CITY OF LONG BEACH

**Memorandum**

Date: August 21, 2026

To: Thomas B. Modica, City Manager

From: Bo Martinez, Director, Economic Development and Opportunity

For: Mayor and Members of the City Council

Subject: **Self-Checkout Ordinance – Business Outreach Findings and Early Implementation Feedback**

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On April 1, 2025, City Council directed staff to evaluate options related to establishing staffing and operational requirements for grocery stores and retail drug establishments that utilize self-checkout technology. City staff released a memo on June 6, 2025, outlining the proposed ordinance requirements, enforcement mechanisms, and anticipated implementation considerations.

On August 12, 2025, the Long Beach City Council directed the development of an ordinance to establish certain staffing requirements for self-service checkout stations (SCO) at grocery and drug stores with the stated intent of addressing retail theft and advancing public safety and welfare. ORD-25-0010 went into effect on September 11, 2025. Once the ordinance was in effect, Staff published a landing page, Self-Service Checkout Staffing Requirements Ordinance, to provide more information about the policy.

Part of the City Council direction in adopting this ordinance was to return with information about implementation of the Program by impacted establishments. This memorandum is intended as an update on the initial implementation of the program and is not intended to serve as a comprehensive evaluation of all ordinance outcomes, including worker, customer, or public safety impacts, which would require broader analysis and additional stakeholder engagement.

**Outreach Overview**

Given that the ordinance directly regulates grocery and retail establishments utilizing self-checkout technology, staff prioritized outreach to impacted businesses to better understand ordinance awareness, compliance efforts, operational changes, and implementation challenges. In advance of and following initial implementation, staff conducted direct outreach to impacted establishments, provided general ordinance information and guidance, and supported communication efforts through outreach materials and online resources. Businesses reported becoming aware of the ordinance through City outreach, internal corporate communications, and industry channels, including statewide retail associations.

The Economic Development & Opportunity Department (Department) conducted targeted outreach to 13 general managers and corporate representatives of impacted

establishments to collect high-level, frontline feedback regarding awareness, compliance efforts, operational impacts, customer response, and implementation. Staff also met with representatives from labor organizations representing approximately 22,000 grocery and retail workers throughout Southern California to better understand employee perspectives regarding implementation of the ordinance.

**Stakeholder Input**

Staff engaged with grocery, drug retail, and large-format retail establishments operating within the City that are regulated by the ordinance. General managers were asked standardized questions related to ordinance awareness, operational changes to SCO systems, customer response and feedback, and compliance challenges and recommendations.

1. Ordinance Awareness

- Businesses reported high awareness of the ordinance and its core requirements.
- Many establishments undertook immediate internal reviews to assess compliance risk.
- Corporate-owned retailers frequently relied on legal and compliance teams to interpret provisions related to self-checkout eligibility and enforcement. Businesses reported high awareness of the ordinance and its core requirements.
- Businesses reported becoming aware of the ordinance through a combination of City outreach, internal corporate communications, and industry channels, including information distributed by statewide retail associations.
- Many establishments undertook immediate internal reviews to assess compliance risk.
- Corporate-owned retailers frequently relied on legal and compliance teams to interpret provisions related to self-checkout eligibility and enforcement.

2. General Operational Impacts

- 10 out of 13 businesses reduced or fully closed SCO lanes following ordinance implementation.
- Stores maintaining SCO reported tighter controls, slower transaction times, and increased staff involvement.
- Smaller-format stores indicated greater operational strain due to limited floor space and customer queue spillover.
- Several respondents also noted increased staffing presence and greater oversight

at checkout areas following implementation, outcomes that align with the ordinance's stated goals of improving store control and public safety.

- Some operators also indicated that retail theft trends were already improving due to internal investments in technology and security measures implemented prior to the ordinance.
- Staff notes these observations are operational in nature and are not presented as quantified measures of public safety outcomes.

3. Key Implementation Challenges

- Locked Merchandise: Locked or partially secured items were identified as the most significant operational barrier. Businesses reported difficulty determining which items are permitted at self-checkout, resulting in inconsistent checkout experiences and increased staff intervention.
- Item-Count Limitations: While the 15-item limit was described as manageable in theory, businesses noted practical complications, including:
    - Produce items counted individually rather than by type.
    - Increased congestion during peak shopping periods.
    - California Redemption Value fees creating additional scanned line items, since these items must be processed as separate line items at checkout.

