



# City of Los Angeles Commercial Cannabis Activity

General Application Requirements Presentation  
Based on Draft Commercial Cannabis Activity Requirements

Please be advised, REVISED THE DRAFT REQUIREMENTS FOR COMMERCIAL CANNABIS ACTIVITY IN THE CITY OF LOS ANGELES was released on September 22, 2017. The General Requirements are updated herein. Think and Grow Lab will send an updated PowerPoint reflecting the revisions to SOP requirements to all attendees. The most notable revisions are as follows:

- 45-Day Noticing Period once the application is completed
- Detailed Denial and Appeal Process
- More details on State and Provisional License
- Early Notification System
- Prop M applicants have a 60-Day Priority period
- Public hearing required for ALL license types with 30,000+ sq/ft site
- Additional CEQA conditions
- No applications will be received until Social Equity program is developed.

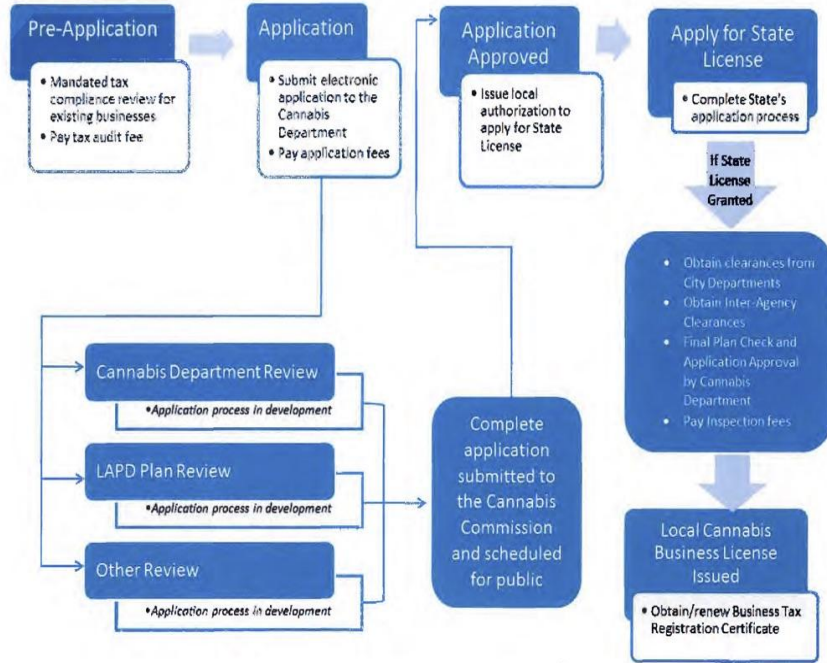
Revised Draft Requirements 9/22/17: <http://files.constantcontact.com/857cfc13601/c72bbbf6-17a0-4f38-b912-bf54564b79f2.pdf>  
City of Los Angeles Commercial Cannabis Location Restriction Ordinance and Supplement Documents:  
[https://planning.lacity.org/ordinances/docs/Commercialcannabis/CommCannabis\\_TOC.html](https://planning.lacity.org/ordinances/docs/Commercialcannabis/CommCannabis_TOC.html)

# COMMERCIAL CANNABIS APPLICATION CHECKLIST

- Name
- Activity Licence Type
- Processing Category
- Date of Operations
- License(s) Held
- History of Denial
- Address and Contact Information
- Business Organization Structure
- Fictitious Business
- Financial Information
- Personal Data Redacted
- Legal Occupancy and Use
- Premises Diagram
- Pre-Licensing Inspection
- Hiring Plan
- Staffing Plan
- Labor Peace Agreement
- Valid Seller's Permit (Board of Equalization)
- Proof of Bond/Insurance
- Limited Area Access Plan
- Security Plan
- Detailed Descriptions
- CUPA Permit
- Terms of Transfer and Change of Ownership
- Indemnification Agreement
- Community Benefits Agreement
- Neighborhood Liaison
- Local Neighborhood Council
- Prohibition on Alcoholic Beverages and Tobacco Sales and Consumption
- Radius Map

# CITY OF LA DRAFT APPLICATION PROCESS

## DRAFT APPLICATION AND LICENSING PROCESS



### PROPOSED CITY OF LA APPLICATION FEES

Cannabis Business Tax Audit Fee	\$3,502
Cannabis Business Application Fee	\$8,748
Cannabis Business Plan Review Fee	\$7,532
Cannabis Business Field Verification and Security Inspection	\$19,755
Cannabis Business Hazardous Materials and Fire Inspection	\$7,530
Cannabis Business Code Violation Inspection	\$21,138
<b>TOTAL PROPOSED FEES</b>	<b>\$68,205</b>



# CITY OF LA COMMERCIAL CANNABIS LICENSE TYPES

## CULTIVATION

### SPECIALTY

- **Type 1A:** Specialty Indoor – up to 5,000 sq ft;
- **Type 1B:** Specialty Mixed-light – up to 5,000 sq ft;
- **Type 1C:** Specialty Cottage – up to 25 mature plants for outdoor; up to 500 sq ft for indoor; or up to 2,500 sq ft for mixed-light;

### SMALL

- **Type 2A:** Small Indoor – 5,001 to 10,000 sq ft;
- **Type 2B:** Small Mixed-light – 5,001 to 10,000 sq ft;

### MEDIUM

- **Type 3A:** Medium Indoor – 10,001 to 22,000 sq ft;
- **Type 3B:** Medium Mixed-Light – 10,001 to 22,000 sq ft;

### LARGE

- **Type 5A:** Indoor, Large as defined by the State of CA

### NURSERY

- **Type 4:** Nursery Outdoor/Indoor/Mixed-Light – up to one acre; license holders may also transport live plants

## MANUFACTURING

Licenses are separated into two categories based upon the type of solvent used. Like Type 3 licenses, the Department of Public Health (DPH) will limit the number of licenses for manufacturers who use volatile solvents (Type 7).

- **Type 6:** Manufacturing using non-volatile solvents;
- **Type 7:** Manufacturing using volatile solvents.

## RETAILER/DELIVERY

- **Type 10:** Dispensary- general
- **Type 10A:** Dispensary – no more than three retail sites

## MICROBUSINESS

- **Type 12:** Microbusiness

## TESTING

- **Type 8.** The DPH is responsible for ensuring that all cannabis is tested prior to delivery to dispensaries or other businesses, and will specify how such testing will be conducted. Type 8 license holders must test for THC, cannabinoids, contaminants, microbiological impurities, among other compounds listed in Business & Professions Code § 19344.

## DISTRIBUTION

- **Type 11.** All cultivation (Types 1-4) and manufacturing licensees (Types 6-7) are required to send their products to a Type 11 licensee where their cannabis products will be inspected for quality assurance before the products pass to the next stage of manufacturing or retail. Type 11 licensees must also send the cannabis products to a Type 8 laboratory for batch testing and certification.



# Commercial Cannabis Activity General Requirements #1

The **name of the applicant**.

- For applicants who are individuals, the applicant shall provide both the first and last name of the individual.
- For applicants who are business entities, the applicant shall provide the legal **Business name** of the applicant. If applicable, the business trade name (**“DBA”**) of the applicant.

**Secretary of State Business Entities**

<http://www.sos.ca.gov/business-programs/business-entities/>

**County of Los Angeles Fictitious Business Name Statement Filing**

<https://www.lacounty.gov/business/starting-a-business-in-the-county/filing-a-fictitious-business-name>

# Commercial Cannabis Activity General Requirements #2

The Commercial Cannabis Activity and Certificate of Compliance type the applicant is applying for, including:

- If the proposed Business will involve **medical** and/or **recreational** Commercial Cannabis Activity.
- A Business cannot engage in Commercial Cannabis Activity for recreational use without a state license.



## Commercial Cannabis Activity General Requirements #3

Whether the applicant is applying under the:

- Proposition M Priority,
- Social Equity Program, or
- General Public processing.

