AGENDA

I. Welcome and Introductions
   Speakers: Chair, Pippin Dew, Councilmember, Vallejo
              Vice Chair, Ray Marquez, Councilmember, Chino Hills
              Cal Cities President Cindy Silva, Mayor Pro Tem, Walnut Creek

II. Public Comment

III. The Economics of Cannabis
     Speaker: Dustin McDonald, Partner/Government Relations Lead,
              Square Root Group

IV. General Briefing (Handout)

V. Legislative Agenda (Attachment A)  Action
   - SB 1326 (Caballero) Cannabis: Interstate Agreements.
   - SB 1464 (Pan) Law Enforcement: Public Health Orders.

VI. Legislative Update
    Speaker: Elisa Arcidiacono, Legislative Representative, Cal Cities

VII. Police Reform: Internal Procedural Justice
     Speaker: Renee Mitchell, Senior Police Researcher,
              RTI International

VIII. Adjourn

Next Virtual Meeting: Friday, June 10, at 9:30 a.m.
1. **SB 1326 (Caballero) Cannabis: Interstate Agreements.**

This measure would allow the import to other states and export from other states of cannabis and cannabis products by authorizing the Governor to enter into an agreement to provide lawful interstate commerce.

**Bill Description:**

Specifically, this measure would:

- Allow the Governor to enter into an agreement with another state allowing medicinal and/or adult-use commercial cannabis activity between entities licensed under the laws of the contracting state and entities operating with a state license if the commercial cannabis activities are lawful and subject to licensure.
- The agreement would prohibit:
  - The use of any other transportation mode other than motor vehicles unless those authorized under both laws of the contracting state; or
  - Transportation through jurisdictions of the United States that allow for transportation.
- Permit a foreign licensee to engage in commercial cannabis activity with a state licensee.
- Prohibit a foreign licensee from engaging in commercial cannabis activity without a state license or engage in cannabis activity within a local jurisdiction without a license, permit, or authorization.
- Require the agreement to have the contracting state impose requirements on foreign licensees for cannabis and cannabis products to be sold, transferred, or distributed within the state that meet or exceed the following:
  - Enforceable public health and safety standards that are equivalent to California.
  - Mandatory participation in a system administered by the state to regulate and track the cultivation, manufacturing, distribution, transportation, sale, and destruction of cannabis and cannabis products from seed to sale.
  - Standards for the testing of cannabis or cannabis products in testing laboratories as required in California statute.
  - Requirements for the packaging and labeling of cannabis and cannabis products established in California statute.
  - Requirements for quality assurance and inspection of cannabis or cannabis products applicable to cannabis or cannabis products cultivated, manufactured, or sold by state licensees.
  - Restrictions on marketing, labeling, and advertising within this state by foreign licensees that meet or exceed the restrictions on California state licensees.
A process for the identification of adulterated or misbranded cannabis products, and the destruction of those products using standards that meet or exceed California standards and procedures.

- Require the agreement to require the department and appropriate regulatory entity of the contracting state to address public health and welfare emergencies concerning cannabis and cannabis products that are sold or intended for sale, including prompt recall or embargo of misbranded products.
- Require the agreement to include provisions requiring each state to investigate alleged noncompliance with commercial cannabis regulatory programs upon request by other state and in accordance with the mutually agreed upon procedure. The agreement must require the contracting state to reasonably cooperate with California investigations.
- Require the agreement to include provisions determined by the Governor to promote inclusion and support of individuals and communities in the cannabis industry who are linked to populations or neighborhoods negatively impacted by cannabis criminalization.

Background:
The Genesis of SB 1326
California legalized cannabis for both medicinal and adult-use through the passage of Proposition 64 (2016). However, state law currently limits commercial cannabis activities within California's borders and prohibits California's cannabis licensees from engaging in interstate commerce. Historically, most of the cannabis grown in California was exported, up to 80% by some estimates, and this prohibition has consequently left many California cannabis growers with no viable pathway into the legal, regulated market.

