

NOTICE OF TELECONFERENCE MEETING & AGENDA

Friday, February 25, 2022 11:00 a.m. – 12:00 p.m.

Join Zoom Meeting

<https://zoom.us/j/8267160176>

Meeting ID: 826 716 0176

Call in Number: +1 (669) 900-9128 Code: 8267160176#

In line with guidelines issued by the Department of Public Health and recent amendments to Gov't Code § 54953(e)(1) intended to minimize face-to-face interactions during the ongoing State of emergency, CCA will conduct this meeting of the Board of Directors entirely by teleconference / video conference call with no physical locations available for participation by either Board Members or the public. Members of the public are encouraged, however, to call in and participate as they have in the past via our teleconferencing system and a time will be made available during the meeting for public questions and comments.

PUBLIC COMMENT:

The Board welcomes and encourages public participation in its meetings. The public may take appropriate opportunities to comment on any issue before the Board. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment. Each speaker is limited to two minutes. If you are addressing the Board on a non-agenda item, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report.

The Governor's orders (specifically Executive Order N-29-20) regarding the conduct of meetings of legislative bodies during the State of Emergency can be found at <http://www.gov.ca.gov/>

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AGENDA

- I. 11:00 am Opening Remarks & Roll Call
Tom Haynes, Acting President

- II. 11:05 am Resolution 2022-02 Teleconference Meetings of the CCA
(See Attached)

- III. 11:10 am Approval of Minutes (See Attached)
Tom Haynes, Acting President

- IV. 11:15 am Organizational Update
Greg Turner, Executive Director / Counsel CCA
 - A. Budget Update – See Attached
 - B. 2022 Legislative Update
 - (1) LA County Proposal – Attached
 - (2) Bills of Interest - Attached
 - C. Expanded CCA Service Offerings
 - D. Annual Meeting Planning

- V. 11:35 am Platform Update
Adam Crabtree, NCS Analytics

- VI. 11:45 pm Public Comment

Except where noticed for a time certain, all times are approximate and subject to change. The meeting may be canceled or changed without notice. For verification, please contact gturner@cca.ca.gov. Action may be taken on any item on the agenda. Items may be taken out of order, tabled or held over to a subsequent meeting, to accommodate speakers, or to maintain a quorum

CALIFORNIA CANNABIS AUTHORITY

Resolution No. 2022-02

TELECONFERENCE MEETINGS OF THE CCA

WHEREAS, on March 4, 2020, Governor Gavin Newsom declared a state of emergency related to COVID-19, pursuant to Government Code Section 8625, and such declaration has not been lifted or rescinded; and

WHEREAS considering the ongoing concerns about public health and safety, on March 17, 2020, Governor Newsom Issued Executive Order N-29-20, which suspended certain provisions of the Ralph M. Brown Act (the “Brown Act”) to allow local government bodies to conduct open meetings safely during the coronavirus pandemic; and

WHEREAS, on September 10, 2021, the Legislature took additional action to allow local government agencies to forego compliance with the Brown Act teleconferencing requirements under specific circumstances after adopting AB 361, which took effect immediately and amends the Brown Act’s requirements for teleconferencing during a proclaimed state of emergency and when certain other conditions are met, and certain findings are made; and

WHEREAS County health officials as well as the CDC continue to impose conditions or recommend measures to promote social distancing, including limiting the number and circumstances of in-person meetings wherever possible; and

WHEREAS the rates of transmission of COVID-19 and variants among member counties continue to pose imminent risks for the health of attendees at indoor gatherings involving individuals from outside the same household; and

WHEREAS to help protect against the spread of COVID-19 and variants, and to protect the health and safety of the public, the California Cannabis Authority (“CCA”) wishes to take the action necessary to comply with the Brown Act, as amended to continue to hold its meetings via teleconference.

NOW, THEREFORE, BE IT RESOLVED that the CCA hereby finds that there is a proclaimed State of Emergency declared by the Governor on March 4, 2020, which has not been rescinded; and

BE IT FURTHER RESOLVED that the CCA hereby finds that the guidance of local, State, and federal officials continues to recommend measures to promote social distancing and limit public gatherings; and

BE IT FURTHER RESOLVED that the CCA approves meeting via teleconference for all Regular and Special Meetings of the Board for the 30 days following this resolution, in accordance with Government Code section 54953(e) and other application provisions of the Brown Act.

