

# STICK AROUND!



**THE Q&A WILL  
BEGIN MOMENTARILY**



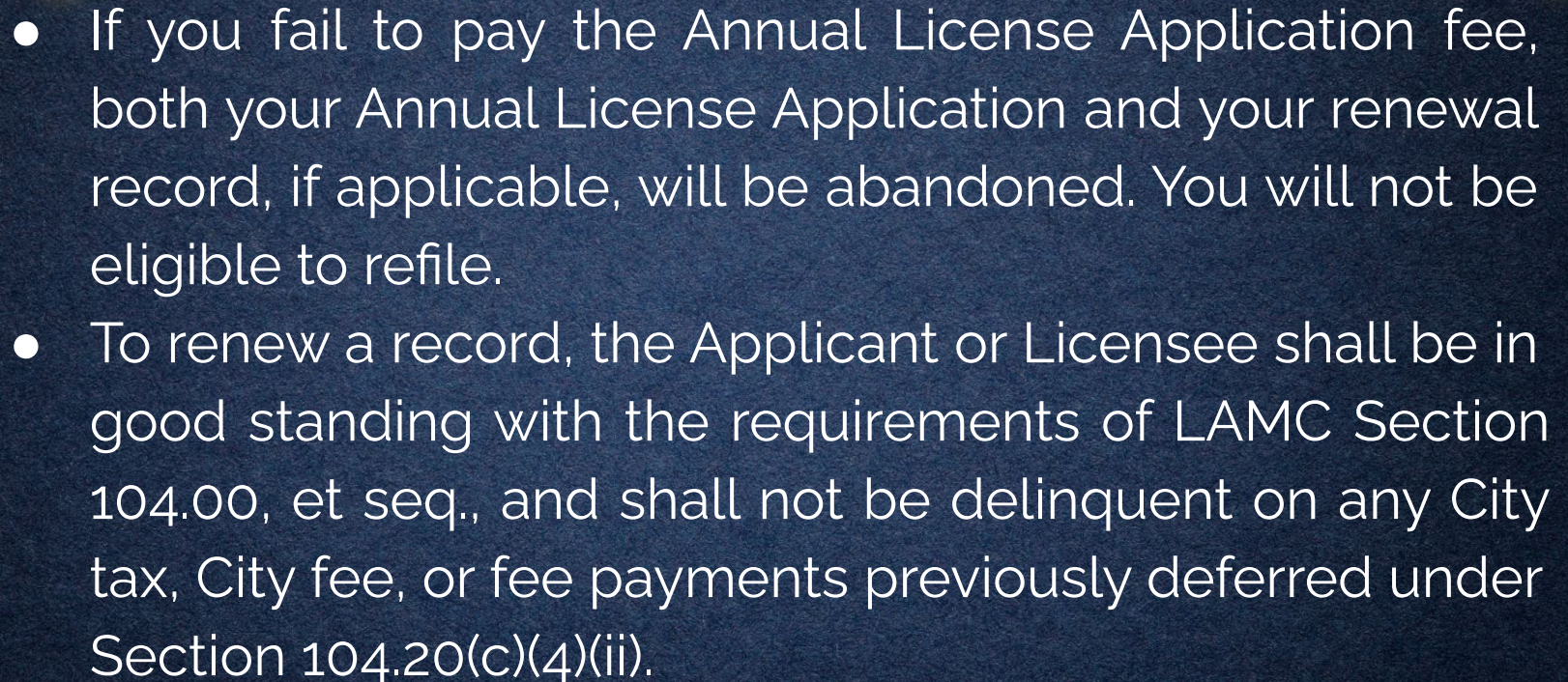
**Q&A Virtual Lunch Hour  
w/ Jason Killeen**

