



Regulation No. 1. Definitions.

The definitions set forth in Los Angeles Municipal Code Section 104.01 apply to these Rules and Regulations. In addition, the following definitions shall apply to these Rules and Regulations:

1. **“Authorized Agent”** means a natural person who is a Primary Personnel of the Applicant and/or Licensee and who is authorized to submit and sign certain forms and documents, as identified on each form or document, and to communicate with DCR on behalf of an Applicant and/or Licensee.
2. **“Financial Interest Holder”** means a Person with an ownership stake in an Applicant or Licensee that is greater than 5 percent and less than 20 percent.
3. **“LAMC”** means the Los Angeles Municipal Code.
4. **“Legal Business Entity Record”** means a record submitted to DCR through the DCR Licensing Portal that contains the required documents listed Regulation 3(B)(2)(i) that pertain to the Applicant and/or Licensee and its Owners, Primary Personnel, and Authorized Agents and which must be submitted before any Application documents.
5. **“Limited-Access Area”** means an area of the Business Premises in which cannabis or cannabis goods are stored or held or through which cannabis or cannabis goods will be moved, except for a retail area in which cannabis or cannabis goods are sold or displayed.
6. **“State”** means the State of California Department of Cannabis Control.



Regulation No. 2. Licenses.

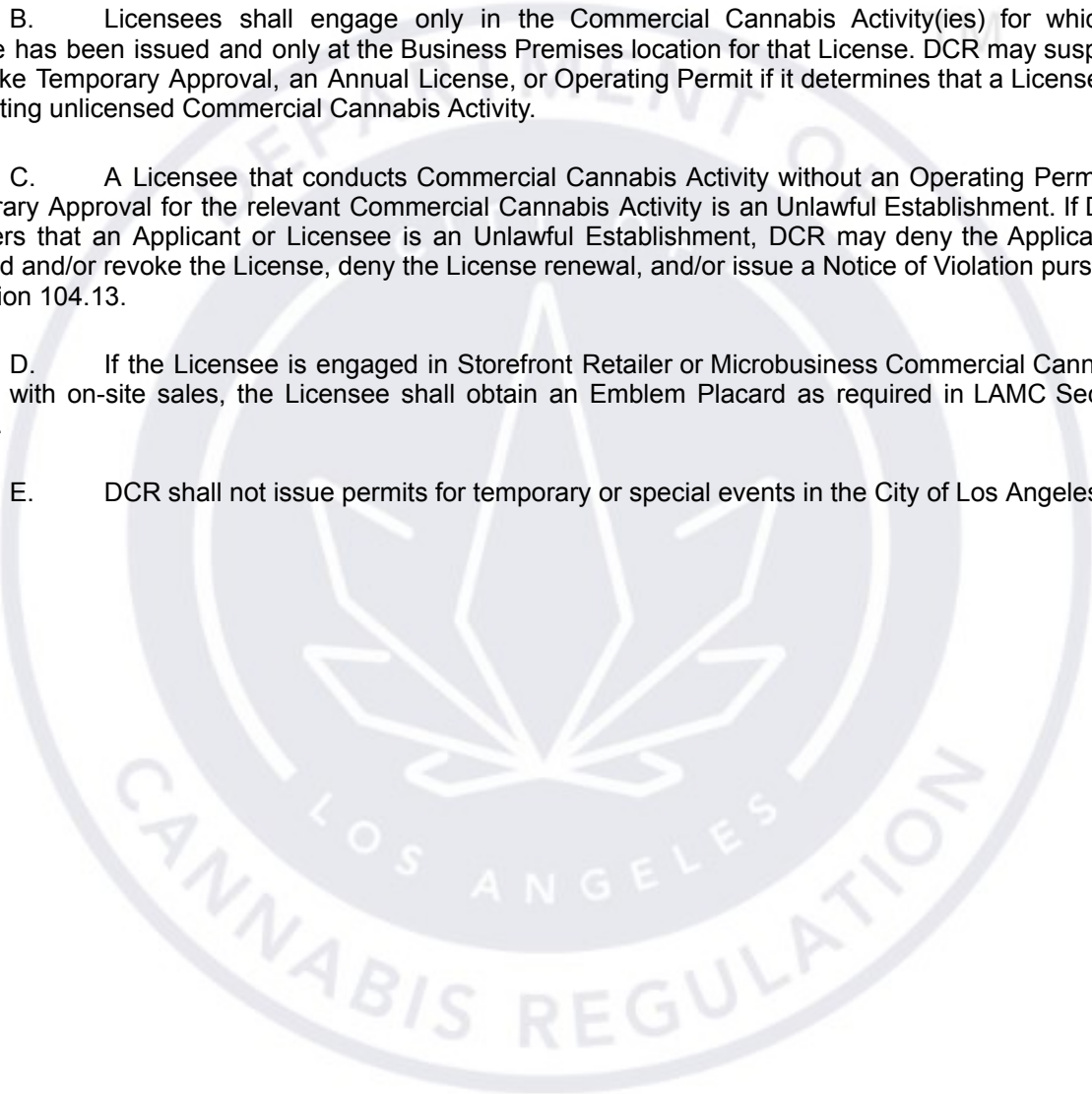
A. The Licenses available for Commercial Cannabis Activity are the same as those listed in LAMC Section 104.02. Applicants shall follow the requirements of these Rules and Regulations, all relevant LAMC provisions, and all applicable County of Los Angeles and State of California rules when applying for a License.

B. Licensees shall engage only in the Commercial Cannabis Activity(ies) for which a License has been issued and only at the Business Premises location for that License. DCR may suspend or revoke Temporary Approval, an Annual License, or Operating Permit if it determines that a Licensee is conducting unlicensed Commercial Cannabis Activity.

C. A Licensee that conducts Commercial Cannabis Activity without an Operating Permit or Temporary Approval for the relevant Commercial Cannabis Activity is an Unlawful Establishment. If DCR discovers that an Applicant or Licensee is an Unlawful Establishment, DCR may deny the Application, suspend and/or revoke the License, deny the License renewal, and/or issue a Notice of Violation pursuant to Section 104.13.

D. If the Licensee is engaged in Storefront Retailer or Microbusiness Commercial Cannabis Activity with on-site sales, the Licensee shall obtain an Emblem Placard as required in LAMC Section 104.23.

E. DCR shall not issue permits for temporary or special events in the City of Los Angeles.





Regulation No. 3. Application Procedure.

A. General

1. DCR accepts Pre-Application Records, Applications, modification requests, and other requests for service through the DCR Licensing Portal. Fee payments required under LAMC Section 104.19 and any outstanding taxes are due before any record, Application, modification record or other request for service is considered filed and may be processed by DCR.

2. All required information, forms and/or documents shall be submitted in completed form through the DCR Licensing Portal at the time a record, Application, modification request, or other request for service is created.

3. A Legal Business Entity Record shall be submitted in completed form through the DCR Licensing Portal before a Pre-Application Record, Application, modification request, or other licensing request for service is created.

4. An Application or modification request may be deemed abandoned if DCR determines, at any time and in its sole discretion, that an Application or modification request is incomplete, fee payments required under Section 104.19 are not timely paid, or information, forms or documents have not been provided within the time allotted by DCR. DCR shall notify the Applicant or Licensee by electronic mail when a record is deemed abandoned.

5. If an Applicant or Licensee loses site control of its proposed Business Premises, including, but not limited to, termination of the Applicant's commercial lease, or termination of the right to occupy the Business Premises, the Applicant or Licensee shall submit a Business Premises Surrender Form (LIC-4019-FORM) within ten (10) days of losing site control.

6. If DCR determines that an Application or modification request is incomplete, DCR shall notify the Applicant. DCR may request additional information and documents from the Applicant, including information and documents not listed in the Rules and Regulations, to determine if an Application is complete. If the Applicant fails to supply additional information and documents or correct the deficiencies within the time allowed by DCR, the Application shall be deemed abandoned.

7. Material misrepresentations, false statements, or the failure to disclose a material fact in any type of submission to DCR, including, but not limited to, a Pre-Application Record, Temporary Approval Application, Annual License Application, or modification request, may result in the issuance of a Notice of Correction, Notice of Violation, denial of Temporary Approval or a License, denial of a renewal application, suspension of Temporary Approval or License, and/or revocation of a Temporary Approval or License.

8. Applicants and Licensees shall follow the instructions on DCR's forms, including, but not limited to, instructions related to signature or processing requirements. Failure to follow instructions on DCR forms may result in the rejection of the form, or denial or abandonment of the relevant request or Application. Resubmitted forms may be subject to additional fees pursuant to LAMC Section 104.19.

B. Legal Business Entity Record and Pre-Application Record

1. A prospective Applicant shall email a completed application for a Business Tax Registration Certificate (BTRC) to dcrlicensing@lacity.org.

2. Once the City of Los Angeles Office of Finance issues a BTRC account number, a prospective Applicant may submit a Legal Business Entity Record through the DCR Licensing Portal.



(i) **Required Records.** Legal Business Entity Records must include:

A. The Accela Citizen Access (ACA) Reference Contact ID of the legal business entity.

B. The name of the legal business entity. If applicable, the fictitious business name (DBA) of the Applicant must be also disclosed.

C. The BTRC number issued by the City of Los Angeles Office of Finance to the legal business entity. DCR may approve changes to the BTRC number when processing certain modification requests. Any changes to a BTRC number after an Application has been filed or a License is issued must have written approval from DCR and/or the Office of Finance.

D. The unique entity number issued by the State of California Secretary of State to the legal business entity.

E. The ACA Reference Contact ID for the following Persons: all Owner(s); all Primary Personnel; and, if applicable, an Authorized Agent.

F. The following forms: Financial Information Form, if applicable; Primary Personnel and Owner Attestation (LIC-4004-FORM); Legal Business Entity Record Disclosure Form (LIC-4008-FORM); Authorized Agent Acknowledgement (LIC-4009-FORM), if applicable; and, Social Equity Program - Owner Compliance Attestation (SEP-6001-FORM), if applicable.

G. The following documents: stamped County of Los Angeles fictitious business name (DBA) filing, if applicable; business records evidencing compliance with the Equity Share requirements in LAMC Section 104.20, if applicable; business formation and organization documents, which may include articles of incorporation, bylaws, operating agreements, partnership agreements, and fictitious business name statements. The Applicant shall also provide all documents filed with the State of California Secretary of State, which may include, but are not limited to, articles of incorporation, certificates of stock, articles of organization, certificates of limited partnership, and statements of partnership authority.

H. DCR may request additional or updated information, forms, or documents at any time, subject to payment of any additional fees under LAMC Section 104.19(h).

3. After a prospective Applicant has submitted a Legal Business Entity Record, the prospective Applicant may submit a Pre-Application Record through the DCR Licensing Portal, including all information, forms and documents as described in this Subsection, and pay a Pre-Application Review Fee pursuant to LAMC Section 104.19 for DCR to determine the eligibility of a proposed Business Premises location pursuant to LAMC Section 104.03(a) and Article 5 of Chapter X of the LAMC.



