AGENDA ITEM NO. 1

REPORT BY THE EXECUTIVE DIRECTOR AND DEPARTMENT STAFF concerning current status of Department’s review of applications for Phase 1 Proposition M Priority Processing.
THE EVOLUTION OF CANNABIS REGULATION

1996
California Compassionate Use Act

2007
City of Los Angeles Interim Control Ordinance

2013
City of Los Angeles Proposition D

2015
California Medical Cannabis Regulation and Safety Act

2016
California Adult-Use of Marijuana Act

2017
City of Los Angeles Measure M
California Medical and Adult-Use Cannabis Regulation and Safety Act
City of Los Angeles Passes Cannabis Ordinances
California Adopts Emergency Regulations
California Begins Commercial Cannabis Activity Licensing

2018
California Begins Adult Use Sales
City of Los Angeles Begins Phase 1 Priority Processing
California Readopts Emergency Regulations with Amendments
California Releases Final Proposed Regulations
City of Los Angeles Begins Phase 2 Priority Processing
COMMERCIAL CANNABIS ACTIVITY

- Cultivation
- Manufacturing
- Distribution
- Testing
- Retail
- Microbusiness
LOCAL CANNABIS ORDINANCES

- Procedures
- Rules and Regulations
- Location Restrictions
- Fees and Fines
- Advertising
- Trust Fund
- Cannabis Reinvestment Act
- Recent Amendments
THINGS TO KNOW BEFORE OPERATING A COMMERCIAL CANNABIS BUSINESS

- State License and Local Authorization Required
  - Unlawful Commercial Cannabis Activity

- Ownership Restrictions

- Business Premises Requirements, Location Restrictions & Undue Concentration

- Notice, Public Hearing & Public Comment

- Determinations & Appeals

- Operating Requirements

- Violations and Penalties
ORDER OF PROCESSING

· Priority Processing Phase 1
  · Existing Medical Marijuana Dispensaries

· Priority Processing Phase 2
  · Non-Retail Supply Chain

· General Processing
  · Retail
    ▪ 1 General Applicant per 2 Social Equity Applicants (Tier 1 & Tier 2 Only)
  · Non-Retail
    ▪ 1 General Applicant per 1 Social Equity Applicant
LICENSING PROCESS
PHASE 1 PRIORITY PROCESSING

Existing Medical Marijuana Dispensaries

- Priority Processing
- Temporary Approval
- Annual License Application
- Pre-Licensing Inspection
- Licensing Determination
- Annual License
LICENSING PROCESS
PHASE 2 PRIORITY PROCESSING

Non-Retail Suppliers

- Priority Processing
- Pre-Licensing Inspection
- Temporary Approval
- Annual License Application
- Licensing Determination
- Annual License
LICENSING PROCESS
ANNUAL LICENSE

General Public

- Annual License Application
- Pre-Licensing Inspection
- Licensing Determination
- Annual License
ANNUAL LICENSE APPLICATION

- Ownership Information
- Business Premises Information
- Financial Information
- Commercial Cannabis Activity Plans & Detailed Descriptions
- Security Plan
- Workforce Information
- Attestations
PRE-LICENSING INSPECTION

- Premises Diagram
- Building and Fire Code
- Fire Safety Plan (if applicable)
- Security Plan
- Live Scan & Background Check
Retail & Non-Retail Activity in Business Premises 30,000 Sq. Ft or Larger

- Cannabis Regulation Commission
  - Department of Cannabis Regulation Community Meeting
  - Notice of Public Hearing
  - Public Hearing

Non-Retail Activity in Business Premises Less than 30,000 Sq. Ft.

