

Cannabis Regulatory Commission

Regular Meeting

Thursday, February 15th, 6:30 p.m.
Council Chambers, City Hall, One Frank H. Ogawa Plaza

AGENDA

Members:

Lanese Martin	District 1	Frank Tucker	District 7
Chang Yi	District 2	A. Kathryn Parker	At Large
Zach Knox	District 3	Stephanie Floyd-Johnson	Mayor
Jin Jack Shim	District 4	Vacant	City Auditor
Matt Hummel	District 5	Greg Minor	City Administrator
Derreck Johnson	District 6		

Available on-line at: <http://www.oaklandnet.com/measurez>

MEETING AGENDA

- A. Roll Call and Determination of Quorum
- B. Open Forum / Public Comment
- C. Review of the Pending List and Additions to Next Month's Agenda
 - *Medical cannabis permitting process (since July 2017)*
 - *Use of cannabis tax revenues (since July 2017)*
 - *Annual report (since September 2017)*
 - *Cannabis advertising (since September 2017)*
 - *Additional 2016 enforcement data (since September 2017)*
 - *Onsite consumption/lounges (since October 2017)*
 - *Microbusinesses (since October 2017)*
 - *Cannabis tax rates (since November 2017)*
 - *Event permitting (since December 2017)*
 - *Dispensary applicant runner-ups (since December 2017)*
 - *Adjusting meeting time/day (since January 2018)*
- D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of November 2017.
- E. Reports for Discussion and Possible Action
 - 1. Updated 2016 OPD Cannabis Enforcement Data
 - 2. Cannabis Donation Programs

Persons may speak on any item appearing on the agenda; however a Speaker Card must be filled out and given to a representative of the Cannabis Regulatory Commission. Multiple agenda items cannot be listed on one speaker card. If a speaker signs up to speak on multiple items listed on the agenda, the Chairperson may rule that the speaker be given an appropriate allocation of time to address all issues at one time (cumulative) before the items are called. All speakers will be allotted 3 minutes or less – unless the Chairperson allots additional time.

This meeting is wheelchair accessible. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meetings of the Cannabis Regulatory Commission, please contact the Office of the City Clerk (510) 238-3612. Notification two full business days prior to a meeting will enable the City of Oakland to make reasonable arrangements to ensure accessibility. In compliance with Oakland's policy for people with chemical sensitivities, please refrain from wearing strongly scented products to events.

Questions or concerns regarding this agenda, or to review any agenda-related materials, please contact the Cannabis Regulatory Commission (510) 238-3301.

3. Cannabis Impact on Housing
4. AB 2020- Special Events

F. Announcements

G. Adjournment

Cannabis Regulatory Commission

Regular Meeting

Thursday, January 18th, 6:30 p.m.

Council Chambers, City Hall, One Frank H. Ogawa Plaza

MINUTES

Members:

Lanese Martin	District 1	Frank Tucker	District 7
Chang Yi	District 2	A. Kathryn Parker	At Large
Zach Knox	District 3	Stephanie Floyd-Johnson	Mayor
Jin Jack Shim	District 4	Vacant	City Auditor
Matt Hummel	District 5	Greg Minor	City Administrator
Derreck Johnson	District 6		

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MEETING MINUTES

A. Roll Call and Determination of Quorum

Members Present: Martin, Yi, Knox, Hummel, Johnson, Tucker, Floyd-Johnson, Minor

Members Not Present: Shim, Parker

New Members Martin and Tucker introduced themselves then Member Tucker informed the board he has a standing scheduling conflict at 6:30 p.m. on third Thursdays. Members concluded that 3rd Tuesdays or Thursdays of the month generally work as an alternative meeting date/time.

B. Open Forum / Public Comment

No speakers.

C. Review of the Pending List and Additions to Next Month's Agenda

- *Medical cannabis permitting process (since July 2017)*
- *Use of cannabis tax revenues (since July 2017)*
- *Annual report (since September 2017)*
- *Cannabis advertising (since September 2017)*
- *Additional 2016 enforcement data (since September 2017)*
- *Onsite consumption/lounges (since October 2017)*
- *Microbusinesses (since October 2017)*
- *Cannabis tax rates (since November 2017)*
- *Event permitting (since December 2017)*

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- *Dispensary applicant runner-ups (since December 2017)*

Chair Hummel wanted to add monthly updates on local and state licensing process as well as funding towards equity assistance program.

D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of November 2017.

