



**CALIFORNIA CANNABIS  
INDUSTRY ASSOCIATION**  
California's Collective Voice for the Cannabis Industry

## LEGISLATIVE UPDATE

*By Amy O’Gorman Jenkins, Legislative Advocate*

Below is a summary of cannabis-related bills that have been introduced in the 2017-18 Legislative Session. There are currently 13 bills CCIA staff is actively monitoring, with additional bills anticipated to be introduced before the bill introduction deadline of Friday, February 17.

### Legislation, as of February 10, 2017

1. **AB 6 (Lackey) Driving under the influence: drug testing.** Sponsored by the California Police Chiefs Association, AB 6 would authorize an officer to use a preliminary oral fluid screening test that indicates the presence or concentration of a drug or controlled substance as a further investigatory tool to establish reasonable cause to believe the person was driving a vehicle in violation of certain prohibitions against driving under the influence of drugs.

*Staff comments:* Per the author’s office, AB 6 does not intend to prescribe a “per se” legal limit as California has done for blood alcohol content measured by alcohol breathalyzers nor does it change the rules for obtaining a drugged driving conviction. Law enforcement will still be required to prove a driver was impaired based off field sobriety tests, blood or urine tests and other additional evidence. A positive oral fluid test will simply confirm to the officer that a drug is present in the driver’s system.

*Status:* AB 6 has been referred to the Assembly Public Safety Committee. *CCIA position:* Watch

2. **AB 62 (Wood) Public housing: smoke-free policy.** AB 62 requires all public housing agencies to implement a policy prohibiting the smoking of tobacco products, as defined, 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 exempts dwelling units in a mixed-finance project from these provisions.

*Staff comments:* The bill specifies that smoking has the same meaning as defined in subdivision (c) of Section 22950.5 of the Business and Professions Code, which reads, as follows:

*(c) “Smoking” means inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, or pipe, or any other lighted or heated tobacco or **plant product** intended for inhalation, whether natural or synthetic, in any manner or in any form. “Smoking” includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking.*

Last year, the author carried a similar bill, [AB 2300 \(Wood, 2016\)](#), which applied specifically to the smoking of cannabis. Under the bill, patients would have been permitted to maintain their right to access and use medical cannabis through other consumption methods such as edibles or oils, but would have been prohibited from smoking cannabis. AB 2300 narrowly passed the Senate Judiciary Committee with the caveat the concerns over patient access needed to be addressed before the bill could pass the Senate. Unfortunately, those concerns were never fully address, so the Senate ultimately held the bill in the Senate.

CCIA staff has reached out to the author's office to clarify intent.

*Status:* AB 62 was referred to Assembly Housing and Community Development. *CCIA position:* High watch.

3. **[AB 64 \(Bonta, Cooley, Jones-Sawyer, Lackey and Wood\)](#) Cannabis: medical and nonmedical: regulation and advertising.** This is the vehicle intended to reconcile the regulatory structures under the MCRSA and Prop 64 frameworks. AB 64 currently does the following:

1. Authorizes collectives and cooperatives to operate for profit or not for profit, but limits those protections to collectives and cooperatives that possess a valid seller's permit from the State Board of Equalization and a valid local license, permit, or other authorization.
2. Specifies that a dispensary, producing dispensary, or retailer license may be issued for storefront locations with direct physical access for the public or non-storefront locations without direct physical access for the public.
3. Imposes restrictions and requirements prescribed in the AUMA to the MCRSA with modifications including a prohibition on advertising or marketing on a billboard or similar advertising device located on an interstate highway or state highway that crosses the border of any other state.
4. Authorizes the use of specified classifications for trademarks related to medical cannabis and nonmedical cannabis goods and services that are lawfully in commerce under state law in the State of California.
5. Advances \$3 million from the General Fund to the Department of the California Highway Patrol for use in the 2017–18 fiscal year for the purposes of establishing and adopting protocols to determine whether a driver is operating a vehicle while impaired and making grants to public and private research institutions to develop technology for determining when a driver is operating a vehicle while impaired, among others.

