

Department of Cannabis Regulation
Phase 3 Retail Round 2 Registration
Technical Assistance Webinar #2



Presentation for:

Prospective or verified Social Equity Individual Applicants (SEIA)

Pursuant to Los Angeles Municipal Code sec. 104.06.1(c)(2)

September 14, 2022

What is Technical Assistance ?



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- Technical assistance is the Department of Cannabis Regulation's (DCR) process of providing targeted support to a group of stakeholders.
 - Common types of technical assistance include, but is not limited to, webinars, virtual training, email exchanges, or phone calls.
- Pursuant to Los Angeles Municipal Code (LAMC) section 104.06.1(c), DCR must make technical assistance available to prospective or verified Social Equity Individual Applicants for a period of at least 45 days before opening the lottery registration period.
 - DCR is formally opening the required period of time to make technical assistance available to prospective or verified Social Equity Individual Applicants.
 - DCR plans to hold four Technical Assistance webinars during this required period.

Technical Assistance Schedule



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- **Technical Assistance Webinar #1 (August 31)**: Overview of the lottery and relevant timing considerations if selected, i.e. one year to complete Pre-Application Review, another year to submit an Application, and reminder about the State's provisional license deadline in March 2023.
- **Technical Assistance Webinar #2 (September 14)**: How to proactively prepare for the lottery and/or the application process if selected, i.e. overview of the BTRC application process and Legal Entity Record process.
- **Technical Assistance Webinar #3 (September 28)**: Step-by-step instructions on how to register for the lottery.
- **Technical Assistance Webinar #4 (October 12)**: Overview of Webinars 1-3 and open Q&A regarding the Phase 3 Retail Round 2 lottery registration process.

What is the Social Equity Program?



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- The City of Los Angeles is one of the few jurisdictions in the United States addressing the inequitable impacts of prior cannabis criminalization by developing and implementing policies that focus on equity in cannabis policy reform.
- DCR's Social Equity Program (SEP) focuses on the inclusion and support of individuals in the City's legal cannabis market who may be from communities that were negatively or disproportionately impacted by prior cannabis criminalization.
- Examples of benefits that have been provided to verified SEIAs through the SEP include: 1) Priority Application Processing; 2) Technical Assistance; 3) Business, Licensing, and Compliance Assistance; 4) Access to DCR's Learning Management System (LMS); 5) Pro Bono Legal Services; 6) Fee Deferrals; and, 7) SEED Grant Program.

Los Angeles Municipal Code (LAMC) Sec. 104.06.1(c)(1)



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- The Social Equity Program (SEP) commercial cannabis activity application processing for Type 10 (storefront retailer) Round 2 pursuant to LAMC sec. 104.06.1(c) is commonly referred to as Phase 3 Retail Round 2 (P3RR2).
- Pursuant to LAMC sec. 104.06.1(c)(1), DCR accepted SEIA eligibility verification requests for 60 calendar days from May 26, 2022 to July 25, 2022 at 4:00 P.M. Pacific Time (PT).
- 1,275 SEIA eligibility verification requests, inclusive of duplicate and test requests, were submitted during the 60-day filing period.
- Pursuant to LAMC sec. 104.06.1(c)(1), DCR began the 90 calendar day processing period after 4:00 P.M. Pacific Time (PT) on July 25, 2022. The LAMC mandated processing period may conclude as early as October 23, 2022.

Los Angeles Municipal Code (LAMC)

Sec. 104.06.1(c)



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- Pursuant to LAMC sec. 104.06.1(c)(1), DCR accepted SEIA eligibility verification requests for 60 calendar days from May 26, 2022 to July 25, 2022 at 4:00 P.M. Pacific Time (PT).
- 60 day eligibility verification period for individuals to apply to be verified as a Social Equity Individual Applicant (SEIA) under the revised eligibility criteria in Section 104.20(b).
 - All SEIA Eligibility Verification Fees were waived through a State funded grant program.
- 90 day processing period for DCR to determine whether an individual is a SEIA.
 - DCR's determination is final and not appealable.
- DCR began providing technical assistance to prospective and verified SEIAs on August 31, 2022.
- 30 day lottery registration period for verified SEIAs, as defined in Section 104.20(b).
- After providing at least 15 days notice, DCR may administer a lottery to identify as many SEIAs as there are available Licenses in Community Plan Areas that have not reached Undue Concentration.

