File	No.	190311

Committee Item No.	5
Board Item No.	30

COMMITTEE/BOARD OF SUPERVISORS

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 Small Business Commission Response - April 29, 2019 Youth Commission Response - April 16, 2019 FYI Referrals - March 27, 2019 					
Prepared by:John CarrollDate:May 31, 2019Prepared by:John CarrollDate:June 13, 2019					

NOTE:

[Health Code - Restricting Commercial Tobacco Activities on City Property]

Ordinance amending the Health Code to prohibit the sale, manufacture, and distribution of tobacco products, including electronic cigarettes, on City property.

Unchanged Code text and uncodified text are in plain Arial font.
Additions to Codes are in <u>single-underline italics Times New Roman font</u>.
Deletions to Codes are in <u>strikethrough italics Times New Roman font</u>.
Board amendment additions are in <u>double-underlined Arial font</u>.
Board amendment deletions are in <u>strikethrough Arial font</u>.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Findings.

- (a) Despite progress in reducing smoking, tobacco use is still the leading cause of preventable death in the United States. Tobacco kills more than 480,000 people in this country annually more than AIDS, alcohol, car accidents, illegal drugs, murders, and suicides combined. And beyond this impersonal statistic are countless human beings whose lives are forever devastated by the irreparable loss of a loved one caused by tobacco use, and the inevitable rupture of family that follows such a loss. And that is to say nothing of the huge financial costs tobacco use places on our health care system, and the constraints on productivity it imposes on our economic system.
- (b) The City and County of San Francisco ("City") has been a leader in local tobacco control policy. To reduce the burden of tobacco use, the City licenses tobacco retail establishments and prohibits establishments from selling tobacco products to persons under the age of 21. (Health Code Articles 19H, 19P). To reduce exposure to secondhand smoke, the City has gone above and beyond state law by prohibiting smoking in facilities owned or

leased by the City, polling places, entrances to buildings, sports arenas, farmers markets, and at outdoor dining and events. (Health Code Article 19F). To address the appeal of flavored tobacco products to youth, the City enacted Ordinance No. 140-17 prohibiting tobacco retail establishments from selling flavored tobacco products. As a result of the referendum process, the ordinance was placed before the voters, who approved the ordinance in June 2018 (Proposition E) by a majority of 68.39%. And since 2008, to signal its refusal to allow City property to be used for activities that contribute to the burden of tobacco use, the City has acted in its proprietary capacity to prohibit the sale of tobacco products on City property.

- (c) For many years, the City's tobacco control laws addressed only the sale and use of traditional tobacco products made of tobacco leaf, such as cigarettes, cigars, and smokeless tobacco products. But in 2007, electronic cigarettes (or "e-cigarettes") entered the marketplace, and since 2014, they have been the most commonly used tobacco product among youth in the United States. The widespread use of e-cigarettes by youth has significant public health consequences. As stated by the Surgeon General, "Most e-cigarettes contain nicotine the addictive drug in regular cigarettes, cigars, and other tobacco products. Nicotine exposure during adolescence can harm the developing brain which continues to develop until about age 25. Nicotine exposure during adolescence can impact learning, memory, and attention. Using nicotine in adolescence can also increase risk for future addiction to other drugs. In addition to nicotine, the aerosol that users inhale and exhale from e-cigarettes can potentially expose both themselves and bystanders to other harmful substances, including heavy metals, volatile organic compounds, and ultrafine particles that can be inhaled deeply into the lungs."
- (d) In 2014, to address the public health hazards presented by electronic cigarettes, the City enacted Ordinance No. 30-14 prohibiting the sale and use of electronic cigarettes in all places where the sale and use of traditional tobacco products were prohibited. That

ordinance failed to expand the prohibition on tobacco sales on City property to include the sale of electronic cigarettes.

- (e) Since 2014, the problem of youth electronic cigarette use ("vaping") has become an epidemic. According to the Centers for Disease Control and Prevention ("CDC"), the number of middle and high school students who are current users of tobacco products increased from 3.6 million to 4.9 million between 2017 and 2018. This increase which was driven by a surge in e-cigarette use—erased past progress in reducing youth tobacco product use.
- (f) To address the growing health epidemic of youth vaping, and reassert its refusal to allow City property to be used for activities that contribute to the burden of tobacco use, it is essential to prohibit the sale, distribution, and manufacture of all tobacco products including electronic cigarettes on City property.

