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SECURITY REQUIREMENTS FOR CANNABIS BUSINESS OPERATIONS

The purpose of this document is to educate cannabis business licensees on the security requirements associated with their business operations. **Your Security Plan should address each element of this document that applies to your business** and explain how you intend to meet these requirements.

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A. Security Plan Requirements

Licensees are required to develop and maintain an adequate Security Plan that must be approved by the Cannabis Licensing Official. The purpose of the Security Plan is to prevent unauthorized diversion of cannabis material, protect the health, safety, and welfare of workers and the public, restrict access to legal consumers, and deter trespass and theft of cannabis or cannabis products. Your Security Plan should include clear, succinct, and **measurable** processes to address security at your site.

During development of your Security Plan, you should consider and include security measures related to product development, sourcing, transportation of product, and customer safety. Additionally, your Security Plan should consider and protect people outside your location who could be the victim of a crime because you are in possession of cannabis. As part of this, you must ensure cannabis waste is disposed of in a manner consistent with federal, state, and local laws so that the cannabis waste is destroyed properly and rendered unusable. To the extent applicable, your Security Plan should include additional strategies for on-site protection from power outages, fire, chemical spills, and address other applicable issues such as storage, access control, credentialing, security officers, cameras, alarms, and internal theft.

Security Plan details should be provided in narrative format and explain how each requirement discussed in greater detail below will be implemented or maintained. You may be required to include specific features of your Security Plan on site plans or in a diagram attached to the Security Plan narrative. A sheet titled "Security Elements" identifying structural measures to secure a building/site (fences, camera locations, secure doors, interior secure rooms) should, if possible, be included as part of the pre-application plan set and is required for the Use Permit plan set submittal.

The intent of this document is to provide clear requirements to ensure Security Plans are thorough and specific, as opposed to general in nature. Security Plans lacking measurable processes or site-specific features will be rejected.

See also, Security Procedures, Form BCC-LIC-018.

B. Perimeter Security

If fencing is part of your perimeter security, your Security Plan should include details such as location, fence type, and height. Fencing shall be sited and designed to avoid tree removal. The least amount of fencing necessary shall be used to secure the site and protect cannabis cultivation areas. In the case of grow areas that need to be protected from wildlife intrusion, the smallest area possible shall be used immediately surrounding a grow site to minimize disruption of wildlife movement through the property. Fencing and other security installations deemed necessary to secure the facility or site shall not obstruct wildlife movement within or through a parcel or cause an animal to become trapped, injured or disoriented.

Licensees shall provide security measures sufficient to demonstrate that outdoor and greenhouse areas are not readily accessible by unauthorized individuals.

Crime Prevention Through Environmental Design (CPTED) principles should be applied whenever possible to ensure that the look and feel of the perimeter security facilities will enhance the surrounding environment, rather than detract from it, while ensuring there are no potential blind spots for intruders to conceal themselves. Razor wire fencing is not permitted. All fencing and/or walls shall be made from material that blends into the surrounding terrain and shall minimize any visual impacts. Tarpaulins, scrap material, dust guard fencing, privacy netting, or woven or non-woven polyethylene plastic, hedges, or bushes are not considered as fencing.

Limited Access Areas must be clearly identified to scale on site plans. The Fencing Plan must be clearly identified to scale on site plans and will require fire agency approval. Required fencing shall measure at least six feet from the ground, and all support posts shall be securely anchored. All entry gates shall measure at least six feet from the ground and have a functional locking mechanism. Fences shall be made of obscuring material such that business operations, including cultivation, are not easily viewed from outside the fence. Perimeter fencing shall be surrounded by clearly marked Private Property - No Trespassing signage.

C. Lighting

No portion of the site shall be illuminated between the hours of 10:00 p.m. and 8:00 a.m. by lighting that is visible from the exterior of the facility, except such lighting as is reasonably utilized for the security of the facility.

