

## **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 from 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 transact or engage in Commercial Cannabis Activity with a Person who possesses a local License and a State license for the relevant Commercial Cannabis Activity. (Violation Type – Major)

(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, manner, and time 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 Testing.** A Licensee shall have all Cannabis and Cannabis Goods 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 for corresponding Commercial Cannabis Activity licenses. (Violation Type – Major)

(vii) **Operational Status.** Licensees shall notify DCR of the licensed business' initial start date of Commercial Cannabis Activity within 30 days of that

start date by completing the required Licensee Attestation: Operational Requirements and Violations (ENF-3003-FORM). (Violation Type – Minor)

(viii) **Use of DBA.** A Licensee shall submit all information concerning the use of a fictitious business name or a “Doing Business As” name (DBA), if any, to DCR. The Licensee must submit a modification request to record or change a DBA within ten (10) days of the change. (Violation Type – Minor)

(ix) **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 not specifically listed herein. (Violation Type – Major)

(x) **Compliance with Notices to Correct and/or Notices of Violation.** DCR may issue a Notice to Correct or Notice of Violation at any time. A Licensee shall comply with all Notices to Correct, 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 to Correct, 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. DCR may issue a Notice of Violation for failure to comply with a Notice to Correct.

(xi) **Advertising.** Licensees shall market or advertise only the Commercial Cannabis Activity(ies) for which the Licensee possesses a License or Temporary Approval. Licensees shall not make deceptive, false or misleading statements on any advertisement, website, product, sign, or any document provided to a customer. (Violation Type – Moderate)

(xii) **Diverted or Stolen Product.** A Licensee shall not divert Cannabis or Cannabis Goods to an Unlawful Establishment, or sell, distribute or manufacture unlicensed or stolen Cannabis or Cannabis Goods. (Violation Type – Major)

(xiii) **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 to Correct, Notices of Violation, and/or 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 other California laws applicable to cannabis licensees including, but not limited to, state labor law. (Violation Type – Major)

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

(i) **Display of License.** A Licensee shall prominently display any License, State license, BTRC, Emblem Placard (Storefront Retailers only), 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) **Employee Age.** All employees of the Licensee at the Business Premises shall be at least 21 years of age. (Violation Type – Moderate)

(iv) **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)

(v) **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)

(vi) **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)

(vii) **Compliance Attestation.** Licensees are required to complete the Licensee Attestation: Operational Requirements and Violations (ENF-3003-FORM) within 30 days of beginning operations. The form must be signed by, at a minimum: (1) a simple majority of the Licensee's Owner(s) or the Authorized Agent and, if applicable, (2) the Social Equity Individual Applicant. The Licensee is required to provide a copy of the Rules and Regulations for Cannabis Procedures to all Primary Personnel, managers, and the person-in-charge. (Violation Type – Minor)

(viii) **Code of Conduct.** Licensees shall develop and implement a written code of conduct for employees and a written code of conduct for patrons. The Licensee shall provide training for the employees on the employee code of conduct. The Licensee shall post the patron code of conduct in a visible and public area on the Business Premises. At minimum, the employee code of conduct shall address workplace behavior, employee accountability, compliance with State and City's operational rules and regulations, and other internal operational procedures. The patron code of conduct shall include at minimum, prohibitions against loitering, littering, abusive or offensive behavior, and encourage patrons' mindfulness of the surrounding neighbors. (Violation Type – Minor)

### 3. **Unauthorized Modifications**

(i) **No Physical Changes without Approval.** Licensees shall not make physical modifications to a Business Premises without written approval from DCR. (Violation Type - Moderate)

(ii) **No Changes to Ownership Structure or Licensed Entity Without Approval.** Licensees shall not make changes to the license entity's ownership structure, or change the entity conducting Commercial Cannabis Activity, without written approval from DCR. (Violation Type - Moderate)

(iii) **No Relocation without Approval.** Licensee shall not relocate a Business Premises or a Commercial Cannabis Activity without written approval from DCR.

