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December 19, 2017



BOARD OF SUPERVISORS

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# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

#70 OF DECEMBER 19, 2017

LORI GLASGOW  
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF AN ORDINANCE TO AMEND LOS ANGELES COUNTY CODE TITLE 8 – CONSUMER PROTECTION, BUSINESS AND WAGE REGULATIONS, AND TITLE 11 – HEALTH AND SAFETY; APPROVAL TO EXECUTE AN AGREEMENT WITH THE CITY OF LOS ANGELES; AND DELEGATED AUTHORITY TO ENTER INTO FUTURE AGREEMENTS WITH ADDITIONAL CITIES FOR PUBLIC HEALTH AND SAFETY INSPECTION AND ENFORCEMENT SERVICES OF CANNABIS FACILITIES  
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

## SUBJECT

Request approval to adopt an ordinance to amend Los Angeles County Code Title 8, Consumer Protection, Business and Wage Regulations and Title 11, Health and Safety; approval to execute an agreement with the City of Los Angeles; and delegate authority to execute future agreements and/or amendments with additional cities for Public Health and Safety Inspection and Enforcement Services of commercial cannabis facilities.

## **IT IS RECOMMENDED THAT THE BOARD AFTER THE PUBLIC HEARING,**

1. Introduce, waive reading, and adopt the attached ordinance (Exhibit I) that amends the Los Angeles County Code (LACC) Title 8 – Consumer Protection, Business and Wage Regulations to add Part 7, Cannabis Facilities; and amends Title 11 – Health and Safety to add Chapter 11.37 Cannabis Facilities; and create new public health permit and service fees.
2. Approve and instruct the Director of the Department of Public Health (DPH), or her designee, to execute an agreement, substantially similar to Exhibit II, with the City of Los Angeles to provide Public Health and Safety Inspection and Enforcement Services of commercial cannabis facilities located within the territorial limits of the City of Los Angeles, effective date of Board approval

through June 30, 2023 with an option to extend thereafter for three (3) additional one-year terms through June 30, 2026, exercised through written notification from the Director, or her designee, to the City of Los Angeles prior to the end of the agreement term.

3. Delegate authority to the Director of DPH, or her designee, to execute future agreements with additional cities within Los Angeles County for Public Health and Safety Inspection and Enforcement Services of commercial cannabis facilities, to be effective upon date of execution by both parties through June 30, 2023, with an option to extend for three (3) additional one-year terms through June 30, 2026, exercised through written notification from the Director of DPH, or her designee, to the contracted city prior to the end of the agreement term, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office (CEO).

4. Delegate authority to the Director of DPH, or her designee, to execute amendments to the agreements referenced in Recommendations 2 and 3 that: 1) reflect non-material and/or ministerial revisions, including, needed operational changes to the agreement terms and conditions; and 2) revise contractual terms in order to comply with State or local law and regulations, subject to review and approval as to form by County Counsel, and notification to your Board and the CEO.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Adoption of the ordinance is necessary to authorize the DPH Division of Environmental Health (EH), to conduct environmental health and sanitation inspections of commercial cannabis facilities licensed by incorporated cities and operating within the territorial limits of the cities. These inspections will be conducted in a similar manner to the public health inspections that DPH EH conducts for restaurants and other businesses located in the incorporated cities. For DPH to perform these services for incorporated cities in a cost-neutral manner, a public health permit structure with applicable health and safety requirements specifically tailored to commercial cannabis facilities must be enacted. These facilities will be inspected for compliance with the requirements of LACC Title 8 and Title 11.37 and with state public health laws and regulations. The ordinance specifically does not authorize commercial cannabis facilities to operate in unincorporated County areas.

The City of Los Angeles has requested DPH to provide it with Public Health and Safety Inspection and Enforcement Services of commercial cannabis facilities within the territorial limits of the City. DPH anticipates similar requests from other cities that license commercial cannabis activities within their jurisdictions to perform Public Health and Safety Inspection and Enforcement Services. The County requires a new contract with each participating city because State law prohibits a city from using its already existing health officer agreement with a county to require the county to perform public health inspections of commercial cannabis activities within the city's jurisdiction. Environmental health inspection of commercial cannabis facilities is a critical activity to protect the health of the public. Adoption of this ordinance will create a local public health regulatory framework and permitting fee structure that will allow for uniform inspection of commercial cannabis facilities located within cities that adopt the County's ordinance into their municipal code and contract with the County for Public Health and Safety Inspection and Enforcement Services.

Approval of Recommendation 1 will allow DPH to enforce the public health provisions of Division 10 of the California Business and Professions Code related to commercial cannabis activities by adopting the provisions into LACC, Title 8 – Consumer Protection, Business and Wage Regulations and Title 11 – Health and Safety. Approval of this recommendation will allow DPH to encourage incorporated cities to adopt the County ordinance.

Approval of Recommendation 2 will allow DPH to enter into an agreement with the City of Los Angeles to conduct Public Health and Safety Inspection and Enforcement Services to enforce County Code or State laws related to commercial cannabis facilities within Los Angeles city limits. The City of Los Angeles anticipates licensing approximately 1,000 cannabis facilities.

Approval of Recommendation 3 will allow DPH to execute future agreements with other incorporated cities that request Public Health and Safety Inspection and Enforcement Services for their respective cannabis facilities, without undue delay, thereby allowing DPH to commence services promptly.

Approval of Recommendation 4 will allow the Director of DPH, or her designee, to execute amendments to Public Health and Safety Inspection and Enforcement Services agreements.

### **Implementation of Strategic Plan Goals**

The recommended actions support Strategy II.2, Support the Wellness of Our Communities, and Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility and Accountability, of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

One-time funding received from the Wells Fargo Settlement Fund will cover the cost of 15 DPH staff who will implement the Cannabis Compliance and Enforcement Program: one (1) Chief Environmental Health Specialist, one (1) Environmental Health Specialist IV, 11 Environmental Health Specialist IIIs, one (1) Environmental Health Technician, and one (1) Health Educator. Thereafter the 15 staff will be fully funded through the revenue generated from public health permit and service fees. If additional staffing is needed, DPH will request the necessary positions through the budget process.

DPH anticipates that by fiscal year 2018-19 the Cannabis Compliance and Enforcement Program will be fully offset, at no net County cost, by public health permit and service fees.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

DPH EH is empowered with regulatory authority relating to public health with which it performs mandated services including, but not limited to, inspections and investigations related to food, housing, drinking water, water pollution, land use, solid waste, and vector management. State and local health and safety codes provide DPH with the authority to carry out statutory and regulatory activities to protect public health and safety. These regulatory activities are principally offset by the collection of fees for permits, licenses, and services.

The passage of the Medical Cannabis Regulation and Safety Act (MCRSA) in 2015 created a licensing and regulatory framework for medical cannabis activities. In 2016, the voters passed Proposition 64, the Adult Use of Marijuana Act (AUMA) that created a State licensing system for non-medical commercial cannabis activities. Subsequently, the recent passage of SB 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) in June 2017, consolidated MCRSA and AUMA to create one licensing structure within a single regulatory framework governing both commercial medicinal and adult-use cannabis activities, with some limited exceptions. To effectuate the terms of MAUCRSA, the State will begin issuing various licenses in January 2018. MAUCRSA also allows local jurisdictions to enact appropriate regulations to govern the licensing and siting of

cannabis cultivation, distribution, manufacturing, microbusiness, and retail sales.

MAUCRSA provides that cities have the full power and authority to enforce State cannabis laws and regulations for cannabis facilities that are issued a state license and are located within the incorporated area of a city. Further, cities assume complete responsibility for any regulatory function within the city limits that would otherwise be performed by the county or any county officer or employee, including the county health officer, with liability, cost, or expense to the county.

Incorporated cities that do not have their own health department lack the public health infrastructure or expertise to conduct the inspections of licensed commercial cannabis facilities. As such, these incorporated cities may desire County DPH to inspect their cannabis facilities. In order to obtain this service from DPH, the incorporated city must adopt the County's cannabis ordinance into its municipal code. Once adopted, and the incorporated city executes the contract, County DPH may begin to accept applications for public health permits from commercial cannabis facility applicants whose facilities are located within the territorial limits of the incorporated city, and inspectors may begin to enforce State and local public health laws and regulations pertaining to commercial cannabis activities within the jurisdiction of the incorporated city.

In accordance with Government Code, Section 66018, a local agency must hold a public hearing as part of a regularly scheduled meeting of the Board of Supervisors, before adopting an ordinance, resolution, or other legislative enactment adopting a new fee, and shall publish notice of the public hearing in a newspaper in accordance with Government Code Section 6062(a).

The Auditor-Controller has reviewed and approved the proposed fees as to reasonableness. County Counsel has reviewed and approved Exhibit I and Exhibit II as to content and form. By definition, these inspection and service fees are not a "tax" and are exempt from voter approval pursuant to the California Constitution, Article XII C section 1(e)(1)-(3) also known as Proposition 26

## **ENVIRONMENTAL DOCUMENTATION**

The adoption of the recommended ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 21080(b)(8) of the Public Resources Code and Section 15273(a) of the CEQA Guidelines.

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

With the identification of 15 staff to implement the Cannabis Compliance and Enforcement Program, there is no anticipated impact on current services as a result of this action. If adopted, the amended ordinance will authorize DPH to conduct contracted public health and safety inspections of cannabis facilities licensed by and operating within incorporated cities upon the date of execution by both parties, but no sooner than Board approval. The ordinance does not authorize the operation of cannabis businesses within unincorporated County areas.

The Honorable Board of Supervisors

12/19/2017

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Respectfully submitted,

A handwritten signature in black ink that reads "Barbara Ferrer". The signature is written in a cursive, flowing style.

Barbara Ferrer, PhD, MPH, MEd

Director

BF:ld

#04107

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors



COUNTY OF LOS ANGELES  
OFFICE OF THE COUNTY COUNSEL

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MARY C. WICKHAM  
County Counsel

October 31, 2017

Barbara Ferrer, Ph.D., MPH  
Director  
Department of Public Health  
313 North Figueroa Street, Room 806  
Los Angeles, California 90012

**Re: Ordinance Amending Title 8 - Consumer Protection, Business and Wage Regulations of the Los Angeles Code and Title 11 - Health and Safety of Los Angeles County Code**

Dear Dr. Ferrer:

Enclosed please find the analysis and ordinance that amends Titles 8 and 11 of the Los Angeles County Code to add a public health permit requirement for commercial cannabis activities. The ordinance also provides a regulatory framework to inspect and enforce public health requirements in cannabis facilities that cultivate, distribute, manufacture, or sell cannabis or cannabis products.