(i) **Required Records.** Pre-Application Records shall include the following:

A. The physical address(es) of the Business Premises where the proposed Commercial Cannabis Activity would be conducted.

B. All Commercial Cannabis Activity or Activities and License type(s) the prospective Applicant would like to apply for and whether the proposed Commercial Cannabis Activity will involve medical (M-Type) and/or adult use (A-Type).

C. Landowner Attestation for Location Eligibility (LIC-4016-FORM).

D. DCR may request additional information, forms, or documents from the Applicant at any time during the Pre-Application Review, subject to payment of any additional fees under LAMC Section 104.19(h).

(ii) **Optional Records.** An Applicant may submit the Project Description Questionnaire (LIC-4013-FORM) as part of a Pre-Application Record.

A. If submitted, DCR shall use the Project Description Questionnaire (LIC-4013-FORM) to determine whether an Application would have the potential to generate significant adverse environmental impacts that might require preparation of a CEQA document or the need for additional information.

B. If DCR determines the Project has the potential to generate a significant effect on the environment that might require preparation of a CEQA document or the need for additional information, DCR will notify the Applicant.

C. If the Applicant's Project does not qualify for a categorical exemption under CEQA, the Applicant, at their own cost, shall be required to hire an environmental consultant to prepare the CEQA document or provide the additional information needed to complete the environmental review.

4. Legal Business Entity Record or Pre-Application Records that are incomplete or missing required information, forms or documents shall not be eligible for further processing.

5. An Applicant whose Business Premises location is deemed ineligible under Section 104.03(a) or Article 5 of Chapter X of the LAMC shall not be permitted to amend their Pre-Application Record, but may submit a new Pre-Application Record subject to the payment of applicable fee(s) in LAMC Section 104.19.

6. Publicly available data utilized by DCR for Sensitive Uses, as defined under LAMC Section 105.01, are maintained by or on behalf of the respective responsible governmental agencies and may be found on one of the following official websites:

(i) Alcoholism or Drug Abuse Recovery or Treatment Facilities shall be identified on the official website for the California Department of Health Care Services, currently available at: <https://data.chhs.ca.gov/dataset/sud-recovery-treatment-facilities>



(ii) Day Care Centers shall be identified on the official website for the California Department of Social Services, currently available under “**Child Care Centers**” at: <https://www.ccl.d.s.s.ca.gov/carefacilitysearch/DownloadData>

(iii) Public Libraries shall be identified on the official website for the Los Angeles Public Library, currently available at: <https://data.lacity.org/Arts-Culture/Library-Branches/a4nt-4gca/data>

(iv) Public Parks shall be identified on the official website for the City of Los Angeles Geo Hub, currently available at: https://geohub.lacity.org/datasets/840b3da17e844486b3bafaae6eda87d4_0/explore

(v) Schools shall be identified on the official website for the California Department of Education, currently available at: <https://www.cde.ca.gov/SchoolDirectory/>

(vi) Permanent Supportive Housing shall be identified on the City's Open Data Portal list titled “HCIDLA Affordable Housing Projects List (2003 to Present),” currently available at: <https://data.lacity.org/Housing-and-Real-Estate/HCIDLA-Affordable-Housing-Projects-List-2003-to-Pr/mymu-zi3s/data>

(vii) Affordable and Accessible Housing Registry, used to verify on-site Supportive Services, as defined in LAMC Section 105.01, currently available at: <https://lahousing.lacity.org/AAHR/ComCon/Tab/RenderTab?tabName=Home>

C. Public Convenience or Necessity (PCN)

1. If a prospective Applicant seeks to locate a proposed Business Premises in a Community Plan Area that has reached Undue Concentration, the Applicant shall: (1) submit a Pre-Application Record that complies with the zoning and distancing requirements specified in LAMC Section 105, *et seq.*, pursuant to Section (B); and (2) request that the City Council find that approval of the Application would serve the public convenience or necessity pursuant to LAMC Section 104.03(a).

2. **Required Records.** PCN records shall include the following:

(i) Pre-Application Record;

(ii) Public Convenience or Necessity Finding Request (LIC-4001-FORM); and

(iii) Copies of the completed Stakeholder Input Request forms submitted to the following key stakeholders for the area in which the proposed Business Premises will be located: area Neighborhood Council; Los Angeles Police Department (LAPD) Division; local chamber of commerce; and at least one substance abuse intervention, prevention and treatment organization within the Community Plan Area.

D. Application

1. Within one (1) calendar year of the date DCR notifies the Applicant by electronic mail that a Pre-Application Record is eligible for further processing, an Applicant shall submit an Application record through the DCR Licensing Portal, including all information, forms and documents as described in Regulation No. 3(D)(2). A Business Premises address deemed eligible for further processing shall not be



amended or modified before a License is issued. DCR shall consider whether the Application has been subject to prior environmental review under the California Environmental Quality Act (CEQA) and, if not, what form of environmental review for the License is appropriate.

2. **Required Records.** In addition to materials submitted earlier in the application process, Application records must include:

(i) Contact information, including the name, address, phone number, and email address, and the ACA Reference Contact ID for the following Persons: all Neighborhood Liaison(s); and all optional contact types, such as consultants or attorneys. Neighborhood Liaison(s) shall have a phone number and email to receive and address complaints 24 hours a day.

(ii) The following forms: Indemnification Agreement (LIC-4005-FORM); Temporary Approval Attestation (LIC-4010-FORM), if applicable; Project Description Questionnaire (LIC-4013-FORM), unless previously submitted; and, Initial Inspection Attestation (LIC-4021-FORM), if applicable.

(iii) The following documents: Business Premises diagram; and, executed lease or property deed.

(iv) Testing Lab Applicants shall also provide proof of ISO 17025 accreditation or proof that the Applicant is in the process of applying or is preparing to apply for ISO 17025 accreditation, as well as laboratory-employee qualifications as required by the State.

(v) Tier 3 Applicants under LAMC Section 104.20 shall enter into a Social Equity Agreement with the City.

3. If an Applicant receives Temporary Approval, the Applicant shall adhere to all applicable rules and regulations as would be required if the Applicant held a non-temporary License of the same type.

E. Modifications to DCR Records

1. Although a modification record may be deemed abandoned at any time, DCR may request additional information, forms, and/or documents from the Applicant to complete the modification request and issue an invoice for applicable fees before the modification record is abandoned.

2. **Application Modifications.** The following types of modifications can be made to an Application: remove a Commercial Cannabis Activity, withdraw an Application, cancel a License, surrender a Business Premises, and add or remove record-specific contacts. If an Applicant files a modification request through the DCR Licensing Portal during Application processing, DCR shall temporarily suspend its processing of the Application until the modification request is completed or denied.

(i) Modification requests to remove a Commercial Cannabis Activity, withdraw an Application, or cancel a License shall include the following: Application Withdrawal/License Cancellation Form (LIC-4015-FORM).

(ii) Modification requests to surrender a Business Premises shall include the following: Business Premises Surrender Form (LIC-4019-FORM).



(iii) Modifications to contacts, such as the Neighborhood Liaison or Person-in-Charge, shall be made through the DCR Licensing Portal. To add a record specific contact, provide the Accela Citizen Access (ACA) Reference Contact ID and contact type.

3. **License Modifications.** In addition to the modifications listed in Regulation No. 3(E)(2), the following types of modifications can be made to a Temporary Approval, Annual License and/or Operating Permit: physical modification of Business Premises, Business Premises relocation and entity substitutions.

- (i) Physical modification of Business Premises requests shall include the following:
 - A. The following forms: Initial Inspection Attestation (LIC-4021-FORM).
 - B. The following documents: Business Premises diagram; executed lease or property deed, if applicable.
- (ii) Business Premises relocation modification request shall include the following:
 - A. The following forms: Landowner Attestation for Location Eligibility (LIC-4016-FORM); Business Premises Relocation Form (LIC-4002-MOD); Business Premises Surrender Form (LIC-4019-FROM); and Initial Inspection Attestation (LIC-4021-FORM), if applicable.
 - B. The following documents: Business Premises diagram; executed lease or property deed.
 - C. If the relocation modification request is approved after an Annual License is issued, the Licensee shall complete the Final Inspection process to receive an Operating Permit at the new Business Premises location. Licensees with an active corresponding State License may request Temporary Approval for the new Business Premises through the DCR Licensing Portal prior to completing the Final Inspection. An Initial Inspection of the Business Premises, conducted by DCR, is required prior to the issuance of Temporary Approval, subject to the payment of any required fee(s) pursuant to LAMC Section 104.19.
- (iii) Entity substitution modification requests shall include the following:
 - A. An active Legal Business Entity Record for the new Applicant entity;
 - B. The following forms: Applicant Entity Substitution Form (LIC-4006-MOD); Indemnification Agreement (LIC-4005-FORM); Project Description Questionnaire (LIC-4013-FORM), if applicable; Temporary Approval Attestation (LIC-4010-FORM), if applicable; and, Initial Inspection Attestation (LIC-4021-FORM), if applicable.
 - C. If the entity substitution request is approved after an Annual License is issued, the Licensee shall complete the Final Inspection process to receive an Operating Permit for the new Applicant entity. Licensees with an active corresponding State License may request Temporary Approval for the new Applicant entity through the DCR Licensing Portal prior to completing the Final Inspection. An Initial Inspection of the Business Premises, conducted by DCR, is required prior to the issuance of Temporary Approval, subject to the payment of any required fee(s) pursuant to LAMC Section 104.19.



D. The Licensee shall submit an Application Withdrawal - License Cancellation form (LIC-4015-FORM) and provide evidence of good-standing with the City's Office of Finance prior to DCR issuing an Annual License or Temporary Approval to the new Applicant entity.

E. The Business Premises location remains compliant with the requirements of LAMC Section 105.02 unless a Business Premises relocation request is subsequently submitted for the new Applicant entity.

4. **Legal Business Entity Record Modifications.** The following types of modifications can be made to a Legal Business Entity Record: Ownership structure modifications, removal of Owner(s), Primary Personnel changes, adding or updating Equity Share documents, legal business entity name changes, and fictitious business name (DBA) changes. In addition to the requirements listed in LAMC 104.03(c)(3)(i), the following documents shall be provided:

(i) Ownership structure modification requests shall include the following:

A. The following forms: Ownership Structure Form (LIC-4004-MOD); Removal of Owner(s) Form (LIC-4005-MOD), if applicable; Removal of Owner(s) Form (LIC-4005-MOD), if applicable; Financial Information Form, if applicable; Primary Personnel and Owner Attestation (LIC-4004-FORM), if applicable; Indemnification Agreement (LIC-4005-FORM), if applicable; Legal Business Entity Record Disclosure Form (LIC-4008-FORM); and Social Equity Program - Owner Compliance Attestation (SEP-6001-FORM), if applicable.

