

Cannabis Policy Briefing

Small Business Commission
August 14, 2017



Agenda

1. SBC & OSB Role
2. Overview of State Law (MAUCRSA)
3. State Rulemaking Status
4. San Francisco
 - a. Small Business Challenges
 - b. Cannabis Task Force
5. Federal Legal Context for Cannabis Businesses
6. Upcoming Presentation Topics (9/11 SBC meeting)

SBC & OSB Role

Local Level

- SBC
 - Serve as advisory body regarding city ordinances
 - Offer forum for cannabis business owners/entrepreneurs to voice requests and concerns
 - Provide information to business community (through presentations)
- OSB
 - Collaborate with Office of Cannabis and other City agencies to develop policies, procedures, regulations
 - Provide one-on-one counseling to businesses; connect businesses with resources

State & Federal Levels

- Support small business friendly legislation
- Advocate for new legislation to improve business climate

Overview of State Law

2015: Medical Cannabis Regulation and Safety Act (MCRSA)

2016: Adult Use of Marijuana Act (AUMA) (Prop. 64)

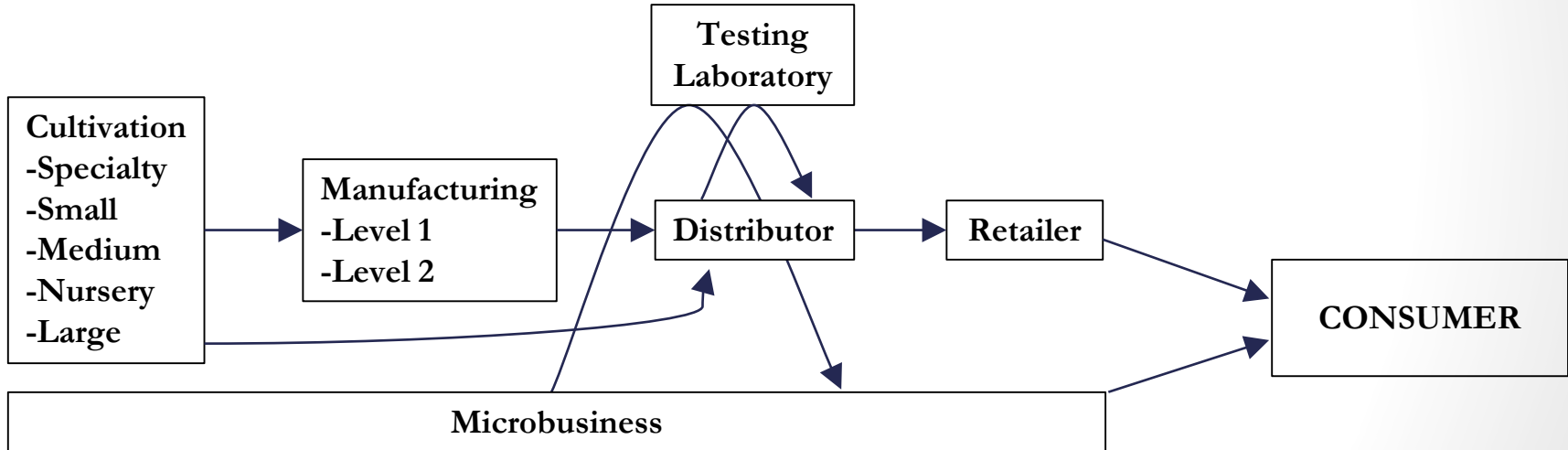
2017: Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) combines MCRSA and AUMA into single regulatory structure.

- Approved by the Governor 6/27/17
- “SB 94” or “budget trailer bill”

Licenses

SBC: Advise re: license types at City level
Next time: Tax collection & the supply chain

Adult-Use: A-license
Medicinal: M-license



Rules and Regulations

- Early August 2017 - draft regulations withdrawn
 - DPH, DFA, Bureau
- Emergency rulemaking process
 - Rules published in fall 2017
- Begin issuing licenses by 1/2/18

Small Business Considerations

- SBC: 1) Weigh in on proposed legislation
2) Draft policy statements, resolutions, memos
3) Set up informational presentations at meetings to disseminate info to prospective businesses

- Accessory use
 - Desirable for small business
 - Constraints on age of persons on premises in MAUCRSA
- Co-location
 - Addressed in AB 64
- Zoning
 - Will help determine opportunities for new businesses
- Delivery
 - From other cities
 - Delivery only w/o brick & mortar
- Consumption
 - Tobacco laws + MAUCRSA restrictions → where will consumption be allowed?
 - Distinguish between smoking and ingestion of edibles
 - Not allowed in public places

San Francisco Cannabis State Legalization Task Force

Created by ordinance (sponsored by then-Supervisor Wiener) in July 2015

“The purpose of the Task Force shall be to advise the Board of Supervisors, the Mayor, and other City departments on matters relating to the potential legalization of cannabis so that the City's policymakers are fully prepared to address the policy questions, through legislation, administrative actions, and otherwise, following the adoption of a State law.”

Task Force Recommendation Highlights

SBC: 1) issue advisory recommendation when legislation is referred
2) release policy statements

GENERAL

- Integration with local economy and neighborhoods
- SF cannabis culture/experience for tourists & residents
- Legal consumption opportunities
- Workforce/entrepreneurship; amnesty program
- Social justice
- Advocacy at federal level to revise drug policies
- Accessory use for existing businesses
- New license types
- Local taxes
- Regulatory structure, streamlining
- No distinction between M and AU permitting for non-retail businesses

RETAIL

- Culinary opportunities
- Land use: buffer zones, approval processes, clustering, vertical zoning
- Formula retail rules
- Transitioning existing MCDs
- Requirements for medicinal vs. adult use (when separate)
- Delivery-only license

MANUFACTURING

- Exemption from distance requirements for sensitive uses

San Francisco Highlights

- Cannabis Task Force
 - Meets monthly; offers recommendations to CCSF
 - Proposed extension for 1 year until end of 2018
 - Aug. 9 meeting: retail recommendations (text will be available soon)
- Draft ordinances due to BOS and Mayor by 9/1/17
- Office of Cannabis
 - Approved by Mayor on 7/27/17
 - Positions created with budget process; presently recruiting
 - BOS to establish fees (application/license) by 11/1/17

Risks from Federal Law

S. 1689 introduced by Senator Booker at the federal level. More on this at the next meeting, 9/11. Memo forthcoming.

- Controlled Substances Act classifies marijuana/cannabis as a Schedule I drug.
- Implications for:
 - Taxation
 - Asset forfeiture
 - **Banking**
- Creates challenges for business owners and consumers.

Upcoming Topics (09.11.17)

- Federal legal context
 - Cannabis in federal law
 - Effects on business owners & consumers
 - Reform / Workaround Efforts
- State legislative highlights
- Regional information (San Francisco's neighbors)
- Local legislation (draft ordinances due by 9/1/17)
- Statistics & economic projections

Thank you.

Questions?