The cost of regulation of cannabis facilities is offset by permit fees. These fees have been approved by the Auditor-Controller and are included in the ordinance.

The analysis and ordinance may be presented to the Board of Supervisors for consideration at public hearing.

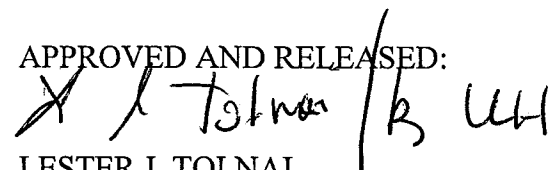
Very truly yours,

MARY C. WICKHAM  
County Counsel

By

  
ROBERT E. RAGLAND  
Principal Deputy County Counsel

APPROVED AND RELEASED:

  
LESTER J. TOLNAI  
Chief Deputy

RER:bl  
Enclosure

HOA.101919443.1

## **ANALYSIS**

This ordinance amends Title 8 – Consumer Protection, Business Wage Regulations and Title 11 – Health and Safety of the Los Angeles County Code, to add a public health permit and regulatory framework to enforce consumer protections and health and safety requirements for commercial cannabis activities.

The Control, Regulate and Tax Adult-Use of Marijuana Act of 2016 (AUMA), was an initiative measure approved by voters as Proposition 64 on the November 8, 2016, Statewide general election. AUMA authorized a person who obtains a State license to engage in commercial cannabis activity pursuant to that license and applicable local ordinances. In 2017, the California Legislature passed The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). MAUCRSA consolidates the State licensure and regulation of commercial medicinal cannabis and adult-use cannabis activities.

MAUCRSA provides State licensing and other requirements for commercial cannabis activities, but specifically reserves to cities and counties the authority to make additional local regulatory requirements for commercial cannabis activities.

This ordinance has two regulatory components. It amends Title 8 to add Part 7 to Chapter 8.04, to create a public health permit requirement for commercial cannabis activities, such as cultivation, distribution, manufacture, and retail sale. The ordinance authorizes the County Health Officer to enter and inspect the premises of a cannabis facility for compliance with both State and local health and safety requirements as a

condition of the permit. Non-compliance with the conditions of the public health permit could result in the suspension or revocation of the permit. The ordinance also provides the new public health permit and reinspection fees

The ordinance also creates Chapter 11.37 in Title 11 of the Code, which imposes specific requirements for the operation and maintenance of commercial cannabis facilities. These requirements protect the health of customers and the public by enforcing requirements that ensure the cannabis facility is operated in a clean and sanitary manner, so that the cannabis and cannabis products that are consumed by the public are not adulterated or misbranded. To accomplish this, Chapter 11.37 requires those public health permit holders to have an odor control plan, a cannabis and cannabis product recall protocol, a waste management plan, and an employee training program for cleanliness standards. These requirements are conditions of the permit and are intended to protect not only the health and safety of the cannabis consuming public, but also limit the potential negative impacts on those living and working in proximity to the various types of cannabis facilities.

Although the County's Board of Supervisors has not permitted commercial cannabis activities within the unincorporated areas of the County, several cities will permit these activities within their jurisdictions. State law requires these cities to maintain local regulatory control of commercial cannabis activities, and does not permit these cities to use its existing contract with the County to require the County Health Officer to enforce public health laws related to commercial cannabis activities. Several



cities, however, have approached our County to regulate health and safety requirements for commercial cannabis activity within their city. In order to maintain regulatory uniformity, this ordinance can be adopted by each city that requests the County's health officer to enforce public health laws related to commercial cannabis activity. This action, along with a contract between the city and Los Angeles County, will permit the County Health Officer to enforce public health permit requirements for commercial cannabis activities within the jurisdiction of those cities. The County's costs for conducting this regulatory service will be offset by permit fees paid by those conducting commercial cannabis activities.

Very truly yours,

MARY C. WICKHAM  
County Counsel

By

  
ROBERT E. RAGLAND  
Principal Deputy County Counsel  
Health Services Division

RER:bl

Requested: 9/15/17  
Revised: 10/30/17

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Title 8 – Consumer Protection, Business and Wage Regulations and Title 11 – Health and Safety of the Los Angeles County Code, relating to the public health regulation of commercial cannabis activities and cannabis facilities that require a public health permit or a plan check in order to legally operate.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Part 7 of Chapter 8.04 is hereby added to Division 1 of Title 8 of the Los Angeles County Code to read as follows:

**Part 7        Commercial Cannabis Activities**

**8.04.1300    Purpose of Cannabis Public Health Permit**

A.     The purpose of Part 7 of Chapter 8.04 is to establish a public health permit and fee system for commercial cannabis activities that are subject to State and local laws and regulations relating to public health, and ensure that County expenses resulting from the County's inspection and enforcement of public health requirements of commercial cannabis activities are offset by the fees collected.

B.     The authority for this Part 7 is contained in Division 10 of the California Business and Professions Code, which expressly permits local regulation of commercial cannabis activities.

C.     Definitions contained within Section 8.04.1305 pertain to Chapter 11.37 of Title 11 of this Code.

**8.04.1305 Definitions**

A. "Applicant" means the individual or business entity that is applying for a public health permit to operate a cannabis facility and whose name the permit will be issued. The applicant must be the owner of the cannabis facility and will be considered the permittee upon issuance of a permit.

B. "Cannabis facility" means a permanent structure in a fixed location where a cannabis retailer, distributor, manufacturer, cultivator, or microbusiness operates or conducts business.

C. "Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

D. "Cannabis product recall" means an action or order made by the State and/or the county health officer to cease the sale, distribution, or manufacturing of cannabis or cannabis product when it has been determined by the County Health Officer that there is a reasonable likelihood that the cannabis or cannabis product is adulterated or misbranded, and that the use of, or exposure to, the cannabis or cannabis product may cause adverse health consequences to humans and/or animals.

E. "Commercial cannabis activity" means the cultivation, possession, manufacture, distribution, handling, processing, storing, packaging, labeling, transportation, delivery, or sale of cannabis and cannabis products.

F. "County Health Officer" means the Director of Public Health of the County of Los Angeles, or the duly appointed County Health Officer or his or her duly authorized representative.

G. "Department" means the Los Angeles County Department of Public Health, Environmental Health Division.

H. "Distributor" means a person or entity licensed and permitted to engage in the business of the distribution of cannabis and cannabis products between licensed cannabis facilities.

I. "EHS" means an Environmental Health Specialist.

J. "Employee" means each and every person engaged in the operation or conduct of any commercial cannabis activity business, whether as owner, member of the owner's family, partner, associate, agent, manager or operator, and each and every other person employed or working in such business for a wage, salary, commission, barter, or any other form of compensation, or for no compensation.

K. "Manufacturer" means a person or entity licensed and permitted to conduct the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly, or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or re-labels its container.

L. "Microbusiness" means a person or entity, licensed by the State of California, and licensed, permitted or authorized by applicable local laws to cultivate cannabis on an area less than 10,000 square feet and to act as a licensed and/or permitted cannabis distributor, Level 1 manufacturer, as defined by Business and Professions Code Section 26130(a)(1), and/or retailer.

M. "Notice of closure" means a public notice that may be posted by the County Health Officer at a cannabis facility upon suspension or revocation of the facility's public health permit and results in the immediate closure of the cannabis facility and the discontinuance of all operations of the cannabis facility, by order of the County Health Officer, because of violations of applicable State, and local statutes, orders, ordinances, quarantines, rules, regulations, or directives relating to the public health.

N. "Operator" means anyone who, as an employee, manager, owner, or otherwise, is engaged in the cultivation, distribution, dispensing, manufacturing, sale or handling of cannabis or cannabis products at a permitted cannabis facility.

O. "Owner" means any of the following:

1. All persons identified as an "owner" on any permit, license, or other authorization issued by a State agency or local government which authorizes the persons to establish and operate the cannabis facility.

2. Any person identified or required to be identified as an "owner" on an application filed with any State agency and any local government, wherein the application requests the privilege to operate the cannabis facility.

3. If no person under subsection 1 or 2, above, exists:

a. A person with an aggregate ownership interest of 20 percent or more in the corporate entity, partnership, or other business entity applying for a permit or a permittee, unless the interest is solely a security, lien, or encumbrance.

b. The Chief Executive Officer of a nonprofit or other entity.

c. A member of the Board of Directors of a nonprofit.

d. An individual who will be participating in the direction, control, or management of the person applying for a permit, including, but not limited to, a member of the board of directors of a nonprofit.

P. "Public health permit" means a written authorization to operate a cannabis facility, including but not limited to a cannabis cultivator, cannabis manufacturer, cannabis distributor, cannabis microbusiness, or cannabis retail facility, issued by the County Health Officer, without which permit said operation would be unlawful.

Q. "State agency or State" means the State licensing entities responsible for creating regulation for commercial cannabis activity in California, including but not limited to, the:

1. California Bureau of Cannabis Control.

2. California Department of Public Health.

3. California Department of Food and Agriculture.

R. "Testing laboratory" means a laboratory, facility, or entity in the State that offers or performs tests of cannabis or cannabis products and that is ISO/IEC 17025

accredited, or pending ISO/IEC 17025 accreditation, and licensed by the California Bureau of Cannabis Control.

**8.04.1310 Cannabis Public Health Permit Requirements**

A. Prior to the establishment or operation of any cannabis facility, or when an established and operating cannabis facility possesses a provisional license from a local licensing agency while applying for a permanent license, the owner shall obtain a public health permit and other applicable permits and licenses from all State and local licensing agencies.

B. Every owner desiring a public health permit to conduct commercial cannabis activities from a cannabis facility shall file an application with the Department upon a form provided by the Department, and at such time pay the required fee and penalty, if any.

C. Upon receipt of an application for a public health permit for a cannabis facility with all pertinent data and the submission of the full public health permit fee, the Department shall review the application.

D. All permits for a cannabis facility shall be valid for 12 months from the date of issuance and may be renewed annually. The public health permit is valid only for the person or entity, location, and type of sales or activity approved.

E. Public health permits shall not be transferable upon change of ownership of the cannabis facility.

F. Each commercial cannabis activity within a cannabis facility including, but not limited to, retail, distribution, manufacturing and cultivation shall be deemed a

separate enterprise for purposes of this Part and shall require a separate public health permit.