B. The following documents: business records evidencing compliance with the Equity Share requirements in LAMC Section 104.20, if applicable; business formation and organization documents, if applicable, which may include articles of incorporation, bylaws, operating agreements, partnership agreements, and fictitious business name statements; and all documents filed with the State of California Secretary of State reflecting the amendment, which may include, but are not limited to, articles of incorporation, certificates of stock, articles of organization, certificates of limited partnership, and statements of partnership authority.

(ii) Removal of Owner(s) modification requests shall include the following:

A. The following forms: Removal of Owner(s) Form (LIC-4005-MOD); Financial Information Form, if applicable; Primary Personnel and Owner Attestation (LIC-4004-FORM), if applicable; Indemnification Agreement (LIC-4005-FORM), if applicable; Legal Business Entity Record Disclosure Form (LIC-4008-FORM); and Social Equity Program - Owner Compliance Attestation (SEP-6001-FORM), if applicable.

B. The following documents: business records evidencing compliance with the Equity Share requirements in LAMC Section 104.20, if applicable; business formation and organization documents, if applicable, which may include articles of incorporation, bylaws, operating agreements, partnership agreements, and fictitious business name statements. All documents filed with the State of California Secretary of State reflecting the amendment, which may include, but are not limited to articles of incorporation, certificates of stock, articles of organization, certificates of limited partnership, and statements of partnership authority.

(iii) Primary Personnel modification requests shall include the following:



A. The following forms: Primary Personnel and Owner Attestation (LIC-4004-FORM), if applicable; Indemnification Agreement (LIC-4005-FORM), if applicable; and Legal Business Entity Record Disclosure Form (LIC-4008-FORM);

B. The following documents: business records evidencing compliance with the Equity Share requirements in LAMC Section 104.20, if applicable; business formation and organization documents, which may include articles of incorporation, bylaws, operating agreements, partnership agreements, and fictitious business name statements. All documents filed with the State of California Secretary of State reflecting the amendment, which may include, but are not limited to articles of incorporation, certificates of stock, articles of organization, certificates of limited partnership, and statements of partnership authority.

(iv) Equity Share modification requests shall include the following:

A. The following forms: Financial Information Form, if applicable; Legal Business Entity Record Disclosure Form (LIC-4008-FORM), if applicable; and, Social Equity Program - Owner Compliance Attestation (SEP-6001-FORM), if applicable.

B. The following documents: business records evidencing compliance with the Equity Share requirements in LAMC Section 104.20, if applicable; business formation and organization documents, which may include articles of incorporation, bylaws, operating agreements, partnership agreements, and fictitious business name statements. The Applicant shall also provide all documents filed with the State of California Secretary of State, which may include, but are not limited to articles of incorporation, certificates of stock, articles of organization, certificates of limited partnership, and statements of partnership authority.

(v) Legal business entity name and fictitious business name (DBA) modification requests shall include the following:

A. The following documents: All documents filed with the State of California reflecting the amendment, which may include, but are not limited to California Secretary of State filings, articles of incorporation, certificates of stock, articles of organization, certificates of limited partnership, and statements of partnership authority. Legal name change modification records shall include all information, forms and/or documents required to demonstrate the Applicant's legal name has been updated with the California Secretary of State and/or met all filing requirements for a Fictitious Business Name Statement with the Los Angeles County Registrar-Recorder/County Clerk.



Regulation No. 4. Inspections.

A. General

1. An Applicant or Licensee's Business Premises shall be subject to inspection, investigation, or audit at any time without notice. An Applicant or Licensee shall allow DCR access to a proposed or licensed Business Premises for any of the following purposes:

- (i) To verify compliance with the LAMC and/or Rules and Regulations;
- (ii) To audit or inspect records; or
- (iii) To conduct an inspection or investigation in response to a complaint received by DCR regarding the Applicant, Licensee, or Business Premises.

2. DCR shall, in its sole discretion, decide whether the inspection shall be in-person or virtual. Prior to a virtual inspection, an Applicant or Licensee shall verify that the following technology requirements are met: access to a mobile device (i.e., iPhone, iPad, Android Phone); wireless internet (wifi) or a strong 4G or 5G signal throughout the entire Business Premises; the ability to download the Google Meet app on the mobile device; and the ability to access the security system to perform video playback.

3. Applicants shall schedule inspections through the DCR Licensing Portal or request inspections by email to DCRLicensing@lacity.org for an Initial Inspection and DCRCompliance@lacity.org for a Final Inspection.

4. DCR may record the inspection, investigation, or audit.

5. All inspections, investigations and audits of the Business Premises shall be conducted during regular business hours, during times of apparent or alleged activity, or as otherwise agreed to between DCR and the Applicant or Licensee.

6. Applicants and Licensees shall grant DCR employees and/or representatives from other government agencies unrestricted access to the Business Premises to conduct inspections. No Licensee, agent of the Licensee, or employees shall interfere with, obstruct or impede DCR's inspection, investigation or audit, including, but not limited to, the following actions: denying the DCR access to the Business Premises; providing false or misleading statements; providing false, falsified, fraudulent or misleading documents and records; and/or failing to provide records, reports, and other supporting documents.

7. Any act, omission, or failure of an agent, officer, or other Person acting for or employed by an Applicant or Licensee, within the scope of his or her employment or office, shall in every case be deemed the act, omission, or failure of the Applicant or Licensee.

8. DCR may require that the Applicant or Licensee update or correct the Business Premises diagram submitted with the application by issuing Business Premises Diagram Correction Sheet (CED-3005-CS). DCR may issue an invoice for applicable fees under LAMC Section 104.19.



B. Initial Inspection

1. Initial Inspections shall be requested through the DCR Licensing Portal or by email to DCRLicensing@lacity.org with the subject line *"Request for Initial Inspection - [DCR Record Number]."* An Initial Inspection shall not be requested until the application record in the DCR Licensing Portal has a status of "Request Inspection" or the Applicant receives an Initial Inspection notification via email from DCR. The Applicant shall follow the Initial Inspection procedure outlined in the Temporary Approval Information and Procedure Bulletin.

2. The Applicant shall complete and submit the Initial Inspection Attestation Form (LIC-4021-FORM) to DCR to confirm that the Business Premises is ready for an Initial Inspection.

3. At a minimum, the Initial Inspection shall include an inspection of the following requirements:

(i) All entry points to the Business Premises comport with the most recent Business Premises diagram on file with DCR.

(ii) The property and all associated parking under the control of the Applicant or Licensee and any adjacent sidewalk or alley is well maintained and kept free of obstruction, trash, litter and debris.

(iii) Limited-access areas are securely locked utilizing commercial-grade, nonresidential door locks, including points of entry and exit to the Business Premises.

(iv) There is a functioning alarm system which is permitted by the Los Angeles Police Department, and alarm information is provided upon request if not displayed.

(v) The Business Premises has a digital video surveillance system with a minimum camera resolution of 1280 × 720 pixels with each camera permanently mounted and in a fixed location.

A. Video surveillance cameras that record 24 hours per day. The storage device for the recordings is secured in a manner to prevent tampering or theft. Surveillance recordings are kept for a minimum of 90 days.

B. All entrances and exits to the Business Premises are recorded by the video surveillance system from both the indoor and outdoor vantage points.

C. All limited access areas, including security rooms, areas of storage, etc., are recorded by the video surveillance system from both interior and exterior.

D. If applicable, point-of-sale areas and areas where cannabis goods are displayed for sale are recorded by the video surveillance system.

(vi) For businesses with retail sales, there is an electronic age verification device to determine the age of any Person attempting to purchase cannabis goods.

(vii) No portion of the Business Premises shall be sublet without written approval from DCR.



(viii) A records retention system and a track and trace system are in place.

(ix) Procedures are in place to notify DCR within 24 hours of any of the following: inventory discrepancy; suspicion of theft or other loss; suspicion of change or alteration of records; and suspicion of any breach in security.

C. Final Inspection

1. Final inspections shall be requested through the DCR Licensing Portal or by email to DCRCompliance@lacity.org with the subject line "*Request for Final Inspection - [DCR Record Number]*." A Final Inspection shall not be requested until the application record in the DCR Licensing Portal has a status of "Request Inspection" or the Licensee receives a Final Inspection notification via email from DCR. A Licensee is not eligible for a Final Inspection until the Licensee has an Annual License(s), Certificate of Occupancy for the licensed activity(ies), Los Angeles County Department of Public Health permit(s), and corresponding State annual license(s).

2. At a minimum, the Final Inspection shall include an inspection of the same requirements as the Initial Inspection listed in Regulation No. 4(B)(3).

D. Annual Compliance Inspections

1. A Licensee's Business Premises shall be subject to one or more unannounced annual compliance inspections and may include a review of any books, track and trace transactions, records, accounts, inventory, or on-site operations specific to the Business Premises. Inspections, investigations or audits may be conducted by employees or agents of the following agencies: DCR, Los Angeles Department of Building and Safety, Los Angeles Police Department, Los Angeles Fire Department, the Los Angeles Office of Finance, Los Angeles Sanitation and Environment Industrial Waste Management Division, and/or Los Angeles County Department of Health, or any combination thereof.

2. All annual compliance inspections and, if applicable, follow-up compliance inspections shall be charged to the Applicant or Licensee at full cost recovery.



Regulation No. 5. Operational Requirements and Violations

A. General - All Commercial Cannabis Activities

In addition to the requirements set forth in Article 4 of Chapter X of the LAMC, all Licensees must adhere to the requirements listed below. The indicated characterizations of violations, if any, are suggestions only and may vary depending on the circumstances of the violation. DCR may issue a separate violation for each subsection or subdivision.

