

**ATTACHMENT II: ADVISORY WORKING GROUP RECOMMENDATIONS**

	<b>Topic</b>	<b>Subtopic</b>	<b>Recommendation</b>
1.	Youth access and exposure	Education	The County should produce and widely distribute science-based, non-judgmental information on the risks and potential harms of cannabis use by children and youth. The information should be distributed using methods that are effective in reaching children and youth, as well as their parents, caregivers, and adult family members. The information should be conveyed in an objective, non-judgmental manner that is easily understood by persons with limited literacy and available in all key languages. Cannabis retail businesses should be required to post this information in a highly visible place.
2.	Youth access and exposure	Education	The County should provide science-based, non-judgmental education and prevention resources for youth, and work with educators and youth service providers on effective ways to inform youth about the harms of underage recreational cannabis use, including but not limited to peer-to-peer and early intervention strategies for drug abuse prevention.
3.	Youth access and exposure	Education	The County should provide science-based, non-judgmental education and prevention resources to ensure that local regulations allow for safe, responsible medical cannabis use by persons under the age of 21 where recommended by a doctor, and provide education to parents and caregivers about safe storage and responsible use practices to prevent underage nonmedical access to cannabis.
4.	Youth access and exposure	Education	The County should prioritize the use of cannabis tax revenue to provide schools and youth service providers with accurate, science-based, non-judgmental and comprehensive education, prevention strategies and early risk-reduction interventions that aim to prevent underage recreational use; other supportive programming, such as after-school and out-of-school activities will also be prioritized.
5.	Youth access and exposure	Education	The County should work with schools, school districts, and youth centers to post signage at facility entrances stating that the possession of cannabis is prohibited. Signage should be highly visible and in multiple languages.
6.	Youth access and exposure	Packaging and labeling	The County should ensure sufficient resources and funding to enforce state laws requiring child-resistant exit packaging for all products sold at retail or delivered to consumers.
7.	Youth access and exposure	Age verification	The County should conduct regular unannounced compliance checks, no less than twice yearly, to ensure cannabis retailers comply with age-restriction laws, and should establish progressive penalties, up to and including license revocation, for cannabis retailers, including delivery services that do not comply with age-restriction laws.

**Attachment II: Advisory Working Group Recommendations**

	<b>Topic</b>	<b>Subtopic</b>	<b>Recommendation</b>
8.	Youth access and exposure	Age verification	The County should require all retail cannabis sales personnel to complete documented training on age verification requirements, accepted age-verification practices, including but not limited to electronic age verification practices and other techniques to prevent underage youth from entering or loitering in the vicinity of retail outlets. Cannabis retailers should be held accountable for ensuring that all retail sales employees complete training before conducting sales. Progressive consequences (penalties including fines and suspensions to operate) should be implemented and should include license revocation, where appropriate. The County should conduct regular compliance checks with cannabis retailers.
9.	Youth access and exposure	Fines and penalties	The County should evaluate the feasibility of adding cannabis to a social host ordinance that holds individuals responsible for knowingly providing a place on property they control where nonmedical underage cannabis use takes place, regardless of who provides the cannabis products.
10.	Youth access and exposure	Advertising and marketing	The County should advocate for changes to state law to prohibit cannabis advertising in broadcast, cable, radio, print, and digital communications where less than 85 percent of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, up-to-date audience composition data, consistent with rules applicable to tobacco advertising.
11.	Public health and safety	Banking	The County should investigate the feasibility of creating a public bank to serve the cannabis industry.
12.	Public health and safety	Banking	The County should explore the feasibility of using third-party services to handle financial transactions, such as tax payments, between cannabis businesses and the County to reduce risks involved with cash only payment methods, and should implement adequate security measures and business capabilities at County offices, including exploring adding new payment offices, to handle the anticipated increase in cash payments by cannabis businesses.
13.	Public health and safety	Crime	In connection with any new license or renewal application, the County should require each cannabis business to submit a security plan that implements industry best practices to deter crime and facilitate response and intervention by law enforcement.
14.	Public health and safety	Crime	The County should ensure law enforcement is properly trained to prevent racial, ethnic, mental health and age-related profiling when interacting with community residents on cannabis-related issues.
15.	Public health and safety	Crime	County law enforcement should partner with cannabis businesses to understand the businesses' unique security concerns, including assigning a law enforcement liaison to interface directly with each cannabis business.
16.	Public health and safety	Driving under the influence of drugs	The County should advocate for state legislation that clarifies cannabis open container laws to ensure both residents and law enforcement understand what is and is not legal.