*Staff comments:* AB 64 will require a two-thirds vote of the Legislature to pass.

*Status:* AB 64 is pending referral. *CCIA position:* High watch.

4. **[AB 76 \(Chau\)](#) Adult-use marijuana: marketing.** AB 76 is authored sponsored and is presently a "spot bill" that states legislative intent to introduce legislation relating to the prohibition of the marketing of adult-use marijuana to children.

*Staff comments:* CCIA staff has reached out to the author's office to explain the existing child safety provision in the MCRSA and Prop 64, which include marketing restrictions and that the Department of Public Health is in the process of developing regulations. Board Member and CCIA Manufacturing Subcommittee Chair Kristi Knoblich also met with the author on Jan. 25, though additional follow-up with the author's office required.

*Status:* AB 76 is pending referral. *CCIA position:* High watch.

5. **AB 171 (Lackey) Medical Cannabis Regulation and Safety Act: licensure: reporting.** AB 171 would require each licensing entities to include in their annual reports, the number of conditional licenses issued. Existing MCRSA requirements, each licensing authority is required to prepare and submit to the Legislature an annual report on their activities, and to post the report on the authority's Internet Web site, including, among others, the number of state licenses issued by that authority.

*Status:* AB 171 is pending referral. *CCIA position:* Watch

6. **AB 175 (Chau) Adult-use marijuana: marketing: packaging and labeling.** AB 175 requires a manufacturer, prior to introducing an edible marijuana product into commerce in California, to submit the packaging and labeling to the Bureau of Marijuana Control for approval. The bill further requires the bureau to determine whether the packaging and labeling follow the requirements of prescribed provisions of AUMA, including the requirements that the packaging be child resistant and not attractive to children.

*Staff comments:* CCIA staff has reached out to the authors office to explain the existing child safety provision in the MCRSA and Prop 64 and that the Department of Public Health is in the process of developing regulations. Board Member and CCIA Manufacturing Subcommittee Chair Kristi Knoblich also met with Assemblymember Chau on Jan. 25, though additional follow-up is required.

*Status:* AB 175 is pending referral. *CCIA position:* High Watch.

7. **AB 238 (Steinorth) Medical cannabis: distributors: employment.** AB 238 prevents a licensing entity from denying an application solely on the basis that it employs individuals who are not party to a collective bargaining agreement. This bill is targeted directly at the Bureau and the Type 11 distributor license in the medical framework. The author also prepared an op-ed expressing support for cannabis operators' ability to self-distribute, as permitted in Prop 64.

*Staff comments:* Staff met with the author on Feb. 8 to discuss this bill. It should be noted that eliminating the independent, third party distribution mandate is a key legislative priority for CCIA this year. Staff offered to work with the author on amendments that might better clarify intent and will be working with CCIA's General Counsel and Legislative Subcommittee on potential amendments to present to the author.

*Status:* AB 238 is pending referral. *CCIA position:* High watch.

8. **\*NEW\* AB 350 (Salas) Marijuana edibles: appealing to children.** AB 350 specifies that a cannabis 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.

*Staff comments:* This bill is being staffed by the Assembly Business & Professions Committee, which is chaired by the author. CCIA staff has reached out to committee staff to see what, if any, other changes to the language are being contemplated. CCIA has also requested a meeting with the author to discuss the current work already being done by CCIA's Manufacturing Subcommittee in this area.

*Status:* AB 350 is pending referral. *CCIA position:* Watch.

9. **\*NEW\* AB 416 (Mathis) Cannabis.** AB 416 is an author-sponsored bill. The language is currently in "spot" form, but states legislative intent to enact legislation relating to CBD-enriched cannabis.

*Staff comments:* In early conversations with the author's office, staff believes the intent is to incentivize cannabis operators to grow more CBD-enriched cannabis. Staff will be follow-up with the author's office.

*Status:* AB 416 is pending referral. *CCIA position:* Watch.

