



## 2021 Legislative Wrap-Up

2021 marked a busy, dynamic and productive legislative year for CCIA's policy team, despite the ongoing remote nature of advocacy. Major accomplishments that CCIA was instrumental in achieving include:

- **AB 128 (Ting), The Budget Act of 2021** - This year's budget funded core priorities advanced by CCIA, including over \$154 million to fund the consolidation of the three cannabis licensing authorities into a singular Department of Cannabis Control (DCC) and \$100 million in one-time funds to establish a Local Jurisdiction Assistance Grant Program to aid 17 local jurisdictions transition cannabis provisional licenses into annual licenses and fund important social equity programming. The budget also made substantial and ongoing investments in cannabis social equity, providing \$20 million in ongoing funds to support the Cannabis Equity Grants Program, plus an additional \$30 million in funding to reduce barriers to entry for social equity entrepreneurs by providing state licensing fee waivers and tax relief consistent with Senator Bradford's SB 603.
- **Cannabis Budget Trailer Bills - AB 141, SB 160 and SB 166** - Due to CCIA's consistent advocacy, several key issues were addressed in this year's corresponding cannabis budget trailer bills, as follows:
  - **AB 141 (Budget Committee) and SB 160 (Budget & Fiscal Review Committee)** extended the cannabis provisional licensing program, which would have otherwise expired on January 1, 2022. This was arguably the most important issue for the licensed industry, as approximately 80% of all cannabis licenses are provisional. AB 141 and its subsequent clean-up measure, SB 160, addressed this critical issue and mitigated significant risk by incorporating language consistent with SB 59 (Caballero), CCIA's co-sponsored bill. AB 141 and SB 160 extended the issuance of new provisional cannabis licenses for an additional six months, until July 1, 2022 or more, as specified, as well as permitted the renewal of existing provisional licenses for up to four additional years if certain conditions are met. AB 141 also directed the DCC to establish a framework for the provision of business to business trade samples, a longstanding CCIA priority, and granted the DCC the authority to include this framework in the proposed emergency regulations, which were subsequently published on September 8.
  - **SB 166 (Budget & Fiscal Review Committee)**, which was introduced over the Labor Day weekend, made a number of technical reforms to further address social equity in the cannabis industry. Specifically, this bill clarifies that *all* equity applicants may be issued a provisional license until June 30, 2023, and further establishes a state-level definition, so that all qualified equity applicants, as defined, may be considered for a state fee waiver or deferral, even if they are licensed in jurisdictions without a local equity program. This was a major priority of CCIA and

our Diversity, Inclusion, and Social Equity (DISE) Committee, and we were proud to testify in support of this bill when it was presented in the budget committees.

- **SB 311 (Hueso)** - Otherwise known as **Ryan's Law**, this bill allows terminally-ill patients to use medicinal cannabis products, subject to certain restrictions, in a palliative care facility.
- **AB 1138 (Rubio)** - This bill seeks a reasonable approach to enforcement against illicit cannabis operations by imposing a civil penalty of up to \$30,000 on an individual who knowingly aids and abets unlicensed cannabis activity.
- **AB 45 (Aguiar-Curry)** - After a multi-year process of negotiations with various stakeholders, this bill establishes a long overdue, comprehensive regulatory framework for the manufacture and sale of hemp products in California, provides a pathway for the incorporation of hemp into the cannabis supply chain by 2024 and closes loopholes to ensure that hemp products do not exceed 0.3% THC concentration or contain any psychoactive cannabinoids. AB 45 also includes comprehensive testing protocols that mirror the State's current testing requirements for cannabis and protects consumers by imposing strong labeling and advertising standards.

Additionally, CCIA ensured the proposed Sustainable California Grown Cannabis Pilot Program was contained in the Budget Act of 2021 through SB 170 (Budget & Fiscal Review Committee), otherwise known as the "Budget Bill, Jr." Administered by the California Department of Food and Agriculture, this new pilot program will provide cannabis farmers with resources needed to support critical data collection to develop better management strategies that minimize the impacts of cannabis agricultural activities.

Unfortunately, Governor Newsom vetoed AB 1302 (Quirk), which would have affirmed the industry's ability to lawfully advertise on billboards along state highways, so long as they are not within 15 miles of a state border. CCIA worked tirelessly together with the bill author, Dr. Bill Quirk (Assemblymember, D-Hayward), and our coalition partners, which included the California State Outdoor Advertising Association, Eaze, and Weedmaps, to ensure this bill's successful passage through the Legislature. We are deeply disappointed and perplexed with the governor's decision to veto this important legislation, which will hinder one of the only pathways for cannabis operators to lawfully advertise their businesses.

With the Legislature adjourned for the interim recess, CCIA's focus remains on the state's newly-formed DCC, engaging with leadership in the new department as they enter the regulatory rulemaking process. On September 20th, CCIA submitted public comments on behalf of our members in response to the DCC's proposed emergency regulations, guided by direct input from our supply chain committees and Board of Directors. We look forward to continued engagement with the DCC throughout the Fall, advocating for a streamlined regulatory framework that promotes greater consumer access, public safety and business innovation.

For any questions or comments on CCIA's priorities, please reach out to us at [info@cacannabisindustry.org](mailto:info@cacannabisindustry.org).