Attachment II: Advisory Working Group Recommendations

	<b>Topic</b>	<b>Subtopic</b>	<b>Recommendation</b>
17.	Public health and safety	Driving under the influence of drugs	The County should set aside funds for the Department of Public Health to assess the efficacy of laboratory equipment to detect the presence of active THC in the blood and its correlation to impairment.
18.	Public health and safety	Driving under the influence of drugs	The County should investigate incorporating evidence-based interventions administered by appropriately trained public health professionals into alcohol and drug DUI programs, such as Screening, Brief Intervention, and Referral to Treatment (SBIRT) in a non-law enforcement setting.
19.	Public health and safety	Over-consumption and edibles	The County should explore whether to supplement state required labels for recreational edible cannabis products sold in County cannabis stores to provide information to consumers about how to avoid overconsumption and include warnings about cannabis use by women who are pregnant and breastfeeding, driving under the influence of cannabis, recreational youth cannabis use or other potential health impacts.
20.	Public health and safety	Education	The County should explore the feasibility of developing and testing a universal symbol to be placed on every cannabis and cannabis product package label sold in County cannabis stores to easily identify that a product contains cannabis.
21.	Public health and safety	Education	The County should require cannabis retailers to post multi-lingual signage alerting consumers that the possession and use of cannabis could impact a person's immigration status under federal law and could violate the terms of a person's parole or probation.
22.	Public health and safety	Education	The County should implement a wide-ranging, multilingual and culturally competent multimedia campaign to educate the public, including tourists, about state and local cannabis laws and responsible cannabis use. The County should immediately pursue available state funding to support the education campaign.
23.	Public health and safety	Secondhand smoke	The County should work with state and local housing authorities to implement policies that minimize exposure to secondhand cannabis smoke within affordable housing units.
24.	Public health and safety	Secondhand smoke	The County should conduct a study, and implement a comprehensive secondhand cannabis smoke campaign, to reduce health risks to youth, employees, and other members of the public. The study and the campaign will be used to explore concrete policy options for regulating secondhand smoke.
25.	Personal cultivation	Education	The County should provide information on best practices for indoor and outdoor personal cannabis cultivation, including responsible pesticide use, waste disposal, odor control, and other health and safety concerns, and should establish a voluntary inspection program focused on safety and security.
26.	Personal cultivation	n/a	The County should consider the impact of existing restrictions on the outdoor cultivation of cannabis for personal use, to be in line with state guidelines.

