



## California Cannabis Legislative Update – 2022 (2<sup>nd</sup> year of 2 year Session) – Illegal Market

### Illegal Market

Bill/Sponsor	Summary	Status	Outcome & Forecast
<a href="#">AB 2102</a> – Cannabis: Facilities Used for Unlawful Purposes / <a href="#">ASM Reggie Jones-Sawyer</a>	This bill would impose a civil penalty of up to \$30k per violation against a person who <b>knowingly</b> violates the prohibition on renting, leasing, or making available a building, room, space, or enclosure for the purpose of unlawfully manufacturing, distributing, or selling cannabis, in addition to the criminal penalty, and authorizes injunctive relief, as specified. Each day the violation continues is a separate violation.	Active Bill – In Committee Process – Sen. Coms on JUD. and B. P. & E.D. –Cmt Date: <b>Dead for the year</b>	<b>Dead for the year</b> <b>06.21.22</b> –Sen. Coms on JUD. and B. P. & E.D. -Hearing canceled at the request of author.
<a href="#">AB 2728</a> – Unlawful Cannabis Activity: Penalties / <a href="#">ASM Thurston “Smitty” Smith</a>	This bill would <b>increase the civil penalty to 4 times the amount of the license fee. The bill would require the Department of Cannabis Control to waive the civil penalty if the unlicensed person, within 10 business days of issuance of the civil penalty, submits payment equal to the original license fee and all accompanying documentation.</b>	Active Bill – In Committee Process – Sen. Judiciary – <b>FAIL</b>	<b>6.28.22</b> – <b>FAIL</b> – <b>3-2-0</b> from Judiciary, motion to pass & re-refer to Approps. Cmt failed.. DEAD

### Enacted Tax Reform

<a href="#">AB 195</a> – Cannabis Tax / Assembly Members <a href="#">Ting (Chair)</a> , Arambula, Bennett, Bloom, Carrillo, Cooper, Friedman, Cristina Garcia, Jones-Sawyer, Lee, McCarty, Medina, Mullin, Nazarian, O’Donnell, Ramos, Reyes, Luz Rivas, Blanca Rubio, Stone, Wicks, and Wood	On 1.1.23, this bill would discontinue the imposition of the cultivation tax. A cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at 15% of the gross receipts of any retail sale by a cannabis retailer. For the 25–26 FY and every 2 years thereafter, the department, shall on or before May 1 of the FY adjust the cannabis excise tax rate an additional percentage of the gross receipts of any retail sale estimated to generate an amount of revenue equivalent to what would have been collected under the previous weight based cultivation tax. <b>In no case shall the cannabis excise tax exceed 19 percent of the gross receipts of retail sale.</b> A cannabis retailer shall be responsible for collecting the cannabis excise tax from the purchaser and remitting that tax to the accordingly.	<b>Signed into Law</b>	<b>This bill will go into effect on 1.1.23</b>
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## California Cannabis Legislative Update – 2022 (2<sup>nd</sup> year of 2 year Session) – Tax & Social Impact

### Tax (Equity & Income Tax)

Bill/Sponsor	Summary	Status	Outcome & Forecast
<a href="#">SB 1293</a> - Income taxation: credits: cannabis: equity applicants and licensees/ <a href="#">CA Sen Steven Bradford</a>	This bill, under both laws, for taxable years beginning on or after January 1, 2022, and before January 1, 2027, would allow a credit to a cannabis equity applicant or licensee <del>as defined</del> <i>licensee who is eligible for a specified fee waiver and deferral program administered by the Department of Cannabis Control</i> , in an amount equal to \$10,000.	Active Bill – In Committee Process- <b>Dead for the year</b>	<b>Dead for the year</b> <b>8.11.22</b> – Held in committee under submission.

