

# Cannabis Regulation of Tobacco Retailers Status Report

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Public Safety, Finance, and Strategic Support Committee Meeting  
April 18, 2024  
Item (d)3

*Presenters:*

*Wendy Sollazzi, Division Manager, SJPD*

*Rachel Roberts, Deputy Director, PBCE*

# Public Safety, Finance, and Strategic Support Committee Direction

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- *Provide an update on the possibility of expanding the scope of the Division of Cannabis Regulation to include vape and smoke shops.*

# Considerations

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- Scope of the Problem
  - Reports of illegal products being sold- cannabis-like, cannabis-adjacent, mushrooms, etc.
  - Observation during Tobacco Retail License (TRL) inspections
- Requires multi-department effort
- Current regulation, enforcement, and resources
- Constraints

# Current Regulation and Enforcement

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- Division of Cannabis Regulation
  - Regulation and Enforcement
- Code Enforcement
  - Proactive Enforcement
    - Registered cannabis business annual inspections
    - TRL businesses annual inspections
    - Youth decoy operations
  - Complaint Response
    - Illegal cannabis activity within purview- (unregistered cannabis businesses, odor, personal grows, etc.)
    - TRL businesses, vape and smoke shops, etc.

# Current Resources

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- State Department of Justice Grant
  - Administered by the Santa Clara County Public Health Department
  - 60k over three years
  - Youth decoy operations- focus on illegal sale to minors
  - Must use decoys via Breathe California

# Resources: San Jose – Police Department

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## ILLEGAL SALES OF CANNABIS, MUSHROOMS, FENTANYL, AND OTHER ILLEGAL SUBSTANCES

- If you witness drug dealing, call 9-1-1 or 408-277-8911.
- And/Or, call the Covert Response Unit at 408-277-4115.
- And/Or, report online to Crimestoppers <https://siliconvalleycrimestoppers.org>
- If you suspect (but don't see) drug dealing, call (408) 277-8900 or submit a tip online: <https://www.sjpd.org/services/automated-services/contact-form?strtopic=drugs>
  - Under the “Topic” dropdown, please select “Drug Enforcement/Narcotics”

## COMPLAINTS ABOUT REGISTERED CANNABIS BUSINESSES

- Contact the Division of Cannabis Regulation <https://sjpd.org/exo/dcr>
- Phone: 408-537-1420, or via email at [DCR@sanjoseca.gov](mailto:DCR@sanjoseca.gov)

# Resources: San Jose – PBCE

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## CODE ENFORCEMENT

- Respond to municipal code violations on private property such as zoning, building, and blight violations.
- Address unregistered cannabis businesses, cannabis cultivated for personal use, or cannabis odor.
- Service requests
  - <https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/code-enforcement/request-service-check-status/code-service-request-form>
  - Email: [CodeComplaints@sanjoseca.gov](mailto:CodeComplaints@sanjoseca.gov)
  - Phone: 408-535-7770



# Resources: State of California

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## DEPARTMENT OF CANNABIS CONTROL (DCC)

- Investigates complaints of unlicensed or illegal cannabis activity
- Stops the sale of cannabis to minors
- Prevents unsafe products from entering the cannabis market
- To file a complaint with the State: <https://cannabis.ca.gov/resources/file-complaint/>

## OFFICE OF YOUTH TOBACCO ENFORCEMENT (OYTE)

- Investigates flavored tobacco and sales to minors
- <https://www.cdph.ca.gov/Programs/CEH/DFDCS/Pages/OfficeofYouthTobaccoEnforcement.aspx>
- Email: OYTE@cdph.gov
- Phone: 1-800-5-ASK-4-ID (800-527-5443)



# Constraints – Current Regulatory Staff

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- Entirely funded by cannabis program fees
- Current direction to reduce cannabis regulation staffing (PD, PBCE, Finance, CAO)
- Unable to perform tasks unrelated to cannabis regulation, unless:
  - 1) General fund resources are made available, or
  - 2) New cost recovery fees were imposed

# Possible New Regulatory Permit Process

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- Exploring potential amendment to Title 20 SJMC to require a Conditional Use Permit for vape and smoke shop uses
  - *Add vape and smoke shops as an enumerated use*
  - *Provide for ability to condition the use*
  - *Ensure operations not adversely impacting surrounding land uses*
  - *Potentially combat overconcentration*
- Will require work plan including research, benchmarking, ordinance development, and outreach.
- Target implementation- Next regular zoning update cycle, approximately December 2024

# Next Steps

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- Division of Cannabis Regulation – pending staff funding; need time to evaluate and develop a program; PD will continue to investigate complaints as resources and competing priorities allow
- Code Enforcement – continue annual proactive inspections of TRL and registered cannabis businesses; continue to respond to complaints within purview
- City Council Direction – if staff is directed to explore the vape and smoke shop enumerated use requiring a conditional use permit, need time to evaluate and develop a workplan, benchmarking, outreach, etc.

# Staff Recommendation

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- Accept the report on the possibility of expanding the San José Police Department Division of Cannabis Regulation's responsibilities to include regulating licensed tobacco retailers.