

Crash Course: General Annual License Process Part 1

ORDINANCE NO. 187879



Ordinance No. 187879



Ordinance No. 187879 was published on Friday, June 2, 2023 and is now effective. This ordinance amends various Sections of the Los Angeles Municipal Code (LAMC) regarding the regulation of Commercial Cannabis Activity. Collectively, these amendments streamline the annual licensing process for both retail and non-retail businesses.

Changes that streamline/clarify licensing process

CHRONOLOGICAL ORDER	Reorganizes Article 4 of Chapter X in chronological order of licensing process
OPERATING PERMIT	Allows applicants to receive an annual license before completing all inspections; applicants must obtain operating permit before conducting cannabis activity
SOME EXTENSIONS ALLOWED	For businesses requesting relocation, may request an extension before original location license is cancelled, if needed
EXPANDS RANGE FOR PUBLIC HEARING NOTICES	Now 700-foot range for DCR to notify to community members about relevant business
SUNSET DATES FOR TA PROCESS	Aligns the end of TA Process to coincide with State provisional licensing process

Changes that streamline/clarify licensing process

CONSOLIDATED PROCESS FOR COMMERCIAL RETAIL	Reorganizes Article 4 of Chapter X in chronological order of licensing process
SIMPLIFIED PROCESS FOR NON-RETAIL ACTIVITY	No more community meeting or approval needed from Cannabis Regulation Commission for Business Premises larger than 30,000 sq ft
ADDS PROGRESSIVE ENFORCEMENT TOOLS	Allows businesses to correct minor violations with "Notice to Correct" and other progressive tools
CLARIFIES THAT ALL RECORDS MUST BE RENEWED	This includes Local Compliance Underway
LONGER PERIOD TO REFILE	Expands the refiling process to up to 3 years for abandoned or expired TA or Annual License applications

PART 1



ANNUAL LICENSE BASICS



On May 1, 2023, the Department of Cannabis Regulation (DCR) launched its Annual License Application process.

From May 31 to June 5, 2023, the DCR Licensing Portal was unavailable so that DCR could update the system to make the Annual License Application available upon the completion of the Pre-Application Review process.

That update is now complete.



How does the Annual License Application process differ from Temporary Approval?

The Annual License Application is a longer process which includes an environmental analysis (CEQA review) for all businesses, as well as community meetings/public hearings for retail storefront businesses while the Temporary Approval does not necessitate these requirements.



How quickly must this process move?

Effective July 1, 2023, businesses must demonstrate significant progress in the annual licensure process to renew their provisional licenses. If these milestones are not met, the renewal of a state provisional license may be denied, forcing these businesses to cease operations as they'd fail to meet the dual licensing requirement. All provisional license holders must transition over to annual licensure by 2025, as renewals will not be granted after that date.

Project Specific Information Form



Partial List of Categorical Exemptions under CEQA

Certain commercial cannabis activities (projects) may be exempt from further environmental review pursuant to the California Environmental Quality Act (CEQA) because they fall within a class of projects determined not to have significant effect on the environment. (Cal. Code Regs., tit. 14, § 15300 et seq.) Common exemptions that may apply have been identified below.

Class	Category	Description
Class 1	Existing Facilities	Consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. (Cal. Code Regs., tit. 14, §15301.)
Class 2	Replacement or Reconstruction	Consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced with a new structure of substantially the same size, purpose, and capacity. (Cal. Code Regs., tit. 14, § 15302.)
Class 3	New Construction or Conversion of Small Structures	Consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. (Cal. Code Regs., tit. 14, § 15303.)
Class 4	Minor Alterations to Land	Consists of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry and agricultural purposes. (Cal. Code Regs., tt. 14, § 15304.)
Class 5	Minor Alterations in Land Use Limitations	Consists of minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density. (Cal. Code Regs., tit. 14, § 15305.)
Class 15	Minor Land Divisions	Consists of the division of property in urbanized areas zoned for residential, commercial, or industrial use into four or fewer parcels when the division is in conformance with the General Plan and zoning, no variances or exceptions are required, all services and access to the proposed parcels to local standards are available, the parcel was not involved in a division of a larger parcel within the previous 2 years, and the parcel does not have an average slope greater than 20 percent. (Cal. Code Regs., tt. 14, § 15315.)
Class 32	In-Fill Development Projects	Consists of projects characterized as in-fill development meeting the conditions described in Cal. Code Regs., tit. 14, § 15332.



