

San Francisco Cannabis State Legalization Task Force  
**Issue Brief #7 – Cannabis Legalization Landscape and California State  
Regulatory and Legislative Updates**

## INTRODUCTION

The purpose of the Cannabis State Legalization Task Force, created by the San Francisco Board of Supervisors via Ordinance in July 2015, is “to advise the Board of Supervisors, the Mayor, and other City departments on matters relating to the potential legalization of cannabis so that the City's policymakers are fully prepared to address the policy questions through legislation, administrative actions, and otherwise, following the adoption of a State law.”

Currently in Year II of its active period, the Task Force is in the process of discussing various policy issues related to adult use cannabis legalization and developing cannabis legalization recommendations for consideration by San Francisco’s policymakers. To assist the Task Force in this process, this issue brief tracks research related to the cannabis legalization climate nationally, in California, and in other states that have legalized cannabis for adult use since the release of Issue Brief #6 in February 2017. It also provides California cannabis-related legislative updates and follows the organizational structure of the San Francisco Cannabis State Legalization Task Force Year I Report recommendation categories: (1) Public Safety and Social Environment; (2) Land Use and Social Justice; and (3) Regulation and City Agency Framework.

## SECTION I. NATIONAL CANNABIS LANDSCAPE

### Potential Impact of the Presidential Administration

**Recent statements from the U.S Attorney General and White House Press Secretary suggest a potential shift in federal cannabis law enforcement efforts. A recently established Department of Justice crime reduction task force is charged with evaluating cannabis enforcement policies by July 2017.**

As discussed in Issue Brief #6 (February 2017), the legal status of medical and adult use cannabis in California and other states represents a conflict between federal and state law, since cannabis remains a Schedule I substance<sup>a</sup> under the Controlled Substances Act (CSA) and is therefore illegal to possess or use under federal law. The federal Department of Justice's (DOJ) current enforcement guidance (i.e. 2013 Cole Memorandum<sup>b,1</sup>) for states with cannabis legalization laws prioritizes enforcement of these federal laws in states that do not build regulatory systems that follow the guidance.<sup>2</sup>

This federal approach may change as the Trump Administration establishes its drug enforcement priorities. As noted in the previous issue brief, during his 2016 presidential campaign, President Trump indicated support for medical cannabis, initial opposition to the legalization of adult use cannabis, and subsequent support for states' right to legalize adult use cannabis.<sup>23</sup>

#### *Shift in Department of Justice Stance on Cannabis Legalization*

While President Trump has not formally announced a position on cannabis since taking office, recent statements from members of his Administration suggest a potential shift away from the DOJ enforcement priorities of the Obama Administration. In February 2017, White House Press Secretary Sean Spicer stated that there would be "greater enforcement" of federal drug laws in general under the Trump Administration. He specifically noted that federal enforcement would not target medical cannabis use, leaving open the possibility that adult use cannabis activities may be subject to increased federal enforcement measures.<sup>4</sup>

Attorney General Jeff Sessions provided further detail later in February 2017 through media reports, indicating that the DOJ would adopt "responsible policies" for enforcement of federal cannabis laws, and that the agency was reviewing its enforcement guidance for states with cannabis legalization laws. Media reports did not specify whether this review would distinguish between medical and adult use cannabis activities. In March, 2017, media reported that Attorney

<sup>a</sup> The Controlled Substances Act defines Schedule I substances as those with "no currently accepted medical use and a high potential for abuse." 21 U.S.C. § 802(6).

<sup>b</sup> See previous issue briefs for more information about the Cole Memorandum and related Financial Crimes Enforcement Network (FinCEN) guidance from the federal government.

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General Sessions suggested that benefits of medical cannabis may be overstated.<sup>5,6,7</sup> Media reports also reference a statement from Attorney General Sessions that cannabis distribution remains “a violation of federal law... whether a state legalizes it or not.”<sup>8</sup>

On April 5, 2017, Attorney General Sessions issued a memorandum to U.S. Attorneys’ Offices announcing the creation of subcommittees on the Department of Justice’s Task Force on Crime Reduction and Public Safety. President Trump established the Task Force via Executive Order in February, 2017, and according to the aforementioned Sessions memorandum, the subcommittees will review existing federal cannabis enforcement policies by July 2017 to “ensure consistency with the Department’s overall strategy on reducing violent crime and with Administration goals and priorities.”<sup>9,10</sup> Attorney General Sessions appointed Steven H. Cook, a federal prosecutor and former police officer, to lead the Task Force.<sup>11</sup> According to media reports, law enforcement officials state that Attorney General Sessions and Mr. Cook are preparing to prosecute more drug cases and pursue mandatory minimum sentences, which are reminiscent of the “war on drugs” era of the 1980s and 90s that criminal justice reform advocates note has disproportionately impacted minority communities.<sup>12</sup>

### *Anticipated Direction of the Office of National Drug Control Policy*

According to media reports, as of April 26, 2017, President Trump was considering nominating Congressman Tom Marino (R-Pennsylvania) to direct the Office of National Drug Control Policy (ONDCP),<sup>c</sup> which advises the President on drug policy and coordinates national and international drug control efforts.<sup>13</sup> The appointment would require Senate confirmation.

Congressman Marino has indicated limited support for states’ rights to legalize medical cannabis, and has voted against legislation that would protect or expand the use of medical cannabis. According to media reports from October 2016, Congressman Marino stated that he would consider legalizing cannabis in pill form if recommended by an “in depth-medical scientific study.”<sup>14</sup> In the past, Congressman Marino has opposed legislation relating to legalized medical cannabis. He voted against the Rohrabacher-Farr Amendment, which prevents the Department of Justice (DOJ) from allocating federal funds to prosecute medical cannabis businesses, and against a bill to allow the Veterans Administration to prescribe medical cannabis to patients in states that had legalized it.<sup>15, 16</sup>

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<sup>c</sup> On May 4, 2017, Congressman Marino withdrew himself from consideration for the Director of the Office of National Drug Control Policy for personal reasons. As of May 10, 2017, President Trump had not yet indicated other individuals who may be considered for this position. Please see: Nelson, Steve. (2017, May 3). “Trump Won’t Appoint Tom Marino to Be Drug Czar.” *U.S. News and World Report*. Retrieved from: <https://www.usnews.com/news/articles/2017-05-03/trump-wont-appoint-tom-marino-to-be-drug-czar>

## Requests to the Department of Justice from state Senators and Governors

**In separate letters to the Department of Justice, eleven state senators and four governors from states that have legalized adult use cannabis requested the preservation of previous guidance regarding DOJ cannabis law enforcement priorities.**

On March 2, 2017, eleven U.S. senators submitted a letter to Attorney General Jeff Sessions requesting that the DOJ uphold the guidance outlined in the 2013 Cole Memorandum and allow states to implement medical and adult use cannabis laws.<sup>17</sup>

On April 3, 2017, two days prior to Attorney General Sessions' memorandum establishing task force subcommittees to review cannabis enforcement policy, Governors Kate Brown of Oregon, John Hickenlooper of Colorado, Jay Inslee of Washington, and Bill Walker of Alaska submitted a letter to Attorney General Jeff Sessions and Secretary of the Treasury Steve Mnuchin, underscoring the importance of the Cole Memorandum and the related Financial Crimes Enforcement Network (FinCEN) guidance. They urged the federal government to engage with them in the decision-making process with respect to federal cannabis policy.<sup>18</sup>

## Federal Legislative Update

**Thirteen federal bills have been introduced with provisions that would address discrepancies between state and federal cannabis laws.**

In February 2017, Representatives Dana Rohrabacher (R-California), Earl Blumenauer (D-Oregon), Don Young (R-Alaska), and Jared Polis (D-Colorado) launched the Congressional Cannabis Caucus with the aim of producing legislation related to cannabis legalization and regulation.<sup>19</sup>

Thirteen federal bills are active as of April 26, 2017, that contain provisions addressing discrepancies between state and federal cannabis laws. The Congressional Cannabis Caucus as a whole has not yet indicated its position on these bills, though members of the Caucus have authored several of them.<sup>20</sup>

The following is a summary from a media report of the potential impacts of these federal bills:<sup>21</sup>

- 1) Add criminal protections: Currently, federal authorities can criminally prosecute cannabis consumers and seize the assets of cannabis-related businesses. According to the proposed bills, cannabis users in compliance with their state's cannabis laws would not be subject to federal arrest or fines, cannabis businesses would not be subject to federal raids and

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seizure of assets, and cannabis consumption in states where cannabis is legal could not be used to justify deportation or denial of entry to the country.

- 2) Create banking pathways: Currently, offering banking services to the cannabis industry could expose banks to criminal liability. The proposed bills would insulate banks and credit card companies that provide services to the cannabis industry from federal criminal charges on those grounds.
- 3) Expand research opportunities: Currently, researchers who wish to study medical cannabis face what they perceive to be lengthy approval wait times, costly security measures, and review processes that they feel “stifle the number and quality of studies.” The proposed bills would address these concerns and make medical cannabis more accessible for research purposes.
- 4) Remove tax restrictions: Currently, IRS tax rule 280E prohibits businesses that work with Schedule I or II substances from claiming tax deductions and credits for expenses (e.g., rent, utilities or advertising). The proposed bills would make an exception for cannabis businesses.
- 5) Remove criminal records: The bills would provide that individuals with a federal charge for a cannabis-related activity or possession of an ounce or less of cannabis in states with legalized cannabis could petition to have their records cleared. This is similar to a provision under Proposition 64 which applies to clearing records related to state-based charges.
- 6) Access to federal benefits: Currently, people in states with legalized cannabis are subject to drug tests for cannabis when applying for a federal job and can be denied access to benefits such as subsidized housing and financial aid due to minor cannabis offenses. The proposed bills would remove these restrictions and allow Veteran Affairs clinics to recommend medical cannabis to veterans.