Duly adopted this 25th Day of February 2022.

Thomas Haynes
Interim Chief Financial Officer
Yolo County
Acting President and Secretary, California Cannabis Authority



CCA Board Meeting
Via Video / Teleconference Call
January 28, 2021
MINUTES

January 28, 2021 via Video / Teleconference Call - Meeting called to order at 11:02am

1. Roll Call.

- Steve Madrone, Supervisor Humboldt County
 - Mary Zeeb, Treasurer-Tax Collector, Monterey County, CCA Secretary
 - Justin Cooley for Jim Hamilton, Treasurer-Tax Collector, San Luis Obispo County, CCA Treasurer
 - Tom Haynes, Interim Chief Financial Officer, Yolo County
 - Alisha McMurtrie, Treasurer-Tax Collector, Inyo County
 - Jeff Frapwell, Assistant County Executive Director, Santa Barbara County
- Others: Brittany Heaton, Greg Turner, Adam Crabtree, Tim Townsend, Christy Stutzman, Catherine Freeman, John Bartholomew, Robert Roach

2. Resolution 2021-01 – Teleconference Meetings of the CCA – The resolution relating to the conduct of teleconference meetings considering the ongoing COVID health crisis was presented and approved unanimously.

3. Approval of Minutes - The minutes for Dec.17, 2021 were presented and voted on without dissent.

4. Organizational Update

- A. 2022 LEGISLATIVE UPDATE – Greg referred to the packet of information included with the agenda regarding the Governor’s budget proposal. The two items affecting cannabis are as follows:
 - *\$5.5 million is allocated to unite the three state licensing platforms. CCA can be an integral part of this process
 - *Data Warehouse – CCA needs to communicate how it can assist in fulfilling this need
- CSAC Priorities presented by Catherine: Cultivation tax limitations and Expansion of legal retail licensing. She indicated they are working on putting a task force together to address these issues as well as future (2-5yrs) issues.
- B. ANNUAL MEETING PLANNING – Greg advised the annual meeting is planned for April 6th in Yountville in person with a virtual option. The invites will go out in the following week. He asked for input for any items the board would like to discuss. Mary suggested some time for Strategic Planning for CCA. Jeff suggested a discussion regarding feedback from other counties regarding Hemp.

5. Platform Update

Adam advised there is a new display in the business type for Micro Business. Also, the Annual Newsletters are coming out today or Monday for the 2021 look back.

6. Public Comment

Robert Roach advised he had a great meeting with Adam and appreciated the discussion with their county.

7. Adjourned

Meeting was adjourned at 11:44am.



Budget Update

	FY 2020-21 Adjusted	Ended 6/30	FY 2021-22 BUDGETED	Q2 FY 2021-22	FY 2022-23 DRAFT	
Sources:						
BEGINNING YEAR FUND BALANCE AVAILABLE	50,502	60,502	50,468			
REVENUES:						
Base Membership Dues					244,000	
Platform Usage Charges					977,220	
Total From Membership Fees	280,819	412,608	1,110,200	150,295	1,221,220	
Accounts/Notes Payable	10,000					
CSAC FC Contribution						
Interest	529	817	1,100	-	1,100	
TOTAL SOURCES	341,850	473,927	1,161,768	150,295	1,222,320	
Uses:						
EXPENDITURES:						
	Codes					
Professional Services	5050340	24,000	24,000	135,000	73,250	135,000
Outside Legal Services	5050320	96,000	96,000	96,000	40,000	96,000
Insurance	5050160	2,500	4,938	2,500	-	2,500
Audit	5050030	7,500	-	8,500		8,500
Program Marketing	5050010	5,000	-	7,500		7,500
Website Management	5050100	4,500	4,582	4,500	2,588	4,500
Sponsorship Fees (Misc Exp)	5050270	48,000	-	125,000	675	137,500
Data Platform Fees (Data Communications)	5050100	145,000	240,203	715,000	59,594	786,500
Board Travel	5050450	3,500	-	4,500		4,500
Telephone / Telecommunications	5050440	1,200	-	1,850		1,850
Board Meetings	5050125	2,500	-	2,500		3,500
Credit Card Fees	5050095	650	705	650	86	650
Office Expenses	5050280	1,500	1,975	2,500	1,053	2,500
TOTAL EXPENDITURES:						
Fixed Costs		148,850	132,200	266,000	116,977	267,000
Variable Costs		193,000	240,203	840,000	60,269	924,000
		341,850	372,403	1,106,000	177,246	1,191,000
Exigencies		101,525	55,768	(26,951)	31,320	
TOTAL USES		341,850	473,928	1,161,768	150,295	1,222,320



