

1 [Amending the Health Code and the Business and Tax Regulations Code to provide for  
2 adjustment of the medical cannabis dispensary application fee and for the medical cannabis  
3 permit annual license fee based on changes in the consumer price index.]

4 **Ordinance amending the San Francisco Health Code to amend Section 3204 to provide**  
5 **for adjustments the application fee medical cannabis dispensary permits based on**  
6 **changes to the consumer price index and amending the Business and Tax Regulations**  
7 **Code to amend Section 249.17 to provide for adjustments in the medical cannabis**  
8 **dispensaries annual license fees based on changes to the consumer price index.**

9 Note: Additions are *single-underline italics Times New Roman*;  
10 deletions are *strikethrough italics Times New Roman*.  
11 Board amendment additions are double underlined.  
12 Board amendment deletions are ~~strikethrough normal~~.

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

14 Section 1. The San Francisco Health Code is hereby amended by amending Section  
15 3204 to read as follows:

16 **SEC. 3204. APPLICATION FOR MEDICAL CANNABIS DISPENSARY PERMIT.**

17 (a) Every applicant for a medical cannabis dispensary permit shall file an application  
18 with the Director upon a form provided by the Director and pay a non-refundable permit  
19 application fee of \$6110.00 to cover the costs to all City departments of investigating and  
20 processing the application and any applicable surcharges, exclusive of filing fees for appeals  
21 before the Board of Appeals. Beginning with fiscal year 2006-2007, the application fee may be  
22 adjusted each year, without further action by the Board of Supervisors, to reflect changes in the  
23 relevant Consumer Price Index, as determined by the Controller. No later than April 15th of each  
24 year, the Health Department shall submit the application fee to the Controller, who shall apply the  
25 price index adjustment to produce a new application fee for the following year. No later than May 15th

1 of each year, the Controller shall file a report with the Board of Supervisors reporting the new  
2 application fee and certifying that: (a) the application fee produces sufficient revenue to support the  
3 costs of providing the services for which the annual fee is being charged and (b) the application fee  
4 does not produce revenue that exceeds the costs of providing the services for which the application fee  
5 is charged. Notwithstanding the procedures set forth in this Section, the Board of Supervisors, in its  
6 discretion, may modify the application fee by ordinance at any time.

7  
8

9 Section 2. The San Francisco Business and Tax Regulations Code is hereby amended  
10 by amending Section 249.17 to read as follows:

11 **SEC. 249.17. MEDICAL CANNABIS DISPENSARY LICENSE FEE.**

12 Every person, firm or corporation engaged in operating a medical cannabis dispensary  
13 shall pay an annual license fee of \$ 3,100.00 to the Tax Collector to cover the costs of annual  
14 inspections, enforcement and other costs to the City. Beginning with fiscal year 2006-2007, the  
15 annual license fee may be adjusted each year, without further action by the Board of Supervisors, to  
16 reflect changes in the relevant Consumer Price Index, as determined by the Controller. No later than  
17 April 15th of each year, the Tax Collector shall submit the annual license fee to the Controller, who  
18 shall apply the price index adjustment to produce a new annual license fee for the following year. No  
19 later than May 15th of each year, the Controller shall file a report with the Board of Supervisors  
20 reporting the new annual license fee and certifying that: (a) the annual license fee produces sufficient  
21 revenue to support the costs of providing the services for which the annual fee is being charged and (b)  
22 the annual license fee does not produce revenue that exceeds the costs of providing the services for  
23 which the annual license fee is charged. Notwithstanding the procedures set forth in this Section, the  
24 Board of Supervisors, in its discretion, may modify the annual license fee by ordinance at any time.

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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

By: \_\_\_\_\_  
Sarah Ellen Owsowitz  
Deputy City Attorney