## SECTION II. RESEARCH UPDATES TO YEAR I REPORT

### UPDATES BY RECOMMENDATION CATEGORY

The following sections include research updates to the cannabis landscape across the Task Force's Year I recommendation categories: (1) Public Safety and Social Environment; (2) Land Use and Social Justice; and (3) and Regulation and City Agency Framework. The updates focus on recent legalization implementation information from California, Colorado, and Washington relevant to the work of the Task Force.<sup>d</sup>

### 1. PUBLIC SAFETY AND SOCIAL ENVIRONMENT

#### PUBLIC SAFETY CONSIDERATIONS

##### California

**High levels of potentially toxic pesticides were reported in legal medical cannabis from dispensaries in Southern California. Media reports that the State Bureau of Medical Cannabis Regulation will craft regulations to address consumer safety by January 2018.**

According to media reports, media investigations and sample testing of cannabis from 15 Southern California dispensaries in February 2017 indicated high levels of potentially toxic pesticides: 93 percent (41 out of 44 samples from dispensaries in Los Angeles, Orange, San Bernardino and Riverside Counties) tested positive for pesticides above the allowable limits in Oregon, Washington, Massachusetts and Nevada. While California does not currently regulate the use of pesticides in cannabis, Lori Ajax, Director of California's Bureau of Marijuana Control, noted in a media report the importance of pesticide testing as part of the State's regulatory scheme, noting that such regulations would be in effect by January, 2018.<sup>22,23</sup>

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<sup>d</sup> The updates in this issue brief focus primarily on recent legalization implementation information from Colorado, Washington and Oregon relevant to the work of the Task Force, since more information is readily available for those states.

## Oregon

### **A bill recently passed in Oregon prohibits cannabis retailers from retaining identification information of consumers.**

Oregon Senate Bill 863, signed into law by Governor Kate Brown on April 19, 2017, prohibits cannabis retailers from retaining identification information of consumers.<sup>24</sup> Retailers may collect personal information from consumers who wish to receive promotions, but may not distribute this information to third parties.<sup>25</sup> Colorado, Alaska, and Washington have enacted similar laws.<sup>26</sup> According to media reports, in some instances, cannabis retailers collect personal information such as names, birthdates, and addresses from customers without their consent or knowledge and use it for marketing and customer service purposes, which may potentially expose cannabis consumers to federal prosecution should the Department of Justice's enforcement priorities change.<sup>27</sup> The recently enacted law in Oregon aims to address these concerns.

## **SOCIAL ENVIRONMENT CONSIDERATIONS**

### **A. PUBLIC CONSUMPTION**

#### *Colorado*

Colorado Senate Bill 17-184 is currently moving through the legislature and has amended previous private cannabis clubs provisions, which would have permitted local jurisdictions that have authorized cannabis clubs, as Denver did in November 2016, to operate them under certain parameters.<sup>28,29,30</sup> According to media reports, Colorado Governor John Hickenlooper expressed concern about the bill, indicating a strong preference for it to disallow indoor cannabis smoking and citing the adverse health effects of smoking and the risk of federal intervention.<sup>31</sup>

The current bill continues to authorize local governments to allow cannabis "consumption locations" that restrict access to the public, for example by age, in order to prevent youth access, but removes the aforementioned parameters included in the original bill. It also explicitly prohibits open and public consumption of cannabis, which is defined as cannabis consumption in any "place to which the public or a substantial number of the public has access."<sup>32</sup>

### **B. YOUTH ACCESS AND EXPOSURE**

Research for this Issue Brief did not reveal updated information on this topic as of April 26, 2017.

## C. TOURISM AND HOSPITALITY

Research for this Issue Brief did not reveal updated information on this topic as of April 26, 2017.

## 2. LAND USE AND SOCIAL JUSTICE

### LAND USE

Research for this Issue Brief did not reveal updated information on this topic as of April 26, 2017.

### SOCIAL JUSTICE

#### Oakland, California – Oakland Equity Program

**In the most recent version of City’s medical cannabis licensing scheme, the Oakland City Council removed a three-year Oakland residency requirement and made further amendments in response to concerns that the original equity programs’ eligibility requirements would exclude people of color with existing access to the medical cannabis industry.**

As described in the Year I report, previous medical cannabis licensing ordinances in Oakland, California, state that cannabis law enforcement policies have had a disproportionate effect on communities of color, and that individuals arrested or previously incarcerated for cannabis-related offenses experience difficulty in securing employment, financial aid and other benefits. To address these concerns, the ordinances originally established the Dispensary Equity Permit Program and the Cultivation, Manufacturing, Distribution, Testing and Transporting Equity Permit Program to “provide equity in ownership in the cannabis industry” in all aspects of the supply chain.<sup>33</sup>

As noted in the Task Force Year I report, media coverage on this issue reported stakeholder concerns that the equity programs’ eligibility requirements were too narrow, excluding people of color that already had access to the medical cannabis industry but would not meet the ordinance’s qualifications. In light of that, the Oakland City Council called for amendments to the equity programs’ provisions, also requesting a comprehensive analysis from Oakland’s Department of Race and Equity to inform the amendments.<sup>e</sup>

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<sup>e</sup> See Year I report, pages 47-48 for more information.

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### *Race and Equity Analysis and Recommendations*

The aforementioned race and equity analysis was published in February, 2017, and recommended that medical cannabis permits be issued to individuals who:<sup>34</sup>

- earn an annual income at or less than 80 percent of the city's Average Medium Income (AMI) adjusted for household size; and
- have lived for at least five of the last ten years in any combination of a set of Oakland police beats that have been disproportionately impacted by cannabis enforcement laws; or
- were arrested in Oakland and convicted for a cannabis-related offense after November 5, 1996.

In addition to receiving priority access to permits, the report also recommended that equity program applicants in cannabis businesses be eligible for assistance such as zero-interest business loans, technical assistance and permitting fee waivers.<sup>35</sup>

### *Equity Program Amendments and Final Passage*

The City Council reviewed and considered the aforementioned analysis and recommendations, as well as stakeholder feedback, and the final eligibility criteria adopted as part of the final amended ordinance in late March, 2017, requires that at least fifty percent of the available permits be awarded to equity program applicants who:<sup>36</sup>

- are Oakland residents;
- earn an annual income at or less than 80 percent of the city's Average Medium Income (AMI) adjusted for household size; and
- have lived for at least ten of the last twenty years in any combination of the 19 Oakland police beats that, according to the ordinance, have been disproportionately impacted by cannabis enforcement laws; or
- were arrested and convicted for a cannabis-related offense committed in Oakland after November 5, 1996.

A previous version of the ordinances instituted a residency requirement for general medical cannabis license applicants. Such applicants would have needed to demonstrate Oakland residency for at least the prior three years. Media reported concern among stakeholders that the requirement would exclude existing businesses and raises legal questions. After further deliberation, the Oakland City Council removed this requirement.<sup>37,38,39</sup>

### *Social Justice-Focused Medical Cannabis Taxation Priorities*

The City Council also passed a related resolution in March, 2017, establishing budgetary priorities for medical cannabis city taxes, and directs the City Administrator to allocate 20% of these taxes in the below areas:<sup>40</sup>

- one-third for job training and other job-preparation and placement services;

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- one third for blight abatement, prevention and cleanup of illegal dumping, graffiti abatement and services for homeless persons;
- one third to fund loans for lower-income, under-served persons or entities who seek to open, or to continue operating, medical marijuana dispensaries or cultivation facilities in the City's jurisdiction, in compliance with the City's medical cannabis licensing ordinances.

### 3. REGULATION AND CITY AGENCY FRAMEWORK

#### Licensing

**Two bills recently approved by the Colorado State Legislature aim to restrict the illicit cannabis market by limiting the number of plants that can be grown in residential areas and prohibiting individuals from growing cannabis on behalf of others. Another bill approved by the Colorado Senate would allow the state licensing authority to reclassify retail cannabis licensees as medical cannabis licensees to avoid federal enforcement action.**

#### *Colorado*

Media reports that law enforcement and state lawmakers in Colorado partly attribute the persistence of the illicit market to weak cannabis cultivation restrictions.<sup>41</sup> Since the publishing of the previous issue brief, Colorado has passed two cannabis-related bills to address this concern. First, the Colorado State Legislature passed House Bill 17-1220 on March 31, 2017, which reduces the limit on the number of cannabis plants that can be possessed or grown on one residential property from 99 to 16 plants.<sup>42</sup> The Colorado State Legislature also passed House Bill 17-1221 on April 10, 2017, which prohibits individuals from growing medical or adult use cannabis on behalf of another individual unless that person is the individual's primary caregiver. In addition, the bill allocates \$6 million a year in cannabis tax revenues towards grants for local law enforcement agencies to investigate illegal cannabis growing operations.<sup>43</sup>

The Colorado Senate passed Senate Bill 17-192 on April 12, 2017, which would allow the state licensing authority to reclassify retail cannabis licensees as medical cannabis licensees "due to a change in local, state, or federal law or enforcement policy." The media reports that this reclassification may help prevent federal seizure of the cannabis plants/product if the Department of Justice enforces federal cannabis policy against adult use, but not medical cannabis, businesses. The bill is currently moving through the state legislative process.<sup>44, 45</sup>

## Taxation and Revenue

**Lawmakers in Washington seek to protect its cannabis industry from potential federal action by prohibiting the use of public resources to assist the federal government in any activity that might interfere with state revenue allocated for cannabis regulation.**

### *Washington*

Introduced in February 2017, Washington House Bill 2124 would prohibit the use of public resources to assist the federal government in any activity that might impact the state's budget allocations towards cannabis regulation."<sup>46</sup> Additional bill information and analyses were not available as of the publishing of this issue brief.

### Agency Oversight

Research for this Issue Brief did not reveal updated information on this topic as of April 26, 2017.

## **SECTION III. CALIFORNIA STATE REGULATORY AND LEGISLATIVE CANNABIS UPDATES**

The information presented below is current as of April 26, 2017, and will be updated as bills move through the State legislative process for the 2017 session. The bills are also summarized in Attachment A included in this document.