Section 2. Article 19K of the Health Code is hereby amended by revising Sections 19K.1, 19K.2, 19K.3, and 19K.4, to read as follows:

SEC. 19K.1. DEFINITIONS.

For purposes of this Article 19K, the following terms have the following meanings:

"City" means the City and County of San Francisco.

"City Property" means real property owned by the City or under the control of the City through a lease or otherwise, including, but not limited to, property under the administrative jurisdiction of the Port Commission, the Municipal Transportation Agency, or the Public Utilities Commission.

"Director" means the Director of Health, or the Director's designee.

"Distribute" or "Distribution" means the transfer, by any Person other than a common carrier, of a Tobacco Product at any point from the place of Manufacture or thereafter to the Person who sells the Tobacco Product to an individual for personal consumption.

"Manufacture" means to make, fabricate, assemble, repair, or process a Tobacco Product.

(a) "Person" shall means any individual person, firm, partnership, association, corporation, company, organization, or legal entity of any kind.

"Sell," "Sale," and "to Sell" mean any transaction where, for any consideration, ownership of a Tobacco Product is transferred from one Person to another, including but not limited to any transfer of title or possession for consideration, exchange, or barter, in any manner or by any means.

- (b) "Tobacco Product" shall mean any substance containing tobacco leaf, including but not limited to cigarettes, cigars, pipe, tobacco, snuff, chewing tobacco, and dipping tobacco. has the meaning set forth in Section 19H.2 of the Health Code.
- (c) "Director" shall mean the Director of the Department of Public Health or his or her designee.

SEC. 19K.2. PROHIBITION AGAINST TOBACCO PRODUCT SALES, <u>MANUFACTURE, AND DISTRIBUTION</u> ON <u>CITY</u> PROPERTY-OWNED BY OR UNDER THE <u>CONTROL OF THE CITY</u>.

No $p\underline{P}$ erson $shall\ may\ s\underline{S}$ ell, $\underline{Manufacture}$, or $\underline{Distribute}\ t\underline{T}$ obacco $p\underline{P}$ roducts on \underline{City} $p\underline{P}$ roperty $\underline{Ounty}\ of\ San\ Francisco}$, except as provided in Section 19K.3. All leases, permits, or agreements awarded by the City $\underline{and\ County}$ of $\underline{San\ Francisco}$ allowing any \underline{pP} erson to use City \underline{pP} roperty $\underline{for\ retail\ purposes}$ shall specifically provide that there shall be no \underline{sS} ale, $\underline{Manufacture}$, or $\underline{Distribution}$ of \underline{tT} obacco \underline{pP} roducts on such City \underline{pP} roperty, $\underline{and\ such\ prohibition\ must\ be\ included\ in\ all\ subleases,\ or\ other\ agreements\ providing\ for\ exlusive\ use\ of\ the\ property$.

SEC. 19K.3. EXCEPTIONS.

- (a) The prohibition against *Tobacco *Product *Sales, *Manufacture, and *Distribution* on *City *pP* roperty *owned by or controlled by the City* in Section 19K.2 shall not apply where its application would impair a lease, permit, or use agreement to which the City is a party *and is in effect* on the effective date of thise ordinance *in *Board File No. 190311 amending this *Article 19K*.

 *On or after the effective date of that ordinance, *tThe City *shall may* not enter into, renew, extend, or materially amend a lease, permit, or use agreement for the use of City *pP* roperty *after the effective date of this ordinance* that does not incorporate the prohibition set forth in Section 19K.2.
- (b) The prohibition against #Tobacco <u>Products-Sales</u>, <u>Manufacture</u>, <u>and Distribution</u> on <u>property owned by or controlled by the City Property</u> in Section 19K.2 shall not apply to the passenger terminal complex at San Francisco International Airport.
- (c) The prohibition against Tobacco Product Sales, Manufacture, and Distribution on City

 Property in Section 19K.2 shall not apply to Persons who are affiliated with an accredited academic

 institution where the Sale, Manufacture, and/or Distribution of Tobacco Products is conducted as part

 of academic research.

SEC. 19K.4. PENALTIES AND ENFORCEMENT.

- (a) Administrative penalties for violation of the prohibition set forth in Section 19K.2 shall be assessed and collected by the Director in accordance with Administrative Code Chapter 100, which is hereby incorporated by reference.
- (b) The City Attorney may at any time institute civil proceedings for injunctive and monetary relief including civil penalties, against any Person for violations of this Article 19K, without regard to whether the Director has assessed or collected administrative penalties.

