



NOSSAMAN LLP | Memorandum

TO: The Honorable Senator Richard Roth, Chair
Senate Business, Professions, and Economic Development
Committee

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

DATE: June 16, 2023

RE: **AB 637 (Hart) Cannabis Track and Trace Data: Local Access.- SUPPORT**

The County of Monterey is pleased to support Assembly Bill (AB) 687 by Assembly Member Gregg Hart. This bill would support local jurisdictions with cannabis regulatory and tax programs by providing access to critical California Cannabis Track and Trace (CCTT) data, giving cities and counties the ability to make data-driven enforcement and regulatory decisions. AB 687 would also add important information related to cannabis deliveries into the CCTT system to help local governments better understand where transactions are taking place.

Under Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act of 2016 established the California Cannabis Track and Trace system (CCTT). This electronic software tracking system provides data points for the different stages of commercial cannabis activity from cultivation to delivery. A key element to the passage of Proposition 64 was ensuring that local communities could decide for themselves how cannabis would fit into their unique environments. Access to CCTT can provide key data into commercial cannabis activity and help law enforcement deter illegal cannabis cultivation and distribution.

As both the state and local cannabis regulatory programs have evolved, systematic and efficient sharing of CCTT data has yet to occur. This information is critical to local regulators as they use this data to prioritize enforcement and compliance actions as well as ensure appropriate tax collection. AB 687 would grant the California Cannabis Authority (CCA), a local government Joint Powers Authority, with access to the CCTT system for the purposes of distributing this information to appropriate jurisdictions on a regular and efficient timeframe. Additionally, it will grant CCA, or a similar local government entity, 24/7 read-only access to CCTT data for the purposes providing appropriate CCTT information to cities and counties that are regulating cannabis.

AB 195 (Chapters 56, 2022) required the Department of Cannabis Control to incorporate delivery information into the existing CCTT program by January 1, 2023. However, the bill did not include specifics about the entirety of data to be included. AB 687 would require the inclusion of zip code data for deliveries into the CCTT system, which would provide cities and counties with greater oversight of where transactions are taking place and the ability to assign appropriate taxation to those transactions.

Overall this measure will provide a consistent and reliable conduit for data-sharing amongst state and local regulators which is a key component to our mutual success. For these reasons, the County of Monterey pleased to support AB 637. Should you have any questions, please feel free to contact the County's Public Policy Advisor, Ashley Walker of Nossaman LLP at 916-442-8888.

Sincerely,



Ashley Walker
Nossaman LLP

CC: Honorable Gregg Hart, California State Assembly
Members, Senate Business, Professions, and Economic Development Committee
Consultant, Senate Business, Professions, and Economic Development Committee
Kayla Williams, Senate Republican Consultant
Hon. Dawn Addis, 30th Assembly District
Hon. Anna Caballero, 14th Senate District
Hon. John Laird, 17th Senate District
Hon. Robert Rivas, 29th Assembly District
California State Association of Counties (CSAC)
Rural County Representatives of California (RCRC)