Participation in the Phase 3 Retail Round 2 Lottery



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In order to participate in the Phase 3 Retail Round 2 lottery, an individual must be:

1. Verified as a Social Equity Individual Applicant under LAMC 104.20(b)(1);
2. Verification must include a qualifying California Cannabis Arrest or Conviction* prior to November 8, 2016; and,
3. At least one other eligibility criteria.
 - a. 10 years of cumulative residency in a Disproportionately Impacted Area as defined by police reporting districts; or,
 - b. Low Income in the 2020 or 2021 calendar year.

*An arrest, prosecution or conviction for a violation of Proposition D is not a California Cannabis Arrest or Conviction.

How to Register for a Business Tax Registration Certificate (BTRC)



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Before you can submit a complete [business tax certificate application](#), you will need:

1. An Employer Identification Number (EIN) from the Internal Revenue Service;
 - a. <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

2. A California Secretary of State entity number (Sole Proprietorships do not need to meet this requirement);
 - a. <https://bizfileonline.sos.ca.gov/forms/business>

3. A California Department of Tax and Fee Administration (CDTFA) seller's permit.
 - a. <https://www.cdtfa.ca.gov/services/#Register-Renewals>

Helpful Links



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City of Los Angeles Office of Finance - Business Tax Certificate Application Form

<https://finance.lacity.org/sites/g/files/wph1721/files/2022-01/2022%20BTRC%20Application.pdf>

Email completed Business Tax Certificate Application Forms to DCRLicensing@lacity.org

City of Los Angeles Office of Finance - Business Registration Requirements FAQ

<https://finance.lacity.org/fag/business-registration-requirements-faq>

Internal Revenue Service starting a business:

<https://www.irs.gov/businesses/small-businesses-self-employed/starting-a-business>

California Governor's Office of Business and Economic Development Permit and Regulatory Assistance:

<https://business.ca.gov/advantages/permit-and-regulatory-assistance>

How to Register for a Business Tax Registration Certificate (BTRC)



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City of Los Angeles
Office of Finance
200 N Spring St. Rm 101
Los Angeles, CA 90012

Email application to: finance.customerservice@lacity.org



BUSINESS TAX APPLICATION

If you do any type of Retail or Wholesale sales, you are required to fill out the Tobacco Retailers questionnaire/Application

The following information is subject to disclosure

Business Type (check one): Individual Corporation Partnership LLC Trust
Please print or type

Legal Name: _____
Do not use DBA here

Business Address: _____
Do not use P.O. Box Street address City State Zip Code
Check appropriate box Commercial location Residence

Fictitious Business Name (DBA): _____

Care Of (C/O): _____

Mailing Address: _____
Check appropriate box Street address or P.O Box City State Zip Code
 Commercial location Residence

Starting date of business in the City of Los Angeles: Month _____ Day _____ Year _____

Social Security number (SSN) – OR – Federal Employer Identification number (FEIN): _____

Sales Tax Number (Seller's Permit): _____

Description of Business: _____
(Provide in detail)

E-mail Address: _____

Business Phone Number: _____

Creating a Legal Business Entity Record



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Announcements(52)

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Search for a License

Creating a Legal Business Entity Record



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Search for a License

Select a License Record Type

Choose one of the following available record types. For assistance or to apply for a record type not listed below please contact us.



Search

- ▶ Request for Pre-Application Review
- ▶ Modification
- ▼ Business Legal Entity Record
 - Legal Business Entity Application



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Home **Activities**

Apply for a License Search for a License

Legal Business Entity Application

1 **Begin** 2 People 3 Documents Required 4 Review 5 Pay Fees 6

* indicates a required field.

Entity Options

* ACA Reference Id:

* Request Equity Share Review: Yes No

* BTRC Master Account:

* SOI Entity Number:

Do you want to designate an Authorized Agent to sign and submit forms and documents to DCR on behalf of the Applicant or Licensee?: Yes No

Save and resume later

Continue >

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Creating a Legal Business Entity Record



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- 1) ACA Reference Id
 - a) Enter the Accela Citizen Access Reference Contact ID associated with the legal business entity.
- 2) Request Equity Share Review
- 3) BTRC Master Account
- 4) SOI Entity Number
- 5) Do you want to designate an Authorized Agent to sign and submit forms and documents to DCR on behalf of the Applicant or Licensee?
- 6) Identify Owners, Primary Personnel, and, if applicable, an Authorized Agent.
- 7) Upload all required ownership, primary personnel, business formation documents, operating agreements, and if applicable, social equity application specific information, documents, and forms.
 - a) If you requested “Equity Share Review”, you will be required to upload social equity application specific information, documents, and forms.
- 8) DCR will generate an invoice for applicable fees based on the selections made during the intake process.

Intermission



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5 Minute Intermission

Technical Assistance Webinar #3 Q&A



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Q&A

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