After board noticed typo in the minutes heading (November in place of December 2017), Member Yi moved to approve the minutes with this correction, Member Floyd-Johnson seconded. Members Martin and Tucker abstained. The motion was approved by consensus.

E. Reports for Discussion and Possible Action

1. Expenditure of Cannabis Tax Revenues in Oakland

Members emphasized importance of CRC playing its role in overseeing the expenditure of cannabis tax revenue. Members also questioned the extent of the CRC's authority and whether the cannabis funds are restricted or unrestricted; Members will ask the city attorney's office these questions when they present at a future meeting.

2. Guidelines for Shared Space for Edible Manufacturing

Staff provided context re ongoing efforts to encourage state regulators to lower barriers of entry into industry via permitting shared space for manufacturers.

Member Knox made a motion to adopt language provided by staff re shared space with suggestion that state officials consider existing shared space models in other industry. Member Johnson seconded the motion and it passed by consensus.

3. Cannabis Donation Programs

Members expressed concern that cannabis donation programs are being eliminated by new state regulations. Member Floyd-Johnson asked that this item be kept on the agenda; Member Yi requested that it be put on next month's agenda.

F. Announcements

G. Adjournment

Citations

Statute Code	Statute Code Description	Count of Statute Code
HS11357 (A)		34
	POSSESS CONCENTRATED CANNABIS	2
	POSSESS MARIJUANA/HASHISH	32
HS11357 (B)		165
	POSSESS MARIJUANA 28.5 GRAMS OR LESS OR W/PRIOR	165
HS11357 (C)		12
	POSSESS MARIJUANA OVER 28.5 GRAMS	12
HS11357 (E)		2
	MINOR POSSESS MARIJUANA ON GROUNDS DURING SCH ACTIVITIES	2
HS11358		13
	PLANT/CULTIVATE/ETC MARIJUANA/HASHISH	13
HS11359		251
	POSSESS MARIJUANA/HASHISH FOR SALE	251
HS11360 (A)		18
	SELL/FURNISH/ETC MARIJUANA/HASHISH	18
VC23222 (B)		13
	POSS MARIJUANA W/DRIVING	13
Grand Total		508

Arrests

Statute Code	Statute Code Description	County Statute Code
HS11357 (A)		16
	POSSESS MARIJUANA/HASHISH	16
HS11357 (B)		16
	POSSESS MARIJUANA 28.5 GRAMS OR LESS OR W/PRIOR	16
HS11357 (C)		4
	POSSESS MARIJUANA OVER 28.5 GRAMS	4
HS11357 (E)		2
	MINOR POSSESS MARIJUANA ON GROUNDS DURING SCH ACTIVITIES	2
HS11358		13
	PLANT/CULTIVATE/ETC MARIJUANA/HASHISH	13
HS11359		250
	POSSESS MARIJUANA/HASHISH FOR SALE	250
HS11360 (A)		17
	SELL/FURNISH/ETC MARIJUANA/HASHISH	17
Grand Total		518



California

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AB-2020 Cannabis: local jurisdiction licensees: temporary event permits. (2017-2018)

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Date Published: 02/05/2018 09:00 PM

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

ASSEMBLY BILL

No. 2020

Introduced by Assembly Member Quirk

February 05, 2018

An act to amend Sections 26001 and 26200 of the Business and Professions Code, relating to cannabis.

LEGISLATIVE COUNSEL'S DIGEST

AB 2020, as introduced, Quirk. Cannabis: local jurisdiction licensees: temporary event permits.

The Control, Regulate and Tax Adult Use of Marijuana Act of 2016 (AUMA), an initiative measure approved as Proposition 64 at the November 8, 2016, statewide general election, authorizes a person who obtains a state license under AUMA to engage in commercial adult-use cannabis activity pursuant to that license and applicable local ordinances. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities. MAUCRSA authorizes an applicant to apply to all applicable state licensing authorities to obtain a state license to engage in commercial adult-use cannabis activity, and requires the applicant to obtain a separate license for each location where here engages in state in commercial cannabis activity. MAUCRSA defines the term applicant to mean an owner applying for a state license.

MAUCRSA authorizes a state licensing authority to issue a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that certain other requirements are met.

This bill would authorize a local jurisdiction to apply for a temporary event license, and would generally require that local jurisdiction to comply with all existing licensure requirements that apply to any other applicant, except for specified provisions relating to background checks and prior convictions. The bill would also authorize a state temporary event license to be issued to a licensee for an event to be held at any other venue expressly approved by the local jurisdiction for events, as described.