10. **\*NEW\* AB 420 (Wood) Marijuana and medical cannabis: advertisements: license number disclosure.** AB 420 requires an advertisement for the sale of both medical and non-medical cannabis and cannabis products to identify the licensee responsible for its content by including, at a minimum, the license number of the licensee.

*Status:* AB 420 is pending referral. *CCIA position:* Watch

11. **SB 65 (Hill/Low) Vehicles: alcohol and marijuana: penalties.** Sponsored by the Santa Clara County District Attorney, SB 65 addresses what the authors consider is a loop-hole in Prop 64. SB 65 would clarify that a driver or passenger is prohibited from smoking or consuming cannabis while driving or operating vessels like a boat or aircraft. The bill further raises the penalties for violations for both cannabis and alcohol, so that the offense would be a wobbler, punishable as an infraction (which is current law) or a misdemeanor.

*Staff comments:* CCIA's Legislative Subcommittee considered the bill at its January meeting, but decided to refrain from recommending a position the Board of Directors at the time. The bill will be discussed at a subsequent meeting.

*Status:* SB 65 has been referred to the Senate Transportation & Housing and Public Safety committees. *CCIA position:* No position.

12. **SB 148 (Weiner/Atkins) State Board of Equalization: counties: state agencies: collection of cash payments: cannabis-related businesses.** SB 148 establishes the Cannabis Safe Payment Act to make it safer and simpler for cannabis business owners to pay state fees and taxes,

encouraging compliance with state laws and providing support for business owners. Specifically, the bill authorizes the Board of Equalization (BOE) and counties to enter into agreements with state agencies to accept cash from cannabis business applicants and licensees on behalf of those agencies. Cash payments could be collected for any fee, fine, penalty, or other charge payable to the state agency.

Staff comments: SB 148 is co-sponsored by CCIA and Board of Equalization Chair Fiona Ma. This bill is modeled after [AB 2149 \(Bonilla, 2016\)](#), which was supported by CCIA last year. Senator Weiner's press release on SB 148, which include quotes from CCIA President Sean Luse, and CCIA Legislative Director Nate Bradley, can be found [here](#).

Status: SB 148 had been referred to the Senate Governance and Finance Committee. CCIA position: Support / Co-sponsor.

13. **\*NEW\* SB 311 (Pan) In-house cannabis laboratories to provided third party testing.** SB 311 clarifies that licensed cannabis operators may perform onsite testing of cannabis and cannabis products for purposes quality assurance and formulation to third party cannabis cultivators and manufacturers, but does not eliminate to requirement that final product must be tested by a Type 8 testing laboratory for pre-sale quality assurance testing. This bill is sponsored by CannaCraft.

Staff comments: [SB 837 \(Budget\)](#) of 2016 clarified that onsite testing could be performed by licensees for the purposes of quality assurance of the product in conjunction with "reasonable business operations", but did not specify whether onsite testing could be performed on third-party cannabis and cannabis products. This bill seeks to clarify that third-party testing may be performed.

Per the bill's sponsor, CannaCraft, testing cannabis and cannabis products as it moves through the supply chain is already a common best practice within industry. Authorizing in-house laboratories, owned and operated by existing licensees, will help reduce the testing backlog anticipated when the medical and non-medical frameworks take full effect in January 2018. The bill will further protect the viability of existing, in-house laboratories and incentivize testing throughout product development, reducing the possibility of contamination and ensuring consistency before the product is sent for pre-sale quality assurance testing.

Status: SB 311 is pending referral.

14. **SB 175 (McGuire) Marijuana: county of origin: marketing.** SB 175 adds language to the provisions in statute pertaining to cannabis marketing to further clarify that it is unlawful for a cannabis operators to use the name of a California county, including any similar sounding name that is likely to mislead consumers as to the origin of the product, in the labeling, marketing, or packaging of medical cannabis products unless the product was grown in that county.

Status: SB 175 has been referred to the Senate Business, Professions & Economic Development Committee.