
SENATE COMMITTEE ON BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT

Senator Dr. Aisha Wahab, Chair
2025 - 2026 Regular

Bill No:	AB 2697	Hearing Date:	June 8, 2026
Author:	Pellerin		
Version:	April 13, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Elissa Silva		

Subject: Cannabis: drive-throughs

SUMMARY: Permits a local jurisdiction to allow a cannabis retailer or microbusiness licensee who conducts storefront retail sales to sell cannabis or cannabis products in a drive-through, located at the retail establishment if specified conditions are met.

Existing law:

- 1) Enacts the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) to provide for a comprehensive regulatory framework for the cultivation, distribution, transport, storage, manufacturing, processing, and sale of medicinal and adult-use cannabis. (Business and Professions Code (BPC) §§ 26000 *et seq.*)
- 2) Establishes the Department of Cannabis Control (DCC) within the Business, Consumer Services, and Housing Agency for purposes of administering and enforcing MAUCRSA. (BPC § 26010)
- 3) Requires the DCC to make rules and regulations as necessary to implement, administer, and enforce its duties under MAUCRSA, as specified. (BPC § 26013)
- 4) Establishes grounds for disciplinary action against cannabis licensees, including failures to comply with state requirements as well as local laws and ordinances. (BPC § 26030)
- 5) Authorizes the DCC to issue a citation to a licensee or unlicensed person for violating any provision of MAUCRSA. (BPC § 26031.5)
- 6) Prohibits a person or entity from engaging in commercial cannabis activity without a state license issued by the DCC. (BPC § 26037.5)
- 7) Establishes civil penalties for a person who engages in commercial cannabis activity without a license required under MAUCRSA which are up to three times the amount of the license fee for each violation, and each day of operation constitutes a separate violation. (BPC § 26038(a)(1))
- 8) Requires the DCC to establish a track and trace program for reporting the movement of cannabis and cannabis products throughout the distribution chain that utilizes a unique identifier and can provide information that captures, at a minimum, all the following:

- a) The licensee or industrial hemp cultivator from which the product originates and the licensee receiving the product.
 - b) The transaction date.
 - c) The unique identifier or identifiers for the cannabis, industrial hemp, or cannabis product.
 - d) The date of retail sale to a customer and whether the sale is conducted on the retail premises or by delivery.
 - e) Information relating to cannabis, industrial hemp, or cannabis products leaving the licensed premises in a delivery vehicle as determined by regulations.
 - f) The destruction of any cannabis, industrial hemp, or cannabis product. (BPC § 26067(a))
- 8) Authorizes a state temporary event license to only be issued in local jurisdictions that authorize such events. (BPC § 26200(e)(1)(D))
- 9) States that except as specified in the Medicinal Cannabis Patients' Right of Access Act nothing in MAUCRSA may be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances to regulate businesses licensed under the provisions of MAUCRSA, including, but not limited to, local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to secondhand smoke, or to completely prohibit the establishment or operation of one or more types of licensed businesses within the local jurisdiction. (BPC 26200(a)(1))
- 10) Permits a local jurisdiction, if specified conditions are met, to allow for any of the following:
- a) Smoking, vaporizing, and ingesting of cannabis or cannabis products on the premises of a licensed retailer or microbusiness that has been granted authority by a local jurisdiction to engage in onsite cannabis consumption
 - b) Preparation or sale of noncannabis food or beverage products in compliance with all applicable provisions of the California Retail Food Code, by a licensed retailer or microbusiness in the area where the consumption of cannabis is allowed.
 - c) Live musical or other performances on the premises of a licensed retailer or microbusiness in the area where the consumption of cannabis is allowed, and the sale of tickets for those performances. (BPC § 26200(g)(1))
- 11) Establishes the following licenses to be issued by the DCC related to the sale and distribution of cannabis and cannabis products to include:
- a) A retailer must have a licensed premises which is a physical location from which commercial cannabis activities are conducted. A retailer's premises may be

closed to the public. A retailer may conduct sales exclusively by delivery.

