

Date of Hearing: April 25, 2017

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS

Evan Low, Chair

AB 1700 (Cooper) – As Amended April 6, 2017

*NOTE: This bill is double-referred, and if passed by this Committee, it will be referred to the Assembly Committee on Labor and Employment.*

**SUBJECT:** Nonmedical marijuana and medical cannabis: license application: Cal OSHA training.

**SUMMARY:** Requires an applicant for a state license under the Medical Cannabis Regulation and Safety Act (MCRSA) or the Adult Use of Marijuana Act (AUMA), that does not have a specified collective bargaining agreement, to provide a statement that the applicant employs, or will employ within one year of receiving a license, an employee who has successfully completed an OSHA 30-hour general industry course.

**EXISTING LAW:**

- 1) Establishes the Bureau of Marijuana Control, also referred to as the Bureau of Medical Cannabis Regulation (Bureau), under the Department of Consumer Affairs (DCA), to establish a comprehensive system to control and regulate the cultivation, distribution, transport, storage, manufacturing, processing, and sale of cannabis products. (Business and Professions Code (BPC) Section 26000 *et seq.*; BPC Section 19302)
- 2) Sets requirements for licensure of marijuana related businesses. (BPC Section 19322)

**THIS BILL:**

- 1) Requires that applicants for a state license under MCRSA or the AUMA who do not have a specified collective bargaining agreement to provide a statement that the applicant employs, or will employ within one year of receiving a license, an employee who has successfully completed the Occupational Safety and Health Administration (OSHA) 30-hour general industry course.

**FISCAL EFFECT:** Unknown. This bill has been keyed fiscal by Legislative Counsel.

**COMMENTS:**

**Purpose.** This bill is sponsored by the **United Food and Commercial Workers**. According to the author, “In January of 2018, the State will begin to process and issue licenses to marijuana operators – it is estimated that the Bureau of Marijuana Control may receive anywhere between 15,000 – 35,000 applicants for consideration. For those who are approved to be licensed, it is in the best interest of the marijuana industry, its workforce and the State that at least one employee per licensed operator is proficient in the minimum standards protecting workers in the workplace, basic environmental and safety precautions, and sexual harassment and discrimination protections contained in the Cal-OSHA online 30 hour class for \$179 dollars.

The intent of AB 1700 is to provide a basic foundation of knowledge and awareness for workers and employers to be informed of their responsibilities so that there is checks and balances to deter and prevent abuses of workers, especially young women at the workplace.

The national media and local press have uncovered instances of sexual abuse and human trafficking in every aspect of the marijuana economic supply chain and AB 1700 provides an opportunity for an employer within their first year operation to train one employee on general best-practices through the Cal-OSHA online 30 hour class for only \$179.”

## **Background.**

*History of Legal Cannabis in California.* In 1996, California voters passed Proposition 215, legalizing the use of medical cannabis (MC) in the state. In October 2015, nearly 20 years after the authorization of the use of MC, Governor Jerry Brown signed into law a trio of bills [AB 243 (Wood), Chapter 688, Statutes of 2015, AB 266 (Bonta, Cooley, Jones-Sawyer, Lackey, and Wood), Chapter 689, Statutes of 2015, and SB 643 (McGuire), Chapter 719, Statutes of 2015] collectively known as MCRSA. MCRSA established the state's first regulatory framework for MC. In 2016, the voters of California passed Proposition 64, the AUMA, to legalize the recreational use of cannabis in the state by 2018.

Under AUMA, the DCA continues to serve as the lead regulatory agency for all cannabis, both medical and non-medical, and renames the existing Bureau of Medical Cannabis Regulation as the Bureau of Marijuana Control. AUMA includes 19 different license types compared to the 17 in MCRSA and authorizes DCA (and the Bureau) the exclusive authority to create and regulate a license for transportation of cannabis.

*Applicants for Licensure.* Current law prescribes 11 steps for licensure for marijuana related businesses. These include transmission of fingerprints, submission to a background check, and fees as well as a requirement that applicants with more than 20 employees seeking licensure to engage in marijuana related business must submit to the licensing authority a statement that the applicant will enter into or demonstrate that it has already entered into a labor peace agreement.

*30 Hour General Industry OSHA Course.* OSHA is an agency of the United States Department of Labor regulating safe and healthy work conditions by enforcing standards and providing training, education, and technical assistance to workers and employers. The OSHA 30-hour General Industry Outreach Training course is a comprehensive safety program designed for workers with safety responsibility. The course emphasizes hazard identification, avoidance, control, and prevention. Completion of the course includes a card for proof.

This bill requires that an applicant for marijuana related licensure under the AUMA and MCRSA employ an individual that has successfully completed an OSHA 30-hour general industry course, either at the time of application or within one year of employment.

**Current Related Legislation.** AB 64 (Bonta, Cooley, Jones-Sawyer, Lackey, Wood ) of the current legislative session seeks to reconcile a number of differences between MCRSA and AUMA to provide clarity in regulation and enforcement of both medical and recreational cannabis. *STATUS: This bill was passed by the Assembly Committee on Business and Professions on April 18, 2017 and referred to the Committee on Appropriations.*

AB 1686 (Gloria) ) of the current Legislative Session ,under the MRCSA applicants with more than 20 employees seeking licensure to engage in marijuana related business must submit to the licensing authority a statement that the applicant will enter into or demonstrate that it has already entered into a labor peace agreement. This bill would require that the applicant submit electronically a signed and notarized statement to fulfill this requirement.

**ARGUMENTS IN SUPPORT:**

**The United Food and Commercial Workers** write, “The cannabis industry has inconsistent standards in the workplace. This bill will provide, at minimum, a clear orientation of worker’s rights and more importantly the responsibility of the employer to protect an employee’s health and safety at the workplace. The state has a compelling public safety interest to ensure that these operators are complying with state and federal employment rules and regulations and employees are working in safe environments.”

**ARGUMENTS IN OPPOSITION:**

None on file.

**REGISTERED SUPPORT:**

United Food and Commercial Workers

**REGISTERED OPPOSITION:**

None on file

**Analysis Prepared by:** Jimmy Fremgen / B. & P. / 916-319-3301

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- 1) Requires that applicants for a state license under MCRSA or the AUMA who do not have a specified collective bargaining agreement to provide a statement that the applicant employs, or will employ within one year of receiving a license, an employee who has successfully completed the Occupational Safety and Health Administration (OSHA) 30-hour general industry course.

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