- (c) At any time, the Director may refer a case to the City Attorney's Office for civil enforcement, but a referral is not required for the City Attorney to bring a civil action under subsection (b).
- (d) Any Person who violates any provision of this Article 19K shall be subject to injunctive relief and a civil penalty in an amount not to exceed \$1,000 for each violation, which penalty shall be assessed and recovered in a civil action brought in the name of the people of the City and County of San Francisco by the City Attorney in any court of competent jurisdiction. In assessing the amount of the civil penalty, the court shall consider any one or more of the relevant circumstances presented by any of the parties to the case, including but not limited to, the following: the nature and seriousness of the misconduct giving rise to the violation, the number of violations, the persistence of the misconduct, the length of time over which the misconduct occurred, the willfulness of the defendant's misconduct, and the defendant's assets, liabilities, and net worth.
- (e) The City may recover reasonable attorneys' fees and costs for civil actions brought under this Section 19K.4.
- (f) Remedies under this Section 19K.4 are non-exclusive and cumulative to all other remedies available at law or equity.

Section 3. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal

Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

Section 5. Severability. If any section, subsection, sentence, clause, phrase, or word of this ordinance, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the ordinance. The Board of Supervisors declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this ordinance or application thereof would be subsequently declared invalid or unconstitutional.

Section 6. Undertaking for the General Welfare. In enacting and implementing this ordinance, the City is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

Ву:

ANNE PEARSON Deputy City Attorney

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LEGISLATIVE DIGEST

[Health Code - Restricting Commercial Tobacco Activities on City Property]

Ordinance amending the Health Code to prohibit the sale, manufacture, and distribution of tobacco products, including electronic cigarettes, on City property.

Existing Law

Currently, Article 19K of the Health Code prohibits the sale and advertising of tobacco products that contain tobacco leaf (such as cigarettes, cigars, and pipe tobacco) on property owned by or under the control of the City and County of San Francisco (the "City"). Article 19K also requires that the prohibition on selling and advertising tobacco products on City property be included in all leases, permits, or agreements awarded by the City that allow any person to use City property for retail purposes. Article 19K includes an exception for the passenger terminal complex at San Francisco International Airport, where tobacco products may be sold.

Amendments to Current Law

The proposed ordinance would amend Article 19K to prohibit not only the sale, but also the distribution and manufacture of tobacco products on City property. It would also update the definition of "tobacco products" to conform to other local laws, which define tobacco products to include products made or derived from tobacco or nicotine, including electronic cigarettes. The proposed ordinance would require that the prohibition on commercial tobacco activities be incorporated into all City leases, subleases, and agreements authorizing the use of City property, and not just those agreements that are for retail activities. It would also authorize the City Attorney to institute civil proceedings for injunctive and monetary relief to address violations of Article 19K.

Background Information

Despite progress in reducing smoking, tobacco use is still the leading cause of preventable death in the United States. Tobacco kills more than 480,000 people in this country annually – more than AIDS, alcohol, car accidents, illegal drugs, murders, and suicides combined.

The City and County of San Francisco ("City") has been a leader in local tobacco control policy. To reduce the burden of tobacco use, the City licenses tobacco retail establishments and prohibits establishments from selling tobacco products to persons under the age of 21. (Health Code Articles 19H, 19P). To reduce exposure to secondhand smoke, the City has gone above and beyond state law by prohibiting smoking in facilities owned or leased by the City, polling places, entrances to buildings, sports arenas, farmers markets, and at outdoor dining and events. (Health Code Article 19F). To address the appeal of flavored tobacco

products to youth, the City enacted Ordinance No. 140-17 prohibiting tobacco retail establishments from selling flavored tobacco products. As a result of the referendum process, the ordinance was placed before the voters, who approved the ordinance in June 2018 (Proposition E) by a majority of 68.39%. And since 2008, to signal its refusal to allow City property to be used for activities that contribute to the burden of tobacco use, the City has acted in its proprietary capacity to prohibit the sale of tobacco products on City property.