Los Angeles County Legislative Proposal

ENFORCEMENT AGAINST WATER THEFT AND ILLEGAL CANNABIS GROWS

SUMMARY:

This proposed bill would enhance local enforcement authority to prosecute and enjoin water theft and water pollution to combat water theft and illegal cannabis grows.

PROBLEM:

Remote communities are frequently the targets of illegal cultivation by cannabis growers who steal and pollute the area's scarce drinking and potable water supply.

Existing law limits civil prosecution of water theft to the Attorney General to enjoin water theft and to seek civil penalties against violators. Local jurisdictions are therefore dependent upon State determinations and resources to combat water theft. Extending standing to county counsels and city attorneys will facilitate the prosecution of water theft as a separate cause of action and provides greater civil penalties under these statutes.

Current State law authorizes city attorneys, district attorneys, and the State Attorney General, but not county counsels, to seek injunctive relief and civil penalties against cannabis growers who pollute State waters. While city attorneys in incorporated areas, along with the State, may prosecute such matters both civilly and criminally, unincorporated areas cannot. Extending standing to county counsels to take civil enforcement action to protect water supplies and prevent pollution will help protect unincorporated county communities and protect our precious water supplies from being impacted by illicit cannabis cultivation.

LEGISLATIVE SOLUTION:

This proposed bill would amend the California State Water Code to provide authority to county counsels and city attorneys to civilly prosecute and enjoin water theft, and amend the California Fish and Game Code to authorize county counsels to civilly prosecute and enjoin water pollution.

BACKGROUND:

The residents of the County's rural areas in the Antelope Valley are particularly impacted by large-scale illegal cannabis cultivation, which creates issues with water theft, hazardous wastes, and associated criminal activities. The number of problems related to illegal cannabis cultivation, including water theft, trespass, use of dangerous pesticides and fertilizers, and trash and debris, has greatly increased.

Enforcement against illegal cannabis grows has become a serious challenge facing local governments. Although the County is working to enhance its enforcement strategies, its current authority under State law to take civil enforcement action to combat water theft and pollution is too limited to adequately remedy these problems.

The County seeks a legislative solution to remove existing limitations on prosecutorial authority to assist local government efforts to take direct action against water theft and water pollution harming our local communities.

CONTACT:

Brian J. Stiger, Chief Legislative Representative, BStiger@ceo.lacounty.gov, 916-441-7888.

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An act to amend Sections 5650, 5650.1, and 13103 of the Fish and Game Code, and to amend Section 1052 of the Water Code, relating to water.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 5650 of the Fish and Game Code is amended to read:
5650. (a) Except as provided in subdivision (b), it is unlawful to deposit in, permit to pass into, or place where it can pass into the waters of this state any of the following:

- (1) Any petroleum, acid, coal or oil tar, lampblack, aniline, asphalt, bitumen, or residuary product of petroleum, or carbonaceous material or substance.
- (2) Any refuse, liquid or solid, from any refinery, gas house, tannery, distillery, chemical works, mill, or factory of any kind.
- (3) Any sawdust, shavings, slabs, or edgings.
- (4) Any factory refuse, lime, or slag.
- (5) Any cocculus indicus.
- (6) Any substance or material deleterious to fish, plant life, mammals, or bird life.

(b) This section does not apply to a discharge or a release that is expressly authorized pursuant to, and in compliance with, the terms and conditions of a waste discharge requirement pursuant to Section 13263 of the Water Code or a waiver issued pursuant to subdivision (a) of Section 13269 of the Water Code issued by the State Water Resources Control Board or a California regional water quality control board after a public hearing, or that is expressly authorized pursuant to, and in compliance with, the terms and conditions of a federal permit for which the State Water Resources Control Board or a California regional water quality control board has, after a public hearing, issued a water quality certification pursuant to Section 13160 of the Water Code. This section does not confer additional authority on the State Water Resources Control Board, a California regional water quality control board, or any other entity.