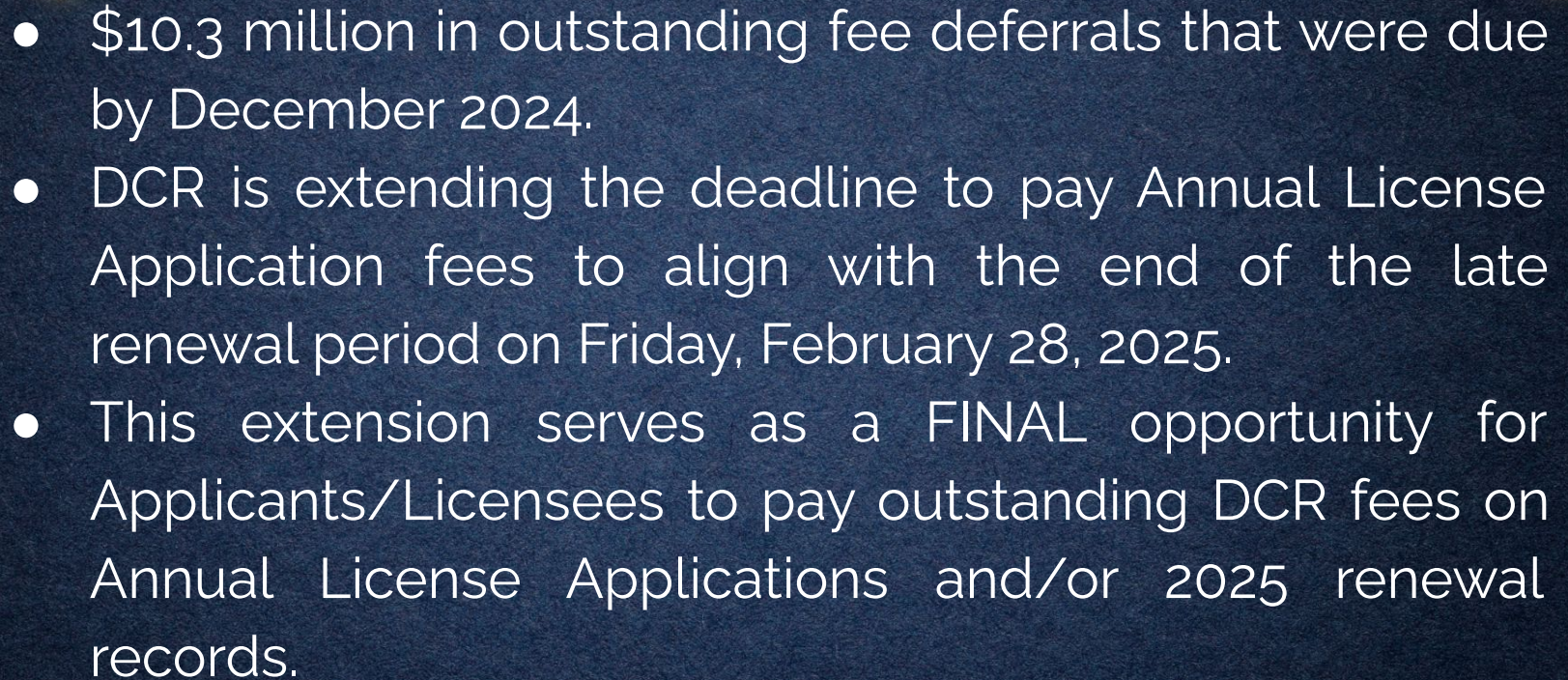
# WELCOME REMARKS



Q&A Virtual Lunch Hour  
w/ Jason Killeen

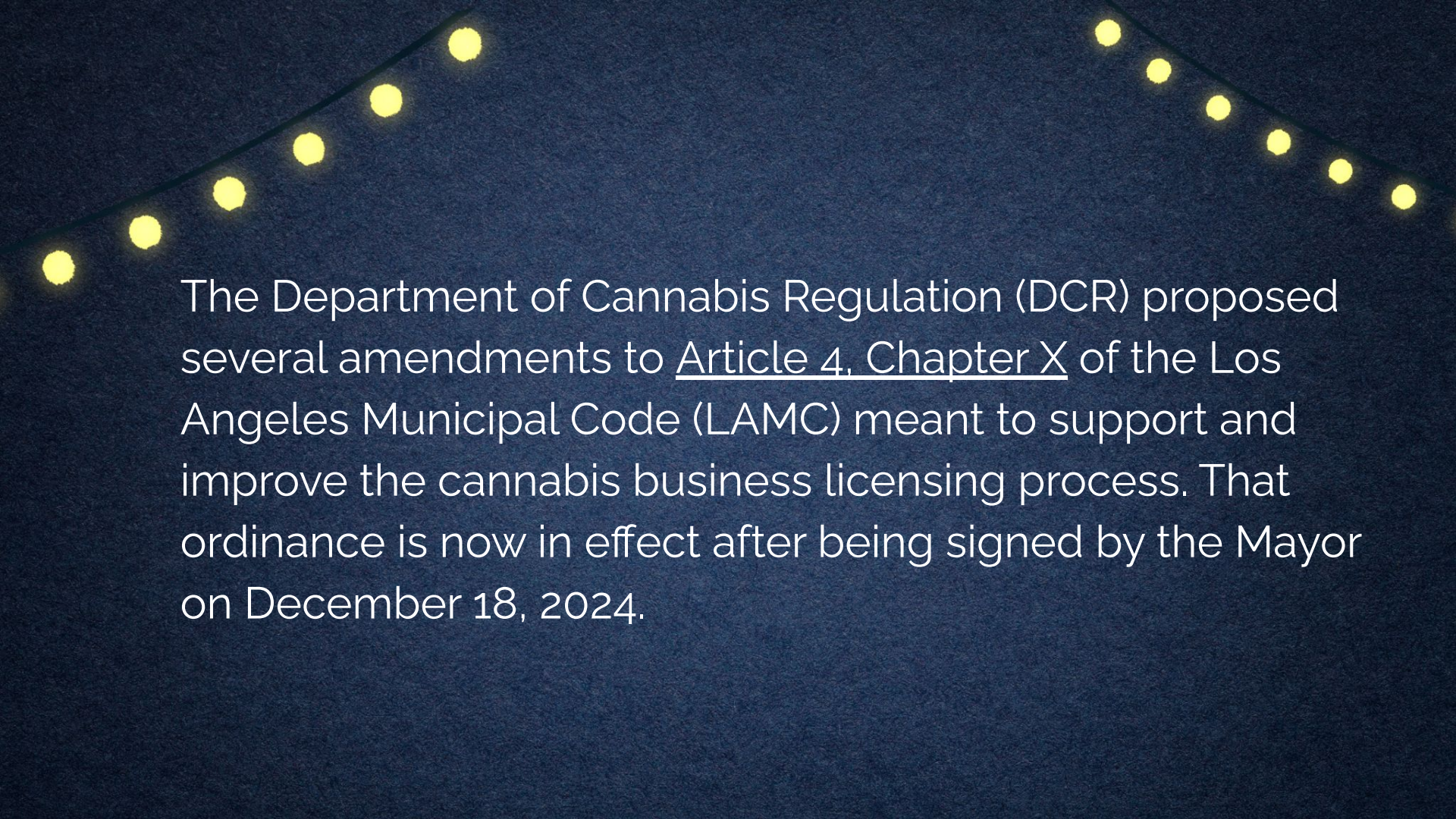


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- A decorative string of yellow lights is positioned at the top of the slide, arching across the dark blue background. The lights are small, round, and glow with a warm yellow light. The background is a solid, dark blue color.
- If you fail to pay the Annual License Application fee, both your Annual License Application and your renewal record, if applicable, will be abandoned. You will not be eligible to refile.
  - To renew a record, the Applicant or Licensee shall be in good standing with the requirements of LAMC Section 104.00, et seq., and shall not be delinquent on any City tax, City fee, or fee payments previously deferred under Section 104.20(c)(4)(ii).

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- \$10.3 million in outstanding fee deferrals that were due by December 2024.
  - DCR is extending the deadline to pay Annual License Application fees to align with the end of the late renewal period on Friday, February 28, 2025.
  - This extension serves as a FINAL opportunity for Applicants/Licensees to pay outstanding DCR fees on Annual License Applications and/or 2025 renewal records.

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# **ORDINANCE AMENDMENTS**

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The Department of Cannabis Regulation (DCR) proposed several amendments to Article 4, Chapter X of the Los Angeles Municipal Code (LAMC) meant to support and improve the cannabis business licensing process. That ordinance is now in effect after being signed by the Mayor on December 18, 2024.