(iv) **No Activity Modifications without Approval.** A Licensee shall request approval for any change to the licensed Commercial Cannabis Activity type, including the removal, cancellation, or expansion of the activity. (Violation Type – Major)

### 4. **Security Measures**

(i) **Surveillance System and Cameras.** All Business Premises shall be equipped with a 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 from both indoor and outdoor vantage points. 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) Limited-Access Areas; (c) security rooms; and (d) areas storing a surveillance-system device with at least one camera recording the access points to the area.

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

(ii) **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)

(iii) **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 Goods. This includes, but is not limited to:

(i) Establishing an inventory system to track Cannabis and Cannabis Goods 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 Goods 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.

(iv) **Alarm System.** A Licensee shall maintain an alarm system as required by the State. A Licensee shall ensure a licensed alarm company operator or one 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)

(v) **Limited-Access Areas.** A Licensee shall ensure Limited-Access areas and all points of entry and exit to the Business Premises are equipped with commercial-grade, nonresidential door locks 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 21 years of age to enter the Limited-Access Areas. Authorized individuals include: the Licensee's employees, outside vendors, contractors or other individuals conducting business that requires access to the Limited-Access 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 non-employee access to Limited-Access Areas. This log shall be provided to DCR upon request. 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 residential areas. (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 Goods 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 Goods or alcohol on the Business Premises. No employee or agent of the Licensee shall solicit or accept any Cannabis, Cannabis Goods 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) **Onsite Parties, Temporary or Special Events.** Applicants and Licensees shall not host, participate in, sell or give away cannabis at an unlicensed special or temporary event relating to cannabis. A temporary or special event relating to cannabis shall include, but not be limited to, a pop-up cannabis event, 4/20 event, cannabis farmer’s market, or an event to mark the opening of a commercial cannabis business. 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 – Major)

(vi) **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)

## **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 of the Licensee or Applicant, 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 of the Licensee or Applicant, by electronic mail within 48 hours of the date of service of the verdict or the notice of 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 from any public agency 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 employees or agents; and any other breach of security. (Violation Type – Moderate)

8. **Public Health Permit.** All Licensees shall obtain a permit from the Los Angeles County Department of Public Health (Public Health Permit) for each Commercial Cannabis Activity.

(i) To obtain a Public Health Permit, a Licensee shall first obtain all necessary permits, clearances, licenses, or other authorizations from the City of Los Angeles Department of Building and Safety (DBS). Obtaining permits or clearance from DBS may require clearances or inspections from other City agencies, including, but not limited to, the Los Angeles Fire Department, Bureau of Sanitation, Department of Water and Power, and Bureau of Engineering, among others.

(ii) Prior to January 1, 2025, Licensees engaged in Storefront Retailer or Microbusiness Commercial Cannabis Activity with on-site sales shall obtain Public Health Permit that includes an Emblem Placard pursuant to LAMC Section 104.23.

(iii) Applicants applying for, and Licensees who are engaged in, Commercial Cannabis Activity that is not Storefront Retailer or Microbusiness Commercial Cannabis Activity with on-site sales shall demonstrate compliance with the following requirements:

a. On or before February 28, 2025, Applicants and Licensees shall submit evidence to DCR that, at a minimum, plans have been filed for plan check with DBS for the Commercial Cannabis Activities identified in the Application or License, or for activities that most closely resemble the Commercial Cannabis Activities as determined by DBS. If the plan check has expired under LAMC Section 98.0603, the Applicant or Licensee shall submit evidence to DCR of a current recheck or resubmittal to DBS. If the plan check has not expired, the Applicant or Licensee shall submit evidence to DCR that the Applicant or Licensee has resubmitted plans addressing DBS corrections. (Violation Type – Minor)

b. On or before February 28, 2026, Applicants and Licensees required to obtain a clearance or permit from the Los Angeles Fire Department shall submit evidence to DCR that such a clearance or permit has been obtained. (Violation Type – Moderate)

c. On or before February 28, 2027, Applicants and Licensees shall possess a Certificate of Occupancy issued by DBS. (Violation Type – Major)

d. On or before June 30, 2027, Applicants and Licensees shall possess a Public Health Permit. (Violation Type – Major)

9. **Operating Permit.** On or before January 1, 2028, Licensees shall obtain an Operating Permit from DCR by: (1) passing a Final Inspection at the Business Premises; and (2) submitting to the DCR Licensing Portal a Certificate of Occupancy and Public Health Permit, as well as any other necessary permits, clearances, licenses, or other authorizations required by law from the City, State or other public agencies. After January 1, 2028, an Annual Licensee shall not conduct any Commercial Cannabis Activity until the Licensee obtains an Operating Permit from DCR.

