

REVISED LEGISLATIVE DIGEST
(Amended in Committee, October 24, 2019)

[Police Code - Cannabis Retailers at Permitted Cannabis Events]

Ordinance amending the Police Code to require that cannabis retailers at permitted events hold Cannabis Business Permits issued by the City, that applicants for Cannabis Event Permits identify the retailers that will be selling cannabis goods at such events and affirm that said retailers hold City-issued Cannabis Business Permits, and that recipients of Cannabis Event Permits take steps to reasonably ensure that only said retailers will sell cannabis goods at such events; to require that Cannabis Event Permit applicants commit to specific actions to support the City's equity goals as a condition of permit issuance; and to provide that a material false statement made in connection with an application for a Cannabis Event Permit may be subject to administrative penalty, cause for denial of a pending or future application for a Cannabis Business Permit, and cause for suspension or revocation of an existing Cannabis Business Permit; and affirming the Planning Department's determination under the California Environmental Quality Act.

Existing Law

In addition to regulating permanent cannabis businesses, State law establishes a framework for regulating the sale and consumption of cannabis at temporary events, conditioned on authorization by the local jurisdiction where the event takes place. Under Police Code Section 1621.5, the Office of Cannabis ("OOC") may issue Cannabis Event Permits authorizing the sale and consumption of cannabis at temporary events. Existing law places certain limits on who may obtain a Cannabis Event Permit, but it does not limit who may engage in retail sales of cannabis goods at the permitted event, and it does not require that applicants for such permits commit to actions to support the City's equity goals.

Further, existing law does not provide that a material false statement made to the OOC in connection with an application for a Cannabis Event Permit may be subject to administrative penalty, cause for denial of an pending or future application for a Cannabis Business Permit submitted by the applicant for or holder of the Cannabis Event Permit, or cause for suspension or revocation of any Cannabis Business Permit held by the applicant for or holder of the Cannabis Event Permit.

Amendments to Current Law

This ordinance would require that cannabis retailers at permitted events hold Cannabis Business Permits issued by the City, that applicants for Cannabis Event Permits identify the retailers that will be selling cannabis goods at such events and affirm that said retailers hold City-issued Cannabis Business Permits, that applicants for Cannabis Event Permits commit to

specific actions to support the City's equity goals, and that recipients of Cannabis Event Permits take steps to reasonably ensure that only said retailers will sell cannabis goods at such events.

Further, this Ordinance would provide that a material false statement made to the OOC in connection with an application for a Cannabis Event Permit may be subject to administrative penalty, cause for denial of any pending or future application for a Cannabis Business Permit submitted by the holder of the Cannabis Event Permit, and cause for suspension or revocation of any existing Cannabis Business Permit.

Background Information

The current Ordinance reflects amendments made in the October 24, 2019, meeting of the Public Safety and Neighborhood Services Committee. These amendments added a requirement that applicants for Cannabis Event Permits commit to specific actions to support the City's equity goals as a condition of permit issuance (specific requirements set forth in Section 3 of the Ordinance, at Section 1621.5(e) of the Police Code).

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