- Department of Cannabis Regulation
LICENSING PROCESS
PHASE 1 PRIORITY PROCESSING

Existing Medical Marijuana Dispensaries

Priority Processing
Temporary Approval
Annual License Application
Pre-Licensing Inspection
Licensing Determination
Annual License
PHASE 1
PRIORITY PROCESSING

- Mandated by Local Measure M
- Limited to EMMD Applicants
- EMMD
  - Defined in Section 104.01(a) 12.
- Activity/ License Type Restrictions
  - Retailer
  - Distributor
  - Cultivator
  - Manufacturer
PHASE 1
PRIORITY PROCESSING

- Phase 1 Priority Processing Applications Received
  519 Applications for 243 locations
- EMMD Locations with Temporary Approval
  - 168 Total (156 paid and received local authorization documents)
- Phase 1 Applicants without Temporary Approval
  - 75 locations
PHASE 1
PRIORITY PROCESSING

- Next Steps
- Written Findings
  - Hold due to Ownership Dispute Letter
  - Denial Letter
    - 15 Business Days to file an appeal to the Commission
- Pre-Licensing Inspection
- Annual License Application
  - Application Deemed Complete
  - Public Hearing
  - Case presented to the Commission
AGENDA ITEM NO. 2

- REPORT BY THE EXECUTIVE DIRECTOR AND DEPARTMENT STAFF concerning current status of Department’s review of applications for Phase 2 processing under LAMC Section 104.08; eligibility requirements for Phase 2 processing, including qualifications for Social Equity Program.
**PHASE 2**
**PRIORITY PROCESSING**

- **August 1, 2018**
- **Eligibility Restrictions**

  - Activity Prior to January 1, 2016
  - Supplier to EMMD
  - No outstanding Tax obligations
  - Qualifies under Social Equity Program

- Compliant with Location Restrictions
- Free of Fire/Life Safety Violations
- Passes a Pre-Licensing Inspection

- Indemnification of City Liability
- Testing
- Cease Operations if Denied
- Revocation or Suspension due to Noncompliance
PHASE 2
PRIORITY PROCESSING

Eligibility Criteria

Section 104.08 Cannabis Procedures

1. Applicant engaged prior to January 1, 2016, in the same Non-Retailer Commercial Cannabis Activity that it now seeks a license for
2. Applicant provides evidence and attests under penalty of perjury that it was a supplier to an EMMD prior to January 1, 2017
3. Business Premises meets all of the land use and sensitive use requirements of Article 5 of Chapter X LAMC
4. Applicant passes a pre-licensing inspection
5. Business Premises free of fire or life safety violations
6. Applicant paid all outstanding City business tax obligations
7. Applicant indemnifies the City from any potential liability on a form approved by DCR.
PHASE 2
PRIORITY PROCESSING

· Eligibility Criteria
  · *Section 104.08 Cannabis Procedures*

8. 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. Applicant is not engaged in Retailer Commercial Cannabis Activity at the Business Premises.

10. Applicant attests that it will cease all operations if denied a State License or City License.

11. Applicant qualifies under Social Equity Program.

12. 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.
The City of Los Angeles has adopted a Social Equity Program aimed promoting ‘equitable ownership and employment opportunities in the cannabis industry in order to decrease disparities in life outcomes for marginalized communities and to address the disproportionate impacts of the war on drugs in those communities.’
Definitions

- **Low Income**
  - 80 percent or below of Area Median Income for the City based on the 2016 American Community Survey and updated with each decennial census.

- **California Cannabis Conviction**
  - An arrest or conviction in California for any crime under the laws of the State of California OR the United States related to the sale, possession, use, manufacture or cultivation of Cannabis that occurred prior to November 8, 2016.
  - Prop D violations explicitly excluded.

- **Disproportionately Impacted Area**

- **Social Equity Agreement**
  - An agreement between a Tier 3 Social Equity Applicant and 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 to Persons who meet the criteria to be a Tier 2 Social Equity Applicant.
  - **Fee in Lieu of Leased Space Pending Ordinance**
  - Processed by DCR, approved by Commission.
SOCIAL EQUITY PROGRAM

• Tier 1
  • Either Low Income AND California Cannabis Conviction OR;
  • Low Income AND minimum of 5 years cumulative residency in a Disproportionately Impacted Area
  • Ownership Requirement
    • No Less than 51%