Annual License: Project Specific Information Form



There are certain steps a prospective applicant can take before beginning the Pre-Application Review Process. These are:

- 1. Applying for a Business Tax Registration Certificate through DCR
- 2. Applying for Legal Business Entity Record

Information about obtaining a BTRC and an LBER can be found in Module 1 of the Licensing 101 webinar posted here.





- 1. List of Primary Personnel & Owner(s)
- 2. Primary Personnel & Owner Attestation(s)
- 3. Ownership & Financial Interest Holder Form
- 4. Financial Information Form

Social Equity Program

1. Social Equity Program - Owner Compliance Attestation(s)

Annual License Application Record: Required Forms



- 1. Landowner Attestation: Location Eligibility
- 2. Landowner Attestation: Commercial Cannabis Activity
- 3. No Alcohol or Tobacco Applicant Attestation
- 4. Indemnification Agreement
- 5. Business Premise Diagram
- 6. Project Specific Information
- 7. Executed Lease Agreement or Property Deed, or Other Evidence of Legal Right to Occupy



- 1. Evidence of an active State provisional license or annual license
- 2. Initial Inspection Attestation
- 3. Temporary Approval Attestation

Annual License: Required Forms



DCR may request additional information and documents from the applicant at any time during application processing.

The Annual License Application will be abandoned if requested information or documents are not submitted, or fees are not paid, timely.



An applicant can submit for an Annual License after the following:

- 1. A Temporary Approval has been issued or
- 2. A Pre-Application Record is eligible for further processing



Once the Pre-Application Review is deemed "Eligible for Further Processing," an applicant can submit an Annual Application.



The first step of the Annual License process is submitting:

- (1) all required forms and
- (2) paying the Annual License Fee

DCR will review all forms and determine if the application is complete and the fee timely paid. If complete, DCR will send a Notice of Complete Application within 30 days.



Summarized generally, the annual license application process for retail storefront businesses will be:

- (1) applicant submits complete annual application including environmental documents;
- (2) the Department of Cannabis Regulation (DCR) reviews to determine if annual application is complete;
- (3) if complete, DCR sends a notice of complete application to the applicant, the closest neighborhood council, and the relevant City Council office;
- (4) for, DCR must hold a community meeting to solicit public input on the proposed business;
- (5) within 90 days of determining if the application is complete, DCR either denies the application or recommends that the Cannabis Regulation Commission grant the annual license; and,
- (6) if DCR's recommendation is to grant the annual license, the Commission holds a public hearing to determine whether to grant the annual license.



Within 30 days of filing a complete Annual Application for Storefront Retailer Commercial Cannabis Activity or Microbusiness with onsite sales, DCR will send a Notice of Complete Application by e-mail to:

Applicant

Neighborhood Council Relevant City Council District

Business Improvement District



Applicant will pay required Community Meeting Fee with 30 days of invoice date.

The applicant, within 10 days of Notice of Complete Application, will contact the relevant Neighborhood Council and offer to appear before the Neighborhood Council to address questions. Written evidence of the offer to appear is required.



Within 45 days of Notice of Complete Application, DCR will conduct a community meeting.

DCR will provide at least 20 days notice in advance of the community meeting date.

DCR will accept written and oral testimony regarding the application and prepare a written summary report to the Cannabis Regulation Commission.



