



DEPARTMENT OF CANNABIS REGULATION **RETAIL ANNUAL LICENSING GUIDE**

This reference guide is intended to serve as a guide for Applicants to navigate the Annual License process. This resource is for informational purposes only, may be updated occasionally, and is subject to change without notice. This guide does not replace or supersede the requirements set forth in the Los Angeles Municipal Code or the Department of Cannabis Regulations' (DCR) Rules and Regulations. Please use this guide in addition to the information posted on the Licensing Section of DCR's website. For any further questions, please contact DCRLicensing@lacity.org.

A. Receive a Notice of Complete Application

After DCR determines that an Annual Application is complete, DCR will email the Applicant a Notice of Complete Application. Sending the Notice of Complete Application marks the beginning of the Annual License process timeline.

The Notice of Complete Application is also emailed to the Business Premises' closest Neighborhood Council, the City Council Office for the district in which the Business Premises sits, and any relevant business improvement district, if one exists.

B. DCR May Deny the Annual Application or Make a Recommendation to CRC

Within 90 days of the Notice of Complete Application, DCR must either deny the license or recommend its approval to the Cannabis Regulation Commission (CRC).

If DCR plans to **recommend approval** of the Annual License, a community meeting will be scheduled. The community meeting process is described below. **Please note that DCR may change its recommendation at any point during the Annual Licensing process.**

If DCR **denies** the Annual License, the Applicant will receive a decision letter from DCR identifying the reasons for the denial. The Applicant may appeal DCR's denial to the CRC. DCR's decision to deny is final and effective upon the close of the 15-day appeal period if not timely appealed to the CRC by the Applicant. To file an appeal, submit the [Denial of Annual License Appeal Form \(LIC-4014-FORM\)](#) and the required appeal payment within 15 days of the date on DCR's decision letter. The Denial of Annual License Appeal Form is available on DCR's website [here](#). Please review the instructions on the form carefully. The CRC will hold a public hearing to consider an appeal within 90 days of the CRC's receipt of the appeal. The decision of the CRC regarding an appeal is final and cannot be appealed.

C. Post Notice and Contact the Neighborhood Council

Shortly after receiving the Notice of Complete Application, the Applicant must do several things to provide notice to the community of the Annual License process.

First, within 10 days of receiving the Notice of Complete Application, the Applicant **must** contact the Neighborhood Council that is closest to their Business Premises' location and offer to appear at a Neighborhood Council meeting to address questions about the Annual Application. Applicants who previously appeared before the Neighborhood Council are still required to offer to appear again as part of the Annual License process. Failure to contact the Neighborhood Council will be noted in the DCR's recommendation report to the CRC when it considers whether to grant the Annual License.

Second, the Applicant must post notice of the upcoming community meeting and CRC hearing. DCR will email the Applicant a Notice of Community Meeting and Public Hearing, which is a poster designed to be printed on 11x17-sized paper. The notice contains details about the application, the upcoming community meeting, and the public hearing before the CRC. The poster must be posted at the Business Premises in a location easily visible to the public.

To comply with the notice requirements:

1. **Contact Neighborhood Council.** Within 10 days of receiving the Notice of Complete Application, contact the nearest Neighborhood Council and offer to appear to answer questions about the Annual Application.
2. **Provide evidence of contact with Neighborhood Council.** Email written evidence to DCRLicensing@lacity.org of the offer to appear at the Neighborhood Council, such as an email sent to the Neighborhood Council or the meeting minutes from the Neighborhood Council meeting.
3. **Print and post notice.** Print the Notice of Community Meeting and Public Hearing on 11x17-sized paper and post it immediately in a conspicuous place on the Business Premises where it can be easily seen by the public.
4. **Provide evidence of posting.** After the Notice of Community Meeting and Public Hearing is posted, take a photo of where it is posted and email the photo to DCRLicensing@lacity.org.

D. Community Meeting Procedures

The next step in the Annual License process is a virtual community meeting held via Zoom. The purpose of the community meeting is for DCR to gather input from the public related to an Annual Application. Each individual, including the Applicant or their representative, can offer up to two minutes of public testimony. In addition to public testimony, or in lieu of, members of the public may also submit written testimony directly to DCR. DCR summarizes the oral and written testimony from the community meeting and includes it in its staff report to the CRC.

