

On January 3, 2018, the Legislature reconvened, and new bills were introduced on February 16, 2018. The following updates serve as a reference for 2018 legislative statuses on bills related to medicinal and adult use cannabis taxation and regulation that HdL will be tracking.

## **Cannabis-Related Legislation**

### **AB 118 (Committee on Budget & Fiscal Review) Background Checks**

Current law requires a cannabis business applicant to electronically submit fingerprint images to the Department of Justice for the purpose of obtaining information as to the existence and content of a record of state or federal convictions and arrests. Existing law requires the Department of Justice to provide a response to the licensing authority, as provided. This bill would specify that the Bureau of Cannabis Control, the Department of Food and Agriculture, and the State Department of Public Health may obtain and receive, at their discretion, criminal history information from the Department of Justice and the United States Federal Bureau of Investigation for an applicant for any state license under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), including any license established by a licensing authority by regulation pursuant to the authority described above.

Status: On Assembly 3<sup>rd</sup> Reading.

### **AB 1627 (Cooley) Adult Use Marijuana Act (AUMA) Transfer of Testing Laboratories to the Bureau of Marijuana Control**

Current law under the Medical Cannabis Regulation and Safety Act (MCRSA) regulates the cultivation, distribution, and use of cannabis for medical purposes. This act also gives the Bureau of Marijuana Control responsibility for the licensing and regulation of retail sales, distribution, transportation, and testing laboratories. This bill would transfer the regulation of testing laboratories under AUMA from the State Department of Public Health to the Bureau of Marijuana Control. AUMA authorizes the Legislature to amend, by a majority vote, certain provisions of the act to implement specified substantive provisions, provided that the amendments are consistent with and further the purposes and intent of the act.

Status: In Senate Business, Professions and Economic Development Committee.

### **AB 2020 (Quirk) Local Jurisdiction Licenses for Temporary Event Permits**

The bill would authorize a state issued temporary license to a licensee for an event to be held at any other venue expressly approved by the local jurisdiction for event. It would authorize a local jurisdiction to apply for a temporary license and would generally require that local jurisdiction to comply with all existing licensure requirements that apply to any other applicant, except for specified provisions relating to background checks and prior convictions.

Status: Introduced on 2/05/18

### **AB 2164 (Cooley) Local Ordinances Fines and Penalties**

This bill would provide that the ordinance authorized by the legislative body of a local agency, may, but is not required to, provide a reasonable time for the responsible party to correct or otherwise remedy the violation both pertains to building, plumbing, electrical, or other similar structural or zoning issues, that do not create an immediate danger to health or safety, and exists as a result of, or to facilitate, the cultivation of cannabis prior to the imposition of administrative fines or penalties.

Status: Introduced 2/12/18

**AB 2641 (Wood) Temporary Permits**

Would specifically authorize the Bureau of Cannabis Control to issue the state temporary event licenses and would authorize a state temporary event license to be issued for an event to be held at any other venue expressly approved by the local jurisdiction the event, as described. The bill would also require the approval of the local jurisdiction where the event its being held before the bureau can issue a state temporary cannabis event license for an event.

Status: Introduced 2/15/18

**AB 2717 (Lackey) City Responsibility for County Regulatory Function**

This bill would create a state-mandated local program requiring a city to assume from the county complete responsibility for any regulatory function relating to licensees located within the jurisdictional boundaries of the city, regardless of whether the state delegates to the city full power and authority to enforce MAUCRSA and promulgated regulations. By imposing additional duties on cities. The bill would authorize a city to contract in writing with the county in which it is located to arrange for the county to fulfill any of the city's regulatory functions relating to licensees located within the jurisdictional boundaries of the city.

Status: Introduced 2/15/18

**AB 2810 (Levine) Sun Grown Cannabis Commission**

Current law provides for various commission and councils to promote the marketing and production of agricultural and seafood commodities. This bill would create the Sun-Grown Cannabis Commission and would stipulate the powers, duties, and responsibilities of the commission board of directors. The commission board of directors would be given authorization to conduct research for specified purposes, assess and address the impact of local and state regulations on the cannabis products industries, and collect and disseminate market price information to prevent unfair trade practices.

Status: Introduced 2/16/18

**AB 2899 (Rubio) Cannabis Advertisements License Number Display**

The MAUCRSA requires all cannabis advertisements and marketing to accurately and legibly identify the licensee responsible for that content by adding, at a minimum, the licensee's license number. Current law also prohibits a technology platform from displaying the advertisement on an Internet Web page unless the advertisement displays that licensee's license number. This bill would require that the license number displayed on the advertisement be the licensee's State of California Commercial Cannabis Activity license number.

Status: Introduced 2/16/18

**AB 2929 (Quirk) Cannabis Licenses**

All licenses issued under MAUCRSA bear a clear designation indicating whether the license is for adult-use activity or medicinal activity, with the exception of testing laboratory licenses as specified. This bill would allow a licensee to conduct any commercial cannabis activity allowed under its license with any other licensee, as specified, and would find and declare that this furthers the purpose of the initiative measure.

Status: Introduced 2/16/18

**AJR 27 (Low) Federal Enforcement**

This measure would urge the United States Department of Justice not to direct its enforcement priorities towards California's lawfully and closely regulated cannabis industry.

Status: Introduced 1/09/18.

**AJR 28 (Jones-Sawyer) Financial Institutions**

This measure would urge the United States Congress and the President to pass legislation that would allow financial institutions to provide services to the cannabis industry.

Status: Introduced 1/11/18.

**SB 930 (Hertzberg) Financial Institutions**

The current Financial Institutions Law regulates the activities of various financial entities. This bill would state the intent of the Legislature to enact subsequent legislation that would establish a state-chartered bank for persons licensed to engage in commercial cannabis activity under MAUCRSA in the State of California.

Status: Introduced 1/25/18.

**SB 1302 (Lara) Local Jurisdiction Prohibitions on Delivery**

This bill would prohibit a local jurisdiction from preventing delivery of cannabis or cannabis products on public roads, or to an address that is located within the jurisdictional boundaries of that local jurisdiction, by a licensee who is acting in compliance with any license, permit, or other authorization obtained from another local jurisdiction.

Status: Introduced 2/16/18

**AB 1741 (Bonta) Electronic Funds Transfer**

Sales and Use Tax Law authorizes, before January 1, 2022, a person issued a seller's permit for a place of business that is a dispensary, as defined in the Medical Cannabis Regulation and Safety Act, which was repealed, to remit amounts due for retail sales at the dispensary by a means other than electronic funds transfer. This bill, until January 1, 2022, would instead authorize a person licensed under MAUCRSA, whose estimated tax liability averages \$10,000 or more per month, to remit amounts due by a means other than electronic funds transfer if the board deems it necessary to facilitate collection of amounts due.

Status: Introduced 1/03/18