1. Responsible Management.

(i) **Licenses Required.** Every Applicant shall obtain a License from the DCR and from the State for each Commercial Cannabis Activity and Business Premises location where it engages in Commercial Cannabis Activity. (Violation Type – Severe)

(ii) **Transacting Only with Other Licensees.** A Licensee shall only transact or engage in Commercial Cannabis Activity with a Person who possesses a local License and a State license for the relevant Commercial Cannabis Activity. (Violation Type – Severe)

(iii) **Cooperation.** Applicants and Licensees shall fully cooperate with inspections, investigations, or audits. Applicants and Licensees shall provide immediate and full access to the Business Premises and any information, surveillance recordings, or other data to the City upon request and in the form, manner, and time requested. (Violation Type – Moderate)

(iv) **DCR Access to Business Premises.** Agents or employees of DCR with City identification requesting entry to the Business Premises shall be given unrestricted and full access during regular business hours. (Violation Type – Minor)

(v) **Cannabis Testing.** A Licensee shall have all Cannabis and cannabis goods tested as required by the State, and adhere to the State's requirements concerning sampling, chain of custody, and labeling. (Violation Type – Severe)

(vi) **Use of Business Name or Legal Entity Name.** A Licensee shall use the name of the licensed business entity and/or Business Premises location, whichever is applicable, for the submission of all other permits, certificates, or documents issued by the City of Los Angeles. In addition, Applicants and/or Licensees shall use the same business entity name and Business Premises location when applying to the State for corresponding Commercial Cannabis Activity licenses. (Violation Type – Low)

(vii) **Operational Status.** Licensees shall notify DCR of the licensed business' initial start date of Commercial Cannabis Activity within 30 days of that start date by completing the required Licensee Attestation: Operational Requirements and Violations (ENF-3003-FORM). (Violation Type – Low)

(viii) **Use of DBA.** A Licensee shall submit all information concerning the use of a fictitious business name or a "Doing Business As" name (DBA), if any, to DCR. The Licensee must submit a modification request to record or change a DBA within ten (10) days of the change. (Violation Type – Low)



(ix) **Violations of State Cannabis Law.** A Licensee shall comply with all State regulations concerning Commercial Cannabis Activity. DCR may cite violations of the State's regulations not specifically listed herein. (Violation Type – Moderate)

(x) **Compliance with Notices to Correct and/or Notices of Violation.** DCR may issue a Notice to Correct or Notice of Violation at any time. A Licensee shall comply with all Notices to Correct, Notices of Violation, Notices of Suspension, stipulated agreements or administrative holds issued by DCR. DCR may issue a new Notice of Violation for the failure to timely correct violations cited by an earlier Notice to Correct, Notice of Violation, Notice of Suspension, violations of a stipulated agreement, and/or the failure to timely pay any associated administrative penalties or fines. A Notice of Violation that is issued for failure to timely correct prior violations, adhere to a stipulated agreement, and/or pay administrative penalties or fees from an earlier Notice of Violation shall be the next violation type, e.g., if the first violation was Minor, the second shall be Moderate. DCR may issue a Notice of Violation for failure to comply with a Notice to Correct. (Violation Type – Varies)

(xi) **Advertising.** Licensees shall market or advertise only the Commercial Cannabis Activity(ies) for which the Licensee possesses a License or Temporary Approval. Licensees shall not make deceptive, false or misleading statements on any advertisement, website, product, sign, or any document provided to a customer. (Violation Type – Moderate)

(xii) **Inverted, Diverted or Stolen Product.** A Licensee shall not possess, sell or make use of any Cannabis or cannabis goods that are not or cannot be identified in the State's track and trace system. A Licensee shall not divert Cannabis or cannabis goods to an Unlawful Establishment, or sell, cultivate, distribute, or manufacture unlicensed or stolen Cannabis or cannabis goods. (Violation Type – Severe)

(xiii) **Catch-all.** A Licensee, its employees, agents and officers must obey all applicable commercial cannabis laws of the City of Los Angeles, the State of California, and any other relevant agencies. DCR may issue a Notice to Correct, Notice of Violation, Notice of Suspension, Notice of Revocation and/or Administrative Hold, including penalties and fines, against a Licensee for any acts or omissions that are in violation of any provision of the Los Angeles Municipal Code or these regulations, or any other California laws applicable to cannabis licensees. (Violation Type – Moderate)

2. **Responsible Management of the Business Premises**

(i) **Display of License.** A Licensee shall prominently display any License, State license, BTRC, Emblem Placard (Storefront Retailers only), designated Neighborhood Liaison, including the phone number and email address to receive complaints, and emergency contact information on the licensed Business Premises where it can be viewed by state and local agencies. If the licensed Business Premises is open to the public, the aforementioned documents shall be displayed in the front window of the business in an area that is within plain sight of the public from the exterior of the building. (Violation Type – Low)

(ii) **Identification of Employees.** All agents, officers, or other Persons acting for or employed by a Licensee shall display an identification badge at all times while conducting business operations. The identification badge shall include: the Licensee's business entity name or DBA, DCR core record number, the employee's first name, an employee number exclusively assigned to that employee for identification purposes, and a color photograph of the employee that clearly shows the full front of the employee's face and that is at least 1 inch in width and 1.5 inches in height. (Violation Type – Low)



(iii) **Employee Age.** All employees of the Licensee at the Business Premises shall be at least 21 years of age. (Violation Type – Moderate)

(iv) **Conduct at the Business Premises.** A Licensee shall be responsible for monitoring employees and all third-party (e.g., customers, vendors, subcontractors) conduct at their Business Premises, and other areas that customers or employees frequent, including parking areas. Employee and third party conduct at the Business Premises shall not adversely affect or detract from the quality of life for nearby residents, property owners, and businesses. A Licensee shall discourage illegal activity, criminal conduct, nuisance activity and loitering on the Business Premises. (Violation Type – Minor)

(v) **Graffiti.** All graffiti, as referenced in LAMC Section 49.84.3, shall be removed or painted over to match the color of the surface within 72 hours of its occurrence. (Violation Type – Low)

(vi) **Trash Pick-up.** 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)

(vii) **Business Premises Diagram.** The Business Premises Diagram shall match the actual premises, including but not limited to the location of security cameras, room/area identification, location of employee storage lockers, Limited-Access areas, loading areas and surveillance recording equipment room. The diagram shall also include all ancillary and incidental portions of the premises, such as employee break rooms, storage rooms, parking lots, and all other portions of the premises even if Cannabis or cannabis goods are not present. (Violation Type – Low)

3. **Unauthorized Modifications**

(i) **No Physical Changes without Approval.** Licensees shall not make physical modifications to a Business Premises, including, but not limited to any expansions or reconfigurations of the internal layout, without written approval from DCR. (Violation Type – Moderate)

(ii) **No Changes to Ownership Structure or Licensed Entity Without Approval.** Licensees shall not make changes to the licensed entity's ownership structure, or change the entity conducting Commercial Cannabis Activity, without written approval from DCR. (Violation Type – Moderate)

(iii) **No Relocation without Approval.** Licensees shall not relocate a Business Premises or a Commercial Cannabis Activity without written approval from DCR. (Violation Type – Major)

(iv) **No Activity Modifications without Approval.** A Licensee shall request approval for any change to the licensed Commercial Cannabis Activity type, including the removal, cancellation, or expansion of the activity. (Violation Type – Major)

4. **Security Measures**

(i) **Surveillance System and Camera Location.** Each licensed Business Premises shall be equipped with a digital video surveillance system with a minimum camera resolution of



1280 × 720 pixels. The video surveillance system shall at all times be able to effectively and clearly record images of the area under surveillance. (Violation Type – Moderate)

A. **Camera Location.** Cameras shall be permanently mounted and in a fixed location without obstructions. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the Business Premises and allows for the clear and certain identification of any person and activities required to be recorded under these regulations. (Violation Type – Moderate)

(a) Cameras shall provide surveillance in areas where cannabis goods are weighed, packed, stored, loaded and unloaded for transportation, prepared, or moved within the Business Premises;

(b) Cameras shall provide surveillance in Limited-Access Areas;

(c) Cameras shall provide surveillance in security rooms;

(d) Cameras shall provide surveillance in areas storing a surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area; and

(e) Cameras shall provide surveillance in entrances and exits to the Business Premises, which shall be recorded from both indoor and outdoor vantage points

(f) Retailers shall record point-of-sale areas and areas where Cannabis and cannabis goods are displayed for sale on the video surveillance system. At each point of sale location, camera placement must allow for the recording of the facial features of any Person purchasing and selling Cannabis or cannabis goods, and any Person in the retail area with sufficient clarity to determine their identity.

B. **Surveillance System Recording and Storage.**

(a) Cameras shall record continuously, 24 hours per day and at a minimum of 15 frames per second (FPS).

(b) The physical media or storage device on which surveillance recordings are stored shall be secured in a manner to protect against tampering or theft.

(c) Surveillance recordings shall be kept for a minimum of 90 calendar days.

(d) Recorded images shall clearly and accurately display the time and date. Time is to be measured in seconds, minutes and hours using Pacific Standard Time. The displayed date and time shall not cover the view of the recorded images in a manner that prevents the identification of any individual or activity in the captured image.

(e) The surveillance system shall 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.



C. **Surveillance System Inspection.** Surveillance recordings are subject to inspection by DCR and shall be maintained in a manner that allows the DCR to view and obtain copies of the recordings at the Business Premises immediately upon request. The Licensee shall also send or provide copies of the recordings to the DCR upon request within the time specified.

(ii) **Access Requirements.**

A. Licensees shall prevent access to the Business Premises by unauthorized persons and protect the physical safety of the public and employees. Individuals shall be at least 21 years of age to access any Limited-Access Area portion of the Business Premises. (Violation Type – Low)

(a) Licensees shall establish physical barriers to secure perimeter access and all points of entry into the Business Premises, such as locking primary entrances with commercial-grade, non-residential door locks, providing fencing around the grounds and driveway, and securing any secondary entrances including windows, roofs, and ventilation systems.

(b) Licensees shall install a security alarm system to notify and record incident(s) where physical barriers have been breached.

(c) Licensees shall implement an identification and sign-in/sign-out procedure for all non-employees entering the Business Premises. The sign-in/sign-out log shall include the name of the individual, the company the individual works for, the reason the individual entered the Business Premises, the date and time the individual entered and exited the Business Premises. These records shall be made available to DCR immediately upon request and shall be maintained for a minimum of three years.

(d) Licensees' employees shall escort any individual that enters the Business Premises who is not employed by the Licensee at all times while within the Business Premises.

(e) Licensees shall maintain the Business Premises such that visibility and security monitoring of the premises is possible.

(f) Licensees shall establish procedures for the investigation of suspicious activities.

(iii) **Alarm System.** A Licensee shall maintain an alarm system at the Business Premises. A Licensee shall ensure a licensed alarm company operator or one of its registered alarm agents installs, maintains, monitors, and responds to the alarm system. Upon request, a Licensee shall make available to the DCR all information related to the alarm system, monitoring, and alarm activity. A Licensee must apply for, and maintain in good standing, an Alarm System Permit issued pursuant to LAMC Section 103.206. (Violation Type – Moderate)

(iv) **Locks.** A Licensee shall ensure Limited-Access areas can be securely locked using commercial-grade, nonresidential door locks. A Licensee shall also use commercial-grade, nonresidential door locks on all points of entry and exit to the Business Premises. (Violation Type – Moderate)

(v) **Theft or Loss.** The Licensee shall establish procedures to deter and report theft or loss of Cannabis and cannabis goods. (Violation Type – Moderate)



A. The Licensee shall establish an inventory system to track Cannabis and cannabis goods and assign personnel responsible for processing it throughout the cultivation, manufacturing, distribution, delivery, transport and/or retail sales processes;

B. The Licensee shall limit access of personnel within the premises to those areas necessary to complete job duties, and to those time frames specifically scheduled for completion of job duties, including access by outside vendors, suppliers, contractors or other individuals conducting business with the licensee that requires access to the premises;

C. The Licensee shall supervise tasks or processes with high potential for diversion, including the loading and unloading of Cannabis and cannabis goods from transportation vehicles;

D. The Licensee shall provide areas in which personnel may store and access personal items that are separate from areas with high potential for diversion.