Within 90 days of Notice of Complete application, DCR will either:

Recommend to the Commission to issue the Annual license

OR

Deny the issuance of the Annual License with no hearing



The Cannabis Regulation Commission may approve the issuance of an Annual License based DCR recommendation, the evidence in the record and after the public hearing.

After the close of a 15-day appeal period, the Commission's decision is final.



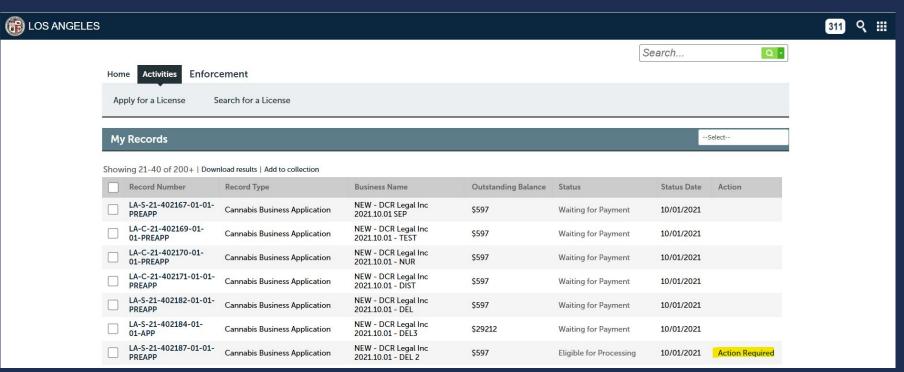
Summarized generally, the annual license application process for delivery and non-retail businesses will be:

- (1) applicant submits complete annual application including environmental documents;
- (2) DCR reviews to determine if annual application is complete;
- (3) if complete, DCR sends a notice of complete application to the applicant, the closest neighborhood council, and the relevant City Council office; and
- (4) DCR's Executive Director has the authority to grant or deny annual licenses.

