



April 14, 2022

This document is intended as an informational guide only. It does not replace or supersede the Los Angeles Municipal Code (LAMC) or Rules and Regulations, and does not constitute business or legal advice. This information is subject to change and may not be up-to-date or complete. Applicants are encouraged to conduct their own due diligence.

General Licensing Processes

Q: When do the amended [ordinance](#) and updated Rules and Regulations go into effect?

A: The [amended ordinance](#) and draft Rules and Regulations have been approved by the Mayor and City Council. The updated [Rules and Regulations](#) became effective April 13, 2022; the ordinance amendments became effective April 15, 2022.

Q: When do I need to pay application fees?

A: Unless otherwise indicated on the invoice, fees must be paid within 30 days of the invoice date. Each invoice has a deadline printed on it and detailed instructions on how to remit payment.

Q: What happens if I don't provide DCR with requested or required information, documents or forms, or pay required fees by my deadline?

A: DCR may deem a request for service, record, application, or modification request abandoned if required information, documents or forms are not timely provided, or if required fees are not paid on time. See LAMC section 104.03(h) and [Regulation No. 3\(A\)\(4\)](#). In most cases, Applicants have 30 days to submit forms and documents to the DCR Licensing Portal, and 30 days to pay fees to the Office of Finance.

Q: What is the difference between "submitting" an application and "filing" an application?

A: The Los Angeles Municipal Code and Rules and Regulations often make a distinction between the "submission" and "filing" of a record, application, or modification request. Generally, a record is "submitted" when a record is created and/or uploaded through the DCR Licensing Portal. A record goes from "submitted" to "filed" when all the required information, forms and documents are complete and uploaded **and** the associated fee(s) are timely paid. See [Regulation Nos. 3\(A\)\(2\) and 3\(A\)\(3\)](#).

Q: Can I submit "placeholder" documents when submitting an application or modification request?

A: No. All forms and documents must be final and complete when uploaded to the DCR Licensing Portal and submitted to DCR. "Placeholder" documents are not a valid substitution for required documents, forms, and information. If the record status is "Waiting for Payment" or "Additional Info Needed", additional documents and forms may be uploaded directly to the record.

Pre-Application Review

Q: What is a Pre-Application Review?

A: Pre-Application Review is the first step towards licensure in DCR's process. At this stage, an Applicant submits a proposed business address so DCR may review the location for compliance with zoning and distancing requirements, among other restrictions. See LAMC section 104.03(k)(1) and Regulation No. 3(B).

Q: What documents do I need to submit for a Pre-Application Review?

A: Please review the Rules and Regulations, and specifically [Regulation No. 3\(B\)\(2\)](#), for a list of required information, documents and forms.

Q: What is the Pre-Application Review timeline?

A: DCR will issue an invoice for the Pre-Application Review fee within 10 days of an Applicant submitting a Pre-Application Review Record through the DCR Licensing Portal. Generally, invoices are uploaded to the associated record within 10-15 minutes of submission. Once paid (*i.e.*, once the Pre-Application Review is filed), DCR will determine if the proposed business location is eligible within 30 days. See LAMC section 104.03(k)(1).

Q: What happens after I receive a Pre-Application Review determination?

A: If DCR determines the location is eligible for further processing, the Applicant has one year to file a Temporary Approval Application. See LAMC section 104.03(k)(2). If the location is not eligible, in most circumstances the Applicant may file a new Pre-Application Review record, which will be subject to the payment of another Pre-Application Review fee.

Q: Can I file a relocation modification request during the Pre-Application Review process?

A: No, an Applicant may not change their proposed business location while a Pre-Application Review or Temporary Approval Application is pending with DCR. Instead, an applicant may file a new Pre-Application Review for the new location, which will be subject to the payment of another Pre-Application Review fee. See Regulation No. 3(K)(1).

Temporary Approval

Q: What is Temporary Approval?

A: Temporary Approval is a form of temporary licensure from DCR that allows the Applicant to conduct commercial cannabis activities if the Applicant has a license from the State Department of Cannabis Control, and any/all other permits, clearances or inspections required from other agencies. As with a License, Temporary Approval is issued by activity and must be renewed annually. Applicants with Temporary Approval must adhere to all applicable rules and regulations as would be required if the Applicant held a non-temporary License of the same type. See LAMC section 104.01(a).

Q: What do I have to do to submit a complete Temporary Approval Application?

A: Please review the Rules and Regulations, and specifically [Regulation No. 3\(D\)\(2\)](#), for a list of required information, documents and forms. Applicants must also pass an Initial Inspection as part of the Temporary Approval process. See LAMC section 104.06(d).