Attachment II: Advisory Working Group Recommendations

	<b>Topic</b>	<b>Subtopic</b>	<b>Recommendation</b>
27.	Personal cultivation	n/a	The County should follow state rules (Compassionate Use Act) regarding personal cultivation for qualified medical patients, with no more than 3 patients cultivating per residence.
28.	Onsite consumption	n/a	As a harm reduction measure and to incentivize responsible consumption, the County should consider implementing a time-limited pilot program to allow for on-site consumption at licensed cannabis retailers and microbusinesses if separate consumption areas are provided. There should be a separate license and eligibility for the pilot program which should be limited to businesses who use responsible sales and service training and are located near public transportation, in order to reduce the amount of driving to and from such locations. As part of this pilot program, the County should track data indicators to track the needs for onsite consumption and analyze the outcomes from allowing on-site consumption and assess impacts on public health and safety, including but not limited to changes in the number of citations for driving under the influence of drugs, public consumption, odor complaints, and health impacts for employees of these businesses. Engaging community stakeholders, which would include businesses, in developing this pilot program. Applicants should go through a discretionary hearing and demonstrate how they will handle DUIs and secondhand smoke.
29.	Cannabis retailers	Delivery	The County should implement appropriate regulations on the retail delivery of cannabis to ensure that delivery does not become an avenue for underage youth to access cannabis. Such regulations could include the use of age-verification technology during deliveries and special recordkeeping requirements. When considering regulations for retail cannabis delivery, the County Board of Supervisors should review research concerning youth access to alcohol in jurisdictions where alcohol delivery is permitted.
30.	Cannabis retailers	Delivery	The County should require that, prior to engaging in cannabis delivery, a cannabis retailer register the identity of delivery drivers and vehicles used for delivery with the County and law enforcement on going as needed. The delivery vehicle should be solely for the purpose of the Cannabis industry and with no visible identification. Law enforcement should be properly trained to enforce this.
31.	Cannabis retailers	Hours of operation	Subject to state law or regulation, the County should set hours of operation for cannabis retail storefronts that allows sufficient customer access before and after work hours, but should consider allowing extended hours for medical cannabis delivery only after retail storefronts are required to close.

**Attachment II: Advisory Working Group Recommendations**

	<b>Topic</b>	<b>Subtopic</b>	<b>Recommendation</b>
32.	Cannabis retailers	Numerical and concentration limits	The County should consider alternatives to capping the number of cannabis retail licenses, such as implementing a discretionary process, such as a conditional use hearing, that requires the hearing body to find that issuing the cannabis retail license is needed and will not result in an overconcentration in any neighborhood consistent with state law and zoning based on the ratio of retail licenses to population and other key indicators that impact quality of life and environment, including, for example, whether a cannabis retailer proposes to locate in a high crime reporting district. Per capita should not be considered. The County should conduct an analysis with GIS to study population density to prevent overconcentration based on current state sensitive-use buffers. The County should consider alternatives to setting minimum distances between retailers, being sensitive to commercial and industrial zones.
33.	Cannabis retailers	Loitering and onsite consumption	The County should require cannabis retail businesses to have a security plan in place to prevent the misuse of recreational cannabis consumption by employees, and to prevent loitering, and cannabis consumption in parking lots, alleys, and other open areas adjacent to their businesses. The respective business should be well-lit and kept clean, and debris-free by the business operator. Businesses should clearly display signs with “no loitering, no public drinking, and no public cannabis use” in the business and immediately outside.
34.	Cannabis retailers	Onsite signage	Signage should comply with current County guidelines. Signage should be functional rather than promotional. County should further explore signage possibilities to maximize business operations and reduce appeal to children and youth, and nuisance to neighborhoods. The County should consider restricting signage on vehicles, pending legal analysis.
35.	Cannabis retailers	Security	In connection with any new license or renewal application, the County should require each cannabis business to submit an individualized security plan that implements industry best practices to deter crime and facilitate response and intervention by law enforcement, including but not limited to physical improvements to deter crime, camera and alarm systems, and onsite security personnel.
36.	Cannabis retailers	Employee requirements	The County should require mandatory retail employee/budtender training on how to maintain a safe retail environment, how to avoid sales of cannabis to individuals under the influence of alcohol or other drugs, and how to provide consumer education on safe and responsible product use and health risks and consequences, particularly for novice users.
37.	Cannabis retailers	Signage and advertising	The County should evaluate the feasibility of requiring cannabis licensees to include accurate, science-based warning labels on cannabis advertising, similar to those required in the context of alcohol and tobacco.