• Tier 2
  • Either Low Income AND minimum of 5 years cumulative residency in a Disproportionately Impacted Area OR;
  • Minimum of 10 years cumulative residency in a Disproportionately Impacted Area
  • Ownership Requirement
    • No Less than 33 1/3%

• Tier 3
  • Social Equity Agreement
  • Ownership Requirement
    • None
SOCIAL EQUITY PROGRAM

Program Benefits
- Verification of program qualification without Premises Verification
- Priority Processing
- Business, Licensing and Compliance Assistance (pending)
- Training via Incubator (pending)
- Fee Waiver (if established)
- Industry Investment Fund (if established)

Program Restrictions
- Transfer of Control or Ownership
- Disclosures
  - Operating Agreements
  - Financial Agreements & Loans
  - Debt
  - Management Agreements
  - Options to Purchase
Program Development and Implementation
  · Stay Engaged!
    · Expansion of Disproportionately Impacted Areas
    · Fee Deferral
    · Industry Investment Fund
    · Community and Equity Applicant Recommendations
PHASE 2 PRIORITY PROCESSING RESOURCES

- Guidelines to Establish Eligibility
- Application Manual
- Account Registration Manual
- Workshop PowerPoint and Video
- Links to
  - Fire Department
  - Office of Finance
- More resources coming soon!
Non-Retail Suppliers

- Priority Processing
- Pre-Licensing Inspection
- Temporary Approval
- Annual License Application
- Licensing Determination
- Annual License
Phase 2
Priority Processing Application
PHASE 2 CANNABIS BUSINESS APPLICATION

- Owner, Person in Charge, and Agent of Service fields
  - An Agent of Service completing an application on behalf of an owner must identify themselves
  - A Person in Charge is a day-to-day on-duty manager that can answer questions and is available to inspection staff

- Must apply for Social Equity Priority Processing

- One Application for all Commercial Cannabis Activities associated with the Business Premise
  - Incompatible license types should not be selectable
  - If you select the wrong option, then unselect the wrong option before trying to select the correct option
  - You can deselect all options under a category by clicking the “No” option

- Additional application documents allows the applicant to customize their initial submittal
  - Select the documents that you have available; staff will request the remaining documents prior to deeming your application complete

- Eligibility Evidence allows the applicant to customize their initial submittal
  - Select the documents that you have available; staff will request the remaining documents prior to deeming your application complete

- Notification Fire Department, City Council, Neighborhood Council, etc.

- Application review fees and Fire Department inspection fees are captured on the same invoice.
AGENT OF SERVICE VS. PERSON IN CHARGE

Application Options

You may apply for Temporary Approval if you meet the criteria identified in Los Angeles Municipal Code (LAMC) Section 104.03, as determined by the City. The temporary approval shall provide the Applicant with limited immunity, as described in LAMC Section 104.03(2). The Temporary Approval is valid for up to 180 days. The Applicant attests that it will comply with all operating requirements imposed by the City and that the City may immediately suspend or revoke the Temporary Approval if the Applicant fails to abide by any City operating requirement. For additional information, please visit the URL here.

* Are you requesting Temporary Approval?: Yes No
* Are you an Agent of Service?: Yes No

Business Information

A Person In Charge should be the regular On Duty Manager and available to City staff during regular business hours. A Person in Charge may or may not be an owner.

Original Date of Non-Retailer Commercial Cannabis Activity/Activities:

* Person In Charge - Name:
* Person In Charge - Title:
* Person In Charge - Phone: Enter without punctuation

Social Equity Application

Social Equity priority processing requested: Yes No

Save and resume later

Continue »
## Business Activities

### One Application

---

**Business Activities**

- Adult Use
  - Adult-Use Cultivation Medium Indoor
  - Adult-Use Cultivation Small Indoor
  - Adult-Use Cultivation Specialty Indoor
  - Adult-Use Distributor
  - Adult-Use Manufacturer Level 1
  - Adult-Use Retail
  - Adult-Use Microbusiness
  - Adult-Use Delivery Only
- Medical Use
  - Medical Cultivation Medium Indoor
  - Medical Cultivation Small Indoor
  - Medical Cultivation Specialty Indoor
  - Medical Distributor
  - Medical Manufacturer Level 1
  - Medical Retail
  - Medical Microbusiness
  - Medical Delivery Only
  - Distribution Transport Only
- Testing
- Canopy Size: 2000