G. All public health permits and licenses shall be posted in a conspicuous place at the cannabis facility.

#### **8.04.1315 Cannabis Public Health Permit Renewals**

A. An application for renewal of any cannabis facility public health permit shall be submitted by the owner to the Department at least 60 calendar days prior to the expiration date of the current permit, but no more than 120 calendar days prior to the expiration of the current permit.

1. A cannabis facility owner shall complete and submit all required documents for a public health permit renewal to the Department.

2. A permitted cannabis facility owner that does not obtain a renewed permit by end of the business day of the expiration date shall discontinue operation of the facility until a new public health permit is issued.

3. Any permit that has not been renewed by the annual renewal date will not be valid and shall be deemed inactive.

#### **8.04.1317 Denial of Cannabis Public Health Permit Applications**

The Department may reject an application or renewal application upon making any of the following findings:

A. The applicant made one or more false or misleading statements or omissions on the public health permit application or during the application process.



B. The applicant's business entity, if applicable, is not properly organized in compliance with applicable State and local laws and regulations.

C. The applicant fails to meet the requirements of this Part or of Chapter 11.37 of the County Code.

D. The applicant, or any of its officers, directors, owners, managers, or employees is under twenty-one (21) years of age.

E. The applicant, or any of its officers, directors, owners, or managers, is a licensed physician making patient recommendations for medicinal cannabis.

F. The applicant did not pay the County the required application and processing fees.

G. The County Health Officer has determined good cause exists to reject the application.

**08.04.1325 Plan Check Requirements**

A. A person proposing to construct, remodel, or change the public health permit classification of any cannabis facility shall submit a plan check fee which is in addition to any other public health permit fees that may be required for the operation of the cannabis facility.

B. Each person proposing to construct or remodel a microbusiness, or distribution, manufacturing, or retail cannabis facility shall submit to the Department for review three complete, easily readable plans, drawn to scale and with specifications, and shall receive plan approval from the Department before starting any new construction or remodeling of any cannabis facility.

C. Plan corrections and additional specifications may be required, if the Department determines that such changes are necessary to assure compliance with the requirements of this subdivision B, including, but not limited to, change in the cannabis facility's method of operation.

D. The plans shall be approved or rejected by the Department within 20 working days after receipt of plans and fees. The applicant shall be notified of the decision.

E. Cannabis cultivation facilities, including microbusinesses proposing to cultivate cannabis, shall submit three complete, easily readable sets of plans drawn to scale and with specifications to the Department for review and approval for cross-connections compliance as required by the California Code of Regulations Title 17, applicable County Code provisions, and any other applicable requirements promulgated by the Department of Agriculture. A cannabis cultivation facility shall pay the applicable fee for the backflow prevention assembly, as required by Chapter 11.37.030 of this Code.

**8.04.1330 Penalty for No Cannabis Public Health Permit**

A person engaging in commercial cannabis activity without a public health permit as required by this Part shall be subject to civil penalties for each violation. Each day of operation shall constitute a separate violation of this Part. A violation of this Section shall incur such civil penalties as provided in Sections 8.04.934, 8.04.936, 8.04.938, and 8.04.942. The County may assess costs and fees as permitted by Section 8.04.705. If required by State law or regulation, or court order to destroy the

cannabis associated with the violation, a violator shall be responsible for the cost of the destruction of cannabis or cannabis products associated with the violation.

**8.04.1335 Re-inspection of Cannabis Facilities**

A. Conditions requiring additional re-inspections due to a cannabis facility's noncompliance with applicable State and local laws and regulations, will incur additional re-inspection fees in effect at the time of reinspection. A re-inspection fee shall be due and payable whenever:

1. The County Health Officer has given written notice of a Public Health Code violation or violations to the owner, operator, or person in charge of a cannabis facility, and the notice contains a re-inspection date by which the violation or violations must be corrected.

2. The violation or violations have not been corrected by the re-inspection date on the notice of violation or official inspection document.

3. An additional re-inspection by the Department is necessary to determine whether the violation or violations have been corrected.

**8.04.1340 Notice To Be Given.**

All official inspection reports issued to a cannabis facility contain a notice similar to that contained in Section 8.04.650. Any additional re-inspection fees to be charged to a cannabis facility shall be similarly noticed as provided in Section 8.04.650.B.

**8.04.1350 Collection of Reinspection Fee.**

The reinspection fee, plus any interest at the rate set forth in Section 8.04.840 and any penalty thereon shall be collected by the County Health Officer. The County

Health Officer may add any unpaid balance to the amount due for any subsequent public health permit renewal or permit application by the owner of such cannabis facility or refer any delinquent fees to the Treasurer and Tax Collector for collection. The total amount due shall be the cannabis facility permit fee for such business.

**SECTION 2.** Division 1, Part 2, Chapter 8.04 of Title 8 of the Los Angeles County Code is hereby amended to read as follows:

**8.04.720 Fee Schedule.**

Business Classification	Permit Fee
Animal food market	\$175.00
...	
<u>Cannabis facility, Cultivation:</u>	
<u>Type A- Small (1 – 9,999 square feet)</u>	<u>1,623.00</u>
<u>Type A- Medium (10,000 – 21,999 square feet)</u>	<u>1,991.00</u>
<u>Type A- Large (over 22,000 square feet)</u>	<u>2,360.00</u>
<u>Type M- Small (1 – 9,999 square feet)</u>	<u>1,623.00</u>
<u>Type M- Medium (10,000 – 21,999 square feet)</u>	<u>1,991.00</u>
<u>Type M- Large (22,000+ square feet)</u>	<u>2,360.00</u>
<u>Type A &amp; M- Small (1 – 9,999 square feet)</u>	<u>1,623.00</u>
<u>Type A &amp; M- Medium (10,000 – 21,999 square feet)</u>	<u>1,991.00</u>

<u>Type A &amp; M- Large (22,000+ square feet)</u>	<u>2,360.00</u>
<u>Cannabis facility, Cultivation Microbusiness:</u>	
<u>Type A - Small (1 – 2,999 square feet)</u>	<u>1,180.00</u>
<u>Type A, Medium (3,000 – 6,999 square feet)</u>	<u>1,549.00</u>
<u>Type A- Large (7,000 – 10,000 square feet)</u>	<u>1,918.00</u>
<u>Type M- Small (1 – 2,999 square feet)</u>	<u>1,180.00</u>
<u>Type M - Medium (3,000 – 6,999 square feet)</u>	<u>1,549.00</u>
<u>Type M- Large (7,000 – 10,000 square feet)</u>	<u>1,918.00</u>
<u>Type A &amp; M- Small (1 – 2,999 square feet)</u>	<u>1,180.00</u>
<u>Type A &amp; M- Medium (3,000 – 6,999 square feet)</u>	<u>1,549.00</u>
<u>Type A &amp; M- Large (7,000 – 10,000 square feet)</u>	<u>1,918.00</u>
<u>Cannabis facility, Distribution:</u>	
<u>Type A- Small (1 – 4,999 square feet)</u>	<u>3,098.00</u>
<u>Type A- Medium (5,000 – 9,999 square feet)</u>	<u>3,430.00</u>
<u>Type A- Large (10,000+ square feet)</u>	<u>3,762.00</u>
<u>Type M- Small (1 – 4,999 square feet)</u>	<u>3,098.00</u>
<u>Type M- Medium (5,000 – 9,999 square feet)</u>	<u>3,430.00</u>
<u>Type M- Large (10,000+ square feet)</u>	<u>3,762.00</u>

<u>Type A &amp; M - Small (1 – 4,999 square feet)</u>	<u>3,098.00</u>
<u>Type A &amp; M- Medium (5,000 – 9,999 square feet)</u>	<u>3,430.00</u>
<u>Type A &amp; M- Large (10,000+ square feet)</u>	<u>3,762.00</u>
<u>Cannabis facility, Distribution Microbusiness:</u>	
<u>Type A - Small (1 – 4,999 square feet)</u>	<u>3,098.00</u>
<u>Type A- Medium (5,000 – 9,999 square feet)</u>	<u>3,430.00</u>
<u>Type A- Large (10,000+ square feet)</u>	<u>3,762.00</u>
<u>Type M - Small (1 – 4,999 square feet)</u>	<u>3,098.00</u>
<u>Type M- Medium (5,000 – 9,999 square feet)</u>	<u>3,430.00</u>
<u>Type M- Large (10,000+ square feet)</u>	<u>3,762.00</u>
<u>Type A &amp; M- Small (1 – 4,999 square feet)</u>	<u>3,098.00</u>
<u>Type A &amp; M- Medium (5,000 – 9,999 square feet)</u>	<u>3,430.00</u>
<u>Type A &amp; M- Large (10,000+ square feet)</u>	<u>3,762.00</u>
<u>Cannabis facility, Manufacturing:</u>	
<u>Type A Level 1- Small (1 - 999 square feet)</u>	<u>3,098.00</u>
<u>Type A Level 1- Medium (1,000 – 4,999 square feet)</u>	<u>3,430.00</u>
<u>Type A Level 1- Large (5,000+ square feet)</u>	<u>3,762.00</u>
<u>Type A Level 2- Small (1 - 999 square feet)</u>	<u>3,098.00</u>

<u>Type A Level 2- Medium (1,000 - 4999 square feet)</u>	<u>3,430.00</u>
<u>Type A Level 2- Large (5,000+ square feet)</u>	<u>3,762.00</u>
<u>Type M Level 1- Small (1 - 999 square feet)</u>	<u>3,098.00</u>
<u>Type M Level 1- Medium (1,000 – 4,999 square feet)</u>	<u>3,430.00</u>
<u>Type M Level 1- Large (5,000+ square feet)</u>	<u>3,762.00</u>
<u>Type M Level 2 - Small (1 - 999 square feet)</u>	<u>3,098.00</u>
<u>Type M Level 2- Medium (1,000 – 4,999 square feet)</u>	<u>3,430.00</u>
<u>Type M Level 2- Large (5,000+ square feet)</u>	<u>3,762.00</u>
<u>Type A &amp; M Level 1- Small (1 - 999 square feet)</u>	<u>3,098.00</u>
<u>Type A &amp; M Level 1- Medium (1,000 - 4999 square feet)</u>	<u>3,430.00</u>
<u>Type A &amp; M Level 1- Large (5,000+ square feet)</u>	<u>3,762.00</u>
<u>Type A &amp; M Level 2 - Small (1 - 999 square feet)</u>	<u>3,098.00</u>
<u>Type A &amp; M Level 2 - Medium (1,000 – 4,999 square feet)</u>	<u>3,430.00</u>
<u>Type A &amp; M Level 2 - Large (5,000+ square feet)</u>	<u>3,762.00</u>
<u>Cannabis facility, Manufacturing Microbusiness:</u>	
<u>Type A Level 1 - Small (1 - 999 square feet)</u>	<u>3,098.00</u>
<u>Type A Level 1 - Medium 000 – 4,999 square feet)</u>	<u>3,430.00</u>
<u>Type A Level 1 - Large (5,000+ square feet)</u>	<u>3,762.00</u>

