



2022 Legislative Wrap-Up

The California Legislature wrapped up its 2021-22 Legislative Session shortly after 1 a.m. on September 1 and is not expected to return until the first week of December when a new class of legislators will be sworn in.

Now that the session has come to an end, the California Cannabis Industry Association is pleased to reflect on our many legislative successes this year, which included the enactment of meaningful cannabis tax reform, as well as legislation to expand medicinal cannabis access and prohibit employers from terminating or discriminating against employees who use cannabis off the job. CCIA also successfully defeated legislation that would have banned integrated cannabis vaporizers and imposed excessive and costly labeling requirements on cannabis products.

In total, CCIA tracked more than 40 bills that directly or indirectly impacted the cannabis industry in 2022, many of which are summarized below.

- **CANNABIS TAX REFORM: AB 195 (Committee on Budget)**. Cannabis tax reform has always been a major priority for CCIA, and that legislative momentum paid off this year with the passage of AB 195, the cannabis trailer bill. This bill was signed by the Governor and went into effect July 1, 2022. AB 195 zeroed out the cultivation tax indefinitely and shifted excise tax collection from distribution to retail, two major wins for the industry. Additionally, the bill provides that there will be no increase in the excise tax for three years, and that any increase after that time will only be to make up for the lost revenue from the elimination of the cultivation tax. It is important to note that in its original form the bill would have automatically increased the excise tax from 15% to 19%, but thanks to advocacy by the CCIA and others this automatic increase was avoided. The bill also bolstered enforcement against unlicensed operators.

AB 195 provided a small amount of tax relief for social equity operators. Even with this step forward, we recognize more work needs to be done to support social equity licensees across the state. CCIA prepared a more detailed analysis of this bill in July, which can be found [here](#). Moving this reform effort forward was not an easy undertaking and we should be proud of our collective advocacy efforts.

- Position: SUPPORT
- Status: SIGNED

- **MEDICINAL CANNABIS ACCESS: SB 1186 (Wiener)**. Sponsored by CCIA, this bill restores patients' right to access medicinal cannabis by establishing the Medicinal Patients' Right of Access Act. Specifically, this bill prohibits local jurisdictions from adopting or enforcing any regulation that blocks access to legal cannabis products for sale by delivery to qualified

medicinal cannabis patients. While the bill underwent substantial amendments as it moved through the legislative process, it achieved two critically important goals. First, it protects patient's rights and, second, expands the sales of legal cannabis in jurisdictions with ordinances that obstruct or outright ban legal cannabis sales. SB 1186 was amended on August 22 to address concerns raised about potential unintended consequences related to the overconcentration of businesses in jurisdictions that already provide for cannabis activity. Amendments clarify that no additional, physical delivery premises are required in jurisdictions with retail ordinances by January 1, 2022. SB 1186 narrowly passed the Assembly with 41 votes, after intense opposition from cities and counties. Assuming the bill is signed by the governor, SB 1186 will take effect on January 1, 2024.

- Position: SPONSORED
- Status: PENDING ACTION BY THE GOVERNOR

- **LABELING & DISCLOSURE: SB 1097 (Pan)** - CCIA secured a major victory this year with the defeat of SB 1097 (Pan), which would have created unnecessary, duplicative, and scientifically controversial labeling requirements for cannabis products. At the beginning of the session this bill would've required businesses to include rotating warning labels that would've covered 1/3 of a product's packaging, clearly representing a massive burden for the already struggling legal industry. CCIA's strong lobbying efforts and coalition opposition to SB 1097 resulted in the author placing the bill on the inactive file, effectively killing it for the year. SB 1097 would have done nothing to deter illicit use of cannabis. Instead, it would have imposed new costs and burdens on the regulated industry thereby driving more consumers to the illicit market. It should be noted that CCIA presented amendments to address industry concerns. Unfortunately, those amendments were rejected by the bill's sponsors. Additional details on the amendments presented can be found [here](#). It is important to acknowledge this moment as a victory for the legal cannabis industry, and as an example of what CCIA can accomplish with the support of its members and in coalition with other trade organizations.

