

Cannabis TBL Amendments

| Issue | Requested Amendment | TBL Code Section |
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| Public Protection | Include B&P Sec.19303 Protection of the public shall be the highest priority for all licensing authorities. | B&P Sec. 26011.5 |
| Advisory Committee Diversity | Specify that the advisory committee members must include persons who work directly with racially, ethnically, and economically diverse populations. | B&P Sec. 26014(b) |
| Property Owner Protection | Include B&P Sec. 19317 Protects property owners who lease or rent a property to a licensee from asset forfeiture. | B&P Sec. 26032 (b) |
| Patient Exemption | Include B&P Sec. 19319 Specifies that a qualified patient that is not engaged in commercial activity is exempt from the licensure requirements of MCRSA. Applies the same standards to a primary caregiver. | B&P Sec. 26033 |
| Appeals Panel Membership | The panel is made up of three Governor’s appointees. Senate and Assembly requested to increase the membership to have each house appoint an additional member. | B&P Sec. 26040 |
| Licensing | Include B&P Section 19320(a) Clarify that all commercial cannabis activity can only be conducted between licensees. | B&P Sec. 26053(a) |
| Security Measures Retailers | Include subdivision (d) and (e) of Section 19334 of the B&P Code, which outlines security measures for retailers and requires notification to licensing authorities and local law enforcement when inventory discrepancies or criminal activities are found. | B&P Sec. 26070 (j) and (k) |

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| Distribution License Transportation requirements | Include B&P Section 19337, dealing with requirements for license transporters. Require distribution drivers be directly employed by the licensee. Clarify that all state laws and regulations governing commercial transport apply to those transporting cannabis or cannabis products for hire. | B&P Sec. 26070 (b) – (i) |
| Exit Packaging | All cannabis and cannabis purchased by a consumer cannot leave retail premises unless they are placed in an opaque packaging. | B&P Sec. 26070.1 |
| Testing Laboratories | Include B&P Sections 19342 (d)(e), Section 19343 (b)(c)(d), Section 19345 (b)(c)(d). These are requirements on laboratories that were in MCRSA and are not in conflict with AUMA. | B&P Sec. 26101(h)(i) 26102 26104 (c)(d) |
| Advertisement | Require that a technology platform and outdoor advertising company ensure that a licensee include a licensee’s number on any advertisements. | B&P Sec. 26151 |
| Cash Payment Collection – Taxes and Fees | Require that no later than January 1, 2018, the Secretary of Business, Consumer Services, and Housing or his or her designee work with the Legislature, the Department of Consumer Affairs, the Department of Food and Agriculture, the State Department of Public Health, and any other related departments to ensure that there is a safe and viable way to collect cash payments for taxes and fees related to the regulation of cannabis activity throughout the state. | B&P Sec. 26180.5 |
| Cannabis Study on Motor Skills Impact | Include B&P Section 19354, which requires the Bureau to contract with the California Marijuana Research Program, known as the Center for Medicinal Cannabis Research, to develop a study that identifies the impact of cannabis on motor skills. | B&P Sec. 26190.5 |
| North Coast Office | Require that by July 1, 2018, the bureau, in coordination with the Department of General Services, shall establish an office to collect fees and taxes in the County of Humboldt, County of Trinity, or County of Mendocino in order to ensure the safe payment and collection of cash in those counties. | B&P Sec. 26210.5 |

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| Local Control | Include subdivision (b) and (c) of Section 19316. Regarding local control. Clarify that this division does not limit the authority or remedies of a city, county, or city and county under any provision of law, including, Section 7 of Article XI of the California Constitution. | B&P Sec. 26200(d) and (f) |
| Pesticides Intent Language | The use of pesticides is not adequately regulated due to the omissions in federal law, and cannabis cultivated in California for California patients can and often does contain pesticide residues. Lawful California medical cannabis growers and caregivers urge the Department of Pesticide Regulation to provide guidance, in absence of federal guidance, on whether the pesticides currently used at most cannabis cultivation sites are safe for use on cannabis intended for human consumption. | Included in the TBL intent language. |
| DUID Task Force | Create a DUID Task Force with a balanced membership to make recommendations regarding prevention of impaired driving, means of identifying impaired driving, and responses to impaired driving that reduce reoccurrence. | VEH Sec. 2429.7 |
| Open Container | Include a definition of “open container” TBL: Amends the Vehicle Code and creates a new infraction if a person has opened cannabis or cannabis products in the car. Creates an exemption for a qualified patient who is carrying either a State Medical ID card or a physician’s recommendation. | VEH Sec. 23222 |
| \$3 Million for CHP | Appropriate three million dollars (\$3,000,000) to the California Highway Patrol to be used to for training drug recognition experts. Program costs may include, but are not limited to, training, overtime, and backfill of state and local law enforcement officers to attend training. | Appropriation in TBL SEC. 178 |

