

BOARD of SUPERVISORS



City Hall
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: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: *el
fr* Alisa Somera, Legislative Deputy Director
Rules Committee

DATE: May 22, 2018

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Rules Committee

The Board of Supervisors' Rules Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 180501

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco to create the Cannabis Commission to oversee the Department of Cannabis; at an election to be held on November 6, 2018.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

No Comment
 Recommendation Attached

Chairperson, Small Business Commission

1 [Charter Amendment - Cannabis Commission]

2

3 **Describing and setting forth a proposal to the voters at an election to be held on November**

4 **6, 2018, to amend the Charter of the City and County of San Francisco to create the**

5 **Cannabis Commission to oversee the Department of Cannabis.**

6

7 Section 1. The Board of Supervisors hereby submits to the qualified voters of the City

8 and County, at an election to be held on November 6, 2018, a proposal to amend the Charter of

9 the City and County by adding Section 4.137 and revising Section 15.105, to read as follows:

10 NOTE: **Unchanged Charter text and uncodified text** are in plain font.
Additions are *single-underline italics Times New Roman font*.
Deletions are ~~strike-through italics Times New Roman font~~.
11 Asterisks (*) indicate the omission of unchanged Charter
12 subsections.

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14 **SEC. 4.137. CANNABIS COMMISSION.**

15 **(a) Membership and Terms of Office.**

16 **(1) There is hereby established the Cannabis Commission, which shall consist of**

17 **nine members, appointed as follows:**

18 **(A) Seats 1, 2, 3, 4, and 5 shall be appointed by the Board of Supervisors.**

19 **Seat 1 shall be held by the Owner of a Cannabis Business permitted through the Equity Program**

20 **established in Police Code Article 16. Seat 2 shall be held by a representative of organized**

21 **labor who works with the Cannabis Business labor force. Seat 3 shall be held by a Cannabis**

22 **Manufacturer permitted in accordance with Police Code Article 16. Seat 4 shall be held by a**

23 **person with a household income at or below the poverty level at the time of appointment. Seat 5**

24 **shall be held by a person who, during the period 1971-2009, lived for at least five years, either**

25

1 consecutively or in total, in San Francisco census tracts where at least 17% of the households
2 had incomes at or below the poverty level, as determined by the Department of Cannabis.

3 (B) Seats 6, 7, 8, and 9 shall be appointed by the Mayor in accordance
4 with Charter Section 3.100(18). Seat 6 shall be held by a Cannabis Business Owner permitted in
5 accordance with Police Code Article 16. Seat 7 shall be held by a person with significant
6 experience in the field of public health. Seat 8 shall be held by a person with significant
7 experience in the field of economic development. Seat 9 shall be held by a person recommended
8 by the Youth Commission who is no less than 21 and is less than 26 years old at the time of
9 appointment.

10 (2) Commissioners shall serve four-year terms, beginning at noon on March 1,
11 2019; provided, however, the term of the initial appointees in Seats 1, 3, 5, 7, and 9 shall expire
12 at noon on March 1, 2025, and the term of the initial appointees in Seats 2, 4, 6, and 8 shall
13 expire at noon on March 1, 2023.

14 (3) No person may serve more than two successive terms as a Commissioner. No
15 person having served two successive terms may serve as a Commissioner until at least four years
16 after the expiration of the second successive term. For purposes of this subsection (a)(3), service
17 for a part of a term that is more than half of the term shall count as a term, and service that is
18 half or less than half of the term shall not count as a term.

19 (4) Commissioners may be removed from office only for official misconduct
20 under Article XV.

21 (b) Powers and Duties.

22 (1) With regard to the Department of Cannabis described in subsection (c)(4),
23 and subject to the transition provision in that subsection, the Cannabis Commission shall
24 exercise all the powers and duties of boards and commissions set forth in Sections 4.102, 4.103,
25 and 4.104, except that the Mayor or the Board of Supervisors may recommend removal of the

1 department head to the Cannabis Commission, and it shall be the Commission's duty to act on
2 that recommendation by removing or retaining the department head within 30 days; failure to
3 act on the recommendation shall constitute official misconduct. The Commission shall also
4 perform such other duties as specified by ordinance.

5 (2) Except as otherwise provided for in this Charter or by ordinance, including
6 by way of example but not limitation the authority of the Police Department and the District
7 Attorney to investigate and prosecute criminal violations under state and local law, the
8 Department of Cannabis shall be responsible for the implementation of laws governing
9 commercial cannabis activities, including the cultivation, possession, manufacture, processing,
10 storing, laboratory testing, labeling, transporting, distribution, or sale of cannabis or cannabis
11 products, in San Francisco.

12 (c) Transition Provisions.

13 (1) The Board of Supervisors and the Mayor shall make initial appointments to
14 the Cannabis Commission by no later than noon, February 1, 2019.