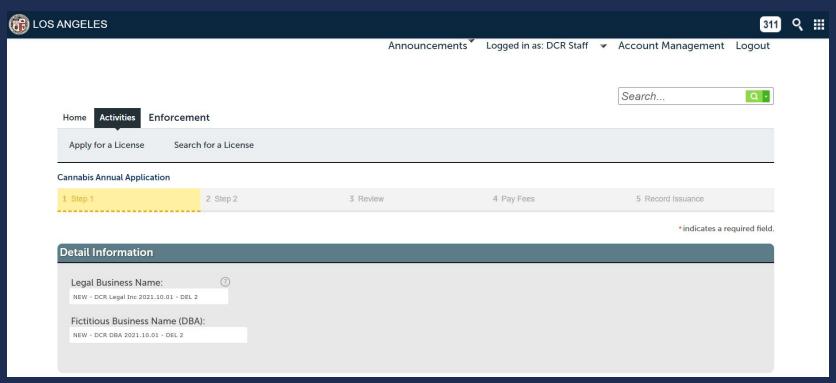
ANNUAL LICENSE APPLICATION RECORD







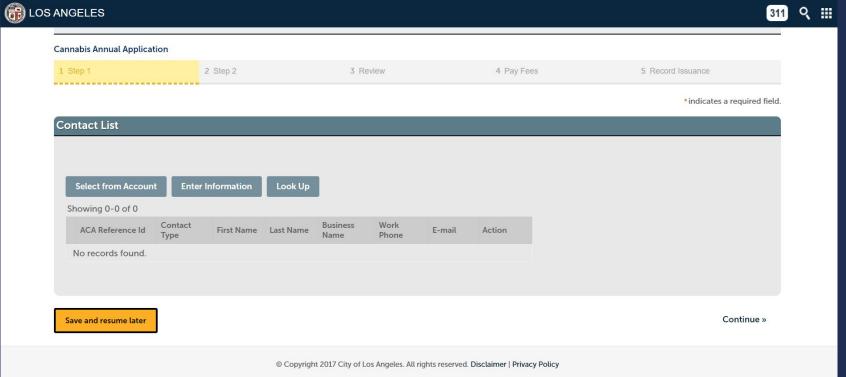




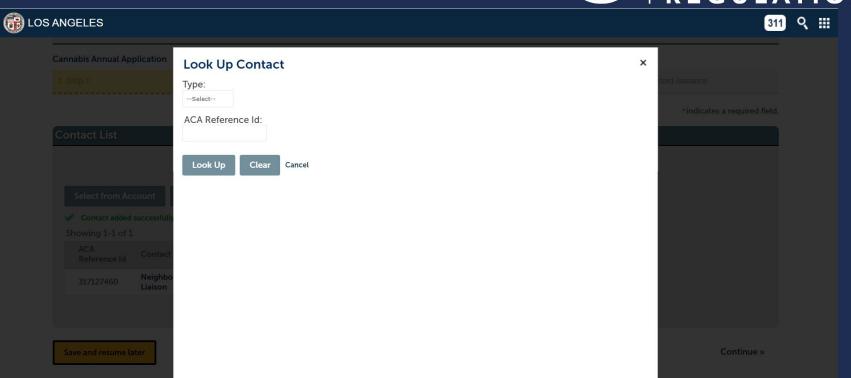


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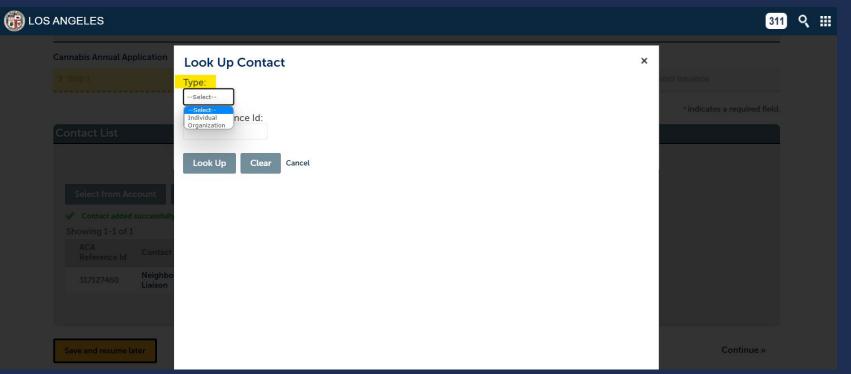




