

GOVERNOR'S VETO  
AB 545 (Low)  
As Enrolled September 4, 2020  
2/3 vote

**SUMMARY:**

Provides for regular legislative oversight of the Bureau of Cannabis Control (BCC) through the sunset review process.

**The Senate Amendments:**

- 1) Struck provisions that would have additionally subjected the Cannabis Appeals Panel to the sunset review process.
- 2) Extended the date the BCC would be reviewed as though it were to be repealed until January 1, 2023.

**Governor's Veto Message:**

AB 545 would sunset the Bureau of Cannabis Control and subject the Bureau to review by the Joint Sunset Review Committee.

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) divides regulatory authority over commercial cannabis activity among the Bureau of Cannabis Control, the Department of Food and Agriculture and the State Department of Public Health. My Administration has proposed consolidating the regulatory authority currently divided between three state entities into one single department, which we hope to achieve next year in partnership with the Legislature.

Therefore, this bill is premature, and I am returning it without my signature.

**COMMENTS:**

In order to ensure that California's myriad professional boards and bureaus are meeting the state's public protection priorities, authorizing statutes for these regulatory bodies are subject to statutory dates of repeal, at which point the entity "sunset" unless the date is extended by the Legislature. The sunset process provides a regular forum for discussion around the successes and challenges of various programs and the consideration of proposed changes to laws governing the regulation of professionals.

Currently, the sunset review process applies to 36 different boards and bureaus under the Department of Consumer Affairs, which range from the Medical Board of California to the Bureau of Automotive Repair to the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board. On a schedule averaging every four years, each board and bureau is required to present a report to the Legislature's policy committees, which in return prepare a comprehensive on the efficacies and efficiencies of their licensing and enforcement programs. Both the Administration and regulated professional stakeholders actively engage in this process. Legislation is then subsequently introduced extending the repeal date for the entity along with any reforms identified during the sunset review process.

Several entities that go through sunset review were created through the initiative process and are thus not technically subject to repeal without the matter being returned to the voters. This includes the State Board of Chiropractic Examiners and the Osteopathic Medical Board of California. Language providing for sunset review of these entities states instead that the review shall be conducted as though the boards were to be repealed on a certain date.

Currently, the BCC is the only board or bureau under the Department of Consumer Affairs that does not go through sunset review. As the newest entity created under that department, the BCC was provided adequate time to begin its regulatory responsibilities prior to receiving comprehensive evaluation by the Legislature. As the state's licensing of legal cannabis business continues to be effectuated, however, regular review by the Legislature through the sunset process is arguably a more predictable and efficient mechanism for legislative policy committees to provide oversight for the bureau, while providing a structured forum for industry stakeholders to weigh in on what reforms may be needed to statute governing the BCC's activities.

**According to the Author:**

"California's legal cannabis market will only succeed if our regulations correctly balance consumer protection and industry innovation. As the black market continues to threaten legitimate business, AB 545 will provide responsible legislative oversight of the Bureau of Cannabis Control through the sunset review process. Currently, the BCC is the only board or bureau under the Department of Consumer Affairs that does not go through sunset review. While the Legislature retains its authority to conduct oversight hearings and make inquiries to the bureau, this process is less structured and comprehensive than a standard sunset review. Once the state's licensure of cannabis businesses is fully implemented, more standardized oversight will be beneficial to ensuring an appropriate balance of public protection and industry support."

**Arguments in Support:**

The *California Cannabis Industry Association* (CCIA) supports this bill. The CCIA writes that "almost all boards and bureaus under the Department of Consumer Affairs are subject to legislative oversight, including sunset review. These "sunset reviews" provide pathways for legislative oversight, allowing lawmakers to weigh in on the challenges and successes of state entities and consider changes. Currently, the BCC is the only board under the Department of Consumer Affairs that is not subject to a sunset review process by the Legislature. Considering the size and scope of California's cannabis industry, as well as the myriad of challenges the industry faces, we believe additional legislative review of the Bureau of Cannabis Control and Cannabis Control Appeals Panel is appropriate."

**Arguments in Opposition:**

None on file.

**FISCAL COMMENTS:**

According to the Senate Committee on Appropriations, minor and absorbable costs.

**VOTES:****ASM BUSINESS AND PROFESSIONS: 19-0-0**

**YES:** Low, Brough, Bloom, Chen, Chiu, Cunningham, Dahle, Eggman, Fong, Gloria, Grayson, Holden, Irwin, Kamlager-Dove, McCarty, Medina, Mullin, Obernolte, Ting

**ASM APPROPRIATIONS: 17-0-1**

**YES:** Gonzalez, Bigelow, Bonta, Brough, Calderon, Carrillo, Chau, Diep, Eggman, Fong, Gabriel, McCarty, Maienschein, Obernolte, Petrie-Norris, Quirk, Robert Rivas

**ABS, ABST OR NV:** Bloom

**ASSEMBLY FLOOR: 76-0-4**

**YES:** 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, O'Donnell, Obernolte, 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

**ABS, ABST OR NV:** Arambula, Chen, Eduardo Garcia, Gray

**SENATE FLOOR: 39-0-1**

**YES:** Allen, Archuleta, Atkins, Bates, Beall, Borgeas, Bradford, Caballero, Chang, Dahle, Dodd, Durazo, Galgiani, Glazer, Lena Gonzalez, Grove, Hertzberg, Hill, Hueso, Hurtado, Jackson, Jones, Leyva, McGuire, Mitchell, Monning, Moorlach, Nielsen, Pan, Portantino, Roth, Rubio, Skinner, Stern, Stone, Umberg, Wieckowski, Wiener, Wilk

**ABS, ABST OR NV:** Morrell

**ASSEMBLY FLOOR: 76-0-3**

**YES:** Aguiar-Curry, Arambula, Bauer-Kahan, Berman, Bigelow, Bloom, Boerner Horvath, Bonta, Brough, Burke, Calderon, Carrillo, Cervantes, Chau, Chen, Chiu, Choi, Chu, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Diep, Flora, Fong, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager, Kiley, Lackey, Levine, Limón, Low, Maienschein, Mathis, Mayes, McCarty, Medina, 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, Waldron, Weber, Wicks, Wood, Rendon

**ABS, ABST OR NV:** Eggman, Frazier, Voepel

**UPDATED:**

VERSION: September 4, 2020

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