

FILE NO. 190109

**LEGISLATIVE DIGEST**

[Police, Business and Tax Regulations, Transportation Codes - Event-Related Cannabis Permits - Application Fee]

**Ordinance amending the Police Code to establish procedures for the Office of Cannabis to issue permits authorizing cannabis sales or consumption, or both, in connection with temporary events, and providing a mechanism for the temporary waiver of City laws restricting smoking or cannabis consumption; amending the Business and Tax Regulations Code to establish an application fee for such permits; amending Division I of the Transportation Code to allow for temporary waivers of Article 19L of the Health Code in connection with events approved by ISCOTT; and affirming the Planning Department’s determination under the California Environmental Quality Act.**

Existing Law

In addition to regulating permanent cannabis businesses, State law also establishes a framework regulating the sale and consumption of cannabis at temporary events. Under this regulatory framework, cannabis sales and consumption at temporary events are permissible only if authorized by the local jurisdiction in which the event takes place.

The City has not enacted legislation authorizing or regulating the sale or consumption of cannabis at temporary events. In general, it is unlawful to conduct commercial cannabis activity (including sales) in the City without a City-issued permit. The City’s Office of Cannabis is responsible for issuing permits authorizing commercial cannabis activity.

Amendments to Current Law

This ordinance would establish a framework for the Office of Cannabis to authorize and regulate the sale and/or consumption of cannabis at temporary events. In particular, the ordinance would establish a new category of permit, the Cannabis Event Permit, to be issued by the Office of Cannabis. These Cannabis Event Permits could authorize the sale of cannabis to, and/or consumption of cannabis by, adults 21 years of age or older, in connection with temporary events.

The ordinance would limit the circumstances under which the Office of Cannabis could issue Cannabis Event Permits. In particular, OOC could issue a Cannabis Event Permit only to an applicant that already held a State-issued license authorizing the applicant to organize cannabis events. Additionally, if another City department held permitting or other approval authority in connection with a temporary event, OOC could not issue a Cannabis Event Permit without that other City department’s consent. Such departments could also, in their discretion, temporarily waive any City law restricting or prohibiting smoking in the proposed event space,

AMENDED IN COMMITTEE

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or any other provision of the Administrative, Health, Park, or Police Codes that would otherwise restrict or prohibit the consumption of cannabis or cannabis products in all or part of the proposed event space. (State law prohibits the consumption of cannabis or cannabis products wherever smoking is prohibited.)

Beyond these mandatory prerequisites for issuance of a Cannabis Event Permit, OOC could exercise its discretion to grant or deny a Cannabis Event Permit based on factors including applicable State and City laws, public health and safety, and community impacts. Each Cannabis Event Permit would require compliance with all applicable State and City laws, and could include other conditions conducive to public health and safety, the mitigation of adverse community impacts, and the prevention of underage access to cannabis, or otherwise conducive to the safe, lawful, and orderly operation of the event. The ordinance also provides for enforcement.

The ordinance would initially establish a pilot program limiting Cannabis Event Permits to events previously permitted by the City on a regular basis, at which there have been significant unregulated cannabis sales or consumption. The pilot program would be scheduled to expire on January 1, 2020, but could be extended by OOC until December 31, 2021.

Background

This version of the legislative digest reflects amendments made in the Budget and Finance Committee on February 27, 2019. Those amendments chiefly provide that (as noted above) City departments with permitting or other approval authority over a temporary event may, in their discretion, temporarily waive any City law restricting or prohibiting smoking in the proposed event space, or any other provision of the Administrative, Health, Park, or Police Codes that would otherwise restrict or prohibit the consumption of cannabis or cannabis products in all or part of the proposed event space. (As noted above, state law prohibits the consumption of cannabis or cannabis products wherever smoking is prohibited.)

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