E. The Licensee shall secure and back up electronic records in a manner that prevents unauthorized access and ensures that the integrity of the records is maintained.

5. **Business Premises Equipment**

(i) **Ventilation/Exhaust Systems.** A Business Premises shall be properly ventilated and the exhaust air filtered to neutralize the odor from cannabis so that it cannot be detected on the exterior of Business Premises. Operable windows or vents shall not abut a residential use or zone and shall direct exhaust away from residential areas. (Violation Type – Moderate)

(ii) **Exterior Lights.** Outdoor lights used for safety or security purposes shall be shielded and downward facing. All exterior portions of the Business Premises shall be adequately illuminated beginning at dusk so as to make discernible the faces and clothing of persons utilizing the space during evening hours. (Violation Type – Minor)

6. **Prohibited Activities.**

(i) **Subletting.** A Licensee shall not sublet any portion of the identified Business Premises without written approval from DCR. (Violation Type – Low)

(ii) **Physician's Recommendations Onsite.** No recommendations or approvals by a physician to use medical Cannabis or medical cannabis goods shall be issued at any Business Premises. (Violation Type – Low)

(iii) **Consumption of Cannabis on the Business Premises.** A Licensee shall not allow the consumption of Cannabis or cannabis goods on the Business Premises. (Violation Type – Low)

(iv) **Consumption or Sales of Alcohol and Tobacco.** There shall be no consumption or sales of alcohol and tobacco on the Business Premises. (Violation Type – Low)

(v) **Loitering.** Loitering is prohibited on and around the Business Premises and



the area under control of the Licensee. (Violation Type – Low)

(vi) **Temporary or Special Off-Site Events.** Applicants and Licensees shall not participate in an unlicensed/unpermitted special or temporary event. A temporary or special event shall include, but not be limited to, a pop-up cannabis event, 4/20 event, cannabis farmer's market, or any other temporary or special event that is not on the Business Premises. (Violation Type – Minor)

(vii) **Product Samples.** A Licensee shall not provide free samples or trade samples of Cannabis or cannabis goods to any Individual, except that trade samples may be provided to their own employees or other Licensees for product education in accordance with California Code of Regulations, title 4, sections 15041.2 to 15041.7. (Violation Type – Minor)

7. **Required Notifications**

(i) **Notification of Convictions, Judgments and Revocations.** A Licensee or Applicant shall notify DCR in writing of any criminal conviction entered against the Licensee or Applicant, any Owner of the Licensee or Applicant, any Primary Personnel of the Licensee or Applicant, or Management Company of the Licensee or Applicant, by electronic mail within 48 hours of the entry of the conviction. A Licensee or Applicant shall notify DCR in writing of any judgment or civil penalty entered against the Licensee or Applicant, any Owner of the Licensee or Applicant, any Primary Personnel of the Licensee or Applicant, or Management Company of the Licensee or Applicant, by electronic mail within 48 hours of the date of service of the verdict or the notice of entry of judgment, whichever is sooner. Additionally, a Licensee or Applicant shall provide written notice to DCR of the revocation or suspension of any State license, or other permit, clearance or authorization from any public agency within 48 hours of such revocation or suspension. (Violation Type – Low)

(ii) **Notification of Irregularities and Criminal Activity.** A Licensee, Owner, or Primary Personnel shall notify DCR within 24 hours of discovery of any of the following situations: a significant discrepancy in its inventory; suspected or actual diversion, theft, loss, or any other criminal activity pertaining to the operation of the Licensee's business; suspected or actual diversion, theft, loss, or any other criminal activity by an agent or employee pertaining to the operation of the Licensee's business; the loss or unauthorized alteration of records related to Cannabis, cannabis goods, registered medical cannabis patients or primary caregivers, or employees or agents; and any other breach of security. (Violation Type – Minor)

8. **Public Health Permit and Certificate of Occupancy.** Prior to obtaining an Operating Permit, Licensees shall submit evidence to DCR that they possess both an active Public Health Permit from the Los Angeles County Department of Public Health (Public Health Permit) for each Commercial Cannabis Activity and a Certificate of Occupancy from the City of Los Angeles Department of Building and Safety (LADBS), as well as any other necessary permits, clearances, licenses, or other authorizations required by law from the City, State or other public agencies.

(i) No later than September 1, 2026, all Licensees must have a Public Health Permit. No later than September 1, 2029, all Licensees must have a Certificate of Occupancy for all cannabis-related activities. To obtain a Public Health Permit, a Licensee shall first submit plans for review to LADBS that include all Commercial Cannabis Activities and accessory uses. The Licensee shall obtain all the necessary permits, clearances, licenses, or other authorizations from each of the agencies as directed by LADBS. The plan review process may require clearances or inspections from other City agencies, including, but not limited to, the Los Angeles Fire Department, Bureau of Sanitation, Department of Water and Power, Bureau of Engineering, and



the Los Angeles County Department of Public Health.

A. During **the renewal cycle beginning in September 2025**, Applicants and Licensees shall submit LIC-4025-FORM (Licensee Attestation: Public Health, Building & Operating Permits) attesting that they understand and acknowledge the requirement to submit plans for plan check with LADBS for the Commercial Cannabis Activities identified in the Application or License, or for activities that most closely resemble the Commercial Cannabis Activities as determined by LADBS, and obtain a Public Health Permit and all other clearances required by the LADBS Clearance Summary Worksheet by September 1, 2026. Failure to submit LIC-4025-FORM may result in the denial of a renewal application and/or the issuance of a NOV and/or a NOS. (Violation Type – Low)

B. During **the renewal cycle beginning in September 2026**, Applicants and Licensees shall submit: (1) LIC-4025-FORM; (2) an attestation that they have retained a California licensed engineer or architect listed on the California Department of Consumer Affairs (DCA) website and that individual's name and license number; or a building permit application number issued by LADBS. Failure to submit LIC-4025-FORM and/or the required information may result in the denial of the license renewal and/or the issuance of a NOV and/or a NOS. (Violation Type – Minor)

C. During **the renewal cycle beginning in September 2027**, Applicants and Licensees shall submit: (1) LIC-4025-FORM; (2) the building permit application number for the Commercial Cannabis Activities identified in the Application or License subject to renewal; **and** (3) the Clearance Summary Worksheet for the LADBS building permit application. Failure to submit LIC-4025-FORM and/or the required information or documents may result in the denial of the license renewal and/or the issuance of a NOV and/or a NOS. (Violation Type – Minor)

D. During **the renewal cycle beginning in September 2028**, Applicants and Licensees shall submit: (1) LIC-4025-FORM; (2) an active Public Health Permit issued by Los Angeles County Department of Public Health; **and** (3) the building permit issued by LADBS that allows the use or uses that most closely resembles the Commercial Cannabis Activities identified in the Application or License subject to renewal. Failure to submit LIC-4025-FORM and/or the required information or documents may result in the denial of the license renewal and/or the issuance of a NOV and/or a NOS. (Violation Type – Minor)

E. During **the renewal cycle beginning in September 2029**, Applicants and Licensees shall submit: (1) LIC-4025-FORM; (2) the Certificate of Occupancy issued by LADBS for the use or uses that most closely resembles the Commercial Cannabis Activities identified in the Application or License subject to renewal, or a final field inspection card if LADBS determines the issuance of an updated Certificate of Occupancy is not required. Failure to submit LIC-4025-FORM and/or the required information or documents may result in the denial of the license renewal and/or the issuance of a NOV and/or a NOS. (Violation Type – Moderate)

9. **Operating Permit.** On or before **January 1, 2031**, Licensees shall obtain an Operating Permit from DCR by: (1) passing a Final Inspection or 2030 annual compliance inspection at the Business Premises; and (2) submitting to the DCR Licensing Portal a Certificate of Occupancy issued by LADBS for the Commercial Cannabis Activities identified in the Application or License, or for a use or uses that most closely resembles the Commercial Cannabis Activities identified in the Application or License, as determined by the Los Angeles Department of Building and Safety and an active Public Health Permit.



After January 1, 2031, an Annual Licensee shall not conduct any Commercial Cannabis Activity until the Licensee obtains an Operating Permit from DCR. (Violation Type – Severe)

10. **Product Inventory Sales and Track and Trace.** A Licensee shall maintain an accurate record of its inventory and every sale as required by the State. Licensees shall meet all track and trace system requirements of the State at all times. (Violation Type – Severe)

B. Records - All Commercial Cannabis Activities

1. **Record Retention.**

(i) **Maintenance.** Each Licensee shall maintain the following records for at least seven years:

A. **Financial records.** The Licensee shall maintain financial records for a minimum of seven years, including but not limited to bank statements, sales invoices, receipts, tax records, and all records required by the California State Board of Equalization, other State of California agencies, the Office of Finance, or DCR. (Violation Type – Low)

B. **Personnel records.** The Licensee shall maintain personnel records for a minimum of seven years, including each employee's full name, Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN), date of hire, and date of termination, if applicable. (Violation Type – Low)

C. **Training records.** The Licensee shall maintain training records for a minimum of seven years, including but not limited to the date and content of the training provided, the names of the persons who administered the training, and the names of the employees who received the training. (Violation Type – Low)

D. **Contracts.** The Licensee shall maintain contracts with other Licensees for a minimum of seven years. (Violation Type – Low)

2. **Audits.** Applicants and Licensees shall comply with any written request from DCR, City of Los Angeles Department of Building and Safety, City of Los Angeles Police Department, City of Los Angeles Fire Department, the City of Los Angeles Office of Finance, Los Angeles County Department of Health, and/or other government agencies to examine the books and records of any Applicant or Licensee. Records shall be maintained in a manner that allows them to be viewed in either hard copy or in electronic form. An Applicant or Licensee may contract with a third party to provide custodial or management services of the records; however, such a contract shall not relieve the Applicant or Licensee of their responsibilities under these regulations. (Violation Type – Moderate)

C. Storefront Retailer Commercial Cannabis Activity

1. **Age Requirement and Verification Device.** An electronic age verification device shall be purchased and retained on the Business Premises, and must be used to determine the age of any Individual attempting to access the Business Premises and purchase Cannabis or cannabis goods. Cannabis and cannabis goods shall not be sold to the public without a functioning electronic age verification device. Except as otherwise provided by State law, access to the Business Premises and sales of Cannabis and cannabis goods shall be limited to Individuals who are at least 21 years old. An Individual younger than 21 years of age may enter the Business Premises to purchase medical Cannabis or cannabis goods only if the Individual is a medical cannabis patient. Any medical cannabis patient



younger than 18 years old shall be accompanied by their parent, legal guardian, or primary caregiver. Section 15404. (Violation Type – Major)

2. **Monitor Retail Area.** The Licensee or its employees shall be physically present at all times when non-employees are in the retail area. (Violation Type – Low)

3. **Business Hours.** A Licensee conducting Storefront Retailer Commercial Cannabis Activity may only sell Cannabis and cannabis goods between the hours of 6:00 a.m. and 10:00 p.m. Pacific Time. All patrons shall exit the Business Premises no later than 15 minutes after closing. (Violation Type – Low)

4. **Display and Sales of Cannabis and Cannabis Goods.** The display of cannabis and cannabis goods shall comply with the following (Violation Type - Low):

(i) Cannabis and cannabis goods shall only be displayed in the retail area of the Business Premises.

