

## **Regulation No. 5. Operational Requirements and Violations**

### **A. General**

In addition to the requirements set forth in Article 4 of Chapter X of the LAMC, all Licensees must adhere to the requirements listed below. The indicated characterizations of violations, if any, are suggestions only and may vary depending upon the circumstances of the violation. DCR may issue a separate violation for each subsection or subdivision.

#### **1. Responsible Management.**

(i) **Licenses Required.** Every Applicant shall obtain a License from DCR and the State for each Commercial Cannabis Activity and Business Premises location where it engages in Commercial Cannabis Activity. (Violation Type – Major)

(ii) **Transacting Only with Other Licensees.** A Licensee shall only engage in business-to-business Commercial Cannabis Activity with a Person who possesses a License and a State license for the relevant Commercial Cannabis Activity. (Violation Type – Moderate)

(iii) **Cooperation.** Applicants and Licensees shall fully cooperate with inspections, investigations or audits. Applicants and Licensees must provide any information, surveillance recordings, or other data to the City upon request and in the form or manner requested. (Violation Type – Major)

(iv) **DCR Access to Business Premises.** Agents or employees of DCR with City identification requesting entry to the Business Premises shall be given unrestricted access during regular business hours. (Violation Type – Major)

(v) **Cannabis/Product Testing.** A Licensee shall have all Cannabis and Cannabis products tested as required by the State, and adhere to the State's requirements concerning sampling, chain of custody, and labeling. (Violation Type – Major)

(vi) **Use of Business Name or Legal Entity Name.** A Licensee shall use the name of the licensed business entity and/or Business Premises location, whichever is applicable, for the submission of all other permits, certificates, or documents issued by the City of Los Angeles. In addition, Applicants and/or Licensees must use the same business entity name and Business Premises location applying to the State of California for corresponding Commercial Cannabis Activity licenses. (Violation Type – Major)

(vii) **Catch-all.** A Licensee, its employees, agents and officers must obey all applicable commercial cannabis laws of the City of Los Angeles, the State of California, and any other relevant agencies. DCR may issue Notices of Violation and Administrative Holds, including penalties and fines, against a Licensee for any acts or omissions that are in violation of any provision of the Los Angeles Municipal Code or these regulations, or any another California laws applicable to cannabis licensees including, but not limited to, state labor law.

(viii) **Violations of State Cannabis Law.** A Licensee shall comply with all State regulations concerning Commercial Cannabis Activity. DCR may cite violations of the State's regulations for Commercial Cannabis Activity not specifically listed herein. (Violation Type – Major)

(ix) **Compliance with all Notices of Violation.** A Licensee shall comply with all Notices of Violation or administrative holds issued by DCR. DCR may issue a new Notice of Violation for the failure to timely correct violations cited by an earlier Notice of Violation and/or the failure to timely pay any associated administrative penalties or fines. A Notice of Violation that is issued for failure to timely correct prior violations and/or pay administrative penalties or fees from an earlier Notice of Violation shall be the next violation type, *e.g.*, if the first violation was Minor, the second shall be Moderate.

## 2. **Responsible Management of the Business Premises**

(i) **Display of License.** A Licensee shall prominently display any License, State license, BTRC, designated Neighborhood Liaison, including the phone number and email address to receive complaints, and emergency contact information on the licensed Business Premises where it can be viewed by state and local agencies. If the licensed Business Premises is open to the public, the aforementioned documents shall be displayed in an area that is within plain sight of the public. (Violation Type – Minor)

(ii) **Identification of Employees.** All agents, officers, or other Persons acting for or employed by a Licensee shall display an identification badge all times while conducting business operations. The identification badge shall include: the Licensee's business entity name or DBA, DCR record number, the employee's first name, an employee number exclusively assigned to that employee for identification purposes, and a color photograph of the employee that clearly shows the full front of the employee's face and that is at least 1 inch in width and 1.5 inches in height. (Violation Type – Minor)

(iii) **Conduct at the Business Premises.** A Licensee shall be responsible for monitoring employee and customer conduct at their Business Premises, and other areas which customers or employees frequent, including

parking areas. Employee and customer conduct at the Business Premises shall not adversely affect or detract from the quality of life for nearby residents, property owners, and businesses. A Licensee shall discourage illegal activity, criminal conduct, nuisance activity and loitering on the Business Premises. (Violation Type – Minor)