<u>Type M Level 1 - Small (1 - 999 square feet)</u>	<u>3,098.00</u>
<u>Type M Level 1 - Medium (1,000 – 4,999 square feet)</u>	<u>3,430.00</u>
<u>Type M Level 1 - Large (5,000+ square feet)</u>	<u>3,762.00</u>
<u>Type A &amp; M Level 1 - Small (1 - 999 square feet)</u>	<u>3,098.00</u>
<u>Type A &amp; M Level 1 - Medium (1,000 – 4,999 square feet)</u>	<u>3,430.00</u>
<u>Type A &amp; M Level 1 - Large (5,000+ square feet)</u>	<u>3,762.00</u>
<u>Cannabis facility, Retail:</u>	
<u>Type A - Small (1 - 999 square feet)</u>	<u>1,942.00</u>
<u>Type A - Medium (1,000 - 4999 square feet)</u>	<u>2,164.00</u>
<u>Type A - Large (5,000+ square feet)</u>	<u>2,385.00</u>
<u>Type M - Small (1 - 999 square feet)</u>	<u>1,942.00</u>
<u>Type M - Medium (1,000 - 4999 square feet)</u>	<u>2,164.00</u>
<u>Type M - Large (5,000+ square feet)</u>	<u>2,385.00</u>
<u>Type A &amp; M - Small (1 - 999 square feet)</u>	<u>1,942.00</u>
<u>Type A &amp; M - Medium (1,000 – 4,999 square feet)</u>	<u>2,164.00</u>
<u>Type A &amp; M - Large (5,000+ square feet)</u>	<u>2,385.00</u>
<u>Cannabis facility, Retail Microbusiness:</u>	
<u>Type A - Small (1 - 999 square feet)</u>	<u>1,942.00</u>
<u>Type A - Medium (1,000 - 4999 square feet)</u>	<u>2,164.00</u>



<u>Type A - Large (5,000+ square feet)</u>	<u>2,385.00</u>
<u>Type M - Small (1 - 999 square feet)</u>	<u>1,942.00</u>
<u>Type M - Medium (1,000 - 4999 square feet)</u>	<u>2,164.00</u>
<u>Type M - Large (5,000+ square feet)</u>	<u>2,385.00</u>
<u>Type A &amp; M - Small (1 - 999 square feet)</u>	<u>1,942.00</u>
<u>Type A &amp; M - Medium (1,000 – 4,999 square feet)</u>	<u>2,164.00</u>
<u>Type A &amp; M - Large (5,000+ square feet)</u>	<u>2,385.00</u>
Caterer:	
...	

**8.04.725 Schedule of Plan Check Fees.**

The Schedule of Plan Check fees to be paid at the time plans are submitted to the County Health Officer shall be as follows:

Business Classification	Plan Check Fees
Body art facility:	
...	
<u>Cannabis facility:</u>	
<u>Cultivation - Small (1 – 9,999 square feet)</u>	<u>1,721.00</u>

<u>Cultivation - Medium (10,000 – 21,999 square feet)</u>	<u>1,942.00</u>
<u>Cultivation - Large (22,000+ square feet)</u>	<u>2,164.00</u>
<u>Distribution - Small (1 - 4,999 square feet)</u>	<u>2,139.00</u>
<u>Distribution - Medium (5,000 – 9,999 square feet)</u>	<u>2,508.00</u>
<u>Distribution - Large (10,000+ square feet)</u>	<u>2,729.00</u>
<u>Manufacturing - Small (1 - 999 square feet)</u>	<u>2,139.00</u>
<u>Manufacturing - Medium (1,000 - 4999 square feet)</u>	<u>2,581.00</u>
<u>Manufacturing - Large (5,000+ square feet)</u>	<u>2,803.00</u>
<u>Retail - Small (1 - 999 square feet)</u>	<u>1,573.00</u>
<u>Retail - Medium (1,000 - 4,999 square feet)</u>	<u>1,795.00</u>
<u>Retail - Large (5,000+ square feet)</u>	<u>2,114.00</u>
Cross-connection	1,557.00
...	

**SECTION 3.** Chapter 11.37 is hereby added to read as follows:

**Chapter 11.37 Cannabis Facilities**

**Part 1 General Provisions**

**11.37.010 Purpose**

A. The purpose of this Chapter is to create public health regulatory requirements to ensure that commercial cannabis activities are conducted in a manner that protects the health and safety of the consumer and the public.

B. The authority for this Chapter 11.37 is contained in Division 10 of the California Business and Professions Code, which expressly permits local regulation of commercial cannabis activities.

C. The definitions contained within this Section, also pertain to Part 7 of Chapter 8.04 of Title 8 of this Code.

**11.37.020 Definitions**

A. "Adulterated Product" means the cannabis or cannabis product that is manufactured, prepared, packed, held, or sold under insanitary conditions whereby it may have become contaminated with filth or rendered injurious to health.

B. "Batch" means a specific quantity of homogeneous cannabis or cannabis product that is one of the following types:

1. "Harvest batch" means a specifically identified quantity of dried flower or trim, leaves, and other cannabis plant matter that is uniform in strain, harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals.

2. "Manufactured cannabis batch" means either of the following:

a. An amount of cannabis concentrates or extract produced in one production cycle using identical input materials, extraction methods, and standard operating procedures, and intended to have uniform character and quality; or

b. An amount of a type of manufactured cannabis produced in one production cycle using identical formulation and standard operating procedures that is intended to have uniform character and quality.

C. "Batch number" means any distinct group of numbers, letters, or symbols, or any combination thereof, assigned, as required by State law, to a specific Harvest Batch or Manufactured Cannabis Batch, and from which the complete history of the manufacturing, packaging, labeling, and/or holding of a lot of cannabis product can be determined.

D. "Best management practice" means methods or techniques found to be the most effective and practical means in achieving an objective.

E. "Cannabidiol" or "CBD" means one of the chemical compounds that are the active principles of cannabis.

F. "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" also means marijuana as defined by section 11018

of the Health and Safety Code. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. "Cannabis" does not mean "industrial hemp" as defined by section 81000 of the Food and Agricultural Code or section 1018.5 of the Health and Safety Code.

G. "Cannabis concentrate" means manufactured cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate. A cannabis concentrate is not considered food, as defined by section 109935 of the Health and Safety Code, or a drug, as defined by section 109925 of the Health and Safety Code.

H. "Cannabis labeling" means any label or other written, printed, or graphic matter upon a cannabis product, or upon its container or wrapper, or that accompanies any cannabis product.

I. "Cannabis waste" means waste that is not hazardous waste, as defined in Public Resources Code section 40191, that contains cannabis and that has been made unusable and unrecognizable in a manner required by State and local laws and regulations.

J. "Component" means any substance or item intended for use in the manufacture of a cannabis product, including those substances or items that are not

intended to appear in the final form of the product. Component can include cannabis and cannabis products used as ingredients, other ingredients, and processing aids.

K. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

L. "Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned, leased, or controlled by the retailer.

M. "Distribution" means the procurement, sale, and transport of cannabis and cannabis products between permittees.

N. "Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

O. "Edible cannabis product" means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by section 109935 of the Health and Safety Code, or a drug, as defined by section 109925 of the Health and Safety Code.

P. "Extraction" means a process by which cannabinoids are separated from cannabis plant material through chemical or physical means.

Q. "Finished product" means a manufactured cannabis product in its final form to be sold to a customer at a retail store.

R. "Holding" means storage of cannabis or cannabis products and includes activities performed incidental to storage of a cannabis product and activities performed as a practical necessity for the distribution of that cannabis product.

S. "Infusion" means a process by which cannabis, cannabinoids, cannabis concentrates, or manufactured cannabis are directly incorporated into a product formulation to produce a cannabis product.

T. "Limited-access area" means an area in which cannabis and cannabis products are stored or held and are only accessible to the owner, operator and cannabis facility authorized personnel.

U. "Local licensing agency" means a local public entity that licenses or permits any commercial cannabis activity, as defined in this Part.

V. "Lot" means a batch or a specifically identified portion of a batch.

W. "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

X. "Manufactured cannabis" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product.

Y. "Manufacturing" or "manufacturing operation" means all aspects of the extraction and/or infusion processes, including processing, preparing, holding, storing, packaging, or labeling of cannabis products. Manufacturing also includes any processing, preparing, holding, or storing of components and ingredients used in cannabis products.

Z. "Manufacturing site" means the premises that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned, leased, or controlled and operated by a permittee for these activities.

AA. "Undesirable Microorganisms" means those yeasts, molds, bacteria, viruses, protozoa, and/or microscopic parasites that are pathogens, that subject manufactured cannabis to decomposition, that indicate that manufactured cannabis is contaminated with filth, or that otherwise may cause manufactured cannabis to be adulterated.

BB. "Misbranding" means misbranded cannabis or cannabis products as defined in the California Business and Professions Code, section 26121.

CC. "Package" means any container or receptacle used for holding cannabis or cannabis products.

DD. "Permittee" means a person who has obtained a public health permit from the Department to operate a cannabis facility.

EE. "Person" means any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

FF. "Person in charge" means the individual present at a commercial cannabis facility who is responsible for the operation of the commercial cannabis facility.



GG. "Pest" means undesired insect, rodent, nematode, fungus, bird, vertebrate, invertebrate, weed, virus, bacteria, or other microorganism that is injurious to human health or environment.

HH. "Pesticide" means, but is not limited to:

1. Any substance or mixture of substances intended to prevent, destroy, control, repel, or mitigate any insect, rodent, snail, slug, fungus, weed, or any other form of plant or animal life or virus, fungus, bacteria or other microorganism which is normally considered to be a pest, except viruses on or in a living person or other living animal.

2. Any substance or mixture of substances intended to be used as a plant regulator, defoliant, or desiccant.

3. Any spray adjuvant.

Pesticides include substances commonly referred to as herbicides, fungicides, insecticides, and cloning agents.