Attachment II: Advisory Working Group Recommendations

	<b>Topic</b>	<b>Subtopic</b>	<b>Recommendation</b>
38.	Cannabis retailers	Signage and advertising	<p><b>Part A</b> The County should restrict cannabis advertising at or sponsorship of events, including but not limited to concerts, fairs, festivals and sporting events at County owned or operated facilities, consistent with how alcohol and tobacco products are treated. Exemptions should be considered for health and wellness events.</p> <p><b>Part B</b> The County should advocate for changes to state law to expand the restrictions in Business and Professions Code section 26151(b) to include advertising at or sponsorship of events, including but not limited to concerts, fairs, festivals and sporting events.</p>
39.	Cannabis retailers	Signage and advertising	The County should evaluate the feasibility of prohibiting branded merchandise primarily marketed to and used by youth, including but not limited to toys, games, video game systems, and clothing.
40.	Cannabis retailers	Location	<p><b>Part A</b> The County should require cannabis retailers to locate not less than 1,000 feet from schools (K-12), and 600 feet from daycare centers and youth centers.</p> <p><b>Part B</b> The County should consider establishing 600 feet buffers between cannabis retailers from public parks, playgrounds, and libraries. The County should consider whether to establish minimum distances between cannabis retailers and licensed youth alcohol or drug abuse treatment facilities. The County should carefully study any buffering and minimum distance rules to ensure that such rules will not unreasonably eliminate the ability of cannabis businesses to establish in unincorporated County areas, incentivize the continued operation of the unlicensed cannabis market, or create other unintended consequences such as the inequitable distribution of cannabis businesses throughout the County.</p> <p><b>Part C</b> The County should ensure a variance procedure is available to applicants seeking to establish a cannabis retail business.</p> <p><b>Part D</b> The County should publish a map depicting where cannabis retailers can locate prior to adopting any buffering regulations. This map should include demographic and socioeconomic data for the County's unincorporated areas.</p>
41.	Non-retail cannabis businesses	Location	<p><u>Cultivators, Manufacturers, Distributors, Microbusinesses</u></p> <p>Cannabis cultivators, manufacturers, distributors and microbusinesses should be required to obtain discretionary permits.</p> <p><u>Testing Laboratories</u></p> <p>Cannabis testing laboratories should be permitted through a ministerial approval process.</p>

Attachment II: Advisory Working Group Recommendations

	<b>Topic</b>	<b>Subtopic</b>	<b>Recommendation</b>
42.	Non-retail cannabis businesses	Requirements for cultivators and manufacturers	<p>The County should require cannabis cultivators and manufacturers to submit for County review and approval prior to commencing operations, and in connection with any license renewal, an operating plan that addresses the following components to the satisfaction of the County:</p> <ul style="list-style-type: none"> <li>• Odor control and mitigation, both within the facility and outside the facility;</li> <li>• Energy conservation and sustainability;</li> <li>• Water conservation and sustainability;</li> <li>• Waste and wastewater disposal;</li> <li>• The application and storage of pesticides, fertilizers, and other hazardous chemicals;</li> <li>• Environmental sanitation standards consistent with the production of food products; and</li> <li>• Security.</li> </ul>
43.	Non-retail cannabis businesses	Cultivators	The County should conduct an analysis of the environmental impacts of indoor versus outdoor cultivation, and the differential effects in terms of revenue and regulatory and enforcement costs of allowing or prohibiting commercial outdoor cultivation.
44.	Non-retail cannabis businesses	Cultivators	The County should evaluate whether offering a license type comparable to a State Type 1C-speciality cottage cultivation license could stimulate regenerative agriculture in urban areas and encourage small business operators.
45.	Non-retail cannabis businesses	Cultivators	The County should require cultivators to allow the utility company to provide their monthly electricity usage for two years and then consider additional regulations for cannabis cultivation to make cultivation more energy efficient and offer incentives for efficient energy usage.
46.	Non-retail cannabis businesses	Manufacturers	The County should adopt regulations to support the enforcement of state rules for cannabis product preparation and labeling.
47.	Non-retail cannabis businesses	Microbusiness	The County should offer a license type for microbusinesses and should apply regulations to microbusinesses consistent with those applied to cannabis retailers, manufacturers, distributors, and cultivators. The County should use the microbusiness license to encourage local ownership and the participation of small businesses in the cannabis marketplace.
48.	Non-retail cannabis businesses	Testing labs	The County should allow an appropriate ratio of cannabis testing laboratory licenses to dispensary, cultivation, and manufacturing licenses, to ensure sufficient and speedy testing. The County should consider giving application priority to existing laboratories that perform similar testing on non-cannabis products.

