

**REVISED LEGISLATIVE DIGEST**

(Substituted, 6/13/2017)

[Administrative Code - Cannabis Regulation - Establish an Office of Cannabis]

**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 direct the Director of the Office of Cannabis to collect permit application and annual license fees following the enactment of a subsequent ordinance establishing the amounts of those fees.**

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 charge permit application and annual license fees sufficient to recover the City’s application-related and licensing-related activities. But the Director could not collect any application or license fees until the Board of Supervisors enacts an ordinance establishing the amounts of those fees. The ordinance would require the Director to consult with the Controller and submit to the Board of Supervisors a proposed ordinance setting a schedule of permit application and annual license fees by November 1, 2017.

FILE NO. 170674

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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