

San Francisco Department of Public Health  
Environmental Health Section  
1390 Market St. suite 210  
San Francisco, CA 94102



**Director's Rules and Regulations**  
**San Francisco Medical Cannabis Dispensary (MCD) Inspection**  
**Program**  
**In Accordance with the California Attorney General's Guidelines For**  
**The Security and Non-Diversion of Marijuana Grown For Medical Use**  
**Issued August, 2008**

These regulations are issued under the authority of Article 33, Sec.3301-3321 of the San Francisco Health Code, and in accordance with California Health and Safety Code, Section 11362.7 et seq., and California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996).

## **Introduction;**

The following Rules and Regulations are issued under Article 33, Section 3312 of the San Francisco Health Code regarding Medical Cannabis Dispensaries (MCDs) that operate in San Francisco.

The following are Rules and Regulations governing the operation by which MCDs may lawfully operate pursuant to San Francisco Health Code Article 33 in the City and County of San Francisco, in accordance with applicable State Health and Safety Codes regarding medical cannabis possession and distribution, and in accordance with the Attorney General's Guidelines For The Security and Non-Diversion of Marijuana Grown For Medical Use (AG Guidelines) as issued August, 2008.

## **The Role of the Department of Public Health (DPH)**

DPH is the permitting agency for MCDs, and as such is responsible for ensuring that MCDs are in compliance with applicable laws before issuing a permit to operate. In addition, DPH performs ongoing routine inspections of permitted MCDs to ensure such compliance is maintained.

The following sections of SF Health Code Article 33 are hereby referenced as the authority by which these Rules and Regulations are enacted:

1. Section 3304(f)- The Director is hereby authorized to require in the permit application any other information including, but not limited to, any information necessary to discover the truth of the matters set forth in the application.
2. Section 3308(a)- Medical cannabis dispensaries shall meet all the operating criteria for the dispensing of medical cannabis as is required pursuant to California Health and Safety Code Section 11362.7 et seq., by this Article, and by the Director's administrative regulations for the permitting and operation of medical cannabis dispensaries.
3. Section 3312(a)- The Director shall issue rules and regulations regarding the conduct of hearings concerning the denial, suspension or revocation of permits and the imposition of administrative penalties on medical cannabis dispensaries.
4. Section 3312(b)- The Director may issue regulations governing the operation of medical cannabis dispensaries.

## **Definitions;**

1. “Director” means the Director of Public Health or any individual designated by the Director to act on his or her behalf, including, but not limited, to inspectors.

2. “Doctor” means an individual licensed to practice medicine or osteopathy in the State of California.

3. “Medical Cannabis Dispensary”, as defined in San Francisco Health Code Article 33, Section 3301(f), may include the offsite distribution of medical cannabis to members of the cooperative or collective if all of the following conditions are met:

- a. All patients or caregivers distributing and receiving medical cannabis must be registered members of the cooperative/collective where the cannabis originated.
- b. No patient or caregiver may distribute or receive more than one ounce of dried cannabis, or weight equivalent in edible cannabis form, per transaction.
- c. All receiving patients or caregivers must have a valid Medical Cannabis ID card or a valid doctor’s recommendation.
- d. Medical cannabis distributed offsite must be treated the same way as cannabis distributed on-site, including the collection of sales tax, and record keeping regarding distribution.

## **Application Process**

In addition to the requirements set forth in Article 33 of the San Francisco Health Code, every applicant and manager must:

1. Submit proof of their status as a medical cannabis patient or caregiver, using either a valid doctor’s recommendation or a valid CA State Medical Cannabis ID card. This proof must be submitted every year (or upon the expiration of the previously submitted document establishing legal medical cannabis use/possession) to confirm the legal right of the owner and manager(s) to possess medical cannabis at the MCD, in accordance with the State Attorney General’s Guidelines.

2., Submit a copy of the articles of incorporation, if the MCD is a statutory cooperative, or a corporation.