### **STATE REGULATORY UPDATES**

#### **STATE CANNABIS BANKING WORKING GROUP**

The Cannabis Banking Working Group (CBWG),<sup>47</sup> convened by State Treasurer John Chiang, met most recently in May 2017 to continue discussions about banking challenges for the cannabis industry due to the conflict between state and federal cannabis policy, and to identify potential solutions to these challenges. According to a statement from Chiang in a media report, ideas discussed by the CBWG include the creation of small “public banks” for the cannabis industry that are independent from the Federal Reserve, and for states in which cannabis is legal to combine their efforts with private entities and other states to get further clarification about changes to federal policy.<sup>48</sup>

#### **BUREAU OF MARIJUANA CONTROL<sup>f</sup>**

On February 10, 2017, the Bureau of Marijuana Control announced that it is accepting applications for the Cannabis Advisory Committee, which would advise the Bureau and other licensing authorities—the California Department of Food and Agriculture and the California Department of Public Health—on regulations for medical and adult use cannabis to protect public health and safety as well as reduce the illicit market.<sup>49</sup>

#### **CANNABIS REGULATION BUDGET TRAILER BILL**

On April 4, 2017, California Governor Jerry Brown’s Administration released a budget trailer bill aimed at aligning the medical and adult use cannabis regulatory frameworks in the Medical Cannabis Regulatory and Safety Act (MCRSA) and Proposition 64.<sup>50</sup> According to media reports, if approved by a two-thirds vote of the Legislature, the budget trailer bill would provide a framework for the State Bureau of Marijuana Control to draft regulations that are reflective of the trailer bill language.<sup>51</sup> Through this bill, the Brown Administration seeks to create a clear regulatory structure and eliminate ambiguity in the medical and adult use cannabis laws, while maintaining them as separate license category types and regulatory schemes.

The following summary identifies key differences between Proposition 64 and MCRSA and solutions proposed by the Administration in the budget trailer bill:

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<sup>f</sup> Previously named the Bureau of Medical Cannabis Regulation.

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- ***Dual State and Local Licensing***

MCRSA and Proposition 64 differ with respect to the entity responsible for confirming cannabis businesses' compliance with local ordinances and licensure regulations. According to the budget trailer bill, it would not be possible for the State to independently verify a licensee's compliance with local cannabis laws.

The Administration's proposed solution maintains county and municipal authority over local zoning and licensure compliance, proposing that localities submit all relevant cannabis-related ordinances and regulations to State licensing authorities and identify a local contact person available to resolve questions about applicants and provide updates on local regulations. An applicant may voluntarily provide copies of local permits and/or other documents verifying local compliance, and is required to submit a programmatic Environmental Impact Report in jurisdictions where local permits are not issued.

- ***Vertical Integration***

MCRSA and Proposition 64 differ with regard to vertical integration restrictions across the supply chain, specifically with respect to the number and type of licenses a cannabis applicant may hold.

The Administration proposes to allow vertically integrated licensing for both adult use and medicinal cannabis, providing the rationale that overly restrictive vertical integration stifles new business without improving public and consumer safety. The trailer bill maintains Proposition 64's restrictions to limit monopolies and over-concentration of licenses in geographic areas. It also specifies that a testing licensee cannot hold a license or ownership interest in any other license category.

- ***Distribution***

MCRSA and Proposition 64 differ with regard to the role of the distributor and the types of additional licenses a distributor may hold.

Consistent with the trailer bill's aforementioned approach to vertical integration, the Administration proposes an open distribution model that allows a business to hold multiple licenses, including a distribution license. To ensure integrity of testing, all distributors must arrange for an independent, licensed testing laboratory to test the cannabis or cannabis product.

- ***Ownership***

MCRSA and Proposition 64 differ in their definition of ownership (i.e. percent interest in a business).

The Administration's budget trailer bill defines an owner as having at least 20 percent ownership, or any person with the power to impact management decisions. It proposes that all owners under this definition pass a background check. Only one owner can be designated as the applicant for licensing purposes. In addition, with the exception of publicly traded companies, licensees must disclose the identity of all investors to

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licensing authorities.

- ***Cultivation Limits***

MCRSA, but not Proposition 64, limits the number of medium size (Type 3) cultivation licenses that can be issued.

In furtherance of the intent of Proposition 64 to prevent illegal production and avoid illegal diversion to other states, the administration proposes to limit the number of Type 3 licenses consistent with MCRSA.

- ***Microbusiness***

Proposition 64 establishes a microbusiness license type, authorized to engage in activities in four market sectors: cultivation, manufacturing using non-volatile solvents, distribution, and retail. Under Proposition 64, microbusinesses required a license application review from the Bureau and not other agencies.

To protect public health and safety as well as ensure compliance with State environmental laws, the budget trailer bill proposes that the California Department of Food and Agriculture and the Department of Public Health also review microbusiness license applications. The Administration further specifies that the licensing authorities shall establish a process to ensure that microbusiness applicants and licensees can demonstrate compliance with all legal requirements for the activity or activities they conduct.

- ***Environmental Protections***

MCRSA and Proposition 64 differ in their environmental protection requirements due to California Senate Bill 837 (SB 837), which clarified the roles of State environmental entities and their coordination activities with the California Department of Food and Agriculture before a cultivation license is issued.

The Administration proposes conforming to the environmental protection requirements outlined in SB 837.

- ***Appeals Panel***

Proposition 64 establishes a Marijuana Control Appeals Panel (Panel), consisting of three members appointed by the Governor and subject to confirmation by the Senate. Under this structure, any applicant or licensee can appeal to the Panel to review a penalty, license issuance, denial, or other adverse action by any of the licensing authorities with respect to an adult use license.

The Administration's budget trailer bill recognizes the Panel and proposes extending its authority to all licensing decisions – both medical and adult use. Further, an applicant or licensee would be able to appeal a Panel decision directly to the Court of Appeals, similar to the Alcoholic Beverage Control Appeals Board process.

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- ***Appellation***

Appellation of origin is a legally-defined and protected geographic indication commonly used in the wine and food industries. Appellations are typically determined by the federal government, but the federal government will not establish appellations of origin for cannabis due to its status as a controlled substance. MCRSA and Proposition 64 initiate development of cannabis appellations of origin at the State level, but authorize different State authorities to direct the appellation process.

The Administration's budget trailer bill assigns the responsibility of establishing appellation of origin to the California Department of Food and Agriculture and sets a deadline of January 1, 2020, to accomplish this.

- **State-Issued Medicinal Identification Cards**

In 2003, Senate Bill 420 established a voluntary identification card system and registry maintained by the Department of Health Care Services for patients with a doctor's recommendation to use medical cannabis. The card was intended as a defense for the cardholder against arrest and prosecution for possession, transportation, and cultivation of cannabis. However, according to the trailer bill, approximately 80 percent of cannabis patients do not currently use medicinal cannabis identification cards, and the identifying information on the cards (patient's photo and county name) is too limited to effectively confirm the cardholder's identity.

The Administration proposes to eliminate state-issued medicinal ID cards and instead provides counties with the authority to issue local cards.

Media reports have noted stakeholder opposition to specific provisions in the trailer bill. For example, some state legislators and law enforcement officials have expressed concern about the budget trailer bill's removal of the Proposition 64 provision that requires cannabis businesses to obtain a local permit from the city or county in which they are located prior to obtaining a license from the state.<sup>52,53</sup> Media also reports that some union representatives expressed concern that the vertical integration provision of the budget trailer bill, which allows cultivation, manufacturing, and retail businesses to also hold distribution licenses, could make the cannabis industry susceptible to large corporate control of multiple levels of the cannabis industry.<sup>54</sup> Drug reform advocacy organizations expressed support for this provision, stating that such "open distribution" would facilitate access to the cannabis market for small and medium-sized businesses.<sup>55</sup> Media also reported concerns from cannabis industry that the requirement for an independent distributor could increase the cost of cannabis and may thus make the illicit market more appealing to consumers.<sup>56</sup>

## STATE LEGISLATIVE UPDATES

### 1. PUBLIC SAFETY AND SOCIAL ENVIRONMENT

#### PUBLIC SAFETY

- ***Senate Bill 698 – Driving under the influence: legal limits***

Currently, it is illegal to drive while under influence of alcohol or drugs when the person is impaired and cannot operate a vehicle. Aside from alcohol (.08 percent threshold), no legal blood content thresholds for impairment currently exist for drugs, including cannabis.

Senate Bill 698 specifies that it would be illegal for a person to drive a vehicle with a blood concentration level between 0.04 percent and 0.07 percent of alcohol and whose blood also contains any controlled substance or 5 ng/ml or more of THC. Upon first violation of these parameters, an individual would be subject to an infraction, and subsequent violations would be punishable as misdemeanors.<sup>57</sup>

- ***Senate Bill 65 – Driving under the influence: penalties***

According to media reports, there is ambiguity in the language of Proposition 64, which prohibits having an open container of cannabis in a motor vehicle and driving while under the influence of cannabis, but does not prohibit using cannabis while driving.<sup>58, 59</sup>

Senate Bill 65 address this concern by specifying that smoking and/or ingesting cannabis or cannabis products while driving or riding as a passenger in a motor vehicle on a highway or other specified lands is punishable as an infraction. The court may also order a defendant to attend and complete a State-licensed driving-under-the-influence program in addition to those penalties.

Senate Bill 65 would also provide criminal punishment for underage cannabis use while driving: a person under 21 years of age with any detectable quantity of THC in his/her body would be subject to a license suspension for no less than 1 year.<sup>60</sup>

According to media reports, Senate Bill 65 may be easier to enforce than other attempts to regulate driving under the influence of cannabis because it is a relatively straightforward process to determine whether or not a person is actively smoking and/or ingesting a substance.<sup>61</sup> Media reports also indicate that Santa Clara County District Attorney Jeff Rosen supports this bill.<sup>62</sup>

#### SOCIAL ENVIRONMENT

##### A. Public Consumption

- Research for this Issue Brief did not reveal legislative updates on this topic as of April 26, 2017.

## B. Youth Access and Exposure

- ***Assembly Bill 350 – Cannabis edibles: product design***

Proposition 64 prohibits the sale of cannabis products that are designed to appeal to children or can be easily confused with commercially sold candy or foods that do not contain cannabis.<sup>63</sup>

Assembly Bill 350 further specifies criteria by which a product would be prohibited by the aforementioned provision. Any cannabis product will be deemed appealing to children or easily confused with commercially sold candy if it is in the shape of a person, animal, insect, fruit, or in another shape normally associated with candy. The bill would not prohibit a licensee from making an edible cannabis product in the shape of the licensee's logo.<sup>64</sup>

- ***Senate Bill 663 – Cannabis products: packaging and labeling***

Similar to AB 350 above, Senate Bill 663 specifies that a package or label of cannabis or cannabis products is deemed to be attractive to children if it has specific characteristics, including, among others, resembling any candy, snack food, baked good, or beverage that does not contain cannabis and that is already on the market.<sup>65</sup>

## C. Tourism and Hospitality

- Research for this Issue Brief did not reveal legislative updates on this topic as of April 26, 2017.

