

**DEPARTMENT OF CANNABIS REGULATION**  
COMPLIANCE AND ENFORCEMENT DIVISION

# **Non-Retail Compliance Inspections**



CITY OF LOS ANGELES DEPARTMENT OF™

**CANNABIS  
REGULATION**

# Compliance & Enforcement Division

## Agenda

- Rules & Regulations for All Businesses
- Cultivation
- Distribution & Manufacturing
- Delivery
- Q&A



# Rules & Regulations for All Businesses

Regulation No. 5(A) of the [Rules and Regulations for Cannabis Procedures](#) outlines the management practices, requirements, and prohibited activities of all commercial cannabis activities.

The following slides will discuss compliance items that apply to all non-retail cannabis activities.



# Rules & Regulations for All Businesses

1. DCR City License (Temp Approval or Annual)
2. DCC (State) License
3. Business Tax Registration Certificate
4. LAPD Police Alarm Permit #
5. Neighborhood Liaison contact info (must match what's on file in Accela)

**1** CITY OF LOS ANGELES  
CANNABIS RETAIL ANNUAL LICENSE

Signature  
Executive Director Michelle Garakian

Department of Cannabis Regulation  
cannabis@lacity.org | cannabis.lacity.gov

**2** Department of Cannabis Control  
Cannabis Retailer License  
Adult-Use

Business Name: GREEN CANDLES LLC  
Green Flowers  
License Number: C19-0001441-LIC  
License Type: Retailer (Retailer)

Premises Address: 9581 REDWOOD CT  
SACRAMENTO, CA 95829  
Valid: 3/22/2024  
Expires: 3/22/2025

Non-Transferable Post in Public View

**3** THIS CERTIFICATE MUST BE POSTED AT PLACE OF BUSINESS  
CITY OF LOS ANGELES TAX REGISTRATION CERTIFICATE  
THIS CERTIFICATE IS GOOD UNTIL SUSPENDED OR CANCELLED

ACCOUNT NO.	FUNDCLASS	DESCRIPTION	ISSUED:	STARTED	STATUS
<b>COPY</b>					

ISSUED TO: [Signature]  
DIRECTOR OF FINANCE

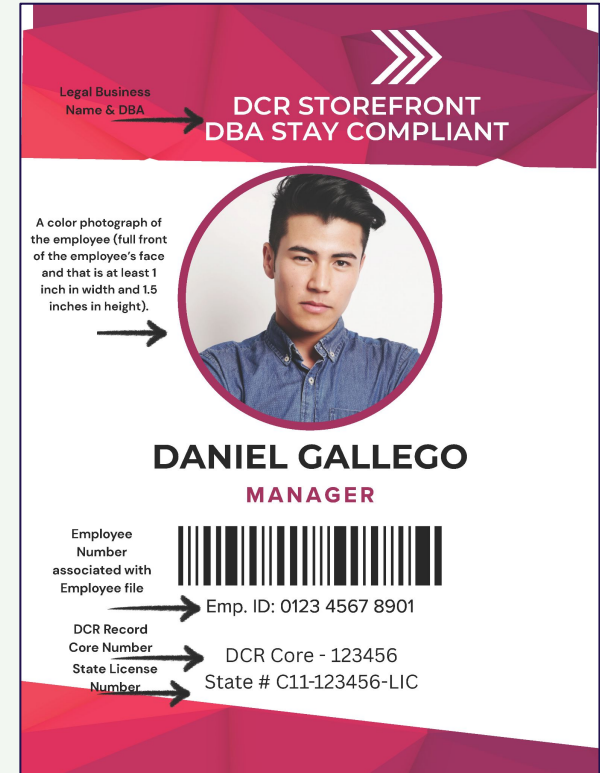
**4** LAPD Police Alarm Permit #

**5** Neighborhood Liaison phone & email

# Rules & Regulations for All Businesses

All 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



# Rules & Regulations for All Businesses: Metrc & Inventory

Point of Sales systems must be compatible with Metrc.

## **Inverted, Diverted or Stolen Product**

It's strictly prohibited to:

- Possess, sell, or use any products that cannot be identified in the State's track and trace system
- Divert cannabis goods to an unlawful establishment
- Sell, cultivate, distribute, or manufacture unlicensed or stolen cannabis goods

## **Product Inventory Sales & Track and Trace**

Licensees are expected to:

- Maintain accurate records of its inventory as required by the State
- Abide by all track and trace requirements at all times

**(Violation Type – Severe)**





# Rules & Regulations for All Businesses

## Video Surveillance

### Digital cameras must:

- Operate 24/7
- Have a minimum resolution of 1280 x 720 pixels
- Be permanently mounted in a fixed location

### Recordings must:

- Be stored for a minimum of 90 days and secured in a manner to prevent tampering or theft

### Failure Notification

The surveillance system must be equipped with a failure notification feature that provides notification to the Licensee of any interruption or failure of the video surveillance equipment or video surveillance-system storage device.



