

ORDINANCE NO. _____

An ordinance amending Section 104.23 of the Los Angeles Municipal Code regarding a Storefront Retailer Emblem Program for licensed commercial cannabis businesses.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Section 104.23 of Article 4, Chapter X of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 104.23. STOREFRONT RETAILER EMBLEM PROGRAM.

(a) Purpose.

1. Unlicensed cannabis businesses threaten the health and safety of cannabis consumers by selling products that are cultivated, manufactured, prepared, and processed outside of the regulated cannabis marketplace. These products are tainted, contaminated, mislabeled, unlabeled, or misbranded, and may cause serious injury or illness if consumed. Unlicensed and unregulated cannabis stores harm the peace, comfort, and welfare of communities and people who live and work nearby. These stores are more likely to operate outside of proscribed hours of operation without meeting locational and operational standards, and are more likely to sell cannabis in quantities that exceed legal limits and sell cannabis to minors in violation of applicable law.

2. Cannabis consumers must be informed whether a retail cannabis business is unlicensed before having to enter the premises and must understand the health risks and consequences of shopping at an unlicensed cannabis business. This knowledge and understanding empowers consumers to make smart choices to protect their health and safety. Communities will also benefit from a reduction in the number of unlicensed cannabis stores.

3. The Emblem Program for Authorized Cannabis Stores (Program) is administered by the County of Los Angeles in partnership with cities within the County of Los Angeles as a cross-jurisdictional effort to deter the operation of unlicensed cannabis businesses. The Program is intended to protect consumers and stop harmful effects caused by unlicensed and unregulated cannabis businesses on local neighborhoods and communities by requiring retail cannabis businesses that have received all appropriate licenses, permits, or authorizations from the State of California and local governments to both display a unique emblem on the Business Premises so that it is highly visible to the public from the exterior of the store.

4. The Program is not intended to promote the use, possession, distribution, manufacturing, sale, or cultivation of cannabis or cannabis products,

or to engage in any actions that conflict with any applicable local, state, or federal laws.

(b) **Definitions.**

1. **“Authorized Cannabis Store”** means a Licensee engaged in on-site retail sales of medical or adult-use cannabis to customers at a Business Premises location, provided:

(i) The Licensee has obtained a Type-10 (Retailer) or Type 12 (Microbusiness) License or Temporary Approval from the City, and a license or provisional license from the State of California for the same activity or activities;

(ii) The Licensee has obtained all licenses, permits, or authorizations required by the City and any other local agencies necessary to allow the business to engage in the sale of medical or adult-use cannabis; and

(iii) The Licensee keeps all applicable licenses, permits, or authorizations current and valid, and remains in good standing to engage in the sale of medical or adult-use cannabis in the City.

2. **“Emblem”** means the emblem featured on the Emblem Placard issued to an Authorized Cannabis Store by the Program Administrator as part of the Program.

3. **“Emblem Placard”** means a placard displaying the Emblem and other required information issued to an Authorized Cannabis Store by the Program Administrator as part of the Program that notifies the public that the store has received all required state and local licenses, permits, or other authorizations to become an Authorized Cannabis Store.

4. **“Health Information Advisory”** means the pamphlet, paper, or other media provided to the Authorized Cannabis Store by the Program Administrator that contains health information messages, regarding cannabis use and its potential health impacts, created by the Department of Public Health.

5. **“Program”** means the Emblem Program for Authorized Cannabis Stores.

6. **“Program Administrator”** means the Director of the Los Angeles County Department of Public Health, or his or her designee.

(c) **Emblem—Significance.** The Emblem, when displayed on the Emblem Placard shall serve as notice to the public that the commercial cannabis business to which the Emblem Placard was issued is an Authorized Cannabis Store at the time of issuance and is in compliance with all applicable public health laws and regulations as determined during the most recent Public Health inspection. The Emblem and Emblem Placard shall not grant any rights or remedies, and shall not be construed as granting any rights or remedies, to any person or entity in possession of the Emblem or Emblem

Placard. The Emblem and Emblem Placard may not be sold, assigned, or otherwise transferred, and shall not be removed from the premises of the Authorized Cannabis Store to which the Emblem Placard was issued, except as specified in this ordinance. The Emblem Placard shall not create, confer or convey any vested or nonconforming right or benefit, including the right to engage in Commercial Cannabis Activity, to any Person in possession of the Emblem Placard.

(d) Emblem Placard—Issuance, Posting, Inspection, Suspension, and Revocation.

1. **Issuance.** The Program Administrator shall cause an Emblem Placard to be issued to all Authorized Cannabis Stores.

2. **Posting.** The Program Administrator shall cause the Emblem Placard to be posted at the Business Premises so as to be clearly visible to the general public and to patrons entering the Business Premises by posting the Emblem Placard in the front window of the retail business within five (5) feet of the front door, in a display case mounted to the outside front wall of the store within five (5) feet of the front door, or in another location as directed and determined in the discretion of the Program Administrator to ensure proper notice to the general public and to patrons.

(i) An Authorized Cannabis Store shall, at its sole cost, make any reasonable modifications to the exterior or interior of its Business Premises that the Program Administrator determines are necessary to accommodate the posting of the Emblem Placard, including, but not limited to, modifications to lighting, window treatments, coverings, tinting, glazing, and painting, and the mounting of a display case on the exterior of the Business Premises.

(ii) An Authorized Cannabis Store shall not alter, move, remove, or otherwise modify an Emblem Placard posted at its Business Premises pursuant to this section unless ordered or authorized to do so in writing by the Program Administrator.