## 2. LAND USE AND SOCIAL JUSTICE

- Research for this Issue Brief did not reveal legislative updates on this topic as of April 14, 2017.

## 3. REGULATION AND CITY AGENCY FRAMEWORK

### Regulation

- ***Senate Bill 175 – Cannabis county of origin: marketing and advertising***

MCRSA and Proposition 64 prohibit the use of the name of a California county in the labeling, marketing, or packaging of medical or adult use cannabis products unless the cannabis contained in the product was grown in that county.

Senate Bill 175 specifies that prohibitions against using a county name unless the cannabis was grown there also apply to the advertising of cannabis and include the use of any similar sounding name that is likely to mislead consumers as to the origin of the product.<sup>66</sup>

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According to media reports, the bill aims to address concerns of farmers in the State's Emerald Triangle, who fear cannabis business will attempt to use their branding to advertise products that did not originate there and bolster sales.<sup>67</sup> The bill is authored by State Senator Mike McGuire, who, in media reports, compared the concerns this legislation addresses to similar labeling issues that were experienced by the wine industry in the past.<sup>68</sup> Humboldt County, which forms part of the Triangle, established a county of origin seal last year as part of its pilot track and trace program.<sup>69</sup> In another county in the Emerald Triangle –Mendocino, officials are exploring the creation of a county of origin stamp of approval that certifies that the cannabis was grown according to standards similar to those required for USDA organic certification.<sup>70</sup>

- ***Assembly Bill 175 – Adult use cannabis: packaging and labeling***  
Assembly Bill 175 requires the cannabis product manufacturer to submit all packaging for adult use cannabis to the Bureau of Marijuana Control for approval, and requires the Bureau to determine whether packaging and labels are in compliance with Proposition 64's provisions.<sup>71</sup>

### Licensing

- ***Assembly Bill 64 – Dispensary licensing, advertising, and public safety funding***  
Assembly Bill 64 provides that all licenses operating under MCRSA may operate as for profit or not for profit, and allowing the State to license non-storefront dispensaries or retailers selling from fixed locations that do not have physical public access for customers. Cannabis delivery services would also need licenses from the cities in which their facilities were located.<sup>72</sup>

The bill also clarifies the provisions of a microbusiness license, stating that this license only authorizes the distribution of cannabis or cannabis products produced at the licensed cultivation or manufacturing sites of the microbusiness licensee and sold at licensed retail establishments under the exclusive control of the microbusiness licensee. Further, the bill requires that a State licensing authority determine whether an applicant for a State license is in compliance with local adult use cannabis business regulations.

Proposition 64 prohibits cannabis advertisements on interstate highways crossing the border into California. Assembly Bill 64 extends these provisions, prohibiting advertising or marketing for medical and adult use cannabis and cannabis products on all interstate and state highways. According to media reports, Assemblyman Rob Bonta, one of the bill's sponsors, has stated that the bill is intended to ensure that advertising targets the legal cannabis consumers, adults and patients, and does not also reach youth.<sup>73</sup>

Assembly Bill 64 also revises existing law in order to provide for separate offenses for a person who is under the influence of cannabis, alcohol and cannabis together, a drug other than cannabis, or alcohol and a drug other than cannabis.

Currently, California adheres to federal laws that do not include medical and adult use

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cannabis under the Model State Trademark Law, which provides for the registration of trademarks and service marks. Assembly Bill 64 extends the Model State Trademark Law to legal medical and adult use cannabis products.

Finally, Assembly Bill 64 provides that the state will advance a \$3 million loan to the California Highway Patrol (CHP) to begin developing protocols to determine if a driver is operating a vehicle while impaired.<sup>74</sup>

- ***Senate Bill 311 – Medical and adult use cannabis: quality assurance testing by a licensee***

Currently, a licensee may perform testing on the licensee’s premises to assure product quality.

Senate Bill 311 authorizes a licensee to conduct, on that licensee’s premises, quality assurance testing of another licensee’s cannabis or cannabis products. The bill also specifies that onsite testing does not exempt the licensee from existing requirements of quality assurance testing by a distributor and testing laboratory.<sup>75</sup>

## Taxation and Revenue

- ***Assembly Bill 963 – Taxation***

Assembly Bill 963 specifies tax evasion penalties and appeals processes for the cannabis industry, including:

- Criminal penalties, including fines and imprisonment, for certain violations relating to cultivation and excise taxes. Funds from fines would be deposited into a Marijuana Tax Fines and Penalties Account of the Marijuana Tax Fund.
- Suspension or revocation of permits from the Board of Equalization (BOE). The BOE may deny a permit to an applicant who has previously had a permit suspended or revoked.

Beginning on July 1, 2018, Assembly Bill 963 would require a wholesaler, defined as a person that makes a distribution of cannabis or cannabis products to a retailer, to collect prepayments of any excise tax and sales tax on cannabis/cannabis products distributed. The bill authorizes the BOE to determine the method and manner for prepayment of the cannabis excise tax and for collection and remittance of the cultivation tax by wholesalers.

Under Proposition 64, persons with identification cards issued under the Medical Marijuana Program are exempt from sales and use taxes on retail sales of medical cannabis. Assembly Bill 963 specifies fines to be imposed on a purchaser who provides a seller with false identification. To facilitate identification card tracking, the bill requires the Department of Health Care Services to develop magnetic encoding or similar data capability for identification cards issued under the Medical Marijuana Program starting

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July 1, 2018. By January 1, 2019, every retailer would be required to use a sales tracking system through a compatible card reader, and county health departments are required to issue technologically compatible cards. Beginning July 1, 2019, the bill would limit the sales and use tax exemption to sales made to purchasers with encoded cards and tracked according to the sales tracking system.

Assembly Bill 963 would require the BOE to create a Cannabis Criminal Enforcement Team (CCET) whose primary purpose would be combating criminal tax evasion associated with cannabis, cannabis products, and cannabis accessories. Assembly Bill 963 outlines CCET membership categories, including representatives from the BOE, the Franchise Tax Board, the Employment Development Department, and state licensing authorities under Proposition 64 and the Medical Cannabis Regulation and Safety Act. The bill also authorizes information sharing to enable tax investigations and prohibits the disclosure of any confidential information received by, or reported to, the CCET. Funds in the Marijuana Tax Fines and Penalties Account or revenues derived from sales and use taxes would be made available to the CCET.<sup>76</sup>

- ***Senate Bill 148 – Cannabis State Payment Collection Law – collection of taxes and fees from businesses***

According to information from the Office of State Senator Scott Weiner, co-author of Senate Bill 148, the State Board of Equalization reports that up to 70 percent of cannabis businesses do not have access to legal banking systems.<sup>77</sup> As stated in Issue Brief #6, California Board of Equalization members have also noted the public safety considerations and tax collection challenges a cash-only system poses.<sup>78</sup>

To address the aforementioned concerns, Senate Bill 148 authorizes the BOE or a county to accept cash payments on behalf of State agencies. Approval by the board of supervisors and the county tax collector would be required for a county to collect such payments. Additionally, Senate Bill 148 would authorize a cannabis business to remit any amounts under the taxation provisions outlined in the law to the BOE by means other than electronic funds transfer, including cash. Beginning January 1, 2019, the bill would also require that the BOE accept cash as a form of payment from a cannabis business for any fee, tax, fine, penalty, interest, or any other charge that the business owes, and that the business would be authorized to remit cash payments to the BOE in at least 50% of its offices in each equalization district of the State, and 75% by January 1, 2020.<sup>79</sup>

- ***Assembly Bill 1410 – Taxation: cannabis cultivation tax***

Assembly Bill 1410 authorizes a distributor to collect cannabis cultivation taxes from the cultivator upon his or her request. Distributors must obtain a separate permit from the BOE in order to be authorized to collect a cultivation tax, and no fee can be charged to obtain this permit. Any tax collected by a distributor must be displayed separately from the price or value of harvested cannabis, or any other price or value displayed on receipts or documentation of the sale.<sup>80</sup>

## Agency Oversight

- *Assembly Bill 1578 – State and local cooperation with federal authorities*  
Assembly Bill 1578 prohibits State and local agencies from using agency funding, facilities, property, equipment, or personnel to assist a federal agency in investigating, detaining, detecting, reporting, or arresting a person for commercial or noncommercial cannabis or medical cannabis activity that is authorized by law in California, without a court order signed by a judge. The bill also prohibits State and local agencies from providing information about a person who has applied for a cannabis industry license in response to requests made for the purpose of investigating or enforcing federal cannabis law, without a court order signed by a judge. The bill also bars State and local agencies, without a court order, from transferring an individual to federal law enforcement authorities for purposes of cannabis enforcement.<sup>81</sup>

## Other

- *Senate Bill 5 – Federal rescheduling of cannabis from a Schedule I drug*  
Senate Bill 5 requests that U.S. Congress pass a law to reschedule cannabis and its derivatives from a Schedule I drug to an alternative schedule and requests that the President of the United States sign such legislation.<sup>82</sup>

## CONCLUSION

As is evident from the updates presented in this Issue Brief, the adult use cannabis landscape is dynamic and fast-moving. The Task Force will continue to closely monitor Proposition 64 implementation, including related legislative actions in California, as well as the experiences of states with legalized adult use cannabis laws prior to the November 2016 elections and the progress of the states that have more recently legalized adult use cannabis in their jurisdiction

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<sup>73</sup> Hecht, P. (2016, December 20). California bill could ban marijuana advertising on freeway billboards. *The Sacramento Bee*. Retrieved from <http://www.sacbee.com/news/state/california/california-weed/article122086729.html>