# Rules & Regulations for All Businesses

## Financial Records

### Record Retention: Maintenance

Licensees must maintain financial records for a minimum of seven years. This includes:

- Bank statements
- Sales invoices
- Receipts
- Tax records
- All records required by the California State Board of Equalization & other applicable State agencies, Office of Finance & DCR

**Best Practice:**  
Include Metrc  
transport documents  
& Unique Identifiers  
on sales invoices



# Rules & Regulations for All Businesses

## Personnel Records

### Record Retention: Maintenance

Licensees must maintain personnel records for a minimum of seven years. They should include:

- Employee's full name
- Social security number
- Individual Taxpayer ID No.
- Date of hire
- Date of termination

#### **Best Practice:**

Files can be electronic or physical. It's also helpful to keep driver's licenses, W-4, I-9, and employee application forms on file.

# Rules & Regulations for All Businesses

## Training Records

### Record Retention: Maintenance

Licensees must maintain training records for a minimum of seven years.

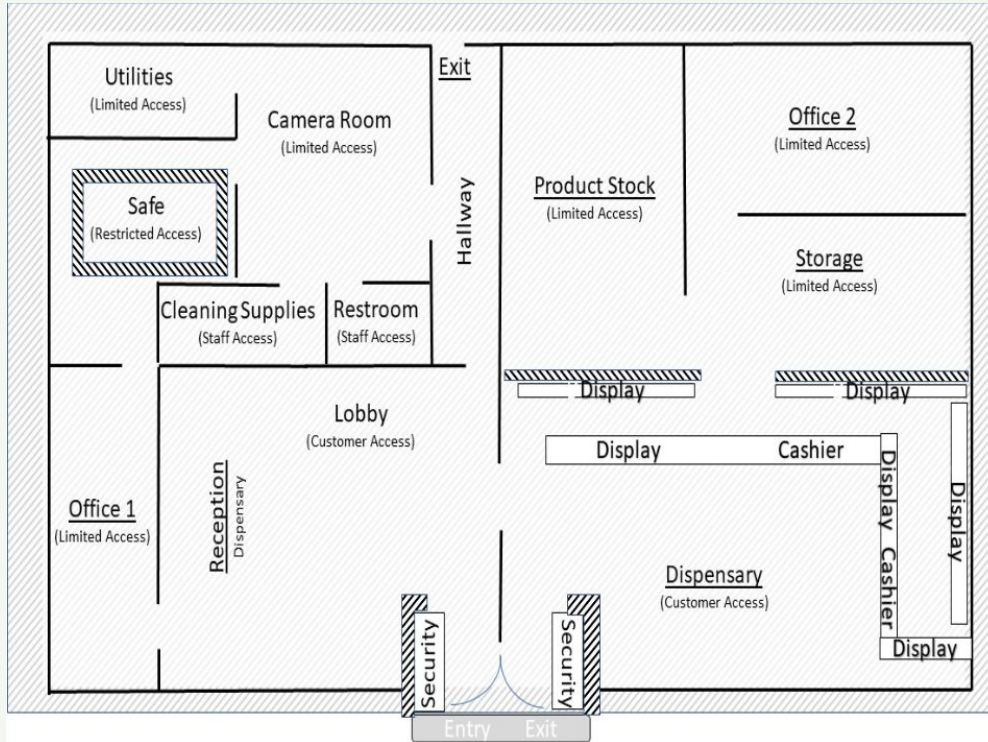
This includes:

- Date & content of training
- Name of individuals that administered training
- Name of individuals that received training

Company Name							
Employee Training Log							
Program: _____						Date: _____	
						Day: _____	
Sr. No	Date	Emp ID	Employee Name	Program	In	Out	Emp Signature
1							
2							
3							
4							
5							
6							
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# Rules & Regulations for All Businesses

## Business Premises Diagram



- Must match actual premises by including **ALL** rooms, areas, and camera locations
- Ensure camera positioning is accurately reflected
- Any changes must be submitted to your analyst ahead of inspection



# Rules & Regulations for All Businesses

## Limited Access Log

### Access Requirements

Licensees shall implement an identification and sign-in/sign-out procedure for all non-employees entering the Business Premises. The sheet must include:

- Name of the individual
- Company they work for
- Reason for entering Premises
- Date and time of entry
- Date and time of exit

These records must be made available to DCR immediately upon request and be maintained for a minimum of three years. Generally, this is a written log, but it can be kept electronically so long as it can be provided to the inspector upon request.