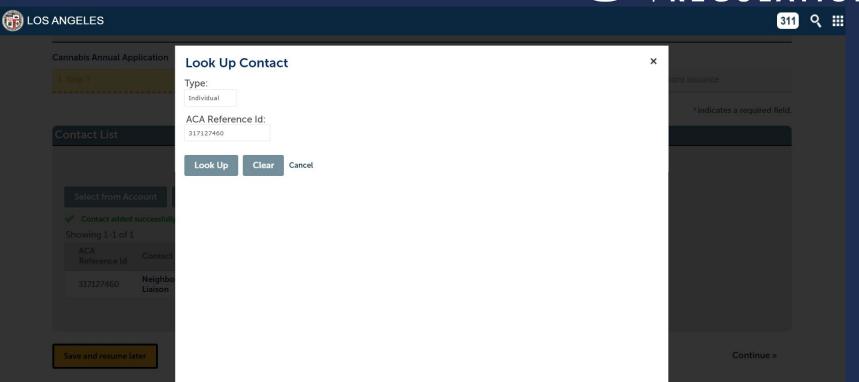




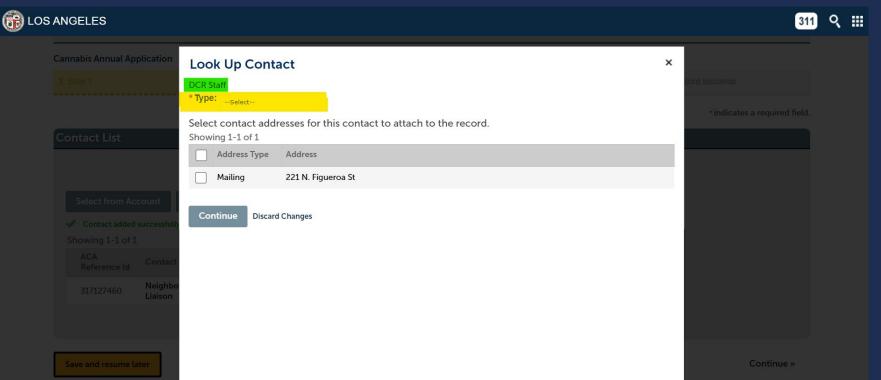




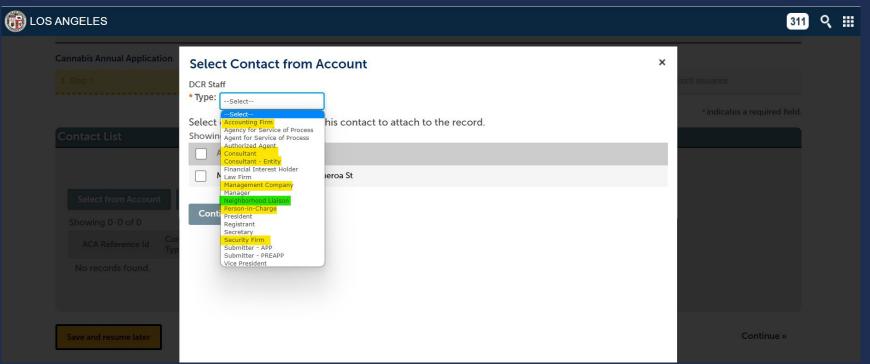




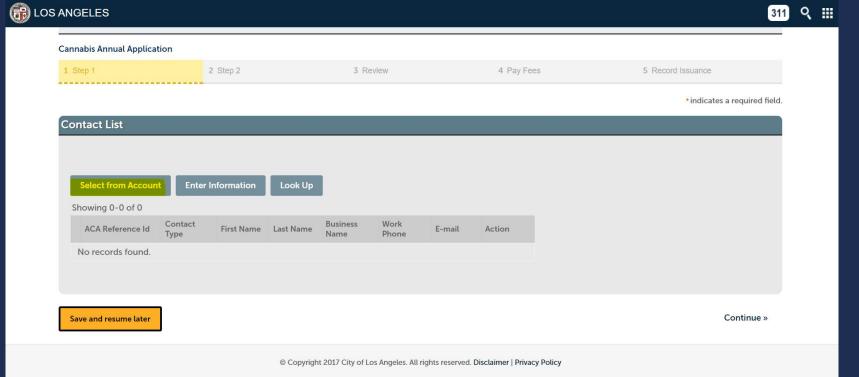




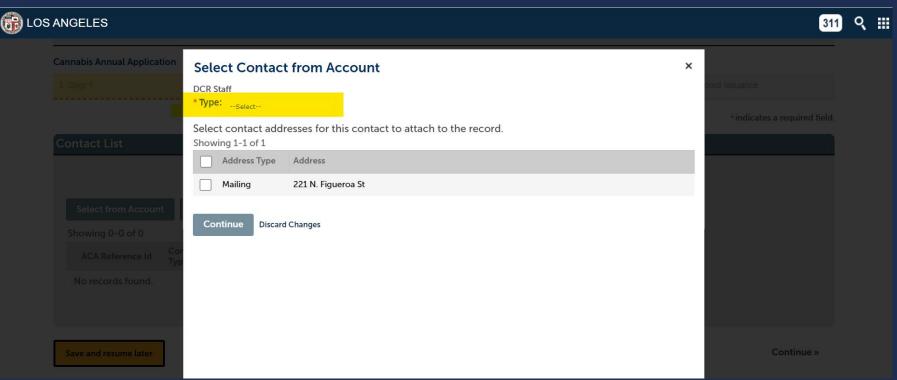




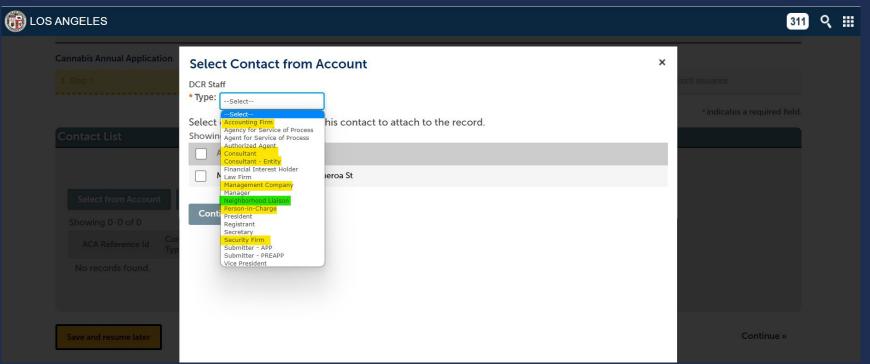




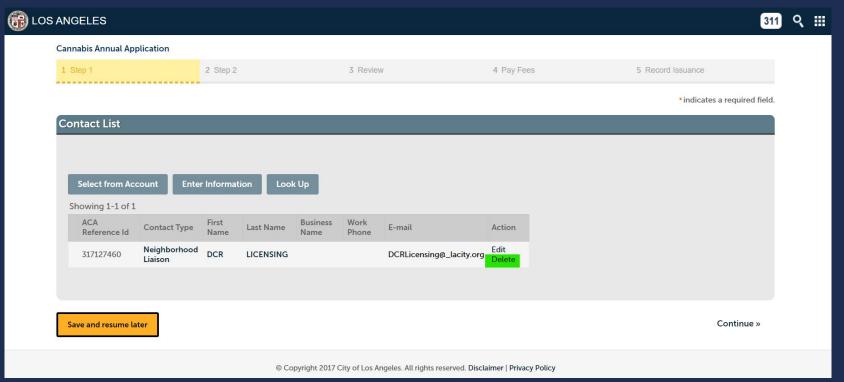




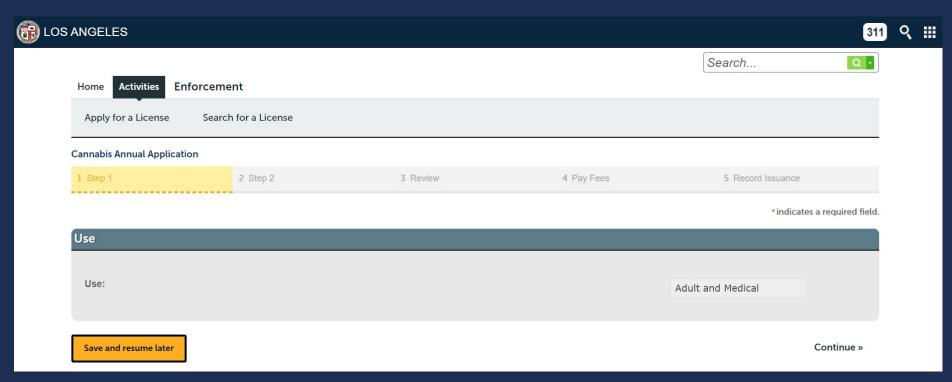








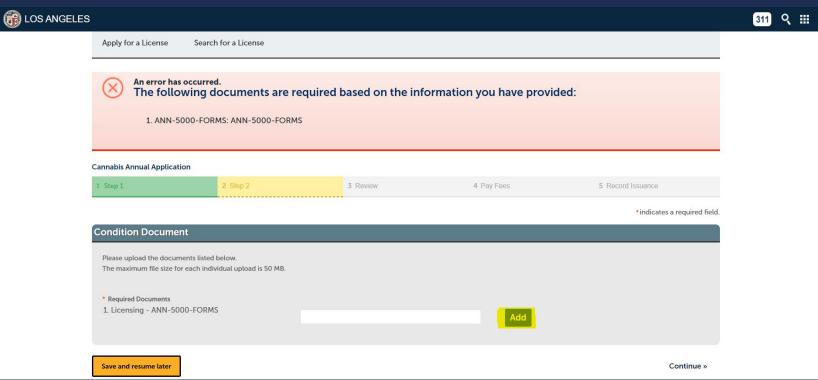