- b) A distributor licensee which must be bonded and insured at a minimum level established by the DCC.
 - c) Microbusiness or combined activities licenses, as specified. (BPC § 26070(a))
- 12) Prohibits cannabis or cannabis products purchased by a customer from leaving a licensed retail premises unless they are placed in an opaque package. (BPC § 26070.1)
- 13) Prohibits a person from offering, or providing a product in the state that is any of the following:
- a) An alcoholic beverage that contains cannabinoids, including, but not limited to, an infusion of cannabis or cannabinoids derived from industrial hemp into an alcoholic beverage.
 - b) An inhalable cannabis product containing tetrahydrocannabinols derived from industrial hemp.
 - c) Hemp flower or a pre-roll that contains hemp flower or hemp-derived cannabinoids, whether infused or not.
 - d) A product containing synthetic cannabinoids.
 - e) A cannabis product manufactured outside the licensed market. (BP § 26070.2)
- 14) Requires the DCC, in consultation with the State Department of Public Health to create and post for public use a single-page, flat or folded brochure that includes steps for the safer use of cannabis, as specified. (BPC § 26070.3(a))
- 15) Requires a licensed retailer or microbusiness selling, or a person delivering, cannabis or cannabis products to a consumer to prominently display the brochure, including printed copies, at the point of sale or final delivery in person and online at time of online purchases, and offer each new consumer a copy of the brochure at the time of first purchase or delivery. (BPC § 26070.3(b))

This bill:

- 1) Authorizes a local jurisdiction to permit a retailer or microbusiness licensee that conducts storefront retail sales from a premises to sell cannabis or cannabis products to a customer in a motor vehicle in a drive-through on the premises.
- 2) Requires drive-through sales to occur through a fixed-pane security window with a security drawer or similar secure transfer mechanism that is part of a building located within the premises.
- 3) Exempts a retailer or microbusiness licensee that conducted retail sales through a drive-through in compliance with state and local law before January 1, 2027, from

the provisions of this bill.

- 4) States that the provisions of this bill do not apply to a licensee that conducts retail sales exclusively through delivery, or a licensee that does not maintain a premises open to the public for retail sales.
- 5) Requires any retail cannabis or cannabis product sales through a drive-through comply with the requirements of MAUCRSA and any regulations adopted by the DCC.
- 6) States that the provisions of this bill do not limit the authority of a local jurisdiction to regulate drive-through sales, as specified.

FISCAL EFFECT: According to the Assembly Committee on Appropriations, DCC anticipates absorbable costs.

COMMENTS:

1. **Purpose.** The Author is the sponsor of this bill. According to the Author, “California cannabis retailers lack a common and accessible transaction path for consumers afforded so many other retailers in California, including fast food, pharmacies, banks, to-go alcohol sales at restaurants, and a limited number of liquor stores. Cannabis consumers who have mobility issues or other disabilities have limited options for being able to obtain cannabis without having to step out of their vehicles. While home delivery is legal, there are service area restrictions. Allowing cannabis retailers to add the consumer-friendly option of a secured drive through, if approved by the local jurisdiction, will enhance the consumer experience, increase safety at cannabis retailers, and help expand California’s legal cannabis marketplace.”

2. **Background.**

Cannabis Regulation. In 2015, Governor Brown signed three bills into law that created the comprehensive state licensing and regulatory framework governing the commercial cultivation, manufacture, retail sale, transport, distribution, delivery, and testing of medical cannabis in California. AB 243 (Wood, Chapter 688, Statutes of 2015), AB 266 (Bonta, Chapter 689, Statutes of 2015), and SB 643 (McGuire, Chapter 719, Statutes of 2015) collectively established the Medical Marijuana Regulation and Safety Act (later renamed to the Medical Cannabis Regulation and Safety Act (MCRSA)), to be administered by a number of state agencies: a Bureau of Cannabis Control within the Department of Consumer Affairs; the California Department of Public Health; and the California 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” (Prop 64), which decriminalized and 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 Prop 64 to create the Medical and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), the current regulatory structure for both medicinal and adult-use cannabis. Beginning in 2018, Prop 64 permitted adults over 21 years of age to legally grow, possess and use cannabis for

nonmedicinal purposes. In early 2021, the Department of Finance released trailer bill language to create a new Department with centralized authority for cannabis licensing and enforcement activities, which today is the DCC. The DCC was created through a consolidation of the three prior licensing authorities' cannabis programs. As of July 1, 2021, DCC has been the single entity responsible for administering and enforcing the provisions of MAUCRSA, although the California Tax and Fee Administration is responsible for tax collection and enforcement.

Retail sales of Cannabis and Cannabis Products. To sell cannabis or cannabis products, an individual must be a licensed retailer or microbusiness. There are two types of retail licenses: Type 9) non-storefront retailer which is delivery only and Type 10) a storefront retailer. A storefront retailer is one that has a physical location where cannabis goods are sold. Storefront retailers can also deliver cannabis goods if all DCC regulations and requirements are met. A microbusiness license holder is one that combines three or more of the following activities: cultivation, manufacturing, distribution, or retail sales (storefront or non-storefront). This bill would authorize a licensed retailer or microbusiness that conducts retail sales, to sell cannabis or cannabis products through a drive through, which must be located on the licensed retail premises. Retail sales of cannabis via a drive-through will only be permitted if a local jurisdiction allows it. This bill does not create a new license type, simply adds to the existing methods of providing consumers with access to legally purchased cannabis or cannabis products.