- Position: OPPOSE
- Status: DEAD

- **INTERSTATE COMMERCE: SB 1326 (Caballero)**. This bill would authorize the Governor to make agreements with other states with legal cannabis programs that would allow the interstate transfer of cannabis between licensed operators, should Federal law change to permit such an agreement. The CCIA successfully lobbied for an amendment, requiring a process for stakeholder input and legislative oversight prior to the agreement taking effect. The bill also provides that cannabis and cannabis products produced by foreign licensees be held to the same requirements applicable to MAUCRSA licensees, including that participating states must meet or exceed California's rigorous public health and safety requirements.

- Position: NEUTRAL
- Status: PENDING ACTION BY THE GOVERNOR

- **EMPLOYMENT/HIRING DISCRIMINATION: AB 2188 (Quirk)**. This CalNORML-sponsored bill affirms that it is unlawful for an employer to discriminate against an employee based on cannabis use outside of the workplace. The bill does not prevent employers from drug-testing employees but rather states that a test for non-psychoactive cannabis metabolites linger in the body for up to month's after someone uses cannabis, is not grounds for hiring or termination. The bill still allows for employers to utilize tests which indicate whether someone is under the influence of cannabis while actively on the job. Furthermore, the bill does not apply to employees in the building and construction trades, or employees subject to Federal drug testing requirements. CCIA was proud to join CalNORML in supporting this worthy bill protecting employees from discrimination in the workplace!
 - Position: SUPPORT
 - Status: PENDING ACTION BY THE GOVERNOR

- **CANNABIS PATIENT TREATMENT: AB 1954 (Quirk)**. Another CalNORML-sponsored bill, AB 1954 prohibits a physician from denying a patient treatment or medication solely based on the patient's use of cannabis without a case-by-case evaluation. This bill seeks to fix the issue of patients being denied prescription drugs that their doctor thinks would benefit them just because the patient may use cannabis to treat their symptoms, despite cannabis potentially being a useful addition to the treatment plan. Another win for patient's rights!
 - Position: SUPPORT
 - Status: PENDING ACTION BY THE GOVERNOR

- **TEMPORARY EVENT LICENSING: AB 2210 (Quirk)**. This bill prohibits the DCC from denying a temporary cannabis event license solely on the basis that the event location has been issued an alcohol license, and likewise prohibits the Alcoholic Beverage Control from disciplining an entity with an alcohol license solely for hosting a licensed cannabis event. This is a big win for the legal cannabis industry because previously it was very difficult to find an adequate venue for a 21+ cannabis event that didn't already have an alcohol license. The bill requires that all alcohol privileges of the venue be suspended for the entire day for which they have been given a temporary cannabis event license. It also allows unsold inventory to be returned to the cannabis licensee's retail premises upon completion of the event.
 - Position: SUPPORT
 - Status: PENDING ACTION BY THE GOVERNOR

- **CANNABIS CRIMES: AB 1706 (Bonta)**. Sponsored by the Last Prisoner Project, this bill enacts the Automatic Resentencing, Dismissal, and Sealing of Past Cannabis Convictions Act and directs county district attorneys and courts to complete the work of processing past cannabis convictions deemed eligible for resentencing, dismissal, and sealing, and directs the Attorney General to declare those records resentenced, sealed, and dismissed in the absence of local action. This bill is an important step in addressing the long-term effects of the War on Drugs by holding the judicial system accountable for its required review and dismissal of eligible cannabis convictions.
 - Position: SUPPORT
 - Status: PENDING ACTION BY THE GOVERNOR

- **INTEGRATED CANNABIS VAPORIZERS: AB 1894 (L. Rivas)**. This bill prohibits the packaging of integrated cannabis vaporizers from indicating that the product is disposable or implying that it may be thrown in the trash or recycling streams. The bill further requires that the notice to be contained in advertising and marketing of integrated cannabis vaporizers specify that the empty vaporizer should be disposed of as hazardous waste at a household hazardous waste collection facility or other approved facility. This bill represents a compromise between CCIA and the bill author to create a carve-out in a now-dead piece of legislation that would've banned single-use, integrated tobacco and cannabis vaporizers.
 - Position: SUPPORT
 - Status: PENDING ACTION BY THE GOVERNOR

- **CANNABIS BEVERAGES: AB 1646 (Chen)**. This bill authorizes cannabis beverages to be packaged in containers of any material that are clear or any color. This gives latitude to manufacturers who previously could only package cannabis beverages in glass containers
 - Position: NO POSITION
 - Status: PENDING ACTION BY THE GOVERNOR

