Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R26-0512
SEP 09 2026

REPORT RE:

STATE AND LOCAL PROHIBITIONS AND PENALTIES FOR YOUTH-TARGETED CANNABIS MARKETING

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 25-1100

Honorable Members:

Pursuant to your request, this report provides information about existing prohibitions on youth-targeted cannabis marketing under state and local law. This report also includes, as requested, proposals for amendments to the Los Angeles Municipal Code (LAMC) to broaden the scope of these prohibitions.

Background on State and City Prohibitions

Research studies show that the consumption of cannabis by is associated with adverse outcomes in brain development, mental health, and physical health. To mitigate against these risks, the State and City have already enacted a wide breadth of laws that prohibit the advertising and marketing of cannabis to minors.

State law casts a wide net, and leaves little room for commercial cannabis operators to make cannabis products that appear enticing to minors. For example, Business and Professions Code Section 26152 prohibits the following activities by any "person engaged in commercial cannabis activity, *whether licensed or unlicensed*," (italics added):

- "Advertise or market on a billboard or similar advertising device located on an interstate highway or on a state highway which crosses the California border." (Bus. & Prof. Code § 26152(d).)
- "Advertise or market cannabis or cannabis products in a manner intended to encourage persons under 21 years of age to consume cannabis or cannabis products." (Bus. & Prof. Code § 26152(e).)
- "Publish or disseminate advertising or marketing that is attractive to children." (Bus. & Prof. Code § 26152(f).)
- "Advertise or market cannabis or cannabis products on an advertising sign within 1,000 feet of a daycare center, school providing instruction in kindergarten or any of grades 1 to 12, inclusive, playground, or youth center."[1] (Bus. & Prof. Code § 26152(g).)

State law defines "advertise" as "the publication or dissemination of an advertisement," and "advertisement" as "any written or verbal statement, illustration, or depiction which is calculated to induce sales of cannabis or cannabis products, including any written, printed, graphic, or other material, billboard, sign, or other outdoor display, public transit card, other periodical literature, publication, or in a radio or television broadcast, or in any other media . . . ." (Bus. & Prof. Code §§ 26150(a)-(b).) The definition does not include labels or wrappers affixed to cannabis products, or editorial or reading materials such as new releases that are not paid for and written at the direction of a licensee. (Bus. & Prof. Code § 26150(b)(1)-(2).) State law also defines "market" or "marketing" as "any act or process of promoting or selling cannabis or cannabis products, including, but not limited to, sponsorship of sporting events, point-of-sale advertising, and development of products specifically designed to appeal to certain demographics." (Bus. & Prof. Code § 26150(e).)

Other state laws flesh out the broad prohibition on advertising and marketing of cannabis or cannabis products to persons under 21 years of age. For example, state law provides that:

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[1] This particular prohibition does not apply, however, "to the placement of advertising signs inside a licensed premises and which are not visible by normal unaided vision from a public place, provided that such advertising signs do not advertise cannabis or cannabis products in a manner intended to encourage persons under 21 years of age to consume cannabis or cannabis products." (Bus. & Prof. Code § 26155(a).)

- "Any advertising or marketing placed in broadcast, cable, radio, print, and digital communications shall only be displayed where at least 71.6 percent of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, up-to-date audience composition data." (Bus. & Prof. Code § 26151(b) *accord* 4 C.C.R. § 15040(a)(1).) Further, all persons licensed to engage in commercial cannabis activity by the California Department of Cannabis Control (DCC) are required to provide such data to DCC immediately upon request. (4 C.C.R. § 15040(d).) If a licensee of DCC fails to do so, or such data reveals that the advertising or marketing is noncompliant with these standards, it shall be removed. (4 C.C.R. § 15040(e).)
- "Any advertising or marketing involving direct, individualized communication or dialogue controlled by the licensee [of DCC] shall utilize a method of age affirmation to verify that the recipient is 21 years of age or older before engaging in that communication or dialogue controlled by the licensee." (Bus. & Prof. Code § 26151(c); *accord* 4 C.C.R. § 15041(a)(1).)