**Proposition M (Priority for Prop D-compliant retailers):**

[http://clkrep.lacity.org/onlinedocs/2017/17-1100-S2\\_misc\\_12-23-16.pdf](http://clkrep.lacity.org/onlinedocs/2017/17-1100-S2_misc_12-23-16.pdf)

## Commercial Cannabis Activity General Requirements #4

The date the applicant began operations, if filing under the **Proposition M Priority** processing.

- **Social Equity Program** and **General applicants** shall not conduct any Commercial Cannabis Activity until a valid Department Certificate of Compliance has been issued, and State of California license has been issued.

## Commercial Cannabis Activity General Requirements #5

A list of the **license types** and the **license numbers** issued from the State of California and all other out-of-state or local licensing authorities that the applicant holds, including the date the license was issued and the licensing authority that issued the license, permit or other authorization.



## Commercial Cannabis Activity General Requirements #6

Whether the applicant has been **denied the right** to conduct Commercial Cannabis Activity by the Department or any other cannabis licensing authority. The applicant shall provide the type of license applied for, the name of the licensing authority that denied the application, and the date of denial.

## Commercial Cannabis Activity General Requirements #7

The **physical address** of the premises.

- The address of record for the applicant.
- The telephone number for the premises.
- The website address of the applicant's Business if applicable.
- The email address for the applicant's Business if applicable.
- Contact information for the applicant's designated primary contact person including the name, title, address, phone number, and email address of the individual.
- Contact information for the designated agent for service of process including the name, title, address, phone number, and email address of this individual.
- The Council District in which the proposed Business is located.

**Council Districts:**

[http://navigatela.lacity.org/common/mapgallery/council\\_state\\_assembly\\_districts.cfm](http://navigatela.lacity.org/common/mapgallery/council_state_assembly_districts.cfm)





# Commercial Cannabis Activity General Requirements #8

The Business **organizational structure** of the applicant, for example partnership or corporation.

- The **business-formation documents**, which may include but are not limited to articles of incorporation, operating agreements, partnership agreements, and fictitious business name statements.
- The applicant shall also provide all **documents filed with the State of California**, 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.

**Secretary of State Business Entities**

<http://www.sos.ca.gov/business-programs/business-entities/>

# Commercial Cannabis Activity General Requirements #9

A list of **every fictitious business name** the applicant is operating under including the address where the business is located.

**County of Los Angeles Fictitious Business Name Statement Filing**

<https://www.lacounty.gov/business/starting-a-business-in-the-county/filing-a-fictitious-business-name>



# Commercial Cannabis Activity General Requirements #10

The applicant shall supply the following **financial information** for an application to be considered: a list of funds belonging to the proposed Business held in **savings, checking**, or other accounts maintained by a financial institution.

- The applicant shall provide for **each account**, the financial institution's name, the financial institution's address, account type, account number, and the amount of money in the account; a list of loans made to the proposed Business.
- For each **loan**, the applicant shall provide the amount of the loan, the date of the loan, term(s) of the loan, security provided for the loan, and the name, address, and phone number of the lender; a list of investments made to the proposed Business.
- For each **investment**, the applicant shall provide the amount of the investment, the date of the investment, term(s) of the investment, and the name, address, and phone number of the investor; a list of all gifts of any kind given to the applicant for its use in conducting Commercial Cannabis Activity.
- For each **gift** the applicant shall provide the value of the gift or description of the gift, and the name, address, and phone number of the provider of the gift.

# Commercial Cannabis Activity General Requirements #11

A complete list of every individual that has a **non-controlling interest** in the proposed Business as defined by the State of California.

\*Note: All personal information other than the name of the individual, will be **redacted**. All application information will not be provided to the federal government unless required by a Court order.



# Commercial Cannabis Activity General Requirements #12

Evidence that the applicant has the legal **right to occupy** and use the proposed location that complies with the requirements of the Department and the State of California.

- If the applicant is **not the landowner** of the property upon which the premises is located, the applicant shall provide to the Department a document from the landowner that states that the applicant has the right to occupy the property and acknowledging the applicant may use the property for the Commercial Cannabis Activity for which the applicant is applying for.
- Only one document per premises will be accepted for any pending applications.
- An applicant shall also provide a copy of the **rental agreement**, as applicable.
- If the applicant is the landowner of the property on which the premises is located, the applicant shall provide to the Department a copy of the **title or deed to the property**.
- The applicant shall provide evidence that the proposed location meets all State of California and City of Los Angeles **land use and sensitive use requirements**.

City of Los Angeles Commercial Cannabis Location Restriction Ordinance and Supplement Documents:

[https://planning.lacity.org/ordinances/docs/Commercialcannabis/CommCannabis\\_TOC.html](https://planning.lacity.org/ordinances/docs/Commercialcannabis/CommCannabis_TOC.html)

# Commercial Cannabis Activity General Requirements #13

An applicant shall submit to the Department with his or her application a complete and **detailed diagram** of the **proposed premises** as required by the State of California and Department.

- **Premises** mean the designated structures and land specified in the application that are in the possession of and used by the applicant or Business.
- The premises must be a **contiguous area** and may only be occupied by **one** Business.
- The diagram must be to **scale**. If the proposed premises consist of only a portion of a property, the diagram must be labeled indicating which part of the property is the proposed premises and what the remaining property is used for.
- **Multiple Businesses** may be located on the same property, as established by an assessor's parcel number, if each premises has a **unique entrance** and **immovable physical barriers** between unique premises.
- Businesses, including those persons issued multiple Certificates of Compliance, are prohibited from commingling cannabis from other premises as required by the State of California.
- **Multiple Businesses** on the same property must meet all applicable land use and sensitive use requirements of the City of Los Angeles.

## Sample Licensed Premises Diagram:

<https://www.abc.ca.gov/FORMS/ABC257-A1.pdf>

## City of Los Angeles Industrial Citywide Design Guidelines

<http://planning.lacity.org/urban-design/resources/IndustrialCitywideDesignGuidelines.php>

## City of Los Angeles 35 Community Plans (Plans check site for plan renewals and specific plans)

<https://planning.lacity.org/complan/cpa/cpa.htm>



# Commercial Cannabis Activity General Requirements #14

Applicants will submit to a **pre-inspection** of the premises during regular business hours prior to the issuance of a Certificate of Compliance. Pre-inspection is not required for a Provisional Certificate of Compliance.

- **Pre-inspections may include, but is not limited to employees or agents of the following City Departments:**

1. Department of Cannabis Regulation
2. Department of Building and Safety
3. Department of City Planning
4. Police Department
5. Fire Department
6. Office of Finance

**City of Los Angeles Plan  
Check and Zoning**  
<http://www.ladbs.org/services/core-services/plan-check-permit>

- **Pre-Inspection consists of approval of:**

- Premises diagram
- On-site inspection of all applicable Building and Fire Code Requirements
  - MUST upgrade all applicable electrical and water systems to Building and Fire Code standards prior to further application processing.
- Security Plan
- Fingerprinting
- Fire Safety Plan (if applicable)

**Applicant must satisfy ALL  
requirements of a Pre-Inspection  
prior to further application  
processing.**



# Commercial Cannabis Activity General Requirements #15

Applicants must provide a detailed description and plan for **hiring local residents**,

- Including making an ongoing good-faith effort to ensure that **at least 30 percent** of hours of their respective workforce be performed by **residents** of the City of Los Angeles
- Of which **at least 10 percent** of their respective workforce shall be performed by **Transitional Workers** whose primary place of residence is within a **3-mile radius** of the proposed Business.
- This shall also include a description of how the applicant will meet all City of Los Angeles wage and labor ordinances and requirements.