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**CITY OF LOS ANGELES DEPARTMENT OF CANNABIS REGULATION**

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**BUSINESS ACTIVITIES**

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**ONE APPLICATION**
Implement City’s New Cannabis Policy
HOW TO LOCATE NEIGHBORHOOD INFO

City of Los Angeles
Neighborhood Info

Enter an address or intersection:

200 main st

Find

ELECTED OFFICIALS
City Council
District 4: Jose Huizar

County Supervisor
District 1: Hilda L. Solis

State Senate
District 24: Kevin De León

State Assembly
District 52: Miguel Santiago

US Congress
District 54: Jimmy Gomez

LAUSD School Board
District 2: Monica Garcia

PLANNING/CONSTRUCTION
Community Planning Area
Central City

Engineering District
Central

Army Planning Commission
Central APC

Building and Safety
Check For Permits
Check Code Enforcement

OTHER
Census Tract
207500

Neighborhood Council
Community Emergency Preparedness Contact

REGIONAL SERVICES
TV Service
Charter Spectrum - Network/Volume

Train Collection
Parking Enforcement Area Offices

Parks and Recreation
Transportation District Office
LA Unified School District

PUBLIC SAFETY
Neighborhood Prosecutor
Neighborhood Fire Station
Community Police Station
Red Flag Parking Zone

Central
Central
Central
No

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Contact Us | LACity.org
APPLICATION FEE REVIEW

Implement City's New Cannabis Policy

Los Angeles Department of Cannabis Regulation

Cannabis Business Application

Listed below are the license application fees based upon the information you’ve entered.

Application/Renewal Fees

<table>
<thead>
<tr>
<th>Fees</th>
<th>City</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannabis Distributor Payment (TA-P2)</td>
<td>1</td>
<td>$11,806.00</td>
</tr>
<tr>
<td>Cannabis Cultivation Medium Indoor Payment (TA-P2)</td>
<td>1</td>
<td>$11,806.00</td>
</tr>
<tr>
<td>Cannabis Manufacturer Level 1 Payment (TA-P2)</td>
<td>1</td>
<td>$11,806.00</td>
</tr>
<tr>
<td>Fire Cannabis Inspection Fee</td>
<td>1</td>
<td>$958.00</td>
</tr>
</tbody>
</table>

TOTAL FEES: $36,336.00

Note: This does not include additional fees which may be assessed later.

Continue >>
CITY OF LOS ANGELES DEPARTMENT OF CANNABIS REGULATION

Los Angeles Department of Cannabis Regulation

Home > Applicants and Licensees

Apply for a License > Search for a License

Cannabis Business Application

- Cannabis Description
- Proposed Location
- Legal Business Name
- Additional Information
- Photos
- License Fee
- Record Issuance

Your Cannabis License application has been successfully submitted.

All owners must submit their Ownership Information Records, along with all required supporting documentation. Each owner will be emailed with further instructions.

Click here to submit your owner information now

You will be required to pay the application fee in person at the Los Angeles Department of Finance. Click 'Print/View Invoice' below for further instructions.

Thank you for using our online services.

Your Record Number is LA-C-18-000009-APP.

You will need this number to check the status of your application.

Print/View Invoice  Copy Record

Your application will not be complete until you have submitted all required supporting documentation. Please visit our website for additional information.

View Record Details »
OWNER SUBMITTAL RECORD

- Individuals meeting the “Owner” definition must complete and submit an Owner Submittal Record.

- All owners must submit their Owner Submittal Record before a Social Equity Tier is assigned to a Commercial Cannabis Business.

- If an “Owner” is ineligible, then the ineligible “Owner(s)” must be removed from the application before the Commercial Cannabis Business application is deemed complete.