# Rules & Regulations for All Businesses

## Prohibited Activities



**NO**

- Adult entertainment
- Drive up/Walk up orders
- On-site consumption
- Free samples



# Cultivation



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# Cultivation: Canopy Sizes

LICENSE TYPE	CANOPY SIZE
Specialty Indoor	501 - 5,000 sq ft
Small Indoor	5,001 - 10,000 sq ft
Medium Indoor	10,001 - 22,000 sq ft

## Vertical grow racks

(Bottom Canopy Size) x Number of Vertical grow racks = Canopy size



# Cultivation: Ventilation & Air Exhaust

## Ventilation/Exhaust Systems

- Proper ventilation and air filters are required to ensure cannabis odors cannot be detected from outside of the business premises
- Operable windows and vents should not interfere with residential use or zones and must direct exhaust away from residential areas

### Best Practice

Check and change out your air filters as needed to remain in compliance with regulations



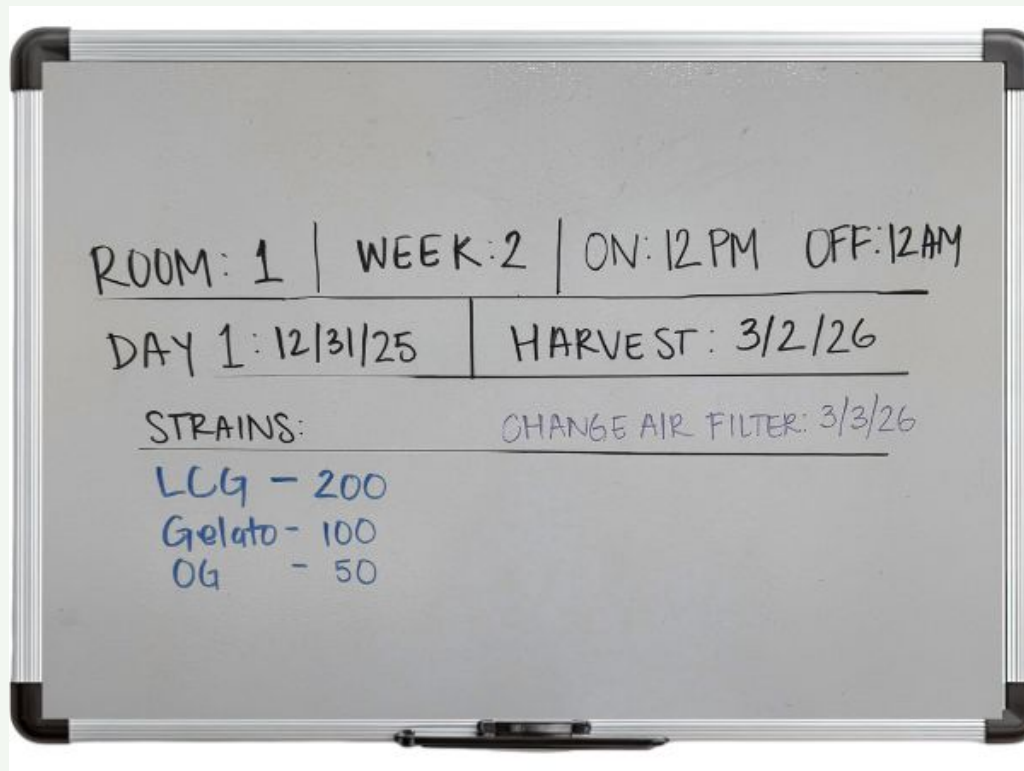
# Cultivation: Tagging

<b>PHASE</b>	<b>TAGGING REQUIREMENT</b>
Clones	Come with batch numbers on packaging
Immature Plant	1 Metric tag per 100 plants. Use markers to determine the start and stop of strain
Flower	Individual UID tag for each plant
Mother	All must be individually tagged

UID tags are required in dry rooms, trimming, and must follow the related cannabis product every step of the process



# Cultivation: Labeling Rooms



# Cultivation: Cleanliness & Pesticides

## Cleanliness

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. Waste receptacles shall be kept secure and accessible only to authorized personnel. **(Violation Type – Low)**

## Pesticides

Please adhere to the State rules and regulations regarding the use of pesticides, and speak with your testing lab regarding the impacts of adding pesticides during the flower stage.



# Distribution & Manufacturing



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# Distribution & Manufacturing: Inventory & Records

## Distribution Inventory

Please place UID tag with applicable inventory. This allows inspectors to quickly identify product within the location.

## Manufacturing Inventory

UID tags must stay with product as it's moved throughout the facility.