(iv) **Graffiti.** All graffiti, as referenced in LAMC Section 49.84.3, shall be removed or painted over to match the color of the surface within 72 hours of its occurrence. The property and all adjacent areas, including parking areas, under the control of the Licensee and any adjoining sidewalk or alley, shall be maintained in an attractive condition and shall be kept free of obstruction, trash, litter, and debris at all times. (Violation Type – Minor)

(v) **Debris.** Trash pick-up, compacting, loading, and unloading and receiving activities shall be limited to 7:00 a.m. to 6:00 p.m. Monday through Friday and 10:00 a.m. to 4:00 p.m. on Saturday; and no deliveries or trash pick-up shall occur on Sunday. Waste receptacles shall be kept secure and accessible only to authorized personnel. (Violation Type – Minor)

### 3. **Unauthorized Modifications**

(i) **No Physical Changes without Approval.** Unless given written approval by DCR, a Licensee shall not make physical changes, alterations, or modifications to the Business Premises, including adjustments that alter the originally-approved Business Premises diagram, such as the removal, creation, or relocation of a common entryway, doorway, passage, or a means of public entry or exit, when such common entryway, doorway, or passage alters or changes limited-access areas within the Business Premises). (Violation Type – Moderate)

(ii) **No Changes to Ownership Structure Without Approval.** A change to the Licensee's organizational structure or ownership pursuant to LAMC Section 104.11(a), means a change of an individual Licensee or a change of a majority of officers or stockholders or a controlling ownership interest. Changes from non-profit status to for-profit status by EMMDs are exempt if no other ownership changes are made in accordance with Proposition D's ownership rules and notice is provided to DCR within five business days. This exemption applies until a License is issued by DCR. Licenses are not transferable or assignable to any other person, entity, or property without written approval from the DCR. (Violation Type – Moderate)

(iii) **No Relocation without Approval.** The location of the Business Premises may not be changed without the approval of DCR. (Violation Type – Major)

#### 4. **Security Measures**

(i) **Surveillance System and Cameras.** All Business Premises shall be equipped with a surveillance system. (Violation Type – Moderate)

(ii) **Surveillance System Resolution.** All Licensees' Business Premises shall have a digital video surveillance system with a minimum camera resolution of 1280 × 720 pixels. (Violation Type – Moderate)

A. **General - Security System Location.** The surveillance system shall at all times clearly record images within 20 feet of all points of entry and exits on the Business Premises. Cameras shall be permanently mounted and in a fixed location. Areas that shall also be recorded include, but are not limited to: (a) areas where Cannabis goods are weighed, packed, stored, loaded and unloaded for transportation, prepared, or moved within the Business Premises; (b) I-access areas; (c) security rooms; (d) areas storing a surveillance-system device with at least one camera recording the access points to the area; and (e) entrances and exits to the Business Premises, which shall be recorded from both indoor and outdoor vantage points.

B. **Retailers - Surveillance System Location.** Retailers shall record point-of-sale areas and areas where Cannabis goods are displayed for sale on the video surveillance system. At each point of sale location, camera placement must allow for the recording of the facial features of any Person purchasing or selling Cannabis goods, and any Person in the retail area.

C. **Surveillance System Recording and Storage.** Cameras shall record continuously, 24 hours per day and at a minimum of 15 frames per second (FPS). The physical media or storage device on which surveillance recordings are stored shall be secured in a manner to protect against tampering or theft and shall be kept for a minimum of 90 days. Recorded images shall clearly and accurately display the time and date. Time is to be measured in seconds, minutes and hours using Pacific Standard Time. The surveillance system shall be equipped with a failure notification feature that provides notification to the Licensee of any interruption or failure of the equipment or its storage.

D. **Surveillance System Inspection.** Recordings are subject to inspection and shall be maintained in a manner that allows the City to view the recordings immediately upon request. The Licensee shall also copy and send recordings to the City upon request within the time specified.

(iii) **Security Personnel.** All Licensees with onsite retail sales shall hire or contract security personnel licensed by the Bureau of Security and Investigative Services to provide security services for the Business Premises during operating hours. Security personnel shall be at least 21 years of age. (Violation Type – Moderate)

(iv) **Security Plans.** A Licensee shall develop and implement a written security plan. At a minimum, the security plan shall include a description of how the Licensee meets the requirements below. (Violation Type – Moderate)

A. Licensees shall prevent access to the Business Premises by unauthorized persons and protect the physical safety of the public and employees. This includes, but is not limited to, establishing physical barriers to secure perimeter access and all points of entry into the Business Premises, such as locking primary entrances with commercial-grade, non-residential door locks, providing fencing around the grounds and driveway, and securing any secondary entrances including windows, roofs, and ventilation systems.