For many years, the City's tobacco control laws addressed only the sale and use of traditional tobacco products made of tobacco leaf, such as cigarettes, cigars, and smokeless tobacco products. But in 2007, electronic cigarettes (or "e-cigarettes") entered the marketplace, and since 2014, they have been the most commonly used tobacco product among youth in the United States. The widespread use of e-cigarettes by youth has significant public health consequences. As stated by the Surgeon General, "Most e-cigarettes contain nicotine – the addictive drug in regular cigarettes, cigars, and other tobacco products. Nicotine exposure during adolescence can harm the developing brain – which continues to develop until about age 25. Nicotine exposure during adolescence can impact learning, memory, and attention. Using nicotine in adolescence can also increase risk for future addiction to other drugs.

In 2014, to address the public health hazards presented by electronic cigarettes, the City enacted Ordinance No. 30-14 prohibiting the sale and use of electronic cigarettes in all places where the sale and use of traditional tobacco products were prohibited. That ordinance failed to expand Article 19K's prohibition on tobacco sales on City property to include the sale of electronic cigarettes.

Since 2014, the problem of youth electronic cigarette use ("vaping") has become an epidemic. According to the Centers for Disease Control and Prevention ("CDC"), the number of middle and high school students who are current users of tobacco products increased from 3.6 million to 4.9 million between 2017 and 2018. This increase – which was driven by a surge in e-cigarette use – erased past progress in reducing youth tobacco product use.

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CITY AND COUNTY OF SAN FRANCISCO LONDON BREED, MAYOR

OFFICE OF SMALL BUSINESS REGINA DICK-ENDRIZZI, DIRECTOR

OFFICE OF SMALL BUSINESS

April 29, 2019

Ms. Angela Calvillo, Clerk of the Board City Hall Room 244 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

RE: BOS File No. 190311 - Restricting Commercial Tobacco Activities on City Property

Small Business Commission Recommendation to the Board of Supervisors: Approval.

This motion passed unanimously (7 to 0).

Dear Ms. Calvillo,

The Commission appreciates that this legislation was referred for their review and that Supervisor Shamann Walton presented this legislation. The Commission had few questions regarding the legislation's applicability to JUUL, an electronic cigarette product development company that is currently leasing City property. Responsive to questions from the Commission, Supervisor Walton affirmed that this legislation would not retroactively apply to JUUL and that the City Attorney is currently investigating the nature of the company's work on City property.

The Commission concurred that this legislation would not have a material effect on small businesses in the City and County of San Francisco. As such, the Commission voted unanimously (7-0) to recommend that the Board of Supervisors approve BOS File No. 190311, Restricting Commercial Tobacco Activities on City Property.

The Commission did note, however, that where this legislation would not retroactively apply to JUUL, that a same exemption should be extended to existing San Francisco licensed tobacco retailers who will be affected by BOS File No. 190312 — Restricting the Sale, Manufacture, and Distribution of Tobacco Products, Including Electronic Cigarettes. Without extending an equivalent exemption, the small business community may infer that the City values JUUL's economic health, a company valued at \$38 billion, more highly than the economic health of San Francisco small businesses.

Thank you for considering the Commission's recommendation. Please feel free to contact me should you have any questions.

Sincerely,

Regina Dick-Endrizzi

ZMDick Lidenzi

Director, Office of Small Business

cc: Shamann Walton, Member, Board of Supervisors,
Sophia Kittler, Mayor's Liaison to the Board of Supervisors
Lisa Pagan, Office of Economic and Workforce Development
John Carroll, Clerk, Public Safety and Neighborhood Services Committee



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO:

Kiely Hosmon, Director, Youth Commission

FROM:

John Carroll, Assistant Clerk,

Public Safety and Neighborhood Services Committee

DATE:

March 27, 2019

SUBJECT:

LEGISLATIVE MATTER INTRODUCED

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following ordinance, introduced by Supervisor Walton on March 19, 2019. This item is being referred for comment and recommendation.

File No. 190311

Ordinance amending the Health Code to prohibit the sale, manufacture, and distribution of tobacco products, including electronic cigarettes, on City property.

