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SB-67 Cannabis: marketing: appellations of origin: county, city, or city and county of origin. (2019-2020)



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Senate Bill No. 67

CHAPTER 298

An act to amend Section 26063 of the Business and Professions Code, relating to cannabis, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 29, 2020. Filed with Secretary of State September 29, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

SB 67, McGuire. Cannabis: marketing: appellations of origin: county, city, or city and county of origin.

(1) Existing law, the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), approved by the voters at the November 8, 2016, statewide general election, regulates the cultivation, distribution, transport, storage, manufacturing, testing, processing, sale, and use of marijuana for nonmedical purposes by individuals 21 years of age and older. 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 requires the Department of Food and Agriculture, no later than January 1, 2018, to establish standards by which a licensed cultivator may designate a county of origin for cannabis, and requires for the designation that 100% of the cannabis be produced within the designated county, as specified. MAUCRSA requires the department, no later than January 1, 2021, to establish a process by which licensed cultivators may establish appellations of origin for cannabis produced in certain geographical areas of California, instead of by county. MAUCRSA prohibits cannabis from being represented to consumers, as specified, as produced in a California county unless the cannabis was produced in that county. MAUCRSA prohibits the name of a California county, including any similar name that is likely to mislead consumers as to the kind of cannabis contained in the product, from being used, as specified, unless 100% of the cannabis contained in the product was produced in that county.

This bill would limit the approval of appellations of origin for cannabis unless it requires the practice of planting in the ground in the canopy area and excludes the practices of using structures and any artificial light in the canopy area. The bill would also require the department to establish standards by which a licensed cultivator may designate a city or city and county of origin for cannabis produced 100% within the designated city or city and county. The bill would apply the same above-described prohibitions against misrepresentations related to the county of origin and the misleading use of county names to city or city and county origins and names.

(2) AUMA authorizes the Legislature to amend its provisions by a $\frac{2}{3}$ vote of both houses, without submission to the voters, to further the purposes and intent of AUMA.

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

(3) This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 26063 of the Business and Professions Code is amended to read:

- **26063.** (a) (1) No later than January 1, 2018, the Department of Food and Agriculture shall establish standards by which a licensed cultivator may designate a county, city, or city and county of origin for cannabis. To be eligible for the designation, 100 percent of the cannabis shall be produced within the designated county, city, or city and county, as defined by finite political boundaries.
 - (2) Cannabis shall not be advertised, marketed, labeled, or sold as produced in a California county, city, or city and county, including any similar name that is likely to mislead consumers as to the kind of cannabis, when the cannabis was not produced in that county, city, or city and county.
 - (3) The name of a California county, city, or city and county, including any similar name that is likely to mislead consumers as to the kind of cannabis contained in the product, shall not be used in the advertising, labeling, marketing, or packaging of cannabis products unless 100 percent of the cannabis contained in the product was produced in that county, city, or city and county.
- (b) (1) No later than January 1, 2021, the Department of Food and Agriculture shall establish a process by which licensed cultivators may establish appellations of origin, including standards, practices, and cultivars applicable to cannabis produced in a certain geographical area in California, not otherwise specified in subdivision (a).
 - (2) Cannabis shall not be advertised, marketed, labeled, or sold using an appellation of origin established pursuant to paragraph (1), including any similar name that is likely to mislead consumers as to the kind of cannabis, unless the cannabis meets the appellation of origin requirements for, and was produced in, the geographical area.
 - (3) An appellation of origin established pursuant to this subdivision, including any similar name that is likely to mislead consumers as to the kind of cannabis contained in a product, shall not be used in the advertising, labeling, marketing, or packaging of a cannabis product unless 100 percent of the cannabis contained in the product meets the appellation of origin requirements and was produced in the geographical area.
- (c) An appellation of origin shall not be approved unless it requires the practice of planting in the ground in the canopy area and excludes the practices of using structures, including a greenhouse, hoop house, glasshouse, conservatory, hothouse, and any similar structure, and any artificial light in the canopy area.
- **SEC. 2.** The Legislature finds and declares that this act furthers the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.
- **SEC. 3.** This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure consumers have the necessary information about the origin of cannabis to make informed decisions about their purchases at the earliest possible date, it is necessary that this act take effect immediately.