The Control, Regulate and Tax Adult Use of Marijuana Act, an initiative measure, authorizes the Legislature to amend the act to further the purposes and intent of the act with a 2/3 vote of the membership of both houses of the Legislature.

This bill would declare that its provisions further specified purposes and intent of the act.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

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

SECTION 1. Section 26001 of the Business and Professions Code is amended to read:

26001. For purposes of this division, the following definitions shall apply:

(a) "A-license" means a state license issued under this division for cannabis or cannabis products that are intended for adults who are 21 years of age and older and who do not possess a physician's recommendation.

(b) "A-licensee" means any person holding a license under this division for cannabis or cannabis products that are intended for adults who are 21 years of age and older and who do not possess a physician's recommendation.

(c) (1) "Applicant" means an owner applying for a state license pursuant to this division.

(2) *The term "applicant" also includes a local jurisdiction for the purpose of operating a temporary event license pursuant to subdivision (e) of Section 26200. A local jurisdiction applying for a temporary event license pursuant to that section shall comply with all requirements that apply to applicants under this division, except for the background check requirements described in paragraph (1) of subdivision (a) of Section 26051.5 and denials of a license based on a prior conviction of the applicant described in paragraph (4) of subdivision (b) of Section 26057.*

(d) "Batch" means a specific quantity of homogeneous cannabis or cannabis product that is one of the following types:

(1) Harvest batch. "Harvest batch" means a specifically identified quantity of dried flower or trim, leaves, and other cannabis plant matter that is uniform in strain, harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals, and harvested at the same time.

(2) Manufactured cannabis batch. "Manufactured cannabis batch" means either of the following:

(A) An amount of cannabis concentrate or extract that is produced in one production cycle using the same extraction methods and standard operating procedures.

(B) An amount of a type of manufactured cannabis produced in one production cycle using the same formulation and standard operating procedures.

(e) "Bureau" means the Bureau of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Marijuana Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation.

(f) "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.

(g) "Cannabis accessories" has the same meaning as in Section 11018.2 of the Health and Safety Code.

(h) "Cannabis concentrate" means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this division. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

(i) "Cannabis products" has the same meaning as in Section 11018.1 of the Health and Safety Code.

(j) "Child resistant" means designed or constructed to be significantly difficult for children under five years of age to open, and not difficult for normal adults to use properly.

(k) "Commercial cannabis activity" includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products as provided for in this division.

- (l) "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- (m) "Cultivation site" means a location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.
- (n) "Customer" means a natural person 21 years of age or older or a natural person 18 years of age or older who possesses a physician's recommendation, or a primary caregiver.
- (o) "Day care center" has the same meaning as in Section 1596.76 of the Health and Safety Code.
- (p) "Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform.
- (q) "Director" means the Director of Consumer Affairs.
- (r) "Distribution" means the procurement, sale, and transport of cannabis and cannabis products between licensees.
- (s) "Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- (t) "Edible cannabis product" means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.
- (u) "Fund" means the Cannabis Control Fund established pursuant to Section 26210.
- (v) "Kind" means applicable type or designation regarding a particular cannabis variant or cannabis product type, including, but not limited to, strain name or other grower trademark, or growing area designation.
- (w) "Labeling" means any label or other written, printed, or graphic matter upon a cannabis product, upon its container or wrapper, or that accompanies any cannabis product.
- (x) "Labor peace agreement" means an agreement between a licensee and any bona fide labor organization that, at a minimum, protects the state's proprietary interests by prohibiting labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with the applicant's business. This agreement means that the applicant has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the applicant's employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the applicant's employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under state law, and terms and conditions of employment. This type of agreement shall not mandate a particular method of election or certification of the bona fide labor organization.
- (y) "License" means a state license issued under this division, and includes both an A-license and an M-license, as well as a testing laboratory license.
- (z) "Licensee" means any person holding a license under this division, regardless of whether the license held is an A-license or an M-license, and includes the holder of a testing laboratory license.
- (aa) "Licensing authority" means the state agency responsible for the issuance, renewal, or reinstatement of the license, or the state agency authorized to take disciplinary action against the licensee.
- (ab) "Live plants" means living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.
- (ac) "Local jurisdiction" means a city, county, or city and county.
- (ad) "Lot" means a batch or a specifically identified portion of a batch.
- (ae) "M-license" means a state license issued under this division for commercial cannabis activity involving medicinal cannabis.
- (af) "M-licensee" means any person holding a license under this division for commercial cannabis activity involving medicinal cannabis.