15 (2) The Cannabis Commission shall come into existence as of noon, March 1,
16 2019, provided that at least five appointments to the Commission have been made.

17 (3) The Cannabis Commission shall have its inaugural meeting by no later than
18 April 1, 2019.

19 (4) Beginning May 15, 2019, the Department of Cannabis shall come into
20 existence, and shall succeed to the powers and duties of the previously existing Office of
21 Cannabis under the City Administrator, and that office shall cease to exist. By June 1, 2019, the
22 City shall enact an ordinance amending Article 16 of the Police Code and Chapter 2A, Article
23 XXVI, of the Administrative Code to conform to this subsection (d)(4).

24 (d) Existing Contracts. Nothing in this Section 4.137 shall be interpreted to impair the
25 obligations of any existing contract first advertised or initiated by the City before May 15, 2019,

1 or to require the City to abandon a procurement or contractor selection process that started
2 before May 15, 2019.

3 (e) Existing Permits, Regulations, or Decisions. Nothing in this Section 4.137 shall be
4 interpreted to affect or rescind any existing permits, regulations, or decisions, issued by the
5 Office of Cannabis before May 15, 2019.

6 (f) The words and phrases used in this Section 4.137 shall have the meaning set forth in
7 Police Code Article 16, as may be amended from time to time.

9 **SEC. 15.105. SUSPENSION AND REMOVAL.**

10 (a) ELECTIVE AND CERTAIN APPOINTED OFFICERS. Any elective officer, and
11 any member of the Airport Commission, Asian Art Commission, Civil Service Commission,
12 Commission on the Status of Women, Golden Gate Concourse Authority Board of Directors,
13 Health Commission, Human Services Commission, Juvenile Probation Commission, Municipal
14 Transportation Agency Board of Directors, Port Commission, Public Utilities Commission,
15 Recreation and Park Commission, Fine Arts Museums Board of Trustees, *Taxi Commission*, War
16 Memorial and Performing Arts Center Board of Trustees, Board of Education, or Community
17 College Board is subject to suspension and removal for official misconduct as provided in this
18 ~~s~~Section 15.105. Such officer may be suspended by the Mayor and the Mayor shall appoint a
19 qualified person to discharge the duties of the office during the period of suspension. Upon such
20 suspension, the Mayor shall immediately notify the Ethics Commission and Board of
21 Supervisors thereof in writing and the cause thereof, and shall present written charges against
22 such suspended officer to the Ethics Commission and Board of Supervisors at or prior to their
23 next regular meetings following such suspension, and shall immediately furnish a copy of the
24 same to such officer, who shall have the right to appear with counsel before the Ethics
25 Commission in his or her defense. The Ethics Commission shall hold a hearing not less than five

1 days after the filing of written charges. After the hearing, the Ethics Commission shall transmit
2 the full record of the hearing to the Board of Supervisors with a recommendation as to whether
3 the charges should be sustained. If, after reviewing the complete record, the charges are
4 sustained by not less than a three-fourths vote of all members of the Board of Supervisors, the
5 suspended officer shall be removed from office; if not so sustained, or if not acted on by the
6 Board of Supervisors within 30 days after the receipt of the record from the Ethics Commission,
7 the suspended officer shall thereby be reinstated.

8 (b) BUILDING INSPECTION COMMISSION, PLANNING COMMISSION, BOARD
9 OF APPEALS, ELECTIONS COMMISSION, ETHICS COMMISSION, CANNABIS
10 COMMISSION, AND ENTERTAINMENT COMMISSION. Members of the Building
11 Inspection Commission, the Planning Commission, the Board of Appeals, the Elections
12 Commission, the Ethics Commission, the Cannabis Commission, and the Entertainment
13 Commission may be suspended and removed pursuant to the provisions of subsection (a) of this
14 section except that the Mayor may initiate removal only of the Mayor's appointees and the
15 appointing authority shall act in place of the Mayor for all other appointees.

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18 APPROVED AS TO FORM:
19 DENNIS J. HERRERA, City Attorney

20 By: 
21 JANA CLARK
22 Deputy City Attorney

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LEGISLATIVE DIGEST

[Charter Amendment - Cannabis Commission]

Describing and setting forth a proposal to the voters at an election to be held on November 6, 2018, to amend the Charter of the City and County of San Francisco to create the Cannabis Commission to oversee the Department of Cannabis.

Existing Law

Existing law requires that the Mayor establish the Office of Cannabis, under the City Administrator, to oversee the implementation of laws and regulations governing cannabis in San Francisco. Existing law also requires that the City Administrator appoint a Director of the Office of Cannabis

Amendments to Current Law

This Charter amendment establishes the Cannabis Commission to govern the implementation of laws and regulations relating to cannabis in San Francisco. This Charter amendment also creates the Department of Cannabis to replace the Office of Cannabis. This Charter amendment requires that the Cannabis Commission oversee the Department of Cannabis.

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