



October 31, 2018

Ms. Lori Ajax, Chief
Bureau of Cannabis Control
2920 Kilgore Road
Rancho Cordova, CA 95670

Transmit Via E-Mail: CalCannabisRegs@cdfa.ca.gov

RE: Comments on Modified Text of Proposed Medicinal and Adult-Use Cannabis Regulations

Dear Ms. Ajax:

On behalf of the Rural County Representatives of California (RCRC), the Urban Counties of California (UCC), and the California State Association of Counties (CSAC), we offer our comments on the Modified Text of Proposed Medicinal and Adult-Use Cannabis Regulations.

As with the initial draft regulations, our principal concern with the Modified Text arises from Section 5416, subdivision (d). Our organizations continue to strongly oppose the Bureau's statement that "[a] delivery employee may deliver to any jurisdiction within the State of California," on both legal and policy grounds. The Modified Text proposes to retain this ambiguous and unlawful provision, with an added caveat requiring that "such delivery is conducted in compliance with all delivery provisions of this division." This addition was ostensibly necessary because "the Bureau received feedback that this section could be read that the delivery rules may not apply."

The foregoing wholly misconstrues the prior comments made by local government organizations and others. As expressed in our August 13, 2018 letter, the real concern (one of many) is not any supposed implication that the delivery rules "may not apply" to licensees delivering in remote jurisdictions – but that they will not be *enforceable*. Adding a redundant statement regarding compliance does nothing to address the serious public safety impacts of allowing licensees to conduct commercial cannabis sales far outside the reach of the permitting local jurisdiction. The proposed modifications to Section 5416 add meaningless language addressing a non-existent concern, while ignoring real clear and present hazards.

Two other aspects of the modified text also warrant comment:

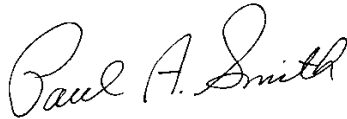
- The Modified Text clarifies many references to microbusinesses performing certain functions, by specifying that they apply only to microbusinesses "authorized to engage in" those particular activities (e.g., retail, cultivation, etc.). This clarification should also be included in Section 5602, subdivision (g) as follows:

(g) The cannabis goods sold onsite at a temporary cannabis event shall be transported by a licensed distributor or licensed microbusiness authorized to engage in distribution in compliance with the Act and this division. All shipments of cannabis and non-cannabis goods intended for sale at a temporary cannabis event must be checked by the temporary cannabis event organizer staff to prevent prohibited items, such as alcohol and tobacco, from entering the licensed premises.

- New Section 5604, regarding "informational or educational events," was intended to address "inquiries regarding a licensee's ability to participate in such events." However, the proposed text is unclear on that very point. Subdivision (b) appears to indicate that only "personal use" cannabis goods may be displayed at such an event – which would imply that cannabis goods in excess of the statutory "personal use" amounts may not be displayed, and that licensees could not display any of their active inventory, which not possessed by an individual in accordance with the cited personal use statutes. If that was the Bureau's intention, it should be expressly stated. If that was not the intention, then clear rules for licensee participation should be provided – including requiring that commercial cannabis goods displayed at such events be transported by a licensed distributor (similar to the provisions for temporary cannabis events).

We appreciate the opportunity to provide these comments on the Modified Text of Proposed Medicinal and Adult-Use Cannabis Regulations. If you have any questions, please contact Paul A. Smith at psmith@rcrcnet.org, Jolena Voorhis at jolena@urbancounties.com, or Cara Martinson at cmartinson@counties.org.

Sincerely,



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Vice President Governmental Affairs
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CARA MARTINSON
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JOLENA L. VOORHIS
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UCC