(ii) Cannabis and cannabis goods may be removed from their packaging and placed in containers to allow for customer inspection. The containers shall not be readily accessible to customers without the assistance of the Licensee's personnel. A container must be provided to the customer by the retailer who shall remain with the customer at all times.

(iii) Cannabis and cannabis goods removed from their packaging for display shall not be sold or consumed, and when no longer used for display shall be destroyed pursuant to State requirements.

(iv) Cannabis goods that have been purchased by a customer may be delivered to the customer in a vehicle parked immediately outside of the Business Premises (curbside delivery) and shall occur under video surveillance in accordance with the requirements of Regulation No. 5(A)(4), and with age verification in accordance with the requirements of Regulation 5(C)(1).

5. **Security Personnel.** All Licensees with onsite retail sales shall hire or contract security personnel licensed by and in good standing with the Bureau of Security and Investigative Services to provide security services for the Business Premises during operating hours. Security personnel shall be at least 21 years of age. (Violation Type – Moderate)



6. **Cannabis Sales.** A Licensee shall not sell more than the established maximum daily limit for medical Cannabis and cannabis goods, including edibles, or adult use Cannabis and cannabis goods, including edibles per Individual, as required by the State. (Violation Type – Low)

7. **Product Packaging.** Cannabis and cannabis goods purchased by a customer shall not leave the Business Premises unless they are placed in an exit package as required by the State. (Violation Type – Low)

8. **Business Premises Access.** All doors not intended for customer access shall be kept closed at all times other than to permit access for deliveries and trash removal. Exterior doors shall be solid and not consist of a screen or ventilated security door. (Violation Type – Low)

9. **Prohibited Activities.** The following activities are prohibited on the Business Premises:

(i) **Drive Through or Walk Up Windows.** There shall be no sales through drive through windows or walk-up windows. (Violation Type – Low)

(ii) **Adult Entertainment.** There shall be no adult entertainment of any type, as defined in LAMC Section 12.70. (Violation Type – Low)

(iii) **Entertainment.** Any music, sound, or noise emitted from the Business Premises shall comply with the noise regulations of the LAMC. (Violation Type – Low)

(iv) **Games.** There shall be no pool or billiard tables, dart games, video games, coin operated game machines or similar game devices maintained upon the Business Premises. (Violation Type – Low)

(v) **Loitering.** Loitering is prohibited on and around the Business Premises and the area under control of the Licensee. “No Loitering, Public Drinking, or Public Smoking/ Consumption of Cannabis” signs shall be clearly posted inside and outside of the Business Premises. (Violation Type – Low)

10. **Emblem Placard.** A Licensee shall obtain and post an Emblem Placard as required under LAMC Section 104.23. A Licensee shall protect an Emblem Placard from damage, theft or tampering. A Licensee shall inform the Los Angeles County Department of Public Health within 24 hours of when an Emblem Placard is damaged, stolen, or otherwise lost. (Violation Type – Moderate)

11. **Customer Code of Conduct.** Licensees shall develop and implement a written code of conduct for customers. The Licensee shall post the code of conduct in a visible and public area on the Business Premises. The code of conduct shall include at minimum, prohibitions against loitering, littering, abusive or offensive behavior, and encourage mindfulness of the surrounding neighbors. (Violation Type – Low)

D. Non-Storefront Retail (Type 9) Commercial Cannabis Activity

1. **Delivery Employees.** All deliveries of Cannabis and cannabis goods must be performed by an employee of a Licensee. Each delivery employee shall be at least 21 years of age. Only authorized employees shall be in the delivery vehicle during the time of delivery. Delivery employees shall display an identification badge at all times while conducting delivery business operations. The identification badge shall include: the Licensee’s business entity name or DBA, DCR record number, the employee’s name, an employee number exclusively assigned to that employee for identification purposes, and a color



photograph of the employee that clearly shows the full front of the employee's face and is at least 1 inch in width and 1.5 inches in height. (Violation Type – Low)

2. **Delivery Requirements.** All deliveries of Cannabis and cannabis goods shall be made in person. A delivery of Cannabis and/or cannabis goods shall not be made through the use of an unmanned vehicle or device. Any vehicle used for delivery of Cannabis and cannabis goods must not contain any external markings, words, or symbols that indicate the vehicle is used for delivery of Cannabis or cannabis goods or that the vehicle is used, owned or leased by a cannabis licensee. (Violation Type – Low)

3. **Delivery Orders.** 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 Type – Low)

4. **Delivery Request Receipt.** Licensees shall comply with the requirements of Cal. Code Regs., tit. 4, § 15420, or as may be amended, for delivery request receipts. (Violation Type – Low)

5. **Age Verification.** An electronic age verification device shall be utilized to determine the age of any Individual attempting to purchase Cannabis or cannabis goods for delivery and shall be required at the point-of-sale(s) and at the point of delivery. All employees shall be instructed in its use. Cannabis and cannabis goods shall not be sold without age verification by an electronic age verification device. (Violation Type – Major)

6. **Product Transport.** A Licensee's employee carrying Cannabis or cannabis goods for delivery shall operate and travel only in an enclosed motor vehicle. Cannabis and cannabis goods shall not be visible to the public during delivery and transport. A Licensee's delivery employee shall not leave Cannabis or cannabis goods in an unattended motor vehicle unless the motor vehicle is locked and equipped with an active vehicle alarm system. The Licensee shall equip all vehicles used for delivery of Cannabis and cannabis goods with a Global Positioning System (GPS) device which can identify the geographic location of the delivery vehicle during business hours. Licensees shall immediately share GPS information with the City upon request. A personal or business phone or tablet is not an acceptable GPS device. The device shall be either permanently or temporarily affixed to the delivery vehicle and shall remain active and inside of the delivery vehicle during business hours. (Violation Type – Minor)

7. **Delivery Hours.** A Licensee shall deliver Cannabis and cannabis goods only between the hours of 6 a.m. to 10 p.m. daily. (Violation Type – Low)

8. **Delivery Product Amount.** Delivery employees shall not carry Cannabis or cannabis goods in excess of the amount permitted by the State. (Violation Type – Minor)

9. **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 delivering Cannabis or cannabis goods. (Violation Type – Major)

10. **Required Notice by Licensee.** A Licensee shall notify DCRCompliance@lacity.org 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 – Low)

11. **Delivery Fleet Information and Delivery Vehicle Placard (DVP).** The Licensee shall register all motor vehicles used for the delivery of Cannabis and cannabis goods with DCR, including the vehicle's make, model, color, Vehicle Identification Number, and license plate number within 30 days of the issuance of a License that permits deliveries. Vehicles must be registered with DCR to obtain a DVP



prior to their use for delivery of Cannabis or cannabis goods. A DVP shall be kept in a delivery vehicle at all times and provided upon request to DCR, LAPD, or any other public agencies. The Licensee shall notify DCR via email at DCRcompliance@lacity.org when a new vehicle is added to or removed from the fleet. The Licensee shall destroy any DVPs for vehicles which have been removed from the fleet. Delivery vehicles are subject to inspection by the DCR or LAPD at any time. (Violation Type – Low)

12. **Delivery Business Premises.** For the purposes of Type 9 Commercial Cannabis Activity, a Business Premises, as defined in LAMC Section 104.01(a), shall include all ancillary and incidental portions of the premises, including, but not limited to, employee break rooms, storage rooms, parking lots, and all other portions of the premises even if Cannabis or cannabis goods are not present. (Violation Type – Low)

13. **Signage.** Licensees with Type 9 Licenses shall post a sign at each entrance to the Business Premises stating “NO ONSITE CANNABIS SALES.” The sign shall be posted at eye-level and printed by the Licensee on a minimum of 8.5" x 11" paper size with lettering at least 2 inches in size or a minimum font size of 100. (Violation Type – Low)

14. **Prohibited Activities.** The following activities are prohibited:

(i) **Curbside Delivery, 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 – Minor)

(ii) **Access to the Public.** Licensees shall not allow access to the Business Premises by customers or members of the public, including, but not limited to, in any waiting area or lobby. (Violation Type – Moderate)

(iii) **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 – Low)

(iv) **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, measured in a horizontal straight line without regard to intervening structures from the exterior walls of the licensed Business Premises. (Violation Type – Low)

(v) **Storefront Retail Activity.** A delivery business shall not conduct Storefront Retail Commercial Cannabis Activity in any manner. DCR shall have the sole discretion to determine whether a Licensee has conducted any sales, or operated or functioned as a storefront retail commercial cannabis business. In exercising its discretion, DCR may consider any one or more of the following factors and the degree to which any given factor is present: (Violation Type – Major)

A. The Licensee allows members of the public to enter the Business Premises, or makes any part of the Business Premises accessible or viewable to the public;

B. The Licensee uses a cart, bicycle, motor vehicle, tent, kiosk, or temporary or mobile structure as the functional equivalent of a Business Premises, even though it is not the licensed Business Premises, where customers can place and/or receive orders;



C. Whether Licensee engages in any face-to-face or in-person sales interactions with a customer;

D. Whether Licensee makes Cannabis or cannabis goods viewable in-person to the public;

E. Whether an order for Cannabis or cannabis goods was placed with the Licensee before the Licensee's delivery vehicle left the Business Premises;

F. Whether a delivery vehicle's location is accessible to members of the public who have not already placed orders with the Licensee;

G. The physical distance the Licensee traveled from the time in which an order is placed by a customer, to the time in which an order is delivered to a customer;

H. The degree to which a Licensee's business model allows for or attracts customers to go to the Licensee, at its licensed Business Premises or anywhere else, to complete a delivery order;

I. The potential for the public to confuse Licensee's delivery business with a storefront retail commercial cannabis business; and

J. Any other fact or circumstance DCR deems relevant.

E. Testing Lab Commercial Cannabis Activity

1. **Restrictions.** No Owner or employee of a Licensee may be employed by or have any ownership or financial interest in any other Licensee having a License in any other category of Commercial Cannabis Activity. (Violation Type – Major)



Regulation No. 6. Renewals.

