



April 17, 2023

The Honorable Marc Berman
Chair Assembly Committee on Business & Professions
1021 O Street, Suite 6130
Sacramento, CA 95814

**Re: Assembly Bill 687 (Hart) California Cannabis Authority
As Amended March 16, 2023 – SUPPORT IN CONCEPT
Set for Hearing – April 18, 2023 – Assembly Business & Professions Committee**

Dear Assembly Member Berman:

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 with a “support in concept” position on Assembly Member Hart’s AB 687. This bill would make important changes to the state’s cannabis track and trace system by requiring deliveries to include zip code data and allowing Joint Powers Authorities access to California Cannabis Track and Trace (CCTT) data, which will help local governments regulate and enforce their cannabis licensing programs.

Proposition 64 established a dual-licensing system, which means the success of cannabis programs is dependent on strong state and local partnerships, and local governments have a vested interest in ensuring the strength of the regulated market. Cannabis regulation has a significant impact on local government operations and serves as an important economic driver in many communities.

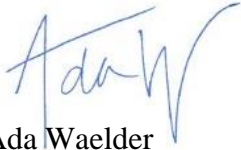
AB 687 would require the inclusion of zip code data for deliveries into the CCTT system. As we have seen the proliferation of cannabis delivery across the state, additional information is needed in the CCTT system to effectively track these transactions. This information will provide cities and counties greater oversight of where transactions are taking place and the ability to assign appropriate taxation to those transactions. Cities and counties depend on cannabis tax revenue to support regulatory schemes and enforcement.

To maximize the success of cannabis regulation, it is important that counties have access to accurate and up-to-date data to understand where transactions are happening and spot irregularities that may indicate illicit activity. Data-driven enforcement and regulatory decisions help set appropriate tax rates, which can better reflect current market conditions and support the

industry. However, local governments are currently unable to access the CCTT system in real-time.

Cities and counties support efforts that would expand access to CCTT and other tools that make it easier for local governments to regulate and enforce cannabis regulations. We also encourage the state and legislature to make these tools available at no cost to local governments. It is for these reasons we have taken a “support in concept” position on AB 687.

Sincerely,



Ada Waelder
California State Association of Counties
awaelder@counties.org



Elisa Arcidiacono
League of California Cities
earcidiacono@calcities.org



Sarah Dukett
Rural County Representatives of California
sdukett@rcrcnet.org

cc: The Honorable Gregg Hart
Members and Staff, Assembly Committee on Business and Professions
Bill Lewis, Assembly Republican Caucus