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League/Police Chiefs Support Revised Cannabis Trailer Bill Following Acceptance of Requested Amendments

City Opposition Contributes To Positive Outcome after Long Battle since April to Hold Ground on Local Control and Revenue Issues

Gov. Jerry Brown's office released a modified trailer bill ([AB 110/SB 94](#)) on Monday reconciling Proposition 64 with the Medical Marijuana Regulation and Safety Act of 2015 (MCRSA), and putting in place a regulatory system for both. At the Assembly Budget Committee hearing Tuesday, League of California Cities® Legislative Representative Tim Cromartie was the first witness to testify in support. The League and the California Police Chiefs Association were able to support the revised legislation because it now addresses the key concerns previously raised by these organizations.

This issue has come a long way since April when the initial trailer bill was presented. The initial version, heavily favored by cannabis industry lobbyists, sought to repeal in its entirety the MCRSA, which the League and the Police Chiefs helped shepherd through the Legislature two years ago. The MCRSA protected locals with a dual licensing requirement and contained a host of public safety, public health and environmental protections, as well as restrictions on advertising to minors. The wholesale repeal of these protections, very few of which were conflicting with Prop. 64, was totally unacceptable to both cities and local law enforcement.

The League mobilized its regional public affairs managers, city managers and city attorneys departments, and worked very closely with the Police Chiefs over the past nine weeks to secure major changes to the trailer bill. The League also appreciates the 65 cities that submitted letters of opposition.

The new trailer language codifies important local regulatory and enforcement functions which will protect cities to a degree from frivolous litigation challenging their routine regulatory functions vis-à-vis cannabis businesses.

Of a total of 14 amendments that the League and Police Chiefs insisted upon, 11 are contained in the new trailer bill. They are:

- 1) Restoring provisions of the MCRSA that are not in conflict with Prop. 64, including but not limited to the following:
 - a. Restoring statutory requirements on cannabis businesses regarding loss of inventory, theft, breach of security;
 - b. Restoring regulations pertaining to testing labs; and
 - c. Restoring an Impaired Driving Study.
- 2) Restoring the state Medical Marijuana ID card program (the elimination of which threatened to reduce cities' sales tax revenue);
- 3) Restoring definition in statute of "volatile solvent" (supporting local enforcement efforts against non-compliant manufacturing operations);
- 4) Retaining language protecting against excessive concentration of cannabis businesses in fragile neighborhoods;

- 5) Adding a statutory definition of “open container” in the context of cannabis in motor vehicles;
- 6) Restoring the ability of the Department of Fish & Wildlife and the State Water Resources Control Board to unilaterally impose conditions on cultivation licenses (protecting against environmental contaminants and illegal diversion of waterways);
- 7) Requirement for individual plant tagging (making product diversion more difficult);
- 8) Codifying local ability to enforce the fire code;
- 9) Allowing non-storefront retail operations which eliminate foot traffic and can improve public safety;
- 10) Codifying local agency right of inspection of cannabis businesses; and
- 11) Mandating a state agency response time once locals notify the state of the revocation of a business’ local license or permit.

The three items which the League and the Police Chiefs jointly requested to be addressed in the trailer bill, which were not included, were the following:

- 1) Applying advertising restrictions to all business entities, not merely licensees;
- 2) Applying restrictions on Type 5 cultivation license (which allows unrestricted cultivation acreage); and
- 3) Clarifying rules for local government eligibility for Prop. 64 grant funds.

In a joint [support letter](#) for the new trailer bills, the League and the Police Chiefs publicly commit to continuing to seek legislative solutions to these outstanding issues. The League appreciates the Administration’s responsiveness to the concerns of local agencies reflected in the revised version of the bill, as well as the concerns raised by many legislators who wanted to preserve local authority in this area. But much more, however, is still to unfold in the coming months on the regulatory front. The cannabis industry is rapidly expanding its political power. The League will need to remain active in the regulatory process and vigilant in the coming weeks and months to continue to hold ground on local control and revenue issues.