

DEPARTMENT OF CANNABIS REGULATION
COMPLIANCE AND ENFORCEMENT DIVISION

ENFORCEMENT: DELIVERY LICENSES



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**CANNABIS
REGULATION**

ENFORCEMENT: DELIVERY LICENSES

Agenda

- **Delivery Regulations**
- **Prohibited Activities**
- **Common Violations**
- **Violation Types**
- **Q&A**



COMPLIANCE WITH OPERATIONAL REQUIREMENTS

Regulation No. 5 of the [Rules and Regulations for Cannabis Procedures](#) provides operational requirements (5A) and record retention (5B) that pertain to all cannabis licensees, including delivery.

Today, we will specifically discuss regulations that only apply to delivery licensees. For all compliance requirements, refer to the [Compliance 101 Webinar](#) and [Rules and Regulations for Cannabis Procedures](#).



COMPLIANCE WITH OPERATIONAL REQUIREMENTS

Regulation No. 5(D) of the [Rules and Regulations for Cannabis Procedures](#) outlines operational requirements for Non-Storefront Retail (Type 9) Commercial Cannabis Activity (Delivery). The following slides will discuss compliance requirements and some common pitfalls which may end up costing you \$\$\$\$.



COMPLIANCE WITH OPERATIONAL REQUIREMENTS: DELIVERY EMPLOYEES

Delivery employees must meet the following requirements:

1

Age

Employees must be 21 years old.

2

Vehicle Occupancy

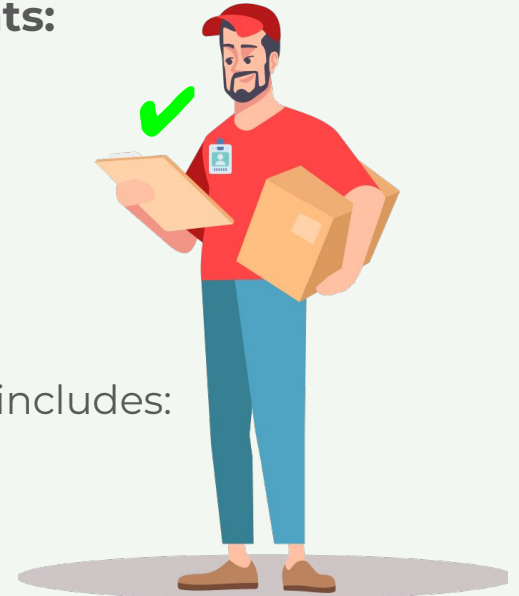
Only authorized employees allowed in delivery vehicle.

3

Identification Badge

Employee must wear an ID badge during operations that includes:

- Licensee's business entity name or DBA
- DCR core record number
- Employee first name
- Employee ID number
- Color photograph clearly showing employee's face



Violation Type: Moderate

COMPLIANCE WITH OPERATIONAL REQUIREMENTS: DELIVERY REQUIREMENTS

All deliveries must meet the following requirements:

1 In-person Delivery

All deliveries must be made in person.

2 Vehicle Markings

There should be no external markings that indicate the vehicle is used for delivery of cannabis or that the vehicle is used, owned or leased by a cannabis licensee.

3 Unmanned Vehicles

Deliveries must be made in a manned vehicle or device.



Violation Type: Moderate

COMPLIANCE WITH OPERATIONAL REQUIREMENTS: DELIVERY ORDERS & RECEIPTS

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: Moderate

Licensees must also prepare a hard copy or electronic delivery request receipt for each delivery that includes:

1. Legal business name & license no.
2. Delivery employee name & ID no.
3. Packaging employee name & ID no.
4. Customer name & assigned no.
5. Date & time of delivery request
6. Delivery address
7. Detailed description of the order
8. Total amount paid for delivery
9. Date, time of delivery & signature of customer who received delivery

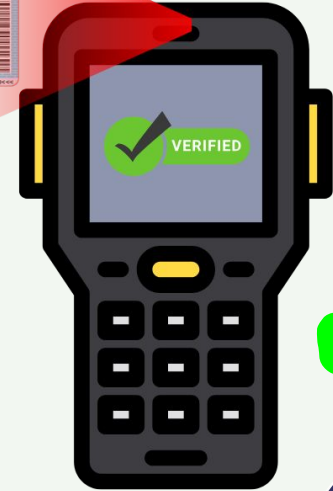
Violation Type: Minor



COMPLIANCE WITH OPERATIONAL REQUIREMENTS: AGE VERIFICATION

Electronic age verification is required for all cannabis sales and must abide by the following:

- 1 Device Requirements**
Age verification done at point-of-sale and delivery.
- 2 Employee Training**
All employees be instructed in device use.
- 3 Submit Device Specifications**
Licensees submit device specifications to DCR within 30 days of receiving a delivery license and before delivery begins.



