

COMMERCIAL CANNABIS BUSINESS PERMIT PROGRAM

SUMMARY OF PROPOSED REGULATIONS FOR UNINCORPORATED LOS ANGELES COUNTY

PROGRAM OVERVIEW

The County of Los Angeles is considering new regulations that would allow commercial cannabis business operations within unincorporated areas of the County. The proposed regulations aim to ensure the health and safety of consumers, protect community wellbeing, and support a regulated and responsible legal industry. Community input and participation is critical in finalizing the Commercial Cannabis Business Permit Program for unincorporated Los Angeles County.

BACKGROUND

The development of a proposed Commercial Cannabis Business Permit Program for unincorporated Los Angeles County has been a comprehensive and community-driven process. Below is a summary of key events:

- **June 2018:** A proposed regulatory framework is submitted to the Los Angeles County Board of Supervisors by the Los Angeles County Office of Cannabis Management (OCM) after extensive community stakeholder meetings. No action on the proposed recommendations is taken.
- **July 2021:** The Board of Supervisors directs the OCM to revisit the 2018 regulatory framework and report back with a revised framework focused on equity.
- **February 2022:** The Board of Supervisors unanimously approves a motion to implement a revised regulatory framework and an equitable cannabis business permit program. The program offers a total of 90 permits across various business activities:
 - **Retail and Delivery:** 50 permits (25 each)
 - **Distribution, Testing, Manufacturing, Cultivation:** 40 permits (10 each)
- **November 2022:** Measure C is approved by 60 percent of Los Angeles County voters, enacting a tax on cannabis businesses in unincorporated areas of the County.

KEY COMPONENTS OF THE COUNTY'S PROPOSED REGULATIONS

The regulatory framework for cannabis businesses includes comprehensive security measures and operational standards to ensure safety, compliance, and community engagement.

SECURITY MEASURES

- Security requirements mandate an on-duty licensed guard and age verification at retail entrances and points of sale.
- Businesses must implement inventory tracking from seed to sale and ensure all products are tested for contaminants and accurately labeled.
- Businesses must have 24/7 video surveillance system inside and outside of their premises. Recordings must be kept for at least 90 days and can be requested by OCM at any time.
- Commercial-grade locks must be used at all entry/exit points and wherever cannabis is stored. Alarm systems must be licensed by the State.

CORPORATE SOCIAL RESPONSIBILITY

All cannabis businesses must adhere to a local and targeted hiring mandate, requiring that 20 percent of all work hours be performed by Local Workers and another 20 percent by Targeted Workers (i.e. County residents with career-limiting circumstances). Additionally, an applicant must commit to at least one Corporate Social Responsibility in each of the following categories: Community, Social Equity, and Labor Relations.

PERMITTING REQUIREMENTS

- **Permit Application Review:** OCM will review ownership, financial interests, corporate formation documents, attestations, and agreements.
- **Compliant Business Location:** Proposed location must be in the appropriate zone for the cannabis activity, in compliance with required distance buffers, and applicants must provide proof of legal right to occupy.



- **County Department Permits & Clearance:** Applicants submit plans to responsible departments such as Planning, Public Health, Public Works, Fire, and Agricultural Commissioner/Weights & Measures. Departments will schedule onsite inspections to ensure compliance with submitted plans.
- **Annual On-site Inspections:** OCM will review standard operating procedures, site plans, floor plans, and security plans and inspect the premises to ensure compliance with operating requirements. Applicants are required to follow the Good Neighbor Policy by conducting a Community Meeting.
- **State License:** Applicants must obtain a State cannabis license.
- **Cannabis Business Permit:** OCM will verify an applicant has received all required State and local approvals before making a final determination to issue the Cannabis Business Permit. Permits must be renewed annually.

COMPLIANCE AND ENFORCEMENT

- Businesses will have a community liaison available 24/7 to address community complaints and concerns.
- Annual Compliance inspections are conducted by multiple agencies, including an annual review by OCM. A strong compliance infrastructure will be established within regulatory agencies to support these measures and maintain high standards across the industry.
- Violations can result in warnings to correct issues, large fines, or suspension or revocation of business permit or license.

PROPOSED ZONING LOCATIONS FOR BUSINESSES

To prevent the overconcentration of cannabis businesses and avoid an effective ban in most areas of the County, the proposed rules align zoning and buffering limits with State law and the County's alcohol outlet zoning ordinances.

- Retail storefronts permitted in C-2, C-3, and light manufacturing zones.
- **Buffer Zones:** Establishes a 600-foot buffer from all Youth Oriented Uses (k-12 schools, daycares, parks, and libraries), and within 500 feet of an existing retail

storefront cannabis business. Businesses permitted in equivalent commercial and industrial/institutional zones within Specific Plans such as: East LA 3rd Street, Connect Southwest LA TOD, Florence-Firestone TOD, Marina Del Rey, Newhall Ranch, West Carson TOD, Willowbrook TOD, and Northlake.

- This framework includes strict land use and permitting requirements, facilitated through a ministerial permitting process that ensures consistency and adherence to standards.

BENEFITS OF REGULATIONS FOR UNINCORPORATED COMMUNITIES

Safer Products: A regulated market ensures businesses are following local and statewide product safety and standard requirements.

Community Protection: Business locations proposed in appropriate areas, away from sensitive locations.

Economic Growth: The industry could create up to 1,200 full-time retail jobs, paying up to \$48 million annually. Cannabis businesses will also support various ancillary local businesses, fostering broader economic growth.

Reduced Illegal Activity: Regulations help to decrease illegal cannabis sales.

Community Reinvestment: This program is expected to generate approximately \$9.7 million in revenue with all 90 permits operational. Through the budget process, the Board of Supervisors may direct cannabis tax revenue to support key priorities and initiatives throughout the County.

CONTACT INFORMATION

For additional information or to provide public comment on the proposed Commercial Cannabis Business Permit Program, please contact the Los Angeles County Office of Cannabis Management:

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