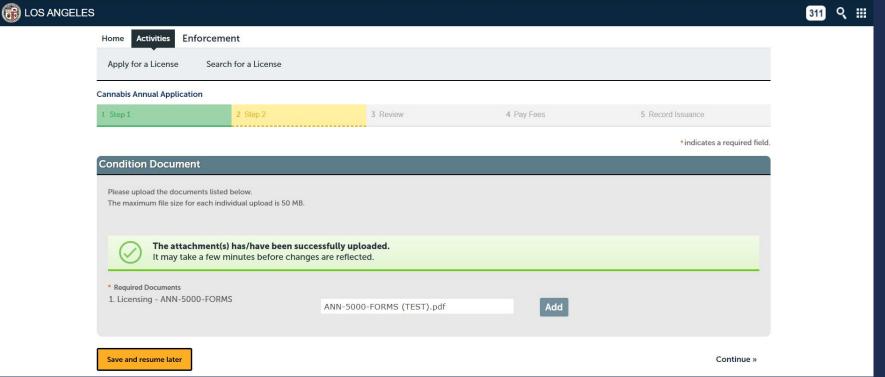


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1 Step 1	2 Step 2	3 Review	4 Pay Fees	5 Record Issuance
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Retail Storefront (currently unavailable): Microbusiness (currently unavailable):				
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	Delivery Only - Microbusiness (limited to Social Equity Applicants):			▽