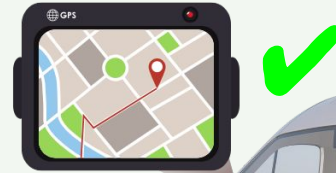
Violation Type: Moderate



COMPLIANCE WITH OPERATIONAL REQUIREMENTS: PRODUCT TRANSPORT

Vehicles carrying cannabis for delivery must meet the following requirements:

- 1 Vehicle Type**
Operate and travel in an enclosed vehicle.
- 2 Product Visibility**
Cannabis goods must be hidden from view.
- 3 Vehicle Security**
Unattended vehicles must be locked with an alarm.
- 4 GPS Tracking**
An affixed GPS tracking device must remain active and inside the vehicle during operating hours.



Violation Type:
Major



COMPLIANCE WITH OPERATIONAL REQUIREMENTS: DELIVERY HOURS & PRODUCT AMOUNT

Delivery Hours

A Licensee shall deliver cannabis and cannabis goods only between the hours of 6 a.m. to 10 p.m. daily. **Violation: Major**

Delivery Product Amount

Delivery employees shall not carry cannabis or cannabis goods in excess of the amount permitted by the State. Per the DCC, this amount is \$10,000. **Violation Type: Moderate**



COMPLIANCE WITH OPERATIONAL REQUIREMENTS: EMPLOYEE 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 making deliveries.

Violation Type: Major



COMPLIANCE WITH OPERATIONAL REQUIREMENTS: REQUIRED NOTICE OF ARREST

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



COMPLIANCE WITH OPERATIONAL REQUIREMENTS: DELIVERY FLEET INFO & VEHICLE PLACARD

All delivery vehicles must be registered with DCR, including the vehicle's make, model, color, Vehicle Identification Number, and license plate number. DVPs must be kept in the vehicle at all times and provided upon request.

1 Registration

Register all delivery vehicles with DCR within 30 days.

2 Placard

Obtain Delivery Vehicle Placard (DVP) before use.

3 Updates

Notify DCR of fleet changes via email at DCRcompliance@lacity.org.

Violation Type: Moderate



COMPLIANCE WITH OPERATIONAL REQUIREMENTS: SIGNAGE

Licensees with Type 9 Licenses shall post a sign at each entrance to the Business Premises that meet the following requirements:

- 1 Language**
Must state “NO ONSITE CANNABIS SALES”
- 2 Location**
Must be at eye-level.
- 3 Size**
Must be a minimum of 8.5”x11” with lettering at least 2 inches in size or a font of a least 100.

Violation Type: Minor



COMPLIANCE WITH OPERATIONAL REQUIREMENTS: BUSINESS PREMISES

In addition to proper signage, business premises must also meet the following requirements:

1

Standard Operating Procedures

Submit to DCR before inspections

2

Public Access

No customer access to premises

Violation Type: Major



COMPLIANCE WITH OPERATIONAL REQUIREMENTS: PROHIBITED ACTIVITIES

Curbside Pick-Up, 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**

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**

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. **Violation Type: Major**

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**

SELF-ASSESSMENT CHECKLIST & COMMON DEFICIENCIES



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SELF-ASSESSMENT CHECKLIST & COMMON VIOLATIONS

Prior to the inspection, DCR strongly recommends that you go through the [self-assessment checklist](#) (pages 22 - 25) to identify and rectify any deficiencies. Common deficiencies include:

- On-site sales (walk-up customers, online order for onsite pick up)
- On-site or off-site kiosks for onsite pick up
- Offsite Pop-Up Tents, Temporary Booths where product is delivered from the Licensed Business Premises (for customer pick up)
- Lack of proper Global Positioning System (GPS) device in vehicle
- Failure to include proper delivery receipts
- Failure to submit Delivery Vehicle Placard [ENF-3004-FORM](#)



Violation Types (common violation examples)

Major (\$42,026)	Moderate (\$21,013)	Minor (\$7,006)
<ul style="list-style-type: none">> On-site sales> Delivery by non-authorized employees> Underage delivery drivers	<ul style="list-style-type: none">> Improper age verification device> Failure to register delivery vehicles with DCR> Failure to display DVP in vehicle	<ul style="list-style-type: none">> Failure to provide proper delivery receipts



Q&A Section



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QUESTIONS?



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Reach out to
DCRCCompliance@lacity.org
for assistance.



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