

**ASSEMBLY BILL**

**No. 1530**

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**Introduced by Assembly Member Cooley**

February 22, 2019

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An act to amend Section 26090 of the Business and Professions Code, and to add Chapter 11.5 (commencing with Section 11620) to Division 10 of the Health and Safety Code, relating to cannabis.

LEGISLATIVE COUNSEL'S DIGEST

AB 1530, as introduced, Cooley. Unauthorized cannabis activity reduction grants: local jurisdiction restrictions on cannabis delivery.

(1) Existing law, the Compassionate Use Act of 1996 (CUA), provides that a patient or a patient's primary caregiver who possesses or cultivates marijuana for personal medical purposes of the patient upon the written or oral recommendation or approval of a physician is not subject to conviction for offenses relating to possession and cultivation of marijuana. The Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), an initiative statute approved as Proposition 64 at the November 8, 2016, statewide general election, authorizes a person 21 years of age or older to engage in specified activities related to the personal use of cannabis or cannabis products, subject to certain restrictions, as specified. AUMA also authorizes a person who obtains a state license under AUMA to engage in commercial adult-use cannabis activity pursuant to that license and applicable local ordinances. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities. Existing law, the California Uniform Controlled Substances Act, makes

the cultivation, manufacture, transportation, possession, and sale of cannabis a crime, except as provided.

This bill would require the Board of State and Community Corrections to create and administer a program of grants to be made on a competitive basis to cities, counties, and joint powers authorities to establish or expand an enforcement program against unauthorized cannabis activity, as defined, and provide consumer education about the difference between licensed or legal cannabis activity and unlicensed or illegal cannabis activity. The bill would require the board to create an evaluation design for unauthorized cannabis activity reduction grants that assesses the effectiveness of the grant programs in reducing cannabis-related crime and increasing public knowledge of cannabis regulation and, commencing January 1, 2022, and annually thereafter until January 1, 2025, to submit a report to the Legislature based on the evaluation design. The bill would authorize the board to use up to 2.5% of the money appropriated for this program for administration of the grant program and the development of the evaluation component.

(2) MAUCRSA generally authorizes a local jurisdiction to adopt and enforce local ordinances to regulate licensed businesses located within the local jurisdiction. MAUCRSA prohibits a local jurisdiction from preventing the delivery of cannabis or cannabis products on public roads by a licensee who is acting in compliance with MAUCRSA as well as any local law adopted pursuant to MAUCRSA.

This bill would authorize a local jurisdiction to adopt an ordinance or resolution that permits, restricts, limits, or bans the delivery of cannabis or cannabis products to a location within its jurisdictional boundaries.

(3) AUMA authorizes the Legislature to amend its provisions with a  $\frac{2}{3}$  vote of both houses to further its purposes and intent.

This bill would make specified findings and declare that its provisions further the purposes and intent of AUMA.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 26090 of the Business and Professions
- 2 Code is amended to read:

1 26090. (a) Deliveries, as defined in this division, may only be  
2 made by a licensed retailer or microbusiness, or a licensed  
3 nonprofit under Section 26070.5.

4 (b) All employees of a retailer, microbusiness, or nonprofit  
5 delivering cannabis or cannabis products shall carry a copy of the  
6 licensee’s current license and a government-issued identification  
7 with a photo of the employee, such as a driver’s license. The  
8 employee shall present that license and identification upon request  
9 to state and local law enforcement, employees of regulatory  
10 authorities, and other state and local agencies enforcing this  
11 division.

12 (c) During delivery, the licensee shall maintain a copy of the  
13 delivery request and shall make it available upon request of the  
14 licensing authority and law enforcement officers. The delivery  
15 request documentation shall comply with state and federal law  
16 regarding the protection of confidential medical information.

17 (d) A customer requesting delivery shall maintain a physical or  
18 electronic copy of the delivery request and shall make it available  
19 upon request by the licensing authority and law enforcement  
20 officers.

21 (e) A local jurisdiction shall not prevent ~~delivery~~ *transportation*  
22 of cannabis or cannabis products *for delivery* on public roads by  
23 a licensee acting in compliance with this division and local law as  
24 adopted under Section 26200.