A. Applicants and Licensees shall renew all records annually, including, but not limited to, Annual Licenses, Operating Permits, Temporary Approvals, and records with a status of Local Compliance Underway. At a minimum, a filed renewal application to renew a Temporary Approval, Annual License with or without an Operating Permit, and records with a status of Local Compliance Underway shall include the following:

1. The first and last name of the Individual(s) listed as Owners, Indirect Owners, Primary Personnel, or Financial Interest Holders of the Applicant or Licensee (LIC-4008-FORM);
2. Evidence of site control for the Business Premises, such as an executed lease or property deed;
3. A current Business Premises Diagram;
4. Indemnification Agreement (LIC-4005-FORM);
5. Successor In Interest Form (LIC-4018-FORM), if one has not been submitted or if there is an update;
6. Attestation: Public Health, Building and Operating Permits (LIC-4025-FORM);
7. An attestation that all information, forms and documents provided to DCR in the original application remain accurate and current, or a detailed explanation of any changes or discrepancies;
8. Payment of renewal fees. Licensees with Temporary Approval or Operating Permits shall submit payment for a standard inspection fee in addition to required renewal fees pursuant to LAMC Section 104.19; and,
9. DCR may require additional forms, documents, and information to maintain a complete record.

B. DCR and its agents may conduct an on-site compliance inspection prior to issuing a renewal, or within one year of the date of the renewal.

C. To be eligible to renew, Applicants and Licensee shall be current on all City of Los Angeles taxes and DCR fees. A renewal application shall be denied if submitted by an Applicant or Licensee who is not current on all City of Los Angeles taxes and DCR fees.

D. A Licensee has ceased Commercial Cannabis Activity pursuant to LAMC Section 104.12(d) if no transactions have been recorded in State's track and trace system for a continuous period of 180 calendar days after a License is issued. DCR may, in its sole discretion, renew a License even if the Licensee has ceased Commercial Cannabis Activity by considering the following factors: (1) if the Licensee is engaged in litigation or has a court-appointed receivership; (2) if the Licensee is undergoing permitted construction or a tenant improvement at the Business Premises; (3) if the Licensee does not have an active State license; and/or (4) any other factor demonstrating good faith compliance with LAMC Section 104.12. A Licensee who has ceased Commercial Cannabis Activity must submit a renewal application and renewal payment in accordance with LAMC Section 104.12.



Regulation No. 7. Administrative Violations, Penalties and Appeals.

A. General

1. While a Notice of Violation, Notice to Correct, Notice of Suspension, or Notice of Revocation is open or administrative appeal is pending, DCR shall not process any modification requests to the Legal Business Entity Record, or request cancellation of the License or withdrawal of the Application.

B. Notices to Correct (NTC)

1. Unless otherwise indicated on the Notice to Correct, a Licensee shall comply with all Notices to Correct within 30 days of its issuance.

2. Licensees may request an extension of time to correct violations in an NTC by submitting the Request for an Extension of Time to Comply with NOV or NTC (ENF-3005-FORM). DCR shall have the sole discretion to grant or deny any request for an extension. Licensees shall justify the request for the extension and provide a proposed timeline for compliance.

C. Notices of Violation (NOV)

1. Licensees shall correct violations within 30 days of the issuance of a Notice of Violation, unless an extension of time is granted or the Licensee files an administrative appeal.

2. Licensees may request an extension of time to correct violations and/or pay the associated penalties prior to the effective date stated in an NOV by submitting the Request for an Extension of Time to Comply with NOV or NTC (ENF-3005-FORM). DCR shall have the sole discretion to grant or deny any request for an extension. Licensees shall justify the request for the extension and provide a proposed timeline for compliance. A request for extension of time may not be used to modify the deadline to file an administrative appeal or the amount of the administrative penalty assessed in an NOV. A NOV is final and effective upon the close of the appeal period if not timely appealed.

D. Administrative Appeals

1. When authorized by LAMC Section 104.14(a), an Applicant or Licensee may file an administrative appeal by submitting the Administrative Hearing Request Form (ENF-3001-FORM) to DCRAppeals@lacity.org, and paying the associated Administrative Hearing Appeal Filing Fees pursuant to LAMC Section 104.19(f) within the time prescribed in the LAMC to file an appeal.

2. Payments for Administrative Hearing Appeal Filing Fees pursuant to LAMC Section 104.19(f) must be paid in-person by credit card, cash, money order, or cashier's check at the Office of Finance in accordance with the instructions included on the DCR invoice and any restrictions set by the Office of Finance. Payments for Administrative Hearing Appeal Filing Fees cannot be made by mail.

3. Administrative appeals shall be conducted in accordance with DCR's Administrative Hearing Procedures that are published on DCR's website as of the date an administrative appeal is filed.

E. Suspensions and Revocations

1. Within 24 hours of issuance, Licensees shall post any Notice of Suspension or Notice of Revocation issued or otherwise required by DCR or the State in a front window, door, or wall of the business in a conspicuous area that is within plain sight of the public from the exterior of the building. Licensee shall post said notice for at least 30 days, unless another time period is prescribed by DCR



and/or the State. Failure to display the notice as required in this section, removal of the notice prior to the expiration time period specified by DCR and/or the State, or advertising or posting signs to the effect that the Licensee or Business Premises has been closed for any other reason other than the suspension or revocation notices shall be deemed a violation of this section and may result in additional disciplinary action. (Violation Type – Minor)

2. If a License is revoked, the Licensee shall immediately remove any display of the affected License(s), corresponding State license, BTRC, Emblem Placard (Storefront Retailers only) and return the document to DCR or the relevant issuing agency.





Regulation No. 8. Intentionally Omitted.





Regulation No. 9. Fee Deferral and Fee Waiver Program.

A. Subject to the availability of funds, DCR may implement fee deferral or fee waiver programs for Applicants.

B. Fee Waivers.

1. **Social Equity Individual Applicants.** DCR may implement fee waivers in accordance with the following:

(i) Prior to January 1, 2023, and subject to the availability of funds, up to \$1,625,034 may be applied to Social Equity Individual Application (SEIA) Eligibility Verification (Section 104.06.1) Fees pursuant to LAMC Section 104.19 as fee waivers for individuals who submit a complete eligibility verification application to be verified as a Social Equity Individual Applicant. Funds shall be disbursed on a first come, first served basis. Any remaining funds not awarded after the SEIA Eligibility Verification window closes pursuant to LAMC Section 104.06.1(c), may be disbursed in accordance with the terms of the fee deferral program in subsection (C).

(ii) Subject to the availability of funds, up to \$953,600 in grant funds from the California Governor's Office of Business and Economic Development may be applied to waive fees for a verified Social Equity Individual Applicant (SEIA) selected during the Phase 3 Retail Round 2 (P3RR2) lottery under LAMC Section 104.06.1(c)(3). Each P3RR2 SEIA may receive up to \$9,536 in fee waivers applied to the following fees under LAMC Section 104.19: Business Formation and Organization Document Review (\$1,194), Organizational Chart Document Review (\$428), Ownership Disclosure Form Document Review (\$131), Equity Share Documents / Social Equity Agreement Review (\$1,248), Annual License Application (\$7,691).

(a) Fees shall be waived on a first come, first served basis depending on the availability of funds at the time the fee is charged. Any fees previously paid shall not be retroactively reimbursed.

(b) Any grant funds not expended as of February 1, 2025, may be used to waive the fees identified in subdivision (ii) disbursed on a first come, first served basis to verified SEIAs selected during an additional application lottery under LAMC Section 104.06.1(c)(6).

(iii) Subject to the availability of funds, up to \$2.67 million in grant funds from the California Governor's Office of Business and Economic Development may be applied to verified Social Equity Applicants (SEA) with a pending Annual License Application submitted on or before May 31, 2024 for the following fees under LAMC Section 104.19: Annual License Application (\$7,691), Publication Fee (\$732 plus \$75 County Clerk NOE Filing Fee), and Written Notice (\$484).

(a) Fees are waived on a first come, first served basis depending on the availability of funds at the time the fee is charged. Any fees paid prior to June 1, 2024 shall not be retroactively reimbursed.



(b) Any grant funds not expended as of February 1, 2025, may be used to waive the fees identified in subdivision (iii) disbursed on a first come, first served basis to verified Social Equity Applicants that submitted an Annual License Application after June 1, 2024.

2. **General Applicants.** DCR may administer a fee waiver program for Applicants not subject to Section 104.20 to waive fees in accordance with the following:

(i) Subject to the availability of funds, up to \$22.3 million in grant funds from the Department of Cannabis Control, Local Jurisdiction Award Grant (LJAG) may be applied to commercial cannabis businesses with an active State provisional commercial cannabis license to cover staff time to transition provisional State license holders through the local Annual License Application process and/or waive the local environmental fees under LAMC Sections 104.19(c) and 104.19(d), including, but not limited to: Categorical Exemption Fee (\$2,596), Environmental Assessment / Initial Study (\$6,024), Environmental Analysis Review Services (Actual Cost of Consultant Services), Publication Fee (\$732 plus \$75 County Clerk NOE Filing Fee), Mailed Notice (\$1,683 plus Actual Cost), Printed Notice (\$484) and Written Notice (\$484).

C. **All Applicants.** Effective April 18, 2025, subject to the availability of funds, DCR may implement fee waiver programs for applicants utilizing funding provided by the City or by outside grants. DCR shall administer these programs in compliance with the requirements of that source. In general, fees shall be waived on a first come, first served, basis depending on the availability of funds at the time the fee is charged and the requirements of the funding source. Any fees previously paid shall not be retroactively reimbursed.

D. **Fee Deferrals for Social Equity Applicants.** To the extent funding is allocated for fee deferrals, DCR may implement fee deferrals in accordance with the following:

1. Subject to the availability of funds, DCR may defer the Social Equity Program (SEP) Temporary Approval Application Fees pursuant to LAMC Section 104.19 for Social Equity Applicants who were deemed eligible for further processing under LAMC Sections 104.06.1(c), 104.06.1(e), or 104.06.1(f).

2. Fee deferrals shall be deferred on a first come, first served basis.

3. Social Equity Individual Applicants are limited to one outstanding fee deferral at a time.

4. Fees may be deferred, up to, 180 days from the date an invoice is issued, the Applicant or Licensee is notified by electronic email the fees are deferred, or the effective date of a Fee Deferral Agreement, whichever is earliest.

E. Notwithstanding Sections (B) and (C), the Executive Director may make adjustments to this Regulation and/or allocate available grant funds in any manner required to maximize the utility of the funds.



Regulation No. 10. SEED Grant Program.

A. Subject to the availability of funds, and pursuant to LAMC Section 104.20(c)(4)(iv), DCR may implement a financial grant program(s), hereinafter referred to as the Social Equity Entrepreneur Development Grant Program (“SEED Grant Program”) for Social Equity Individual Applicants.

B. To the extent funding is allocated for the SEED Grant Program, DCR shall administer the Program in accordance with the following:

1. Subject to the availability of funds, up to \$5 million in grant funds from the California Governor’s Office of Business and Economic Development may be disbursed by DCR to Applicants with retail (Type 10) Applications deemed eligible for further processing under LAMC 104.06.1(b). Applicants eligible for grant funds under this subsection may receive \$25,000 in grant funds in one lump sum payment. DCR shall accept applications for grant funds under this subsection for a period of 120 days. Funds shall be disbursed on a first come, first served basis. Any remaining funds not awarded by 90 days prior to the end of the City’s Agreement with the California Governor’s Office of Business and Economic Development, or any extension thereof, may be disbursed on a pro rata basis to Applicants who applied by August 20, 2021 and who are eligible for grant funds under this subsection.

