
THIRD READING

Bill No: AB 545
Author: Low (D), et al.
Amended: 8/30/19 in Senate
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 9-0, 6/10/19
AYES: Glazer, Chang, Archuleta, Dodd, Galgiani, Hill, Leyva, Pan, Wilk

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/30/19
AYES: Portantino, Bates, Bradford, Durazo, Hill, Jones, Wieckowski

ASSEMBLY FLOOR: 76-0, 4/25/19 (Consent) - See last page for vote

SUBJECT: Cannabis: Bureau of Cannabis Control: Cannabis Control Appeals Panel

SOURCE: Author

DIGEST: This bill subjects the Bureau of Cannabis Control (Bureau) to review by the appropriate policy committees of the Legislature as if the enabling statutory authority were scheduled to be repealed as of January 1, 2023.

ANALYSIS:

Existing law:

- 1) Establishes the Bureau in the Department of Consumer Affairs (DCA) to administer and enforce the provisions of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). (Business and Professions Code (BPC) § 26010)
- 2) Establishes the Joint Sunset Review Committee (JSRC) to identify and eliminate waste, duplication, and inefficiency in government agencies. The purpose of the JSRC is to conduct a comprehensive analysis over 15 years, and

on a periodic basis thereafter, of every eligible agency (except the Bureau) to determine if the agency is still necessary and cost effective. (BPC § 9147.7)

This bill:

- 1) Subjects the Bureau to review by the appropriate policy committees of the Legislature as if the enabling statutory authority was scheduled to be repealed as of January 1, 2023.
- 2) Removes the exemption for the Bureau from JSRC oversight.

Background

The Legislature passed the Medical Cannabis Regulation and Safety Act (MCRSA) in 2015. MCRSA established for the first time, a comprehensive statewide licensing and regulatory framework for the cultivation, manufacture, transportation, testing, distribution, and sale of medicinal cannabis to be administered by the Bureau within the Department of Consumer Affairs, the Department of Public Health, and the Department of Food and Agriculture.

Shortly following the passage of MCRSA in November 2016, California voters passed Proposition 64, the "Control, Regulate and Tax Adult Use of Marijuana Act" (Proposition 64), which legalized adult-use cannabis. Less than a year later in June 2017, the California State Legislature passed a budget trailer bill, SB 94 (Committee on Budget and Fiscal Review, Chapter 27, Statutes of 2017), that integrated MCRSA with Proposition 64 to create MAUCRSA, the current regulatory structure for both medicinal and adult-use cannabis.

Sunset Review. A "sunset review" is an assessment of whether a state agency is necessary, effective, and efficient. Sunset review is conducted pursuant to a "sunset date" – an expiration date for the agency. The review focuses on the overall necessity of the agency, its cost-effectiveness, and measures its successes and failures. At the conclusion of a sunset review, the reviewing body may:

- Let the agency expire at the sunset date, or:
- Continue the agency; and may
- Make recommendations for improving operations, and/or
- Suggest legislation to aid the agency's mandate.

The Legislature began reviewing the 32 regulatory boards under DCA in 1993.

As a result of these hearings, the Joint Legislative Sunset Review Committee (JLSRC) was established in 1994 (SB 2036, McCorquodale, Chapter 908, Statutes of 1994). JLSRC was required to review the 32 DCA licensing boards and bureaus approximately every four years. Merely the threat of extinction jolted many boards from complacency, but the committee also exacted reform. From its unique vantage, JLSRC identified crosscutting issues that unified DCA's management of professional regulatory concerns, including standardizing consumer complaint processes, licensing exams, enforcement, and board constitution.

In 2003, the committee's jurisdiction was expanded to include all administrative or regulatory boards, commissions, committees, councils, associations, and other authorities with appointed membership (SB 364, Figueroa, Chapter 789, Statutes of 2003). However, agencies and departments were not included. The enabling legislation tasked it with bringing clarity to the "more than 400 categories of administrative or regulatory boards, commissions, committees, councils, associations, and authorities...established without any method of periodically reviewing their necessity, effectiveness, or utility." The committee's name was later amended to the "Joint Committee on Boards, Commissions & Consumer Protection (JCBCCP) by AB 1467 (Negrete McLeod, Chapter 33, Statutes of 2004)."

JSRC replaced the shell of JCBCCP in 2011. The JSRC had an expanded jurisdiction that included "any agency, authority, board, bureau, commission, conservancy, council, department, division, or office of state government." No legislators have been appointed to JSRC since 2012.

Today, the Senate Business, Professions and Economic Development Committee and the Assembly Business and Professions Committee follow the process as was originally established under the JLSRC. The sunset date for each entity allows enough time for the Committees to review each regulatory entity and for legislation to be passed to extend the sunset date and make appropriate policy changes to operations and regulation of the profession. This bill establishes a sunset timeline for the Bureau.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee, "According to the Bureau, minor and absorbable costs. Staff notes ongoing, cost pressures in the low- to mid-tens of thousands (General Fund) for workload related to a new sunset review for the Bureau and leveraging existing staff expertise and hours."

SUPPORT: (Verified 8/30/19)

California Cannabis Industry Association
California Cannabis Manufacturers Association
United Food and Commercial Workers Union

OPPOSITION: (Verified 8/30/19)

None received

ARGUMENTS IN SUPPORT: Supporters note that the sunset review process provides pathways for legislative oversight, allowing lawmakers to weigh in on the challenges and successes of state entities and consider changes.

ASSEMBLY FLOOR: 76-0, 4/25/19

AYES: Aguiar-Curry, Bauer-Kahan, Berman, Bigelow, Bloom, Boerner Horvath, Bonta, Brough, Burke, Calderon, Carrillo, Cervantes, Chau, Chiu, Choi, Chu, Cooley, Cooper, Cunningham, Dahle, Daly, Diep, Eggman, Flora, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Gipson, Gloria, Gonzalez, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Kiley, Lackey, Levine, Limón, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Melendez, Mullin, Muratsuchi, Nazarian, Obernolte, O'Donnell, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Voepel, Waldron, Weber, Wicks, Wood, Rendon

NO VOTE RECORDED: Arambula, Chen, Eduardo Garcia, Gray

Prepared by: Sarah Mason / B., P. & E.D. 916-651-4104/
9/3/19 11:00:45

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