<sup>74</sup> Graswich, R. (2016, December 19). Legislature lines up medical, recreational rules. Retrieved from <http://calmarijuanapolicy.org/2016/12/legislature-lines-medical-recreational-rules.html>

<sup>75</sup> California State Legislature. (2017, February 13). Senate Bill 311. Retrieved from [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201720180SB311](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB311)

<sup>76</sup> California State Legislature. (2017, February 16). Assembly Bill 963. Retrieved from [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201720180AB963](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB963)

<sup>77</sup> Wiener, S. (2017, January 24). Senate Bill 148-Cannabis State Payment Collection Law. Retrieved from <http://www.boe.ca.gov/legdiv/pdf/SB148FactSheet.pdf>

<sup>78</sup> Ma, F. (Board of Equalization Member) (2015, October 6). Opinion: Colorado's Cannabis Industry Growing Pains Provide Lessons Learned for California. *Huffpost Politics*. Retrieved from [http://www.huffingtonpost.com/fiona-ma/colorados-cannabis-industry\\_b\\_8248272.html](http://www.huffingtonpost.com/fiona-ma/colorados-cannabis-industry_b_8248272.html)

Runner, G. Board of Equalization. (2015). Runner-Sponsored Resolution Urges Federal Government to Allow Bank Accounts for Medical Cannabis Industry [Press Release]. Retrieved from <http://www.boe.ca.gov/runner/media/RunnerCannabisBankReso062915.htm>

<sup>79</sup> California State Legislature. (2017, January 17). Senate Bill 148. Retrieved from [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201720180SB148](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB148)

<sup>80</sup> California State Legislature. (2017, April 4). Assembly Bill 1410. Retrieved from [http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201720180AB1410](http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB1410)

<sup>81</sup> California State Legislature. (2017, February 17). Assembly Bill 1578. Retrieved from [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201720180AB1578](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1578)

<sup>82</sup> California State Legislature. (2017, February 21). Senate Bill 5. Retrieved from [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201720180SJR5](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SJR5)

Attachment A – California Cannabis-Related Legislation  
Update #3 – as of May 3, 2017

**San Francisco Cannabis State Legalization Task Force**  
**California Cannabis-Related Legislation Update #3 - as of May 3, 2017**

**Guide to this Document**

**House/Type**

Refers to the house of introduction (A-Assembly, S-Senate) and item type (bill (B), joint resolution (JR), concurrent resolution (CR))

**Number**

Hyperlinks to the bill text on the CA Legislative Information website. Click to access.

**Author**

Primary author(s) of the bill as introduced.

**Subject**

Topic area of the bill, from the bill text.

**Date Introduced**

The date the bill was introduced to the legislature.

**Status**

Status includes current location (A-Assembly, S-Senate, and Committee), most recent hearing date (if available), and last amended date (if available).

**Summary**

A brief overview of the key provisions of the bill. Recent changes/amendments are in bold or strikethrough.

**Bill Notes/Other Org. Positions**

Information about bill sponsors, supporters and opposition.

Spot bill indicates that this bill has been introduced as a nonsubstantive placeholder while detailed provisions are being created.

**In Issue Brief**

Indicates whether the bill was included in the narrative portion of the attached issue brief (yes/no). Bills selected for inclusion were those most relevant to the Task Force recommendation topic areas and which had substantive content (not a spot bill) and contextual bill analysis information available at the time of issue brief preparation.

**Highlighted Bill (in yellow)**

Indicates completely or substantially new content (i.e. a revised spot bill, a bill revised to a different cannabis topic, or a bill on an unrelated topic amended to be cannabis-related).

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House/Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
AB	<a href="#">6</a>	Lackey	Driving under the influence: drugged driving task force.	12/5/16	Passed to Senate Amended: 3/21/17	This bill would require the Commissioner of the California Highway Patrol to appoint, and serve as the chair of, a drugged driving task force to develop recommendations for best practices, protocols, proposed legislation, and other policies that will address the issue of driving under the influence of drugs. One member of the Task Force shall be a representative of the medical cannabis industry. The bill would require the task force to examine the use of technology, including field testing technologies, to identify drivers under the influence of drugs, and would authorize the task force to conduct pilot programs using those technologies. The bill would require the task force to report to the Legislature its policy recommendations and the steps that state agencies are taking.	<p><b>Sponsors:</b> CA Police Chiefs Assn, CA Narcotics Officers' Assn</p> <p><b>Support:</b> Assn of Deputy District Attorneys, CA Assn of Code Enforcement Officers, CA College &amp; University Police Chiefs Assn, CA Peace Officers Assn, CA Sheriff's Assn, LA Deputy Sheriffs, Riverside Sheriffs Assn</p> <p><b>Oppose:</b> Drug Policy Alliance</p>	No
AB	<a href="#">62</a>	Wood	Public housing: Smoke-free policy	12/9/16	A - Appropriations Amended: 5/1/17	This bill would require all public housing agencies to implement a policy prohibiting the smoking of tobacco products in all public housing living units, interior areas, and outdoor areas within 25 feet of public housing and administrative buildings, except in designated smoking areas, by July 30, 2018. The bill would exempt dwelling units in a mixed-finance project from these provisions. The bill would encourage those public housing agencies to adopt a graduated enforcement framework for their smoke-free policies.	<p><b>Support:</b> Amer Assn Pediatrics, Amer Cancer Society CAN, Amer Heart Assn, Amer Lung Assn in CA, CAHealth Advocates, CA Public Health Assn North, Santa Monica, CHEAC, HOAC, (See full list online)</p> <p><b>Oppose:</b> ACLU of CA, CA NORML, Homeless Action Center, Legal Aid Found of LA and San Diego, Legal Services of NORCAL, Natl Housing Law Proj, Western Center on Law and Poverty (See full list online)</p>	No

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House/ Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
AB	<a href="#">64</a>	Bonta, Cooley, Jones- Sawyer, Lackey, and Wood	Cannabis: medical and nonmedical: regulation and advertising	12/12/16	A - Appropriations Amended: 4/5/17	<p>This bill would:</p> <ul style="list-style-type: none"> <li>- Specify that a dispensary, “producing dispensary”, or retailer license may be issued for non-storefront locations with no public physical access.</li> <li>- Specify that a microbusiness license does not authorize the distribution of cannabis/cannabis products except if produced at the licensed cultivation or manufacturing sites of the microbusiness and sold at the licensed retail establishments under the control of the microbusiness.</li> <li>- Prohibit advertising or marketing of medical and nonmedical cannabis and cannabis products on all interstate and state highways.</li> <li>- Require that the determination that an applicant for a state license is not compliant with a local cannabis ordinance or regulation to be based on a written or electronic notification provided to the licensing authority by the local jurisdiction in response to an inquiry from the authority.</li> <li>- Provide that the Model State Trademark Law, which provides for the registration of trademarks and service marks, extends to legal medical and nonmedical cannabis products.</li> <li>- Require the State to advance a \$3 million loan to the California Highway Patrol to begin work on developing protocols to determine when a drivers is operating a vehicle while impaired.</li> <li>- Recast provisions to provide for separate offenses for a person who is under the influence of cannabis or the combined influence of alcohol and cannabis and a person who is under the influence of a drug other cannabis or the combined influence of alcohol and a another drug.</li> <li>- Make it an infraction punishable by a fine not exceeding \$100 for a person to possess <i>any</i> cannabis (changed from not more than 1 oz) while driving a motor vehicle, unless the cannabis is appropriately stored.</li> <li>- Authorize collectives and cooperatives to operate for profit or not for profit. Would limit the protection for collectives and collaboratives operating for profit to those collectives and collaboratives that possess a valid seller’s permit from the State Board of Equalization and a valid local license, permit, or other authorization.</li> <li>- Appropriate moneys from the General Fund for enforcement against cultivation, dispensing, and manufacturing of cannabis products that are in violation of state or local laws and ordinances.</li> </ul>	<p><b>Support:</b> None on file.  <b>Oppose:</b> None on file.</p>	Yes

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House/ Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
AB	<a href="#">76</a>	Chau	Adult-use marijuana: marketing	1/4/17	A - Appropriations Amended: 3/28/17	<p>This bill would prohibit an operator of an Internet Web site, online service, online application, or mobile application from marketing or advertising any cannabis, cannabis product, or cannabis business to a person who is under 21 years of age if the operator has actual knowledge that a person under 21 years of age is using its Internet Web site, online service, online application, or mobile application, and if the marketing or advertising is specifically directed to that person based upon information including, but not limited to, the person's profile, activity, address, or location.</p> <p>The bill would prohibit an operator of an Internet Web site, online service, online application, or mobile application from knowingly using, disclosing, compiling, or allowing a third party to use, disclose, or compile, the personal information of a person under 21 with the actual knowledge that the use, disclosure, or compilation is for the purpose of marketing or advertising cannabis, cannabis products, or cannabis businesses to that person under 21.</p> <p>This bill would prohibit an operator of an Internet Web site, online service, online application, or mobile application directed to minors, from marketing or advertising any cannabis, cannabis product, cannabis business, or cannabis-related instrument or paraphernalia on its Internet Web site, online service, online application, or mobile application.</p>	<p><b>Support:</b> CA Children's Hospital Assn, CA Police Chiefs Assn, Youth Forward, Nurse-Family Partnership</p> <p><b>Oppose:</b> Weedmaps.</p>	No
AB	<a href="#">171</a>	Lackey	MCRSA: licensure: reporting	1/17/17	A - Appropriations	This bill would require a licensing authority to include in its annual report the number of conditional licenses issued.	<p><b>Support:</b> Santa Monica</p> <p><b>Oppose:</b> None on file.</p>	No

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House/ Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
AB	<a href="#">175</a>	Chau	Adult-use marijuana: marketing: packaging and labeling	1/17/17	A - Appropriations	This bill would require the cannabis product manufacturer to submit the packaging for adult use cannabis to the Bureau of Marijuana Control for approval and requires the bureau to determine whether the packaging and labels are in compliance with the provisions under Proposition 64.	<p><b>Sponsor:</b> AFSCME, Union of American Physicians and Dentists</p> <p><b>Support:</b> American College of ER Physicians, CA Police Chiefs Assn, CA State PTA, Common Sense Kids Action, Community Action, Service and Advocacy, Consumer Federation of CA, Los Angeles, Gatekeeper Innovation, Nurse-Family Partnership, Saving Lives Camarillo, Smart Approaches to Marijuana, Youth Forward</p> <p><b>Oppose:</b> None on file.</p>	Yes