All exterior lighting should be fully shielded, directed downward and hooded so as not to cast light off the property onto neighboring properties or skyward. Lighting necessary for security shall consist solely of motion-sensor lights and avoid adverse impacts on properties surrounding the lot on which the cannabis activity is located. All exterior light sources shall comply with the International Dark Sky Association

standards for lighting zones and be designed to regulate light spillage onto neighboring properties resulting from backlight, up-light, or glare.

Perimeter fencing shall be surrounded with lights capable of illuminating all sides of the fence for at least 20 feet from the fence. Such lights must be motion sensing for use during restricted hours, as set forth below.

Site plans submitted for the Use Permit review shall identify all lighting on the property and demonstrate that all lighting will comply with the standards set forth herein.

D. Cameras

Each licensed site shall have a digital video surveillance system with a minimum camera resolution of 1280 x 720 pixels. The surveillance-system storage device or the cameras shall be transmission control protocol (TCP) capable of being accessed through the internet. The video surveillance system shall always be able to effectively and clearly record images of the area under surveillance. The surveillance system must also have the capability to produce a still photograph from any camera image.

Each camera shall be permanently mounted and in a fixed location. Cameras shall record continuously 24 hours per day and at a minimum of 15 frames per second (FPS). Surveillance recordings shall be kept for a minimum of 90 days. Surveillance recordings are subject to inspection by cannabis licensing officials and shall be kept in a manner that allows viewing and copying of the recordings at the licensed premises immediately upon request. The licensee shall also send or otherwise provide copies of the recordings upon request within the time specified by the requestor. Recorded images shall clearly and accurately display the time and date. Time is to be measured in accordance with the United States National Institute and Technology parameters.

The video surveillance system shall be equipped with a failure notification system that provides notification to the licensee of any interruption or failure of the video surveillance system or video surveillance system storage device. The video surveillance system shall be able to record all pre-determined surveillance areas in any lighting conditions. Cameras should feature automatic day/night functionality with removable IR cut filter that switches to day/night modes depending on the light level. The video coverage shall be audited on a periodic basis to ensure that all cameras are in good working condition.

Security Plan's for all retail, manufacturing and distribution sites must include and/or acknowledge:

An explanation of how the video surveillance system will be operated, including who is responsible for monitoring the video footage and storing any video recordings.

A diagram showing where all cameras are located and assigning a number to each camera for identification purposes. The diagram shall be to scale and shall be correlated with a camera index for all assigned cameras. 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 licensed premises and allows for the clear and certain identification of any person and activities in all areas required to be recorded. Cameras must be placed in all rooms with exterior windows, exterior walls, and roof hatches. Entrances and exits to the premises or site shall be recorded from both indoor and outdoor vantage points. Recording distance/range of each camera should be identified on the site plan.

Areas where cannabis products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the licensed premises shall be recorded.

Limited-access areas shall be recorded.

Security room(s) shall be recorded.

Areas storing a surveillance system storage device shall have at least one camera recording the access points to the secured surveillance recording area. The physical media or storage device on

which surveillance recordings are stored shall be secured in a manner to protect the recording from tampering or theft.

Licensed retailers and licensed microbusinesses shall record point-of-sale areas and areas where cannabis products 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 or selling cannabis products, or any person in the retail area, with enough clarity to determine identity.

The camera system shall be equipped with software allowing local authorities to login securely to cameras remotely.

Security Plan's for all cultivation sites must include and/or acknowledge:

An explanation of how the video surveillance system will be operated, including who is responsible for monitoring the video footage and storing any video recordings.

A diagram showing where all cameras are located and assigning a number to each camera for identification purposes. The diagram shall be to scale and shall be correlated with a camera index for all assigned cameras. 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 licensed premises and allows for the clear and certain identification of any person and activities in all areas required to be recorded. Cameras must be placed to cover the perimeter of the cultivation site. Entrances and exits to the site shall be recorded from both indoor and outdoor vantage points, for greenhouses coverage of the access points to the site shall include coverage for vehicles / people entering and exiting the site. Recording distance/range of each camera should be identified on the site plan.