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| Monopoly, Excessive Concentration | <p>Reinstate Section 26051. This section requires each licensing authority to evaluate certain factors, before issuing or renewing a license. These factors in include whether the issuance of a license would create a monopoly or an excessive concentration of retailers in a community.</p> <p>TBL: Reinstates the excessive concentration language in the initiative. Apply the Cartwright Act, the Unfair Practices Act, and the Unfair Competition Law, apply to all licensees. Makes it unlawful for any person to monopolize, or attempt to monopolize, or to combine or conspire with any person or persons, to monopolize any part of the trade or commerce related to cannabis. Gives the Attorney General the authority to enforce these provisions.</p> | B&P Sec. 26051 |
| Diversified Mutual Funds and Blind Trust | Allow “blind” investors to have financial interest without requiring background checks. | B&P Sec. 26051.5(d) |
| Co-location and Definition of premises. | <p>Allow for the co-location of medicinal and adult use. Codify the definition of premises used in the draft medicinal regulations.</p> <p><u>TBL:</u> Allow for co-location, but maintain the issuance of Type A and Type M licenses.</p> | B&P Sec. 26050 (b) 26070 |
| Local Verification Process | Require local jurisdictions to provide the bureau a copy of any ordinance or regulation related to commercial cannabis activity and a contact to serve as a liaison between the state licensing entities and the local jurisdiction. Outline a process by which locals and the state licensing authorities will communicate regarding an applicant for licensure. | B&P Sec. 26055 (f)-(i) |
| Environmental clarifications | <p>Environmental clarifications: Clarify that cultivation licenses issued by CDFA <i>shall</i> include conditions requested by the Department of Fish and Wildlife (CDFW) and the State Water Resources Control Board.</p> <p>Specify that CDFW or the Water Board finds that cultivation is causing</p> | B&P Sec. 26055, 26057, 26060, 26060.1, 26069.1, |

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| | <p>significant adverse impacts in a watershed, CDFA <i>shall not issue</i> new cultivation licenses or increase the total number of plant identifiers in that watershed.</p> <p>Ensure that licensing entities can deny an application for a licensure or renewal for failure or inability to meet environmental requirements.</p> | |
| Fire and Life Safety Standards | <p>Reverse the repeal of Section 26064, which requires CDFA to ensure that the licensed premises do not pose an unreasonable risk of fire or combustion.</p> <p>TBL: Repeals Section 26064 and instead adds language clarifying that local fire officials retain the authority to carry out fire and life safety requirements.</p> | B&P Sec. 26056 26066 |
| Cannabis Appellations and Organic Standards | <p>Require CDFA to develop a California organic designation for cannabis by 2021.</p> <p>Require that CDFA include standards, practices and varietals as part of their appellations program.</p> | B&P Sec. 26062 26063 |
| Non-storefront retailers | <p>Allow non-storefront retail operations.</p> | B&P Sec. 26070 |
| Product testing | <p>Authorize a licensed cannabis operator with an in-house (non-Type 8) testing laboratory to provide testing of cannabis and cannabis products obtained from third party cannabis cultivators and manufacturers prior to those products being sent to Type 8 testing laboratory for final, presale quality assurance.</p> | B&P Sec. 26110 (j) |
| Product Testing in its Final Form | <p>Require testing to of samples to be performed on the final form in which cannabis or cannabis product will be consumed or used.</p> | B&P Sec. 26100(b) |
| Quality Assurance Compliance Monitor | <p>Create an independent auditor/inspector to perform quality assurance checks.</p> <p>TBL: Creates a quality assurance compliance monitor, employed by the Bureau to conduct random quality control inspections and verify compliance with the packaging and labeling standards.</p> | B&P Sec. 20104 (f) |

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| Peace officers and cannabis destruction | There are concerns about federal preemption. Clarify that it has to be a peace officer who seizes and destroys cannabis. | B&P Sec. 26135 |
| State Temporary Event Licenses | Authorize the Bureau to issue a state temporary event license at a county fair or district agricultural association, where people 21 years of age or older could sample cannabis and cannabis products. Temporary event licenses shall only be issued in local jurisdictions that authorize such events. | B&P Sec. 26200 |
| Agricultural Cooperatives for Cannabis | Allow for the establishment of agricultural cooperatives. TBL: Creates a new entity called Cannabis Cooperatives Associations, which are almost identical to the agricultural cooperatives, but the governing statutes are in the Business and Professions Code. Membership is limited to those who hold Type 1 & 2 licenses and the cooperative cannot cultivate more than 4 acres. | B&P Sec. 26212-26276 FAC Sec. 54036 |
| State Medical ID Card | Preserve the State Medical Marijuana ID card | HSC Sec. 11362.712, 11362.713 |
| Volatile Solvent Definition | Reinstate the definition of “volatile solvent” TBL: The volatile solvent definition in Prop. 64 confuses the concept of toxic with flammable. Instead the TBL codifies the definition used in the draft regulations. | HSC Sec. 11362.3(d) |
| Tax Collection | Clarify that tax collection will happen when it enters the commercial market and the product has completed and complies with quality assurance. Require all the taxes to be remitted by the distributor. | RTC Sec. 34010 34012 |