## City of Los Angeles Minimum Wage

<http://wagesla.lacity.org/sites/g/files/wph471f/2017-MWO-Poster-EN-17.pdf>

**LA Local Hire** <http://lalocalhire.lacity.org/#>

## Sample City of Los Angeles Department of Public Works Targeted Hiring Guidelines for Contractors

<http://bca.lacity.org/site/pdf/hiring/Targeted%20Hiring%20Guidelines%20For%20Contractors.pdf>



# Commercial Cannabis Activity General Requirements #16

Applicants must submit a **staffing plan** and **organizational chart** that outlines the position and responsibilities of each employee, as well as the reporting or supervisory structure for each employee.

# Commercial Cannabis Activity General Requirements #17

For an applicant with **10 or more employees**, the applicant shall attest that the applicant has entered into a **labor peace agreement** and provide a copy of the agreement. Such agreement shall ensure full access for labor representatives to the premises during regular business hours as allowed by the State of California.

## **Labor Peace Agreement Overview**

[https://www.uschamber.com/sites/default/files/documents/files/labor\\_peace\\_agreements\\_2013\\_09\\_12.pdf](https://www.uschamber.com/sites/default/files/documents/files/labor_peace_agreements_2013_09_12.pdf)

## **Sample Project Labor Agreement**

<http://bca.lacity.org/site/pdf/labor/Employment%20Hiring%20Plan%20Acknowledgment%20-%20Fillable%20Form.pdf>

## **Sample Labor Peace Agreement with the former CRA/LA**

[http://www.crala.org/internet-site/Jobs\\_Contracting/upload/Labor%20Peace%20Agreements%20Policy.pdf](http://www.crala.org/internet-site/Jobs_Contracting/upload/Labor%20Peace%20Agreements%20Policy.pdf)



# Commercial Cannabis Activity General Requirements #18

The applicant shall provide a valid **seller's permit** number issued by the **California State Board of Equalization**. If the applicant has not yet received a seller's permit, the applicant shall attest that the applicant is currently applying for a seller's permit and provide adequate documentation to the Department.

**California State Board of Equalization Seller's Permit and Tax Information**

<https://www.boe.ca.gov/serp.html?q=Cannabis&cx=001779225245372747843%3A3ekb7ulvxre&cof=FORID%3A10&ie=UTF-8&submit.x=26&submit.y=11>

# Commercial Cannabis Activity General Requirements #19

Proof of a **bond** and/or **insurance**, including **product liability insurance**, as required by the State of California and the Department.





# Commercial Cannabis Activity General Requirements #20

A description of the applicant's practices for allowing individuals access to the **limited-access areas** of the premises.

- Establishing limited-access areas accessible only to **authorized persons** (business employees, outside vendors, contractors, others with bona-fide business reason).
- If not authorized person, may **never** enter limited-access area for any reason.
- Any person not employed by the business (or a contractor) must be **escorted** at all times owner or at least one business employee at all times while in limited-access areas.
- Nobody **under 21** may enter limited-access areas.
- Business must maintain **log of all authorized persons** (who are not employees) that enter the limited-access area. Logs shall be made available to the Department upon request.
- Limited-access areas have commercial-grade, **non-residential door locks** (per security plan). Also use such locks on all points of entry and exit to premises (per security plan).

**CANNABIS DEPT. employees requesting admission to the business for determining compliance shall be given UNRESTRICTED ACCESS during regular business hours.**



# Commercial Cannabis Activity General Requirements #21

Applicants must submit a **security plan** for review and approval by the **Department and Police Commission**. The approved plan will be maintained by the Department and be made available to other City departments for the purposes of verification and inspections.

- At minimum, the **security plan** will include:
  - Description of the applicant's **video surveillance system** including **camera placement** and practices for the maintenance of video surveillance equipment
  - How the applicant will ensure that all **access points** to the premises will be secured, including the use of security personnel
  - Description of the applicant's **security alarm system**
  - Description of the applicant's **fire-proof safe**

Security plans are considered **CONFIDENTIAL**, and will not be made available to the public unless required by a Court order.

## Sample Security Plan

[www.minoritycannabis.org/resources/MCBA-SecurityPlanSample-0816.pdf](http://www.minoritycannabis.org/resources/MCBA-SecurityPlanSample-0816.pdf)



## Commercial Cannabis Activity General Requirements #22

A detailed description of how the applicant will meet the State of California and Department's **track-and-trace**, inventory, returns, destruction of products, **waste management**, **environmental sustainability**, records retention, and operational requirement.

Trellis <https://www.trellisgrows.com/>

GreenBits <https://www.greenbits.com/>

## Commercial Cannabis Activity General Requirements #23

Any applicant required to apply for, and maintain a **Certified Uniform Program Agency (CUPA)** permit issued by the Fire Department must do so prior to the issuance of a Certificate of Compliance, and prominently display the CUPA permit on the premises where it can be viewed by state and local agencies.

### CUPA Forms

<http://www.dtsc.ca.gov/HazardousWaste/CUPAForms.cfm>

### Certified Unified Program Agencies (CUPA)

<http://www.dtsc.ca.gov/HazardousWaste/CertifiedUnifiedProgramAgencies.cfm>

## Commercial Cannabis Activity General Requirements #24

Businesses are **not transferable** once a Licence or Provisional License is issued without **written approval** by the Department.

A change in Business organizational structure or ownership requires a **CHANGE OF OWNERSHIP APPLICATION**, applicable fees and approval by the Department,



# Commercial Cannabis Activity General Requirements #25

Applicants must provide Department with a signed copy of the **Indemnification Agreement** as provided to the applicant by the Department and **approved by the City Attorney**.

## Sample Indemnification Agreement

<https://humboldt.gov/DocumentCenter/View/54189>

# Commercial Cannabis Activity General Requirements #26

Applicants will provide a proposed **Community Benefits Agreement** for consideration that must, at minimum, include all elements as required by the Department.

## Sample Community Benefits Plan

<http://www.marincounty.org/~media/files/maringov/main/medicalcannabis/applications/hunnys-health-center/hunnyshcappdocpublicbenefitspublic11.pdf?la=en>

The proposed **Community Benefits Plan** must be provided to the local **Neighborhood Council** for their consideration.



## Commercial Cannabis Activity General Requirements #27

Applicants will identify and assign an employee as the official **Neighborhood Liaison** for each Business. Such employee will have a phone number and email to receive and address complaints 24 hours a day.

## Commercial Cannabis Activity General Requirements #28

Applicants will provide **proof** that the local **Neighborhood Council** in which the Business is proposed has been provided **initial application deemed complete** and considered discussing the pending application at a duly-noticed and **agendized** public meeting of the Board of the Neighborhood Council, with notice to the public and applicant.

Find Your Neighborhood Council  
<http://empowerla.org/councils/>

## Commercial Cannabis Activity General Requirements #29

Evidence that the applicant is registered with the **State Board of Equalization** for tax purposes.

California State Board of Equalization Seller's Permit and Tax Information  
<https://www.boe.ca.gov/serp.html?q=Cannabis&cx=001779225245372747843%3A3ekb7ulvxre&cof=FORID%3A10&ie=UTF-8&submit.x=26&submit.y=11>



# Commercial Cannabis Activity General Requirements #30

The applicant shall attest that **no** owner is a licensed retailer of **alcoholic beverages**.