- Changes in Ownership will require a new signature card be filed with the Department of Cannabis Regulation.
# Owner Attestations

**City of Birth:**

**State of Birth:**

*Country of Birth:* United States of America

**Military Service:**

- **Do you have an office in or are employed by any agency of the State of California (State) or any of its political subdivisions excluding the City of Los Angeles (City) and does this business have any affiliation with the City in any political subdivision or with any person or organization that has any such affiliation:**
  - Yes [ ]
  - No [ ]

- **Do you have ownership interest in a licensed commercial cannabis business?**
  - Yes [ ]
  - No [ ]

- **Are you seeking a common license for activities your business is currently engaged in?**
  - Yes [ ]
  - No [ ]

- **Does the Business Provisions meet all the land use and sensitive use requirements of Article 9.2 of Chapter 8 of the Los Angeles Municipal Code?**
  - Yes [ ]
  - No [ ]

- **Is the Commercial Cannabis Business identified in this application correct on all the obligations?**
  - Yes [ ]
  - No [ ]

- **Have you been sanctioned by a licensing authority or local agency for unauthorized cannabis activities and/or had a license suspended or revoked in the three years immediately preceding the date of this application?**
  - Yes [ ]
  - No [ ]

- **Have you been denied a license by the City, the business of Cannabis control, or any other city or state cannabis control authority?**
  - Yes [ ]
  - No [ ]

- **Have you ever been convicted of a crime?**
  - Yes [ ]
  - No [ ]

- **Affirm, under penalty of perjury, that all outstanding City business tax obligations have been paid or will be paid prior to license:**
  - Yes [ ]
  - No [ ]

- **Affirm, under penalty of perjury, that the Commercial Cannabis Business identified in this application was engaged prior to January 2, 2015, in the same form of the Commercial Cannabis Activity that it seeks to engage in:**
  - Yes [ ]
  - No [ ]

- **Affirm, under penalty of perjury, that the Commercial Cannabis Business identified in this application will be operated in conformity with the City's Business Standards:**
  - Yes [ ]
  - No [ ]

- **Affirm, under penalty of perjury, that the Commercial Cannabis Business identified in this application shall submit the following Cannabis products to the City:**
  - Yes [ ]
  - No [ ]

- **Affirm, under penalty of perjury, that the Cannabis Business identified in this application shall comply with all applicable regulations and rules established by the City and that the City may immediately suspend or revoke any Temporary Approval granted if the Applicant fails to comply with any of the regulations and rules:**
  - Yes [ ]
  - No [ ]

- **Affirm, under penalty of perjury, that I am applying for the Transfer Permit and shall satisfy the Transfer Permit Application:**
  - Yes [ ]
  - No [ ]

- **Agree that only Retail Operations will continue under limited immunity provision:**
  - Yes [ ]
  - No [ ]

- **Affirm that all information provided in this application is true and correct:**
  - Yes [ ]
  - No [ ]

- **Affirm that all information provided in this application is true and correct:**
  - Yes [ ]
  - No [ ]
TIER 1 & 2 SOCIAL EQUITY REQUEST

Application for Social Equity Status

Tier Requested: [Tier 1]

California Cannabis Arrest or Conviction prior to November 8, 2016:
- [ ] Yes  [ ] No

Court Records:
- [ ]

Government Records:
- [ ]

Declaration:
- [ ]

Other Documents:
- [ ]

Evidence of Low Income Status:
- [ ]

Tax Records:
- [ ]

Financial Records:
- [ ]

Receipt of Government Assistance:
- [ ]

Declaration:
- [ ]

Other Documents:
- [ ]

Residency in a Disproportionately Impacted Area:
- [ ]

Property Deed, Mortgage, or Lease Agreement:
- [ ]

Financial Records:
- [ ]

Proof of Government Housing Assistance:
- [ ]

Utility Bills, Registration, or Similar Document:
- [ ]

Education Records:
- [ ]

Declaration - Address:
- [ ]