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House/Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
AB	<a href="#">208</a>	Eggman	Deferred Entry of Judgment: Pretrial Diversion	1/23/17	A - Appropriations Amended: 3/8/17	This bill seeks to limit harsh consequences to immigrants by changing the current process for nonviolent, misdemeanor drug offenses from deferred entry of judgment (DEJ) to pretrial diversion. Would make the deferred entry of judgment program for specified drug-possession offenses into a pretrial diversion program. Would make a defendant qualified for the program if there is no evidence of another contemporaneous violation relating to narcotics or restricted dangerous drugs, the charged offense did not involve violence, there is no evidence within the past 5 years of another violation relating to narcotics or restricted dangerous drugs, and the defendant has no prior conviction for a serious or violent felony within 5 years prior. Under the pretrial diversion program created by this bill, a qualifying defendant would enter a plea of not guilty, and proceedings would be suspended in order for the defendant to enter a drug treatment program for 6 months to one year, or longer with good cause. The bill would require the court, if the defendant does not perform satisfactorily in the program or is convicted of specified crimes, to terminate the program and reinstate the criminal proceedings. The bill would require the criminal charges to be dismissed if the defendant completes the program.	<b>Sponsors:</b> ACLU, Drug Policy Alliance, Coalition for Humane Immigrant Rights, Immigrant Legal Resource Center, Mexican American Legal Defense and Education Fund <b>Support:</b> CA Attorneys for Criminal Justice, CA Public Defenders Assn, Human Impact Partners, Nat'l Assn of Social Workers	No
AB	<a href="#">238</a>	Steinorth	<b>Nonmedical Marijuana: manufacturing : volatile solvents in residential structures</b>	1/30/17	A - Health Hearing: 5/9/17 Amended: 4/18/17	<b>This bill would prohibit a manufacturing Level 2 licensee from manufacturing marijuana products using volatile solvents in a residential structure or on residential property.</b> <del>This bill would prohibit a distributor Type 11 licensee from denying employment to any individual on the basis that the applicant employs individuals who are or are not party to a collective bargaining agreement.</del>	<b>Support:</b> None on file. <b>Oppose:</b> None on file	No
AB	<a href="#">259</a>	Gipson	Medical cannabis and nonmedical marijuana: California residency requirement for licensing.	1/31/17	A - Appropriations Amended: 3/28/17	This bill would require a person to demonstrate 3 years of continuous California residency prior to the date of application before being issued a license under either AUMA or MCRSA.	<b>Support:</b> CA Cannabis Industry Assn <b>Oppose:</b> None on file.	No

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House/Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
AB	<a href="#">350</a>	Salas	Marijuana edibles: appealing to children.	2/8/17	A - Health Hearing: 5/9/17	This bill would specify that a marijuana product is deemed to be appealing to children or easily confused with commercially sold candy if it is in the shape of a person, animal, insect, fruit, or in another shape normally associated with candy, but would not prohibit a licensee from making an edible marijuana product in the shape of the licensee's logo.		Yes
AB	<a href="#">362</a>	Wood	Forestry Assistance Program: Loans	2/8/17	A - Appropriations Amended: 3/23/17	Existing law establishes the forestry assistance program which is required to encourage forest resource improvements and land management and creates the Timber Regulation and Forest Restoration Fund to be used for forest resources improvement grants and projects. This bill would allow funds to be used for loans. Existing loan to the Dept of Fish and Wildlife to address environmental damage resulting from cannabis cultivation remains unchanged.	<b>Support:</b> CA Licensed Foresters Assn, Pacific Forest Trust <b>Oppose:</b> None on file	No
AB	<a href="#">389</a>	Salas	Marijuana: consumer guide.	2/9/17	A - Appropriations	This bill would require the Bureau of Marijuana, by July 1, 2018, to establish and make available on its Internet Web site a consumer guide to educate the public on the regulation of medical and nonmedical marijuana.	<b>Support:</b> None on file. <b>Oppose:</b> None on file.	No
AB	<a href="#">416</a>	Mathis	Cannabis	2/9/17	A	This bill states the intent of the Legislature to enact legislation relating to CBD-enriched cannabis.	Spot bill	No
AB	<a href="#">420</a>	Wood	Marijuana and medical cannabis: advertisement : license number disclosure.	2/9/17	A - Appropriations	This bill would require an advertisement for the sale of medical or nonmedical cannabis or cannabis products to include, at a minimum, the license number of the licensee responsible for its content.	<b>Support:</b> CA Police Chiefs Assn, Santa Monica <b>Oppose:</b> None on file	No

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House/Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
AB	<a href="#">844</a>	Burke	CA Marijuana Tax Fund: funding for support system navigation services: minimum performance standards.	2/16/17	A - Appropriations Amended: 5/1/17	This bill would require applicants for grants from the CA Marijuana Tax Fund to support system navigation services to meet specific minimum performance standards as a condition of grant eligibility, including, among other standards, operate 24 hours per day, 7 days a week, and 365 days a year. System navigation services will be the entry point for individuals needing treatment and will provide care coordination services that can assist with connecting individuals to various support and treatment providers.	<p><b>Support:</b> 211 CA, Bridgeville Comm Center, CA Alliance of Information and Referral Services, Community Action Commission of Santa Barbara, Connecting Point, Eden I&amp;R, HCAR, Humboldt Community Access and Resource Centers, Interface Children &amp; Family Services, Nat'l Alliance on Mental Illness, Nat'l Assn of Social Workers, United Way of CA - NorCal - Monterey, Women and Children Fund Eureka, 211 LA, 211 San Diego</p> <p><b>Oppose:</b> Drug Policy Alliance</p>	No
AB	<a href="#">845</a>	Wood	Cannabidiol	2/16/17	A - Floor Amended: 3/28/17	If cannabidiol is removed from Schedule I of the Controlled Substances Act (CSA), or if a product with cannabidiol is approved by the FDA and exempted from the CSA, this bill would provide that a physician who prescribes or a pharmacist who dispenses a cannabidiol product in accordance with federal law is in compliance with state law governing these acts. The bill would also provide that upon the effective date of one of these federal law changes the prescription, furnishing, transferring, possession, or use of that controlled substance in accordance with federal law is for a legitimate medical purpose and is authorized pursuant to state law.	<p><b>Support:</b> Epilepsy Foundation of LA, CA Life Sciences Assn, Dravert Syndrome, Epilepsy Foundation of NorCal, LGS Foundation, Tuberos Sclerosis Alliance</p> <p><b>Oppose:</b> None on file.</p>	No
AB	<a href="#">903</a>	Cunningham	California Marijuana Tax Fund: California Highway Patrol.	2/16/17	A - Appropriations Amended: 4/19/17	This bill would require the Department of the CA Highway Patrol to use its annual appropriation from the CA Marijuana Tax Fund to additionally study the viability of standards for marijuana impairment, <b>and coordinate with research organizations in the state to establish and adopt these protocols and studies.</b>	<p><b>Support:</b> CA Police Chiefs Assn, Peace Officers Research Assn of CA</p> <p><b>Oppose:</b> None on file</p>	No

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AB	<a href="#">948</a>	Bonta	Marijuana: taxation: electronic fund transfer.	2/16/17	A - Appropriations Amended: 4/27/17	<p>This bill would:</p> <ul style="list-style-type: none"> <li>- <b>Until January 1, 2021</b> authorize a person licensed under MCRSA or AUMA whose estimated tax liability under that law averages \$10,000 or more per month to remit amounts due by a means other than electronic funds transfer if the BOE deems it necessary to facilitate collection of amounts due. (Existing law requires remissions via electronic funds transfer).</li> <li>- <b>Until January 1, 2021</b> authorize the BOE to exempt a person required to pay taxes imposed by AUMA, whose estimated tax liability under that law averages \$20,000 or more per month, from the requirement to remit amounts due by electronic funds transfer if the board deems it necessary to facilitate collection of amounts due.</li> </ul>	<p><b>Sponsor/Support:</b> BOE Member Fiona Ma</p> <p><b>Oppose:</b> None on file</p>	No

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AB	<a href="#">963</a>	Gipson	Taxation: marijuana.	2/16/17	A - Appropriations Amended: 4/5/17	<p>This bill would:</p> <ul style="list-style-type: none"> <li>- Provide for the suspension or revocation of permits from the Board of Equalization (related to tax administration), and authorize the BOE to deny a permit if the applicant had a previous permit that was suspended or revoked, and set forth the process for appeals.</li> <li>- Impose criminal penalties for certain violations relating to cultivation and excise taxes and require funds from fines be deposited into the Marijuana Tax Fines and Penalties Account, in the Marijuana Tax Fund.</li> <li>- Require, beginning 7/1/18, a wholesaler/distributor to collect prepayments of cannabis excise and sales tax on products distributed,</li> <li>- Require a distributor not required to hold a seller's permit to register with the BOE, obtain a permit from the BOE for the purposes of the cannabis taxes, and place security with the BOE.</li> <li>- Authorize the BOE to prescribe a method and manner for prepayment of the marijuana excise tax that utilizes tax stamps or other markings and for collection and remittance of the cultivation tax by distributors.</li> <li>- Recast AUMA provisions to exempt from sales and use taxes retail sales of medical cannabis to <i>persons with identification cards</i> or primary caregivers that provide the described identification.</li> <li>- Subject a purchaser that provides a falsified ID card to fines.</li> <li>- Require the Dept of Health Care Services to, by 7/1/18, develop a magnetic encoding for storing data for ID cards issued under the Medical Marijuana Program, require cards to contain the encoding, and by January 1, 2019, require sellers to use a sales tracking system with a card reader that can read the encoding. Would require county health depts to issue cards with the encoding. On or after July 1, 2019, limit the sales and use tax exemption to purchasers with cards with encoding.</li> <li>-Require the BOE to create a Cannabis Criminal Enforcement Team (CCET) to combat criminal tax evasion; with representatives from the BOE, Franchise Tax Board, EDD and cannabis licensing authorities. Authorize these groups to exchange data, provide for confidentiality of exchanged information, and prohibits disclosure of confidential information.</li> <li>- Require moneys in the Marijuana Tax Fines and Penalties Account or revenues derived from sales and use taxes to be available to the CCET.</li> </ul>	<p><b>Support:</b> Diane Harkey - BOE</p> <p><b>Oppose:</b> None on file.</p>	Yes

