

LEGISLATIVE DIGEST

[Administrative Code - Cannabis Regulation]

Ordinance amending the Administrative Code to establish an Office of Cannabis; to authorize the Director of the Office of Cannabis to issue permits to cannabis-related businesses; and to delegate to the Director of the Office of Cannabis the authority to establish permit application and annual license fees, subject to approval by the Controller.

Existing Law

On November 8, 2016, the voters of the State of California approved Proposition 64, enacting the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”). AUMA legalizes the non-medical use of cannabis by adults, and creates a state regulatory and licensing system governing the commercial cultivation, testing, distribution, and sale of non-medical cannabis, and the manufacture of non-medical cannabis products. Under Proposition 64, localities retain authority to regulate the non-medical cannabis industry, including but not limited to the authority to prohibit commercial activities relating to non-medical cannabis entirely, or to authorize such activities, and impose licensing requirements and land use restrictions.

Currently, there is no City law that regulates non-medical cannabis, or that authorizes any City office to oversee the permitting of businesses that engage in commercial activities relating to non-medical cannabis.

Article 33 of the San Francisco Health Code regulates medical cannabis, and authorizes the San Francisco Department of Public Health to oversee the permitting of medical cannabis dispensaries.

Amendments to Current Law

This ordinance will create an Office of Cannabis under the direction of the City Administrator, and authorizes the Director of the Office of Cannabis to award, condition, suspend, and revoke permits to cannabis-related businesses. The ordinance also authorizes the Director of Cannabis to propose a schedule of permit application and annual license fees sufficient to recover the City’s application-related and licensing-related activities, for review and approval by the Controller. The proposal specifies that it does not intend to limit or abridge the current authority of the Public Health Department, the Planning Department, or any other City department, to regulate medical cannabis dispensaries, or the authority of any other City department to regulate commercial businesses or real property in San Francisco.

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