June 14, 2022

The Honorable Marc Berman
Chair, Assembly Business & Professions Committee
1021 O Street, Room 6130
Sacramento, CA 95814

RE:    SB 1097 (Pan): Cannabis and cannabis products: labeling and advertising
Amended June 6, 2022
NOTICE OF OPPOSITION
Dear Chair Berman:

The California Cannabis Industry Association (CCIA), together with a coalition of cannabis businesses representing cultivators, processors, manufacturers, distributors, testing laboratories, retailers, as well as patient and consumers advocacy groups, write in strong opposition to SB 1097, which will be heard in the Assembly Business and Professions Committee on June 21, 2022.

SB 1097 subjects an already struggling legal cannabis industry to duplicative and unnecessary labeling requirements that will significantly increase the size of packaging and the amount of packaging waste generated by the industry. In a state that has banned plastic straws, requiring an increase in the size of packaging is irresponsible for an industry that sells about 200,000,000 units per year. SB 1097 also creates excessive new operational costs, undermines consumer health and safety, and bolsters the illicit market.

As leaders in California’s regulated cannabis supply chain, we take great pride in our high-quality products, robust compliance and education programming, and extensive engagement in the communities where we live and work.

While we recognize and echo concerns about youth access to cannabis and harmful consumption, we believe that state public policy endeavors should strive to bolster legal cannabis businesses while protecting public health and safety. California’s cannabis regulations ensure products are safe for adult consumers and patients and unavailable to minors. A study published in 2022 in the peer-reviewed Journal of Safety Research found that 100 percent of licensed California cannabis retailers checked IDs to avoid selling to underage customers. Unfortunately, as written, SB 1097 undermines these objectives by subjecting legal cannabis businesses to costly new requirements which will only increase product costs and drive more consumers to the illicit market.

Specifically, SB 1097 would require rotating warning labels, covering one-third of the front or principal face of a product with a bright yellow background and, when feasible, appear in 12-point black font type. This would be accompanied by a corresponding pictorial or graphic element appropriate to the warning message. The bill would further require all cannabis retailers with every purchase to distribute a brochure to new consumers, outlining the various warnings. Such requirements would create an overly onerous and entirely unnecessary burden on legal cannabis businesses and do nothing to curb the illicit market, which produces unsafe, untested products.

The legal cannabis industry proactively worked with this Legislature, state regulators, consumers, and scientists over many months to develop the State’s existing labeling requirements for cannabis. Under the Medicinal Adult Use Cannabis Regulation and Safety Act (MAUCRSA), legal cannabis products are already required to include clear and effective warning labels that communicate scientifically established health risks. Moreover, recently approved Prop. 65 labeling requirements will soon require the addition of the word WARNING, new language about exposure to smoke and THC, and a list of possible carcinogens by name.

Implementation of SB 1097 will make legal products more expensive by necessitating a complete overhaul of current packaging, with significant wasted materials sent to landfills. Higher costs to produce legal products will inevitably result in higher product prices. SB 1097 will only serve to incentivize customers to purchase cheaper cannabis from the illicit market, undermining consumer health and safety.
As members of the legal cannabis industry, we take seriously our rigorous compliance, testing and labeling standards. While we appreciate the bill’s intent, for all the reasons previously stated, we strongly oppose SB 1097 and request your NO vote when the bill is presented in the Assembly Business and Professions Committee.

If you would like to discuss our concerns, please do not hesitate to contact CCIA’s legislative advocate, Amy O’Gorman Jenkins, at (707) 291-3270 or amy@precisionadvocacy.co. We look forward to working with you and your legislative colleagues to support a well-functioning, safe, regulated legal cannabis market in California.

Sincerely,

California Cannabis Industry Association
California Cannabis Manufacturer's Association
Cannabis Distribution Association
California NORML
Good Farmers Great Neighbors
Weed for Warriors Project

ALG Strategies
Anthony Law Group
Austin Legal Group
Autumn Brands
Body and Mind
Cann.Dev
Cannabis Connect Insurance Services
CannaCraft
Canopy Growth
CARP Growers
Columbia Care
Cresco Labs
Cronos Group
Davis Wright Tremaine
Eaze
Eden Enterprises
Emerald Scientific
Finkle Law Office
Flow Cannabis Co.
Gelato
GrowBIG Commercial Growers Supply
Harborside
Headset, Inc.
Jetty Extracts

Khemia
Kiva Confections
Legal Cannabis For Consumer Safety
Mammoth Distribution
McDowell & Associates
MMLG, LLC
Moxie
Nabis
Nine Point Strategies
Norcal Cannabis Company
North American Cannabis Registry
Pax
People's California
Ringgenberg Law Firm
SC Labs
Seed to Sale Consulting
Seven Leaf
Shryne Group Inc.
SPARC
Stone Road
The Higher Path
The Parent Company
Veda Scientific
Weedmaps
West Coast Cure
WYLD Canna

Cc: Senator Richard Pan
    Members, Assembly Business and Professions Committee
    Robert Sumner, Chief Consultant, Assembly Business and Professions Committee
    Bill Lewis, Consultant, Assembly Republican Caucus