3. Upon request, medical cannabis dispensaries shall provide the Department copies of, or access to, any records or any other information that the Department determines is necessary to demonstrate compliance with Section 3301(f). Specifically, medical cannabis dispensaries must maintain and provide, upon request, records and any other information to the Department that demonstrates that the dispensary is organized and operating as a collective or cooperative as defined under the City's Medical Cannabis Act ("the Act"). A dispensary organized and operating as a collective must, upon request of the Department, provide documents or any other information to demonstrate that the dispensary is jointly owned and operated by its members, and that persons have been designated by the members of the collective to manage and serve as the representative or agent of the dispensary concerning compliance with operating requirements under the Act.

A dispensary organized and operating as a cooperative must, upon request of the Department, provide documents or any other information to demonstrate that the dispensary is operating consistent with the cooperative's bylaws, and that persons have been designated by the members of the cooperative under the bylaws to manage and serve as the representative or agent of the dispensary concerning compliance with operating requirements under the Act.

## **Operational Regulations**

1. Each patient or caregiver seeking to use an MCD must first apply for membership in writing at the dispensary. Forms for membership must include rules regarding membership, and these rules must be agreed to by the patient/caregiver. These rules shall include, but are not limited to, such things as: A) an agreement to not divert medical cannabis for non-medical purposes, B) prohibiting entry to anyone under the influence of alcohol, or in possession of or consuming alcohol C) a requirement to wash hands for all members working at the dispensary who handle cannabis D) signage posted alerting members that there is no smoking or ingesting of medical cannabis allowed within 50 feet of the MCD in the public right-of-way. Violations of the MCD's rules should result in the cancellation of membership privileges at the MCD.

2. Once the patient's/caregiver's written, verifiable doctor's recommendation or State issued medical cannabis ID card has been validated, and the MCD is in receipt of the signed membership form(s), the MCD must record the patient/caregiver name, and State ID number or MCD-assigned number to confirm their membership at the MCD. The dispensary will further record the expiration date of the recommendation or ID card. Records reflecting the name of the patient/caregiver may be kept off-site, but shall be made available to the Director during inspections.
3. The MCD shall verify each patient/caregiver membership in the cooperative/collective before they are allowed to purchase or exchange cannabis at the dispensary.
4. Each MCD is required on an annual basis to confirm in writing under the penalty of perjury that upon information and belief all cannabis dispensed at the MCD is grown in California and has not crossed the California state line at any time. All cannabis dispensed must originate only from members of the cooperative/collective, including edible cannabis products. Only lawfully cultivated cannabis may be distributed.
5. The dispensary must record and track the contributions of the members to their MCD. This includes time, labor, materials and/or money. These amounts need not be separated out, but may be tracked as one number reflecting the amount contributed.
6. In order to protect confidentiality when requested, the MCD may maintain records of all qualified patients and caregivers with valid identification cards using either the identification card number issued by the State pursuant to California Health and Safety Code Section 11362.7 et seq., or a unique number assigned by the MCD to the individual. Alternatively, the MCD may record the legal name of the individual as long as the patient/caregiver is made aware that this information is being kept by the MCD. The MCD's membership list must be made available during inspections when requested by the Director.
7. All required external signage must be easily legible from adjacent public right-of-ways.
8. All MCDs selling/distributing edible cannabis products must abide by the San Francisco Department of Public Health's Medical Cannabis Dispensary (MCD) Regulations for Preparation of Edible Cannabis Products.

9. All MCDs must operate in a not-for-profit manner. Any investigations regarding the operational status of an MCD will be conducted in accordance with Article 33 of the San Francisco Health Code.

10. Every MCD shall be required to obtain a seller's permit from the State Board of Equalization.

11. All cannabis sales, including edible cannabis products, must be taxed where applicable and at the legal rate per California State law.

12. Every MCD must be prepared to show proof during inspections by the Director that collected sales tax for medical cannabis sales was submitted to the State Board of Equalization in the amount required by State Law. Under-reporting of cannabis sales may be investigated by the Director, with referrals sent to the State Board of Equalization when necessary.

13. MCDs must comply with all applicable Weights and Measures laws and regulations as they pertain to the use of commercial weighing devices used in MCDs.

## **Hearing Regulations**

All hearings conducted regarding violations noted at MCDs shall follow current standard enforcement procedures for facilities as regulated by the Department of Public Health (DPH), and in accordance with Article 33 of the San Francisco Health Code, Sections 3313-3317.