- (ag) "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.
- (ah) "Manufacturer" means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.
- (ai) "Medicinal cannabis" or "medicinal cannabis product" means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation.
- (aj) "Nursery" means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.
- (ak) "Operation" means any act for which licensure is required under the provisions of this division, or any commercial transfer of cannabis or cannabis products.
- (al) "Owner" means any of the following:
- (1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.
 - (2) The chief executive officer of a nonprofit or other entity.
 - (3) A member of the board of directors of a nonprofit.
 - (4) An individual who will be participating in the direction, control, or management of the person applying for a license.
- (am) "Package" means any container or receptacle used for holding cannabis or cannabis products.
- (an) "Person" includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
- (ao) "Physician's recommendation" means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
- (ap) "Premises" means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee.
- (aq) "Primary caregiver" has the same meaning as in Section 11362.7 of the Health and Safety Code.
- (ar) "Purchaser" means the customer who is engaged in a transaction with a licensee for purposes of obtaining cannabis or cannabis products.
- (as) "Sell," "sale," and "to sell" include any transaction whereby, for any consideration, title to cannabis or cannabis products is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a licensee to the licensee from whom the cannabis or cannabis product was purchased.
- (at) "Testing laboratory" means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following:
- (1) Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state.
 - (2) Licensed by the bureau.
- (au) "Unique identifier" means an alphanumeric code or designation used for reference to a specific plant on a licensed premises and any cannabis or cannabis product derived or manufactured from that plant.
- (av) "Youth center" has the same meaning as in Section 11353.1 of the Health and Safety Code.

SEC. 2. Section 26200 of the Business and Professions Code is amended to read:

26200. (a) (1) This division shall not be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances to regulate businesses licensed under this division, 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 businesses licensed under this division within the local jurisdiction.

(2) This division shall not be interpreted to supersede or limit existing local authority for law enforcement activity, enforcement of local zoning requirements or local ordinances, or enforcement of local license, permit, or other authorization requirements.

(b) This division shall not be interpreted to require a licensing authority to undertake local law enforcement responsibilities, enforce local zoning requirements, or enforce local licensing, permitting, or other authorization requirements.

(c) A local jurisdiction shall notify the bureau upon revocation of any local license, permit, or authorization for a licensee to engage in commercial cannabis activity within the local jurisdiction. Within 10 days of notification, the bureau shall inform the relevant licensing authorities. Within 60 days of being so informed by the bureau, the relevant licensing authorities shall begin the process to determine whether a license issued to the licensee should be suspended or revoked pursuant to Chapter 3 (commencing with Section 26030).

(d) For facilities issued a state license that are located within the incorporated area of a city, the city shall have full power and authority to enforce this division and the regulations promulgated by the bureau or any licensing authority, if delegated by the state. Notwithstanding Sections 101375, 101400, and 101405 of the Health and Safety Code or any contract entered into pursuant thereto, or any other law, the city shall assume complete responsibility for any regulatory function pursuant to this division within the city limits that would otherwise be performed by the county or any county officer or employee, including a county health officer, without liability, cost, or expense to the county.

(e) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or fair event, district agricultural association event, or at another venue expressly approved by a local jurisdiction for the purpose of holding temporary events of this nature, provided that the activities, at a minimum, comply with the requirements of paragraphs (1) to (3), inclusive, of subdivision (g), that all participants are licensed under this division, and that the activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses. These temporary event licenses shall only be issued in local jurisdictions that authorize such events.

(f) This division, or any regulations promulgated thereunder, shall not be deemed to limit the authority or remedies of a city, county, or city and county under any provision of law, including, but not limited to, Section 7 of Article XI of the California Constitution.

(g) Notwithstanding paragraph (1) of subdivision (a) of Section 11362.3 of the Health and Safety Code, a local jurisdiction may allow for the smoking, vaporizing, and ingesting of cannabis or cannabis products on the premises of a retailer or microbusiness licensed under this division if all of the following are met:

(1) Access to the area where cannabis consumption is allowed is restricted to persons 21 years of age and older.

(2) Cannabis consumption is not visible from any public place or nonage-restricted area.

(3) Sale or consumption of alcohol or tobacco is not allowed on the premises.

SEC. 3. The Legislature finds and declares that Sections 1 and 2 of this act amending Sections 26001 and 26200 of the Business and Professions Code furthers the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.