(c) It shall be an affirmative defense to a violation of this section if the defendant proves, by a preponderance of the evidence, all of the following:

- (1) The defendant complied with all applicable state and federal laws and regulations requiring that the discharge or release be reported to a government agency.
- (2) The substance or material did not enter the waters of the state or a storm drain that discharges into the waters of the state.
- (3) The defendant took reasonable and appropriate measures to effectively mitigate the discharge or release in a timely manner.

(d) The affirmative defense in subdivision (c) does not apply and may not be raised in an action for civil penalties or injunctive relief pursuant to ~~Section 5650.1~~ 5650.1, or in any other civil action that alleges a violation under this section resulting from unpermitted cannabis cultivation.

(e) The affirmative defense in subdivision (c) does not apply and may not be raised by any defendant who has on two prior occasions in the preceding five years, in any combination within the same county in which the case is prosecuted, either pleaded nolo contendere, been convicted of a violation of this section, or suffered a judgment for a violation of this section or Section 5650.1. This subdivision shall apply only to cases filed on or after January 1, 1997.

(f) The affirmative defense in subdivision (c) does not apply and may not be raised by the defendant in any case in which a district attorney, city attorney, or Attorney General alleges, and the court finds, that the defendant acted willfully.



SEC. 2. Section 5650.1 of the Fish and Game Code is amended to read:

5650.1. (a) A person who violates Section 5650 is subject to a civil penalty of not more than twenty-five thousand dollars (\$25,000) for each violation.

(b) The civil penalty imposed for each separate violation pursuant to this section is separate, and in addition to, any other civil penalty imposed for a separate violation pursuant to this section or any other provision of law, except as provided in subdivision (j).

(c) In determining the amount of a civil penalty imposed pursuant to this section, the court shall take into consideration all relevant circumstances, including, but not limited to, the nature, circumstance, extent, and gravity of the violation. In making this determination, the court shall consider the degree of toxicity and volume of the discharge, the extent of harm caused by the violation, whether the effects of the violation may be reversed or mitigated, and with respect to the defendant, the ability to pay, the effect of any civil penalty on the ability to continue in business, any voluntary cleanup efforts undertaken, any prior history of violations, the gravity of the behavior, the economic benefit, if any, resulting from the violation, and any other matters the court determines justice may require.

(d) (1) Every civil action brought under this section shall be brought by the Attorney General upon complaint by the department, or by the district attorney General, district attorney, or city attorney in the name of the people of the State of California, and any actions relating to the same violation may be joined or consolidated.

(2) A civil action alleging a violation under this section resulting from unpermitted cannabis cultivation may be brought by a county counsel in the name of the people of the State of California.

(e) In a civil action brought pursuant to this chapter in which a temporary restraining order, preliminary injunction, or permanent injunction is sought, it is not necessary to allege or prove at any stage of the proceeding that irreparable damage will occur if the temporary restraining order, preliminary injunction, or permanent injunction is not issued, or that the remedy at law is inadequate.

(f) After the party seeking the injunction has met its burden of proof, the court shall determine whether to issue a temporary restraining order, preliminary injunction, or permanent injunction without requiring the defendant to prove that it will suffer grave or irreparable harm. The court shall make the determination whether to issue a temporary restraining order, preliminary injunction, or permanent injunction by taking into consideration, among other things, the nature, circumstance, extent, and gravity of the violation, the quantity and characteristics of the substance or material involved, the extent of environmental harm caused by the violation, measures taken by the defendant to remedy the violation, the relative likelihood that the material or substance involved may pass into waters of the state, and the harm likely to be caused to the defendant.

(g) The court, to the maximum extent possible, shall tailor a temporary restraining order, preliminary injunction, or permanent injunction narrowly to address the violation in a manner that will otherwise allow the defendant to continue business operations in a lawful manner.

