I prove I am Low Income?**

You must provide evidence of your income for the 12-month period preceding the date of your application. Please view this [Eligibility Requirement document](#) for more information of the type of evidence to submit.

## **What types of prior cannabis-related arrests or conviction qualify an applicant for Tier 1 status?**

An applicant who is Low Income and has a California Cannabis Arrest or Conviction will qualify for Tier 1 status (provided all other eligibility requirements, including equity requirements, are met). A California Cannabis Arrest or Conviction means an arrest or conviction in California for any crime under the laws of the State of California or the United States relating to the sale, possession, use, manufacture, or cultivation of cannabis that occurred prior to November 8, 2016. An arrest, prosecution or conviction for a violation of Proposition D, as codified in former Article 5.1 of Chapter IV of the Los Angeles Municipal Code, notwithstanding that Proposition D has been repealed, is not a California Cannabis Arrest or Conviction.

## **How do I prove I have a California Cannabis Arrest or Conviction?**

Please view this [Eligibility Requirement document](#) for more information of the type of evidence to submit.

## **If I have a California Cannabis Arrest or Conviction and a non-cannabis-related conviction, can I still qualify for the Tier 1 status?**

Even if you have a California Cannabis Arrest or Conviction, you may still be ineligible to apply for *any* License, as a Social Equity or non-Social Equity Applicant, if you have certain criminal convictions, including those involving violent or serious felonies. Please refer to LAMC Section 104.03(c) for a list of disqualifying convictions and time periods in which those convictions are disqualifying.

## **What is a Disproportionately Impacted Area?**

A "Disproportionately Impacted Area" means an eligible zip code based on the "More Inclusive Option" as described on page 23 of the "Cannabis Social Equity Analysis

Report" commissioned by the City in 2017, and referenced in Regulation No. 13 of the Rules and Regulations, or as established using similar criteria in an analysis provided by an Applicant for an area outside of the City.

**How long did I have to reside in a Disproportionately Impacted Area (DIA) to qualify for Tier 1 or Tier 2 status?**

An individual will satisfy the residency requirement for Tier 1 status if he or she is Low Income and has a minimum of five years cumulative residency in a DIA, and an individual will satisfy the residency requirement for Tier 2 status if he or she is Low Income and has a minimum of five years cumulative residency in a DIA or if he or she has a minimum of ten years cumulative residency in a DIA.

**Did I have to live in a DIA for 5 or 10 consecutive years?**

An individual will satisfy the residency requirement if he or she can prove that he or she has resided in a DIA *in total* for at least five or ten years (consecutive or nonconsecutive).

**Do I have to currently reside in a DIA to qualify for Tier 1 or Tier 2 status?**

No, an applicant only has to have been a resident in a DIA for 5 or 10 years at some point in time.

**I am a City resident but I have not lived in any of the zip codes designated as a DIA in the City's Social Equity Analysis Report. Is there any way for me to prove I've lived in a DIA in the City?**

If a zip code in the City was not designated as a DIA in the City's Social Equity Analysis Report, then residency in that zip code will not satisfy the residency requirement for Tier 1 or Tier 2 status.

**I live outside of the City and believe my neighborhood was disproportionately impacted by the war on drugs. How can I qualify for Tier 1 or Tier 2 status?**

An applicant who is Low Income can satisfy the residency requirement for Tier 1 or Tier 2 status if they establish that they resided for a sufficient period of time in a zip code outside of the City that was disproportionately impacted by the war drugs. To do so, an

applicant must provide to DCR an analysis using similar criteria employed by the City in its Cannabis Social Equity Analysis Report, which can be found [here](#).

### **What benefits does a Social Equity Applicant receive?**

A Tier 1 Social Equity Applicant shall receive the following benefits: 1. business, licensing and compliance assistance; 2. expedited renewal processing; 3. program site specific conditions; 4. the potential for fee deferrals if the City Council adopts a fee deferral program; and 5. access to an Industry Investment Fund if established.

A Tier 2 Social Equity Applicant shall enter into a Social Equity Agreement with the City to provide business, licensing and compliance assistance to Tier 1 Social Equity Program participants. A Tier 2 Social Equity Applicant shall receive the following benefits: 1. business, licensing and compliance assistance; 2. expedited renewal processing; and 3. program site specific conditions.

A Tier 3 Social Equity Applicant shall receive the following benefits: 1. expedited renewal processing; and 2. program site specific conditions.

Additionally, Tier 1 and Tier 2 Social Equity Applicants shall receive priority processing for Retailer Commercial Cannabis Activity Licenses (Types 9 and 10) and for Microbusiness Commercial Cannabis Activity Licenses that include retail (Type 12) on a 2:1 ratio with all non-Social Equity Applicants (including Applicants issued Licenses pursuant to Section 104.07).

Tiers 1 through 3 Social Equity Applicants shall receive priority processing for all non-retail License types on a 1:1 ratio with all non-Social Equity Applicants (excluding Applicants issued Licenses pursuant to Section 104.08) based on License type category, provided that Tier 1 Social Equity Applicants shall receive priority over Tier 2 and Tier 3 Social Equity Applicants, and Tier 2 Social Equity Applicants shall receive priority over Tier 3 Social Equity Applicants.

### **Does a Tier 1 or Tier 2 have to have a business premises secured before submitting an application?**

No. A Tier 1 or Tier 2 may submit an application before identifying a business premises. However, DCR will not issue Temporary Approval or a License to such an applicant before a compliant business premises is identified and passes a pre-license inspection.

**Does a Tier 3 have to provide free space to a Tier 2?**

No, a Tier 3 does not have to provide a Tier 2 access to property, although it is free to do so. A Tier 3 must provide business, licensing and compliance assistance for three years to a Tier 2.

**Can a Tier 3 support a Tier 1 engaged in a different Commercial Cannabis Activity, e.g., a Tier 3 Manufacturer supporting a Tier 1 Cultivator?**

A Tier 3 may support a Tier 1 and/or Tier 2 that will engage in a different type of Commercial Cannabis Activity than the Tier 3.

**If a Tier 3 applies for multiple licenses, does it have to provide access to property to a different Tier 1 for each of license, or can it just provide access to property to one Tier 1?**

A Tier 3 with multiple licenses may provide access to property to the same Tier 1 to satisfy the Social Equity requirements for each License. But the Tier 3 must provide the Tier 1 the total amount of property access required for all of the Tier 3's Licenses. For example, a Tier 3 with one Cultivation License and one Manufacturing License would have to provide a Tier 1 with at least 1300 sq ft of property or 10% of each Licensed Business Premises, whichever is greater.

**Can a Tier 1 or Tier 2 have partners or investors who do not qualify as a Tier 1s or Tier 2s?**

A Tier 1 and Tier 2 must own no less than 51 percent and 33 1/3 percent, respectively, of the business that would benefit from issuance of the License. As long as that requirement is met, a Tier 1 or Tier 2 may have partners or investors who do not qualify as Tier 1s or Tier 2s, subject to any other ownership restrictions.