

April 10, 2023

The Honorable Luz M. Rivas Chair, Assembly Natural Resources 1020 N Street, Room 164 Sacramento, CA 95814

RE: Assembly Bill 1719 (Bonta) – SUPPORT As Amended on March 16, 2023

Dear Assembly Member Rivas:

On behalf of the Rural County Representatives of California (RCRC), we support Assembly Bill 1719, authored by Assembly Member Mia Bonta. This measure would streamline the local permitting process for cannabis businesses by providing a narrow CEQA exemption for cannabis retail, manufacturing, distribution, and testing laboratories located within developed commercial or industrial zones where these activities are a principally permitted use. RCRC is an association of forty rural California counties and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties.

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) establishes a dual regulatory structure for cannabis businesses: A person who wishes to engage in commercial cannabis activity is subject to regulation at both the state and local levels. In practice, local jurisdictions are often required to perform site-specific CEQA review for all license types, even for cannabis businesses located in fully developed areas, and posing no meaningful risk of environmental impact.

CEQA generally requires environmental review for any discretionary permit issued by a government agency. However, CEQA also establishes "categorical exemptions" for certain types of activities, which are not subject to those requirements. Exempt activities include the operation of established business premises involving negligible expansion of existing use, and for the construction or conversion of small structures, including minor additions. While these exemptions are commonly used when permitting new businesses located on established commercial and industrial properties, they are often difficult to apply when permitting *cannabis* businesses due to threats of "NIMBY" challenge, and the

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need to produce an environmental review that will satisfy the Department of Cannabis Control.

To enhance reliable access to regulated, tested cannabis in the legal market, streamlined dual licensing is required. Local jurisdictions often hesitate to authorize commercial cannabis activity because of the cost and time to develop a cannabis-specific ordinance, duplicative CEQA requirements, and the high risk of litigation. AB 1719 addresses these concerns by providing a streamlined mechanism through a limited CEQA exemption for permitting commercial cannabis activity consisting only of retail, distribution, manufacturing, or laboratory testing. The exemption would only apply to (1) zones where commercial or industrial are a principally permitted use (2) the commercial cannabis activity is conducted within an existing structure (3) the cannabis activity meets local permitting requirements.

AB 1719 will enable counties and cities to move quickly with limited risk to authorize cannabis retail throughout California. Without the expansion of retail and the licenses that support their operations, California will continue to struggle with safe consumer access resulting in the expansion of the illicit market.

For the above reasons, we respectfully request your 'Aye' vote when this bill is heard before your committee. If you have any questions, please do not hesitate to contact me at (916) 447-4806 or <a href="mailto:square:s

Sincerely,

SARAH DUKETT Policy Advocate

cc: The Honorable Mia Bonta, Member of the California State Assembly
Members of the Assembly Natural Resources Committee
Paige Brokaw, Consultant, Assembly Business and Professions Committee
Casey Dunn, Consultant, Assembly Republican Caucus