

# **CSAC Cannabis Policy**

## **Introduction**

On November 8, 2016, voters passed Proposition 64, the Adult Use of Marijuana Act (AUMA), legalizing the adult use of cannabis in California. AUMA contains broad local regulatory and taxation authority, allowing local governments to decide how best to regulate – and impose local taxes on – the retail sale and cultivation of cannabis in their respective communities while integrating local regulatory programs within a larger state licensing system. AUMA provides guidelines for several state agencies to develop specific regulations that taken together will create a statewide licensing and regulatory framework for the cultivation, manufacture, transportation, testing, and sale of adult use cannabis. In addition to AUMA, the Governor signed into law the Medical Cannabis and Regulatory Safety Act (MCRSA) in 2015. MCRSA established a similar statewide licensing and regulatory framework specific to medical cannabis. While substantially similar, these two laws contain several differences. As a result, the Legislature and regulatory agencies are working to reconcile several inconsistencies between AUMA and MSCRA as they work to implement both laws.

AUMA and MCRSA respect local police powers and contain explicit county taxing authority. However, counties have a stake in shaping the broader statewide landscape of cannabis regulation in California as it will undoubtedly have a significant impact on local government operations. As the Legislature and regulatory agencies work to develop regulations to implement both the medical and adult use cannabis laws, counties put forth the following policy principles to guide CSAC positions and advocacy on cannabis regulation in California.

## **Policy Principles**

### **Section 1: Licensing, Regulation, and Local Control**

Local government police powers and authority over taxation and fees must be respected in the development of any regulations implementing both medical and adult use cannabis laws. This includes support for existing local land use authority and counties' ability to ban the commercial adult use or medical cannabis retail sale, delivery, and/or cultivation within the unincorporated area.

The MCRSA and AUMA outline categories of different types of licenses for the cultivation, sale, manufacture, distribution, and testing of cannabis. Both laws contain different types of restrictions on how many licenses can be held by a single entity. Counties support existing prohibitions on the cross-ownerships of licenses within the medical cannabis laws, and support restrictions on the cross-ownership of licenses within AUMA.

Counties support:

1. The development of a dual licensing system, which requires the verification of a local license as a condition precedent to the issuance of a state license for both medical and adult use commercial cannabis licensees, and the development of a strong license revocation policy and procedure for violations of license requirements.
2. Limitations and/or phase-in of unlimited acreage licenses, or Type Five licenses. (Proposition 64 allows for an unlimited acreage cultivation license - Type 5 - after the law has been in effect for five years).
3. State development of uniform regulations, when feasible, for adult use and medical cannabis.

## **Section 2: Cultivation and Environmental Impacts**

### **Counties urge:**

1. Action to reduce environmental degradation and ensure the responsible use of resources, including water and electricity, in cannabis cultivation.

### **Counties support:**

1. Uniform pesticide and other contaminant standards for adult use and medical cannabis.
2. A statewide track and trace technology system designed with compatibility and full integration with local programs.
3. Local access to both the state track and trace system and laboratory test results for cannabis and cannabis products.
4. Integration with GIS systems at the local level, especially with respect to cultivation sites. This should include integration and consultation with resource conservation districts and enable integration with Integrated Watershed Management Plans.
5. Strong coordination between local and state agencies to ensure uniform application in environmental enforcement efforts. This includes providing clear guidance and adequate resources to responsible agencies to regulate and enforce existing environmental laws when they are applied to the cultivation of cannabis.
6. The ability to grow industrial hemp as an agricultural product, while respecting local control.

## **Section 3: Enforcement and Public Safety**

Counties strongly urge the state to fully enforce all state aspects of cannabis regulations, and to provide resources to local governments for enforcement efforts undertaken by local governments.

### **Counties support:**

1. The development of enforceable standards for impaired driving.
2. Employer rights to maintain competency for duty and a drug-free workplace and the ability to impose restrictions on cannabis use by employees.
3. Action and assistance to aid local government and law enforcement's ability to stop unlicensed commercial activity and diversion of cannabis and cannabis products.

4. Dedicated resources for the active enforcement of illegal cannabis cultivation on state and federal lands.
5. State standards governing worker safety and security in the cannabis industry.
6. Inspections of cannabis retail establishments, sales locations, or cultivation sites to ensure adherence to state and local laws and policies.

#### **Section 4: Labeling, Testing, and Advertising**

Counties urge the state:

1. To develop packaging requirements that are designed to display no appeal for children and to require childproof containers, where appropriate.
2. To allow counties to use state-run labs for pesticide, heavy metal, and biological testing for enforcement purposes.
3. To develop uniform potency standards for cannabis products to ensure consumer health and safety.

Counties support:

4. Standards for the recognition of a particular appellation of origin of cannabis cultivated in a certain geographical region.
5. Strict labeling and testing requirements of all adult use and medical cannabis products.

#### **Section 5: Resources, Revenue Collection, and Banking**

Counties urge:

1. The federal government to continue to respect states' rights with respect to cannabis regulation and enforcement.
2. The federal government to allow banking services for the cannabis industry to help reduce the public safety issues posed by a cash-based industry.
3. The federal government to declassify cannabis as a Schedule I drug and remove all conflicts under federal law.
4. Revenue sharing and grants from state revenues to manage the impacts of cannabis growth.

Counties support:

5. Interim solutions to encourage tax compliance in the absence of adequate banking solutions.
6. Sufficient resources for local code enforcement and environmental health and other departments.
7. Sufficient funding for adequate staffing at the state and local level to conduct regular inspections for dispensaries, cultivation, and manufacturing facilities, to conduct investigations and enforcement activity, and to quickly respond to and resolve complaints in a timely manner.

8. Actions that would provide state funding and resources to local governments for public education efforts concerning responsible use of cannabis.

### **Section 6: Public Education, Outreach, and Research**

Counties support:

1. Methods of sharing best practices, lessons learned, and model ordinances on cannabis regulation and taxation.
2. The development of strong, effective substance abuse prevention and education campaigns at the state level with input from counties, and resources for local education.
3. Statewide data collection and additional research and monitoring of trends regarding the impacts of cannabis – including impacts to public health, enforcement issues, and other impacts. Counties urge the state to share such data and research with local governments.
4. Continued collaboration between local and state agencies, including ongoing dialogue about implementation efforts, tax rates, enforcement issues, and other issues of significance.
5. Adequate local representation on the state Cannabis Advisory Committee to help inform state regulatory agencies and other stakeholders about local conditions, concerns and issues of significance.
6. Widespread communication on the impacts of cannabis on public health, especially related to impaired driving and youth.