(h) All civil penalties collected pursuant to this section shall not be considered fines or forfeitures as defined in Section 13003 and shall be apportioned in the following manner:



(1) Fifty percent shall be distributed to the county treasurer of the county in which the action is prosecuted. Amounts paid to the county treasurer shall be deposited in the county fish and wildlife propagation fund established pursuant to Section 13100.

(2) Fifty percent shall be distributed to the department for deposit in the Fish and Game Preservation Fund. These funds may be expended to cover the costs of legal actions or for any other law enforcement purpose consistent with Section 9 of Article XVI of the California Constitution.

(i) Except as provided in subdivision (j), in addition to any other penalty provided by law, a person who violates Section 5650 is subject to a civil penalty of not more than ten dollars (\$10) for each gallon or pound of material discharged. The total amount of the civil penalty shall be reduced for every gallon or pound of the illegally discharged material that is recovered and properly disposed of by the responsible party.

(j) A person shall not be subject to a civil penalty imposed under this section and to a civil penalty imposed pursuant to Article 9 (commencing with Section 8670.57) of Chapter 7.4 of Division 1 of Title 2 of the Government Code for the same act or failure to act.

SEC. 3. Section 13103 of the Fish and Game Code is amended to read:

13103. Expenditures from the fish and wildlife propagation fund of any county may be made only for the following purposes:

(a) Public education relating to the scientific principles of fish and wildlife conservation, consisting of supervised formal instruction carried out pursuant to a planned curriculum and aids to education such as literature, audio and video recordings, training models, and nature study facilities.

(b) Temporary emergency treatment and care of injured or orphaned wildlife.

(c) Temporary treatment and care of wildlife confiscated by the department as evidence.

(d) Breeding, raising, purchasing, or releasing fish or wildlife ~~which~~ that are to be released upon approval of the department pursuant to Sections 6400 and 6401 onto land or into waters of local, state, or federal agencies or onto land or into waters open to the public.

(e) Improvement of fish and wildlife habitat, including, but not limited to, construction of fish screens, weirs, and ladders; drainage or other watershed improvements; gravel and rock removal or placement; construction of irrigation and water distribution systems; earthwork and grading; fencing; planting trees and other vegetation management; and removal of barriers to the migration of fish and wildlife.

(f) Construction, maintenance, and operation of public hatchery facilities.

(g) Purchase and maintain materials, supplies, or equipment for either the department's ownership and use or the department's use in the normal performance of the department's responsibilities.

(h) Predator control actions for the benefit of fish or wildlife following certification in writing by the department that the proposed actions will significantly benefit a particular wildlife species.

(i) Scientific fish and wildlife research conducted by institutions of higher learning, qualified researchers, or governmental agencies, if approved by the department.

(j) Reasonable administrative costs, excluding the costs of audits required by Section 13104, for secretarial service, travel, and postage by the county fish and wildlife commission when authorized by the county board of supervisors. For purposes of this



subdivision, "reasonable cost" means an amount ~~which~~ that does not exceed 15 percent of the average amount received by the fund during the previous three-year period, or ten thousand dollars (\$10,000) annually, whichever is greater, excluding any funds carried over from a previous fiscal year.

(k) Contributions to a secret witness program for the purpose of facilitating enforcement of this code and regulations adopted pursuant to this code.

(l) Costs incurred by the district attorney or city attorney in investigating and prosecuting civil and criminal actions for violations of this code, as approved by the department.

(m) Costs incurred by a county counsel in investigating and prosecuting civil actions for violations of Section 5650.1 resulting from unpermitted cannabis cultivation.

~~(m)~~

(n) Other expenditures, approved by the department, for the purpose of protecting, conserving, propagating, and preserving fish and wildlife.

SEC. 4. Section 1052 of the Water Code is amended to read:

1052. (a) The diversion or use of water subject to this division other than as authorized in this division is a trespass.

~~(b) The Attorney General, upon request of the board, shall institute in the superior court in and for any county where the diversion or use is threatened, is occurring, or has occurred an action for the issuance of injunctive relief as may be warranted by way of temporary restraining order, preliminary injunction, or permanent injunction.~~

(b) (1) An action for the issuance of injunctive relief as may be warranted by way of temporary restraining order, preliminary injunction, or permanent injunction may be brought by the Attorney General, in the name of the people of the State of California, where the diversion or use of water is threatened, is occurring, or has occurred.