25 (f) *A local jurisdiction may adopt an ordinance or resolution*  
26 *pursuant to Section 26200 that permits, restricts, limits, or bans*  
27 *the delivery of cannabis or cannabis products to a location within*  
28 *its jurisdictional boundaries.*

29 SEC. 2. Chapter 11.5 (commencing with Section 11620) is  
30 added to Division 10 of the Health and Safety Code, to read:

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32 CHAPTER 11.5. UNAUTHORIZED CANNABIS ACTIVITY  
33 REDUCTION GRANTS  
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35 11620. (a) The board shall create and administer a program  
36 of grants to be made on a competitive basis.

37 (b) Grants may be used for either or both of the following  
38 purposes:

- 1 (1) To establish or expand an enforcement program against  
2 unauthorized cannabis activity, including, but not limited to,  
3 organized criminal activity. Grants may fund any of the following:  
4 (A) Training.  
5 (B) Equipment.  
6 (C) Salaries for peace officers, code enforcement officers, city  
7 attorneys, or county counsels.
- 8 (2) Consumer education about the difference between licensed  
9 or legal cannabis activity and unlicensed or illegal cannabis  
10 activity.
- 11 (c) For purposes of this chapter, the following definitions apply:  
12 (1) “Applicant” means a city, city and county, county, or joint  
13 powers authority that is applying for a grant pursuant to this  
14 chapter.  
15 (2) “Board” means the Board of State and Community  
16 Corrections.  
17 (3) “Commercial cannabis activity” has the same meaning as  
18 in subdivision (k) of Section 26001 of the Business and Professions  
19 Code.  
20 (4) “Organized criminal activity” means crime that is of a  
21 conspiratorial and organized nature and that seeks to supply illegal  
22 goods or services.  
23 (5) “Unauthorized cannabis activity” means commercial  
24 cannabis activity by an entity that does not have a license issued  
25 pursuant to Division 10 (commencing with Section 26000) of the  
26 Business and Professions Code and cultivation, possession,  
27 transportation, or use of cannabis by a person under 21 years of  
28 age not authorized pursuant to the Compassionate Use Act of 1996  
29 (Proposition 215), found at Section 11362.5, or in an amount or  
30 manner not authorized by law.  
31 (6) “Cultivation and retail cannabis activity” includes delivery  
32 as defined in Section 26001 of the Business and Professions Code.  
33 11621. (a) The board shall establish minimum requirements,  
34 funding criteria, and procedures for awarding the grants, which  
35 shall take into consideration all of the following:  
36 (1) The probable or potential impact of the grant on reducing  
37 unauthorized cannabis activity.  
38 (2) Demonstrated ability of the applicant to administer the  
39 program, including past experience in the administration of a prior  
40 offender crime reduction program.

1 (3) Demonstrated ability of the applicant to develop effective  
2 action plans and to provide effective implementation of the  
3 measures outlined in those plans.

4 (4) Demonstrated ability of the applicant to collaborate with  
5 other agencies while maintaining effective coordination and  
6 delivery of the strategies, programs, and services described in the  
7 application.

8 (5) The likelihood that the program will continue to operate  
9 after the grant funding ends, including the applicant's demonstrated  
10 history of maximizing federal, state, local, and private funding  
11 sources to address the needs of the grant service population.

12 (6) The number of licenses for commercial cannabis activity  
13 made available within the applicant's jurisdiction.

14 (7) Other factors deemed necessary or relevant by the board.

15 (b) (1) The board shall design an application process for the  
16 grant program.

17 (2) The application shall require the applicant to create a  
18 three-year plan that identifies the programs, services, and strategies  
19 to be provided by the grant, as specified in Section 11622.

20 (3) The board shall give priority or preference to applications  
21 that include documented match funding that exceeds 25 percent  
22 of the total grant amount.

23 (4) The board shall only accept an application from an applicant  
24 that authorizes or licenses both cultivation and retail cannabis  
25 activity.

26 (c) The board shall provide guidance to applicants on the  
27 performance measures and reporting criteria to be addressed in  
28 the application.

29 11622. (a) An applicant shall establish a strategy committee  
30 to create a three-year plan for providing a cost-effective continuum  
31 of education, prevention, and enforcement actions.