Please return this cover sheet with the	*
Assistant Clerk, Public Safety and Neighborh	ood Services Committee.
*********	*******
RESPONSE FROM YOUTH COMMISSION	Date:April 16, 2019
No CommentX_ Recommendation Attached	
	Chairperson, Youth Commission

1819-RBM-11

Youth Commission City Hall ~ Room 345 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4532



(415) 554-6446 (415) 554-6140 FAX www.sfgov.org/youth_commission

YOUTH COMMISSION MEMORANDUM

TO:

John Carroll, Clerk, Public Safety and Neighborhood Services Committee

FROM:

Youth Commission

DATE:

Tuesday, April 16, 2019

RE:

Referral response to BOS File No. 190311 - [Health Code - Restricting

Commercial Tobacco Activities on City Property]

At our **Monday, April 15, 2019, meeting**, the Youth Commission voted unanimously to support the following motion:

To support BOS File No. 190311 – [Health Code - Restricting Commercial Tobacco Activities on City Property]

Youth Commissioners thank the Board of Supervisors for their attention to this issue. If you have any questions, please contact our office at (415) 554-6446, or your Youth Commissioner.

Bahlam Vigil, Chair Adopted on April 15, 2019 2018-2019 San Francisco Youth Commission



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO:

Dr. Grant Colfax, Director, Department of Public Health

Mark Morewitz, Commission Secretary, Health Commission

Ivar C. Satero, Airport Director

Andrico Penick, Director, Real Estate Division

FROM:

John Carroll, Assistant Clerk,

Public Safety and Neighborhood Services Committee,

Board of Supervisors

DATE:

C:

March 27, 2019

SUBJECT:

LEGISLATION INTRODUCED

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following proposed legislation, introduced by Supervisor Walton on March 19, 2019:

File No. 190311

Ordinance amending the Health Code to prohibit the sale, manufacture, and distribution of tobacco products, including electronic cigarettes, on City property.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO:

Regina Dick-Endrizzi, Director

Small Business Commission, City Hall, Room 448

FROM:

John Carroll, Assistant Clerk, Public Safety and Neighborhood Services

Committee, Board of Supervisors

DATE:

March 27, 2019

SUBJECT:

REFERRAL FROM BOARD OF SUPERVISORS

Public Safety and Neighborhood Services Committee

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 190311

Ordinance amending the Health Code to prohibit the sale, manufacture, and distribution of tobacco products, including electronic cigarettes, on City property.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102

**************************************	······································
No Comment Recommendation Attached	
	Chairperson, Small Business Commission



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO:	Kiely Hosmon, Director, Youth Commission		
FROM:	John Carroll, Assistant Clerk, Public Safety and Neighborhood Services Committee		
DATE:	March 27, 2019		
SUBJECT:	LEGISLATIVE MATTER INTRODUCED		
received the	of Supervisors' Public Safety and Neighborhood Services Committee has following ordinance, introduced by Supervisor Walton on March 19, 2019. being referred for comment and recommendation.		
File N	lo. 190311		
	nance amending the Health Code to prohibit the sale, manufacture, and bution of tobacco products, including electronic cigarettes, on City erty.		
	rn this cover sheet with the Commission's response to John Carroll, erk, Public Safety and Neighborhood Services Committee.		
******	******************************		
RESPONSE	FROM YOUTH COMMISSION Date:		
	omment nmendation Attached		

Chairperson, Youth Commission

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

BOARD OF SUPERVISORS
SANFRAMOSSO

Time stating 23
or meeting date

I hereby submit the following item for introduction (select only one):	201	or meeting date
	· aY.	The state of the s
1. For reference to Committee. (An Ordinance, Resolution, Motion or	Charter Amendme	ent).
2. Request for next printed agenda Without Reference to Committee.		••
3. Request for hearing on a subject matter at Committee.	•	
4. Request for letter beginning: "Supervisor		inquiries"
5. City Attorney Request.	•	
6. Call File No. from Committee.		•
7. Budget Analyst request (attached written motion).		
8. Substitute Legislation File No.	,	
9. Reactivate File No.		
10. Topic submitted for Mayoral Appearance before the BOS on		
Please check the appropriate boxes. The proposed legislation should be for	orwarded to the fol	lowing:
☐ Small Business Commission ☐ Youth Commission	Ethics C	Commission
Planning Commission Building Ir	nspection Commis	sion
Note: For the Imperative Agenda (a resolution not on the printed agend	la), use the Imper	rative Form.
Sponsor(s):		
Walton		
Subject:		
Health Code-Restricting Commercial Tobacco Activities on City Property	,	
The text is listed:		
Ordinance amending the Health Code to prohibit the sale, manufacture, and including electronic cigarettes, on City property.	distribution of to	bacco products,
Signature of Sponsoring Supervisor:	/h_	
or Clerk's Use Only		