

# MEDICAL CANNABIS REGULATION AND CONTROL ACT

## **AB 266**

Location: SENATE

Authored by Assembly Members Bonta, Cooley, Jones-Sawyer

**SUPPORT WITH SUGGESTED AMENDMENTS**

**SUPPORT**

Americans for Safe Access (ASA), the nation's leading medical cannabis patients' advocacy organization, strongly supports statewide licensing and regulation of commercial medical cannabis activity. Our report, *Medical Cannabis Dispensing Collectives and Local Regulation (2010)* shows that sensible guidelines preserve safe and legal access for patients, while reducing crime and complaints in communities. Experience with local regulations in California and regulations in other states show the same benefits to patients and the public.

It is important that the California legislature act this year to properly license and regulate commercial medical cannabis activity for these reasons: (1) The lack of direction from the legislature has created a patchwork of local polices, and in some cases, ambivalence by local government to implement medical cannabis licensing and regulation. (2) The US Department of Justice said in a memo by Deputy Attorney General Cole on August 31, 2013, that states with effective regulation of medical cannabis would be a low priority for federal interference. (3) Voters in California are expected to vote on a ballot measure to legalize adult use of cannabis in November. It would be prudent to have sensible regulations for commercial medical cannabis in place before that vote.

AB 266 creates the Governor's Office of Marijuana Regulation to coordinate and provide oversight for the mandatory licensing and regulation of commercial medical cannabis cultivation, processing, distribution, transportation, and laboratory testing. The bill places primary licensing responsibility with the Board of Equalization and tasks the Department of Public Health and the Department of Food and Agriculture with developing appropriate regulations for licensees. Individual medical cannabis patients and primary caregivers who serve five or fewer patients are exempt for the provisions if the bill. Among numerous other provisions, AB 266 also:

- Requires state licensees to have a license from the city and county in which they operate before July 1, 2017,
- Makes recommending medical cannabis to a patient without an appropriate prior examination and a medical indication unprofessional conduct for a doctor,
- Authorizes cities and counties to assess additional taxes on medical cannabis activity.

Like any piece of complicated legislation AB 266 is a work in progress. ASA supports regulation of commercial medical cannabis and believes that California should act in a timely manner to adopt legislation. However, there are provisions of AB 266 that are problematic. ASA is seeking important amendments related to the following details in the bill. The specific amendments we are seeking may change as the bill continues to evolve.

- The licensing scheme in AB 266 would break up the existing "closed loop" patients' associations that are currently legal under the Medical Marijuana Program Act (HSC 11362.7). This is disruptive to the existing industry and may make it hard for licensees to perform functions

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normally associated with cultivation, distribution, and processing of cannabis. Greater flexibility is needed to allow applicants to obtain multiple licenses.

- The plant numbers in licensing tiers are arbitrarily low. These should be removed entirely. The issue of plant numbers can be revisited after regulators have real-world experience with the regulated medical cannabis marketplace.
- There should be a provision to allow licensees to operate in cities and counties where medical cannabis activity is not banned, but no local licenses or permits are available.
- The provision banning individuals with felony convictions from obtaining licenses should be removed.

ASA recommends that lawmakers and regulators utilize the Recommendations for Regulators – Cannabis Operations published by the American Herbal Products Association in 20014 as a blueprint for regulations for cultivating, processing, dispensing, and testing medical cannabis.

## Constituent Comments on AB 266

### Medical Cannabis Regulation and Control Act

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