II. "Premises" means the designated structure or structures and land specified in the application for a cannabis public health permit that is owned, leased, or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by a permittee.

JJ. "Retail area" means a building, room, or other area upon the permitted premises in which cannabis and cannabis products are sold or displayed.

KK. "Sell," "sale," and "to sell" means any transaction whereby, for any consideration, title to cannabis or cannabis products is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a permittee to the permittee from whom the cannabis or cannabis product was purchased.

LL. "Time/temperature control for cannabis or cannabis product safety or TCS" means a cannabis or cannabis product that requires time/temperature control for safety to limit pathogenic microorganism growth or toxin formation.

MM. "THC" means the compound tetrahydrocannabinol. "THC" refers specifically to delta 9-tetrahydrocannabinol.

NN. "Topical product" means a product intended for external use such as with cannabis-enriched lotions, balms and salves. A topical cannabis product is not considered a drug as defined by section 109925 of the Health and Safety Code.

OO. "Track and trace system" means the universal identification certificate program for commercial cannabis activity. It is the seed-to-sale tracking system that tracks cannabis and cannabis product throughout the distribution chain, from either the sprouted seed or rooted cutting (or clone) until the cannabis or cannabis product is sold or delivered to a retail customer or is destroyed. It includes the program administered by the California Department of Food and Agriculture, pursuant to section 26069 of the Business and Professions Code, as well as any track and trace system administered by a local jurisdiction.

PP. "Unique identifier (UID)" means an alphanumeric code or designation used for reference to a specific plant on permitted premises and any cannabis or cannabis product derived or manufactured from that plant.

**Part 2 Operational Requirements of Cannabis Facilities**

**11.37.030 Cannabis Facilities Backflow Prevention Devices**

Cannabis facilities that have approved backflow prevention devices as required by Title 17 of the California Code of Regulations shall be tested at least once each calendar year by a person having received a certificate of competence from the Department. Records of backflow prevention device test(s) shall be submitted to the Department within 30 days using the form provided by the Department.

**11.37.040 Commercial Cannabis Manufacturing Facilities**

A. Cannabis or cannabis product manufacturing facilities shall meet all health protection operating criteria for the manufacturing of cannabis and cannabis products as required by State law and regulations promulgated by the California Department of Public Health.

B. Manufacturing cannabis facilities shall operate in a permanently constructed structure and shall not operate from a vehicle or non-permanent structure.

C. Edible cannabis products shall be:

1. Manufactured and sold under sanitation standards established by the State Department of Public Health that are similar for preparation, storage, handling, and sale of food products.

2. Marked with a universal symbol on its packaging, as required by State law, regulations adopted by the State Department of Public Health or local laws.

D. Cannabis, including concentrated cannabis, included in a cannabis product manufactured in compliance with law is not considered an adulterant under State law.

E. Prior to delivery or sale at a retailer, cannabis and cannabis products shall be labeled and placed in a resealable, tamper-evident, child-resistant package and shall include a unique identifier for the purposes of identifying and tracking cannabis and cannabis products.

F. All cannabis products shall be labeled with all health and dosage information or warnings as required by State laws and regulations, and local laws.

G. All TCS products, extractions, concentrates, and infusions intended for human consumption must be refrigerated at temperatures of 41°F or below unless otherwise approved by the Department. Approvals are based on a review of written procedures that are followed to make the product; the use of control measures; and any other scientific evidence submitted by the manufacturer from a certified laboratory or process authority that demonstrates the shelf stability of the product in question.

**11.37.050 Commercial Cannabis Distribution Facilities**

A. A cannabis distribution facility shall meet all health protection operating criteria for the distribution of cannabis and cannabis products as required by State law and regulations promulgated by the California Bureau of Cannabis Control.

B. A distributor shall ensure that each cannabis batch is stored separately and distinctly from every other cannabis batch on the distributor's premises.

C. A distributor shall ensure a label with the following information is physically attached to each container of each batch: The manufacturer or cultivator's name and permit number; the date of entry into the distributor's storage area; the unique identifiers and batch number associated with the batch; a description of the cannabis products with enough detail to easily identify the batch; and the weight of or quantity of units in the batch.

D. A distributor shall store cannabis and cannabis products in a building designed to permit control of temperature and humidity and shall prevent the entry of environmental contaminants such as smoke and dust. The area in which cannabis and cannabis products are stored shall be vermin proof and shall not be exposed to direct sunlight. A distributor may not store cannabis or cannabis products outdoors.

E. A distributor may provide cannabis or cannabis product storage-only services to a cultivator, manufacturer, or other distributor, which are unrelated to the quality assurance and laboratory testing processes required of the distributor.

F. A distributor shall maintain a written contract with other permitted cannabis facilities storing cannabis or cannabis products on the distributor's premises. A distributor shall maintain a separate cannabis and cannabis products storage inventory for each cannabis facility and all of distributor's storage inventories and written contracts shall be provided to the Department upon request. All inventory documents shall contain the identity and State license number of all contracting parties.

G. A distributor shall ensure compliance with cannabis and cannabis product packaging and labeling requirements of State law and regulations, and local laws.

H. After taking physical possession of a cannabis batch, the distributor shall meet all testing requirements and procedures as required by State law and regulations, and local laws. Upon the request of the Department, the distributor shall immediately make available the results of all tests performed on each cannabis batch by a certified testing laboratory.

I. A distributor shall not transport or arrange for the transportation of, or in any way transfer, a batch that failed a laboratory testing to a cultivator, manufacturer, or other permittee unless specifically authorized to do so by the Department.

J. All TCS products, extractions, concentrates, and infusions intended for human consumption must be refrigerated at temperatures of 41°F unless otherwise approved by the Department. The operator of a cannabis distribution facility shall follow the manufacturer's requirement for safe storage of such products.

**11.37.060 Retail Cannabis Facilities**

A. Retail cannabis facilities, which also specifically include licensed microbusinesses that offer cannabis or cannabis products for retail sale, shall meet all health protection operating criteria for the sale of cannabis and cannabis products as required by State law and regulations, and local laws.

B. Retail cannabis facilities shall operate in a permanently constructed structure and shall not operate from a vehicle or non-permanent structure. Retail

cannabis facilities may conduct cannabis and cannabis product delivery services, if authorized to do so by the local licensing agency.

C. Permitted retail cannabis facilities shall only sell cannabis and cannabis products approved and permitted by the State.

D. Permitted retail cannabis facilities shall not sell or provide alcohol, tobacco, or food to any customer or the public.

E. Permitted retail cannabis facilities are prohibited from giving away any amount of cannabis or cannabis products as part of a business promotion.

F. Permitted retail cannabis or microbusiness facilities shall not allow the on-site consumption of cannabis and cannabis products by any customer, person, or employee, except as authorized by local law.

G. All TCS products, extractions, concentrates, and infusions, and cannabis products intended for human consumption must be refrigerated at temperatures of 41°F unless otherwise approved by the Department. Retail cannabis operator shall follow the manufacturer's requirement for safe storage of such products.

### **Part 3 General Requirements of Cannabis Facilities**

#### **11.37.070 Odor Management Plan**

A. Any person proposing to apply for a public health permit for a cannabis facility, or applying as a new owner of an existing cannabis facility shall submit an Odor Management Plan along with the submission of a public health permit application and plans to the Department. The Odor Management Plan shall, comply with the requirements of the local licensing agency, if any, and describe sufficient processes

which, if implemented, will prevent odors from the cannabis facility from being detected by a person outside of the facility or indoor cultivation site.

B. The Odor Management Plan shall include a detailed description of the ventilation system used by the cannabis facility, including but not limited to, how the ventilation systems prevent odor from escaping the facility or indoor cultivation site and how to mitigate the noxious fumes or gases.

C. The cannabis facility operator shall be responsible for the development, implementation, and maintenance of the Odor Management Plan. Odor mitigation practices shall be based on industry-specific best control technologies and best management practices. The plan shall include the range of odor mitigation practices to be deployed to control odor-emitting activities, sources, and locations, how and when these practices will be deployed, and accounting for any identified odor-emitting activity.

D. The permittee, operator, or person in charge of a cannabis facility shall maintain, and provide to the Department upon request, all records relating to odor management, including but not limited to, system installation, maintenance, any equipment malfunctions and deviations from Odor Management Plan.

E. The permittee, operator, or person in charge of a cannabis facility shall maintain records of odor complaints received and response actions thereto.

F. If an inspection or complaint investigation by the Department reveals any deviation from the Odor Management Plan, such deviation shall be a violation of this Chapter.



G. If an inspection reveals that the existing Odor Management Plan does not effectively mitigate odors emanating from the cannabis facility or cannabis facility's cultivation site, the Department shall provide the operator or person in charge with a notice of deficiencies. The operator or person in charge of the cannabis facility shall be required to submit a modified Odor Management Plan within a reasonable amount of time, as determined by the Department. Failure to submit a modified Odor Management Plan within the required time period shall be a violation of this Chapter. Failure of an operator to submit and implement a modified Odor Management Plan may result in the suspension of the cannabis facility's public health permit.

H. When a modification is made to a cannabis facility, or the facility operation, that has the potential to impact the nature or degree of odor, or affects the control of odor, the cannabis facility operator must update its Odor Management Plan within 30 days of facility modification. Failure to submit an updated Odor Management Plan within 30 days of facility modification shall be a violation of this Chapter.

**11.37.080 Waste Management Plan**

A. Any person proposing to apply for a public health permit for a cannabis facility, or apply as a new owner of an existing cannabis facility shall submit a Waste Management Plan along with the submission of a public health permit application or plans to the Department.

B. A Waste Management Plan shall address the storing, handling, disposing, and reusing of all waste by-products and shall characterize the volume and types of

waste generated for all commercial cannabis activities in compliance with the best management practices and State law and regulations.

C. A cannabis facility shall not sell or otherwise transfer title of cannabis waste, except as permitted by State law and regulation.

D. All cannabis and cannabis products that a cannabis facility intends to render into cannabis waste, whether voluntarily or directed by the Department shall be held on the premises in quarantine for a minimum of 72 hours. The cannabis facility operator shall affix to each batch the required document(s) with batch information and weight. At no time during the quarantine period may the cannabis or cannabis products be handled, moved, or rendered into cannabis waste. The quarantined cannabis and cannabis products are subject to inspection by the Department.

