

REVISED LEGISLATIVE DIGEST

(2/25/2020, Amended in Board)

[Health Code - Approving a New Location for a Permittee's Medical Cannabis Dispensary Permit]

Ordinance amending the Health Code to authorize the Director of the Department of Public Health to allow an existing Medical Cannabis Dispensary permittee to operate under that permit at a new location, provided the permittee has been verified by the Office of Cannabis as an Equity Applicant under the Police Code, the permittee, if a natural person, or a natural person who is a verified Equity Applicant, was identified as an applicant or as a person who would be “engaged in the management of the medical cannabis dispensary,” on the original Article 33 permit application submitted on or before January 5, 2018, the permittee has been evicted from the location associated with the permit or been notified by the landlord that the lease would be terminated or not renewed, the new location has an existing authorization for Medical Cannabis Dispensary Use, the Director has not been notified of any court judgment finding that the owner of the new location has wrongfully evicted another permittee from the new location, the permittee has complied with all requirements of Article 33 of the Health Code (the Medical Cannabis Act) with respect to the new location, and the permittee satisfies the provisions of Article 33 regarding authorization by the Office of Cannabis to sell Adult Use Cannabis; and affirming the Planning Department’s determination under the California Environmental Quality Act.

Existing Law

Existing law does not allow a Medical Cannabis Dispensary permitted under Article 33 of the Health Code and operating as a Grandfathered MCD pursuant to Planning Code section 190 (“Grandfathered MCD Permittee”) to change the location associated with the permit.

Amendments to Current Law

This ordinance would authorize the Director of the Department of Public Health (“Director”) to allow a Grandfathered MCD Permittee to change the location associated with the permit if the following criteria are met: the permittee submits a written request to the Director requesting the change and identifying the proposed new location; the permittee has been verified by the Office of Cannabis as an Equity Applicant under Section 1604(b) of the Police Code; the permittee was listed in the Article 33 permit application submitted on or before January 5, 2018, as either an applicant or as a person who would be “engaged in the management of the medical cannabis dispensary,” in accordance with Section 3304(c)(2) of the Health Code; the permittee has been evicted from the location associated with the permit or been notified by their landlord that the lease at that location will be or has been terminated or not renewed; the new location has an existing authorization for Medical Cannabis Dispensary Use under

Sections 102 and 202.2 of the Planning Code; the Director has not been notified of any court judgment finding that the owner of the new location has wrongfully evicted another Grandfathered MCD Permittee from the new location; the permittee has complied with all applicable requirements of Article 33 of the Health Code, the Planning Code, and the Police Code with respect to the new location; the Planning Department, Department of Building Inspection, Mayor's Office on Disability, Fire Department, and Office of Cannabis ("Referring Agencies") review and inspect the new location as required and report their determinations to the Director; and the Director determines that the permittee has satisfied all of these requirements.

Background Information

This ordinance was originally introduced on September 24, 2019. It was amended in the Land Use and Transportation Committee on January 13, 2020, to require that, as a condition of qualifying for portability, a permittee have been listed in the Article 33 permit application submitted on or before January 5, 2018, as either an applicant or a person who would be engaged in the management of the MCD. The current version further amends the ordinance to prohibit approval of a new location if the Director has been notified of any court judgment finding that the owner of the new location has wrongfully evicted another Grandfathered MCD Permittee from the new location.

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