

CLIENT NEWS BRIEF

Despite Marijuana Industry Efforts, Local Control Survives

Eight months after California voters approved Proposition 64, which legalized adult use of recreational marijuana in California, Governor Jerry Brown signed a new bill that will facilitate the issuance of marijuana business licenses beginning in January 2018. Despite marijuana industry efforts to minimize local government regulation, the new bill guarantees continued local agencies' control over marijuana operations in their jurisdictions.

The primary thrust of Senate Bill (SB) 94, the Medical and Adult Use Cannabis Recreation and Safety Act (MAUCRSA) is to combine state regulation of medical and recreational marijuana under the new Bureau of Cannabis Control (BCC). However, the bill also provides for local control over permitting and safety regulation of marijuana businesses. Under the new law, local agencies have the right to:

- Expand the prohibition zones around schools, daycare centers and youth centers for marijuana businesses;
- Inspect the premises and examine the records of licensed cannabis businesses, during normal business hours, and set fines up to \$30,000 for each incident of non-compliance with local laws;
- Regulate mobile dispensaries and require a physical, permitted location for the dispensary, even if it is closed to the public;
- Enforce fire and life safety requirements on marijuana operations; and
- Seize and destroy illegal marijuana, including during peace officers' investigation stage, with unlicensed individuals being held responsible for the cost of the destruction.

Local ordinances remain exempt from California Environmental Quality Act (CEQA) review until July 1, 2019.

SB 94 also clarifies the scope of joint state and local agency jurisdiction. The bill provides:

- State authority to delegate full power and authority to local agencies – through an agreement with local jurisdictions – to enforce regulations promulgated by the BCC;
- Revocation of state licensure if the cannabis licensee is not complying with local laws;
- The allocation of \$3 million to the California Highway Patrol to be used for training drug recognition experts, which might also be used to support local drug enforcement;

August 2017
Number 48



Jenell Van Bindsbergen
Partner and Co-Chair
Local Government Practice Group
Fresno Office
jvanbindsbergen@lozanosmith.com



Lee Burdick
Senior Counsel
Fresno Office
lburdick@lozanosmith.com

LS Lozano Smith
ATTORNEYS AT LAW

As the information contained herein is necessarily general, its application to a particular set of facts and circumstances may vary. For this reason, this News Brief does not constitute legal advice. We recommend that you consult with your counsel prior to acting on the information contained herein.

CLIENT NEWS BRIEF

August 2017
Number 48

- Streamlined processes for the collection and remitting of marijuana taxes and fees;
- A requirement that local jurisdictions provide the BCC with copies of any ordinances or regulations related to commercial cannabis operations as well as designating a contact person to act as a liaison between the BCC and the local government; and
- Establishment of a process for local agencies and the BCC to share information about an applicant for a marijuana license.

For more information on Proposition 64 and the Medical and Adult Use Cannabis Recreation and Safety Act, please contact the authors of this Client News Brief or an attorney in Lozano Smith's [Local Government Practice Group](#) or at one of our [eight offices](#) located statewide. You can also visit our [website](#), follow us on [Facebook](#) or [Twitter](#) or download our [Client News Brief App](#).

As the information contained herein is necessarily general, its application to a particular set of facts and circumstances may vary. For this reason, this News Brief does not constitute legal advice. We recommend that you consult with your counsel prior to acting on the information contained herein.