2. Subject to the availability funds, up to \$1 million in grant funds from the Department of Cannabis Control’s California Local Equity Grant Program may be disbursed by DCR to any Social Equity Individual Applicant with an Application deemed eligible for further processing that did not receive grant funds under subsection (1). DCR shall accept applications for grant funds under this subsection for a period of 120 days. Applicants eligible for grant funds under this subsection may receive available grant funds in two disbursements upon meeting the following licensing milestones: (1) \$5,000 when DCR deems the Pre-Application Record eligible for further processing; and (2) \$5,000 when the Applicant is eligible for a Notice of Local Compliance Underway. Funds shall be disbursed on a first come, first served basis. Any remaining funds not awarded by 90 days prior to the end of the Grant Term of the City’s Agreement with the Department of Cannabis Control, or any extension thereof, may be disbursed on a pro rata basis to Applicants who applied by August 20, 2021 and who are eligible for grant funds under this subsection.

3. Applicants must apply for grant funds. DCR shall have sole and absolute discretion to determine application requirements, if an Applicant is eligible for grant funds, and if applicable, whether and when the requirements for any disbursement of funds are met.

4. DCR may disburse funds to an Applicant at any time after the Applicant has been determined eligible for grant funds.

5. Grant recipients shall enter into a contract with DCR prior to receipt of any grant funds. The contract shall specify the permissible use of the funds, and method and timing of payment.

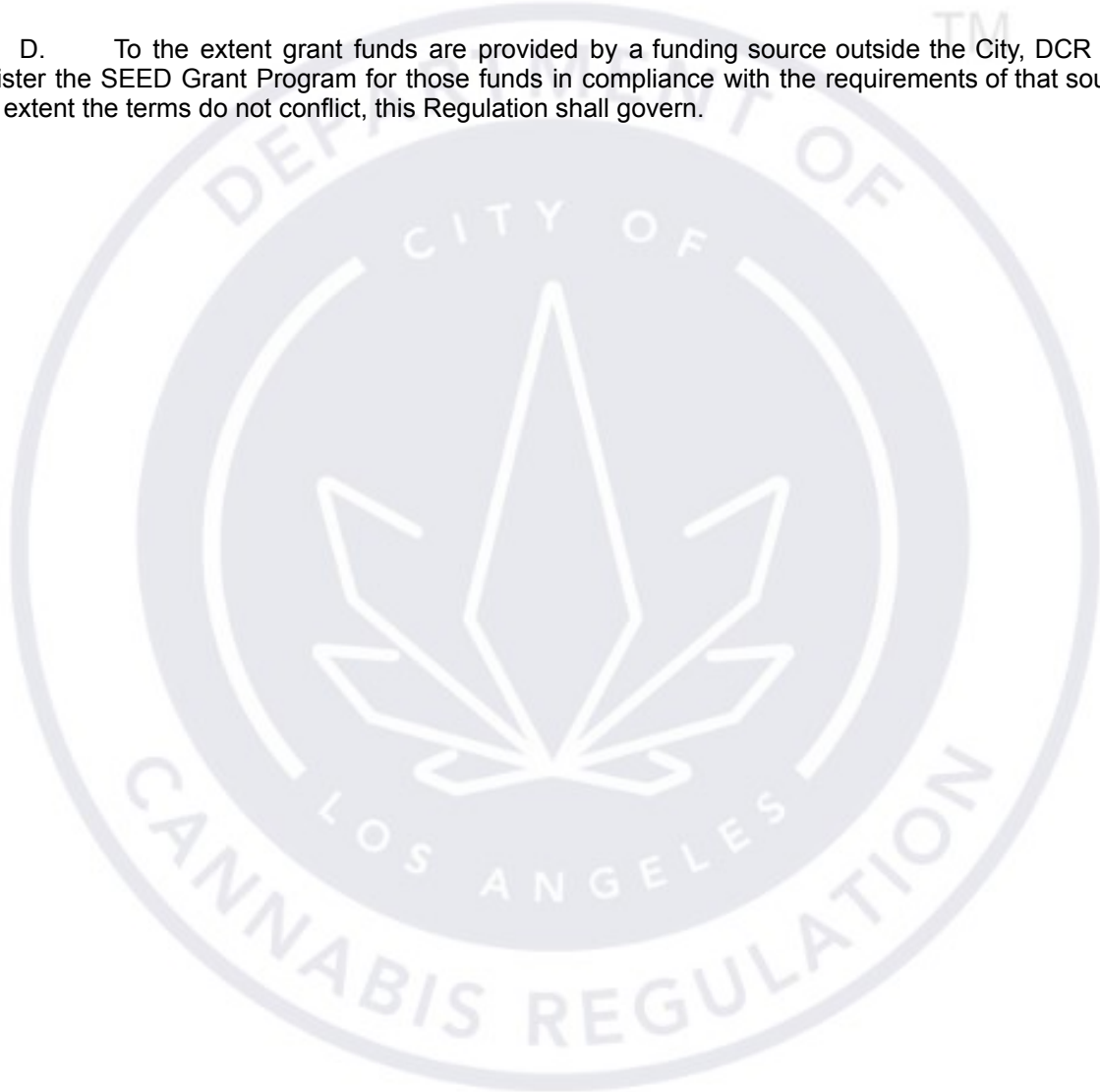
6. Grant funds shall be used only for expenses incurred to launch and operate a licensed commercial cannabis business in the City of Los Angeles.



7. Applicants with Applications that have been deemed abandoned or denied shall not receive grant funds.

C. Notwithstanding Section (B), the Executive Director may make adjustments to this Regulation and/or allocate available grant funds in any manner required to maximize utility of the funds, including, but not limited to using SEED Grant Program funds to reimburse or pay licensing and regulatory fees for Social Equity Individual Applicants due under LAMC Section 104.19.

D. To the extent grant funds are provided by a funding source outside the City, DCR may administer the SEED Grant Program for those funds in compliance with the requirements of that source. To the extent the terms do not conflict, this Regulation shall govern.





Regulation No. 11. SEED Rental Grant Program.

A. Subject to the availability of funds, and pursuant to LAMC Section 104.20(c)(4)(iv), DCR may implement a financial grant program, hereinafter referred to as the Social Equity Entrepreneur Development Rental Assistance Grant Program (“SEED Rental Grant Program”) for Social Equity Individual Applicants.

B. To the extent funding is allocated for the SEED Rental Grant Program, DCR shall administer the Program in accordance with the following:

1. Subject to the availability of funds, up to \$4 million in grant funds from the California Governor’s Office of Business and Economic Development may be disbursed by DCR to Applicants with retail (Type 10) Applications deemed eligible for further processing under LAMC 104.06.1(b) and Licensees with Temporary Approval to operate a Type 10 commercial cannabis license, who have executed leases or a binding Letter of Intent for Business Premises on which to conduct non-retail commercial cannabis activity. Applicants eligible for grant funds under this subsection may receive \$50,000 in grant funds in three disbursements. The first disbursement of \$25,000 shall be made available upon completion of the grant agreement and the Applicant’s submission of an Education Course Completion Certificate demonstrating completion of the Commercial Leases and Contract Negotiations I and II courses available on the Business, Licensing and Compliance Program (BLC) Learning Management System (LMS). The second disbursement of \$15,000 shall be made available upon the Applicant’s submission of evidence demonstrating how the first disbursement was used and an Education Course Completion Certificate demonstrating completion of the Business Planning & Operational Development course available on the LMS. Submission of these requirements must be received prior to July 31, 2023 in order to be eligible for a second disbursement. The third disbursement of \$10,000 shall be made upon the Applicant’s submission of evidence demonstrating how the second disbursement was used and an Education Course Completion Certificate demonstrating completion of any additional course available on the LMS. Submission of these requirements must be received prior to August 31, 2023 in order to be eligible for a second disbursement. DCR shall accept applications for grant funds under this subsection beginning September 30, 2022 until March 30, 2023. Funds shall be disbursed on a first come, first served basis. Any remaining grant funds not awarded by August 31, 2023, may be disbursed on a pro rata basis to Social Equity Individual Applicants who have previously received funds through the SEED Rental Grant Program until October 31, 2023.

2. Subject to the availability of funds, \$1 million in grant funds from the California Governor’s Office of Business and Economic Development may be disbursed by DCR to verified Social Equity Individual Applicants deemed eligible for further processing, and Licensees, who have executed leases or a binding Letter of Intent for Business Premises on which to conduct non-retail commercial cannabis activity. Applicants may apply to receive a financial grant of \$10,000 to be disbursed in a single disbursement of \$10,000 upon completion of the grant agreement and the Applicant’s submission of an Education Course Completion Certificate demonstrating completion of the Commercial Leases and Contract Negotiations I and II courses available on the Business, Licensing and Compliance Program (BLC) learning management system (LMS). Applicants shall submit receipts demonstrating use of funds within 60 days of the use of funds.



3. Applicants and Licensees must apply for grant funds. DCR shall have sole and absolute discretion to determine application requirements, if an Applicant or Licensee is eligible for grant funds, and if applicable, whether and when the requirements for any disbursement of funds are met.

4. DCR may disburse funds to an Applicant or Licensee at any time after being determined eligible for grant funds and receiving an Education Course Completion Certificate.

5. Grant recipients shall enter into a contract with DCR prior to receipt of any grant funds. The contract shall specify the permissible use of the funds, and method and timing of payment.

6. Grant funds shall be used only for the following purposes: to pay rent or a security deposit pursuant to a fully executed commercial lease for the purposes of operating a licensed commercial cannabis storefront retail location; to finance up to one month of back rent due on a fully executed commercial lease for the purposes of operating a licensed commercial cannabis storefront retail location; to secure a binding Letter of Intent by paying the required security deposit for the purposes of operating a licensed commercial cannabis storefront retail location; to assist with building or construction costs for the purposes of renovating a location to operate a licensed commercial cannabis storefront retail location, as long as estimates and/or unpaid invoices totalling the grant amount are submitted with the grant application.

7. Applicants with Applications that have been deemed abandoned or denied shall not receive grant funds.

C. Notwithstanding Section (B), the Executive Director may make adjustments to this Regulation and/or allocate available grant funds in any manner required to maximize utility of the funds, including, but not limited to allowing Approved Applicants to use SEED Rental Grant Program funds to pay licensing and regulatory fees due under LAMC Section 104.19.

D. To the extent grant funds are provided by a funding source outside the City, DCR may administer the SEED Grant Program for those funds in compliance with the requirements of that source. To the extent the terms do not conflict, this Regulation shall govern.