B. Licensees shall install a security alarm system to notify and record incident(s) where physical barriers have been breached.

C. Licensees shall implement an identification and sign-in/sign-out procedure for authorized personnel, individuals, suppliers, and visitors.

D. Licensees shall maintain the premises such that visibility and security monitoring of the premises is possible.

E. Licensees shall establish procedures for the investigation of suspicious activities and to deter theft or loss of cannabis and cannabis products. This includes, but is not limited to:

(i) Establishing an inventory system to track cannabis and cannabis products and the personnel responsible for processing it throughout the manufacturing process;

(ii) Limiting access of personnel within the premises to those areas necessary to complete job duties, and to those time frames specifically scheduled for completion of job duties, including access by outside vendors, suppliers, contractors or other individuals conducting business with the licensee that requires access to the premises;

(iii) Supervising tasks or processes with high potential for diversion, including the loading and unloading of cannabis and cannabis products from transportation vehicles; and,

(iv) Providing areas in which personnel may store and access personal items that are separate from the manufacturing areas.

F. Licensees shall secure and back up electronic records in a manner that prevents unauthorized access and ensures that the integrity of the records is maintained.

(v) **Alarm System.** A Licensee shall maintain an alarm system as required by the State of California. A Licensee shall ensure a licensed alarm company operator or one or more of its registered alarm agents installs, maintains, monitors, and responds to the alarm system. Upon request, a Licensee shall make available to the City all information related to the alarm system, monitoring, and alarm activity. A Licensee must apply for, and maintain in good standing, an Alarm System Permit issued pursuant to LAMC Section 103.206. (Violation Type – Moderate)

(vi) **Limited-Access Areas.** A Licensee shall ensure Limited-Access areas can be securely locked using commercial-grade, nonresidential door locks in accordance with the approved security plan. Additionally, commercial-grade, nonresidential locks shall be used on all points of entry and exit to the Business Premises in accordance with the approved security plan. (Violation Type – Moderate)

(vi) **Access to Limited-Access Areas.** A Licensee shall only permit authorized individuals who are at least twenty-one (21) years of age to enter the Limited-Access Areas. Authorized individuals include: the Licensee's employees, outside vendors, contractors, labor representatives, or other individuals who have a bona fide business reason for entering the area. An individual who enters a Limited-Access Area and is not employed by the Licensee shall be escorted by an employee of the Licensee at all times while within the Limited-Access Area. Additionally, a log shall be maintained which tracks those entering areas with limited access and will provide DCR access to those records when requested. Licensees shall not receive consideration or compensation for permitting an individual to enter a Limited-Access Area. (Violation Type – Moderate)

## 5. **Business Premises Equipment.**

(i) **Ventilation/Exhaust Systems.** A Business Premises shall be properly ventilated and the exhaust air filtered to neutralize the odor from cannabis so that it cannot be detected on the exterior of Business Premises. Operable windows or vents shall not abut a residential use or zone and shall direct exhaust away from said spaces/locations. (Violation Type – Moderate)

(ii) **Exterior Lights.** Outdoor lights used for safety or security purposes shall be shielded and downward facing. All exterior portions of the Business Premises shall be adequately illuminated beginning at dusk so as to make discernible the faces and clothing of persons utilizing the space during evening hours. (Violation Type – Minor)

(iii) **Equipment Location.** All rooftop equipment, including air conditioning units, ventilation and mechanical equipment, shall be screened from view of the public. (Violation Type – Minor)

## 6. **Prohibited Activities.**

(i) **Subletting.** A Licensee shall not sublet any portion of the identified Business Premises without written approval from DCR. (Violation Type – Major)

(ii) **Physician’s Recommendations Onsite.** No recommendations or approvals by a physician to use medical cannabis or medical cannabis products shall be issued at any Business Premises. (Violation Type – Moderate)

(iii) **Consumption of Cannabis or Alcohol at Business Premises.** A Licensee shall not allow the consumption of Cannabis, Cannabis products, or alcohol on the Business Premises. No employee or agent of the Licensee shall solicit or accept any Cannabis, Cannabis products or alcohol from any customer or vendor while on the Business Premises. (Violation Type – Moderate)