Attachment II: Advisory Working Group Recommendations

	<b>Topic</b>	<b>Subtopic</b>	<b>Recommendation</b>
49.	Non-retail cannabis businesses	Numerical and concentration limits	The County should consider alternatives to capping the number of non-retail cannabis licenses, such as requiring the hearing body for a discretionary use permit to find that issuing the license is needed and will not result in an overconcentration in any neighborhood consistent with state law and zoning based on the ratio of licenses to population and other key indicators that impact quality of life and environment.
50.	Compliance	n/a	The County should establish sufficient civil penalties, not less than \$20,000 per day or penalties levied by surrounding jurisdictions, and work with utility providers to shut off utilities as a deterrent to combat unlicensed operators.
51.	Compliance	n/a	The County should ensure that its application and licensing processes are sufficiently robust to identify and prevent organized crime from participating in the licensed cannabis marketplace.
52.	Taxation	Tax rates	<p><b>Part A</b> The County should implement a low initial tax rate and be differentiated by type of license, including a volume tax for cultivators and square footage tax for nurseries.</p> <p><b>Part B</b> The County should increase its initial low tax rate over time as the licensed cannabis market establishes to a rate comparable with surrounding jurisdictions, including in particular the City of Los Angeles.</p> <p><b>Part C</b> The County’s cannabis tax ordinance should provide flexibility to increase and decrease taxes in response to changing market conditions and changing consumption patterns for young adults as tracked by Public Health, and legislation or regulation at the federal and state levels.</p>
53.	Taxation	Revenue allocation	<p>The County should allocate funds needed for regulating the cannabis industry. (10% to OCM and other County departments, and 10% to law enforcement to be used for community engagement, implicit bias training, and diversion programs), in an amount not to exceed 20% of annual revenue. The remaining 80% should be broken out as listed below:</p> <ul style="list-style-type: none"> <li>▪ 50% of the annual revenue should be directed to science-based youth and young adult access prevention, intervention, and treatment (including training), including direct funding to youth centers (i.e. Parks After Dark) and after-school programming, community education, research, assessment/evaluation tools, and reporting funding, with 50% of this funding going to community-based organizations (including capacity building and training), and no less than 25% going to health promotion, disease prevention, and health equity, as defined by public health.</li> <li>▪ 15% of annual revenue should go to an “Equity Fund,” established to support equity applicants.</li> </ul>

Attachment II: Advisory Working Group Recommendations

	<b>Topic</b>	<b>Subtopic</b>	<b>Recommendation</b>
			<ul style="list-style-type: none"> <li>▪ 5% of annual revenue should go to programs in communities where licensed and unlicensed cannabis businesses are located, with funds concentrated where businesses are concentrated, to ensure that cannabis tax revenue stays local.</li> <li>▪ 10% of annual revenue should be directed to LA-based community colleges and nonprofit vocational schools for job training, workforce development, and workforce programs (retail, manufacturing, ancillary, agricultural, administrative), prioritizing enrollment by those most disproportionately impacted by the historical and ongoing “War on Drugs,” such as arrests, convictions, incarcerations, poverty, lack of opportunities for education and employment.</li> </ul>
54.	Economic development	Community Benefit Agreements	The County should require cannabis businesses to adopt community benefit agreements to give back to the local community. The CBA can take many forms, which can be fleshed out by criteria developed by the Equity Oversight Committee working with the OCM. CBA elements could include percent-of-profit giveback to community organizations, serving as an incubator to an equity applicant, community clean-ups and other support options.
55.	Economic development	Local and disadvantaged worker hire	<p>The County should require cannabis businesses to hire no less than 30% local workers. The County should utilize the County’s existing local worker hire provisions as guidance to define local workers and minimum hiring requirements.</p> <p>The County should also consider incentives for cannabis businesses that hire a minimum percentage of employees who were formally incarcerated or convicted, unemployed, veterans, and/or meet low-income definition. This would go through the Cannabis Equity Oversight Committee (see recommendation no. 61).</p>
56.	Economic development	Residency	The County should require a minimum of 51% of all ownership stakes in any cannabis business, except for testing labs, licensed in the County of LA to belong to individuals who have lived in LA County for a minimum of three years prior to the application. This policy should be re-assessed after five years to see whether the policy has had a positive impact on small business ownership.
57.	Economic development	Technical assistance	The County should assist applicants during the application process, or contract with nonprofits to provide such technical assistance. The County should offer ongoing technical and business assistance to applicants to help them remain compliant with applicable regulations.
58.	Economic development	License limits	To promote small businesses and restrict monopolization of the unincorporated County market, the County should limit the number of cannabis business licenses of any one type that any one individual or business entity can obtain within unincorporated areas, and should study the feasibility of limiting the size of retail cannabis businesses.