In 2019, Oregon enacted Senate Bill 582, authorizing their Governor to enter into agreements with other states that have legalized cannabis in order to permit "cross-jurisdictional" cannabis commerce. If other states adopt a similar approach, including states that have historically imported cannabis, this may provide a solution to cannabis oversupply in producing regions.

Federal law currently prohibits all cannabis activities - personal or commercial - and does not distinguish between interstate activities and those occurring entirely within one state's borders. However, this does not prevent a state from choosing to legalize some or all cannabis activities under its own state laws, regardless of where those activities occur. As many as 18 states have legalized recreational use of cannabis, and 37 states allow medicinal use. Despite the bipartisan momentum to decriminalize and legalize cannabis at the federal level, none have gained traction. Coordinated action by states that have legalized cannabis, and the development of a sensible and secure multi-state legal cannabis market, can provide support for a policy shift and help guide the federal conversation in future years.

According to the author, "SB 1326 provides a relief valve for the oversupply of cannabis, an opportunity to grow California's brand and market share, support job creation and gives the state a competitive advantage as federal policy develops...[and] is an essential step to ensure that California can fully capitalize on, and remain a leader in, the forthcoming national cannabis market. California should lay the groundwork for a multi-
state legal cannabis market. Not only can this strategy be replicated on a national scale, it can give California a competitive advantage."

**Fiscal Impact:**
The sponsors assert that California's legal cultivators grow more than three times as much cannabis as is sold in the legal retail marketplace. California had roughly $1.1 billion in cannabis tax revenue in 2020. With variations based on tax rates in other states, we could presumably have an additional $3 billion annually in revenue.

**Existing Cal Cities Policy:**
*Cannabis*
Cal Cities regards as a vital interest the maintenance of local control over medical and adult use cannabis businesses, and supports measures that enhance and protect maximum local regulatory, land use, and enforcement authority in relation to such businesses.

**Economic Development**
Cal Cities supports legislation that will provide tangible and productive tools and incentives to support job creation and retention in housing-rich, jobs-poor communities.

**Transportation**
Cal Cities supports the development of best practices and funding to support all modes of goods movement including ports, roadways, storage/distribution centers, rail and air. A focus should be kept on job creation and retention, economic development, and safety. Cal Cities encourages cities to actively engage their region and the state in making goods movement decisions.

**Staff Comments:**
This bill would take two to three years to fully implement. The author is considering amendments for additional public notice and oversight. States such as Nevada, Arizona, Montana, and New Mexico that have legalized recreational cannabis but are not ideal locations for cultivation would be primary candidates for such agreements.

**Support and Opposition:**
**Support**
Rural County Representatives of California (RCRC)- Sponsor
California State Council of Service Employees International Union
Cannabis Distribution Association
Cannabis Equity Policy Council
JRG Attorneys At Law
Monterey County Cannabis Industry Association
MontereyCounty
Nabis
UDW/AFSCME Local 3930

**Opposition**
None on file at this time.
Staff Recommendation:
Staff recommends the committee discuss SB 1326 and make a recommendation to the Board.

Committee Recommendation:

Board Action:

2. **SB 1464 (Pan) Law Enforcement: Public Health Orders.**

This measure would require peace officers to enforce all orders of the California Department of Public Health or a local health officer issued for the purpose of preventing the spread of any contagious, infectious, or communicable disease. Additionally, the measure would prohibit any state funds allocated for the purpose of pandemic response from being provided to any law enforcement agency that publicly announces that they will oppose, or adopts a policy to oppose, a public health order.

Bill Description:
Specifically, this measure would:
- Require, rather than permit, sheriffs and peace officers to enforce all orders of the California Department of Public Health or a local health officer issued for the purpose of preventing the spread of any contagious, infectious, or communicable disease.
- Prohibit any state funds allocated for the purpose of pandemic response from being provided to a law enforcement agency that publicly announces or adopts a policy stating they will not follow a public health order.
- Require state funds withheld from a law enforcement agency to be reallocated, for public health purposes, to the public health department of the county in which the law enforcement agency operates.