(iv) **Loitering.** Loitering is prohibited on and around the Business Premises and the area under control of the Licensee. “No Loitering, Public Drinking, or Public Smoking/ Consumption of Cannabis” signs shall be clearly posted inside and outside of the Business Premises. (Violation Type – Minor)

(v) **Special Events.** No special events or parties of any type shall be held at the Business Premises, including, but not limited to, events for which a Temporary Special Event Permit has been issued by the Building and Safety Commission or any other City department. (Violation Type – Moderate)

## 7. **Required Notifications.**

(i) **Notification of Convictions, Judgments and Revocations.** A Licensee or Applicant shall notify DCR in writing of any criminal conviction entered against the Licensee or Applicant, any Owner of the Licensee or Applicant, any Primary Personnel of the Licensee or Applicant, or Management

Company, by electronic mail, within 48 hours of the entry of the conviction. A Licensee or Applicant shall notify DCR in writing of any judgment or civil penalty entered against the Licensee or Applicant, any Owner of the Licensee or Applicant, any Primary Personnel of the Licensee or Applicant, or Management Company, by electronic mail, within 48 hours of delivery of the verdict or entry of judgment, whichever is sooner. Additionally, a Licensee or Applicant shall provide written notice to DCR of the revocation or suspension of any State license, or other permit, clearance or authorization within 48 hours of such revocation or suspension. (Violation Type – Minor)

(ii) **Notification of Irregularities and Criminal Activity.** A Licensee, Owner, or Primary Personnel shall notify DCR within 24 hours of discovery of any of the following situations: a significant discrepancy in its inventory; suspected or actual diversion, theft, loss, or any other criminal activity pertaining to the operation of the Licensee’s business; suspected or actual diversion, theft, loss, or any other criminal activity by an agent or employee pertaining to the operation of the Licensee’s business; the loss or unauthorized alteration of records related to Cannabis, Cannabis goods, registered medical cannabis patients or primary caregivers, or dispensary employees or agents; and any other breach of security. (Violation Type – Moderate)

**B. Records**

**1. Record Retention.**

(i) **Maintenance.** Each Licensee shall keep and maintain the following records for at least seven years:

A. Financial records including, but not limited to, bank statements, sales invoices, receipts, tax records, and all records required by the California State Board of Equalization, other State of California agencies, the Office of Finance, or DCR;

B. Personnel records, including each employee’s full name, Social Security or individual taxpayer identification number, date of beginning employment, and date of termination of employment, if applicable;

C. Training records, including, but not limited to, the date and content of the training provided and the names of the employees that received the training;

D. Contracts with other Licensees;

E. Permits, licenses, and other local or state authorizations to conduct Commercial Cannabis Activity. (Violation Type – Minor)

2. **Audits.** DCR, Los Angeles Department of Building and Safety, Los Angeles Police Department, Los Angeles Fire Department, the Los Angeles Office of Finance, Los Angeles County Department of Health, and/or other government agencies may make any examination of the books and records of any Licensee as it deems necessary to perform its duties. Records shall be kept in a manner that allows the records to be viewed in either hard copy or in electronic form. A Licensee may contract with a third party to provide custodial or management services of the records. Such a contract shall not relieve the Licensee of its responsibilities under these regulations. (Violation Type – Minor)

**C. Retail Commercial Cannabis Activity**

1. **Age Requirement.** Except as otherwise provided by state law, access to the Business Premises shall be limited to Individuals who are at least 21 years old and have a bona fide business reason for entering the Business Premises. Age verification must occur at each entrance to the Business Premises. An Individual younger than 21 years of age may enter the Business Premises to purchase medical Cannabis goods only if the Individual is a medical Cannabis patient. Any medical Cannabis patient younger than 18 years old shall be accompanied by their parent, legal guardian, or primary caregiver. The Licensee shall verify the Individual has valid proof of identification as required by the State. (Violation Type – Major)

2. **Medical Cannabis Sales.** A Licensee shall only sell medical Cannabis goods to medical Cannabis patients or the primary caregivers of medical Cannabis patients as authorized by the State. (Violation Type – Major)

3. **Monitor Retail Area.** The Licensee or its employees shall be physically present at all times when non-employees are in the retail area. (Violation Type – Moderate)

4. **Business Hours.** A Licensee conducting Retailer Commercial Cannabis Activity may only sell Cannabis goods during the hours allowed by the State. At any time the Licensee is not open for retail sales, the Licensee shall ensure the following:

(i) The Business Premises shall be securely locked with commercial-grade, non-residential door locks;

(ii) The Business Premises shall be equipped with an active alarm system;

(iii) Only authorized employees and contractors of the Licensee shall be allowed to enter the Business Premises after hours; and

(iv) All patrons exit the Business Premises no later than 15 minutes after closing. (Violation Type – Moderate)

5. **Display of Cannabis and Cannabis Goods.** The display of Cannabis and Cannabis goods shall comply with the following:

(i) Cannabis and Cannabis goods shall only be displayed in the retail area and shall not be displayed in a place where it is visible from outside the Business Premises.