### Social Impact

<a href="#">AB 2188</a> - Discrimination in employment: use of cannabis / <a href="#">ASM Dr. Bill Quirk</a>	<i>This bill, on and after January 1, 2024, would also</i> make it unlawful for an employer to discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based upon the person’s use of cannabis off the job and away from the workplace, <i>except for pre-employment drug screening, as specified (construction, fed background check, etc.)</i> , or, upon an employer-required drug screening test that has found the person to have non-psychoactive cannabis metabolites in urine, hair, blood or bodily fluids. <i>The bill would exempt certain applicants &amp; employees from the bill’s provisions, including employees in building &amp; construction trades &amp; applicants &amp; employees in positions requiring a federal background investigation or clearance, as specified.</i>	Active Bill - <b>PASSED</b>	<b>9.12.22</b> –Enrolled and presented to Governor.  <b>Amendment changes the investigative authority for employment discrimination complaints from the Department of Fair Employment &amp; Housing to the Civil Rights Department</b>
<a href="#">AB 2595</a> - Juveniles: dependency: jurisdiction of the juvenile court / <a href="#">ASM Reggie Jones- Sawyer</a>	This bill would require 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’s or guardian’s use or possession of cannabis is treated in the same manner as a parent’s or guardian’s use or possession of alcohol and legally prescribed medication.	<b>Active Bill - Signed into Law</b>	<b>9.6.22</b> – Chaptered by Sec. State, Chapter 260, Statutes of 2022. <b>9.6.22</b> – Approved by Governor.

### Licensing

<a href="#">AB 2210</a> - Cannabis: state temporary event licenses: venues licensed by the Department of ABC / <a href="#">ASM Dr. Bill Quirk</a>	This bill would <b>prohibit</b> the DCC from denying an application to issue a state temporary event license to a retail licensee <b>solely on the basis that there is a license issued pursuant to the Alcoholic Beverage Control Act for the proposed premises of the event.</b> The bill would prohibit the Department of Alcoholic Beverage Control from taking disciplinary action against a person licensed pursuant to the ABC Act on the basis of a state temporary event license issued by the DCC to a licensee that utilizes the same premises. This bill also requires that all onsite and offsite sale privileges of alcohol for the venue are suspended for the day of the event.	Active Bill – <b>PASSED</b>	<b>9.12.22</b> – Enrolled and presented to Governor
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## California Cannabis Legislative Update – 2022 (2<sup>nd</sup> year of 2 year Session) – Licensing & Environment

### Licensing, Environment, Hemp & Medical Research

Bill/Sponsor	Summary	Status	Outcome & Forecast
<b>SB 1148</b> - Cannabis: licenses: California Environmental Quality Act / <a href="#">CA Sen John Laird</a>	This bill would provide that CEQA does not apply to the issuance of a state license for a project to engage in commercial cannabis activity if the local jurisdiction has (1) approved the project, either adopted a negative declaration or mitigated negative declaration for the project or certified an environmental impact report for the project, and filed a notice of determination, or (2) approved the project following a determination that the project complies with a local ordinance governing commercial cannabis activity for which an environmental impact report has been certified and the project does not result in an impact that was not analyzed in that environmental impact report.	Active Bill – In Committee Process – Cmt. Date: <b>Dead for the year</b>	<b>Dead for the year</b> <b>8.10.22</b> – Hearing postponed by committee
<b>SB 1426</b> - Cannabis: water pollution crimes / <a href="#">CA Sen Anna Caballero</a>	This bill would make it a misdemeanor or felony to plant, cultivate, harvest, dry, or process more than 50 living cannabis plants, or any part thereof, and where that activity involves unauthorized tapping into a water conveyance or storage infrastructure, digging or extracting groundwater from an unpermitted well. Also clarifies that causing environmental harm to public resources includes groundwater.	Active Bill - In Committee Process – <b>Dead for the year</b>	<b>Dead for the year</b> <b>5.19.22</b> – Held in committee under submission - Approps
<b>SB 1186</b> - Medicinal Cannabis Patients’ Right of Access Act / <a href="#">CA Sen Scott Wiener</a>	This bill would prohibit local jurisdictions from adopting or enforcing any regulation that has the effect of prohibiting the retail sale by delivery within the local jurisdiction of medicinal cannabis to medicinal cannabis patients or their primary caregivers by licensed medicinal cannabis businesses in a timely and readily accessible manner and in types and quantities that are sufficient to meet demand from medicinal cannabis patients within the local jurisdiction, as specified. Amendments also restrict the bill to just delivery in jurisdictions, not protecting physical locations.	Active Bill – <b>PASSED</b>	<b>9.9.22</b> – Enrolled and presented to Governor.  Amendment - This bill would incorporate additional changes to S 26200 of the Bus. & Prof Code proposed by AB 2210 to be operative only if this bill and AB 2210 are enacted and this bill is enacted last.
<b>AB 2150</b> - Cannabis research / <a href="#">ASM Tom Lackey</a> , <a href="#">ASM Ken Cooley</a>	This bill would require the Center for Medicinal Cannabis Research to establish a study examining the effects of cannabis products that are currently in the commercial and, in consultation with the Department of the California Highway Patrol, evaluating the public safety consequences of driving after cannabis use and improving understanding of the best methods for determining related driving impairments. The bill would require the center to report the findings of the study on or before January 1, 2027. The bill would amend AUMA by appropriating \$2 million to the center for this purpose from the State and Local Gov Law Enforcement Account in the CA Cannabis Tax Fund.	Active Bill – In Committee Process – <b>Dead for the year</b>	<b>Dead for the year</b> <b>6.27.22</b> – In B. P. & Ed. committee: Set, first hearing. Hearing canceled at the request of author.