Current DCC regulations prescribe requirements for licensed retailers. For example, regulations require that access to a licensed retail premises (non-medicinal) be limited to those 21 or over; a retailer licensee is responsible for verifying the age of patrons prior to entering the sale area; there must be an employee physically present in the retail area when customers are in the retail space; cannabis sales are limited to the hours between 6:00am and 10:00pm; there are limitations on the amount of cannabis that may be sold to a single-adult use customer in one-day; and, all sales are required to take place within the retail space except for cannabis goods sold through delivery, a drive-in or drive through window, as permitted or curbside delivery, among numerous others. (California Code of Regulations (CCR 15400 et seq.)

With respect to delivery, the DCC permits a non-storefront retailer to conduct sales exclusively by delivery. Delivery of cannabis goods must be performed by a delivery employee of the licensed retailer. Cannabis deliveries must abide by the same requirements for retail sales including age/customer verification, restricted sale hours, among others. Curbside delivery, a valuable relief during the COVID-19 pandemic, was formally adopted in regulations in 2022; thereby permanently allowing curbside delivery of cannabis or cannabis products from a licensed retailer or microbusiness authorized to engage in storefront sales. Curbside delivery is authorized if the cannabis goods that have been purchased by a customer are delivered to the customer in a vehicle parked immediately outside the licensed retail premises. Curbside delivery of cannabis goods must occur under video surveillance. Retail employees engaging in curbside delivery must verify each customer's age. Licensed retailers who are only authorized to engage in retail sales through delivery only may not conduct sales through curbside delivery.

DCC's current regulations expressly prohibit the sale of cannabis goods through a pass-out window or a slide-out tray to the exterior of the licensed premises. However, the regulations provide an exemption for those commercial cannabis businesses that were approved by their local jurisdiction to have a drive-in or drive-through window or had applied for and subsequently received approval prior to June 1, 2018.

This bill would expressly authorize a licensed retailer or microbusiness who conducts retail cannabis sales to conduct those retail cannabis sales through a drive-through window which must be located on the premises. Sales must occur through a fixed-pane security window with a security drawer. Similar to delivery only retail sales, this bill would prohibit a non-storefront retailer from providing sales through a drive-through window. This bill would authorize, but not require, the DCC to establish regulations regarding the sales of cannabis through drive-throughs if necessary. Because there was a period, when prior iterations of regulators in the cannabis legal market were silent on the drive-through authorization, there are a handful of retailers that have previously been authorized by their local jurisdictions to provide retail sales through a drive-through window. The number of retailers with drive-throughs is likely not tracked by the DCC, as no separate license is required for a retail establishment with a drive-through. As currently drafted, this bill would grant a cannabis retailer with a drive-through that was locally authorized prior to January 1, 2027, to be exempt from the requirements that the sales occur through a fixed-pane window with a security drawer.

3. **Related Legislation.** AB 2824 (M. Bonta of 2022) would have authorized cannabis retailers to offer curbside pickup. (Status: *The measure was never heard in a policy committee of the Legislature*).
4. **Arguments in Support.** California NORML writes in support and notes, "Adding drive throughs will create another consumer-friendly option for California consumers to access safe and legal cannabis, provided the local jurisdiction that approves the retail operation further approves that retail location to offer this option. Further, it would allow a cannabis retailer to provide the same level of service as curbside, with the added benefit of not having employees exit the perimeter of the secured retail location."

A Coalition of Supporters notes, "Adding drive through would create another consumer-friendly option for California consumers to access safe and legal cannabis, provided the local jurisdiction that approves the storefront retail operation further approves that retail location to offer this option. Further, it would allow a cannabis storefront retailer to provide the same level of service as curbside pickup, with the added benefit of not having employees exit the perimeter of the secured retail location. For this reason, we are pleased to support this simple and common sense bill and look forward to working with you as this bill moves through the legislative process."

5. **Arguments in Opposition.** The California Narcotics Officers' Association writes in opposition and notes, "Drive-through models complicate effective peace officer oversight, resulting in reduced deterrence and diminished enforcement

effectiveness by reducing visibility into transactions and interactions and our ability to detect violations or suspicious activity.”

SUPPORT AND OPPOSITION:

Support:

A Therapeutic Alternative
California Cannabis Industry Association
California Cannabis Operators Association
California NORML
Cannabis Distribution Association
Chucks Wellness Center
Dixon Wellness Cannabis Collective
Good Farmers Great Neighbors
Kiva Confections
Napa Cannabis Collective
Nug, INC.
Woodland Cannabis Dispensary

Opposition:

California Narcotic Officers' Association

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