



NOSSAMAN LLP | Memorandum

TO: The Honorable Senator Anthony Portantino, Chair
Senate Appropriations Committee

FROM: Nossaman LLP on behalf of the Monterey County Board of Supervisors

DATE: July 21, 2023

RE: **AB 1488 (Wallis) Cannabis: enforcement by local jurisdictions - SUPPORT**

The County of Monterey is pleased to support Assembly Bill (AB) 1488 by Assembly Member Greg Wallis, which will enhance local enforcement mechanisms for unlicensed cannabis activities. This measure creates a streamlined local administrative penalty process, gives local jurisdictions incentives to pursue statutory penalties, and provides more penalty collection options.

California has implemented extensive measures to regulate the exponential growth of the cannabis industry, particularly since the passage of Proposition 64 in 2016, including statutory penalties for unlicensed cannabis operations up to three times the applicable licensing fee. Despite the state's flurry of activity over the past 20 years to permit and regulate cannabis use, an illicit cannabis industry still exists, undercutting lawful operations and denying the state millions of dollars in taxes each year.

A commonality amongst local jurisdictions is the overwhelming enforcement needs to combat unlicensed cannabis activities. Local law enforcement agencies and code enforcement struggle to effectively deter illicit cannabis operators who sidestep regulations and undermine the health and safety of residents. Enhanced tools at the local level are needed to combat this highly lucrative and harmful unlawful activity.

AB 1448 allows a 50/50 state-local split of the statutory penalties recovered in actions brought by local jurisdictions, as originally enacted by the Legislature in the Medical Cannabis Regulation and Safety Act (MCRSA). Revenues from these actions will provide a much-needed source of funds to reinvest in illicit cannabis enforcement. Local jurisdictions are a critical partner to successfully regulate the commercial cannabis marketplace. AB 1448 will bolster safe access to the cannabis market by targeting enforcement against unlawful operators that undermine the legal marketplace and undercut local economies.

For these reasons, the County of Monterey supports AB 1448. Should you have any questions, please feel free to contact the County of Monterey's Public Policy Advisor, Ashley Walker of Nossaman LLP at 916-442-8888.

Sincerely,

Ashley Walker
Nossaman LLP

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