# Commercial Cannabis Activity General Requirements #31

Provide a radius map and list of all addresses of parties subject to the public notice and appeals provisions

## **Radius Map Guidelines**

**City of Los Angeles Planning Department:**

[https://planning.lacity.org/Forms\\_Procedures/7826.pdf](https://planning.lacity.org/Forms_Procedures/7826.pdf)

**City of Los Angeles Sensitive Uses Search**

<http://zimas.lacity.org/>

## AGENCIES

The **Bureau of Medical Cannabis Regulation (BMCR)** is the lead agency in developing regulations for medical and adult-use cannabis in California. BMCR is responsible for licensing retailers, distributors, testing labs and microbusinesses. <http://www.bmcr.ca.gov>

**The California Department of Public Health (CDPH) Office of Manufactured Cannabis Safety** is responsible for regulating the manufacturers of cannabis-infused edibles for both medical and nonmedical use. <https://www.cdph.ca.gov/Programs/CEH/DFDCS/Pages/MCSB.aspx>

**CalCannabis Cultivation Licensing**, a branch office within the California Department of Food and Agriculture (CDFA), is developing regulations to license cultivators of medical and adult-use cannabis and implementing a track-and-trace system to record the movement of cannabis through the distribution chain. <http://calcannabis.cdfa.ca.gov>

**California Department of Consumer Affairs** – Draft Regulations for Distribution, Testing, and Dispensing <http://calcannabis.cdfa.ca.gov>

**California Cannabis Portal** <https://cannabis.ca.gov/>

## REGULATIONS

**State of CA Governor Jerry Brown's Cannabis Trailer Bill**

[http://www.dof.ca.gov/Budget/Trailer\\_Bill\\_Language/documents/200CannabisRegulation.pdf](http://www.dof.ca.gov/Budget/Trailer_Bill_Language/documents/200CannabisRegulation.pdf)

**Comprehensive Medical Cannabis Regulation and Safety Act- 2016**

<https://cannabis.ca.gov/wp-content/uploads/sites/13/2017/04/Comprehensive-Medical-Cannabis-Regulation-and-Safety-Act.pdf>

**Prop 64** <https://static.cdfa.ca.gov/MCCP/document/Comprehensive%20Adult%20Use%20of%20Marijuana%20Act.pdf>



# **GENERAL CANNABIS BUSINESS OPERATIONAL REQUIREMENTS**



# GENERAL OPERATIONAL REQUIREMENTS

## CORPORATE ENTITY

- A Business shall **only** use the **Business name** as identified on the Certificate of Compliance for the submission of other permits, certificates, or documents issued by the City of Los Angeles, communications, advertising, and all documents required by the State of California. **(Violation Type: MINOR)**

## EMPLOYEES

- A Business, its employees, agents, and officers must obey all **applicable laws** of the City of Los Angeles and State of California. **(Violation Type: MINOR)**
- All agents, officers, or other persons acting for or employed by a Business shall display a **laminated identification badge** issued by the Business.
  - Business' "doing business as" name and authorization number,
  - Employee's first and last name,
  - Color photograph of the employee that shows the full front of the employee's face and that is at least 2 inches by 2 inches in size. **(Violation Type: MINOR)**

## LOCATION

- A Business shall **not** make a physical change, alteration, or modification of the premises that materially or substantially alters the premises or the use of the premises from the premises diagram originally filed with the application without the prior written approval of the Department. **(Violation Type: MODERATE)**
- A Business whose premises is to be materially or substantially changed, modified, or altered is responsible for **filing a request for premises modification** with the Department. (ie. common entryway, doorway, passage, public entry or exit) **(Violation Type: MINOR)**



# GENERAL OPERATIONAL REQUIREMENTS

## ON-SITE REQUIREMENTS (Violation Type: MODERATE)

- A Business shall **not sublet** any portion of the premises.
- No recommendations or approvals by a physician to use medical cannabis or medical cannabis products shall be issued at any Business.
- A Business shall not allow the consumption of cannabis or the sale or consumption of **alcohol** on the premises.
- No employee or agent of the Business shall solicit or accept any cannabis or **alcohol products** from any customer or vendor while on the premises.
- **Limited-access areas**
  - Only permit **authorized individuals** to enter ( Employees, outside vendors, contractors, or other individuals who have a bona fide business reason for entering the limited-access area.)
  - An individual in the limited-access area who is not employed by the Business shall be **escorted** by individuals employed by the Business at all times within the limited-access area.
  - An individual who enters the limited-access areas shall be at least **21 years** of age.
  - The Business shall maintain a **log of all authorized individuals** who are not employees that enter the limited-access area.
  - A Business shall not receive consideration or compensation for permitting an individual to enter the limited-access area.



# GENERAL OPERATIONAL REQUIREMENTS

## OUTSIDE PREMISES REQUIREMENTS

- The Business shall be responsible for monitoring both patron and employee conduct on the premises and within the parking areas under their control to assure behavior does not adversely affect or detract from the quality of life for adjoining residents, property owners, and businesses. **(Violation Type: MODERATE)**
- The Business shall properly manage the premises to discourage illegal, criminal, or **nuisance activity** on the premises and any parking areas which have been made available or are commonly utilized for patron or employee parking.
- The property and all associated parking, including the adjacent area under the control of the Business and any sidewalk or alley, shall be maintained in an **attractive condition** and shall be kept free of obstruction, trash, litter, and debris at all times.
- **Parking** shall be subject to the determination of the City of Los Angeles. Any off-site parking shall be provided pursuant to the requirements of the City of Los Angeles. **(Violation Type: MINOR)**
- All **graffiti** on the site shall be removed or painted over to match the color of the surface to which it is applied within **24 hours** of its occurrence **(Violation Type: MINOR)**
- **Trash pick-up**, compacting, loading, and **unloading and receiving** activities shall be limited to **7 a.m. to 6 p.m.** Monday through Friday and **10 a.m. to 4 p.m.** of Saturday. **No deliveries or trash pick-up shall occur on Sunday.** **(Violation Type: MINOR)**
- **Waste receptacles** shall be kept secure and accessible only to authorized personnel.
- All rooftop equipment is required to be screened from view of the public, including airconditionin units, ventilation equipment and mechanical equipment. **(Violation Type: MINOR)**
- Exterior mounted devices are prohibited, including security bars, grates grills, barricades and similar devices. The use of wrought iron spears and barbed wire on the property are prohibited. **(Violation Type: MODERATE)**



# GENERAL OPERATIONAL REQUIREMENTS

## OUTSIDE PREMISES REQUIREMENTS (cont)

- No **special events** or parties of any type shall be held on the premises, including but not limited to events for which a **Temporary Special Event Permit** has been issued by the Department of Building and Safety. **(Violation Type: MODERATE)**
- **Outdoor lighting** shall be shielded and directed onto the site, such that the light source cannot be seen by persons on adjacent properties or from the public right-of-way. **(Violation Type: MINOR)**
- All **exterior portions** of the premises shall be adequately **illuminated** in the evening as to make discernible the faces and clothing of persons utilizing the space. **(Violation Type: MINOR)**

## SITE SIGNAGE (Violation Type: MINOR)

- A Business is required to meet all on-site and off-site sign requirements and advertising requirements of the City of Los Angeles and the Department.
- Signs shall be limited to on-site wall and projecting signs, and only one sign per facade is allowed
- No monument, illuminated, architectural canopy, pole, marquee, roof, temporary, digital, window, or off-site signs are permitted.
- No portable or sandwich signs are permitted in public right away.
- The Business' Certificate of Compliance, State of California license, BTRC, operating conditions, and emergency contact phone number shall be prominently displayed on the premises where it can be viewed by state or local agencies.
- Loitering is prohibited on or around the premises or the area under control of the Business. **“No Loitering, Public Drinking, or Public Smoking of Cannabis”** signs shall be posted in and outside of the Business.
- An assigned **neighborhood liaison** shall be identified with a phone number **posted** prominently for each premises.



# GENERAL OPERATIONAL REQUIREMENTS

## SECURITY (Violation Type: MODERATE)

- A Business shall hire or contract for **security personnel** to provide security services for the premises.
- All security personnel hired or contracted for by the Business shall comply with the requirements of the State of California and City of Los Angeles and maintain an active **American Red Cross first-aid card**.
- A Business shall ensure that the limited-access areas and all points of entry and exit to the premises, can be securely locked using **commercial-grade, non-residential door locks** in accordance with the approved security plan.
- A Business shall maintain an **alarm system** in accordance with the approved security plan.
- A Business shall ensure a **licensed alarm company** operator or one or more of its registered alarm agents installs, maintains, monitors, and responds to the alarm system.
- Upon request, a Business shall make available to the Department or the Police Department all information related to the alarm system, monitoring, and alarm activity.
- A Business must apply for, and maintain in good standing, a **Police Alarm Permit**.

