

# Cannabis State Legalization Task Force

June 13, 2018 – Meeting Minutes

## Taxation and Youth

Suite 125, War Memorial Building, San Francisco, CA 94102 | 1PM – 4PM

### Task Force Proposed Goal

In Year III the Task Force will develop recommendations to inform local regulations, particularly in Local Ordinance policy areas that could benefit from further development and assessment.

### Meeting Objectives

- Finalize taxation recommendations
- Discuss youth education, access and consumption issues; Refine and update youth education recommendations

Meeting start time: 1:10pm

#### 1. Welcome, Agenda Review and Announcements

- Jennifer Garcia, Task Force co-chair, seat 20, provided a brief overview of agenda. Michelle Magee, consultant, provided an overview of meeting materials.

#### 2. Public Comment: Taxation Recommendations

- No comments were provided.

#### 3. Action item: Finalize Taxation Recommendations

- Terrance Alan, Task Force chair, seat 19, facilitated conversation to finalize taxation recommendations.
- Recommendations 1-3 were all confirmed unanimously.
- Recommendation 4, regarding employer financial incentives for hiring impacted populations, was discussed, and the following issues were raised:
  - The Task Force unanimously approved recommendation 4 with these changes (edits in **bold**): *Provide employer financial incentives for hiring populations **impacted by the war on drugs** (e.g., fee discounts and tax breaks, such as Enterprise zone tax credit, payroll/gross receipt tax)*
- Recommendation 5, regarding the consideration of a local tax measure, was unanimously deleted from the recommendations.
- Recommendation 6, regarding data collection and impact assessment, was unanimously confirmed.

- Recommendation 7, regarding revenue allocations, was discussed, and the following issues were raised:
  - The Task Force unanimously approved Recommendation 7 with the following edits (edits in **bold**): *San Francisco should consider **allocating its local adult use cannabis tax revenue towards** the City’s local regulatory, policy, and programmatic goals with respect to cannabis legalization. Allocation of funds shall directed towards community identified priorities include, but are not limited to:*
    - *Workforce development*
    - *Entrepreneurial opportunity fund and reinvestment fund*
    - *Education, counseling and treatment services for students and youth be directed towards substance use/abuse programs that emerge from cannabis legalization*
    - *General education and city college education*
    - *Education and training for formerly incarcerated persons*
  
- The Task Force added four comments to transmit to the Board, in response to the proposed ordinance:
  - The Task Force reiterated its recommendation that the local tax should not exceed 0-3% at the point of sale.
  - There should be incremental increases based on some preset criteria.
  - Even businesses that exceed \$1 million in gross receipts should have taxes implemented incrementally.
  - The exemption for businesses gross receipts should be raised from \$500,000 to \$1 million to mirror other local rules for small businesses.
  
- The Task Force was interested in developing an additional recommendation targeted to the new proposed ordinance, and decided to establish an ad hoc committee to further this aim.
  - Under local sunshine and quorum rules, ad hoc committee membership is limited to 7 members. The following membership was established: Terrance Alan, Kasey O’Conner, Duncan Talento Ley, Jesse Stout, Barbara Fugate, Kai Keli’iho’omalu, and Thea Selby (with one alternate: Kevin Reed).

#### 4. Spotlight Panel: Youth Education, Access, and Consumption – Implementation Update

- Sarah Payan, Task Force co-chair, seat 12, introduced the following panelists: Israel Nieves, Director of the Office of Equity and Quality Improvement, Department of Public Health (DPH); Ana Validzic, Community Health Equity and Promotion Branch, DPH; Christopher Pepper, Teacher on Special Assignment, San Francisco Unified School District (SFUSD); and Ashley Rojas, Adolescent Health Working

Group. Panelists provided updates on their agency's work related to youth education, access, and consumption, followed by a Q&A with Task Force members.

**5. Presentations: Youth Education, Access, and Consumption – Policy Opportunities**

- Sarah Payan, Task Force co-chair, seat 12, introduced the following panelists: Sasha Simon, Drug Policy Alliance, and Kevin Dalia, Students for Sustainable Drug Policy. Panelists provided an overview of policy gaps and opportunities related to youth education, access, and consumption, followed by a Q&A with Task Force members.

**6. Small Group Activity: Develop Youth Education recommendations**

- This agenda item was postponed until the next meeting.
- Task Force Members voted to bring recommendations to state regarding compassion taxes.
- Task Force Members discussed the proposition introduced by Supervisor Sandra Fewer creating a cannabis commission. The Task Moved voted against this proposition.

**7. Large Group Share-Out of new youth and education recommendations**

- This agenda item was postponed until the next meeting.

**8. Real Time Implementation Feedback**

- Task Force Members discussed the ballot proposition introduced by Supervisor Sandra Fewer to create a 9-member cannabis commission.
- Task Force chair and members suggested reaching out to Supervisor Fewer's office in order to provide information about the Task Force.
- Jennifer Garcia, co-Chair (Seat 23) stated that UFCW Local 648 has stated their support for the ballot initiative to create a Cannabis Commission. Jennifer recused herself from any discussion of the proposition and abstained from participation in the straw poll.
- Through a straw poll process, the Task Force indicated its unanimous opposition to the creation of the proposed Commission, and identified next steps to develop proposed messaging and a possible response outside of the full Task Force meeting.

**9. General Public Comment**

- Todd Marcus stated that there are children and parents who use cannabis for serious medical reasons. He does not want to see education presented in such a way that increases stigmatization around medical use of cannabis; it should treat cannabis as a valid medicine.
- Brandon Brown stated that no one dies from using cannabis, and it is important to emphasize the difference between cannabis products, and alcohol and cigarettes. He agrees with switching language from marijuana to cannabis.
- Kevin Dalia stated that higher cannabis taxes will cause people to buy it outside of San Francisco, especially because it is a commuter city.

- Sophia Robinson stated that she is focusing on topicals which are small and medicinal only, and requested that the Task Force keep that in mind when writing legislation recommendations.

## 10. Wrap-Up and Next Steps

Meeting end time: 4:01pm

### Meeting Materials

- Agenda
- Slide deck
- Taxation recommendations table (from May 2018)
- Youth and education recommendations table (from Task Force Years 1 and 2)

### Upcoming Task Force Meeting

DATE	TIME	LOCATION
July 18, 2018	1PM – 4PM	25 Van Ness, Room 610

### Members Present

Israel Nieves (alternate for Tomas Aragon)

Marifi Esteves Reis

Kasey O'Connor

Christopher Pepper (alternate for Erica Lingrell)

Erich Pearson

Kevin Reed

Sara Payan

Duncan Talento Ley

Thea Selby

Terrance Alan

Jennifer Garcia

Sarah Sharader

Kai Keli'ihomalu