DCC licensees must comply with additional state regulations that cover advertising and marketing generally, and product-specific packaging and labeling. It is not unreasonable to think, however, that a court could use these regulations as an interpretive guide to flesh out the broader prohibitions in Business and Professions Code Section 26152 that apply to all persons engaged in commercial cannabis activity, whether licensed or unlicensed. These additional regulations prohibit:

- Advertising or marketing that "use any depictions or images of minors or anyone under 21 years of age[.]" (4 C.C.R. § 15040(a)(2).)
- Advertising or marketing that "use any images that are attractive to children, including, but not limited to: (A) Cartoons; (B) Any likeness to images, characters, or phrases that are popularly used to advertise to children; (C) Any imitation of candy packaging or labeling; or (D) The terms 'candy' or 'candies' or variants in spelling such as 'kandy' or 'kandeez.'" (4 C.C.R. § 15040(a)(3).)
- "Packages and labels [for cannabis and cannabis products] shall not be made to be attractive to children." (Bus. & Prof. Code § 26120(b); *accord* 4 C.C.R. §§ 17300(k) [prohibiting the sale of any cannabis product that is attractive to children], 17408(a)(2) [prohibiting cannabis good labeling "that is, or is designed to be, attractive to individuals under the age of 21"].)
- Packaging for cannabis goods that "imitate[s] any package used for products typically marketed to children." (4 C.C.R. § 17411(a)(4).)

- "Branded merchandise shall not be designed in any manner that is attractive to children." (4 C.C.R. § 15041.1(c).) "'Branded merchandise' means non-consumable consumer goods utilized by a licensee for advertising and marketing purposes . . . , [such as] clothing, bags, pens, keychains, mugs, water bottles, lanyards, stickers, pins, and posters." (4 C.C.R. § 15041.1(a).)

The LAMC includes additional limitations on signs that advertise cannabis. Two substantive provisions of the LAMC are particularly relevant to issue of cannabis advertising and marketing.

First, LAMC Section 106.04 broadens the scope of Business and Professions Code Section 26152(g) by stating that "[n]o person shall place, permit, or maintain on any off-site sign, a poster, placard, device, graphic display, or any other form of advertising for Cannabis, Cannabis Products, Cannabis Activity, or business engaged in any Cannabis Activity, in any Publicly Visible Location within 700 feet of any School, Public Park, Public Library, Alcoholism or Drug Abuse Recovery or Treatment Facility, Day Care Center, and Permanent Supportive Housing, except as permitted under Section 106.05." (LAMC § 106.04(a); *see also* LAMC §§ 106.03 (definitions), 106.05 (limited exceptions for advertising within a commercial cannabis business or delivery vehicle licensed by the State and the City, and delivery vehicle).) However, "[t]he display of public service messages or similar announcements cautioning against the use of Cannabis or Cannabis Products or that are designed to encourage minors to refrain from using or purchasing Cannabis or Cannabis Products" are exempted this rule. (LAMC § 106.05(b).)

Second, LAMC Section 106.06 restricts the use of on-site signs for commercial cannabis businesses licensed by the State and the City to "[o]nly one on-site sign per street frontage . . . ." (LAMC § 106.06(a)(1).) Even then, such signs may only include the following information in a Publicly Visible Location: "name of business; logogram of business; and business' address, hours of operation and contact information." (LAMC § 106.06(a)(4).) However, the following types of signs are absolutely prohibited:

- Portable signs or sandwich signs located in the public right-of-way;
- Digital signs;
- Spinner signs;
- Monument signs;
- Illuminated architectural canopy signs;
- Pole signs;
- Marquee signs;
- Roof signs;
- Temporary signs are prohibited;
- Moving signs and signs with moving parts; and
- Supergraphic signs.