3. **Inspection.** Not less than once per year, the Program Administrator shall cause an inspection to take place at the premises of an Authorized Cannabis Store to ensure the Emblem Placard is displayed and the Health Information Advisory is provided or made accessible to consumers in compliance with the provisions of this ordinance. Inspections shall take place during ordinary business hours and may be unannounced. The Program Administrator may conduct an inspection more than once per year if the Program Administrator determines more frequent inspections are necessary to ensure compliance with the Program. Inspections may be conducted in conjunction with or separately from other regular inspections.

4. **Suspension.** Upon a determination by the Program Administrator that a Licensee ceases to keep all applicable licenses, permits, or authorizations current, valid, and in good standing, the Program Administrator may immediately

suspend the Licensee's participation in the Program. Written notice will be provided to the Licensee detailing the reason for the suspension, along with instructions for reinstatement. The Emblem Placard will be removed by the Program Administrator, or an authorized representative, until the Licensee takes the necessary steps for reinstatement into the Program.

5. **Revocation.** Upon a determination by the Program Administrator that a Licensee ceases to be an Authorized Cannabis Store for any reason, the Program Administrator shall immediately issue an order in writing to the store to remove the Emblem Placard from public view and return the Emblem Placard to the Program Administrator, or provide other evidence satisfactory to the Program Administrator that the Emblem Placard has been destroyed. The Program Administrator's determination shall be final and not subject to appeal. If an Authorized Cannabis Store's Temporary Approval or License is revoked, suspended, canceled, or not renewed, the Licensee shall immediately remove the Emblem Placard from public view.

(e) **Health information Advisory.** An Authorized Cannabis Store, at the direction of the Program Administrator, shall provide or make accessible to the consumer a Health Information Advisory created by the Los Angeles County Department of Public Health. The Health Information Advisory shall be supplied by the Program Administrator. An Authorized Cannabis Store shall provide the Health Information Advisory to the consumer at the point of sale. The Program Administrator may also supply Health Information Advisory materials in pamphlet or other written form to an Authorized Cannabis Store, and require those materials be displayed and made accessible to consumers.

(f) **Violations.**

1. It shall be unlawful for any person to engage in the retail sale of medical or adult-use cannabis or cannabis products in the City unless it is an Authorized Cannabis Store and displays an Emblem Placard in compliance with the provisions of this ordinance.

2. Notwithstanding the requirement in Subdivision (1), a Business Premises with a License or Temporary Approval to conduct Storefront Retail Commercial Cannabis Activity may operate without an Emblem Placard until January 1, 2025.

3. It shall be a misdemeanor and an unfair business practice subject to criminal and civil enforcement to display or use the Emblem or Emblem Placard, or any placard, symbol, or rendering that is substantially or confusingly similar to the Emblem or Emblem Placard, in connection with any commercial cannabis activity for the purpose of falsely holding oneself out as an Authorized Cannabis Store.

4. City and the Program Administrator may conduct inspections of any commercial cannabis business displaying the Emblem or Emblem Placard, or a substantially or confusingly similar Emblem or Emblem Placard, on its premises,

for the purposes of determining whether the store is an Authorized Cannabis Store.

5. Where City and County laws conflict, commercial cannabis businesses shall comply with all City laws, rules, and regulations unless the issue directly relates to matters of public health that are regulated by the County pursuant to this Program.

Sec. 2. **SEVERABILITY.** If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this ordinance, which can be implemented without the invalid provisions and, to this end, the provisions of this ordinance are declared to be severable. The City Council hereby declares that it would have adopted each and every provision and portion thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

Sec. 3. **URGENCY CLAUSE.** The City finds and declares that this ordinance is required for the immediate protection of the public peace, health and safety for the following reasons: Unauthorized cannabis activity in the City continues to proliferate, with the attendant crime and negative secondary impacts that pose a current and immediate threat to the public welfare. Unauthorized cannabis businesses often cultivate, manufacture, and sell cannabis that has not been tested in accordance with governmental standards, and which may therefore be tainted, contaminated, mislabeled, unlabeled, or misbranded, and cause serious injury or illness if consumed. The Department of Cannabis Regulation (DCR) plays a key role in reducing the threats posed by unauthorized cannabis activity by, in part, issuing licenses to cannabis businesses that require those businesses to operate under strict regulations that are primarily intended to protect the public welfare. These amendments establish a first-in-time public health program that will provide for the issuance of unique emblem placards to commercial cannabis businesses that are licensed by DCR and the State, and which have passed an inspection by the County's Department of Public Health. The issuance of an unique emblem will create a highly visible and recognizable signal to the public that the business displaying the emblem placard is licensed, and therefore help deter patronage at unlicensed locations that do not have such a placard. Additionally, the public health inspection required by this ordinance will protect consumers by ensuring that cannabis products are cultivated, manufactured, prepared, processed and sold in compliance with the requirements of the regulated cannabis marketplace and are safe for public consumption. For all of these reasons, this ordinance shall become effective upon publication pursuant to Section 253 of the Los Angeles City Charter.

Sec. 4. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
TAYLOR C. WAGNIERE
Deputy City Attorney

Date 6/14/2022

File No. 22-0516

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The Clerk of the City of Los Angeles hereby certifies that the foregoing ordinance was passed by the Council of the City of Los Angeles, **by a vote of not less than three-fourths** of all its members.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____