(ii) Cannabis and Cannabis goods may be removed from their packaging and placed in containers to allow for customer inspection. The containers shall not be readily accessible to customers without the assistance of the Licensee's personnel. A container must be provided to the customer by the retailer who shall remain with the customer at all times.

(iii) Cannabis and Cannabis goods removed from their packaging for display shall not be sold or consumed, and when no longer used for display shall be destroyed pursuant to State requirements. (Violation Type – Moderate)

6. **Cannabis Sales.** A Licensee shall not sell more than the established maximum daily limit for medical Cannabis goods, including edibles, or adult use Cannabis goods, including edibles per Individual, as required by the State. (Violation Type – Moderate)

7. **Product Samples.** A Licensee shall not provide free samples of any type, including Cannabis goods and non-Cannabis, to customers. A Licensee shall not allow representatives of other companies or organizations to provide free samples of any type, including Cannabis goods, to customers on the Business Premises. (Violation Type – Moderate)

8. **Product Packaging.** Cannabis goods purchased by a customer shall not leave the Business Premises unless they are placed in an exit package as required by the State. (Violation Type – Moderate)

9. **Product Inventory and Sales.** A Licensee shall maintain an accurate record of its inventory and every sale as required by the State. (Violation Type – Minor)

10. **Training Program.** Within the first three months of the establishment of the training program, all employees of a Licensee conducting Retailer Commercial Cannabis Activity shall enroll in the DCR and Los Angeles Police Department's

standardized training for Cannabis retailers. Upon completion of such training, the Licensee shall request that DCR issue a letter identifying which employees completed the training. The training shall be conducted for all new hires within two months of the start of their employment. A refresher course is required of all employees every 24 months after the initial training is completed. Online or in-person training is at the discretion of DCR and Los Angeles Police Department. (Violation Type – Moderate)

11. **Age Verification Device.** An electronic age verification device shall be purchased and retained on the Business Premises to determine the age of any individual attempting to purchase Cannabis goods and shall be installed at each point-of-sales area. The device shall be maintained in operational condition and all employees shall be instructed in its use. Cannabis products shall not be sold to the public without a functioning electronic age verification device. (Violation Type – Moderate)

12. **Business Premises Access.** All doors not intended for customer access shall be kept closed at all times other than to permit access for deliveries and trash removal. Exterior doors shall not consist of a screen or ventilated security door and shall be solid. (Violation Type – Moderate)

13. **Prohibited Activities.** The following activities are prohibited:

(i) **Drive Through or Walk Up Windows.** There shall be no sales through exterior openings, such as drive through or walk-up windows. (Violation Type – Major)

(ii) **Adult Entertainment.** There shall be no adult entertainment of any type pursuant to LAMC Section 12.70 or alcohol or tobacco sales of any type. (Violation Type – Moderate)

(iii) **Entertainment.** No entertainment of any type shall be allowed to take place, except for ambient music. No disc jockey, karaoke, or performances of any kind shall be allowed. Any music, sound, or noise emitted from the Business Premises shall comply with the noise regulations of the LAMC and shall not extend beyond the Business Premises. (Violation Type – Moderate)

(iv) **Billiards.** There shall be no pool or billiard tables, dart games, video games, coin operated game machines or similar game devices maintained upon the Business Premises at any time. (Violation Type – Minor)

(v) **Outdoor Speakers.** There shall be no outdoor speakers, or paging system on the exterior portions of the Business Premises or attached to the façade of the building. (Violation Type – Moderate)

14. **Display of Emblem.** When available, a Licensee shall post an emblem as required under LAMC Section 104.23. A Licensee shall protect an emblem placard from damage, theft or tampering. A Licensee shall inform DCR within 24 hours of when an emblem placard is damaged, stolen, or otherwise lost. (Violation Type – Moderate)

**D. Delivery Commercial Cannabis Activity**

1. **Delivery Employee.** All deliveries of Cannabis goods must be performed by an employee of a Licensee. Each delivery employee shall be at least 21 years of age. Only authorized employees shall be in the delivery vehicle during the time of delivery. (Violation Type – Moderate)