## Financial Records

Keep the following records on hand for inspection:

1) Testing 2) Invoice 3) UID 4) Metrc transport sheet



# Delivery



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# Delivery: Receipts

Licensees must prepare a hard copy or electronic delivery request receipt for each delivery that includes the following. **(Violation Type - Low)**

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 & signature of customer who received delivery



# Delivery: Receipts

## Best practice

- Use this template to set up your delivery receipts
- Make sure customers sign the receipt
- Create a file to save receipts so they're available upon request for inspections.

**INVOICE**

**FRED & AARON BUDS**

LEGAL BUSINESS NAME

**YOUR COMPANY**

Invoice: 9874563210

Date: August 5, 2023

Invoice Date: August 5, 2023

Due Date: August 5, 2023

CUSTOMER NAME AND CUST. NUMBER. Invoice To: Christina - 000420  
221 N. Figueroa Street  
Los Angeles, CA 90012

DELIVERY ADDRESS

Item	Qty	Price	Total
Hector Flower 10G	1	\$50.00	\$50.00
Michelle Prep Rolls 1G	2	\$90.00	\$180.00
Drew Strawberry Edibles 100mg	1	\$300.00	\$300.00
Rex Rosin 1G	1	\$700.00	\$700.00

LINE ITEMS

**Payment Info**

Ordered prepared by John 001  
Delivery Driver Jane 002  
Time and Date August 5, 2023  
order was recieved 12:20 PM

Subtotal \$1,230.00  
Tax 0.00%  
Amount Due \$1,230.00 **TOTAL AMOUNT**

NAME AND EMPLOYEE WHO DELIVERED AND PREPARED THE ORDER. TIME ORDER WAS MADE

Christina C.  
CUSTOMER SIGNATURE

# Delivery: 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.

- Register **all** delivery vehicles with DCR within 30 days.
- Obtain Delivery Vehicle Placard (DVP) before use.
- Notify DCR of fleet changes via email at [DCRcompliance@lacity.org](mailto:DCRcompliance@lacity.org).

**(Violation Type - Low)**

**2026**

## **Cannabis Delivery Vehicle Placard**

**2026**

This DVP must be maintained in the assigned vehicle at all times while conducting delivery of cannabis and/or cannabis products and must be provided upon request to DCR, LAPD, or any other government agency.

DCR Record No. LA-R-24-000000-ANN

Legal Entity Name (Licensee): Cannabis Regulation

DBA: Canna World

Business Premises: 221 N Figueroa St. Los Angeles  
California 90012

**This delivery placard is assigned for:**

**Make:** Chevrolet

**Model:** Spark

**License Plate:** 000000

TRAINING SAMPLE

# Delivery: Product Transport

## Do:

- Travel in an enclosed vehicle
- Keep products out of view from the public
- Have an attached GPS tracking device active and inside the vehicle during operating hours

(Violation Type - Minor)

## DO NOT:

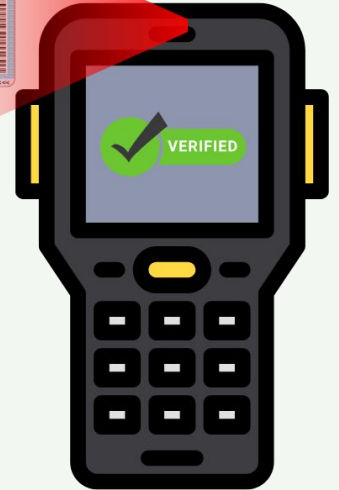
- Leave products unattended in the vehicle, unless it's locked and armed with an active alarm system
- Use a personal or business phone or tablet as a GPS device



# Delivery: Age Verification

- Electronic age verification is required for all cannabis sales during point-of-sale and point-of-delivery
- All employees must be trained in using the device
- No products should be sold without verifying the customer's age via the age verification device

(Violation Type - Major)



## Best practice

IDs must be checked at Delivery, whether it's saved in the Point of Sales System or presented as a physical card.



# Delivery: Prohibited Activities

- **Curbside Delivery, Drive Through or Walk Up Windows** (Violation Type – Minor)
- **Access to the Public** (Violation Type – Moderate)
- **Onsite Orders** (Violation Type – Low)
- **Delivery to the Licensed Premises** (Violation Type – Low)
- **Storefront Retail Activity without that License Type** (Violation Type – Major)
  - Whether goods are viewable in-person to the public
  - Whether an alternative structure is being used as the functional equivalent of a business premises to conduct sales
  - Whether the business model attracts customers to place orders in-person OR leads to public confusion about the business type

# Questions?



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Reach out to  
[DCRCCompliance@lacity.org](mailto:DCRCCompliance@lacity.org)  
for assistance.



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