Q: What is the timeline for Temporary Approval processing?

A: Generally, DCR will determine if a Temporary Approval Application is complete within 60 days of the filing of the application. (Please see the FAQ in General Licensing Processes section, above, for an explanation of “filing.”) See LAMC section 104.03(k)(2).

Q: Can I file a modification request while my Temporary Approval Application is pending?

A: It depends on the type of modification request. During the 60-day window where DCR reviews a Temporary Approval Application, an Applicant may file certain modification requests, as listed in the Rules and Regulation, [Regulation No. 3\(K\)\(2\)-\(11\)](#). The filing of a modification request will extend DCR’s time to process the Temporary Approval Application by an additional 30 days. See LAMC section 104.03(k)(2)(ii).

Modification Requests

Q: What is the general modification process?

A: Modification requests must be submitted through the DCR Licensing Portal along with all required information, forms and documents. Once the modification request is filed, DCR will determine if the request is eligible for further processing. (Please see the FAQ in General Licensing Processes section, above, for an explanation of “filing.”) See LAMC section 104.03(e).

Q: What information do I need to submit for a modification request?

A: It depends on the type of modification request. Please review the Rules and Regulations, and specifically [Regulation Nos. 3\(K\) and 3\(L\)](#), for a list of required information, documents and forms for each modification type.

Q: What is the timeline for the processing of a relocation modification request?

A: Within 15 days of submitting a request to relocate a Business Premises, DCR will issue an invoice for the Business Premises Relocation Fee. Once the modification request is filed, DCR will notify the Applicant if the new proposed business location is eligible within 30 days. (Please see the FAQ in General Licensing Processes section, above, for an explanation of “filing.”) If the proposed location is eligible for further processing, the Applicant may file a new Temporary Approval Application for the new Business Premises. The business cannot conduct commercial cannabis activities at the new location until it cancels its Temporary Approval at the original location and DCR issues Temporary Approval at the new location. See LAMC section 104.03(k)(3).

Q: What is the timeline for the processing of an ownership modification request?

A: Within 15 days of submitting a modification request to change the ownership of an Applicant or Licensee, DCR will issue an invoice for the Ownership Modification Request Fee. Generally, invoices are uploaded to the associated record within 10-15 minutes of submission. Once the modification request is filed, DCR will make a determination within 30 days. (Please see the FAQ in General Licensing Processes section, above, for an explanation of “filing.”) If DCR determines the proposed modification violates the Los Angeles Municipal Code or Rules and Regulations, the Applicant will have 30 days to correct the violation or deficiency. See LAMC section 104.03(k)(4).

Q: What is the timeline for processing an entity substitution modification request?

A: Within 15 days of submitting a modification request to change an Applicant or Licensee entity, DCR will issue an invoice for the applicable modification fee. Generally, invoices are uploaded to the associated record within 10-15 minutes of submission. Once the entity substitution request is filed, DCR will make a determination within 30 days. (Please see the FAQ in General Licensing Processes section, above, for an explanation of “filing.”) If the modification is eligible for further processing, the Applicant will have 30 days to submit a new Temporary Approval Application for the new entity. See LAMC section 104.03(k)(5).

Inspections

Q: What do I need to do to pass an Initial Inspection?

A: Please review the Rules and Regulations, and specifically [Regulation No. 4\(B\)](#).

Q: What do I need to do to pass a Final Inspection?

A: At a minimum, the Final Inspection will include an inspection of the same requirements as the Initial Inspection. Please review the Rules and Regulations, and specifically Regulation No. 4.

Compliance

Q: What is a Notice of Violation (NOV)?

A: In general, DCR may issue a NOV if there is a violation of the Los Angeles Municipal Code or DCR’s Rules and Regulations. An NOV may impose administrative penalties and/or order corrective action. See Regulation No. 7; LAMC sections 104.06(d)(2), 104.06(d)(3), and 104.13.

Q: What happens if I receive a Notice of Violation?

A: If you receive a NOV, you have 30 days from the date of its issuance to pay any fines assessed and correct any violations. You may request an extension to comply. [See Regulation No. 7\(A\)](#).

Q: Can I appeal a NOV?

A: Yes, you can request an administrative appeal by submitting an Administrative Hearing Request Form through the DCR Licensing Portal within 30 days of the issuance of the NOV. See LAMC section 104.14(a) and [Regulation No. 7](#).

Public Convenience and Necessity (PCN)

Q: What is a Public Convenience and Necessity (PCN) Request?