## **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 and date of the training provided, the names of the Persons who administered the training, 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.** Applicants and Licensees shall comply with any written request from DCR, City of Los Angeles Department of Building and Safety, City of Los Angeles Police Department, City of Los Angeles Fire Department, the City of Los Angeles Office of Finance, Los Angeles County Department of Health, and/or other government

agencies to examine the books and records of any Applicant or Licensee. Records shall be kept in a manner that allows the records to be viewed in either hard copy or in electronic form. An Applicant or Licensee may contract with a third party to provide custodial or management services of the records; however, such a contract shall not relieve the Applicant or Licensee of its responsibilities under these regulations. (Violation Type – Minor)

**C. Storefront Retailer 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 or 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 or 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 Storefront Retailer Commercial Cannabis Activity may only sell Cannabis and 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 and Cannabis Goods, including edibles, or adult use Cannabis and 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 Cannabis or Cannabis Goods to any Individual. A Licensee shall not allow representatives of other companies or organizations to provide free samples of any type, including Cannabis or Cannabis Goods, to Individuals on the Business Premises. (Violation Type – Moderate)

8. **Product Packaging.** Cannabis and 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. Licensees shall meet all track and trace System requirements of the State at all times. DCR may perform an audit of the physical inventory of any Commercial Cannabis Business at DCR's discretion. DCR may issue a NOV for variances between the physical audit and the inventory reflected in the track and trace system at the time of the audit. (Violation Type – Minor)

10. **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 or 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 and Cannabis Goods shall not be sold to the public without a functioning electronic age verification device. (Violation Type – Moderate)

11. **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 be solid and not consist of a screen or ventilated security door. (Violation Type – Moderate)

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

(i) **Curbside Delivery, Drive Through, or Walk Up Windows.** There shall be no sales through drive through windows or walk-up windows, or sales or delivery through curbside pickup. (Violation Type – Major)

(ii) **Adult Entertainment.** There shall be no adult entertainment of any type, as defined in 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. (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)

13. **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 the Los Angeles County Department of Public Health within 24 hours of when an Emblem Placard is damaged, stolen, or otherwise lost. (Violation Type – Moderate)

#### **D. Non-Storefront Retail (Type 9) Commercial Cannabis Activity**

1. **Delivery Employees.** All deliveries of Cannabis and 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. Delivery employees shall display an identification badge at all times while conducting delivery business operations. The identification badge shall include: the Licensee's business entity name or DBA, DCR record number, the employee's 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 is at least 1 inch in width and 1.5 inches in height. (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. Any vehicle used for delivery of Cannabis and Cannabis Goods must not contain any external markings, words, or symbols that indicate the vehicle is used for delivery of Cannabis or Cannabis Goods or that the vehicle is used, owned or leased by a cannabis licensee. (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.** Licensees shall comply with the requirements of Cal. Code Regs., tit. 4, § 15420, or as may be amended, for delivery request receipts. (Violation Type – Minor)

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 the point-of-sale(s) and at the point of delivery. All employees shall be instructed in its use. Cannabis and Cannabis Goods shall not be sold without age verification by an electronic age verification device. The Licensee shall provide a copy of the specifications of the age verification device or devices used by delivery employees to DCR within 30 days of receiving a delivery license but prior to any delivery of Cannabis or Cannabis Goods. (Violation Type – Moderate)

6. **Product Transport.** A Licensee's employee carrying Cannabis or Cannabis Goods for delivery shall operate and travel only in an enclosed motor vehicle. Cannabis and Cannabis Goods shall not be visible to the public during delivery and transport. A Licensee's delivery employee shall not leave Cannabis or Cannabis Goods in an unattended motor vehicle unless the motor vehicle is locked and equipped with an active vehicle alarm system. The Licensee shall equip all vehicles used for delivery of Cannabis and Cannabis Goods with a Global Positioning System (GPS) device which can identify the geographic location of the delivery vehicle during business hours. Licensees shall immediately share GPS information with the City upon request. A personal or business phone or tablet is not an acceptable GPS device. The device shall be either permanently or temporarily affixed to the delivery vehicle and shall remain active and inside of the delivery vehicle during business hours. (Violation Type – Major)

