



FLOOR ALERT

To: Members of the California State Senate
Date: January 29, 2024
Re: **Senate Bill 820 (Alvarado-Gil) – SUPPORT**
As Amended May 1, 2023

On behalf of the Rural County Representatives of California (RCRC) and the League of California Cities (Cal Cities), we are pleased to support SB 820, authored by Senator Alvarado-Gil. This measure adapts the civil forfeiture provisions, currently applicable to unlicensed manufacturing of alcoholic beverages (i.e., moonshining), to cover unlicensed commercial cannabis activities.

The implementation of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), including the enforcement challenges surrounding the illicit cannabis market, have been ongoing challenges facing counties and cities for many years.

In an investigative series published last year, the [Los Angeles Times](#) described the scale of the illicit market challenge as "immense" and highlighted the numerous consequences associated with illicit cannabis activity, including an increase in cannabis-related violence; worker exploitation; and environmental damage.

The reality, unfortunately, is that many illicit cannabis operations are able to quickly recover following enforcement actions due to complicit landlords, exploitation of workers, and remaining specialty equipment used for the cultivation, manufacturing, and retail of illegal cannabis. Local jurisdictions often get calls within 24-48 hours after enforcement action that these bad actors are back in business. State and local enforcement efforts have minimal impact without addressing the underlining infrastructure that enable these lucrative illegal operations to bounce back quickly.

Existing law authorizes the seizure of property used in conjunction with the unlicensed manufacture of hard liquor (i.e., moonshining). Unlike drug forfeiture statutes, these laws are adapted to the fact that alcoholic beverages are not inherently unlawful. No criminal conviction is required, and anyone with an interest in the property is given an opportunity to prove in a civil proceeding that the property was not used unlawfully. Recent amendments provide additional protections against forfeiture for workers' property, for the property of cannabis businesses actively engaged in the state licensure process, and for

any property otherwise not used or intended to be used to facilitate illegal commercial cannabis activity.

SB 820 would bolster enforcement efforts against illicit cannabis operations by authorizing, through a civil enforcement process, the removal of the underlying infrastructure—such as specialized cultivation and manufacturing equipment—used for unlicensed cannabis activities. SB 820 provides law enforcement with an optional tool to disrupt the resources of unlicensed conspirators that allow illegal cannabis operations to thrive. In addition, this measure invests enforcement proceeds in the Cannabis Control Fund to support equity programs for legal operators that were negatively impacted by the war on drugs. It's vital to not only shut down bad actors but also support licensed cannabis businesses that enhance reliable access to regulated, tested cannabis in the legal market.

This model is a needed tool to effectively curtail illicit cannabis operations that undercut a safe and legal marketplace. It is critical to ensure that the limited resources used to enforce against unlicensed cannabis operations be impactful. In addition to disrupting the operations themselves, civil forfeiture can also act as a deterrent to other illicit operators and promote entrance into the legal, regulated cannabis market.

For the reasons stated, RCRC and Cal Cities respectfully requests your 'Aye' vote when the bill is heard. If you have any questions, please contact Sarah Dukett (RCRC) at sdukett@rcrcnet.org, or Jolena Voorhis (Cal Cities) at jvoorhis@calcities.org.