

1 ~~[Police Code - Agreements Between Cannabis Businesses and Labor Organizations for Hiring~~  
2 ~~Graduates of Apprenticeship and Pre-Apprenticeship Programs]~~ Apprentice-Hiring  
3 Requirements for Cannabis Businesses]

4 **Ordinance amending the Police Code to require Cannabis Businesses, when entering**  
5 **into a City-mandated Labor Peace Agreement or collective bargaining agreement, to**  
6 **also agree that 35% of new hires shall be graduates of State-approved apprenticeship**  
7 **programs or of City-certified pre-apprenticeship programs, if a relevant program of**  
8 **either type exists to ensure that 35% of new hires shall be registered apprentices**  
9 **enrolled in State-approved apprenticeship programs that have a memorandum of**  
10 **understanding (MOU) with one or more City-certified pre-apprenticeship programs, if a**  
11 **relevant State-approved apprenticeship program has such an MOU.**

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13 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.  
14 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
15 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
16 **Board amendment additions** are in double-underlined Arial font.  
17 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
18 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
19 subsections or parts of tables.

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

21 Section 1. The Police Code is hereby amended by revising Sections ~~1609 and~~ 1618,  
22 to read as follows:

23 **SEC. 1609. PERMIT APPLICATIONS.**

24 \* \* \* \*

1 (b) **Information Required of All Applicants for Cannabis Business Permits.** The  
2 application form for all Cannabis Business Permit Applicants shall require the Applicant to  
3 provide the following information and documentation:

4 \* \* \* \*

5 (12) For Applicants with 10 or more employees, each Applicant must agree  
6 that, as a condition of any permit awarded under this Article 16, the Applicant will enter into,  
7 and abide by the terms of, either of the following prior to the award of such a permit:

- 8 (A) A Labor Peace Agreement; or,
- 9 (B) A collective bargaining agreement with a Bona Fide Labor  
10 Organization.

11 ~~To encourage the existence of a stable, well-trained workforce in the cannabis industry,~~  
12 ~~as part of any Labor Peace Agreement or collective bargaining agreement made pursuant to~~  
13 ~~this subsection (b)(12), the Cannabis Business shall agree that 35% of its new hires shall be~~  
14 ~~graduates of apprenticeship programs approved by the State or of pre-apprenticeship~~  
15 ~~programs certified by the City, if, for the type of Cannabis Business in question (as set forth in~~  
16 ~~Section 1607) there exists a relevant State-approved apprenticeship program or City-certified~~  
17 ~~pre-apprenticeship program, and if graduates of any such apprenticeship or pre-~~  
18 ~~apprenticeship program are seeking employment in sufficient numbers to satisfy 35% of the~~  
19 ~~Cannabis Business's new hiring needs. The Labor Peace Agreement or collective bargaining~~  
20 ~~agreement shall further provide that, if graduates of any such apprenticeship or pre-~~  
21 ~~apprenticeship program are not seeking employment in sufficient numbers to satisfy 35% of~~  
22 ~~the Cannabis Business's new hiring needs, then the Cannabis Business shall hire such~~  
23 ~~graduates to the extent feasible.~~

24 ~~For purposes of this subsection, the Office of Economic and Workforce Development~~  
25 ~~shall have the power to establish standards governing pre-apprenticeship programs, and shall~~

1 be responsible for certifying, on behalf of the City, pre-apprenticeship programs that meet  
2 those standards. To facilitate compliance with this subsection, the Office of Economic and  
3 Workforce Development shall maintain and publicize a list of State-approved apprenticeship  
4 programs and City-certified pre-apprenticeship programs relevant to Cannabis Businesses.  
5 This list shall specify types of Cannabis Businesses (as set forth in Section 1607) to which  
6 each such program is relevant.

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8 \* \* \* \*

9 **SEC. 1618. ELIGIBILITY AND OPERATING STANDARDS APPLICABLE TO ALL**  
10 **CANNABIS BUSINESSES.**

11 \* \* \* \*

12 (ff) Every Cannabis Business shall ensure that at least 50% of all Business Work  
13 Hours are performed by Local Residents, *provided, however, that until December 31, 2018, unless*  
14 *one of the following exceptions applies:*

15 (1) Cannabis Businesses that previously held a Medical Cannabis  
16 Dispensary permit under Article 33 of the Health Code shall ensure that at least 35% of all  
17 Business Work Hours are performed by Local Residents. *This exception shall expire by*  
18 *operation of law on January 1, 2019.*

19 (2) If a Cannabis Business, pursuant to Section 1609(b)(12), enters into and  
20 abides by a Labor Peace Agreement or collective bargaining agreement requiring that 35% of  
21 its new hires be graduates of any relevant apprenticeship programs certified by the State or of  
22 any relevant pre-apprenticeship programs certified by the City, and if the Cannabis Business  
23 can show that at least 35% of employees hired after the effective date of the Labor Peace  
24 Agreement or collective bargaining agreement have been graduates of such apprenticeship or  
25

1 pre-apprenticeship programs, then that Cannabis Business shall be exempt from the  
2 requirements of this subsection (ff).