(LAMC §§ 106.06(a)(5)-(15).) Significantly, LAMC Section 106.00, *et seq.*, applies to all commercial cannabis signage, whether from a licensed or unlicensed business.

Finally, the City has other laws that specifically apply to commercial cannabis licensees of the Los Angeles Department of Cannabis Regulation (DCR). DCR's Rules and Regulations (Regulations) prohibit any "deceptive, false or misleading statements on any advertisement, website, product, sign, or any document provided to a customer." (DCR Reg. No. 5(A)(1)(xi).) They also prohibit any licensed delivery business from using a delivery vehicle that "contain[s] any external markings, words, or symbols that indicate the vehicle is used for delivery of Cannabis or cannabis goods or that the vehicle is used, owned or leased by a cannabis licensee." (DCR Reg. No. 5(D)(2).)

Current State and City Enforcement Mechanisms

To enforce the aforementioned state and local laws, the City can sue any person who violates them in a variety of ways. Moreover, while all forms of suit listed below are available against those licensed by DCR to engage in commercial cannabis activity within the City, some may be also filed against unlicensed businesses.

At least two major types of civil suits may be filed against licensed or unlicensed businesses. First, state law authorizes the City to sue any person, whether licensed or unlicensed, for violations of Business and Professions Code Sections 26152(d) through 26152.2(g). (Bus. & Prof. Code § 26152.2(a).) State law provides that a successful action shall include injunctive relief. (Bus. & Prof. Code § 26152.2(b)(1).) It may also include reasonable attorney's fees and costs, civil penalties up to $5,000 per violation against a person licensed to engage in commercial cannabis activity by the State, or up to $30,000 per violation against an unlicensed operator, and any other remedy provided by law. (Bus. & Prof. Code § 26152.2(b)(2).)

Second, the City may initiate a civil action against any such person, whether licensed or unlicensed, for violations of the Unfair Competition Law (UCL), Business and Professions Code Section 17200, *et seq.* (Bus. & Prof. Code § 17203.) The UCL prohibits "unfair competition," which broadly includes "any unlawful, unfair or fraudulent business act or practice . . . ." (Bus. & Prof. Code § 17200.) The "unlawful" prong of the UCL embraces anything that can properly be called a business practice and that is forbidden by law at the same time, such as violations of state or local cannabis advertising laws. The UCL authorizes civil penalties of up to $2,500 for each violation (Bus. & Prof. Code § 17206(a) and its remedies are cumulative as well. (Bus. & Prof. Code § 17205.)

As an alternative to or in conjunction with any civil action, the City may also file criminal charges against those who violate LAMC Section 106.00, *et seq.* As a general rule, any violation of the LAMC is, by default, a misdemeanor, whereas violations that must be charged as infractions are expressly declared in the Code. (LAMC §

11.00(m).) A violation of LAMC Section 106.00, *et seq.*, is thus a misdemeanor. Misdemeanors are punishable by a fine of not more than $1,000 or by imprisonment for a period of not more than six months, or by both a fine and imprisonment. (LAMC § 11.00(m) (also noting that infractions are punishable by a fine as set forth in the LAMC, not to exceed $250 for each violation).) The LAMC further provides that "[e]ach person shall be guilty of a separate offense for each and every day during any portion of which any violation of any provision of this Code is committed, continued or permitted by that person, and shall be punishable accordingly." (LAMC § 11.00(m).) At the City's discretion, any given violation may be alternatively prosecuted through the City's Administrative Citation Enforcement Program (ACE) (LAMC § 11.2.01, *et seq.*), which may include fines starting at $250, and escalate upwards to $500, $1,000, or more for subsequent violations of the same code provisions. (LAMC § 11.2.04(b).)

