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June 24, 2019

Resolution No. 002-2019-SBC

Economic Mitigation Measures Responsive to City Mandated Tobacco Control Laws

Resolution

WHEREAS, the Small Business Commission, whose mandate was established by the voters in 2003; and

WHEREAS, that mandate specifically authorizes the Small Business Commission to set policies for the City regarding small businesses, consistent with any overall objectives established by the Mayor and the Board of Supervisors through the adoption of legislation, in order to promote the economic health of the small business community in San Francisco, its employees, and its customers; and

WHEREAS, that mandate specifically requires the Small Business Commission to review all legislation affecting small businesses and make recommendations to the Board of Supervisors; and

WHEREAS, that mandate specifically requires that the Small Business Commission review rules and regulations adopted by City departments that affect small businesses and recommend modifications that would promote the health of small businesses; and

WHEREAS, there are approximately 700 small businesses that are City licensed tobacco retailers; and

WHEREAS, since implementation of the San Francisco Permit Density Cap, the total number of tobacco retail permits has declined by 23%; and



WHEREAS, on September 5, 2017 the City and County of San Francisco enacted BOS File No. 170441 Health Code - Banning the Sale of Flavored Tobacco Products; and

WHEREAS, the Office of Economic Analysis issued an economic impact report on June 13, 2017 relative to File No. 170441 and estimated that there could be a \$50 million dollar loss in the sales of flavored tobacco products;

WHEREAS, the Small Business Commission passed a motion on September 24, 2018 recommending that the Office of Economic and Workforce Development and Department of Public Health develop economic mitigation measures for licensed tobacco retailers who would be affected by the flavored tobacco ban;

WHEREAS, the ban on the sales of flavored tobacco products by City licensed retailers has had a direct adverse effect on the economic health of the City licensed tobacco retailers

WHEREAS, the Board of Supervisors first passed on June 18, 2019 BOS File Nos. 190312 Health Code - Restricting the Sale, Manufacture, and Distribution of Tobacco Products; and

WHEREAS, based on figures provided in the June 13, 2017 Office of Economic Analysis Economic Impact Report on the Banning the Sale of Flavored Tobacco, the Office of Small Business estimates that there may be a \$70 million loss in sales from banning e-cigarette products; therefore be it

RESOLVED, that the Small Business Commission requests that, in the spirit of equitable policy administration, the Mayor and the Board of Supervisors administer economic mitigation measures in support of San Francisco small business retailers who are licensed to sell tobacco; and be it

FURTHER RESOLVED, that the City Controller's Office should be directed to conduct an Economic Impact Report on BOS File No. 190312 and an updated report on the impact of BOS File No. 170441; and be it

FURTHER RESOLVED, that economic mitigation measures should be developed in partnership with merchants, the Office of Small Business, the Office of Economic and Workforce Development, the Small Business Development Center, the Controller's Office, the City Attorney's Office, and the Board of Supervisors; and be it



FURTHER RESOLVED, that economic mitigation measures be administered in a timely manner and no later than January of 2020 in order to offset anticipated losses due to the implementation of BOS File No. 190312; and be it

FURTHER RESOLVED, that proposed economic mitigation measures be presented to the Small Business Commission for their input and approval.