E. All garbage and refuse on the cannabis facility premises shall be stored in nonabsorbent, water-tight, vector resistant, durable, easily cleanable, galvanized metal or heavy plastic containers with tight fitting lids. No refuse container shall be filled beyond the capacity that prevents complete closure of the lid. All garbage and refuse on the premises, whether mixed with rubbish or other material or not, shall not be accumulated or stored for more than seven calendar days, and shall be properly disposed of before the end of the seventh day. All waste, including but not limited to refuse, garbage, green waste and recyclables, must be disposed of in accordance with State law and regulation, and local law. All waste generated from commercial cannabis operations must be properly stored and secured, whether in the control of the cannabis facility operator or not, in order to prevent access to the public.

F. The cannabis facility shall render cannabis and cannabis product into cannabis waste before removing the cannabis waste from the premises. The rendering process shall be recorded on video. The resulting cannabis waste shall be placed in the cannabis facility's refuse bin or transferred to a waste disposal facility approved by the State. All cannabis waste shall be rendered unusable and unrecognizable by mixing, grinding, and incorporating the cannabis waste with a non-consumable material or by incorporating any nonhazardous compostable material so that the resulting mixture is at least 50 percent non-cannabis waste by volume. The cannabis waste shall be tracked by one batch at a time and the cannabis facility shall not comingle different batches into cannabis waste.

G. After a cannabis facility operator renders the cannabis and cannabis product into cannabis waste, the cannabis facility operator shall do one of the following with the cannabis waste:

1. Dispose of the cannabis waste at a manned and fully permitted solid waste landfill.
2. Deposit the cannabis waste at a manned and fully permitted compostable materials handling facility or operation.
3. Deposit the cannabis waste at a manned and fully permitted in-vessel digestion facility or operation.

H. The cannabis facility operator shall use the track-and-trace database and onsite documents to ensure the cannabis waste materials are identified, weighed, and tracked while on the cannabis facility premises and when disposed of or deposited. The

cannabis facility operator shall enter the date and time that the cannabis product was rendered into cannabis waste and the weight of the resulting cannabis waste into the track-and-trace database.

I. All cannabis facility operators shall maintain accurate and comprehensive records regarding cannabis waste material that account for, reconcile, and evidence all activity related to the generation and disposal or deposition of cannabis waste. The cannabis facility operator shall obtain a record from the solid waste facility or operation evidencing the acceptance of the cannabis waste material at the facility or operation. The record must contain the name and address of the operation or facility, the date, the volume or weight of the cannabis waste accepted, and the name and signature of the person in charge of the facility or operator who accepts the cannabis waste. Once the cannabis waste is accepted by the solid waste facility, the cannabis facility operator shall input the date and time of the disposal or deposition of the cannabis waste at a solid waste facility into the track-and-trace database. These documents are records subject to inspection by the Department.

J. All commercial cannabis operations that utilize and generate hazardous materials or hazardous waste shall comply with all applicable hazardous material regulations, including but not limited to, hazardous waste generator, underground storage tank, above ground storage tanks, and hazardous materials handling requirements and maintain any applicable permits for these programs from the Fire Prevention Division, Certified Unified Program Agency (CUPA) of Los Angeles County and Emergency Services Department or Agricultural Commissioner.

**11.37.090 Record Keeping**

A. A cannabis facility shall ensure compliance with the requirements for record keeping as required by the State and local enforcement agencies.

B. A cannabis facility operator shall make such records available upon request by the Department.

**11.37.100 Track and Trace System**

A. A permitted cannabis facility shall utilize the track and trace system as required by State law and regulations and local laws.

B. A permitted cannabis facility shall make track and trace system records available to the Department upon request.

**11.37.110 Employee Health**

A. The Department shall have authority to exclude any cannabis facility employee that handles edible cannabis and cannabis products from any cannabis facility conducting operations, including but not limited to cultivation, extraction, preparation, manufacturing, distribution, and testing, if the employee is diagnosed with an infectious agent specified in Subdivision B.1-8, and the employee is either symptomatic and still considered infectious, or is not experiencing symptoms of the illness associated with that agent but is still considered infectious.

B. For purposes of this Section, "illness" means a condition caused by any of the following infectious agents:

1. Hepatitis A virus.
2. Salmonella typhi.

3. Salmonella spp.
4. Shigella spp.
5. Entamoeba histolytica.
6. Enterohemorrhagic or shiga toxin producing Escherichia coli.
7. Norovirus.
8. Other communicable diseases that may be transmitted to others

through the handling of edible cannabis and cannabis products.

C. The person in charge shall do either of the following:

1. Exclude an employee that handles edible cannabis and cannabis products from a cannabis facility if the employee is diagnosed with an infectious agent specified in this Chapter.

2. Restrict an employee from working with exposed edible cannabis and cannabis products, or cleaning equipment, utensils, and linens in an edible cannabis manufacturing and distributing facility if the employee is suffering from symptoms of an acute gastrointestinal illness.

D. The person in charge may remove a restriction for an employee upon the resolution of symptoms as reported by an employee that handles edible cannabis and cannabis products if the employee states that he or she no longer has any symptoms of an acute gastrointestinal illness.

E. Only the Department shall remove exclusions or restrictions, or both, related to diagnosed illnesses due to infectious agents specified in this Chapter after the

Department provides a written clearance stating that the excluded or restricted employee is no longer considered infectious.

**11.37.120 Training Program**

A. The cannabis facility operator shall implement a training program to ensure that all employees, including the person in charge, present at the premises are provided information, training, and shall have adequate knowledge of cannabis safety procedures and protocols, which, at minimum, shall include, but not be limited to the following:

1. All cannabis facility employees within 30 calendar days of the start of employment shall be trained in all health and safety hazards, hazards presented by all solvents or chemicals used at the premises as described in the material safety data sheet for each solvent or chemical. All employees shall review all emergency procedures, security procedures, record keeping requirements, and training requirements.

2. Prior to independently engaging in any commercial cannabis activity, the cannabis facility employee shall be trained on the overview of the cannabis facility operation and all standard operating procedures, all quality control procedures, and all hazard analysis and control procedures as appropriate. The employee shall be trained on the proper and safe usage of equipment or machinery as applicable and safe work practices applicable to an employee's job tasks. This shall include appropriate usage of any necessary safety or sanitary equipment, cleaning and maintenance

requirements, and emergency operations, including shutdown procedures, or any additional information reasonably related to an employee's job duties.

3. All cannabis facilities that produce or manufacture edible cannabis products shall ensure that all employees who prepare, handle, or package edible cannabis products successfully complete a food handler course accredited by the American National Standards Institute (ANSI) within 90 days of commencing employment at the premises and again every three years thereafter. Applicable employees shall complete the ANSI-accredited food handler course no later than 90 calendar days after the effective date of the public health permit. The cannabis facility operator shall obtain documentation evidencing the fulfillment of this requirement.

4. The cannabis facility operator shall ensure that all personnel receive annual refresher training to cover, at minimum, the topics listed in this section. This annual refresher training must be completed within 12 months of the previous training completion date.

B. The cannabis facility operator shall maintain a record which contains at minimum, but not limited to:

1. An annual confirmation by the cannabis facility operator that the employee has received and understood all information and training provided in the training program.

2. A list of all employees at the premises, including at minimum, name and job duties of each.



3. Documentation of training topics and dates of training completion for all employees.
4. Training topics and dates of refresher training completion for all employees.
5. The signature of the employee and the cannabis facility operator verifying receipt and understanding of each training or refresher training completed by the employee.
6. Any official documentation attesting to the successful completion of required training by the employee.

C. The cannabis facility operator may assign the responsibility for ensuring compliance by an employee with the requirements of this Chapter to the person in charge. The assigned person in charge must have the education, training, experience, or a combination thereof necessary to ensure the production of clean and safe cannabis and cannabis products by all employees. The designated person in charge shall sign and date a document on an annual basis attesting that the supervisor has received and understood all information and training provided in the training program. This documentation shall be maintained as part of the record requirements.

#### **Part 4      Inspection of Cannabis Facilities**

##### **11.37.130    Inspection**

A. The Department shall have the right to enter a cannabis facility to conduct an inspection during the facility's hours of operation to inspect the premises of the

facility and enforce compliance with this Chapter, and applicable State and local public health laws and regulations.

B. Inspections shall consist of at least two unannounced site visits conducted per year by the Department to determine compliance with this Chapter; applicable State public health laws and regulations; and with the requirements of the public health permit issued and any additional investigations conducted in response to complaints received by the Department or other licensing entities, alleging that a cannabis facility is not operating in compliance with the requirements of its public health permit, and to determine compliance with this Chapter and applicable State public health laws and regulations.

C. The person in charge of the cannabis facility shall allow the Department's inspectors access to all areas of the cannabis facility during the cannabis facility's hours of operation to inspect the cannabis facility premises, storage areas, equipment, production, labeling, and packaging processes, and conveyances used in the manufacture, storage, or delivery of cannabis and cannabis products, or any place at which cannabis or cannabis products are sold, cultivated, or stored, or at any site where evidence of activities are allegedly taking place.

D. Inspections shall include review of all pertinent records including, but not limited to, the track and trace system, plans required by the Department, and standard operating procedures. The person in charge of the cannabis facility shall provide records upon request to the Department.

E. The Department shall be granted access to conduct investigations concerning the adulteration and misbranding of cannabis and cannabis products, unpermitted cannabis operations, and overall sanitation of any cannabis facility including the ability to enter and inspect any place where any cannabis or cannabis product is reasonably suspected of being manufactured or held in violation of this Chapter or State or local laws and regulations.

F. When the operator, person in charge, or employee of a cannabis facility fails to fully cooperate with the Department's inspectors and/or investigation by not allowing access to the facility areas and/or records required by this Chapter, that act or omission shall be a violation of this Chapter, and shall subject the cannabis facility to the immediate suspension or revocation of its public health permit.

**11.37.140 Cannabis and Cannabis Product Quality Assurance**

A. The Department or its designee may collect from a cannabis facility samples of cannabis and cannabis product, at no cost to the Department, to verify compliance with the cannabis and cannabis product laboratory testing and labeling requirements from a cannabis facility during the cannabis facility's operational hours without advance notice.

B. The Department may secure any sample or specimen of any cannabis product or ingredients used therein by the cannabis facility and make analyses or examinations of any sample obtained.

C. The Department shall provide the cannabis facility operator with a receipt or documentation of sample(s) collected prior to leaving the premises.

D. A copy of the results of the sample analysis shall be provided to the person in charge of the cannabis facility.

E. The Department may take an enforcement action necessary to protect the health of the public depending on the testing results and analysis of the sample or samples collected at the cannabis facility.