Attachment II: Advisory Working Group Recommendations

	<b>Topic</b>	<b>Subtopic</b>	<b>Recommendation</b>
59.	Economic development	Application restrictions	County should allow only one application at a time per proposed premises to eliminate multiple applications from one location.
60.	Economic development	Existing unlicensed businesses	The County should provide a “pathway to legalization” for existing, unlicensed cannabis businesses, provided these businesses cease operations during the application process and meet all zoning, buffering, and distancing requirements established by the County for cannabis businesses generally.
61.	Equity	Background checks	The County should not automatically disqualify applicants with criminal backgrounds, but should consider all available evidence in order to evaluate an applicant’s fitness to receive a cannabis business license from the County.
62.	Equity	Equity program	<p><b>Part A</b> The County should set aside a certain percentage of licenses for “equity applicants,” with the goal of one-to-one applications. “Equity applicants” should include businesses where greater than 50 percent of the business is owned, in perpetuity, by persons who meet a certain income level, LA County residency (with a minimum of 3 years) and impacted person status, geography (prioritizing those from impacted neighborhoods within LA County), and other requirements that promote the equitable ownership of licenses by community members hardest hit by the “war on drugs.” Research on eligible “equity applicants” should include study of the Targeted Areas Preferences Act of 1986.</p> <p><b>Part B</b> The County should offer “equity applicants” priority licensing, reduced fees, consider tax incentives excluding excise tax, and other similar incentives or benefits to reduce barriers to entry.</p> <p><b>Part C</b> To reduce the burden on and risk for “equity applicants,” the County should allow “equity applicants” to apply for a cannabis business license without having secured a physical location. The County should provide “equity applicants” up to 6 months to secure compliant premises upon conditional approval of the cannabis business license application. The discretionary hearing will take place after the location is identified.</p> <p><b>Part D</b> The County should work with interested investors to offer low-interest startup and business finance loans to “equity applicants.”</p> <p><b>Part E</b> The County should create an incubator program, which would provide start-up, business development, access to capital, and other assistance to “equity applicants” seeking to establish a business in the competitive cannabis marketplace.</p> <p><b>Part F</b> The County should conduct an assessment of the equity program after five years.</p>

Attachment II: Advisory Working Group Recommendations

	<b>Topic</b>	<b>Subtopic</b>	<b>Recommendation</b>
63.	Equity	Disadvantaged worker hire	The County should consider incentives for cannabis businesses that hire a minimum percentage of employees who were formerly incarcerated or convicted.
64.	Equity	Oversight Committee	The County should establish a permanent Cannabis Equity Oversight Committee to monitor and guide implementation of all equity programs and policies related to cannabis, including tracking and analyzing cannabis-related enforcement, including but not limited to citations, arrests, and business closures. The Cannabis Equity Oversight Committee should issue public reports on its findings at least once per year and be representative of a diverse group of community interests with no more than one representative from a law enforcement agency, such as an officer serving in a program like Community Safety Partnerships.

DRAFT