Distributor:				
Distributor Transport Only:				
Manufacturer Level 1 - Type 6:				
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Manufacturer Level 1	- Type P:			
Manufacturer Level 1 - Type S:				
Cultivation Small Indoor (currently unavailable):				
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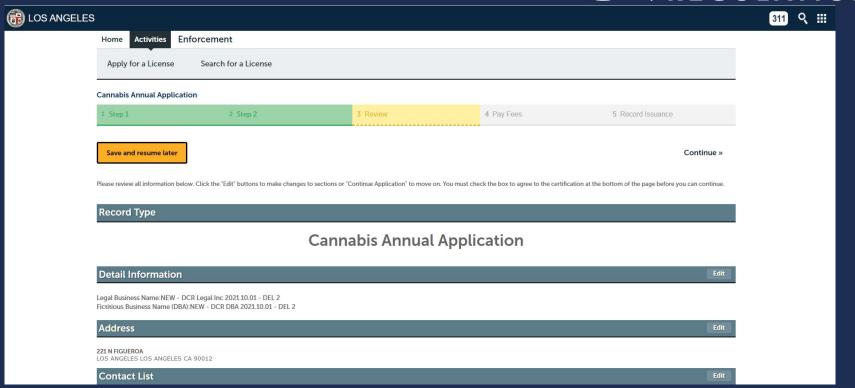