**California Cannabis Legislative Update – 2022 (2<sup>nd</sup> year of 2 year Session) – Things that Make You Go Hmmm...**

Bill/Sponsor	Summary	Status	Outcome & Forecast
<b>Medical Continued</b>			
<p><a href="#">AB 1954</a> - Physicians and surgeons: treatment and medication of patients using cannabis / <a href="#">ASM Dr. Bill Quirk</a></p>	<p>This bill would prohibit a physician and surgeon from <b>automatically</b> denying treatment or medication to a qualified patient, as defined, based solely on a positive drug screen for THC or report of medical cannabis use <b>without first completing a case-by-case evaluation of the patient that includes a determination that the qualified patient’s use of medical cannabis is medically significant, as defined, to the treatment or medication.</b> This bill also provides protection to physicians or surgeons for admitting medical cannabis patients.</p>	<p>Inactive Bill – <b>Signed into Law</b></p>	<p><b>9.2.22</b> - Chaptered by Secretary of State - Chapter 232, Statutes of 2022.</p> <p><b>9.2.22</b> – Approved by Governor</p> <p><b>8.17.22</b> – Read third time. <b>PASSED</b> Ordered to the Assembly. <b>37-0</b></p>
<b>Things that Make You Go Hmmm...</b>			
<p><a href="#">SB 1326</a> - Cannabis: interstate agreements / <a href="#">CA Sen Anna Caballero</a></p>	<p>This bill would make an exception to the MAUCRSA prohibition against transporting or distributing cannabis or cannabis products outside the state, unless authorized by federal law. The bill would authorize the Governor to enter into an agreement with another state or states authorizing medicinal or adult-use commercial cannabis activity, or both, between entities licensed under the laws of the other state or states and entities operating with a state license pursuant to MAUCRSA, provided that the commercial cannabis activities are lawful and subject to licensure under the laws of the other state or states. Businesses outside CA MUST have a CA license to transport into CA. <i>The bill would prohibit an agreement, as defined, from taking effect unless, among other things, federal law is amended to allow for, or the United States Department of Justice issues an opinion or memorandum allowing or tolerating, interstate transfer of cannabis or cannabis products between authorized commercial cannabis businesses. The bill would require the department to notify the Governor and the appropriate policy committees of the Legislature upon the occurrence of an event that would allow an agreement to take effect and to post the notification on its internet website.</i></p>	<p>Active Bill – <b>PASSED</b></p>	<p><b>9.6.22</b> – Enrolled and presented to Governor</p> <p><b>8.11.22</b> – <b>PASSED - 12-4.</b></p> <p>Amendment: The bill would make foreign licensees subject to the jurisdiction of this state for purposes of actions taken for violations of state commercial cannabis laws and regulations.</p>
<p><a href="#">AB 1656</a> - Cannabis: industrial hemp / <a href="#">ASM Cecilia Aguiar-Curry</a></p>	<p>This bill would enhance the viability of cannabis licensees in the marketplace by pursuing measures to relieve tax and regulatory requirements, and to authorize licensees to manufacture, distribute, and sell hemp and cannabidiol (CBD) products in compliance with current law.</p>	<p>Active Bill – <b>Dead for the year</b></p>	<p><b>Dead for the year</b></p> <p><b>6.8.22</b> – Read second time. Ordered to third reading.</p>