

April 29, 2024

The Honorable Anna Caballero Chair, Senate Appropriations Committee State Capitol, Room 412 Sacramento, CA 95814

RE: Senate Bill 1064 (Laird) – SUPPORT As Amended April 16, 2024

Dear Chair Caballero:

On behalf of the Rural County Representatives of California (RCRC), League of California Cities (Cal Cities), and California State Association of Counites (CSAC), we are pleased to support Senate Bill 1064 (Laird), which aims to modernize the state licensing structure for cannabis. This measure represents a crucial step forward in achieving two primary objectives: to encourage economic growth and stability in the legal cannabis industry, and to incentivize local governments to permit commercial cannabis activity by establishing clear responsibilities and a streamlined process, thereby expanding much-needed access to legal retail.

SB 1064 addresses several key challenges faced by cannabis businesses operating in California. One of the most pressing issues is the complexity and inefficiency of the current licensing system, which requires businesses to obtain multiple licenses for different activities conducted at a single location. This not only creates unnecessary administrative burdens for businesses but also increases processing times and costs for both applicants and regulatory agencies.

By replacing the current system with a streamlined process that issues a single premises license for each location, SB 1064 will significantly reduce complexity and streamline the licensing process for cannabis businesses. This will not only make it easier for businesses to comply with regulatory requirements but also improve the efficiency of oversight and enforcement efforts by regulatory agencies.

Additionally, SB 1064 clarifies the roles of state and local governments in the licensing and oversight of cannabis businesses, ensuring that each level of government focuses on its respective areas of expertise. Under current law, state and local government roles in licensing and oversight of cannabis businesses are not well defined and distinguished; as a result, the licensing reviews conducted at the state often duplicate

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the reviews conducted by the local government, particularly as it relates to land use and environmental review. As a result, businesses undergo environmental review twice – once at the local level and again at the state level – and each of the business's owners are often required to complete criminal background checks twice – at both the local and state levels.

This bill would clarify state and local roles as it pertains to licensing of cannabis businesses by focusing state-level review on the operator and cannabis-specific activities performed and returning land use review to local governments. This leverages the state and local governments' expertise: setting statewide market standards and determining "time, place and manner," respectively.

Overall, this bill seeks to reduce unnecessary complexity and duplication within the cannabis regulatory environment which is impeding government's ability to license businesses in a reasonable timeframe and complicating efforts to enforce the law. By doing so, it seeks to reduce challenges and barriers to basic compliance for businesses.

For the above reasons, our organizations are pleased to support SB 1064, and respectfully request your "Aye" vote when this measure is heard before your committee. Please do not hesitate to reach out with any questions.

Sincerely,

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cc: The Honorable John Laird, Member of the California State Senate Members of the Senate Appropriations Committee Janelle Miyashiro, Consultant, Senate Appropriations Committee Kirk Feeley, Fiscal Director, Senate Republican Caucus

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