Declaration - Parent or Guardian:
- [ ]

Other Documents:
- [ ]
TIER 3
SOCIAL EQUITY REQUEST

Social Equity Request

Application for Social Equity Status

Tier Requested:

Tier 3

Tier 3 Applicant Evidence for Tier 1:

Executed Tier 1 Contract:

Tier 1 Attestation:

Tier 3 Applicant Evidence for Tier 2:

Executed Tier 2 Contract:

Tier 2 Attestation:

Save and resume later

Continue »
### Required Documents

You must provide a copy of your government-issued identification. Acceptable forms of identification are documents issued by federal, state, county, or municipal government that includes the name, date of birth, physical description, and picture. (Example: a driver’s license or passport.)

<table>
<thead>
<tr>
<th>Required Documents</th>
<th>Add</th>
<th>Add</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Licensing - Declaration of Phase 2 Eligibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Licensing - Government-Issued Identification</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# ADDITIONAL OWNER INFORMATION

## Implementation of City's New Cannabis Policy

### Employment History

You must provide your current employer(s). Please click the 'add a row' button to provide your current employer(s). If you are not employed, please indicate "unemployed" in the Job Title field.

<table>
<thead>
<tr>
<th>Showing 0 of 0</th>
<th>Job Title</th>
<th>Company Name and City</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Add a row | Edit Selected | Delete Selected

### Criminal Violations

<table>
<thead>
<tr>
<th>Showing 0 of 0</th>
<th>Violation Code</th>
<th>Type of Violation</th>
<th>Date of Conviction</th>
<th>Date of Imprisonment</th>
<th>Date of Probation</th>
<th>Date of Parole</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

Add a row | Edit Selected | Delete Selected

### Other Cannabis Licenses

<table>
<thead>
<tr>
<th>Showing 0 of 0</th>
<th>Government Agency</th>
<th>State</th>
<th>County</th>
<th>City</th>
<th>Agency</th>
<th>License Number</th>
<th>License Type</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

Add a row | Edit Selected | Delete Selected

### Cannabis Licenses Denied

<table>
<thead>
<tr>
<th>Showing 0 of 0</th>
<th>Government Agency</th>
<th>State</th>
<th>County</th>
<th>City</th>
<th>Agency</th>
<th>License Number Denied</th>
<th>License Type Denied</th>
<th>Denial Date</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

Add a row | Edit Selected | Delete Selected

Save and submit
DCR may issue Temporary Approval to Testing Laboratory License Applicants prior to a pre-licensing inspection with or without accreditation.

Attestation Form
PHASE 2
PRIORITY PROCESSING

- 210 applications have been started in our licensing system since August 1, 2018.

- Of the 210 applications, 177 applications have been submitted to the Department.

- Of the 177 applications submitted, 106 applications have been paid covering 218 commercial cannabis activities (Table 1).
### Table 1 - Phase 2 Applications Paid through August 8, 2018

<table>
<thead>
<tr>
<th>TYPE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannabis Cultivation Medium Indoor Payment (TA-P2)</td>
<td>6</td>
</tr>
<tr>
<td>Cannabis Cultivation Small Indoor Payment (TA-P2)</td>
<td>43</td>
</tr>
<tr>
<td>Cannabis Cultivation Specialty Indoor Payment (TA-P2)</td>
<td>35</td>
</tr>
<tr>
<td>Cannabis Distributor Payment (TA-P2)</td>
<td>70</td>
</tr>
<tr>
<td>Cannabis Manufacturer Level 1 Payment (TA-P2)</td>
<td>64</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>218</strong></td>
</tr>
</tbody>
</table>
AGENDA ITEM NO. 3

- REPORT BY CITY ATTORNEY’S CANNABIS ADVICE, LAW & LITIGATION SECTION concerning operating requirements for LAMC 104.08 applicants granted Temporary Approval and appeal procedures for applicants denied LAMC 104.08 processing or an annual License.