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

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

9. **Consumption.** A Licensee's employees shall not consume Cannabis or Cannabis Goods, or be under the influence of any substance that mentally or physically impairs the employee, while delivering Cannabis or Cannabis Goods. (Violation Type – Major)

10. **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 conviction. (Violation Type – Minor)

11. **Delivery Fleet Information and Delivery Vehicle Placard (DVP).** The Licensee shall register all motor vehicles used for the delivery of Cannabis and Cannabis Goods with DCR, including the vehicle's make, model, color, Vehicle Identification Number, and license plate number within 30 days of the issuance of a License that permits deliveries. Vehicles must be registered with DCR to obtain a DVP prior to their use for delivery of Cannabis or Cannabis Goods. A DVP shall be kept in a delivery vehicle at all times and provided upon request to DCR, LAPD, or any other public agencies. The Licensee shall notify DCR via email at [DCRcompliance@lacity.org](mailto:DCRcompliance@lacity.org) when a new vehicle is added to or removed from the fleet. The Licensee shall destroy any DVPs for vehicles which have been removed from the fleet. Delivery vehicles are subject to inspection by the DCR or LAPD at any time. (Violation Type – Moderate)

12. **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)

13. **Standard Operating Procedures.** Applicants and Licensees shall submit standard operating procedures to DCR prior to the Final Inspection, prior to a compliance inspection, and upon DCR's request. DCR may require the submission of additional documents, or require modifications to the submitted documents, to ensure compliance with all applicable regulations and/or that no on-site retail activity is occurring. (Violation Type – Moderate)

14. **Delivery Business Premises.** For the purposes of Type 9 Commercial Cannabis Activity, a Business Premises, as defined in LAMC Section 104.01(a), shall include all ancillary and incidental portions of the premises, including, but not limited to, employee break rooms, storage rooms, parking lots, and all other portions of the premises even if Cannabis or Cannabis Goods are not present. (Violation Type – Minor)

15. **Signage.** Licensees with Type 9 Licenses shall post a sign at each entrance to the Business Premises stating "NO ONSITE CANNABIS SALES." The sign shall be posted at eye-level and printed by the Licensee on a minimum of 8.5" x 11" paper size with lettering at least 2 inches in size or a minimum font size of 100. (Violation Type – Minor)

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

(i) **Curbside Delivery, Drive Through, or Walk Up Windows.** There shall be no sales through drive through windows or walk-up windows, or delivery through curbside pickup. (Violation Type – Major)

(ii) **Access to the Public.** Licensees shall not allow access to the Business Premises by customers or members of the public, including, but not limited to, in any waiting area or lobby. (Violation Type – Major)

(iii) **Onsite Orders.** Customers shall not place delivery orders at the Business Premises, including, but not limited to, through the use of a device such as a mobile device, computer, iPad or kiosk. (Violation Type – Major)

(iv) **Delivery to Licensed Premises.** Licensees shall not deliver to their own Business Premises, including any portion subleased to a third party, or to a public right of way or sidewalk within 20 feet, measured in a horizontal straight line without regard to intervening structures from the exterior walls of the licensed Business Premises. (Violation Type – Major)

(v) **Delivery Conduct.** Delivery of Cannabis or Cannabis Goods to customers shall not adversely affect or detract from the quality of life for nearby residents, property owners, and businesses. (Violation Type – Minor)

**E. Microbusiness Commercial Cannabis Activity**

1. **Operational Requirements.** A Licensee conducting Microbusiness Commercial Cannabis Activity shall meet all operational requirements for the Retailer Commercial Cannabis Activity and all other non-retail Commercial Cannabis Activity for which DCR has issued a License. (Violation Type – Major)

**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 Licensee having a License in any other category of Commercial Cannabis Activity. (Violation Type – Major)