A: If the Applicant's proposed Business Premises is located in a Community Plan Area that has reached Undue Concentration, as defined in Los Angeles Municipal Code section 104.01(a), the Applicant must request that the Los Angeles City Council find that approval of the License application would serve a public convenience or necessity. For proposed business premises locations in areas of Undue Concentration, a PCN finding from City Council is a prerequisite before applying for Temporary Approval. See LAMC section 104.03(a)(4).

Q: What do I need to submit a PCN Request?

A: An Applicant will first need to submit a Pre-Application Review record to DCR. If DCR determines the proposed business premises location is eligible for further processing, the Applicant may submit a PCN Request to City Council. See LAMC section 104.03(a)(4)(i)-104.03(a)(4)(ii). Please review the Rules and Regulations, and specifically [Regulation No. 3\(C\)](#), for a list of required information, documents and forms.

Q: When will the City accept PCN Requests again?

A: Unless the PCN process is further amended by the Los Angeles City Council, the PCN process is expected, but not guaranteed, to re-open for a limited period of time in late 2022 or early 2023.

California Environmental Quality Act (CEQA)

Q: What is CEQA?

A: CEQA is a state law that requires state and local agencies to evaluate the environmental impacts of certain projects, such as licenses for commercial cannabis activity, and adopt feasible mitigation measures to reduce or eliminate those impacts. See Cal. Public Resources Code section 21000, *et seq.*

Q: What do I have to do to comply with CEQA?

A: Applicants and Licensees must comply with CEQA prior to the issuance of an annual License. In addition to materials submitted earlier in the application process, a Project-Specific Information Form must be submitted to begin the environmental review process. DCR will use the information in this form to determine whether the application has the potential to generate significant adverse environmental impacts that might require the preparation of a CEQA document or the need for additional information. If necessary, the Applicant, at their own cost,

may be required to hire an environmental consultant to prepare the CEQA document or provide the additional information needed to complete the environmental review. DCR shall provide the Applicant with a reasonable amount of time to complete the environmental review and submit all required information, forms and/or documents through the DCR Licensing Portal. DCR's review for compliance with CEQA is subject to the payment of various fees by the Applicant, depending on the circumstances. See LAMC section 104.06(c) and Regulation No. 3(E).

Phase 3 Retail Round 2 (P3RR2) and Social Equity Verification

Q: What is Phase 3 Retail Round 2 (P3RR2)?

A: P3RR2 is the next round of retail licensing that will be conducted by lottery. Only verified Social Equity Individual Applicants, as described below, may register to participate in P3RR2. See LAMC section 104.06.1(c).

Q: What is the P3RR2 process?

A: P3RR2 Applicants will be selected by lottery. Before the lottery occurs, DCR will open a 30-day registration period to all prospective verified Social Equity Individual Applicants, which will be further preceded by a 45-day technical assistance period. DCR will post a notice at least 15 days before the lottery. Applicants selected in the lottery will have one calendar year to complete the Pre-Application Review process with a proposed business location in a Community Plan Area that has not reached Undue Concentration. See LAMC section 104.06.1(c).

Q: How long will the P3RR2 registration period be open?

A: The registration period for P3RR2 will be open for 30 days. Technical assistance will be available, at least, 45 days before the 30-day registration period to help prospective registrants prepare for the registration window. DCR will provide technical assistance to prospective or verified Social Equity Individual Applicants; technical assistance may include, but is not limited to, access to one the following DCR resources: (1) a webinar; (2) a presentation; (3) an information and procedure bulletin; or (4) access to the Learning Management System (LMS). See LAMC section 104.06.1(c)(2).

Q: Who is allowed to register for the P3RR2 lottery?

A: To be eligible to participate in the P3RR2 lottery, a Social Equity Individual Applicant must have been verified pursuant to the criteria defined in LAMC Section 104.20(b)(1)(i) and have a prior California Cannabis Arrest or Conviction. A Social Equity Individual Applicant shall be disqualified from participating in the Application lottery for any of the offenses specified in Section 104.03(a)(1) or for any of the circumstances in Section 104.03(a)(2). See LAMC section 104.06.1(c)(2).

Q: Do I need to secure a business location before I apply in P3RR2?

A: No. Applicants who are selected in the P3RR2 lottery are allowed one year from the date of the lottery to complete the Pre-Application Review process with a compliant location. See LAMC section 104.06.1(c)(5).

Q: When can I get verified as a Social Equity Individual Applicant?

A: Soon. Before the P3RR2 lottery occurs, DCR will open a 60-day verification window for Applicants to submit a Social Equity Individual Applicant eligibility verification request. Verification is subject to the payment of a fee. After the 60-day window concludes, DCR will have at least 90 calendar days to process all verification requests received during the verification window. See LAMC section 104.06.1(c)(1).