Finally, DCR licensees are also subject to administrative action through the issuance of Notices of Violation. (LAMC §§ 104.13(a), (b)(1), (d)(1).) A Notice of Violation carries penalties set under LAMC Section 104.19. Penalties range from $3,000 to $34,000, depending on the severity of the violation. (LAMC § 104.19(e).) For example, DCR may cite a licensee for making deceptive, false, or misleading statements on any advertisement, website, product, sign, or any document provided to a customer. (DCR Reg. No. 5(A)(1)(xi) (moderate penalty of $11,000 per violation).) DCR may also cite a licensee for any violation of state laws or regulations concerning commercial cannabis activity. (DCR Reg. Nos. 5(A)(1)(ix) (moderate), (5)(A)(1)(xiii) (moderate).)

Proposals/Recommendations

The laws promulgated by the State and City to prohibit and penalize youth-targeted cannabis marketing are already quite broad, making room for improvement somewhat incremental. With that said, additional recommendations may be sourced from laws regulating other recreational substances with deleterious effects, such as alcohol and tobacco, or by creating new penalties or increasing existing penalties.

1. **The City could impose an affirmative duty on its retail commercial cannabis licensees to post a warning sign on their business premises.**

For example, LAMC Section 46.80 provides that "[a]ny person or entity who owns, operates, manages, leases or rents a premises offering for sale or dispensing for consideration to the public, alcoholic beverages including beer and wine shall cause a sign or notice to be posted or displayed on the premises as provided in this Section. The sign or notice shall comply with the readability requirements specified herein and shall read substantially as follows: WARNING. DRINKING WINE, BEER AND OTHER ALCOHOLIC BEVERAGES DURING PREGNANCY CAN CAUSE BIRTH DEFECTS.

In no event shall a sign as required herein be smaller than 8 inches wide and 8 inches long, nor shall any lettering thereon be less than 1 inch in height."

A similar sign, stating "SEVERAL HEALTH EXPERTS ADVISE THAT PEOPLE UNDER 21 SHOULD NOT USE ANY FORM OF CANNABIS," could be required of DCR licensees.

2. The City could broaden the scope of its own cannabis advertising laws.

The City could broaden the list of locations or sensitive uses from which cannabis advertising is prohibited within 700 feet. LAMC Section 106.04(a) currently prohibits cannabis advertisements by any person "in any Publicly Visible Location within 700 feet of any School, Public Park, Public Library, Alcoholism or Drug Abuse Recovery or Treatment Facility, Day Care Center, and Permanent Supportive Housing, except as permitted under Section 106.05." While there are constitutional limits on the scope of such regulation, the City Council may want to select a few additional sensitive uses to include within the scope of Section 106.04(a)'s prohibition. For example, the City may want to include religious institutions that provide instruction to children, amusement parks, or youth training centers.

The City could also increase the geographical ban from 700 feet to 1,000 feet, or more.[2] Notably, the measurement of 1,000 feet is also used by the State in Business and Professions Code Section 26152(g) with regard to schools, playgrounds, youth centers, and day care centers. As with above, however, the City needs to ensure that the overall scope of the prohibition is tailored to achieve the desired objective without overburdening lawful speech.

3. The City could increase existing enforcement resources.

In addition to, or in lieu of, enacting additional ordinance-based measures, the City could more strictly enforce its existing laws and penalties as they relate to youth-targeted cannabis advertising. Of course, this Office understands that enforcement is tied to the budget and that staffing resources are limited. Any additional funding dedicated to enforcement of this issue should be provided to the operational departments as this Office has sufficient resources both in the Criminal Branch and in the Office's ACE Unit to quickly and thoroughly review any criminal referrals and administrative citations.

[2] This proposal is limited to the geographical ban on cannabis advertisements, and would not affect the geographical ban on licensed commercial cannabis activity as set forth in LAMC Section 105.00, *et seq.*

If you have any questions regarding this matter, please contact Deputy City Attorney Emily Wada at (213) 978-7439. A member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

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By
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