## SECURITY CAMERAS (Violation Type: MODERATE)

- In accordance with the approved security plan, business premises shall have a complete digital video surveillance system with a minimum camera resolution of **1280 × 1024 pixels**.
- The surveillance-system storage device or the cameras shall be **transmission control protocol/ TCP/capable** of being accessed through the internet.
- Cameras shall record continuously 24 hours per day and at a minimum of 20 frames per second.



# GENERAL OPERATIONAL REQUIREMENTS

## SECURITY CAMERAS (cont) (Violation Type: MODERATE)

- Surveillance recordings shall be kept for a minimum of 30 days.
- Recorded images shall clearly and accurately display the time and date. Time is to be measured in accordance with the United States National Institute Standards and Technology standards.
- All areas recorded by the video surveillance system shall at all times have **adequate lighting** to allow the surveillance cameras to effectively record images.
- Cameras must be immobile and in a permanent location.
- Cameras 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 premises, and allows for the clear and certain identification of any person and activities in all areas required to be filmed.
- **Areas that shall be recorded** on the video surveillance system include, but are not limited to, the following:
  - Areas where cannabis goods are weighed, packed, stored, quarantined, loaded and unloaded for transportation, prepared, or moved within the premises
  - Areas where cannabis is destroyed
  - Limited-access areas
  - Security rooms
  - Areas storing a surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area;
  - and entrances and exits to the premises, which shall be recorded from both indoor and outdoor vantage points.
- Businesses conducting **Retailer Commercial Cannabis Activity** shall also record on the video surveillance system point-of-sale areas and areas where cannabis goods are displayed for sale.



# GENERAL OPERATIONAL REQUIREMENTS

## SECURITY CAMERAS (cont) (Violation Type: MODERATE)

- At each point of sale location, camera placement must allow for the recording of the **facial features** of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.
- The **physical media or storage device** on which surveillance recordings are stored must be secured in a manner to protect the recording from tampering or theft.
- Videos are subject to inspection by the Department and shall be copied and sent to or otherwise provided to the Department, upon request.
- Videos shall be furnished to the Police Department upon request.

# GENERAL OPERATIONAL REQUIREMENTS

## PACKAGING

- A Business is **not** required to have his or her **cannabis goods tested** or to follow the **labeling provisions** as required by the State of California or Commission until **180 days after state licensure**, or December 31, 2018, whichever is sooner. **(Violation Type: SERIOUS)**

## ODOR MITIGATION

- A Business shall be properly **ventilated** and the **exhaust air filtered** to neutralize the odor from cannabis so that the odor cannot be detected by a person with a normal sense of smell at the **exterior** of the Business or on any adjoining property.
- No operable windows or exhaust vents shall be located on the building façade that abuts a residential use or zone.
- Exhaust vents on rooftops shall direct exhaust away from residential uses or zones. **(Violation Type: MODERATE)**

## INSPECTIONS

- Agents or employees of the Department requesting admission to the Business for the purpose of determining compliance shall be given unrestricted access during regular business hours.

## LICENSE RENEWAL

- Commission issued Certificates of Compliance shall be valid for 12 months from the date of issuance and shall be renewed annually.
- Every person shall obtain a separate Certificate of Compliance for each premises where it engages in Commercial Cannabis Activity.
- Certificates of Compliance are not transferrable or assignable to any other person, entity, or property.





# GENERAL OPERATIONAL REQUIREMENTS

## RECORDS RETENTION (Violation Type: SERIOUS)

- Each Business shall keep and maintain the following records for at least seven years:
  - Bank statements
  - Sales invoices
  - Receipts
  - Tax records
  - All records required by the California State Board of Equalization, other State of California agencies, the Office of Finance, or the Department
  - Personnel records (employee's full name, social security, or individual tax payer identification number,)
  - Date of beginning employment
  - Date of termination of employment if applicable;
  - Training records, including but not limited to the content of the training provided and the names of the employees that received the training
  - Contracts with other Businesses;
  - Certificates of Compliance,
  - Permits, licenses, and other local or state authorizations to conduct the Business' Commercial Cannabis Activity.
  - Electronic track and trace systems and point of sale terminals (if applicable). Must be capable of recording and monitoring business activities, inventories, transportation, sales transactions, and generating reports on demand.
- The Department may make any examination of the books and records of any Business as it deems necessary.
- Records shall be kept in either hard copy or electronic form, whichever the Department requests.
- A Business may contract with a third party to provide custodial or management services of the records.



# GENERAL OPERATIONAL REQUIREMENTS

## RECORDS RETENTION (cont) (Violation Type: SERIOUS)

- **Equipment** must be fully integrated to process and maintain data that includes
  - Information about the Business from whom the goods were received
  - Type and amount of goods received
  - Party who holds title to the goods
  - UIDs or lot number of the goods
- **Electronic equipment** may include:
  - Radio-Frequency Identification Devices
  - Bar code identifiers
  - Scanning equipment and software
  - Cash registers
  - Desktop computers
  - Mobile devices
  - Cloud-based technologies that can manage all aspects of the cannabis life cycle from "seed to sale".
- **Data storage** and reporting features must incorporate
  - All aspects of revenue transactions inclusive of accurate inventory levels,
  - Transactional history
  - Sales receipts and entry of all point of sales data inclusive of wholesale and retail sales.
  - The data must clearly distinguish the activities of **medical cannabis** from **retail cannabis**.
- For Businesses engaging in **Retailer Commercial Cannabis Activity**, information required to be tracked includes
  - the sale of the cannabis goods, such as the **date of sale**, type of **goods purchased** and **quantity** of each good, and related **sale prices**.



# GENERAL OPERATIONAL REQUIREMENTS

## RECORDS RETENTION (cont) (Violation Type: SERIOUS)

- For Businesses engaging in **Distributor Commercial Cannabis Activity**,
  - the Business must disclose and enter that transport event into the track and trace database. when it uses its own transporter Certificate of Compliance to transport the cannabis goods to one or more Businesses conducting Retailer Commercial Cannabis Activity.
  - This information includes the transporter state license number, amount of goods transported, vehicle information, and date of transport.

## TRACK AND TRACE (Violation Type: SERIOUS)

- The Department shall utilize the State of California track-and-trace system for **UIDs** of cannabis and cannabis products
- Each Business shall report in the track-and-trace system:
  - Disposition of immature and mature plants,
  - Cannabis products on the premises
  - any transfers associated with commercial cannabis activity between Businesses.
- The Business is responsible for the accuracy and completeness of all data and information entered into the track-and-trace system.
- Each Business shall use the track-and-trace system for recording all applicable Commercial Cannabis Activity. Each Business shall do all of the following activities:
  - Establish an account in the track-and-trace system prior to engaging in any Commercial Cannabis Activity associated with their Business and maintain an active account;
  - Designate at least one of the owners or the responsible party named in the application to be the track-and-trace system administrator.
  - The Business may authorize additional administrator accounts
  - Require designated administrators to complete initial training prior to accessing the system and participate in ongoing training as required by the Department and the State of California;
  - Designated track-and-trace system users, must be trained by the Business' **track-and-trace system administrator**



# GENERAL OPERATIONAL REQUIREMENTS

## **TRACK AND TRACE (cont) (Violation Type: SERIOUS)**

- Designated administrator must maintain an accurate and complete list of all track-and-trace system administrators and users and update the list immediately when changes occur;
- Cancel any track-and-trace system administrator or user from an associated track-and-trace system account if that individual is no longer a Business representative or the administrator
- Correct any data that is entered into the track-and-trace system in error within 24 hours of discovery of the error.
- The Business is responsible for all actions any representatives take while logged into the track-and-trace system or otherwise conducting Commercial Cannabis Activity.
- If a Business loses access to the track-and-trace system for any reason, the Business shall prepare and maintain comprehensive records detailing all tracking inventory activities that were conducted during the loss of access.
- Once access to the track-and-trace system is restored, all inventory tracking activities that occurred during the loss of access shall be entered into the track-and-trace system within 48 hours.
- A Business shall document when access to the track-and-trace system was lost and when it was restored.
- A Business shall not transport any cannabis or cannabis products to another premises until such time as access is restored and all information is recorded into the track-and-trace system.