Q: What do I need to submit to be verified as a Social Equity Individual Applicant?

A: To be verified as a Social Equity Individual Applicant, an individual must submit proof of two of the following three criteria: a prior California Cannabis Arrest or Conviction, Low-Income, or ten years' cumulative residency in a Disproportionately Impacted Area. For P3RR2, a Social Equity Individual Applicant must submit proof of a prior California Cannabis Arrest or Conviction and one of the following two criteria: (1) Low-Income, or (2) ten years' cumulative residency in a Disproportionately Impacted Area. See LAMC section 104.20(b)(1)(i). See LAMC section 104.06.1(c)(3) and 104.20(b)(1)(i).

Refiling

Q: What is refiling?

A: Refiling is an opportunity in which an abandoned application may be re-submitted under certain circumstances. The refiled application cannot request authorization for any additional commercial cannabis activities that were not listed in the original application. For example, if the original application requested permission to conduct cultivation and distribution activities, the re-filed application may request cultivation or distribution, or both activities together, but not retail or delivery as those activities were not requested in the original application. A refiled application must also be in the same Community Plan Area as the original application and meet all the same Phase-specific criteria (i.e. Phase 1, Phase 2, etc) still in effect at the time of refiling. A refiled Temporary Approval Application must be filed within one calendar year of the date DCR notifies the Applicant by electronic mail that the Pre-Application Review Record is eligible for further processing. See LAMC section 104.03(i)-104.03(j) and Regulation No. 3(M).

Q: If I am a Social Equity Applicant, how do I use the refiling process?

A: If a Social Equity Individual Applicant's Temporary Approval Application was deemed abandoned after January 1, 2022, that Social Equity Individual Applicant may refile the application. To do so, the SEIA must file a new Pre-Application Review Record and proceed accordingly through the licensing process. See LAMC section 104.03(i).

Q: If I am a general applicant, how do I use the refiling process?

A: If a non-Social Equity Applicant's Temporary Approval Application was deemed abandoned after January 1, 2022, the Applicant entity may refile the application. To do so, the Applicant must file a new Pre-Application Review Record and proceed accordingly through the licensing process. See LAMC section 104.03(j).

FAQ Related to DCR's April 2022 Ordinance and Rules and Regulations

Q: When do the amended [ordinance](#) and the updated Rules and Regulations go into effect?

A: The [amended ordinance](#) and draft Rules and Regulations were approved by the Mayor and City Council. The updated [Rules and Regulations](#) became effective April 13, 2022; the ordinance amendments became effective April 15, 2022.

Q: Will the ordinance amendments allow for the relocation of commercial cannabis activities subject to Undue Concentration outside of the original Community Plan Area?

A: No. The [ordinance amendments](#) do not amend existing restrictions associated with relocation modification requests. DCR is preparing a report for the Planning and Land Use Management Committee (PLUM) regarding a future amendment addressing relocations outside of a Community Plan Area.

Q: Will the ordinance amendments allow for applicants to split the Equity Share between two Social Equity Individual Applicants in order to meet the minimal equity share criteria?

A: No. DCR's recommendation to allow multiple Social Equity Individual Applicants to combine their equity shares to meet the minimum Equity Share requirements was not approved by the City Council, and the PLUM Committee has requested further clarification on this issue. DCR will report back to the PLUM Committee at a later date.

Q: What are the new successor in interest requirements regarding Equity Share review?

A: The ordinance amendments clarify that if the Social Equity Individual Applicant dies, their surviving spouse or identified successor in interest will continue to qualify for the Social Equity Program so long as the spouse or successor inherits or otherwise acquires the entirety of the Social Equity Individual Applicant's ownership interest. See LAMC section 104.20(a)(2)(ii)(4).

Q: What are the new Equity Report requirements?

A: The recent ordinance amendments require that, on or before March 1 of each year, every Licensee subject to the Social Equity Program must submit an Equity Report to DCR that is signed by all the owners describing the business plan guidance, services, consulting, training, and/or other technical assistance that encourages and supports the establishment and growth of the Social Equity Licensee, and the estimated dollar value of those services, that were provided by the Owners to the Social Equity Individual Applicant Owner during the past calendar year. Additionally, all owners must execute an affidavit under penalty of perjury confirming

compliance with Los Angeles Municipal Code section 104.20 and acknowledging the requirements to disclose agreements about the management, control, or direction of the licensed entity, profits, and/or loans. Since the amendment became law in April 2022, March 1, 2023 will be the deadline for existing Licensees to submit their first Equity Report. See LAMC section 104.20(c)(1)(vi).