CITY OF LOS ANGELES DEPARTMENT OF CANNABIS REGULATION
Temporary Approval Operating Requirements

Compliance requirements

- An Applicant who receives Temporary Approval must immediately comply with all operational rules & regulations applicable to the license type for which they have applied.
- Violations may result in Temporary Approval revocation

City’s Operating Requirements in Regulation No. 10.

- General operating requirements applicable to all License types
- Operating requirements specific to each License type
Temporary Approval Operating Requirements

Compliance with non-Cannabis Specific Laws

- Temporary Approval holder must also comply with non-cannabis-specific, generally applicable laws, like State and City labor laws, LA Fire and Building Codes, LA County Health Code
- Violation of these laws may be grounds for administrative action up to and including Temporary Approval revocation and License denial

Responsibility for violations by agents or employees

- Temporary Approval holder is deemed fully responsible for all acts, omissions, or failures of an agent, officer, or other person acting for or employed by a Licensee, within the scope of his or her employment or office.
## Enforcement of Operating Requirements

| DCR Inspections | Business premises are subject to inspection by DCR during regular business hours or non-regular hours when violations appear or are alleged to be occurring  
| DCR may also investigate complaints from employees, community members, other businesses, law enforcement or any other source |

| Other Agencies | Building and Safety, Police Department, Fire Department, the Office of Finance and Los Angeles County Department of Health Services and other government agencies with jurisdiction. |

| Full Cooperation Required | Temporary Approval holder may not deny access to inspectors or provide false or misleading information.  
| No advance notice is required and failure to cooperate could be grounds for revocation |
Appeal Procedures for LAMC Sec. 104.08 Eligibility Denial

DCR makes eligibility determination
• DCR will issue written findings regarding whether Applicant complies with requirements for LAMC Sec. 104.08 processing

Appeal to Commission
• Applicant has 15 business days to file an appeal, on a form provided DCR, which must specify the basis for the appeal
• Appeal fee is $4,687 (LAMC Sec. 104.19)

Public hearing
• Commission will hold public hearing within 60 business days of receipt of appeal
Appeal Procedures for LAMC Sec. 104.08 Eligibility Denial

Public Hearing Process

• DCR, Applicant and members of public may make pre-hearing submission in compliance with Commission Rule No. 4.3
• DCR and Applicant will each have 10 minutes to present argument to Commission
• Members of public may make public comment as provided in Commission Rule No. 6.1
Appeal Procedures for LAMC Sec. 104.08 Eligibility Denial

Commission Decision-Making

• Within 30 business days of public hearing, Commission shall issue its decision on the appeal based on the evidence in the record
• If Commission reverses DCR’s reason for denying LAMC Sec. 104.08 processing, Commission may have to return application to DCR for further processing
• Commission may not make a finding that Applicant is eligible for LAMC Sec. 104.08 without evidence in the record that the Applicant satisfies all eligibility criteria
Appeal Procedures for License Denial

**Non-Retailer Business**

Premises less than 30,000 sq. ft.

- DCR may deny a license without a public hearing or issue a license without a public hearing

Premises 30,000 sq. ft. or larger

- DCR may deny a license without a public hearing or recommend that the Commission issue a license after holding a public hearing
Reasons to Deny Issuance of License

1. The Applicant's Business Premises is substantially different from the diagram of the Business Premises submitted by the Applicant, in that the size, layout, location of common entryways, doorways, or passageways, means of public entry or exit, or limited-access areas within the Business Premises are not the same.

2. The Applicant denied DCR employees or agents access to the Business Premises.

3. The Applicant made a material misrepresentation on the application.

4. The Applicant failed timely to provide DCR with additional requested information, including documentation.

5. The Applicant was denied a license, permit or other authorization to engage in Commercial Cannabis Activity by any state or other local licensing authority due to any illegal act or omission of the Applicant.
<table>
<thead>
<tr>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance of a License would create a significant public safety problem as documented by a law enforcement agency</td>
</tr>
<tr>
<td>The Applicant's Business Premises is located in a geographical area of Undue Concentration, unless the City Council has adopted written findings that approval of the License application would serve public convenience or necessity, supported by evidence in the record</td>
</tr>
<tr>
<td>The Applicant failed to adhere to the requirements of this article or the Rules and Regulations</td>
</tr>
<tr>
<td>The Applicant engaged in unlicensed Commercial Cannabis Activity in violation of Section 104.15</td>
</tr>
</tbody>
</table>
Appeal Procedures for License Denial