Limited-access areas shall be recorded.

Security room(s) shall be recorded.

Areas storing a surveillance system storage device shall have at least one camera recording the access points to the secured surveillance recording area. The physical media or storage device on which surveillance recordings are stored shall be secured in a manner to protect the recording from tampering or theft.

The camera system shall be equipped with software allowing local authorities to login securely to cameras remotely.

E. Floor Plan

A premises diagram that includes a "floor plan" is required on site plans. This diagram must show the boundaries of the property and the proposed premises to be licensed, showing all dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and must include a brief statement or description of the principal activity to be conducted therein. The diagram must show and identify commercial cannabis activities that will take place in each area of the premises and identify limited-access areas (areas in which cannabis products are stored or held that are only accessible to a licensee and its employees and contractors) and retail areas (buildings, rooms, or other areas of a retailer's areas open to the public). All commercial cannabis activities must be identified on the diagram, including, but not limited to: storage, batch sampling, loading or unloading of shipments, packaging and labeling, customer sales, loading for deliveries, extraction, cultivation, and processing.

Video-intercom systems provide video security and assist in communication throughout the facilities, even from a separate location, and are highly suggested. Fully integrated systems allow for the identification of visitors, unlocking doors, broadcasting of emergencies and announcements and forwarding of calls.

Operating alarm systems that detect movement are required in all enclosed areas within licensed premises when the premises are vacant. Such systems must include passive infrared motion detectors placed throughout the facility.

All cannabis facilities must contain a centrally-monitored fire and burglar alarm system monitored by an alarm company properly licensed by the State of California Department of Consumer Affairs Bureau of Security and Investigative Services in accordance with California Business & Professions Code § 7590 et seq. and whose agents are properly licensed and registered under applicable law. A licensee 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.

Panic buttons located throughout the facility are highly recommended. These buttons enable staff to trigger an alarm in the event of an emergency. Once pressed, the panic buttons will immediately send text and email alerts to all parties involved and alert the alarm company. Triggering a panic button will also sound an audible alarm. Secondly, there should also be panic buttons placed strategically throughout the facility that will trigger a “silent alarm,” enabling employees to implement the sequence of events required when a “duress” code is utilized. In the event of an emergency, such as an employee being forced to “disarm” a system by an intruder, entering a “duress” code allows the alarm system to trigger a “silent” alarm that will notify the appropriate personnel of a security breach, as well as dispatch law enforcement.

Cultivation site plans must include all the following: a detailed premises diagram showing all cultivation activity areas, boundaries, and dimensions in feet; designated processing area(s) if the licensee will process on site; designated packaging area(s) if the licensee will package products on site; designated composting area(s) if the licensee will compost plant or cannabis waste on site; designated secured area(s) for cannabis waste; and designated area(s) for harvested cannabis storage.

Your Security Plan must include and/or acknowledge:

Scale diagram(s) of alarm system components, including keypads, control panels, motion detectors, door sensors, wireless remotes, panic buttons, intercoms, sirens and strobe lights.

Identification of the third-party security company that will install, maintain, and monitor 24-7, an alarm system that is always activated when the business is closed. The system must detect unauthorized entrance at all entry or exit points (including roof hatches), and all exterior windows (including skylights) of the premises. The alarm system must be programmed to notify the third-party vendor in the event of a security breach. Law enforcement must be notified by the third-party security firm of all security breaches in accordance with Santa Cruz County alarm registration ordinance (7.84).

All facility windows shall have security bars installed to the extent allowed under the Building Code. Unless existing exterior security bars are in place, a facility shall affix bars only to the inside of a facility to reduce visual impacts. Windows absent of bars should be affixed with shatter proof or ballistic glass to prevent unauthorized access.

All locking mechanisms must be commercial-grade, nonresidential door locks. All points of entry and exit to the licensed premises must be secured with commercial-grade, nonresidential doors, non-residential door locks, and secured commercial grade door jams.