- **CANNABIS PET PRODUCTS: AB 1885 (Kalra)**. This bill prohibits the Veterinary Medical Board from disciplining a veterinarian for recommending cannabis for animals for potential therapeutic effects or health supplementation purposes and requires the Board to adopt guidelines for veterinarians to follow when recommending cannabis by January 1, 2024. This bill also redefines “cannabis products,” “cannabis concentrate,” and “edible cannabis products” under MAUCRSA to include products for animals, excluding livestock. The bill would require the department to promulgate regulations for animal product standards no later than July 1, 2025, and would prohibit the marketing or sale of those products before the regulations take effect.
 - Position: SUPPORT
 - Status: PENDING ACTION BY THE GOVERNOR

- **INSURANCE: AB 2568 (Cooley)**. This bill provides that it is not a crime solely for individuals and firms to provide insurance and related services to persons licensed to engage in commercial cannabis activity.
 - Position: SUPPORT
 - Status: PENDING ACTION BY THE GOVERNOR

- **POSSESSION: AB 2595 (Jones-Sawyer)**. This bill requires the State Department of Social Services to update all regulations, all-county letters, and other instructions relating to the investigation of a minor who may be within the jurisdiction of the juvenile court to ensure that, when a social worker is investigating an alleged case of child abuse or neglect, a parent or guardian’s use or possession of cannabis is treated in the same manner as a parent or guardian’s use or possession of alcohol and legally prescribed medication.
 - Position: NO POSITION
 - Status: PENDING ACTION BY THE GOVERNOR

- **CANNABIS TAX FUND TRANSPARENCY: AB 2925 (Cooper)**. - This bill requires the State Department of Health Care Services, on or before July 10, 2023, to provide to the Legislature a spending report of funds from the Youth Education, Prevention, Early Intervention and Treatment Account for the 2021-22 and 2022-23 fiscal years. The bill further requires the department to provide that spending report for the prior fiscal year on or before July 10, 2024, and annually thereafter.
 - Position: SUPPORT
 - Status: PENDING ACTION BY THE GOVERNOR

- **MEDICINAL ACCESS: SB 988 (Hueso)**. This bill removes requirements that healthcare facilities currently abide by in regards to the use of medical cannabis, giving health care facilities more flexibility in allowing patients to utilize medicinal cannabis without threat of enforcement actions by the State Department of Health.
 - Position: SUPPORT
 - Status: PENDING ACTION BY THE GOVERNOR

- **BATTERY EMBEDDED PRODUCTS: SB 1215 (Newman)**. This bill amends the Electronic Waste Recycling Act of 2003, by expanding the definition of "covered electronic device" to include a "covered battery-embedded product," which is defined as a product containing a battery from which the battery is not designed to be easily removed from the product by the user of the product with no more than commonly used household tools. While products will be identified by CalRecycle through its regulatory process, it is assumed that this bill will ultimately capture some integrated cannabis vaporizers. SB 1215 further requires a consumer, on and after January 1, 2026, to pay a covered battery-embedded waste recycling fee in an amount established by CalRecycle and further authorizes, beginning on August 1, 2028, CalRecycle, in collaboration with DTSC, to establish more than one covered electronic waste recycling fee for covered battery-embedded products based on categories of those products. Fees would be based on "reasonable regulatory costs to administer covered electronic waste recycling" and would be adjusted annually based on the CPI. SB 1215 was substantially amended late in the year, providing little opportunity for review and input. CCIA will be meeting with CalRecycle in the fall to discuss impacts to the legal cannabis industry and will keep members informed of any developments.
 - Position: NONE
 - Status: PENDING ACTION BY THE GOVERNOR

With the 2021-22 Legislative Session now adjourned for the year, CCIA is prepared to begin work on its legislative platform for the coming legislative year, which will commence the first week in December. Like this this year, we anticipate a robust agenda that will include continued efforts to improve retail access, reduce barriers to entry into the legal system, further reform the state’s cannabis tax structure, bolster enforcement against unlicensed businesses and address regulatory hurdles and inefficiencies in the licensing framework. CCIA will also be exploring solutions to curb the manufacture and sale of intoxicating hemp products. We look forward to our continued work with you, our valued members, and welcome any input you may have.

For any questions or comments on CCI's priorities, please contact us at info@cacannabisindustry.org.