Any member of the public may attend the community meeting. Notice of the meeting is sent by U.S. Mail to the owners and occupants of all properties within 700 feet of the proposed Business Premises location. Notice of the community meeting is also provided to the nearest Neighborhood Council, Business Improvement District, and home Council Office.

No discussion or decisions are made during the community meeting. DCR staff monitoring the meeting will not respond to comments or questions during the meeting.

To prepare for the community meeting:

- 1. Designate a representative.** If you are going to participate, decide who will speak on behalf of the Applicant. It is not required that the Applicant participate in the community meeting.
- 2. Prepare your testimony.** If you choose to participate, you may want to briefly describe your Application, the steps you have taken to ensure compliance with DCR's Rules and Regulations, and your commitments to the community.
- 3. Attend the meeting.** Attend the meeting, speak when permitted, and note any concerns mentioned by the public. Even if you choose not to speak during the community meeting, it may help to attend and listen to the public's comments to prepare for the subsequent CRC meeting where they will consider whether or not to approve the Annual License.

E. Public Hearing Procedures - Cannabis Regulation Commission

The next step in the Annual Licensing process is a public hearing before the CRC. The CRC holds hearings on the 1st and 3rd Thursdays of each month at 2:00 p.m. in person at Figueroa Plaza, 201 N. Figueroa St., 9th Floor, Los Angeles, CA 90012.

At the hearing, the CRC will decide whether to approve or deny the retail Annual License. The CRC may also approve the license with conditions. Prior to the meeting, DCR will prepare a staff report with a recommendation on whether the CRC should grant the application and/or any proposed conditions. The staff report will also include application information, an environmental analysis, a summary of the oral and written information received at the community meeting, information on any complaints received by DCR, and any recent or outstanding compliance or inspection issues.

DCR publishes the CRC agenda on the Department's website 3-5 days prior to the meeting. Your application will be one item of many considered by the CRC on that day.

To prepare for the CRC hearing:

- 1. Resolve compliance issues.** Applicants may be contacted by DCR's Compliance and Enforcement team for an inspection prior to the CRC hearing. Applicants should address any deficiencies identified after the inspection as quickly as possible, preferably prior to the CRC hearing date. The CRC may ask about any outstanding compliance issues.
- 2. Designate your representative.** At least two days prior to your CRC hearing date, please provide the names of the individual(s) who will represent the Applicant business entity at the CRC hearing. It is strongly recommended that the representative appear in person at the hearing. If you do not designate a representative, only the following individuals may provide testimony on behalf of the Applicant at the CRC hearing: Owners, Primary Personnel, Authorized Agents, or anyone with a letter on the

Applicant's business letterhead signed by one of the individuals listed above which authorizes him or her to represent the Applicant at the hearing proceedings.

3. **Review DCR's staff report.** DCR's staff reports are linked on the CRC agenda. The staff report will contain DCR's position on whether the Annual License should be granted, and other information relevant to the CRC's consideration. Please review it carefully since it often forms the basis of the CRC's decisions and questions.
4. **Prepare your testimony.** The Applicant and/or any individuals representing the Applicant will have a combined total of 10 minutes to make a presentation regarding the Application. This is a good time to address any issues or questions raised during the community meeting and any outstanding enforcement or inspection-related issues. If you would like to use a PowerPoint or other visual aid during the public hearing, it must be submitted via email to CannabisCommission@lacity.org at least 48 hours prior to the meeting.

During the hearing, the CRC will hear public comment for each individual application (i.e. agenda item) at the beginning of the meeting. Members of the public shall be offered one (1) minute of general public comment, (1) minute per specific agenda item, up to two (2) minutes per meeting, if speaking on two or more agenda items. In total, an individual shall be limited to three (3) minutes of public comment per meeting.

After public comment finishes, the Commission Chair will call each item on the agenda. Generally, the speaking order for each agenda item is: (1) the Neighborhood Council and/or City Council Office representative, if present; (2) DCR licensing staff, who will provide an overview of the staff report and answer any questions from the CRC; (3) DCR compliance staff, if DCR has recently performed a compliance inspection, or issued a violation or notice to correct; and (4) finally, the Applicant's representative will have 10 minutes to provide a presentation and/or answer questions from the CRC.

