



# LOOKING AHEAD

## *A Preview of CCIA's 2020 Legislative Efforts*

For nearly seven years, The California Cannabis Industry Association (CCIA) has advocated in Sacramento on behalf of our state's compliant cannabis industry. California's legislative process is unique among state legislatures; California is one of the only states in the nation with a full-time legislature, and whose legislative sessions are divided among two years. As such, we are currently in the interim period of the 2019-2020 Legislative session, with many bills and concepts still pending in the Legislature.

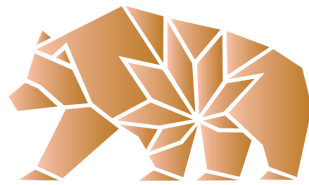
During the interim, CCIA's legislative team is continuing to meet with policymakers, staff, and stakeholders in Sacramento to advocate for priorities important to California's legal cannabis industry. Therefore, our team has prepared the following document detailing bills and legislative concepts still pending from 2019, as well as new and emerging policy discussions that are sure to pick up in 2020. See below for a list of policy efforts our legislative team will be involved in this year, which are only made possible through continued support and involvement from CCIA's membership!

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**Sec. 1 - Two Year Bills.** *The following bills were introduced in early 2019, but did not yet pass and are still eligible for consideration when the Legislature reconvenes in January:*

- **AB 3 (Cooper)** - This bill establishes the Adolescent Cannabis Prevention Fund to be available, upon appropriation by the Legislature, for the purposes of preventing persons under 21 years of age from accessing cannabis and cannabis products.
- **AB 545 (Low)** - This bill requires the powers and duties of the Bureau of Cannabis Control to be subject to review by the appropriate policy committees of the Legislature and would require the review to be performed as if MAUCRSA were scheduled to be repealed as of January 1, 2023.
- **AB 717 (Nazarian)** - This bill authorizes state agencies, in consultation with the Treasurer's office, to contract with armored car services to pick up, count, and transport cash-based tax payments from cannabis businesses.

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- **AB 953 (Ting)** - This bill allows cannabis businesses to pay their taxes using a form of digital currency/cryptocurrency called “stablecoin”. The bill would further require CDTFA, by June 1, 2020, to implement a method by which businesses could remit their state taxes via stablecoin. Finally, the bill permits - but does not require - local jurisdictions to also implement a method for businesses to pay taxes via stablecoin.
- **AB 1458 (Quirk)** - This bill, for edible cannabis products, would require the COA to report that the milligrams of THC per serving does not exceed 10 milligrams, plus or minus 15% until January 1, 2022, and plus or minus 10% after January 1, 2022.
- **AB 1470 (Quirk)** - Specifies that for purposes of cannabis testing, “final form” means the unpackaged product as it will be consumed, thus allowing for batch testing.
- **AB 1525 (Jones-Sawyer)** - Clarifies that no state law prohibits a financial institution from providing financial services to a licensed cannabis business. Requires a cannabis business to allow regulators to share the business’ track-and-trace data with financial institutions.
- **SB 475 (Skinner) - Cosponsored by CCIA**, this bill allows cannabis distribution and retail licensees to designate a certain amount of products as “trade samples”, strictly B2B, for purposes of education and marketing of new products.
- **SB 625 (Hill)** - This bill, **strongly supported by CCIA**, authorizes a charter-party carrier (CPC) to allow passengers in a bus, limousine, or modified limousine to smoke or vape cannabis or cannabis products if specified conditions are met including, but not limited to, if no passengers under 21 years of age are present in the vehicle; the drivers compartment is sealed off by a physical barrier and separately ventilated; and notification about the consumption of cannabis is conspicuously posted in the vehicle.
- **SB 684 (Umberg)** - This bill would authorize a pilot program to be administered by the CHP conducted in 3 cities for the testing of drivers suspected of driving under the influence of cannabis for the purpose of data collection and would require the participating cities to return that data to the department. The bill would also require the department, at the conclusion of the pilot program, to submit a report to the Legislature, detailing its findings and recommendations.