F. Cannabis and Cash Storage

Secure rooms or safes must be used for cannabis products or cash storage. Limited access to cannabis or cash secure storage rooms shall occur during business hours and all cash and cannabis products must be secured when the business is closed. Any safe utilized for cannabis products or cash storage, and any ATM provided for customer use, must be incorporated into the building structure or securely attached thereto.

Cannabis infused products that must be kept refrigerated or frozen must be kept locked in a refrigerated unit that is incorporated into the building structure, attached thereto or the refrigerator/freezer must be kept in the limited access storage area.

All inventory stored on the licensed premises must be secured in a limited-access area. A licensee shall not store processed cannabis products outdoors. Employee break rooms, changing facilities, and bathrooms shall be separated from all storage areas.

In the event of a disaster, a licensee or designated employee may move cannabis products to another location for a short time period to prevent loss, theft, or degradation of the cannabis products from the disaster.

A secondary location for storage of cannabis and in the event of disaster must be included in your security plan along with the maximum quantity of cannabis or number of cannabis plants stored on site at any one time.

G. Location Access

Licensees shall ensure that only employees of the licensee and other authorized individuals access the limited-access areas of the licensed premises. Authorized individuals include individuals employed by the licensee as well as any outside vendors, contractors, or other individuals conducting business that require access to the limited-access areas. Any individual who enters a limited-access area who is not employed by the licensee shall always be escorted by an employee of the licensee while within a limited-access area.

Entrances to all limited-access areas shall have a solid core commercial door and a non-residential lock meeting the security requirements discussed herein. The door shall remain closed when not in use during regular business hours.

Customers shall be granted access to retail areas to purchase cannabis products only after the licensed retailer or an employee of the licensed retailer has confirmed the individual's age and identity. A licensed retailer shall only sell adult-use cannabis products to individuals who are at least 21 years of age after inspecting a valid form of identification provided by the customer. Acceptable forms of identification include the following: a document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, height, gender, and photo of the person; a valid identification card issued to a member of the Armed Forces that includes the person's name, date of birth, and photo; or a valid passport issued by the United States or a foreign government.

The licensed retailer or at least one employee shall always be physically present in a retail area when individuals who are not employees of the licensed retailer are in the retail area.

Doors and windows of facilities shall remain secured, except for the minimum length of time needed to allow people to enter or exit the building.

You must maintain a record of all authorized individuals that are not employees of the licensee who enter the limited-access areas. The record shall include the name of the individual, the company the individual works for, the reason the individual entered the limited-access area, the date, and the times the individual entered and exited the limited-access area. These records shall be made available to cannabis licensing officials immediately upon request.

All agents, officers, or other persons acting for or employed by a licensee shall always display a laminated or plastic-coated identification badge issued by the licensee while engaging in commercial cannabis activity. The identification badge shall, at a minimum, include the licensee's "doing business as" name and license 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.

You must provide the number of anticipated employees onsite, occupancy during operating hours, frequency of deliveries or shipments originating from and/or arriving to the project site. You must also describe the anticipated transportation activity at the project site.

You may sell and deliver cannabis products only between the hours of 8:00 a.m. and 10:00 p.m. Pacific Standard Time, supplemented by whatever specific restrictions the Cannabis Licensing Official imposes.

H. Daily Cannabis Sales Limits

If you are a retailer, your Security Plan must contain your procedures for ensuring that daily sales limits to cannabis customers authorized under state law are not exceeded.

I. Employee Security Training / Education - Inventory Control

Your Security Plan must address employee training. Employers must provide verifiable and documented training for all employees prior to the employee starting any work. Training can be provided to an employee in a handbook or other types of presentation material.

Employees shall receive verifiable and documented training on how to properly respond to key incidents, including but not limited to: robbery, burglary, intruders, threats of violence to licensees, agents or employees, assaults, weapons possession, civil, natural or manmade disasters, proper use of panic or burglar alarms, cyber security, proper response when law enforcement or first responders arrive at the facility, and incident reporting.

