

**LEGISLATIVE DIGEST**

[Police Code - Regulation of Cannabis Businesses]

~~Ordinance amending the Police Code to revise the Delivery Standards imposed on Cannabis Businesses authorized to conduct Deliveries; and affirming the Planning Department's determination under the California Environmental Quality Act. by making a number of changes in the regulation of commercial cannabis activity, including, among other things: 1) defining ownership interest and revising Equity Criteria, for purposes of the Equity Program in a Cannabis Business; 2) modifying the Cannabis Equity Incubator Program requirements; 3) extending by one year the possible duration of a Temporary Cannabis Business Permit; 4) authorizing the Director of the Office of Cannabis to issue Cannabis Business Permits to Medical Cannabis Dispensaries forced to discontinue operations due to a no-fault lease termination before December 31, 2018; 5) modifying the order in which the Director may review and process Cannabis Business Permit applications; 6) revising requirements associated with a Cannabis Business' change in ownership and structure requiring Cannabis Business permit amendments when a change in ownership results in a decrease in an Equity Applicant's Ownership Interest or role in the Cannabis Business; 7) revising Cannabis Business Permit application requirements; 8) requiring Cannabis Businesses to comply with all permit conditions whether or not they are currently engaging in the permitted activity; 9) modifying the amount of Cannabis that may be delivered or sold to a customer; and 10) authorizing Cannabis Microbusinesses to conduct either storefront or delivery sales, but not both, and reducing from four to three the categories of Commercial activity required to operate as a Cannabis Microbusiness; and amending the Health Code by revising eligibility requirements for medical cannabis dispensaries seeking authorization to Sell Adult Use Cannabis, and extending by one year to December 31, 2019 the date on which Article 33 (Medical Cannabis Act) expires.~~

Existing Law

Under Section 1622 of the Police Code, cannabis business engaged in delivery must create a manifest prior to the departure of a delivery vehicle. An employee engaged in deliveries may not deviate substantially from the manifest route, unless a stop is necessary for personal safety.

Amendments to Current Law

This ordinance amends Section 1622 of the Police Code to require that a manifest be created prior to the completion of a delivery or series of deliveries, rather than prior to departure of a

FILE NO. 181183

delivery vehicle. Additionally, the ordinance eliminates the prohibition against substantial deviation from the manifest route.

### Background

As introduced, the ordinance in Board File No. 180912 proposed a wide range of amendments to various provisions of the Police and Health Codes regulating commercial cannabis activity. In the course of considering that ordinance at its special meeting on December 3, 2018, the Rules Committee duplicated the file, and amended this ordinance to remove all amendments except certain amendments (described above) relevant to the regulation of cannabis deliveries under Section 1622 of the Police Code.

n:\legana\as2018\1800597\01322399.docx