(2) A civil action for a violation under this section resulting from unpermitted cannabis cultivation may also be brought by a city attorney or county counsel in the name of the people of the State of California.

(c) Any person or entity committing a trespass as defined in this section may be liable in an amount not to exceed the following:

(1) If the unauthorized diversion or use occurs in a critically dry year immediately preceded by two or more consecutive below normal, dry, or critically dry ~~years~~ years, or during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions, the sum of the following:

(A) One thousand dollars (\$1,000) for each day in which the trespass occurs.

(B) Two thousand five hundred dollars (\$2,500) for each acre-foot of water diverted or used in excess of that diverter's water rights.

(2) If the unauthorized diversion or use is not described by paragraph (1), five hundred dollars (\$500) for each day in which the unauthorized diversion or use occurs.

(d) Civil liability for a violation of this section may be imposed by the superior court or the board as follows:

(1) The superior court may impose civil liability in an action brought by the Attorney General, ~~upon request of the board,~~ General to impose, assess, and recover any sums pursuant to subdivision (c). In determining the appropriate amount, the court



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shall take into consideration all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the nature and persistence of the violation, the length of time over which the violation occurs, and the corrective action, if any, taken by the violator.

(2) The superior court may impose civil liability in an action for a violation under this section resulting from unpermitted cannabis cultivation brought by a city attorney or county counsel to impose, assess, and recover any sums pursuant to subdivision (c). In determining the appropriate amount, the court shall take into consideration all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the nature and persistence of the violation, the length of time over which the violation occurs, and the corrective action, if any, taken by the violator.

(2)

(3) The board may impose civil liability in accordance with Section 1055.

(e) (1) Upon appropriation by the Legislature, funds recovered pursuant to this section shall first be used to reimburse the Attorney General, city attorney, or county counsel for costs of bringing the action, including reasonable attorney's fees.

(e) All

(2) Except as specified in paragraph (1), all funds recovered pursuant to this section shall be deposited in the Water Rights Fund established pursuant to Section 1550.

(f) The remedies prescribed in this section are cumulative and not alternative.



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LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: Water: unpermitted cannabis cultivation.

(1) Existing law makes it unlawful to deposit, permit to pass, or place where it can pass, specified pollutants into the waters of this state, including any substance or material deleterious to fish, plant life, mammals, or bird life. A violation of this provision is a crime under the Fish and Game Code. Existing law also subjects a violation of that provision to a civil penalty of no more than \$25,000 for each violation and an additional civil penalty of no more than \$10 for each gallon or pound of material discharged, and requires the civil action to be brought by the Attorney General upon complaint by the Department of Fish and Wildlife or by the district attorney or city attorney in the name of the people of the State of California. Existing law provides that a specified affirmative defense to a violation of the criminal provision does not apply to an action for civil penalties or injunctive relief pursuant to that civil provision.

This bill would provide that the specified affirmative defense to a violation of the criminal provision also does not apply in any other civil action that alleges a violation resulting from unpermitted cannabis cultivation. The bill would delete the requirement that the Attorney General only bring that civil action upon complaint by the department and would authorize, for a violation resulting from unpermitted cannabis cultivation, the civil action to be brought by a county counsel in the name of the people of the State of California.

(2) Existing law generally requires $\frac{1}{2}$ of all fines and forfeitures imposed or collected in any court of this state for violations of the Fish and Game Code or any other law providing for the protection or preservation of birds, mammals, fish, reptiles, or amphibians to be deposited in the county treasury of the county in which the violation was committed. Existing law requires those funds and other specified funds to be deposited in a county fish and wildlife propagation fund and authorizes the county board of supervisors to expend those funds for specified purposes.

This bill would additionally authorize expenditures from the fish and wildlife propagation fund of a county for costs incurred by a county counsel in investigating and prosecuting the civil actions specified in paragraph (1) for violations resulting from unpermitted cannabis cultivation.

(3) Under existing law, the diversion or use of water other than as authorized by specified provisions of law is a trespass, subject to specified civil liability and injunctive relief imposed in the superior court in actions brought by the Attorney General upon request of the State Water Resources Control Board. Existing law requires funds recovered pursuant to that provision to be deposited in the Water Rights Fund, which is available upon appropriation by the Legislature for specified purposes.