Training Records shall be stored in a secured area where the records are protected from debris, moisture, contamination, hazardous waste, fire, and theft. Training records, including, but not limited to, the content of the training provided and the names of the employees that received the training shall be retained for at least 365 days after the training has been provided.

Your Security Plan must include and/or acknowledge:

- An example employee handbook or procedural manual;

- Verifiable knowledge testing method for employees; and

- Training records retention requirement.

J. Security Guards / Personnel

A retail licensee or microbusiness licensee who is engaged in retail sales shall employ or contract for security personnel who are at least 21 years of age to provide security services for the licensed retail premises. All security personnel employed or contracted for by the licensee shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.

A licensed non-storefront retailer or licensed microbusiness who is not engaged in storefront retail sales is not required to employ or contract for security personnel.

If multiple licensed premises are contained within the same building, security personnel may be shared by all the licensees to cover the entire building provided that each licensee includes in their security operating procedures, submitted with their application, an explanation of how security personnel will be shared, including who is responsible for employing or contracting the security personnel.

Dispensaries shall provide one or more security guards duly licensed by the State of California, Department of Consumer Affairs during business hours. Each security guard shall possess a "Security Guard Card" at all times. The guards shall be dressed in clothing that easily identifies them as security.

K. Transportation (Distributors)

Transport of cannabis is one of the most critical security risks faced and licensees must ensure that there are adequate layers of security on all vehicles transporting products. All products being transported should be accompanied by a travel manifest that accounts for all product and the destination of that product. All routes and times of transportation should be monitored and randomized and there must be established limits capping the quantity/value of any given shipment.

Transportation when transporting cannabis products between licensees or licensed premises shall only be conducted by persons holding a State and local distributor's license, or employees of those persons.

Prior to transporting any cannabis products, the licensed distributor shall have a completed sales invoice or receipt that meets the requirements of Business and Professions Code section 26161. The licensed distributor shall only transport cannabis products listed on the sales invoice or receipt. The sales invoice or receipt may not be altered or changed once transport begins.

All vehicles transporting cannabis products for hire shall be required to have a motor carrier permit pursuant to the Vehicle Code.

Transportation by means of aircraft, watercraft, drone, rail, human powered vehicle, and unmanned vehicle is prohibited.

Cannabis products shall only be transported inside of a vehicle or trailer and shall not be visible or identifiable from outside of the vehicle or trailer.

Cannabis products shall be locked in a box, container, or cage that is secured to the inside of the vehicle or trailer. For purposes of this section, the inside of the vehicle includes the trunk.

While left unattended, vehicles and trailers shall be locked and secured.

A licensed distributor shall not leave a vehicle or trailer containing cannabis products unattended in a residential area or parked overnight in a residential area.

At a minimum, a licensed distributor shall have a vehicle alarm system on all transport vehicles and trailers. Motion detectors, pressure switches, duress, panic, and hold-up alarms may also be used.

Packages or containers holding cannabis products shall not be tampered with, or opened, during transport.

A licensed distributor transporting cannabis products shall only travel between licensees shipping or receiving cannabis products and its own licensed premises when engaged in the transportation of cannabis products. The licensed distributor may transport multiple shipments of cannabis products at once in accordance with applicable laws. A licensed distributor shall not deviate from the travel requirements described in this section, except for necessary rest, fuel, or emergency vehicle repair.

Under no circumstances may non-cannabis products, except for cannabis accessories and licensees' branded merchandise or promotional materials be transported with cannabis products.

Vehicles and trailers transporting cannabis products are subject to inspection at any licensed premises or during transport at any time.

If a licensee has multiple licenses (manufacturing, distribution and cultivation) for the same site and/or transportation is not feasible in a vehicle, the cannabis product may be transported by foot, hand truck, fork lift, or other similar means. A shipping manifest that complies with this division is still required when transporting cannabis goods pursuant to this subsection.

