

Date of Hearing: April 25, 2017

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS

Evan Low, Chair

AB 389 (Salas) – As Introduced February 9, 2017

**SUBJECT:** Marijuana: consumer guide.

**SUMMARY:** Requires the Bureau of Cannabis Regulation (Bureau) to create and make available on its website a consumer guide to educate the public on the regulation of medical and recreational marijuana, and specifies that the guide is to be available July 1, 2018, and must include: the difference between medical and recreational cannabis, where recreational cannabis may be purchased, rules on cannabis consumption, quantities allowable, penalties for violation, and the process for reporting concerns or complaints.

**EXISTING LAW:**

- 1) Establishes the 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) § 26000 et seq.; BPC § 19302)

**THIS BILL:**

- 1) Requires the Bureau to create and make available on its website a consumer guide to educate the public on the regulation of medical and recreational marijuana.
- 2) Requires the guide to be available on or before July 1, 2018.
- 3) Requires the guide to include the following: the difference between medical and recreational cannabis, where recreational cannabis may be purchased, rules on cannabis consumption, quantities allowable, penalties for violation, and the process for reporting concerns or complaints.

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

**COMMENTS:**

**Purpose.** This bill is author sponsored. According to the author, “AB 389 seeks to provide consumers and businesses with a comprehensive consumer guide that includes the basics facts about the medical marijuana and recreational marijuana laws and regulations and consumer safety information as we approach the January 1, 2018 implementation date.”

**Background.** This bill requires the Bureau to create and make available on its website a consumer guide to educate the public on the regulation of medical and recreational marijuana. This guide must be available on or before July 1, 2018, and must include information on the difference between medical and recreational cannabis, where recreational cannabis may be purchased, rules on cannabis consumption, quantities allowable, penalties for violation, and the process for reporting concerns or complaints.

*Cannabis Regulation 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 Adult Use of Marijuana Act (AUMA), to legalize the recreational use of cannabis in the state by 2018.

The authors of AUMA sought to make use of much of the regulatory structure and authorities set out by MCRSA while making a few notable changes to the structure being implemented. In addition, the AUMA approved by the voters adopted the January 1, 2018 deadline for state implementation of recreational cannabis in addition to the regulations required in MCRSA that are scheduled to take effect on the same date. The same agencies as under MCRSA remain responsible for implementing regulations for adult use.

Under AUMA, the Department of Consumer Affairs (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.

*Regulation of Cannabis in Other States.* As of 2016, 28 states, the District of Columbia, and Guam have MC programs. Though California was the first to authorize the medical use of cannabis, it was the only state that allowed cannabis-use without a robust state regulatory framework until passage of MCRSA. To date, eight states, Alaska, Colorado, Oregon, Washington, California, Nevada, Massachusetts, Maine, and the District of Columbia have legalized recreational cannabis.

As cannabis enters the sunlight as a fully legal and regulated product, it is important that consumers and the public in general be fully educated about not only the allowances for cannabis consumption, but also the restrictions on engaging with the product. The creation of a readily available consumer guide will support public education and may serve to prevent misunderstandings of the law.

**Current Related Legislation.** AB 64 (Bonta, Cooley, Jones-Sawyer, Lackey, Wood) of the current session, amends and adds provisions to the Medical Cannabis Regulation and Safety Act (MCRSA) and Adult Use of Marijuana Act (AUMA) relating to: not for profit entities; delivery of cannabis; state and local licenses; trademarks; offenses for being under the influence of cannabis; grant money disbursement for the California Highway Patrol and the Board of State and Community Corrections; and fund disbursement to the General Fund for enforcement purposes. *STATUS: This bill was heard by the Assembly Committee on Business and Professions on April 18, 2017 and referred to the Committee on Appropriations.*

**Prior Related Legislation.** AB 1575 (Bonta, Cooley, Jones-Sawyer, Lackey, Wood) of 2015 contained language on non-storefront dispensaries, corporate restructuring, and intellectual property. *NOTE: This bill was held in the Senate Appropriations Committee.*

AB 266 (Bonta, Cooley, Jones-Sawyer, Lackey, Wood) Chapter 689, Statutes of 2015. This bill, enacted the Medical Marijuana Regulation and Safety Act for the licensure and regulation of

medical marijuana and established within the Department of Consumer Affairs the Bureau of Medical Marijuana Regulation, under the supervision and control of the Director of Consumer Affairs. Required the director to administer and enforce the provisions of the act.

**REGISTERED SUPPORT:**

None on file

**REGISTERED OPPOSITION:**

None on file

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

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