DCR denies License

- 15 business days to appeal to Commission
- Commission will hold public hearing within 60 business days of receipt of appeal

DCR recommends issuance of License but Commission denies

- 15 business days to appeal to City Council
- City Council will hold public hearing within 15 Council meeting days of Council’s receipt of appeal
· REPORT BY THE EXECUTIVE DIRECTOR concerning the Department’s regulatory authority; unlicensed commercial cannabis activity in the City; coordinated City enforcement against unlicensed commercial cannabis activity; and possible action by City Council on budget policy for enforcement.
The Department of Cannabis Regulation and Cannabis Regulation are responsible for the implementation of the City’s cannabis policies and the administration of the City’s commercial cannabis regulatory program.

Section 104.16 Administration

“DCR shall administer the Rules and Regulations as adopted by City Council.”
COMPLIANCE PROGRAM

- No transfer of ownership or business premises address without DCR Approval
- State License and Local Authorization must be prominently displayed
- Comply with all Operational Requirements in Rules and Regulations
- Applicants and Licensees subject to inspection, investigation or audit without notice.
- Violations subject to Administrative Enforcement
Administrative Fines
Denial of License Renewal
Suspension of License
Revocation of License
More Restrictive License Conditions
Administrative Hold
UNLAWFUL COMMERCIAL CANNABIS ACTIVITY

- Sec. 104.15 Enforcement and Penalties For Unlawful Commercial Cannabis Activity
- Categories of Violators
  - Business Owner, Operator or Participant (Employee, Agent or Volunteer)
  - Property Owner
- Penalties
  - Civil Penalties
  - Criminal Misdemeanor
  - Ineligible for Commercial Cannabis License
ENFORCEMENT AGAINST UNLAWFUL COMMERCIAL CANNABIS ACTIVITY

- “Significant Criminal Activity”
- Mayor’s Working Group on Cannabis Enforcement
- Recent City Council Instruction
  - Proposed Budget Policy
  - Recommendations on Enforcement Strategy
    - Public Education and Outreach Campaign
    - Collaborative & Data-Driven
    - New Complaint Management
The Department of Cannabis Regulation has just launched a new complaint portal to receive information regarding the non-compliance of authorized cannabis licensees, unlicensed, and therefore unlawful, commercial cannabis activity and other problematic cannabis activity.

Please visit cannabis.lacity.org to view our new Cannabis Complaint Portal.
NEW CANNABIS COMPLAINT PORTAL

SUBMIT A COMPLAINT

Let's start with some basic information

Do you want to report this anonymously? If not, we will ask for your contact information in the next step.

No  Yes

Select one that most closely describes the complaint:

- Consuming onsite

Select one that most closely describes the complaint: Secondary

You are a member of:

- General Public

NEXT STEP
NEW CANNABIS COMPLAINT PORTAL

Implement City’s New Cannabis Policy

<table>
<thead>
<tr>
<th>Start Here</th>
<th>About</th>
<th>Detail</th>
<th>Location</th>
<th>More Information</th>
</tr>
</thead>
</table>

**Tell us more about the nature of your complaint.**

**When did it happen?**

**Describe what happened**

[PREVIOUS] [NEXT STEP]
NEW CANNABIS COMPLAINT PORTAL
NEW CANNABIS COMPLAINT PORTAL

CITY OF LOS ANGELES DEPARTMENT OF CANNABIS REGULATION

SUBMIT A COMPLAINT

Is there any additional information? (you may upload these type of files: jpg, png, gif, bmp, and webp)

Choose File No file chosen

PREVIOUS SUBMIT YOUR COMPLAINT