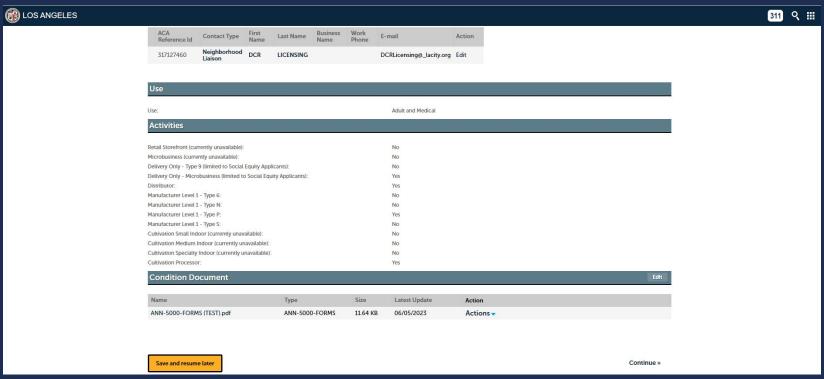
















Apply for a License Search for a License

Cannabis Annual Application

1 Step 1 2 Step 2 3 Review 4 Pay Fees 5 Record Issuance

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

Application/Renewal Fees

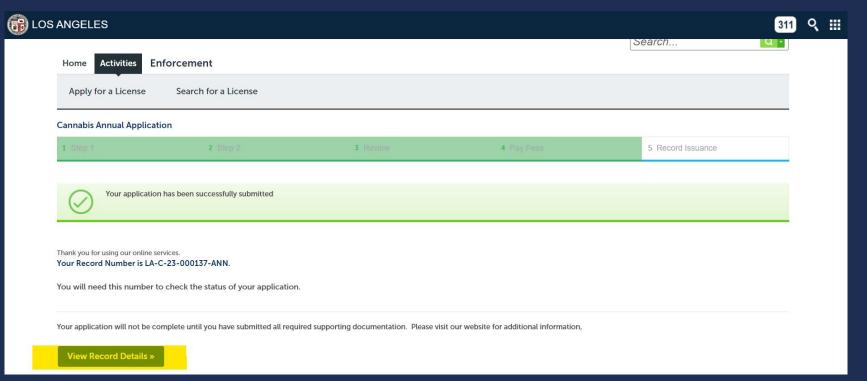
Fees	Qty.	Amount
LAFD Inspection Fee	4	\$0.00
Annual License Application - Delivery or Delivery (Microbusiness)	1	\$7,691.00
Annual License Application - Distributor or Transport Only	1	\$7,691.00
Annual License Application - Cultivation Nursery or Processor	1	\$7,691.00
Annual License Application - Manufacturer Level 1	1	\$7,691.00

TOTAL FEES: \$30,764.00

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

Continue »





Temporary Approval (If Applicable)





At this time, DCR <u>may</u> issue Temporary Approval provided:

- 1. Evidence of an active State provisional license or annual license
- 2. Initial Inspection Attestation
- 3. Temporary Approval Attestation
- 4. Pass an Initial Inspection
- 5. No outstanding fire life safety orders or permitting issues





Annual Licensees for Storefront Retail or Microbusiness Commercial Cannabis Activity with on-site sales cannot operate without being issued an Operating Permit or an active Temporary Approval.

To obtain an operating permit from DCR, a Licensee must:

- 1. Pass DCR's Final Inspection
- 2. Submit all permits, clearances, licenses and other authorizations required by law (some examples include Department of Building & Safety, Fire Department, etc.)
- Obtain an Emblem Placard from the LA County Department of Public Health



DCR's Final Inspection

 This is a required inspection of the Business Premises conducted by DCR after the issuance of an Annual License and prior to the issuance of an Operating Permit



DCR Final Inspection checklist varies based on the application activities.

LA County Department of Public Health

- Emblem Program



For more information on obtaining a Emblem Placard, please visit:

http://www.publichealth.lacounty.gov/eh/business/cannabis.htm





Operating Permits are not transferable or assignable to another Person or location.

If a Licensee relocates, the Licensee must pass a Final Inspection at the new location to receive a new Operating Permit.

RSVP link:

https://form.jotform.com/23 1455907268160

Zoom link:

https://cannabis-lacity-org.z oom.us/j/86924310155?pw d=K21FZjNiYTd0NnZ5V1F 3elNPN2pUZz09#success

Livestream link:

https://cannabis.lacity.gov/events