Background:
The Genesis of SB 1464
There have been several high-profile cases where sheriffs refused to enforce public health orders. For example, in July 2021, the Los Angeles County Sheriff’s Department stated that a reinstated indoor mask mandate was “not backed by science” and that the law enforcement agency would not enforce it. In September 2021, the Riverside County Sheriff said he would not require Sheriff’s Department employees or job applicants to be vaccinated against COVID-19 despite a state public health order mandating vaccinations.

According to the author, “In the two years since California’s first COVID-19 case, over 8.8 million Californians have contracted the disease. Of those 8.8 million, over 80,000 have died and many more are left with long term or permanent health consequences. To help reduce the impacts of COVID-19, public health officials worked tirelessly in attempt to control the spread of this disease. Lawful public health orders were adopted at the city, county, and state-level, but in many jurisdictions across the state, law enforcement agencies publicly undermined these life-saving measures. In order to protect and serve
our communities during this pandemic and the next, law enforcement must work alongside their partners in public health. The willingness of the public to follow public health and safety measures rests on the coordination of public health entities and public safety officers. This bill would take steps to ensure law enforcement protects public safety by withholding state funding from law enforcement agencies that refuse to enforce public health orders and amends existing law to require these agencies to uphold legal public health orders. This bill is a necessary step in saving lives and upholding public safety as the paramount duty of government.”

**Fiscal Impact:**
No formal fiscal impact has been conducted but this could include all $8.3 billion in state funding relating to pandemic relief.

**Existing Cal Cities Policy:**
No existing related policy.

**Staff Comments:**
This bill has been amended twice and pulled from the Health Committee twice, which is likely indicative of not having the support to move the vehicle forward. We do not have existing policy relating to the intersect of public health and public safety.

**Support and Opposition:**

**Support**
- ProtectUS - Sponsor
- California Association of Environmental Health Administrators
- Health Officers Association of California

**Opposition**
- Arcadia Police Officers Association
- Association for Los Angeles Deputy Sheriffs
- Burbank Police Officers Association
- California Coalition of School Safety Professionals
- California Health Coalition Advocacy
- California Parents United
- California State Sheriff’s Association
- Catholic Families 4 Freedom, California
- Catholic Families for Freedom San Bernardino
- Chad Bianco, Riverside County Sheriff
- Children’s Health Defense, California Chapter
- City of Rocklin
- Claremont Police Officers Association
- Committee to Support Parental Engagement in Santa Clarita School Districts
- Corona Police Officers Association
- Culver City Police Officers Association
- Eagle Forum of California
- Educate. Advocate.
- Freedom Keepers United
- Fresno Police Department
Fullerton Police Officers Association
Inglewood Police Association
Los Angeles County Sheriff's Department
Los Angeles School Police Association
National Vaccine Information Center
Natomas USD for Freedom
Newport Beach Police Association
Nuremburg 2.0
Orange County Sheriff's Department
Palos Verdes Police Officers Association
Peace Officers Research Association of California
Placer County Board of Supervisors
Placer County Deputy Sheriff's Association
Pomona Police Officers Association
Protection of the Educational Rights of Kids
Real Impact
Riverside County Sheriff's Department
Riverside Police Officers Association
Riverside Sheriffs' Association
San Bernardino County Sheriff's Department
San Joaquin County Liberty Coalition
Santa Ana Police Officers Association
Siskiyou Conservative Republicans
Stand Up Sacramento County
Supervisor Jill Cox, Trinity County Board of Supervisors, District 2
T. D. Saxon, Trinity County Sheriff
Unity Project
Upland Police Officers Association

**Staff Recommendation:**
Staff recommends the committee discuss SB 1464 and make a recommendation to the Board.

**Committee Recommendation:**

**Board Action:**