**Part 5 Enforcement**

**11.37.150 Public Health Permit Suspension and Revocation**

A. Any cannabis facility public health permit issued to a permittee may be suspended or revoked by the Department for a violation of the requirements of this Chapter or Part 7 of Chapter 8.04, or State and local laws or regulations. Any cannabis facility, or portion of a microbusiness, for which the public health permit has been suspended or revoked shall close and cease doing business and remain closed until the permit has been reinstated or reissued by the Department.

B. Whenever the Department finds that a cannabis facility is not in compliance with the requirements of this Chapter or State and local laws or regulations, a written notice of violation that contains a required compliance date shall be issued to the permittee. If the permittee fails to correct the violation within the specified time, the Department shall issue to the permittee a written notice setting forth the permit violations found by the Department. The notice shall inform the permittee of a right to a compliance review, if requested, to show cause why the permittee's public health permit should not be suspended or revoked. A permittee must make a written request to the Department for a compliance review within 10 calendar days of service of the notice, or

correct the violation. A failure to request a compliance review within 10 calendar days after service of the notice shall be deemed a waiver of the right to a compliance review, and may subject the permittee's permit to immediate suspension by the Department.

C. The compliance review shall be held within 15 calendar days of the Department's receipt of the permittee's written request for a compliance review. Upon written request by the permittee, the compliance review officer may postpone any compliance review date, if circumstances warrant such action, or cancel the compliance review if the permittee's violations are corrected as verified by the Department.

D. At the compliance review, the Department's compliance review officer shall hear testimony and read and consider document submissions from the permittee and Department representatives.

E. The compliance review officer shall issue and serve a written decision to the permittee within 15 working days following the compliance review. In the event of suspension or revocation, the decision shall specify the permit violations that were found to exist and/or continue, the extent of the suspension of the permit, and the actions required for correction of the continuing violations. If the permittee's public health permit has been revoked, the decisions shall state the reasons for the revocation.

F. Notwithstanding any other provision of this Chapter, if any immediate danger to the public health or safety is found or is reasonably suspected, unless the danger is immediately corrected, the Department may immediately suspend the permittee's public health permit and order the cannabis facility immediately closed, pending the determination of a compliance review. Immediate danger to the public

health or safety shall include any condition, based upon inspection findings or other evidence, that can cause, or is reasonably suspected of causing, infection, illness or disease transmission, or any known or reasonably suspected hazardous condition.

1. Whenever a public health permit is suspended as the result of an immediate danger to the public health or safety, the Department shall issue to the permittee a notice setting forth the violations that have caused the immediate danger, specifying the sections of this Chapter or State and local laws or regulations, allegedly violated, and informing the permittee of the right to a compliance review.

2. At any time within 10 calendar days of service of a notice pursuant to subsection G, the permittee may request, in writing, a compliance review before a compliance review officer to show cause why the public health permit suspension is not warranted. The compliance review shall be held within 15 calendar days of the receipt of a request for a compliance review. A failure to request a compliance review within 10 calendar days shall be deemed a waiver of the right to such compliance review.

H. The Department may, after providing opportunity for a compliance review, modify, suspend, or revoke a public health permit for serious or repeated violations of the requirements of this Chapter or State and local laws and regulations, or for interference in the performance of the inspection and investigations duties of the Department.

I. A public health permit may be reinstated, or a new public health permit issued, if the Department determines that conditions which prompted the suspension or revocation no longer exist.

**11.37.160 Recall of Cannabis And Cannabis Products**

A. All cannabis facilities shall establish and implement a written procedure approved by the Department for the recall of cannabis and cannabis products that are determined to be misbranded or adulterated in accordance with the requirements of State and local laws or regulations. Recall procedures shall include, but not limited to:

1. Factors which dictate a recall.
2. Employees responsible for implementing the recall procedures.
3. Notification protocols, including:
  - a. A mechanism to immediately notify the Department.
  - b. A mechanism to notify all customers that have, or could have, obtained the product, including communication and outreach via media, as necessary and appropriate.
  - c. A mechanism to notify any operator of a cannabis facility that was supplied or received the recalled product.
  - d. Instructions to the general public and/or other cannabis facilities for the return and/or destruction of the recalled product.
4. The person in charge of the cannabis facility shall provide the following information to the Department upon request to assist in the recall investigation:
  - a. Source of the implicated cannabis or cannabis product.
  - b. Name, contact information, and State license number of the distributor and manufacturer.

c. Complete distribution list including name, address, and contact information; and product identification information (e.g. batch number, lot number, product coding, etc.).

B. Cannabis or cannabis products that are subject to recall or embargo because they are or are reasonably suspected of being adulterated or misbranded shall include, but are not limited to, the following circumstances:

1. Laboratory testing reports show presence of pesticide residues not permitted for use on cannabis; or a residual of permitted or approved pesticide above that which has been determined as safe in sampled cannabis or cannabis products.

2. Retail cannabis and cannabis product found to have contaminant levels exceeding those established as permissible by the State, which shall be considered to be a failed contaminant test.

3. Use of solvents that were not approved for use.

4. If a test is found to contain levels above those established by the State agency, of any mold, mildew, or filth that could be toxic if consumed.

5. If the THC content of a cannabis product is determined through testing not be homogenous, within the allowable margin of error as established by applicable State regulations, then it shall be considered to have failed potency testing.

6. Cannabis product contains of undeclared allergens.

C. The Department may initiate a recall investigation.

D. When the Department has evidence that any cannabis or cannabis products are adulterated or misbranded, the Department, shall notify the permittee and



order the cannabis facility to immediately cease activities related to the manufacturing, sale and distribution of all cannabis and cannabis products that have been identified as being potentially adulterated or misbranded. The Department may, after consultation with the State, order a recall or embargo of any adulterated or misbranded cannabis or cannabis products if the manufacture, distribution, or sale of the product would create or pose an immediate and serious threat to human life or health.

E. Upon confirmation by the Department or other licensing entity that the identified cannabis or cannabis product is adulterated or misbranded, the Department may issue orders to permittees regarding the required movement, segregation, isolation, or destruction of the adulterated or misbranded cannabis and cannabis products, and may order those to be held in place, embargoed, or quarantined. It is unlawful for any person or permittee to move or allow to be moved any cannabis or cannabis products that is subject to an order issued pursuant to this Chapter, unless that person has first obtained written authorization from the Department.

F. The Department shall provide the permittee an opportunity for an informal review proceeding on the matter, as determined by the Department, within five days, on the actions required by the Department's recall order and on why the quarantined or embargoed cannabis or cannabis product should not be recalled. Following the proceeding, the order may be affirmed, modified, or set aside as determined appropriate by the Department.

G. A permittee shall follow its recall procedures for the collection, storage and destruction of any recalled cannabis products. Such procedures shall include, but are not limited to, the following requirements:

1. All recalled cannabis and cannabis products that are intended to be destroyed shall be quarantined for a minimum of 72 hours. The product held in quarantine shall be subject to auditing from the Department.

2. Following the quarantine period, the permittee shall render the recalled cannabis product unusable and unrecognizable, and the rendering shall be recorded on video and maintained by the permittee for inspection by Department or other licensing entities.

3. A permittee shall dispose of chemical, dangerous, or hazardous waste in a manner consistent with Federal, State, and local laws. This requirement shall include, but is not limited to, recalled products containing pesticide or other agricultural chemicals, and flammable solvents or other chemicals used for the purpose of producing manufactured cannabis batches.

4. A permittee shall not dispose of recalled product in an unsecured waste receptacle that is not in the possession and/or control of the permittee.

H. All recalled cannabis and cannabis products shall be separated and stored in a manner that shall prevent the contamination of other cannabis or cannabis products.

I. A permittee shall use the track-and-trace system database and on-site documentation to ensure that recalled cannabis or cannabis products intended for

destruction are identified, weighed, and tracked while on the premises and when disposed of in accordance with State law and regulation, and local laws.

**11.37.170 No Conflict With State Law**

This Chapter is not intended to conflict with State law. This Chapter shall be interpreted to be compatible with State enactments and in furtherance of the public health and safety purposes that those enactments encompass.

**11.37.180 No Conflict With Federal Law**

This Chapter is not intended to conflict with federal law or stand as an obstacle or conflict with any efforts made by the federal government to enforce federal laws related to Cannabis related activities.

**11.37.190 Severability**

If any section, subsection, subdivision, clause, sentence, phrase, or portion of this Chapter is held unconstitutional or invalid or unenforceable by any court or tribunal of competent jurisdiction, the remaining sections, subsections, subdivisions, clauses, phrases or portions of this measure shall remain in full force and effect, and to this end the provisions of this Chapter are severable.

**11.37.210 Effective Date**

The requirements of this Chapter shall not take effect in the unincorporated areas of the County of Los Angeles, unless and until the County board of supervisors allows all or certain specified commercial cannabis activities as a zoned permitted use within specified zones within the unincorporated areas of the County of Los Angeles.

**11.37.220 Adoption of Ordinance by Cities.**

This ordinance shall be effective within the territorial jurisdiction of each city that incorporates the entirety of this ordinance into its municipal code by adoption or resolution. County shall enforce the provisions of this ordinance only if a city that has incorporated this ordinance into its municipal code, and enters into a service agreement with the County, as approved by the board of supervisors, for public health regulatory services for commercial cannabis activities to be performed by County. Should the contract between the city and County expire or be terminated, neither the County nor the County Health Officer shall have an obligation to enforce this ordinance or public health laws regarding commercial cannabis activities within the territorial limits of that city.

[CH804RRCC]



AGREEMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC HEALTH

AND

THE CITY OF LOS ANGELES

FOR

PUBLIC HEALTH AND SAFETY INSPECTION AND  
ENFORCEMENT SERVICES OF CANNABIS FACILITIES  
SERVICES

**PUBLIC HEALTH AND SAFETY INSPECTION AND ENFORCEMENT  
SERVICES OF CANNABIS FACILITIES SERVICES**

**THIS AGREEMENT** made and entered into this \_\_\_\_\_ of \_\_\_\_\_, 20 \_\_\_\_\_, by and between the COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC HEALTH, hereinafter referred to as “COUNTY” and \_\_\_\_\_ hereinafter referred to as “CITY.”