After each representative speaks, the CRC may deliberate amongst themselves and may have additional questions. After deliberation, any one of the Commissioners may introduce a motion to approve, conditionally approve, or deny the Annual License. The motion requires three votes to pass. In the event that there are only three Commissioners present, all three must vote to approve the Annual License; otherwise the vote fails and the matter may have to be continued to the next CRC meeting, unless the vote is reconsidered at the same meeting.

F. After the Public Hearing

There are several important things that will happen shortly after the CRC hearing.

First, the Commission Executive Assistant will send the CRC's decision letter by electronic mail to the Applicant within 7-14 days of the CRC hearing date. The letter will state the CRC's findings, if different from the recommended department findings, including any conditions imposed on the license, and list the final vote tally. The letter will also be posted to DCR's website.

- If the CRC voted to **approve** the Annual License, DCR will file documents in accordance with the California Environmental Quality Act (“CEQA”). See below for details.
- If the CRC **did not approve** the Annual License, the Applicant may request an appeal to the Los Angeles City Council by submitting the [Denial of Annual License Appeal Form \(LIC-4014-FORM\)](#) and the required appeal payment within 15 days of the date on the decision letter. The Denial of Annual License Appeal Form is available on DCR’s website [here](#). Please review the instructions on the form carefully. The CRC’s decision to deny the issuance of the Annual License is final and effective upon the close of the 15-day appeal period if not timely appealed to the City Council by the Applicant.

Second, if the CRC voted to approve the Annual License, after the hearing, DCR will file a Notice of Exemption under the CEQA with the Los Angeles County Clerk. Generally, DCR aims to file the Notice of Exemption within 7-14 days of the CRC hearing date. Under Los Angeles Municipal Code section 197.01, there is a 10-day appeal period to appeal the CRC’s CEQA determination to the Los Angeles City Council starting from the date of the filing of the Notice of Exemption. CEQA appeals must be filed directly with the Office of the City Clerk using the City Clerk’s Non-Planning CEQA Appeal Form. Filing instructions and the form are available on the City Clerk’s website [here](#).

- If there is no appeal of the CEQA determination, DCR will issue the Annual License. There is also a 35-day statute of limitations starting from the date of the filing of Notice of Exemption for a lawsuit challenging the CEQA determination. However, DCR may issue the Annual License notwithstanding a pending lawsuit.
- If there is an appeal of the CEQA determination, the Los Angeles City Council will schedule the appeal within 75 days of its filing. If the appeal is denied by the Los Angeles City Council, DCR will issue the Annual License.

NOTE: Unless you have Temporary Approval, you will need to obtain an Operating Permit before beginning operations. ALL Licensees MUST obtain an Operating Permit by January 1, 2028. Please see the next section for information on Operating Permits.

G. Obtaining an Operating Permit

If you successfully obtained an Annual License, congratulations! Please note, however, that you must still obtain an Operating Permit before fully completing the Annual Licensing process.

Once Applicants have received their Annual License, they must obtain an Operating Permit from DCR. Even if a Licensee has Temporary Approval, they must obtain an Operating Permit before their Temporary Approval issued for calendar year 2027 expires. After January 1, 2028, an Annual Licensee shall not conduct any Commercial Cannabis Activity without an Operating Permit. **Although 2027 sounds far away, these requirements require a significant amount of time to complete.**

An Operating Permit will be issued by DCR after the Applicant: (1) obtains an Annual License; (2) obtain a Department of Building and Safety (DBS) building permit to allow retail use (if not already authorized); (3) obtains a health permit from the County of Los Angeles Department of Public Health **and** an Emblem Placard; and (4) passes a Final Inspection conducted by DCR.

To obtain an Operating Permit:

