

Item 1116-25 Alderman Townsend

Department Impacted: Administration

Amend ordinance 0013-25 “age restriction of intoxicating hemp derived products” to

Replace the current Section 66-1303(b) “Forfeiture” line with the following tiered structure:

(b) Tiered forfeiture schedule.

1. Tier 1 – Negligent or unintentional violation.

Where a violation results from a reasonable mistake, labeling confusion, or isolated failure to verify identification:

- Forfeiture: not less than \$1,000 nor more than \$1,500.
- Mandatory completion of an approved compliance-training program within 30 days.
- A second Tier 1 violation within 12 months shall be treated as a Tier 2 offense.

2. Tier 2 – Knowing or reckless violation.

Where the violator knew or reasonably should have known the recipient was under 21, or failed to check identification entirely:

- Forfeiture: not less than \$2,500 nor more than \$5,000.
- Possible suspension of the applicable license or temporary license issued by the City for up to 30 days.
- Mandatory compliance-training for all employees engaged in hemp-product sales.

3. Tier 3 – Intentional or repeated violation.

Where the violator intentionally provides an intoxicating hemp-derived product to an underage person, or commits a second or subsequent violation within 24 months:

- Forfeiture: not less than \$7,500 nor more than \$10,000.
- Imprisonment of up to 60 days as authorized by Wis. Stat. § 125.07.
- Referral to the Common Council for possible license revocation proceedings.
- Posting of violation notice at the licensed premises for a period designated by the City Clerk.

Add new subsections (c), (d), and (e):

(c) Safe-harbor provision.

If a licensee or employee promptly reports a violation or cooperates fully with enforcement authorities, the City Attorney may recommend mitigation of penalties or suspension time.

(d) Use of forfeitures.

Ten percent (10 %) of all forfeitures collected under this section shall be deposited into a City-administered fund under the supervision of the City Health Department, designated for youth substance-prevention and education programs within Racine. The City may also distribute such

funds to recognized local nonprofit organizations engaged in youth substance-prevention and education initiatives, subject to Council approval.

(e) Effect of bond payment.

Payment of the bond amount described in subsection (a) shall not preclude the City of Racine from treating such violation as a prior offense for purposes of penalty enhancement under this section.

Fiscal Note: No Fiscal Impact