

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Barbara A. Garcia, Director, Department of Public Health

FROM: Derek Evans, Clerk, Rules Committee  
Board of Supervisors

DATE: June 8, 2017

SUBJECT: SUBSTITUTED LEGISLATION

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The Board of Supervisors' Rules Committee has received the following proposed legislation, substituted by Supervisor Sheehy on June 6, 2017:

**File No. 170275**

**Ordinance amending the Administrative Code to establish an Office of Cannabis.**

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: [derek.evans@sfgov.org](mailto:derek.evans@sfgov.org).

c: Greg Wagner, Department of Public Health  
Colleen Chawla, Department of Public Health

1 [Administrative Code - Establishing an Office of Cannabis]

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3 **Ordinance amending the Administrative Code to establish an Office of Cannabis.**

4 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
5 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
6 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.  
7 **Board amendment additions** are in double-underlined Arial font.  
8 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
9 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
10 subsections or parts of tables.

11 Be it ordained by the People of the City and County of San Francisco:

12 Section 1. Findings.

13 On November 8, 2016, the voters of the State of California approved Proposition 64,  
14 enacting the Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA"). AUMA  
15 legalizes the non-medical use of cannabis by adults, and creates a state regulatory and  
16 licensing system governing the commercial cultivation, testing, distribution, and sale of non-  
17 medical cannabis, and the manufacture of non-medical cannabis products.

18 Under Proposition 64, localities retain authority to regulate the non-medical cannabis  
19 industry, including but not limited to the authority to prohibit commercial activities relating to  
20 non-medical cannabis entirely, or to authorize such activities and impose licensing  
21 requirements and land use restrictions. Businesses that apply for state permits to engage in  
22 commercial cannabis activities will need to demonstrate that the issuance of a state permit  
23 would not violate the provisions of any local ordinance or regulation.

24 In 2015, in anticipation of the legalization of cannabis, the Board of Supervisors created  
25 the Cannabis State Legalization Task Force (the "Task Force") of the City and County of San  
Francisco. (Ordinance No. 115-15; Admin. Code Ch. 5, Art. II.) The purpose of the Task

1 Force is to advise the Board of Supervisors, the Mayor, and other City departments on  
2 matters relating to the potential legalization of cannabis so that the City's policymakers are  
3 fully prepared to address policy questions, through legislation, administrative actions, and  
4 otherwise, following the adoption of a State law.

5 In January 2017, the Task Force presented preliminary recommendations to the Board  
6 of Supervisors. A copy of its report, entitled "San Francisco State Cannabis Legalization Task  
7 Force Year I Report and Recommendations," is on file with the Clerk of the Board of  
8 Supervisors in File No. 170036. The Task Force is working towards final recommendations  
9 for a regulatory framework governing cannabis in San Francisco.

10 Section 2. The Administrative Code is hereby amended by adding to Chapter 2A,  
11 Article XXVI, entitled "Cannabis Regulation," consisting of Sections 2A.420-2A.422, to read as  
12 follows:

13 **ARTICLE XXVI: CANNABIS REGULATION**

14 **SEC. 2A.420. OFFICE OF CANNABIS.**

15 **(a) Establishment.** *The Mayor shall establish an Office of Cannabis under the direction of the*  
16 *City Administrator to oversee the implementation of laws and regulations governing cannabis in San*  
17 *Francisco. The City Administrator shall appoint a Director of the Office of Cannabis. The Office of*  
18 *Cannabis shall include such officers and employees as are authorized pursuant to the budgetary and*  
19 *fiscal provisions of the Charter.*

20 **(b) Duties and functions.** *The Director of the Office of Cannabis and/or his or her designee*  
21 *("Director") shall issue, deny, condition, suspend, or revoke such permits in accordance with*  
22 *applicable laws and regulations. The final decision of the Director regarding a permit may be appealed*  
23 *to the Board of Appeals in the manner prescribed in Article 1 of the San Francisco Business and Tax*  
24 *Regulations Code.*



1           The Director may impose reasonable conditions upon the issuance or renewal of cannabis  
2 business permits, consistent with applicable law and regulations, for the location and activities for  
3 which a permit is sought.

4           The Director shall further coordinate with all relevant City departments, boards, and  
5 commissions for the conduct of any inspection or investigation necessary or appropriate for the full and  
6 fair consideration of applications for the issuance or renewal of permits under this Article XXVI. City  
7 departments, boards and commissions shall cooperate with the Office of Cannabis.

8           **SEC. 2A.421. EXCLUSIONS.**

9           Nothing in this Article XXVI is intended to limit or abridge the permitting, licensing, or  
10 inspection authority of any other City department over commercial businesses or real property.

11           **SEC. 2A.422. UNDERTAKING FOR THE GENERAL WELFARE.**

12           In enacting and implementing this Article XXVI, the City is assuming an undertaking only to  
13 promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an  
14 obligation for breach of which it is liable in money damages to any person who claims that such breach  
15 proximately caused injury.

1 Section 3. Effective Date. This ordinance shall become effective 30 days after  
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
4 of Supervisors overrides the Mayor's veto of the ordinance.

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7 APPROVED AS TO FORM:  
8 DENNIS J. HERRERA, City Attorney

9 By:   
10 NEHA GUPTA  
Deputy City Attorney

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