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House/Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
AB	<a href="#">1002</a>	Cooley	Center for Cannabis Research.	2/16/17	A - Appropriations Amended: 4/19/17	<p>This bill would</p> <ul style="list-style-type: none"> <li>- Rename the California Marijuana Research Program the Center for Cannabis Research and expand the purview of the program to include the study of naturally occurring constituents of cannabis and synthetic compounds that have effects similar to naturally occurring cannabinoids.</li> <li>- Authorize the program to cultivate cannabis to be used exclusively for research purposes and to contract with a private entity to provide expertise in cultivating medical cannabis.</li> <li>- Authorize the controlled clinical trials to focus on examining testing methods for detecting harmful contaminants in marijuana, including mold and bacteria.</li> <li>- Require the President of the University of California to appoint the program's multidisciplinary Scientific Advisory Council on the advice of the director of the program.</li> <li>-Provide that it is the intent of the Legislature that the state commission objective scientific research by the University of California under the Center for Cannabis Research program to study the implementation and effect of the Control, Regulate and Tax Adult Use of Marijuana Act.</li> <li>-Amend the provisions of AUMA to require the Bureau of Marijuana Control to consider selecting the University of California and the Center for Cannabis Research program when selecting a public university or public universities to be funded to research and evaluate the implementation and effect of AUMA.</li> </ul>	<p><b>Support:</b> None on file  <b>Oppose:</b> None on file</p>	No
AB	<a href="#">1135</a>	Wood	California Marijuana Tax Fund.	2/17/17	A - Appropriations	<p>This bill would require the State Department of Public Health and the State Department of Education to establish an inclusive public stakeholder process to seek input from stakeholders to determine a disbursement formula for the funds provided to the State Department of Health Care Services (DHCS) from the California Marijuana Tax Fund and would require the findings of the stakeholder meetings to be given to the DHCS and considered when determining funding priorities for those moneys.</p>	<p><b>Sponsor:</b> Steinberg Institute  <b>Support:</b> County Behavioral Health Directors Assn, Western Center on Law and Poverty  <b>Oppose:</b> None on file.</p>	No
AB	<a href="#">1254</a>	Wood	Production or cultivation of a controlled substance: civil and criminal penalties.	2/17/17	A - Appropriations Amended: 3/21/17	<p>Existing law makes a person found to have violated provisions of law protecting fish and wildlife, water, or other natural resources in connection with the production or cultivation of a controlled substance liable for a civil penalty. This bill would make each day that a violation occurs/continues on specific types of public/private land a separate violation. This bill would also make the diversion of water for cannabis cultivation without a permit a misdemeanor (in addition to existing civil penalties).</p>	<p><b>Sponsor:</b> CA District Attys Assn  <b>Support:</b> DAO San Diego, Rural County Reps of CA, Yuba County DA, Yuba County BOS  <b>Oppose:</b> None on file.</p>	No

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House/Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
AB	<a href="#">1410</a>	Wood	Taxation: marijuana cultivation tax.	2/17/17	A - Appropriations Amended: 4/4/17	This bill would authorize, if requested by the taxpayer, a person licensed as a distributor under AUMA and MCRSA to collect the cultivation tax from the taxpayer and give to the taxpayer a receipt in the manner and form prescribed by the BOE. This bill would require the licensed distributor to file the tax return instead of the licensed cultivator. The bill would also require all licensed distributors who are authorized to collect the tax to obtain a separate permit at no charge.	<b>Support:</b> CA Growers Assn, CA Police Chiefs Assn, CCV Research, Clark Neubert LLP, Essential Medicinals Collective, Humboldt Co Growers Alliance, Ice Box Flat Farms, Northern Emerald, Redwood Regional Econ Dev Comm, Rural County Reps of CA, Sierra Co Growers Assn <b>Oppose:</b> None on file.	Yes
AB	<a href="#">1420</a>	Aguiar-Curry	Water rights: small irrigation use: lake or streambed alteration agreements.	2/17/17	A - Appropriations	Existing law prohibits an entity from diverting or obstructing the flow of, or using any material from the bed, channel, or bank of, any river, stream, or lake, or from depositing certain material without first entering into a lake or streambed alteration agreement. Existing law exempts certain activities authorized by a license issued for cannabis cultivation from those agreement requirements. This bill would exempt an entity from the lake or streambed alteration agreement if the entity submits a board-approved registration or renewed or amended registration for water use to the department and the department determines certain requirements are met, including, the payment of a fee required for a lake or streambed alteration agreement and the submission of a copy of any department conditions imposed for the registration for water use. The cannabis provisions are unchanged.	<b>Sponsor:</b> CA Assn of Winegrape Growers, Wine Institute <b>Support:</b> CA Trout, Napa Valley Vinters, The Nature Conservancy, Trout Unlimited <b>Oppose:</b> None on file.	No
AB	<a href="#">1527</a>	Cooley	State and local marijuana regulatory agencies: employees.	2/17/17	A - Appropriations	This bill would prohibit a former employee of the bureau, a licensing authority, the panel, or a local jurisdiction with specified regulatory or licensing responsibilities from being employed by a person or entity licensed under AUMA or MCRSA for a period of one year from the last date of employment. The bill would authorize the bureau or the licensing authority to suspend immediately the license of a licensee who violates this provision and to investigate and determine whether to revoke the license and whether to bar the licensee, or any person or entity acting as an agent of the licensee, from obtaining a license in the future. The bill would specify that a violation of these employment restrictions is not a crime.	<b>Support:</b> None on file. <b>Oppose:</b> None on file.	No

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AB	<a href="#">1578</a>	Jones-Sawyer	Marijuana and cannabis programs: cooperation with federal authorities	2/17/17	A - Floor Amended: 4/17/17	This bill would prohibit a state or local agency, without a court order signed by a judge, from using agency money, facilities, property, equipment, or personnel to assist a federal agency to investigate, detain, detect, report, or arrest a person for commercial or noncommercial marijuana or medical cannabis activity that is authorized by law in California and transferring an individual to federal law enforcement authorities for purposes of marijuana enforcement.	<p><b>Sponsor:</b> Drug Policy Alliance</p> <p><b>Support:</b> ACLU, CA Cannabis Manufacturers Assn, CA NORML, CA NAACP, CA Public Defenders Assn, LA Cannabis Task Force, Marijuana Policy Project (PLEASE SEE WEBSITE FOR COMPLETE LIST)</p> <p><b>Oppose:</b> Assn for LA Deputy Sheriffs, Assn of Deputy District Attys, CA Assn of Code Enforcement Officers, CA College/Univ Police Chiefs Assn, CA Narcotics Officers Assn, CA Police Chiefs Assn, CA State Sheriffs Assn, League of CA Cities, LA Police Protective League, LA County Peace Officers Assn, Riverside Sheriffs Assn</p>	Yes
AB	<a href="#">1606</a>	Cooper	Edible marijuana products.	2/17/17	A - Appropriations Amended: 4/20/17	This bill would require a certified testing service to test for uniform disbursement of cannabinoids throughout the product and the accuracy of the labeled dosage <del>with a</del> <del>15%.</del>	<p><b>Sponsor:</b> Made by Science</p> <p><b>Support:</b> County Behavioral Health Directors Assn</p> <p><b>Oppose:</b> None on file</p>	No
AB	<a href="#">1627</a>	Cooley	Adult Use Marijuana Act: testing laboratories.	2/17/17	A - Appropriations	This bill would transfer the regulation of testing laboratories under AUMA from the State Department of Public Health to the Bureau of Marijuana Control.	<p><b>Support:</b> None on file.</p> <p><b>Oppose:</b> None on file.</p>	No

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House/ Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
SB	<a href="#">65</a>	Hill	Vehicles: alcohol and marijuana: penalties	12/29/16	S - Appropriations Amended: 4/17/17	<p>This bill would make smoking/ingesting cannabis or cannabis products while driving, or while riding as a passenger in a motor vehicle being driven upon a highway or specified lands punishable as either an infraction or misdemeanor (closing a loophole in Prop 64).</p> <p>The court may order a defendant convicted of a misdemeanor to be imprisoned and order the defendant to attend alcohol education and counseling classes. This bill would provide that a person under 21 years of age who has any detectible amount of delta-9-tetrahydrocannabinol in his or her body (<b>5 ng/ml or higher</b>) would be subject to a license suspension for no less than 1 year, unless that person has in his/her possession a valid physician's recommendation for medical cannabis.</p>	<p><b>Support:</b> Assn for LA Deputy Sheriffs, CA Assn of Code Enforcement Officers, CA Assn of DUI Treatment Prog, CA College/Univ Police Chiefs Assn, CA Medical Assn, CA Narcotics Officers Assn, CA Police Chiefs Assn, Found for Advancing Alcohol Responsibility, LA Peace Officers Assn, LA Police Protective League, Peace Officers Research Assn of CA, Riverside Sheriffs Assn, Los Gatos</p> <p><b>Oppose:</b> ACLU, CA Attys for Criminal Justice, CA NORML, CA Public Defenders Assn, Drug Policy Alliance</p>	Yes

