

August 10, 2021

The Honorable Gavin Newsom Governor, State of California State Capitol Sacramento, CA 95814

RE: AB 1302 (Quirk): Commercial cannabis billboards: placement restrictions. REQUEST FOR SIGNATURE

Dear Governor Newsom,

The California Cannabis Industry Association (CCIA) is proud to support Assembly Bill 1302 by Assemblymember Bill Quirk, and respectfully requests your signature. This bill codifies an existing regulation, promulgated by the Bureau of Cannabis Control, that prohibits cannabis advertising on billboards within a 15-mile radius of the California border on an interstate or state highway that crosses the California border.

Approved by voters in 2016, Proposition 64 legalized adult-use cannabis in California and established a framework for commercial cannabis sales. Among its provisions, Proposition 64 imposed various restrictions on cannabis advertising, including a prohibition from advertising on billboards along highways that cross a state border. In implementing the proposition, the Bureau of Cannabis Control (BCC) promulgated regulations allowing a pathway for cannabis billboard advertisements, so long as they are not within 15-miles of a state border and otherwise follow all applicable laws and regulations governing cannabis advertising.

The BCC's regulation was later challenged in *Farmer v Bureau of Cannabis Control* when the San Luis Obispo County Superior Court entered a summary judgement that the BCC overextended its authority, making legislation necessary to clarify the state's authority, and to prevent on-going litigation and rule-making.

A stated intent of Proposition 64, was to "prevent the illegal diversion of marijuana from California to other states or countries or to the illegal market." In codifying the 15-mile advertising prohibition, AB 1302 clarifies the overly-broad implementation of Proposition 64. It captures stretches of interstate and state highways that are in close proximity to the state's borders, furthering the purposes and intent of the initiative without restricting cannabis advertising on billboards that are hundreds of miles away from state borders.

Absent this bill, legal cannabis operators will be prohibited from advertising, thus hindering one of the only pathways for cannabis operators to advertise their businesses, undermining California's legal industry and serving to strengthen the unregulated, illicit cannabis market.

Outdoor advertising, and specifically cannabis advertising is already the most highly regulated in the State. Existing law imposes strict standards and prohibits cannabis advertising on city streets within 1,000 feet of daycare centers, K-12 schools or playgrounds. Rigorous safeguards have also been implemented to ensure that products do not appeal to minors or encourage cannabis use by persons under 21 years of age and those safeguards are proven to be effective. A recent study published in the Journal of the American Medical Association (JAMA) earlier this month found no evidence of increased cannabis use among youth in states that have legalized cannabis. Demonstrating an overall decrease in cannabis use among youth in legalized states, the report concludes that "consistent with estimates from prior studies, there was little evidence that [recreational or medical marijuana legalization laws] encourage youth marijuana use".

AB 1302 clarifies the billboard provision of Proposition 64 by clearly establishing in statute the 15-mile advertising prohibition previously established under regulations. By codifying the disputed regulation, licensing agencies have clear assurance on how to implement state law, and cannabis licensees can continue to advertise on billboards in accordance with the State's strict advertising protocols.

A strong, regulated cannabis industry is one of California's primary tools to reduce illicit cannabis activities and protect youth from accessing cannabis products. For the reasons stated above, CCIA is proud to support AB 1302 and urges your signature on this crucial legislation to support California's legal cannabis industry.

Sincerely,

Lindsay Robinson

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**Executive Director** 

Cc: Assemblymember Bill Quirk, 20th District
Stuart Thompson, Chief Deputy Legislative Affairs Secretary, Governor Gavin Newsom
Nicole Elliott, Director, California Department of Cannabis Control