4. Customer Feedback

- Businesses reported increased customer frustration, primarily related to longer wait times and reduced checkout options.
- Businesses reported longer transaction times, reduced checkout flexibility, and increased congestion at staffed lanes following implementation.
- Operators also shared anonymized customer feedback collected through internal channels, which reflected concerns regarding limited checkout availability, longer wait times, and insufficient staffing at registers during peak periods.
- Some feedback also indicated confusion around the removal of self-checkout options and inconsistencies in the checkout experience.
- Several operators noted declines in internal customer satisfaction metrics related to the checkout experience following changes to self-checkout operations.
- These observations reflect anecdotal feedback provided by store operators and their internal customer feedback systems and were not independently measured through a City-led survey.

5. Staffing and Cost Considerations

- Businesses reported reallocating significant staff resources toward staffed checkout lanes and SCO oversight, particularly during peak hours.
- Several operators indicated that these changes required operational adjustments, including increased labor deployment and store reconfiguration.
- While specific cost figures varied and were often determined at the corporate level, respondents consistently noted increased staffing demands and associated operational impacts.
- Compliance tracking and monitoring also added to staff workload and day-to-day operational responsibilities.

6. Financial and Legal Risk Considerations

- Businesses expressed concern regarding per-employee fine structures, which were viewed as creating elevated financial exposure.
- The ordinance's private right of action provision was cited as a significant compliance concern. The private right of action allows individuals or entities, separate from City enforcement, to bring civil legal claims alleging violations of the ordinance.

7. Labor Organization Feedback

- Labor representatives reported that the ordinance has improved employee oversight of self-checkout stations by reducing the number of stations workers are responsible for monitoring at one time, allowing employees to better assist customers while maintaining greater awareness of retail theft and workplace safety concerns. Representatives indicated that employees have experienced improvements in workplace safety, customer service, workload, and overall stress levels, and shared that workers consistently describe the changes as having a meaningful positive impact on their day-to-day responsibilities.
- Labor representatives stated that while the ordinance requires additional staffing, the benefits extend beyond adding personnel by creating a safer and more manageable checkout environment for both employees and customers.
- Representatives suggested that clearer in-store signage identifying self-checkout as intended for 15 items or fewer could further improve customer understanding and reduce confusion.
- Overall, labor representatives characterized the ordinance as beneficial for both employees and employers, citing improved staffing, enhanced customer service, safer working conditions, and more manageable workloads. Representatives also

noted that the ordinance could serve as a model for other jurisdictions considering similar self-checkout staffing requirements.

8. Regional and Statewide Developments

- Costa Mesa: Adopted a self-checkout ordinance in February 2026, which became effective April 20, 2026. Costa Mesa's staff report specifically references Long Beach's ordinance as a model in developing its approach.
- Santa Ana: Adopted a similar self-service checkout ordinance in May 2026.
- Anaheim: Has considered similar self-checkout regulations addressing staffing and operational requirements.
- West Hollywood: Has also considered regulations related to self-service checkout operations and staffing.
- State Legislation – SB 442: Proposes similar self-service checkout requirements for grocery establishments and retail drug establishments while allowing local jurisdictions to maintain stronger local protections. Has not passed through the Legislative process.

**Conclusion**

Based on consistent feedback across store types, businesses most frequently identified the following recommendations:

- Clarification or modification of requirements related to locked merchandise at self-checkout;
- Review of enforcement structure related to the private right of action;
- Reassessment of the 15-item limit, particularly during peak shopping periods; and,
- Evaluation of per-employee fine structures in relation to operational realities.

In summary, 10 of 13 impacted establishments reported fully closing SCO lanes, while the remaining small minority of establishments severely or moderately restricted SCO options. Several operators also noted that the ordinance has led to increased staffing presence and oversight at checkout areas, consistent with the ordinance's intended objectives. At the same time, some retailers indicated that operational requirements are being factored into future location planning, including whether to expand additional stores within Long Beach.

Staff will continue to monitor implementation in other jurisdictions and relevant state legislative developments.

For more information, please contact Bo Martinez, Economic Development & Opportunity Director, at Bo.Martinez@longbeach.gov.

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