- 1. Apply for a DBS building permit to allow retail use.** Your Business Premises location must be authorized by DBS for retail use. Some locations are already authorized for the correct use. To check if your Business Premises is one of them, please see [“Locations Verified for Retail Use”](#) on DCR’s website. These locations already have the required permit or Certificate of Occupancy authorizing retail use.
 - If your Business Premises location is listed, skip to step 4 below about obtaining a County health permit.
 - If your Business Premises location is **not** listed, you must [submit plans to DBS](#) to obtain a building permit for retail use. Please reach out to the DBS [Restaurant and Small Business Express Program](#) for additional information. You may also review a DBS Powerpoint [here](#) for background information about DBS processes.
 - For general plan check, permitting, and inspection questions, call 3-1-1, or (213) 473-3231 or make an online appointment with the virtual counter. For questions specific to cannabis projects or to apply for case management services, please visit the [Restaurant and Small Business Express Program website](#) for additional information and contacts.
- 2. Request an inspection from DBS.** Information can be found on the DBS website [here](#). If DBS requires you to complete any physical corrections to your Business Premises, you may be required to submit an updated Business Premises Diagram to DCR.
- 3. Provide DBS Permit Number to DCR.** Once you obtain a building permit from DBS and pass all inspections, email DCRCompliance@lacity.org and provide (1) the permit number and (2) the floor plan approved by DBS.
- 4. Apply for a County Health Department Permit and Emblem Placard.** **Licensees must possess an Emblem Placard by January 1, 2025.** Applicants may submit plans to the County Health Department *concurrently* when submitting plans to DBS. To obtain a

health permit and Emblem Placard, you must submit a Cannabis Facility Plan Check Application to the County. Please refer to the instructions on the County's [CCEP web page](#) and navigate to the "Tenant Improvement (TI)/Opening a New Cannabis Facility" Section for instructions and forms. Once you obtain a health permit and Emblem Placard from the County, please email DCRCompliance@lacity.org to provide an update.

5. **Pass a DCR Final Inspection.** Once you have completed the steps above, you are eligible to request a Final Inspection conducted by DCR. Please email DCRCompliance@lacity.org to request a Final Inspection. If the Business Premises does not pass DCR's Final Inspection the first time, a second inspection may be required which may require an additional inspection fee.
6. **Obtain an Operating Permit!** If the Business Premises passes the Final Inspection, an Operating Permit will be issued by DCR



FREQUENTLY ASKED QUESTIONS (FAQ)

1. Do I need to attend the community meeting?

DCR strongly recommends that you attend the community meeting. The Cannabis Regulation Commission (CRC) will receive a summary of any comments made at the community meeting and may have questions at the CRC hearing. Hearing the comments in favor or against the application will help you prepare for the CRC hearing.

2. Do I need to attend the CRC meeting?

Yes. The Applicant or a designated representative should attend the CRC meeting. The CRC may continue the agenda item for your Annual Application if there is not a representative present to address the CRC and/or answer any questions.

3. What can I do if DCR denies my Annual Application?

If DCR denies an Annual Application, you will receive a decision letter from DCR identifying the reasons for the denial. You may appeal DCR's denial to the Cannabis Regulation Commission (CRC). To file an appeal, submit the [Denial of Annual License Appeal Form \(LIC-4014-FORM\)](#) and the required appeal payment within 15 days of the date on DCR's decision letter. The CRC will hold a hearing to consider your appeal. There are no further appeals after the CRC.

4. What can I do if the CRC denies my Annual Application?

If the CRC did not approve the Annual License, you will receive a decision letter from the CRC. You may appeal to the Los Angeles City Council by submitting the [Denial of Annual License Appeal Form \(LIC-4014-FORM\)](#) and the required appeal payment within 15 days of the date on the CRC's decision letter. The City Council will hold a hearing to consider your appeal. There are no future appeals after the City Council.

5. DCR did a compliance inspection and found violations. Will DCR or the Cannabis Regulation Commission (CRC) deny the Annual Application?

The Applicant should do its best to resolve any compliance issues as quickly as possible. DCR and the CRC have broad discretion to deny for the reasons in Los Angeles Municipal Code section 104.04, which includes the failure to adhere to the requirements in DCR's Rules and Regulations. The Rules and Regulations can be found on DCR's website [here](#). Generally speaking, DCR may nonetheless recommend the issuance of an Annual License if the violations are minor and/or the Applicant has made good faith efforts to comply.

6. Am I done with the process once I get an Annual License?

No. Annual License holders must still obtain an Operating Permit before fully completing the Annual Licensing process. After January 1, 2028, Annual Licensees shall not conduct any Commercial Cannabis Activity without an Operating Permit. This means that even if you have Temporary Approval, you will need to obtain an Operating Permit by January 1, 2028. Although this sounds far away, these requirements require a significant amount of time to complete. Please do not delay starting the process to obtain an Operating Permit.

