Ordinance amending the Health Code to allow the Director of the Department of Public Health to extend, for multiple 90-day periods rather than a single 90-day period, the 120-day authorization for Medical Cannabis Dispensaries to sell adult use cannabis.

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

Section 1. The Health Code is hereby amended by revising Section 3322, to read as follows:

SEC. 3322. TRANSITION PROVISION.

(d) Notwithstanding any provision in this Article 33, starting on the effective date of the ordinance in Board File Number 171042 establishing Article 16 of the Police Code, a medical cannabis dispensary that meets the eligibility criteria set forth in subsection (e) of this Section 3322 may Sell Adult Use Cannabis and Cannabis Products for a period of 120 days, provided the medical cannabis dispensary:

(1) Applies for and receives a State Cannabis License authorizing the retail Sale of Adult Use Cannabis;

(2) Receives a determination from the Planning Department that the Sale of Adult Cannabis on the Premises is in compliance with the Planning Code;
(3) Complies with all of the requirements and prohibitions imposed on Cannabis Retailers under Article 16 of the Police Code and its implementing rules and regulations, any violation of which shall be treated as a violation of this Article 33, subject to the penalties set forth in Sections 3314 and 3315;

(4) Complies with subsection (c) of Section 1605 of the Police Code;

(5) Submits to the Director a “Good Neighbor Policy,” as described in subsection (b)(19) of Section 1609 of the Police Code, and a “Security Plan,” as defined in Section 1602 of the Police Code, along with written verification from the Office of Cannabis that the Director of the Office of Cannabis, or his or her designee, has determined that the policy and plan are adequate to enhance public safety and neighborhood needs;

(6) For medical cannabis dispensaries that have more than 10 employees, demonstrates to the satisfaction of the Director that within 120 days of the effective date of the ordinance in Board File Number 171042 establishing Article 16 of the Police Code, at least 30% of all Business Work Hours are performed by workers who meet at least three of the criteria set forth in subsection (b)(4) of Section 1604 of the Police Code; and

(7) Submits to the Director of the Office of Cannabis a written, actionable “Equity Plan” describing the concrete steps the medical cannabis dispensary will take to encourage and support the establishment and growth of Equity Operators, as defined in Section 1604 of the Police Code; provide employment opportunities to persons that have been disproportionately impacted by the criminalization of cannabis; and otherwise further the City’s equity goals.

* * * *
(f) The Director may extend the authorization to Sell Adult Use Cannabis for an additional 90-day periods beyond the 120-day period set forth in subsection (d) of this Section upon a finding that:

1. The Office of Cannabis has not had sufficient time to review and process applications for Cannabis Business Permits under Article 16 of the Police Code; and
2. The medical cannabis dispensary has demonstrated good faith compliance with its Equity Plan to the satisfaction of the Director of the Office of Cannabis.

The Director's authority under this subsection (f) to extend 90-day periods for authorization to sell Adult Use Cannabis may be exercised only at intervals of approximately 90 days, as to each distinct 90-day period. Thus, for example, the Director may not simultaneously authorize two consecutive 90-day extensions for the same medical cannabis dispensary.

Section 2. Effective Date; Retroactivity.

(a) 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.

(b) The Board of Supervisors intends that no medical cannabis dispensary authorized to sell Adult Use Cannabis under Health Code Section 3322(f) be prevented from doing so by the 210-day limit (120 days from the effective date of Ordinance No. 230-17, plus an extension of 90 days which may be granted by the Director of the Office of Cannabis) under Section 3322(f), provided the Director determines, based on the standards in Section 3322(f), that the medical cannabis dispensary should be permitted additional time to sell Adult Use Cannabis. Accordingly, should the effective date of this ordinance occur after the 210-day
limit, this ordinance shall be retroactive to the 211th day from the effective date of Ordinance No. 230-17.

Section 3. 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.

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

By: JANA CLARK
Deputy City Attorney

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Ordinance amending the Health Code to allow the Director of the Department of Public Health to extend, for multiple 90-day periods rather than a single 90-day period, the 120-day authorization for Medical Cannabis Dispensaries to sell adult use cannabis.

June 13, 2018 Public Safety and Neighborhood Services Committee - RECOMMENDED

June 19, 2018 Board of Supervisors - PASSED ON FIRST READING
Ayes: 11 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani, Tang and Yee

June 26, 2018 Board of Supervisors - FINALLY PASSED
Ayes: 11 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani, Tang and Yee

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 6/26/2018 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mark Farrell
Mayor

Date Approved 6/26/18