



RURAL COUNTY REPRESENTATIVES  
OF CALIFORNIA

April 12, 2019

The Honorable Phillip Ting  
Member, California State Assembly  
State Capitol, Room 6026  
Sacramento, CA 95814

**RE: Assembly Bill 1356 – OPPOSE  
As Amended April 4, 2019**

Dear Assembly Member Ting:

On behalf of the Rural County Representatives of California (RCRC), I regret to inform you of our opposition to your Assembly Bill 1356, which relates to retail commercial cannabis activity in local jurisdictions.

RCRC is an association of thirty-six rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from those member counties. The issue of cannabis continues to be of importance to nearly every one of RCRC's member counties. With the enactment of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) and the Adult Use of Marijuana Act (Proposition 64), there are requirements that cannabis cultivators participating in the regulated commercial cannabis market be licensed by the State and receive local authorization.

AB 1356 provides that if more than 50 percent of the voters of a local jurisdiction voted in favor of Proposition 64, these local jurisdictions must issue a minimum number of licenses authorizing retail cannabis activity within that jurisdiction. It should be noted that Proposition 64 received a majority of the "yes" vote in 19 of our thirty-six members; however, we would contend that in nearly every one of these 19 approving counties, support was primarily based on the ability to legally cultivate and manufacture cannabis. Retail was, at best, a secondary issue. Furthermore, nearly every one of these 19 counties has attempted to create a local licensing structure and has attempted to do so in an expeditious manner. Again, the focus and priority in these counties has been to sanction cultivation/manufacturing; in most instances retail has been suggested to be a matter in the incorporated areas where a larger and more dense population base can support a retail premise. We would point out that much of the reason for the lack of a more full and robust mix of commercial cannabis activities is not necessarily due to

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ALPINE AMADOR BUTTE CALAVERAS COLUSA DEL NORTE EL DORADO GLENN HUMBOLDT IMPERIAL INYO LAKE LASSEN MADERA MARIPOSA MENDOCINO MERCED  
MODOC MONO NAPA NEVADA PLACER PLUMAS SAN BENITO SAN LUIS OBISPO SHASTA SIERRA SISKIYOU SONOMA SUTTER TEHAMA TRINITY TULARE TUOLUMNE YOLO YUBA

restrictions at the local level; state licensing agencies also share some responsibility in the level of sanction and timeliness.

RCRC believes that AB 1356 fundamentally erodes local control as provided to county Boards of Supervisors, which is explicitly provided for in Proposition 64. In essence, AB 1356 proposes a land use standard based on the results of a statewide ballot measure that's primary purpose was to sanction adult use of cannabis. It should also be noted that the Legislature created a regulatory framework for medical cannabis over a year before Proposition 64 was enacted. 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, 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 the statewide election) was purposely avoided.

Many of the RCRC member counties that supported Proposition 64 (and are also working to sanction all forms of commercial cannabis activity) are troubled by the preference deferred to retail. For example, Mendocino County has very limited amounts of private land currently zoned for retail, processing, distribution and manufacturing. Priority land use for cannabis retail undermines the County's ability to promote cannabis economic development in the other licensing categories, which is necessary to create a robust seed-to-sale cannabis industry. Furthermore, rural counties are also under enormous pressure from the Legislature to sanction additional housing. And, as mentioned, there has been a collective effort amongst many county leaders to work with city leaders in sanctioning retail activity within cities. As such, counties such as Mendocino – which is likely to meet the current retail tests imposed in AB 1356 – are opposed to the bill because it begins to undermine the regulatory structure put forth in Proposition 64 and the County's authority to make land use decisions which are consistent with the community's need.

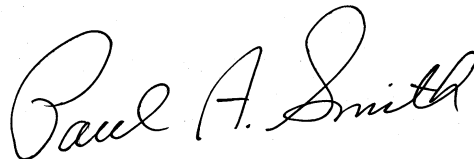
RCRC is also concerned that AB 1356 clearly favors one type of retail business model over another – storefront versus mobile deliveries. Approving-counties such as Butte, Mariposa, Sierra, and Tuolumne have purposely avoided sanctioning storefront retail in favor of allowing access to cannabis products via a delivery model. In some instances, this is the result of voter preference in separate questions posed to the local electorate. In other instances, it is because a single retailer (which is likely the amount of storefront capacity that a rural local market can support) cannot finance a county's regulatory structure (general business licenses, inspection fees, environmental review, etc.). In other words, a small county cannot recover its regulatory costs with just one or two storefront facilities in their county. Yet, under AB 1356, we would assume there will be retail applicants in these approving-counties and the initial costs that a county would incur will never be fully recouped. Even permitting counties found on the North Coast

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have experienced a significant loss of their General Fund monies in order to meet both locally-imposed and state-imposed regulatory costs.

Many are critical of the stubbornness or slowness of many jurisdictions in permitting cannabis activities. We recognize that a few counties continue to hold onto ideological reasons for not sanctioning commercial cannabis activities. But the overwhelming number of 'pause' counties continue that practice in order to determine how the state will administer the licensing scheme. Changing the local authorization rules while in the middle of the implementation of the regulatory framework will break the partnership and trust that either currently exists or awaits. We see that as counter-productive to the overall goals put forth by those who wish to promote further access.

Sincerely,

A handwritten signature in black ink that reads "Paul A. Smith". The signature is written in a cursive, flowing style with a large initial 'P' and 'S'.

PAUL A. SMITH  
Vice President Governmental Affairs

cc: Members of the Assembly Business & Profession Committee  
Consultant, Assembly Business & Profession Committee  
Bill Lewis, Consultant, Assembly Republican Caucus