2. **Delivery Requirements.** All deliveries of Cannabis and Cannabis goods shall be made in person. A delivery of Cannabis and/or Cannabis goods shall not be made through the use of an unmanned vehicle or device. (Violation Type – Moderate)

3. **Delivery Orders.** As required by the State, Cannabis and Cannabis goods shall be ordered, packaged for sale, labeled, and/or placed in packaging prior to being delivered to a customer. (Violation Type – Moderate)

4. **Delivery Request Receipt.** A Licensee shall prepare a delivery request receipt for each delivery of Cannabis goods as required by the State. Prior to arrival at a delivery location, a Licensee must have received a delivery request from the customer and provided the delivery request receipt either electronically or in hard copy to the delivery employee. (Violation Type – Moderate)

5. **Age Verification.** An electronic age verification device shall be utilized to determine the age of any Individual attempting to purchase cannabis or cannabis goods for delivery and shall be required at each point-of-sales location. All employees shall be instructed in its use. Cannabis and cannabis products shall not be sold to the public without electronic age verification. (Violation Type – Moderate)

6. **Copy of License.** During deliveries, an employee of a Licensee shall carry a copy of the Licensee's License, a government-issued identification, and an employer-provided badge containing the employee's picture and name. A Licensee shall maintain an accurate list of all of its delivery employees. (Violation Type – Minor)

7. **Product Transport.** A delivery employee of a Licensee carrying Cannabis or Cannabis goods for delivery shall only travel in an enclosed motor vehicle operated by the delivery employee or another delivery employee of the Licensee. During delivery and transport, an employee of a Licensee shall ensure Cannabis or Cannabis goods are not visible to the public. A licensed retailer's

delivery employee shall not leave Cannabis goods in an unattended motor vehicle unless the motor vehicle is locked and equipped with an active vehicle alarm system. A vehicle used for delivery of Cannabis and Cannabis goods shall be outfitted with a dedicated Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle, which does not include a phone or tablet. The device shall be either permanently or temporarily affixed to the delivery vehicle and shall remain active and inside of the delivery vehicle at all times. The Licensee shall be able to identify the geographic location of all delivery vehicles that are making deliveries and shall provide that information to the City upon request. (Violation Type – Major)

8. **Delivery Hours.** A Licensee shall only deliver Cannabis and Cannabis goods between the hours of 6 a.m. to 10 p.m. daily. (Violation Type – Major)

9. **Delivery Product Amount.** Delivery employees shall not carry Cannabis or Cannabis goods in excess of the amount permitted by the State. (Violation Type – Moderate)

10. **Consumption.** Delivery employees shall not consume Cannabis or Cannabis goods or be under the influence of any substance that impairs the ability of the employee while delivering Cannabis goods. (Violation Type – Major)

11. **Required Notice by Licensee.** A Licensee shall notify the DCR in writing of an arrest or criminal conviction of an employee involving a delivery vehicle, either by mail or electronic mail, within 48 hours of the arrest or entry of conviction. (Violation Type – Minor)

12. **Delivery Fleet Information.** Upon request, a Licensee shall provide the DCR with information regarding motor vehicles used for the delivery of Cannabis and Cannabis goods, including the vehicle's make, model, color, Vehicle Identification Number, and license plate number. Vehicles used in deliveries are subject to inspection by the DCR at a Business Premises or during delivery. (Violation Type – Moderate)

13. **Vehicle Markings.** A vehicle used in the delivery of Cannabis goods shall not have any marking or other indications on the exterior of the vehicle that may indicate that the delivery employee is carrying Cannabis or Cannabis goods for delivery. (Violation Type – Minor)

14. **Motor Carrier Permit.** All vehicles transporting Cannabis or Cannabis goods for delivery shall carry a California Motor Carrier Permit as required under Section 34620 of Chapter 2, Division 14.85 of the California Vehicle Code. (Violation Type – Minor)

**E. Microbusiness Commercial Cannabis Activity**

1. **Operational Requirements.** A Licensee conducting Microbusiness Commercial Cannabis Activity shall meet all operational requirements for Retailer Commercial Cannabis Activity.

**F. Testing Lab Commercial Cannabis Activity**

1. **Restrictions.** No owner or employee of a Licensee may be employed by, or have any ownership or financial interest, in any other category of Commercial Cannabis Activity. (Violation Type – Major)