32 (b) The comprehensive three-year plan shall include all of the  
33 following:

34 (1) Specific outcomes and performance measures for the grant  
35 funds and a method for annually reporting those outcomes and  
36 measures to the board that will allow the board to evaluate, at a  
37 minimum, the effectiveness of the strategies supported by the grant  
38 in reducing unauthorized cannabis activity.

39 (2) Strategies for prevention, education, intervention, and  
40 prosecution that include at least one of the following:

1 (A) Improved training or equipment to be used for the purpose  
2 of combating unauthorized cannabis activity.

3 (B) Increases in employment or remuneration of peace officers,  
4 code enforcement officers, and other personnel for enforcement  
5 efforts.

6 (C) Increases in employment or remuneration for city attorneys  
7 or county counsels for the purpose of lien enforcement or other  
8 penalties for unauthorized cannabis activity.

9 (D) Efforts focused on improving consumer education on the  
10 differences between licensed and legal cannabis activity and  
11 unlicensed or illegal cannabis activity.

12 (3) A description of how the responses and services included  
13 in the plan have been proven to be, or are designed to be, effective  
14 in addressing unauthorized cannabis activity.

15 (c) The plan, as included in the grant application, shall include  
16 the identification of specific outcome and performance measures  
17 for annual reporting to the board that will allow the board to  
18 evaluate, at a minimum, the effectiveness of the strategies  
19 supported by the grant in reducing unauthorized cannabis activity.

20 (d) The board may assist applicants in meeting any grant  
21 submission requirements by providing guidance through the grant  
22 application process.

23 11623. (a) The board shall create an evaluation design for  
24 unauthorized cannabis activity reduction grants that assesses the  
25 effectiveness of the grant programs in reducing crime related to  
26 unauthorized cannabis activity and increasing public knowledge  
27 of cannabis regulation. The evaluation shall incorporate, but is not  
28 limited to, all of the following:

29 (1) Number of executed search warrants for evidence of  
30 unauthorized cannabis activity.

31 (2) Number of pending or completed investigations into  
32 unauthorized cannabis activity.

33 (3) Number of homes or businesses inspected pursuant to laws  
34 or regulations related to cannabis activity.

35 (4) Number of letters sent to homes or businesses informing  
36 them of possible unauthorized cannabis activity.

37 (5) Number of cannabis plants seized or destroyed.

38 (6) Number of unlicensed cannabis operations shut down.

39 (7) Number of arrests for unauthorized cannabis activity.

1 (8) Amount of cash and equipment seized or destroyed from  
2 unauthorized cannabis activity.

3 (9) Amount of penalties assessed for unauthorized cannabis  
4 activity.

5 (10) Number of property liens for unauthorized cannabis  
6 activity.

7 (11) Amount spent on educating consumers about the differences  
8 between legal and illegal cannabis activity.

9 (12) Amount spent on training for personnel to establish or  
10 expand an enforcement program against unauthorized cannabis  
11 activity or for consumer education about the difference between  
12 licensed or legal cannabis activity and unlicensed or illegal  
13 cannabis activity.

14 (13) Amount spent on salaries and other personnel expenses  
15 related to unauthorized cannabis activity and increasing public  
16 knowledge of cannabis regulation.

17 (b) (1) Commencing January 1, 2022, and annually thereafter,  
18 the board shall submit a report to the Legislature based on the  
19 evaluation design required pursuant to subdivision (a).

20 (2) The reports required by paragraph (1) shall be submitted in  
21 compliance with Section 9795 of the Government Code.

22 (3) Pursuant to Section 10231.5 of the Government Code, this  
23 subdivision shall become inoperative as of January 1, 2025.

24 11624. The board may use up to 2½ percent of the money  
25 appropriated for this program for administration of the grant  
26 program and the development of the evaluation component.

27 SEC. 3. The Legislature finds and declares that Section 1 of  
28 this act amending Section 26090 of the Business and Professions  
29 Code prevents illegal production or distribution of cannabis,  
30 preserves scarce law enforcement resources to prevent and  
31 prosecute violent crime, and allows local governments to ban  
32 nonmedical marijuana businesses, and thus, furthers the purposes  
33 and intent of the Control, Regulate and Tax Adult Use of Marijuana  
34 Act of 2016.