



April 15, 2019

The Honorable Evan Low
Chair, Assembly Committee on Business & Professions
State Capitol Building, Room 4126
Sacramento, CA 95814

RE: AB 1356 (Ting) Local Jurisdictions: Retail Commercial Cannabis Activity
Notice of OPPOSITION *(As Introduced)*

Dear Assembly Member Low:

On behalf of the League of California Cities®, I regret to inform you of our opposition to Assembly Bill 1356. Under this bill, if more than 50 percent of the voters of a local jurisdiction voted in favor of Proposition 64, these local jurisdictions would be required to adopt a local licensing structure for retail commercial cannabis activity. More specifically, the bill requires these cities to issue a minimum of one retail cannabis license for every four liquor licenses.

The League believes that AB 1356 fundamentally erodes the local regulatory authority of cities and counties, which is explicitly provided for in Proposition 64. In seeking to remove, a local government's ability to either approve retail cannabis shops at a different concentration level or prohibit them within its jurisdiction, this bill completely subverts the intent of the voters who approved Proposition 64. In essence, attempting to require cities to establish a 1 to 4 ratio of local retail cannabis licenses to liquor licenses removes the ability for locals to decide what is appropriate for their communities. By obligating such a ratio, AB 1356 proposes an arbitrary land use standard for individual cities and counties based on the results of a statewide ballot measure. Ultimately, it is questionable at best as to whether, under Proposition 64, the state even has the unilateral authority to impose such a requirement without voter approval.

It should also be noted that the Legislature created a regulatory framework for medical cannabis more than a year prior to the enactment of Proposition 64. That legislatively-enacted framework serves as the basis of regulatory structure provided for in the adult-use scheme. In the construction of both frameworks, the crafters recognized the need for local control, primarily as part of cities' and counties' land use authority. In crafting Proposition 64, stakeholders took note of and purposely avoided the local control model within Oregon's licensing scheme, which ties the ability to permit commercial cannabis to the level of the 'yes' vote the county received in that statewide election.

We acknowledge that many are frustrated with the slow and deliberate pace of many jurisdictions in authorizing commercial cannabis activities. We also recognize that a handful of cities continue to hold onto ideological reasons for not sanctioning commercial cannabis activities. The overwhelming number of 'pause' cities, however, are simply waiting for the industry to settle and assessing how the state will administer the licensing scheme. Changing the local authorization rules while in the middle of the implementation of the current regulatory framework will only serve to hinder the trust and partnership established between local jurisdictions and the state on this issue.

This heavy-handed approach is similar to the recent regulatory effort to force the allowance of cannabis deliveries anywhere in the state, despite any local limiting ordinance or prohibition that would otherwise restrict this commercial activity. While that provision is being litigated and will likely be overturned as a violation of Proposition 64, AB 1356 is likely to bring about more even litigation and confusion to an already fraught industry, which we view as counter-productive to the overall goals put forth by those who wish to promote further access.

For these reasons, the League opposes AB 1356. If you have any questions, please feel free to contact me at (916) 658-8252.

Sincerely,



Charles Harvey
Legislative Representative

cc. The Honorable Phil Ting
 Members, Assembly Committee on Business and Professions
 Robert Sumner, Consultant, Assembly Committee on Business and Professions
 Bill Lewis, Consultant, Assembly Republican Caucus