
THIRD READING

Bill No: AB 2697
Author: Pellerin (D)
Amended: 4/13/26 in Assembly
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 7-3, 6/8/26
AYES: Wahab, Choi, Archuleta, Arreguín, Caballero, Grayson, Smallwood-
Cuevas
NOES: Menjivar, Niello, Strickland
NO VOTE RECORDED: Umberg

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 55-9, 5/11/26 - See last page for vote

SUBJECT: Cannabis: drive-throughs

SOURCE: Author

DIGEST: This bill 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.

ANALYSIS:

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) Authorizes the DCC to issue a citation to a licensee or unlicensed person for violating any provision of MAUCRSA. (BPC § 26031.5)
- 5) 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))
- 6) 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)

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.

Comments

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 retailer's 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.

DCC currently 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 retail cannabis sales through a drive-through window 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.

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

SUPPORT: (Verified 6/23/26)

A Therapeutic Alternative
California Cannabis Industry Association
California Cannabis Operators Association

California NORML
Cannabis Distribution Association
Chucks Wellness Center
City of Tulare
Dixon Wellness Cannabis Collective
Good Farmers Great Neighbors
Kiva Confections
Napa Cannabis Collective
Nug, INC.
Woodland Cannabis Dispensary

OPPOSITION: (Verified 6/23/26)

Prevention Policy Group
Public Health Institute

ARGUMENTS IN SUPPORT: Supporters note “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.”

ARGUMENTS IN OPPOSITION: Opponents note, “This proposal would normalize and further commercialize cannabis sales in a manner that encourages convenience-based and impulse purchasing. Drive-through retail is specifically designed to reduce friction in the purchase process. It contributed to the massive increases in fast-food consumption that have contributed to the obesity epidemic. For an intoxicating product, making purchases easier, faster, and more automatic risks increasing consumption and undermining the careful safeguards California has tried to build around cannabis sales. State regulatory rules established after Proposition 64 had banned marijuana drive-thrus unless a dispensary had a permit application submitted before June 2018.”

ASSEMBLY FLOOR: 55-9, 5/11/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bauer-Kahan, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Davies, Elhawary, Ellis, Fong, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Pellerin,

Ransom, Rogers, Blanca Rubio, Schultz, Stefani, Tangipa, Valencia, Wallis,
Ward, Wicks, Wilson, Zbur, Rivas

NOES: Bains, DeMaio, Dixon, Hadwick, Muratsuchi, Patterson, Ramos, Sanchez,
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NO VOTE RECORDED: Arambula, Boerner, Castillo, Flora, Gabriel, Gallagher,
Lowenthal, Patel, Petrie-Norris, Quirk-Silva, Celeste Rodriguez, Michelle
Rodriguez, Schiavo, Sharp-Collins, Solache, Soria

Prepared by: Elissa Silva / B., P. & E.D. / 916-651-4104
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