## **Removes criminal penalties for Retail Storefronts Without an Emblem Placard as of 1/1/2025**

The ordinance removed criminal penalties that would have started on January 1, 2025, for retailers who do not have a Los Angeles County-issued Public Health Emblem Placard. To avoid penalizing good faith operators that deadline has been removed. Now, retailers must simply post their Emblem Placard within five (5) days of receipt.

# Social Equity Exclusivity Extended

Social Equity exclusivity period for retail, delivery and cultivation licenses extended from 1/1/2025 to 12/31/2025 to administer an additional retail lottery





## **Adds rules to administer a new lottery for Storefront Retail license opportunities**

This amendment allows DCR to hold an additional retail license application lottery for Social Equity Individual Applicants (SEIA). During this one lottery event, three drawings will be held for:

- (1) SEIAs previously verified under the 2019 SEIA criteria;
- (2) SEIAs previously verified under the 2022 SEIA criteria; and
- (3) SEIAs verified pursuant to the new, 2025 SEIA criteria.




## **Amends Social Equity Individual Applicant criteria**

Social Equity Individual Applicant verification requests are reviewed by DCR based on criteria set forth in the Municipal Code. This amendment removes the “Disproportionately Impacted Area” criterion entirely, and removes the California-specific component to the “Cannabis Arrest or Conviction.”




## Changes to the definitions of “Cannabis,” “Undue Concentration,” and “Microbusiness”

1. “Cannabis” will mirror language approved by voters in Measure M to ensure consistency across all City codes. Notably, hemp is now included in the definition of “cannabis.”



2. Additionally, the parameters of “Undue Concentration” have been updated as follows:

- Ratio of one License per 7,500 residents for Storefront Retailers (previously per 10,000)
- Ratio of one License for every 2,500 square feet of allowable cultivated area for Cultivation (previously capped at 15 Licenses)

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- For the purposes of calculating Undue Concentration, “License” includes Pre-Application Records and Annual License Applications. This will allow Applicants to more easily verify which areas have become unduly concentrated and avoid submitting Applications in an area with more Applications than available locations.
  - This amendment also creates a new City definition of “Microbusiness,” separate from the State’s definition. For the City, a “Microbusiness” is a business that “conducts Non-Storefront Retail (Type 9) and Distributor (Type 11) Commercial

## Changes to the license denial reasons

Reasons for why a license may be denied have also been updated. Now, any citation issued under the City's Administrative Citation Enforcement (ACE) Program for unlawful cannabis activity is grounds for denial. The amendment also clarifies that a proposed location is ineligible for licensure if it is located on a parcel of land that was the site of a utility disconnection or padlocking due to unlawful cannabis activity.

## Changes to the Annual License Process

DCR now has the ability to pause its 90-day deadline to transmit a recommendation to the Cannabis Regulation Commission (CRC) if the applicant has not resolved outstanding compliance violations or is subject to an ongoing investigation. DCR may also recommend a continuance of an application that is pending before the CRC.



## Changes to legal remedies

This amendment clarifies that DCR may use any legal remedy available under the law to collect unpaid administrative penalties, including a civil action or the recording of a lien.





## Clarify amendments to fix cross-references and ensure consistency

- To modify an Application, License, or Operating Permit, or to refile an Annual Licensing Application, Licensees must be current on all City taxes, fees and fines, and in compliance with the requirements of the City's current rules and regulations. This ensures Applicants cannot avoid paying City-owed liabilities by submitting a new application for, or transferring a license to, a debt-free entity.

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- Notices of Complete Application and Notices of Suspension and Revocation will now also be sent via electronic mail, thereby making the notice requirements uniform across all types of DCR's compliance actions.

# Q&A



Q&A Virtual Lunch Hour  
w/ Jason Killeen

# THANKS FOR COMING

DCR's Hosts a **SEIA Verification Webinar** on Thursday, January 30, 2025 at 12:00 PM  
& **CEQA/NOE Webinar** at 12:00 PM, February 12, 2025