**WITNESSETH:**

**WHEREAS**, the California Health and Safety Code provides that the governing bodies of counties and cities shall take measures as may be necessary to preserve and protect the public’s health and safety, including the adoption of ordinances and establishment of fees to support the enforcements of such activities; and

**WHEREAS**, County’s Board of Supervisors has delegated the authority and responsibility for these measures to both the County’s Director of Public Health, or her authorized designee, hereafter referred to as “Director” and the County’s Health Officer;

**WHEREAS**, COUNTY’S Board of Supervisors has enacted an ordinance that creates a regulatory and public health permitting framework for Cannabis Facilities engaged in Cannabis Activities for health and safety purposes; and;

**WHEREAS**, CITY has amended the CITY Municipal Code, as of xxxxxxxx, to adopt Sections xxxxxxxx, to permit under certain regulatory conditions commercial cannabis activities to occur within specific zones within the CITY’S corporate limits; and

**WHEREAS**, pursuant to California Business and Professions Code section 26200(d), the CITY has assumed complete responsibility for any regulatory function of commercial cannabis activities within the CITY'S jurisdiction limits that would otherwise be performed by COUNTY or any COUNTY officer or employee, including the COUNTY Health Officer, without liability, cost, or expense to COUNTY:

**WHEREAS**, CITY has incorporated the entirety of COUNTY'S commercial cannabis activity ordinance into its Municipal Code, to require those persons and businesses performing or seeking to perform commercial cannabis activities within the territorial limits of the CITY to apply for and obtain an appropriate public health permit, pay to the COUNTY the required permit and other fees, and be subject to the regulatory scheme of the ordinance;

**WHEREAS**, the CITY'S purpose in amending its Municipal Code, as described above, is to allow for health inspections as related to cannabis facilities and other commercial cannabis activities that are subjects of the ordinance and to further ensure that each cannabis facility operating within the CITY'S corporate limits is in compliance with all applicable health and safety laws; and

**WHEREAS**, CITY wishes to contract with COUNTY for the performance of such public health regulation and/or other hereafter described public health and safety inspection services within its corporate limits by COUNTY through its DPH; and

**WHEREAS**, such an agreement is authorized and provided by the provisions of the xxxxxxxxxx

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

IT IS AGREED AS FOLLOWS:

1. Exhibits A and B, attached to and form a part of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the terms and conditions of the Agreement and then to the Exhibits as listed below:
  
2. Pursuant to California Business and Professions Code section 26200(d), by permitting commercial cannabis activity within the territorial limits of the CITY, CITY has assumed complete responsibility for any regulatory function pertaining to commercial cannabis activity, pursuant to Division 10 of the Business and Professions Code.
  
3. COUNTY, acting by and through its Department of Public Health, Division of Environmental Health, agrees to perform within the CITY'S territorial limits those public health regulatory and inspection functions of commercial cannabis activities as permitted in COUNTY ordinances in Chapters 11.37 and 8.04 of the COUNTY Code, which has been incorporated by CITY into its Municipal Code, and as provided in the Scope of Work attached hereto as Exhibit "B".
  
4. The CITY shall designate a program manager, certified in xxxxxxxxxxxxxxxxxxxxxxxx, to provide the COUNTY with 30 days' advance notice of any new xxxxxxxxxxxxxxxxxxxxxxxx.



5. The CITY shall indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (“County Indemnitees”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.
6. COUNTY shall review applications of those persons applying for public health permits who apply to CITY's Department of Cannabis Regulation for licenses to perform commercial cannabis activities: (1) Retail; (2) Distributor; (3) Manufacturing; (4) Microbusiness; and (5) Cultivation.
7. COUNTY shall charge and collect public health permit fees to both CITY applicants and CITY licensees. COUNTY permit fees shall be in amounts, as approved by the COUNTY Board of Supervisors, to offset the reasonable cost of the COUNTY performing this regulatory function for CITY. CITY shall have no claim or right to any fee, fine, or cost collected or charged by COUNTY to an applicant or CITY licensee.
8. CITY shall submit an initial inventory list of Cannabis Facility locations receiving water from the CITY and information on any backflow prevention device currently installed at those locations, to the County within 30 days of the execution of this agreement.

9. CITY shall provide COUNTY with access to each CITY licensee's track and trace database information, as defined by State law, including but not limited to, unique identifier information of all commercial cannabis movement in CITY'S licensees.
10. TERM: The term of this Agreement shall be effective \_\_\_\_\_ and shall continue in full force and effect through June 30, 2023, unless sooner terminated or extended, in whole or in part, as provided in this Agreement. COUNTY shall have the sole and exclusive option to amend the Agreement to extend the term for an additional three (3) one-year terms, until June 30, 2026, unless terminated as provided in Paragraph 13.
11. NOTICES: Notices hereunder shall be in writing and may either be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, attention to the parties at the addresses listed below. Director is authorized to execute all notices or demands which are required or permitted by County under this Agreement. Addresses and parties to be notified may be changed by providing at least ten (10) working days prior written notice to the other party.
- A. Notices to County shall be addressed as follows:
- (1) Department of Public Health  
Environmental Health – Administrative Headquarters  
5050 Commerce Drive  
Baldwin Park, California 91706  
Attention: Director, Environmental health

(2) Department of Public Health  
Contracts and Grants Division  
1000 S. Fremont Avenue, Building A-9 East, 3rd Floor  
Alhambra, California 91731  
Attention: Division Chief

B. Notices to Contractor shall be addressed as follows:  
Any correspondence from the COUNTY regarding this agreement shall be addressed to:

City of Los Angeles  
XXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXX  
Attention:

12. GOVERNING LAW, JURISDICTION, AND VENUE: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

13. TERMINATION FOR CONVENIENCE The performance of services under this Agreement may be terminated, with or without cause, in whole or in part, from time to time when such action is deemed by COUNTY or CITY to be in their own best interest. Termination of services hereunder shall be effected by delivery of one party to the other of a one hundred and eighty (180) calendar day advance Notice of Termination specifying the

extent to which performance of services under this Agreement is terminated and the date upon which such termination becomes effective.

14. ALTERATION OF TERMS/AMENDMENTS: The body of this Agreement and any Exhibit(s) attached hereto, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the parties, their officers, employees or agents, shall be valid and effective unless made in the form of a written amendment to this Agreement which is formally approved and executed by the parties in the same manner as this Agreement.

15. ASSIGNMENT AND DELEGATION: Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this sub-paragraph, County consent shall require a written Amendment to the Agreement, which is formally approved and executed by the parties. Any payments by County to any approved delegatee or assignee on any claim under this Agreement shall be deductible, at County's sole discretion, against the claims, which Contractor may have against County.

16. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of

agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

B. The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

C. The Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Agreement.

17. NON-EXCLUSIVITY: Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Agreement shall not restrict the County from acquiring similar, equal, or like goods and/or services from other entities or sources.

18. NO INTENT TO CREATE A THIRD PARTY BENEFICIARY AGREEMENT: Notwithstanding any other provision of this Agreement, the parties do not in any

way intend that any person shall acquire any rights as a third party beneficiary under this Agreement.

19. VALIDITY: If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

20. WAIVER: No waiver by the County of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this sub-paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

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**IN WITNESS WHEREOF**, the parties hereto have executed this agreement  
on the day and year first hereinabove written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Barbara Ferrer, Ph.D., M.P.H. M.Ed  
Director

\_\_\_\_\_  
THE CITY OF LOS ANGELES  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Title \_\_\_\_\_  
AFFIX CORPORATE SEAL

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL  
Mary C. Wickham  
County Counsel

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Public Health

By \_\_\_\_\_  
Patricia Gibson, Chief  
Contracts and Grants  
Division

**CITY OF LOS ANGELES  
PUBLIC HEALTH AND SAFETY INSPECTION AND ENFORCEMENT SERVICES  
OF CANNABIS FACILITIES SERVICES**

**SCOPE OF WORK**

Upon execution of the Agreement, the CITY shall:

1. Provide to the COUNTY a list of all applicants seeking a Commercial Cannabis Activity License (CCAL) within the CITY. The CITY'S Department of Cannabis Regulation shall require all applicants to also apply to the COUNTY'S Health Officer for a public health permit. Every 30 days, continue to update COUNTY of new CCAL applicants.
2. CITY shall submit an initial inventory list of Cannabis Facility locations receiving water from the CITY and information on any backflow prevention device currently installed at those locations, to the County within 30 days of the execution of this agreement. Every 30 days, continue to update COUNTY of new Cannabis Facility locations that receive water from the CITY and provide updated backflow prevention device information.
3. CITY shall provide COUNTY with access to each CITY licensee's track and trace database information, as defined by State law, including but not limited to, unique identifier information of all commercial cannabis movement in CITY'S licensees.
4. The COUNTY through its Department of Public Health, Environmental Health Division shall perform public health permitting, plan review and approval, inspection and enforcement services for applicants for or holders of a CCAL within the territorial limits of the CITY, which shall include the following items:
  - a) COUNTY shall process all applications seeking a COUNTY issued public health permit for commercial cannabis activity within the territorial limits of the CITY.
  - b) COUNTY shall collect all public health permits fees, fines, and penalties from holders of a COUNTY issued permit for commercial cannabis activity within the territorial limits of the CITY.



- c) COUNTY shall inspect and enforce the public health requirements, as provided in Exhibit A (xxxxxx), of cannabis facilities that are holders of a CCAL within the territorial limits of the CITY.
  - d) COUNTY shall notify CITY'S Department of Cannabis Regulation within 2 business days after it suspends or revokes and CCAL holder's COUNTY issued public health permit.
  - e) CITY may request and receive from COUNTY copies of any inspection reports created by COUNTY of any cannabis facility that holds a CCAL.
5. CITY's Department of Cannabis Regulation shall provide COUNTY'S Department of Public Health with the necessary information regarding CCAL holders and applicants for COUNTY to perform its contracted regulatory functions.
  6. CITY Department of Cannabis Regulation shall arrange for assistance by CITY, upon the request of COUNTY'S Department of Public Health regarding the investigation of applicants for or holders of a CCAL for public health purposes, including cannabis recalls, cannabis facility waste management, odor control, and product quality.
  7. CITY is not entitled to any portion of any fee, penalty or other charged by COUNTY to any CCAL applicant or holder.
  8. COUNTY shall not be required to investigate or respond to any complaint regarding any cannabis facility that does not possess a CCAL and a COUNTY issued public health permit. Should CITY request the assistance of COUNTY'S Department of Public Health regarding an investigation of or a complaint response regarding any cannabis facility that does not possess a CCAL, CITY shall reimburse COUNTY for the actual cost of services provided. COUNTY shall bill CITY in arrears, and shall charge CITY service rates approved by the COUNTY'S Board of Supervisors.