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House/Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
SB	<a href="#">148</a>	Wiener and Atkins	State Board of Equalization: counties: state agencies: cannabis-related businesses: cash payments	1/17/17	S - Appropriations Amended: 4/5/17	<p>This bill would</p> <ul style="list-style-type: none"> <li>- Enact the Cannabis State Payment Collection Law and would authorize the State Board of Equalization or a county to collect cash payments from cannabis-related businesses for a state agency that administers any fees and charges payable by a cannabis-related business if that state agency has entered into an agreement with the county.</li> <li>- Authorize a cannabis-related business, to remit any amount due under Sales and Use Tax Law, or excise and cultivation tax, to the BOE by means other than electronic funds transfer, including by the use of cash.</li> <li>- By January 1, 2019, require the BOE to accept cash as a form of remittance from a cannabis-related business for any fee, tax, fine, penalty, interest, or any other charge that the business owes, and that business would be authorized by those laws to remit to the board in cash, in at least 50% of the offices managed by the board in each equalization district of the state.</li> <li>- By January 1, 2020, further require the BOE to accept cash as a form of remittance for those payments in at least 75% of the branch or district offices managed by the board in each equalization district of the state.</li> </ul>	<p><b>Support:</b> CA Cannabis Industry Assn, CA Cannabis Manufacturers Assn, CA Growers Assn, CSAC, CA Teamsters, BOE Members Fiona Ma, United Food and Commercial Workers, Western States Council.</p> <p><b>Oppose:</b> None on file.</p>	Yes
SB	<a href="#">175</a>	McGuire	Marijuana: county of origin: marketing an advertising.	1/23/17	Passed to Assembly Amended: 3/16/17	Both MCRSA and AUMA prohibit the use of the name of a California county in the labeling, marketing, or packaging of medical marijuana products or nonmedical marijuana products unless the marijuana contained in the product was grown in that county. This bill would specify that those prohibitions also apply to the advertising of cannabis and include the use of any similar sounding name that is likely to mislead consumers as to the origin of the product.	<p><b>Support:</b> California Growers Assn, CSAC, Drug Policy Alliance, Humboldt County BOS, Rural County Reps of CA</p> <p><b>Oppose:</b> None on file.</p>	Yes
SB	<a href="#">311</a>	Pan	Medical cannabis and nonmedical marijuana: testing by a licensee.	2/13/17	Passed to Assembly	Existing law authorizes a licensee to perform testing on the licensee's premises for the purposes of quality assurance of the product in conjunction with reasonable business operations. This bill would authorize a licensee to perform testing on the licensee's premises of cannabis or cannabis products obtained from another licensee for the purpose of quality assurance. The bill would specify that onsite testing does not exempt the licensee from the existing requirements of quality assurance testing by a distributor and testing laboratory.	<p><b>Sponsor:</b> CannaCraft</p> <p><b>Support:</b> CA Cannabis Industry Assn, CA Teamsters, Excelsior Analytic Laboratory</p> <p><b>Oppose:</b> None on file.</p>	Yes

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House/ Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
SB	<a href="#">663</a>	Nielsen	Packages and labels of marijuana or marijuana products: children.	2/17/17	Passed to Assembly	This bill would specify that a package or label of marijuana or marijuana products is deemed to be attractive to children if the package or label has specific characteristics, including, among others, resembling any candy, snack food, baked good, or beverage commercially sold without marijuana.	<p><b>Support:</b> Assn for LA Deputy Sheriffs, Assn of Deputy District Attys, CA Assn for Health, PE, Recreation and Dance, CA Assn of Code Enforcement Officers, CA American College of ER Physicians, CA College/Univ Police Chiefs Assn, CA Medical Assn, CA Narcotics Officers Assn, CA Police Chiefs Assn, LA Peace Officers Assn, LA Police Protective League, Riverside Sheriffs Assn</p> <p><b>Oppose:</b> CA Cannabis Industry Assn</p>	Yes

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House/Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
SB	<a href="#">698</a>	Hill	Driving under the influence: alcohol and marijuana.	2/17/17	S - Appropriations Amended: 5/2/17	<p>This bill would:</p> <ul style="list-style-type: none"> <li>- <b>Until January 1, 2021</b> make it a crime for a person who has between 0.04% and 0.07% of alcohol in his/her blood and whose blood contains any controlled substance or 5 ng/ml or more of delta-9-tetrahydrocannabinol to drive a vehicle.</li> <li>- <b>Require a person to fail field sobriety tests to establish probable cause for a blood test.</b></li> <li>- Make a first violation punishable as an infraction and require the court to order the person to participate in and complete a 3-month DUI program and to install an ignition interlock device (IID) for 6 months.</li> <li>- Require the DMV to immediately suspend the person's driver's license upon receipt of a conviction for that crime, and authorize the department to issue a restricted license to a person who shows proof of enrollment in a 3-month DUI program, and verification that an IID has been installed in each vehicle that the person operates.</li> <li>- Make the willful failure to install in IID a misdemeanor.</li> </ul>	<p><b>Support:</b> Alcohol Justice, CA Assn of Deputy District Attys, CA Assn of Code Enforcement Officers, CA Assn of DUI Treatment Progs, CA College/Univ Police Chiefs Assn, CA Council on Alcohol Problems, CA DA Assn, CA Narcotics Officers Assn, Crime Victims United of CA, LA Deputy Sheriffs, LA Police Protective League, LA Peace Officers Assn, Peace Officers Research Assn of CA, Riverside Sheriffs Assn</p> <p><b>Oppose:</b> ACLU, Drug Policy Alliance, CA Attys for Criminal Justice, CA Public Defenders Assn, Southern CA Coalition</p>	Yes
SJR	<a href="#">5</a>	Stone	Federal rescheduling of marijuana from a Schedule I drug.	2/21/17	Passed to Assembly Amended: 3/30/17	<p>This measure would request that the Congress of the United States pass a law to reschedule marijuana or cannabis and its derivatives from a Schedule I drug to an alternative schedule and that the President of the United States sign such legislation.</p>	<p><b>Support:</b> None on file. <b>Oppose:</b> None of file.</p>	Yes

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**California Cannabis-Related Legislation Update #3 - INACTIVE BILLS as of May 3, 2017**

House/ Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
AB	<a href="#">729</a>	Gray	Nonmedical marijuana: licensee regulation.	2/15/17	Did not get out of Committee A - Business & Professions Hearing cancelled	<p>This bill would:</p> <ul style="list-style-type: none"> <li>- Require a licensing authority to suspend, and have the option to revoke, a license for a 3rd or subsequent violation of the prohibition on engaging in nonmedical marijuana commercial activities with a person under 21 if it occurs within 36 months of the initial violation.</li> <li>- Require a licensee to post a sign, visible from each public entrance, and a inside the premises that reads “No Person Under 21 Allowed” and authorize a licensed dispensary to include language that reads “without identification authorizing the purchase of medical cannabis.”</li> <li>- Authorize a licensee to refuse to sell marijuana to a person who is unable to produce adequate personal identification showing that he or she is 21 years of age or older and to seize any personal identification presented by a person that shows the person to be under 21 years of age or that is false.</li> <li>- Prohibit the sale, offer for sale, or distribution of marijuana or marijuana products in a vending machine or appliance.</li> <li>- Authorize a peace officer, or an employee granted limited peace officer status, to enter and conduct inspections, of any place at which nonmedical marijuana or nonmedical marijuana products are sold, produced, or stored or at any site where evidence of activities involving evasion of tax may be discovered.</li> <li>- Prohibit a licensee from being located within a 600-foot radius of a playground, hospital, or church, unless a licensing authority or local agency specifies a different radius.</li> <li>- Require security measures including maintaining windows and transparent doors to ensure that law enforcement personnel have a clear and unobstructed view of the interior of the premises.</li> <li>- Specify the manner in which a person under 21 years of age is to be used in random inspections, including having pictures taken prior to inspections to verify appearance and requiring the person under 21 years of age to present a true and correct personal identification if verbally requested.</li> </ul>		No

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House/ Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
AB	<a href="#">1096</a>	Bonta	Marijuana: agreements with tribal governments	2/17/17	Did not get out of Committee A - Govt Org Hearing cancelled Amended: 3/28/17	<p>This bill would:</p> <ul style="list-style-type: none"> <li>- Authorize the Governor to enter into agreements concerning medical and recreational cannabis with a federally recognized sovereign Indian tribe.</li> <li>- Authorize these agreements to include provisions regulating the activities of a licensee operating on and off the land of a federally recognized sovereign Indian tribe. - Require these agreements to include a provision requiring an individual conducting cannabis business activity on tribal land to meet the state and local licensure requirements that are required of a licensee operating within the jurisdiction of the local government in which the tribal land is located.</li> <li>- Authorize the Governor to delegate the authority to negotiate agreements to the Director of the Bureau of Marijuana Control.</li> </ul>		No
AB	<a href="#">1143</a>	Gray	Outdoor advertising: prohibitions.	2/17/17	Did not get out of Committee A - Govt Org	The Outdoor Advertising Act regulates placement of advertising signs adjacent to and within specified distances of certain highways. The act prohibits these displays from advertising products, goods, or services related to alcohol and tobacco. This bill would also prohibit these displays from advertising marijuana.		No

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**California Cannabis-Related Legislation Update #3 - NON-RELATED BILLS as of May 3, 2017**

House/Type	Num.	Author	Subject	Date Introduced	Status	Summary of Key Provisions	Bill Notes/Other Org. Positions	In Issue Brief
AB	<a href="#">1244</a>	Voepel	Marijuana: production of concentrated cannabis.	2/17/17	A - Privacy and Consumer Protection Amended: 3/28/17	This bill would prohibit the distribution or sale of any butane gas or product containing butane gas which does not have an odorant added.	Amended - now not directly related to cannabis, will be dropped from future tracking	No
SB	<a href="#">506</a>	Nielsen	Department of Fish and Wildlife: lake or streambed alteration agreements: Internet website	2/16/17	Passed to Assembly Amended: 4/3/17	This bill would require the department, on or before December 31, 2018, and periodically thereafter, to upgrade the information on its Internet Web site regarding lake or streambed alteration agreements, to update its "Frequently Asked Questions" document and other sources of information regarding the lake and streambed alteration program, and to provide guidance on its Internet Web site to facilitate members of the public in obtaining individualized guidance regarding the lake and streambed alteration program.	Amended - now not directly related to cannabis, will be dropped from future tracking	No
AB	<a href="#">313</a>	Gray	Water	2/6/17	A - Appropriations Amended: 4/18/17	<b>This bill would establish a Water Rights Division with the Office of Administrative Hearings and establish procedures for hearings and appeals.</b> <del>Would transfer authority over water rights matters from the State Water Resources Control Board to the Department of Water Resources, including the provision that each person or entity who files a statement of water diversion and use pursuant that reports that water was used for cannabis cultivation shall pay a fee.</del>	Amended - now not directly related to cannabis, will be dropped from future tracking	No