



February 22, 2019

The Honorable Mike McGuire
Member, California State Senate
State Capitol, Room 5061
Sacramento, CA 95814

**RE: Senate Bill 67 – SUPPORT
As Amended February 19, 2019**

Dear Senator McGuire:

On behalf of the Rural County Representatives of California (RCRC), I am writing to express our support for your recently-amended Senate Bill 67, which extends the time-period for which a temporary license is valid when issued by state cannabis licensing entities.

RCRC is an association of thirty-six rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties. The issue of cannabis and particularly those surrounding cultivation continue to be of importance to RCRC's member counties. With the enactment of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) and the Adult Use of Marijuana Act (Proposition 64), there are requirements that cannabis cultivators participating in the regulated commercial cannabis market be licensed by the State and receive local authorization.

SB 67 extends the temporary cultivation license to address the looming backlog of pending license applications at both the local and state level. In a few weeks from now, hundreds, if not thousands, of temporary licenses will expire. These are licenses that were created as a way to allow for cannabis operators to become sanctioned while the state licensing agencies continue to build and implement their respective regulatory requirements. It was anticipated these license would cease to be valid and those that held a temporary license would transition to annual licenses (which have more stringent conditions).

The Legislature took action last year with the passage of SB 1459 (Cannella) to create a provisional licensing scheme. While this option has addressed some of the concerns about backlog, our understanding from a number of RCRC's member counties

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is that many cultivators will not be able to have these applications processed before their temporary license expires. We believe that an extension of the validity of current temporary licenses is in order to preserve cultivators to stay in the licensing scheme and continue to pursue a transition to annual license. Simply put, the backlog is so extensive, that processing a provisional license or awarding permanents/annual licenses in an expedited manner is not a realistic option.

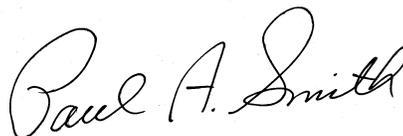
While RCRC fully supports SB 67, we would suggest two amendments be incorporated to address 'track and trace' as well as clarify what the ramifications of holding a temporary license in the extension window are:

Upon determination by the Department of Food and Agriculture that the track and trace program established pursuant to Section 26067 can accommodate temporary licensees, the holder of a temporary license shall be required to participate in the track and trace program in the same manner as the holder of an annual license.

Except as specified in this section, the provisions of this division shall apply to a temporary license in the same manner as to an annual license. Revocation or suspension by the licensing authority of a license extended pursuant to this section shall not entitle the applicant or licensee to a hearing or an appeal of the decision. Chapter 2 (commencing with Section 480) of Division 1.5 and Chapter 4 (commencing with Section 26040) of this division shall not apply to licenses issued pursuant to this section. A temporary license does not obligate the licensing authority to issue a nontemporary license nor does the temporary license create a vested right in the holder to either an extension of the temporary license or to the granting of a subsequent nontemporary license.

If you should have any questions or concerns, please do not hesitate to contact me at (916) 447-4806.

Sincerely,



PAUL A. SMITH
Vice President Governmental Affairs

cc: Members of the Senate Business & Professions Committee
Sarah Huchel, Consultant, Senate Business & Professions Committee