This bill would authorize, for a violation resulting from unpermitted cannabis cultivation, the civil action to be brought by a county counsel or city attorney in the



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name of the people of the State of California. The bill would delete the requirement that the Attorney General only bring the civil action upon request of the board. The bill would require funds recovered pursuant to that provision to, upon appropriation by the Legislature, first be used to reimburse the Attorney General, city attorney, or county counsel for costs of bringing the action, including reasonable attorney's fees.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



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Legislation of Interest

Bill No.	Author	Summary
SB 1281	Bradford	Proposes to discontinue the imposition of the cultivation tax, would reduce the excise tax to 5%, and remove the mark-up from the definition of average market price in an arm's length transaction. The bill would also remove the requirement that the distributor collect the excise tax from the cannabis retailer, and would instead require the cannabis retailer to remit the excise tax to the DCC. The bill would make these provisions effective beginning January 1, 2023.
SB 1293	Bradford	An intent bill to to help equity licensees obtain personal income or corporate tax credits to offset the cost of their inability to deduct business expenses on federal income tax returns.
AB 2792	Rubio	Proposes to prohibit the DCC from including any mark-up amount in the average market price in an arm's length transaction for purposes of the cannabis excise tax, and would reduce the rate of the cannabis excise tax imposed on purchasers in a non-arm's length transaction to 8%. The bill, from July 1, 2022, to July 1, 2025, inclusive, would suspend the imposition of the excise tax upon purchasers of cannabis or cannabis products sold in this state by licensees eligible for a fee waiver or deferral pursuant to the program established by the Department of Cannabis Control under the California Cannabis Equity Act. The bill would also suspend the imposition of the cultivation tax from July 1, 2022, to July 1, 2025, inclusive, and would discontinue the requirement that the department adjust the cultivation tax rate for inflation during the suspension.
AB 2506	Quirk and Lackey	<p>This bill would require the distributor to collect the cannabis excise tax from the cannabis retailer on or before 90 days after the cannabis or cannabis product was sold or transferred by the cannabis retailer <i>to the purchaser</i>. The bill would require the distributor to remit the cannabis excise taxes and</p> <p>This bill would suspend the imposition of the cultivation tax from July 1, 2023, to July 1, 2028, and would discontinue the requirement that the department adjust the cultivation tax rate for inflation for the 2023 calendar year and during the suspension. The bill would increase, from July 1, 2023, until July 1, 2028, the excise tax by an additional percentage that the Department of Finance estimates will generate the amount of revenue that would have been collected pursuant to the cultivation tax.</p>
SB 1074	McGuire	This bill would discontinue, beginning on July 1, 2022, the imposition of the cultivation tax. The bill would increase, from July 1, 2025, until July 1, 2026, the excise tax by an additional percentage that the Department of Finance estimates will generate half the amount of revenue that would have been collected pursuant to the cultivation tax, and would, beginning July 1, 2026, instead increase the excise tax by an additional percentage estimated by the department to generate the full amount of revenue that would have been collected pursuant to the cultivation tax.
AB 1656	Aguiar-Curry	This bill would state that MAUCRSA does not prohibit a licensee from manufacturing, distributing, or selling products that contain industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp, if the product complies with all applicable state laws and regulations.
AB 1034	Bloom	This bill, subject to specified restrictions, would authorize a local jurisdiction to allow for the preparation or sale of noncannabis food or beverage products, as specified, by a licensed retailer or microbusiness in the area where the consumption of cannabis is allowed.
AB 1014	McCarty	This bill would require METRC to include delivery. This bill would also require, on or before January 1, 2023, regulations established by DCC regarding the minimum security and transportation safety requirements to include regulations that would allow for an increase in the value of cannabis goods to be carried during delivery of those cannabis goods to customers by employees of a licensed retailer to \$10,000, as specified. The bill would require a licensed retailer to provide their delivery employee certain hardware, tools, and supplies, access to healthcare benefits, and either a vehicle that meets certain requirements or reimbursement for certain costs for the use of the employee's vehicle, as specified. The bill would also require a licensed retailer to maintain an automobile insurance policy to cover third-party liability of deliveries of cannabis goods by an employee who uses their own vehicle for the deliveries, as specified.