

Table 7
The Six Local Jurisdictions Inconsistently Documented Whether They Followed Their Policies Requiring Background Checks

LOCAL JURISDICTION	LOCAL ORDINANCE REQUIREMENTS FOR BACKGROUND CHECKS	NUMBER OF APPLICATIONS REQUIRING A BACKGROUND CHECK*	NUMBER OF APPLICATIONS IN WHICH JURISDICTION DID NOT DOCUMENT APPLICANT PASSED BACKGROUND CHECK	DEFICIENCY	JURISDICTION'S PERSPECTIVE
Fresno	All operators, owners, investors, and managers of a cannabis business shall submit information for a background check. An application shall be denied if the applicant was convicted of activities related to controlled substances or other crimes.	7	5	Background checks related to five applications revealed criminal history for at least one of the owners but the jurisdiction did not document whether the criminal history disqualified the applicant.	Fresno indicated that it only documents failed background checks and does not believe it necessary to document when applicants have passed their background checks.
Monterey County	All owners, managers, and persons having a 20 percent or more financial interest must submit fingerprints and other necessary information for a criminal background check. An application shall be denied if these individuals have been convicted of a felony or certain drug-related misdemeanors within the past 10 years.	18	1	Undetermined whether individuals of one permitted business passed background checks. Otherwise, Monterey County has a clear process for documenting that individuals passed background checks.	The Monterey County cannabis program does not know whether the then-owners passed the background check for one application because the permit was issued by the department previously responsible for issuing permits.
Sacramento	All owners having a 20 percent or more financial interest, officers, members of the board of directors, LLC managers, and individuals with similar responsibilities must submit fingerprints for a background check. An application may be denied if these individuals have been convicted of an offense that is substantially related to the qualifications, functions, or duties of a cannabis business.	16	10	Sacramento did not clearly document whether individuals of eight permitted businesses passed background checks and could not provide background checks for two businesses.	Sacramento originally could not provide documentation for the results of two background checks because the applicants submitted their information to the wrong department during the COVID pandemic and the city did not follow up. Subsequent to our review, Sacramento followed up with the two businesses to run background checks and verified that they passed.

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San Diego	All responsible persons, including managers and persons responsible for the management of a cannabis business, are required to provide fingerprints to the city and undergo a background check . Any person who has been convicted of a violent felony or a crime of moral turpitude within the past seven years cannot act as a responsible person for a cannabis business.	10	1	San Diego could not provide documentation for the results of the background check before the start of one business's operations. However, San Diego was able to provide documentation showing that the responsible persons passed background checks when the applicants provided information for the renewal of their permit.	San Diego did not have the original background check in its records but the responsible person subsequently passed a background check .
Santa Barbara County	All owners, supervisors, employees, and persons having a 20 percent or more financial interest must go through a background check that does not disclose certain felonies .	13	11	Santa Barbara does not require the department that oversees cannabis to document evidence that each individual passed the background check, resulting in its permitting 11 of the 13 applicants we reviewed without first verifying and documenting that the sheriff's office performed background checks on each owner .	Santa Barbara's permitting staff only receive notification from the sheriff's office if a background check indicates a potentially disqualifying conviction . Santa Barbara agrees that the county should document approval verifying that each individual passed a background check.
South Lake Tahoe	All owners, operators, and employees are required to complete fingerprinting. An application shall be denied if the applicant, owners, operators, or employees have been convicted of an offense that is substantially related to the functions or duties of a cannabis business .	4	2	For two applications , South Lake Tahoe deviated from its normal process and did not clearly document that the individuals required to undergo background checks had passed their background checks.	South Lake Tahoe noted that the inconsistent documentation of background checks was a result of different individuals completing the documentation . South Lake Tahoe agrees that the documentation of background checks should be consistent .

Source: Local jurisdictions' ordinances, policies, and staff interviews.

* Each jurisdiction has different policies for when an applicant must complete and pass a background check. Because of the differences in these policies, applications may be denied for other reasons before the applicant is required to pass a background check. Therefore, we did not expect to see documentation of a background check for every application we tested.