3 (3) — If a Cannabis Business, pursuant to Section 1609(b)(12), enters into and  
4 abides by a Labor Peace Agreement or collective bargaining agreement requiring that 35% of  
5 its new hires be graduates of any relevant apprenticeship programs certified by the State or of  
6 any relevant pre-apprenticeship programs certified by the City, and if the Cannabis Business  
7 can show that graduates of any such apprenticeship or pre-apprenticeship program are not  
8 seeking employment in sufficient numbers to satisfy 35% of the Cannabis Business's new  
9 hiring needs, that Cannabis Business shall be exempt from the requirements of this  
10 subsection (ff), if the Cannabis Business can further show that it has hired such graduates to  
11 the extent feasible.

12 (2) If a Cannabis Business is subject to, and complies with, the hiring  
13 requirement imposed by subsection (gg), that Cannabis Business shall be exempt from the  
14 requirements of this subsection (ff).

15 Business Work Hours performed by residents of states other than California shall not  
16 be considered in calculation of the number of Business Work Hours to which ~~this requirement~~  
17 ~~applies~~ the requirements of this subsection (ff) apply. The Director of the Office of Cannabis may  
18 approve a time-limited waiver or reduction of ~~this requirement~~ the requirements of this subsection,  
19 upon a showing by the Cannabis Business that it was unable to locate a sufficient number of  
20 qualified Local Residents.

21 (gg) To encourage the existence of a stable, well-trained workforce in the cannabis  
22 industry, each Cannabis Business shall comply with the following hiring requirement:

23 (1) Each Cannabis Business shall ensure that 35% of its new hires shall be  
24 registered apprentices enrolled in a relevant apprenticeship program approved by the State  
25

1 that has a memorandum of understanding with one or more pre-apprenticeship programs  
2 certified by the City, if:

3 (A) There exists a State-approved apprenticeship program that is  
4 relevant to the type (as set forth in Section 1607) of Cannabis Business in question;

5 (B) The State-approved apprenticeship program described in  
6 subsection (gg)(1)(A) has a memorandum of understanding with one or more City-certified  
7 pre-apprenticeship programs; and

8 (C) Sufficient numbers of registered apprentices enrolled in a State-  
9 approved apprenticeship program described in subsections (gg)(1)(A)–(B) are available to  
10 satisfy 35% of the Cannabis Business’s new hiring needs.

11 (2) If registered apprentices enrolled in a State-approved apprenticeship  
12 program described in subsections (gg)(1)(A)–(B) are not available in sufficient numbers to  
13 satisfy 35% of the Cannabis Business’s new hiring needs, the Cannabis Business shall hire  
14 such registered apprentices to the extent feasible.

15 (3) If no State-approved apprenticeship program is relevant to a particular  
16 type (as set forth in Section 1607) of Cannabis Business, or if no relevant State-approved  
17 apprenticeship program has a memorandum of understanding with any City-certified pre-  
18 apprenticeship program, that type of Cannabis Business shall not be subject to any hiring  
19 requirement under this subsection (gg).

20 (4) To facilitate compliance with this subsection (gg), the Office of Economic  
21 and Workforce Development (OEWD) shall maintain and publicize a list of State-approved  
22 apprenticeship programs that have a memorandum of understanding with one or more City-  
23 certified pre-apprenticeship programs. This list shall specify types (as set forth in Section  
24 1607) of Cannabis Businesses to which each such State-approved apprenticeship program is  
25 relevant, as determined by OEWD.

1                   (5) For purposes of this subsection (gg), OEWD shall establish standards  
2 governing certification of pre-apprenticeship programs, and shall be responsible for certifying,  
3 on behalf of the City, pre-apprenticeship programs that meet those standards. The standards  
4 established by OEWD shall ensure that any pre-apprenticeship program certified by the City  
5 under this subsection operates in partnership with one or more community-based  
6 organizations.

7                   \* \* \* \*

8                   ~~Section 2. Prospective Application Only. This ordinance shall apply only to Labor~~  
9 ~~Peace Agreements or collective bargaining agreements entered into or modified after the~~  
10 ~~effective date of this ordinance. This ordinance shall not be construed to require the parties to~~  
11 ~~any existing Labor Peace Agreement or collective bargaining agreement to modify that~~  
12 ~~agreement, unless and until the parties otherwise wish to negotiate a modification of that~~  
13 ~~agreement.~~

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15                   Section 32. Effective Date. This ordinance shall become effective 30 days after  
16 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
17 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
18 of Supervisors overrides the Mayor’s veto of the ordinance.

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20                   Section 43. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
21 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
22 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
23 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
24 additions, and Board amendment deletions in accordance with the “Note” that appears under  
25 the official title of the ordinance.

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

By: \_\_\_\_\_  
MATTHEW LEE  
Deputy City Attorney

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