**Sec. 2 - Ongoing Issues.** *This section details ongoing issues that have remained priorities for CCIA, some of which had bills last year that failed, which is noted where applicable:*

- **Access** - Less than half of the state allows for commercial cannabis. Even worse, only about 1 in 4 jurisdictions allow for retail storefronts, meaning consumer access to compliant cannabis continues to be a top priority for the industry. In 2020, CCIA will fight for expanding access in banned jurisdictions through both state and local advocacy, utilizing policy strategies and funding mechanisms to ensure Californians have access to legal cannabis products.
- **Enforcement** - The growing illicit market in California is, without a doubt, the biggest burden to compliant cannabis businesses in the state. As such, CCIA will continue to partner with key lawmakers to enhance enforcement against illegal cannabis operations through both augmented funding requests and policy proposals.
- **Tax Reduction** - An additional hurdle for cannabis operators are the alarmingly high state taxes imposed on the industry, which continue to be a major boon for illicit operators and drive consumers away from compliant businesses. As in previous years, CCIA will continue to support legislation like 2019's [AB 286 \(Bonta\)](#), which seek to lower the burdensome taxes imposed on compliant cannabis businesses.
- **Equity** - Improving social equity in the cannabis space remains a central part of CCIA's legislative priorities in 2020. By working with key legislative allies, and relying on our Diversity, Inclusion, and Social Equity (DISE) committee, CCIA will pursue efforts that seek to strengthen, assist, and support local equity programs across the state.
- **Hemp** - With the legalization of hemp in the 2018 federal Farm Bill, hemp is more relevant than ever to both the cannabis industry and California as a whole. However, the manufacturing and sale of hemp-derived CBD products remains unregulated. As such, CCIA remains committed to supporting legislation like [AB 228 \(Aguiar-Curry\)](#), which seeks to establish a safe, regulated framework for hemp-derived CBD in California that allows the industry to take part in this new economic opportunity.

**Sec. 3 - Emerging Issues.** *This section details new, emerging issues that are likely to be addressed during the 2020 Legislative year:*

- **VAPI Illnesses** - CCIA, like many in California, is concerned by the recent outbreak of vaping-related illnesses, and is committed to partnering with state and local leaders to find



solutions that are fact-based and put consumer safety at the forefront. Moreover, CCIA remains committed to driving consumers away from illicit vape products by providing education and resources to help better identify safe, legal cannabis products. In fact, CCIA is proud to be a founding member, and key data and outreach partner, of the Legal Cannabis for Consumer Safety coalition.

- **Inter-state Commerce** - Last year, Oregon passed landmark legislation authorizing the state to, upon permission from the Federal government, enter into agreements with other states that have legalized cannabis, allowing for the exporting and importing of cannabis products. CCIA is currently exploring concepts for 2020 that would authorize California to enter into similar agreements, empowering the industry with new economic opportunities.
- **Waste reduction** - California prides itself on being a leader in green policy and environmental sustainability. However, current cannabis regulations run counter to this mission. As such, CCIA is contemplating ways in which packaging, labeling, and waste regulations can be amended to promote greater environmental sustainability in the industry, while still protecting consumer education and safety.
- **Regulatory Clean-Up** - Implementation issues from new bills and other problems in regulation arise with each new legislative year. As always, CCIA will work to address these minor, yet impactful, regulatory burdens through clean-up legislation. Already, we expect to see clean-up as it relates to cannabis events, transportation, and testing regulations, with more changes surely to come.
- **And more...**

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As clearly demonstrated, there will be no shortage of hard work to be done in 2020 on behalf of California's legal cannabis industry. Yet, it is only through CCIA's membership that this advocacy can happen. Our team relies heavily on input from CCIA's committees and our membership at large when contemplating new legislation, amendments, and positions on bills. Additionally, CCIA has several opportunities to directly engage in Sacramento, from our annual Policy Conference to our Legislative Action Day in the Capitol.

**To find out more about CCIA's membership process, and to get directly involved in our work, contact our Membership team at [membership@cacannabisindustry.org](mailto:membership@cacannabisindustry.org) and visit [cacannabisindustry.org](http://cacannabisindustry.org) for more resources.**