Additionally, any licensed distributor who will be or is transporting cannabis products shall provide the following information to the Bureau of Cannabis Control and Cannabis Licensing Office:

Proof that the licensed distributor owns or holds a valid lease for each vehicle and trailer used to transport cannabis products;

The year, make, model, license plate number, and registered owner for each vehicle and trailer used to transport cannabis products; and

Proof of insurance for each vehicle and trailer used to transport cannabis products.

All loading and unloading of cannabis products or value-added products shall occur behind locked gates, and/or inside a secured facility, and/or in the presence of trained security personnel. See also, Transportation Procedures, Form BCC-LIC-015.

L. Delivery Security

“Delivery employee” means an individual employed by a licensed retailer or licensed microbusiness who delivers cannabis products from the licensed retailer or licensed microbusiness premises to a customer at a physical address.

The process of delivery begins when the delivery employee leaves the retailer’s licensed premises with the cannabis products for delivery. The process of delivering ends when the delivery employee returns to the retailer’s licensed premises after delivering the cannabis products to the customer(s). During the process of delivery, the retailer’s delivery employee may not engage in any activities except for cannabis products delivery and necessary rest, fuel, or vehicle repair stops.

A delivery employee of a licensed retailer shall, during deliveries, carry a copy of the retailer’s current license, the employee’s government-issued identification, and an identification badge provided by the employer.

Prior to providing cannabis products to a delivery customer, a delivery employee shall confirm the identity and age of the delivery customer and place the cannabis products in a resealable child-resistant opaque exit package.

A licensed retailer shall maintain an accurate list of the retailer’s delivery employees.

A retailer’s delivery employee, carrying cannabis products for delivery off-site, shall only travel in an enclosed motor vehicle. Any vehicle used in the delivery of cannabis products shall be operated by a delivery employee of the licensee. Only the licensee or an employee of the retailer licensee for whom delivery is being performed shall be in the delivery vehicle.

While carrying cannabis products for delivery, a retailer’s delivery employee shall ensure the cannabis products are not visible to the public. Cannabis products shall be locked in a box, container, or cage that is secured on the inside of the vehicle. For purposes of this section, the inside of the vehicle includes the trunk.

A retailer's delivery employee shall not leave cannabis products in an unattended motor vehicle unless the motor vehicle is locked and equipped with an active vehicle alarm system. "Vehicle alarm system" is a device or series of devices installed to discourage theft of the vehicle or its contents and is intended to summon general attention or to summon law enforcement as a result of an indication of an attempted breach of the vehicle.

A vehicle used for the delivery of cannabis products shall be outfitted with a dedicated Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle. A dedicated GPS device must be owned by the licensee and used for delivery only. The device shall be either permanently or temporarily affixed to the delivery vehicle and shall remain active and inside of the delivery vehicle at all times during delivery. At all times, the licensed retailer shall be able to identify the geographic location of all delivery vehicles that are making deliveries for the licensed retailer and shall provide that information to the Bureau of Cannabis Control or the Cannabis Licensing Office upon request.

Upon request, a licensed retailer shall provide the Bureau of Cannabis Control or the Cannabis Licensing Office with information regarding any motor vehicle used for the delivery of cannabis products, including the vehicle's make, model, color, Vehicle Identification Number, license plate number, and California Department of Motor Vehicles registration information.

Any motor vehicle used by a licensed retailer to deliver cannabis products is subject to inspection and may be required to stop and be inspected at any state or locally licensed inspection facility or during delivery by law enforcement at any time.

A retailer's delivery employee shall not carry cannabis products in the delivery vehicle in excess of \$5,000 at any time. The value of cannabis products shall be determined using the current retail price of all cannabis products carried by, or within the delivery vehicle of, the retailer's delivery employee.

A delivery employee may only carry cannabis products in the delivery vehicle and may only perform deliveries for one licensed retailer at a time. A delivery employee must depart and return to the same licensed premises before taking possession of any cannabis products from another licensee to perform deliveries.