## **Cultivators:**

- The Business shall only use UIDs as issued by the State of California for every applicable cannabis plant and cannabis product cultivated or as otherwise required.
- The UID shall accompany the cannabis and cannabis products through all phases of the growing cycle as required by the State of California



# GENERAL OPERATIONAL REQUIREMENTS

## TRACK AND TRACE (cont) (Violation Type: SERIOUS)

- The Business shall monitor all **notifications** from the track-and-trace system and resolve all the issues included in the notification in the time frame specified in the notification.
- A Business shall not dismiss a notification from the track-and-trace system until the Business resolves the issues included in the notification. Failure to comply with these requirements may result in enforcement action, including revocation of the Certificate of Compliance.
- The Business shall report through the track-and-trace system any and all **transfers of cannabis** or cannabis products to another Business conducting Commercial Cannabis Activity.
- Within **15 calendar** days of a Certificate of Compliance being issued by the Department, the Business shall enter into the track-and-trace system and **apply a UID** to each existing immature plant lot, individual mature plants, and cannabis product physically located on the premises.
- After this 15 day time frame expires, all cannabis at the premises shall be entered into the track-and-trace system starting with **seed, clone** propagated onsite or purchased from a nursery and **seedling** purchased from a nursery.



# GENERAL OPERATIONAL REQUIREMENTS

## NOTIFICATION OF JUDGEMENTS (Violation Type: MINOR)

- A Business shall ensure that the Department is notified in writing of a **criminal conviction** rendered against the Business, either by mail or electronic mail, within **48 hours** of the conviction.
- A Business shall ensure that the Department is notified in writing of a **civil penalty or judgment** rendered against the Business, either by mail or electronic mail, within **48 hours** of delivery of the verdict or entry of judgment, whichever is sooner.
- A Business shall ensure that the Department is notified in writing of the **revocation of a state license**, permit, or other authorization, either by mail or electronic mail within **48 hours** of receiving notice of the revocation.

## CRIMINAL ACTIVITY

- A Business shall notify the Business and **Police Department**, within **24 hours**, of theft or loss of cannabis goods.
- A Business shall notify the **Police Department** and the Department within 24 hours of discovery of any of the following situations: **(Violation Type: MODERATE)**
  - Business discovers a significant discrepancy as defined in its **inventory**;
  - Business becomes aware of or has reason to suspect diversion, theft, loss, or any other criminal activity pertaining to the operation of the Business;
  - Business becomes aware of or has reason to suspect diversion, theft, loss, or any other criminal activity by an agent or employee pertaining to the operation of the Business;
  - Business becomes aware of or has reason to suspect the loss or **unauthorized alteration of records** related to cannabis goods, registered medical cannabis patients or primary caregivers, or dispensary employees or agents; or
  - Business becomes aware of or has reason to suspect any other **breach of security**.



**RETAIL  
STANDARD OPERATING  
REQUIREMENTS**

# RETAILER COMMERCIAL CANNABIS ACTIVITY

## AGE REQUIREMENT

- Access to the premises shall be limited to individuals who are **at least 21 years old** and have a bona fide business reason for entering the premises.
- An individual **younger than 21 years** of age may enter the premises to purchase medical cannabis goods only if the individual is a medical cannabis patient.
- Any medical cannabis patient **younger than 18 years old** shall be accompanied by his or her parent, legal guardian, or primary caregiver.
- An **electronic age verification device** shall be purchased and retained on the premises to determine the age of any individual attempting to purchase cannabis goods and shall be installed on at each point-of-sales location. The device shall be maintained in operational condition and all employees shall be instructed in its use

## PATIENT VERIFICATION

- Individuals shall only be granted access to the area to purchase medical cannabis goods after the Business has identified the individual as a medical cannabis patient or a primary caregiver.
- Prior to identifying an individual as a medical cannabis patient or a primary caregiver, a Business shall verify that the individual has a valid physician's recommendation for medical cannabis and a valid proof of identification as required by the State of California.
- In the case of a primary caregiver, valid written documentation containing the signature and the printed name of the medical cannabis patient designating the individual as a primary caregiver for a medical cannabis patient.
- A Business shall only sell medical cannabis goods to medical cannabis patients or the primary caregivers of medical cannabis patients once identification is verified.





# RETAILER COMMERCIAL CANNABIS ACTIVITY

## PRODUCT DISPLAY

- The **display** of cannabis goods for sale shall only occur in the retail area during the operating hours of the Business.
- The Business shall not display any cannabis goods in areas outside of the retail area.
- The Business shall not display cannabis goods in a place where it is visible from outside the premises.
- Cannabis goods on display shall not be readily accessible to the customers.
- The amount of cannabis goods that are displayed shall not exceed the average amount of cannabis goods the Business sells during an average one day period.
- The remainder of the Business' inventory of cannabis goods shall be stored in accordance with the requirements of the State of California and the Department.

## SALES

- A Business shall not make any cannabis goods available for sale or delivery unless the cannabis goods were received and delivered to the Business as required by the State of California
- Verify that the cannabis goods have not exceeded their expiration or sell-by date if one is provided.
- A Business shall not sell more than the **maximum limit** established for medical cannabis goods including edibles, or recreational cannabis goods including edibles per individual as required by the State of California.
- A Business shall maintain an accurate record of every sale.
- A record of a sale shall contain the following information:
  - Name of the Business employee who processed the sale;
  - Name of the individual who made the purchase (if medical);
  - Date and time of the transaction;
  - List of all of the cannabis goods purchased, including the quantity purchased
  - Total amount paid for the sale including the individual prices paid for each cannabis good purchased and any amounts paid for taxes



# RETAILER COMMERCIAL CANNABIS ACTIVITY

## RETURNS

- A Business may accept returns of cannabis goods that were previously sold at the same premises.
- A Business shall not resell cannabis goods that have been returned.
- A Business shall treat any cannabis goods abandoned on the premises as a return.
- A Business shall destroy all cannabis goods that have been returned to a Business.

## FREE SAMPLES

- A Business shall not provide free samples of cannabis goods to any person.
- A Business shall not allow representatives of other companies or organizations to provide free samples of cannabis goods to individuals on the Business premises.

## PACKAGING

- A Business shall not accept cannabis goods that are not packaged as they will be sold at final sale, in compliance with the requirements of the State of California.
- A Business shall not purchase dried flower that is not already packaged for final sale, in compliance with the requirements of the State of California.
- A dispensary shall not package or label cannabis goods.
- 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 of California.
- Up to **180 days** after the date of state licensure or December 31, 2018, whichever is sooner, a Business may sell its inventory of untested cannabis goods if the Business places a **label** on each package it sells with the date of purchase and the following statement: **“This product has not been tested under the Medical Cannabis Regulation and Safety Act or the Adult Use of Marijuana Act.”**
- During the time period allowed by this section, a Business may package and sell cannabis goods that have **not** been packaged by a cultivator or distributor before it is transported to the Business or as otherwise required by the State of California.



# RETAILER COMMERCIAL CANNABIS ACTIVITY

## STORAGE

- A Business shall store cannabis goods in a building designed to permit control of temperature and humidity and shall prevent the entry of environmental contaminants such as smoke and dust.
- The area in which cannabis goods are stored shall not be exposed to direct sunlight.
- A Business may not store cannabis goods outdoors. Employee break rooms, changing facilities, and bathrooms shall be completely separated from the storage areas.
- A Business shall meet all temperature and humidity requirements of the State of California.

