



June 17, 2024

The Honorable Cecilia Aguiar-Curry
California State Assembly
1021 O St., Room 8210
Sacramento, CA 95814

Assembly Member Aguiar-Curry,

On behalf of the California State Association of Counties (CSAC), the Rural County Representatives of California (RCRC), and the League of California Cities (Cal Cities), we write in support of your AB 2223. This bill would make important changes to regulate intoxicating hemp to protect the health and safety of our communities and prevent these untested, untaxed, and unregulated products from undercutting the licensed cannabis market.

In passing Proposition 64, voters made it clear that while adults should be able to partake in the intoxicating effects of cannabis, there must be strong regulations to ensure that the products are safe, only available to those over 21, do not appeal to children, and are properly taxed at the state and local level. We have seen intoxicating hemp undermine each of these principles, simply because the tetrahydrocannabinol (THC) compound is hemp-derived, which is the same compound found in intoxicating cannabis. This paradox creates a glaring disparity in the treatment of identical THC products.

Local governments have a stake in shaping the broader statewide landscape of cannabis regulation in California, as it has a significant impact on our operations and serves as an important economic driver in many communities. Our licensed operators are required to pay state and local taxes that fund critical programs including youth education, prevention, early intervention, and treatment; environmental protection and restoration; and public safety-related activities.

Enforcement efforts are already spread thin across a variety of state and local law enforcement agencies with insufficient resources and competing priorities. This is particularly true for local law enforcement and code enforcement agencies, which shoulder a significant amount of the burden for addressing illicit activity. These agencies depend on local taxes, as well as state dollars like the Public Health & Safety Grant Program, to keep their communities safe and bolster the licensed market. Allowing intoxicating products to circumvent the established taxation framework eats away at our already limited resources.

AB 2223 would make important changes to address these issues by establishing a lower total THC concentration for hemp products, requiring testing to ensure compliance with THC concentration, ensure compliance with tax laws and enhancing enforcement measures against those who violate established standards. It is for these reasons that we support AB 2223 and appreciate your work on this important

issue. Should you have on our position please to not hesitate to reach out to Ada Waelder (CSAC) at awaelder@counties.org, Sarah Dukett (RCRC) at sdukett@rcrcnet.org, or Jolena Voorhis (Cal Cities) at jvoorhis@calcities.org.

Sincerely,



Ada Waelder
Legislative Advocate
California State Association of Counties



Jolena Voorhis
Legislative Affairs, Lobbyist
League of California Cities



Sarah Dukett
Policy Advocate
Rural County Representatives of California

Cc: Honorable Chair, Members, and Staff, Senate Business and Professions Committee
Kayla Williams, Senate Republican Caucus