Before leaving the licensed premises, the retailer's delivery driver must have a delivery inventory ledger of all cannabis products provided to the retailer's delivery driver. For each cannabis good, the delivery inventory ledger shall include the type of good, the brand, the retail value, the track and trace identifier, and the weight, volume or other accurate measure of the cannabis good. After each customer delivery, the delivery inventory ledger must be updated to reflect the current inventory in possession of the retailer's delivery driver.

The retailer's delivery driver shall maintain a log that includes all stops from the time the retailer's delivery driver leaves the licensed premises to the time that the retailer's delivery driver returns to the licensed premises, and the reason for each stop. The log shall be turned in to the retailer when the retailer's delivery driver returns to the licensed premises. The licensed retailer must maintain the log as a commercial cannabis activity record as required by this division.

Prior to arrival at any delivery location, the licensed retailer must have received a delivery request from the customer and provided the delivery request receipt to the retailer's delivery driver electronically or in hard copy. The delivery request receipt provided to the retailer's delivery driver shall contain all of the information required in section 5420 of the BCC regulations, except for the date and time the delivery was made, and the signature of the customer.

Immediately upon request by local law enforcement or BCC, the retailer's delivery driver shall provide all delivery inventory ledgers from the time the retailer's delivery driver left the licensed premises up to the time

of the request; all delivery request receipts for cannabis products carried by the driver, in the delivery vehicle, or any deliveries that have already been made to customers; and the log of all stops from the time the retailer's delivery driver left the licensed premises up to the time of the request.

If a retailer's delivery driver does not have any delivery requests to be performed for a 30-minute period, the retailer's delivery driver shall not make any additional deliveries and shall return to the licensed premises. Required meal breaks shall not count toward the 30-minute period.

Upon returning to the licensed premises, all undelivered cannabis products shall be returned to inventory and all necessary inventory and track-and-trace records shall be updated as appropriate that same day.

A retailer's delivery employees shall not consume cannabis products while delivering cannabis products to customers.

See also, Delivery Procedures, Form BCC-LIC-020.

M. Inventory Tracking

An employee, licensee or agent shall notify the California Bureau of Cannabis Control and local Cannabis Licensing Office within 24 hours of discovery of any of the following situations:

An employee, licensee or agent discovers a significant discrepancy (as defined in section 5034 of the BCC regulations) in its inventory;

An employee, licensee or agent discovers diversion, theft, loss, or any other criminal activity pertaining to the operations of the licensee;

An employee, licensee or agent discovers loss or unauthorized alteration of records related to cannabis products, customers, or the licensee's employees or agents;

An employee, licensee, or agent discovers any other breach of security.

The notification to the Bureau of Cannabis Control and local Cannabis Licensing Office shall be in writing and include the date and time of occurrence of the theft, loss, or criminal activity, the name of the local law enforcement agency that was notified, and a description of the incident including, where applicable, the item(s) that were taken or lost.

Any notifications to local law enforcement shall be timely in nature. Timely calls to the local law enforcement agency that are placed by the licensee, or their agents or employees, shall not be used as evidence of objectionable conditions that constitute a nuisance.

Your security plan must describe your inventory tracking software, point-of-sale systems and related technology that meet State Track and Trace requirements,

All destination dispensaries must be connected for compliance with the track-and-trace system database, with all product being properly inventoried at every step of the chain of custody from seed to sale.

Individual cannabis plants must be affixed with track-and-trace information.

See also, Inventory Procedures, Form BCC-LIC-016.

N. Waste Disposal

All waste containers must be maintained within the secure facility and must be equipped with locks and tamper resistant seals until they are removed by an authorized waste disposal company. If waste material associated with cultivation operations is to be composted, such material should be disposed of in compliance with BMOP operational requirements for cannabis waste materials management.

See also, Cannabis Waste Management Procedures, Form BCC-LIC-019.