## INVENTORY

- A Business shall maintain an accurate record of its inventory as required by the State of California.
- A Business shall provide the Department with a record of its current inventory upon request.
- The Business shall keep a record of the following information for all cannabis goods the Business has in its inventory:
  - Description of each item in the Business' inventory. This description will be such that the medical cannabis goods can easily be identified, separate and apart from recreational cannabis goods
  - An accurate measurement of the quantity of the item
  - Date and time the product was received by the Business
  - Sell-by or expiration date on any cannabis goods, if any
  - Name and state license number of the Business that delivered the cannabis goods
  - Name and state license number of the Business that provided the cannabis goods to the Business conducting Retailer Commercial Cannabis Activity
  - Price the Business payed for the cannabis goods, including taxes, delivery costs, or any other costs
- A Business shall perform a **reconciliation** of its inventory at least once **every seven days**.
- A Business shall **verify** that the physical inventory matches the Business's records pertaining to inventory.
- The result of inventory **reconciliation** shall be retained in the Business' records and shall be made available to the Business upon request.



# RETAILER COMMERCIAL CANNABIS ACTIVITY

## EMPLOYEE TRAINING

- Within the first six months of the issuance of a Certificate of Compliance, all employees of a Business conducting Retailer Commercial Cannabis Activity shall enroll in the Department and **Police Department's standardized training** for cannabis retailers.
- Upon completion of such training, the Business shall request the Department to issue a letter identifying which employees completed the training. In the event there is a change in the ownership of a Business, within six months of the change, this training program shall be required for all new staff.
- The training shall be conducted for all new hires within two months of their employment.

## HOURS OF OPERATION

- A Business conducting Retailer Commercial Cannabis Activity may only sell cannabis goods during the hours of 6:00 a.m. Pacific Time to 9:00 p.m. Pacific Time.
- All patrons must exit the premises by 9:15 p.m. Pacific Time.
- At any time the Business is **not** open for retail sales, the Business shall ensure the following:
  - the premises shall be securely locked with commercial-grade, non-residential door locks;
  - the premises shall be equipped with an active alarm system; when closed for retail business,
  - all cannabis goods shall be stored in a locked safe or vault on the premises; and
  - only authorized employees and contractors of the Business shall be allowed to enter the premises after hours.



# RETAILER COMMERCIAL CANNABIS ACTIVITY

## PATRON ACCESS

- Only **one door**, as identified in the premises diagram, shall be used for patron access.
- All other doors shall be equipped on the inside with an **automatic locking device** and shall be kept closed at all times, other than to permit access for deliveries and trash removal.
- Exterior doors shall **not** consist of a screen or ventilated security door but shall be solid.
- There shall be no sales through **exterior openings**, such as drive through or walk-up windows.

## PROHIBITED ONSITE ACTIVITIES

- There shall be no adult entertainment of any type
- No alcohol sales of any type
- No entertainment of any type shall be allowed to take place, except for ambient music.
- No disc jockey, karaoke, dancing or performing activity or any kind shall be allowed.
- Any music, sound, or noise emitted from the Business shall comply with the noise regulations of the Los Angeles Municipal Code and shall not extend beyond the Business.
- There shall be no pool/billiard tables, dart games, video games, coin-operated game machines or similar game devices maintained upon the premises at any time.
- There shall be no outdoor speakers, address, or paging system on the exterior portions of the Business premises or attached to the façade of the building.



**DELIVERY  
STANDARD OPERATING  
REQUIREMENTS**

# DELIVERY FOR RETAILER COMMERCIAL CANNABIS ACTIVITY

**MUST meet all applicable operational requirements for Retailer Commercial Cannabis Activity.**

## EMPLOYEES

- All deliveries of cannabis goods must be performed by a delivery employee of a Business conducting Delivery for Retailer Commercial Cannabis Activity. Each delivery employee of a Business shall be at least **21 years of age**.
- A Business shall only use the services of an independent contractor or courier service to deliver cannabis goods as allowable by the State of California.

## DELIVERY POLICIES

- All deliveries of cannabis goods shall be made in person.
- A delivery of cannabis goods shall not be made through the use of an unmanned vehicle.
- A Business may only deliver cannabis goods to a physical address within the boundaries of the City of Los Angeles.
- A Business shall not deliver cannabis goods to an address located on **publicly owned land** or any address on land or in a building **leased by a public agency**.
- A delivery employee **begins** the process of delivering when the delivery employee leaves the Business premises with the cannabis goods for delivery. The process of delivering **ends** when the delivery employee returns to the Business premises after delivering the cannabis goods.
- A delivery employee of a Business shall, during deliveries, carry a copy of the **Business' Certificate of Compliance**, the employee's government-issued identification, and an employer provided **badge** containing a picture and the name of the delivery employee. A Business shall maintain an accurate list of its delivery employees.
- A delivery employee of a Business, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by the delivery employee or another delivery employee of the Business. While carrying cannabis goods for delivery, a delivery employee of a Business shall ensure the cannabis goods are not visible to the public. A delivery employee of a Business shall not leave cannabis goods in an unattended motor vehicle unless the motor vehicle is equipped with an **active vehicle alarm system**. A vehicle used for the delivery of cannabis goods shall be outfitted with a dedicated GPS device.



# DELIVERY FOR RETAILER COMMERCIAL CANNABIS ACTIVITY

## DELIVERY POLICIES (cont)

- A Business shall only deliver cannabis goods during the **hours allowable** by the State of California.
- While making deliveries, a delivery employee of a Business shall not carry cannabis goods in **excess of \$3,000** at any time. This value shall be determined using the retail price of all cannabis goods carried by the delivery employee.
- While making deliveries of cannabis goods, a delivery employee of a Business shall only travel from the Business premises to the delivery address; from one delivery address to another delivery address; or from a delivery address back to the Business premises. A delivery employee of a Business shall not deviate from the delivery path, except for necessary rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route unsafe, impossible, or impracticable
- A Business shall only deliver cannabis goods during the hours allowable by the State of California.
- While making deliveries, a delivery employee of a Business shall not carry cannabis goods in **excess of \$3,000** at any time. This value shall be determined using the retail price of all cannabis goods carried by the delivery employee.
- While making deliveries of cannabis goods, a delivery employee of a Business shall only travel from the Business premises to the delivery address; from one delivery address to another delivery address; or from a delivery address back to the Business premises.
- A Business shall ensure that the Department is notified in writing of an arrest or criminal conviction involving a vehicle of an employee and the employee or employees involved, either by mail or electronic, mail or electronic mail, within 48 hours of the conviction or arrest.
- A delivery employee of a Business shall not deviate from the delivery path, except for necessary rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route unsafe, impossible, or impracticable





# DELIVERY FOR RETAILER COMMERCIAL CANNABIS ACTIVITY

## DELIVERY REQUEST RECEIPT

- A Business shall prepare a **delivery request receipt** for each delivery of cannabis goods. The delivery request receipt shall contain the following:
  - **Name** and **address** of the Business
  - Name of the **delivery employee** of the Business who delivered the order
  - Name of the Business employee who prepared the order for delivery
  - Medical cannabis patient- a **patient identification number** for the medical cannabis patient who is requesting the delivery.
  - Date and time the **delivery request** was made
  - **Delivery address**
  - **Detailed description** of all cannabis goods requested for delivery. The description shall include the **weight, volume**, or any other accurate measure of the amount of any cannabis goods requested;
  - Total **amount paid** for the delivery, including any taxes and fees; upon delivery,
  - **Date** and **time** the delivery was made
  - **Name and signature** of the individual who received the delivery; at the time of the delivery,
  - Delivery employee of the Business shall provide the individual who placed the order a **copy of the delivery request** receipt.
  - The delivery employee shall retain a **signed copy** of the delivery request receipt for the Business' records.



**MICROBUSINESS  
STANDARD OPERATING  
REQUIREMENTS**

# MICROBUSINESS COMMERCIAL CANNABIS ACTIVITY

A Business conducting Microbusiness Commercial Cannabis Activity shall meet all applicable operational requirements for:

- **Retailer** Commercial Cannabis Activity
- **Indoor** Commercial Cannabis Activity
- **Manufacture** Commercial Cannabis Activity



**INDOOR CULTIVATION  
STANDARD OPERATING  
REQUIREMENTS**

# INDOOR CULTIVATION COMMERCIAL CANNABIS ACTIVITY

## TRANSFER/RETURNS OF CANNABIS

- Businesses are prohibited from transferring or receiving any cannabis or non-manufactured cannabis products from other Businesses conducting Indoor Cultivation Commercial Cannabis Activity. Businesses are allowed to receive immature plants or seeds from nurseries and to transfer cannabis and non-manufactured cannabis products under the requirements of the State of California.
- Businesses are prohibited from accepting returns of cannabis plants or non-manufactured cannabis products after transferring actual possession of cannabis plants or non-manufactured cannabis to another Business.

## WASTE MANAGEMENT

- Cannabis plant material scheduled for destruction shall be held in a holding area identified in the Cultivation Plan and shall be managed and disposed of in accordance with the requirements of the State of California.
- The Cultivation Plan for a Business shall meet all the requirements of the State of California, including hazardous waste management requirements of the CUPA program.

## QUALITY ASSURANCE

- All cannabis shall be kept commercially clean in respect to established pests of general distribution as required by the State of California.

## PACKAGING

- A package used to contain a non-manufactured cannabis product shall adhere to the requirements of the State of California. Labeling requirements shall be implemented within 180 days of approval of a Certificate of Compliance, or by December 31, 2018, whichever is sooner, and meet the requirements of the State of California.



# INDOOR CULTIVATION COMMERCIAL CANNABIS ACTIVITY

## IMMATURE PLANTS

- Businesses shall only propagate immature plants for planting at their premises in designated propagation area(s) according to the requirements of the State of California
- Businesses propagating immature plants for distribution or seed for distribution to another Business shall obtain a Type 4 Certificate of Compliance.
- **Nurseries** producing immature plants for distribution may maintain a research and development area for the cultivation of mature plants as required by the State of California. Nurseries shall only conduct research and development on the premises in designated areas identified in their Cultivation Plan approved by the Department. Non-manufactured cannabis products derived from the plants described above are prohibited from entering the commercial distribution chain without the appropriate Department issued Certificate of Compliance.

## PROCESSING

- Businesses shall process their cannabis only in designated processing area(s) or transport it to a Business with the appropriate Certificate of Compliance for processing. Businesses may produce non-manufactured cannabis products for distribution without a Certificate of Compliance for Manufacture Commercial Cannabis Activity, provided the Business complies with all packaging and labeling requirements of the State of California.
- Processors shall comply with all of the requirements of the State of California.



# INDOOR CULTIVATION COMMERCIAL CANNABIS ACTIVITY

## ENVIRONMENTAL COMPLIANCE

- All Businesses shall comply with the **environmental protection measures** of the State of California, including the following:
  - Compliance with the requirements of the CUPA program of the State of California as it pertains to **management of hazardous waste**,
  - Hazardous materials inventory disclosure
  - Business emergency plans
  - Underground storage tanks of hazardous materials
  - Above ground storage tanks of petroleum products
  - Accidental release prevention of hazardous substances and release reporting
  - Compliance with the **State Water Resources Control Board**;
  - All outdoor lighting used for security purposes shall be shielded and downward facing;
  - Immediately halt cultivation activities if human remains are discovered;
  - The use of generators for cultivation is prohibited, except for temporary use in the event of a power outage or emergency;
  - Compliance with pesticide laws and regulations as enforced by the State of California.



# INDOOR CULTIVATION COMMERCIAL CANNABIS ACTIVITY

## RENEWABLE ENERGY

- **Indoor license types** of all sizes shall ensure that **electrical power** used for commercial cannabis activity shall be meet the requirements of the State of California, for example: on-grid power with 42 percent renewable source; on-site zero net energy renewable source providing 42 percent of power; purchase of carbon offsets for any portion of power above 58 percent not from renewable sources; or demonstration that the equipment to be used would be 42 percent more energy efficient than standard equipment



**INDOOR CULTIVATION  
STANDARD OPERATING  
REQUIREMENTS**

# MANUFACTURING COMMERCIAL CANNABIS ACTIVITY

## NON-VOLATILE EXTRACTION

- Non-volatile cannabis extraction shall only be conducted using the methods in accordance with all requirements and procedures of the State of California. There shall be no metals, butane, propane, or other flammable solvent or inflammable product used for manufacturing.

## STANDARD OPERATING PROCEDURES

- The Business shall establish and implement written standard operating procedures with respect to the following:
  - Disease control,
  - Cleanliness/sanitary operations- a Business will meet all facility suitability standards and be equipped with adequate sanitary accommodations as required by the State of California.
  - Contamination prevention
  - Quality control
  - Quality of raw materials and ingredients,
  - Manufacturing operations/Master manufacturing protocol
  - Hazard analysis
  - **Inventory control plan** as required by the State of California.
  - **Product Recall/Customer Complaint Procedures:** establish and implement written procedures to ensure that all product complaints are handled in accordance with the requirements of the State of California.
  - **Waste Management Procedures:** establish and implement written procedures in the Cannabis Waste Management Plan for recalling cannabis products manufactured by the Business that are determined to be misbranded or adulterated in accordance with the requirements of the State of California.
  - **Employee Training Procedures:** implement a training program to ensure that all personnel present at the premises are provided information and training that, at minimum, covers all of the requirements of the State of California.



# MANUFACTURING COMMERCIAL CANNABIS ACTIVITY

## SAFETY

- A Business shall comply with all requirements of a fire safety plan approved by the Fire Department.

## PROHIBITED PRODUCTS

- No Business shall infuse **alcoholic beverages**, as defined by the State of California, with cannabis.
- No cannabis product shall contain any **non-cannabinoid additive** that would increase potency, toxicity or addictive potential, or that would create an unsafe combination with other psychoactive substances.
- Prohibited additives include but are not limited to **nicotine** and **caffeine**.
- No cannabis product shall be made of potentially hazardous food, **canned** cannabis product, **juice**, **perishable bakery** products, **dairy** products, meat products, and seafood products as required by the State of California.
- Edible cannabis products produced for sale by the Business shall not include products prohibited by the State of California.
- No manufacturer shall manufacture cannabis products by applying cannabinoid concentrate or extract to **commercially available candy or snack** food items.
- No product ingredients or components, other than cannabis extracts or concentrates, shall be used in the manufacture of an edible cannabis product unless such ingredients or components are approved by the United States Food and Drug Administration for use in food or food manufacturing.



# MANUFACTURING COMMERCIAL CANNABIS ACTIVITY

## DOSAGE

- Edible cannabis products shall not contain more than **ten (10) milligrams** of THC **per serving** or more than **one hundred (100) milligrams** of THC **per package** of finished product.
- Edible products that constitute more than a single serving shall be scored, delineated, or otherwise similarly marked to indicate one serving.
- For manufactured cannabis that is not an edible product, no package of finished cannabis product shall contain more than **1,000 mg** of THC.

## QUALITY ASSURANCE

- No cannabis product shall exceed the level of **contaminants** as required by the State of California.
- The mixing of a cannabis product containing defects at levels that render that the cannabis product adulterated with another lot of cannabis product is not permitted and renders the final cannabis product adulterated, regardless of the defect level of the final cannabis product.

## LABELING/PACKAGING

- Prior to release of a product, a Business shall ensure that the product is in finished form and is labeled and packaged in its final form for sale at a Business conducting Retailer Commercial Cannabis Activity. A Business must comply with, and follow all labeling and packaging requirements of the State of California.



# MANUFACTURING COMMERCIAL CANNABIS ACTIVITY

## ODOR MITIGATION

- A Business shall install an **air filtration or ventilation system** that neutralized odors originating from inside the premises and prevents odors from being directed beyond its exterior walls.
- No windows or exhaust vents shall be located on the building façade that abuts a residential use or zone.
- Exhaust vents shall direct exhaust away from residential uses or zones.



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