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AB-2643 Cannabis cultivation: environmental remediation. (2023-2024)

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Date Published: 09/30/2024 09:00 PM

Assembly Bill No. 2643

CHAPTER 839

An act to amend Section 12025 of, to add Section 1024 to, and to add and repeal Section 1025 of, the Fish and Game Code, to add Section 25141.5.1 to the Health and Safety Code, and to amend Section 34019 of the Revenue and Taxation Code, relating to environmental quality, and making an appropriation therefor.

[Approved by Governor September 28, 2024. Filed with Secretary of State September 28, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2643, Wood. Cannabis cultivation: environmental remediation.

(1) Existing law requires the Department of Fish and Wildlife to establish the watershed enforcement program to facilitate the investigation, enforcement, and prosecution of offenses relating to unlawful water diversions and other violations of the Fish and Game Code associated with cannabis cultivation. Existing law also requires the department, in coordination with specified state agencies, to establish a permanent multiagency task force to address the environmental impacts of cannabis cultivation.

This bill would require the department to conduct a study to create a framework for cannabis site restoration projects with the goal of providing guidance for the cleanup, remediation, and restoration of environmental damage caused by cannabis cultivation, and to complete the study by January 1, 2027, as specified. The bill would authorize the department to enter into an agreement with a nongovernmental organization or educational institution for that entity to conduct the study.

The bill would require the department, on or before January 1, 2027, and until January 1, 2036, to submit an annual report to the Legislature on illicit cannabis cultivation and on the status of efforts to repair habitat degradation and other environmental damage in watersheds affected by cannabis cultivation on both public and private lands, as specified.

(2) Existing law imposes various civil penalties for violations of specified environmental laws in connection with the production or cultivation of a controlled substance, as specified. Existing law defines controlled substance for this purpose to mean a drug, substance, or immediate precursor listed in any of the schedules established pursuant to the California Uniform Controlled Substances Act. Existing law requires 40% of civil penalties imposed or collected by a court, and 50% of administrative penalties imposed or collected by the department, for violations of these provisions to be deposited into the Timber Regulation and Forest Restoration Fund and used for grants for certain environmental purposes, as specified. Existing law also requires 50% of administrative penalties imposed or collected by the department for violations of these provisions to be deposited in the Fish and Game Preservation Fund.

This bill, with regard to the above-described civil penalties, would replace the term "controlled substance" with the term "cannabis or cannabis products." The bill would eliminate those apportionments to the Timber Regulation and Forest Restoration Fund and the Fish and Game Preservation Fund and would instead direct those apportionments to the Cannabis-Impacted Lands Restoration Fund, which the bill would create. The bill would continuously appropriate moneys in that fund to the department for the remediation and restoration of lands impacted by cannabis cultivation on public or private lands, thereby creating an

appropriation. The bill would also eliminate requirements that moneys from these penalties be deposited into the Timber Regulation and Forest Restoration Fund under certain circumstances for the repayment of a loan authorized from that fund to the department.

(3) Existing law requires the Department of Toxic Substances Control to regulate the handling and management of hazardous waste. Existing law requires the department to develop and adopt by regulation criteria and guidelines for the identification of hazardous wastes and extremely hazardous wastes.

This bill would exclude plant waste and cannabis waste solely exhibiting the hazardous waste characteristic of toxicity pursuant to a specified regulation from classification as a hazardous waste.

(4) Existing law, the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), an initiative measure, as additionally amended by statute, establishes the California Cannabis Tax Fund as a continuously appropriated fund consisting of specified taxes, interest, penalties, and other amounts related to commercial cannabis activity. Each fiscal year, AUMA requires the Controller to make disbursements from the fund pursuant to a specified schedule, including, among others, amounts to the Environmental Restoration and Protection Account. Of the amount deposited into the Environmental Restoration and Protection Account for disbursement by the Controller, AUMA requires the Secretary of the Natural Resources Agency to allocate those funds to the Department of Fish and Wildlife and the Department of Parks and Recreation for certain activities selected by the secretary including, among others, the cleanup, remediation, and restoration of environmental damage in watersheds affected by cannabis cultivation and related activities, as specified, and to support local partnerships for this purpose.

This bill would direct the Department of Fish and Wildlife to use moneys made available from that account for those specified purposes to fund the above-described study and annual reports, as specified.

(5) AUMA authorizes the Legislature to amend its provisions with a $2/3$ vote of both houses to further its purposes and intent, except as specified.

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

Vote: 2/3 Appropriation: yes Fiscal Committee: yes Local Program: no

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

SECTION 1. Section 1024 is added to the Fish and Game Code, to read:

1024. (a) The department shall conduct a study to create a framework for cannabis site restoration projects with the goal of providing guidance for the cleanup, remediation, and restoration of environmental damage caused by cannabis cultivation, and shall complete the study by January 1, 2027.

(b) As part of the study, the department shall do both of the following:

(1) Develop recommendations for technologies to address reconnaissance challenges in finding illicit cannabis cultivation on public lands, such as remote sensing technologies and comprehensive statewide mapping capabilities.

(2) Outline steps to create a comprehensive dataset that includes any mapping of illicit cannabis cultivation produced by local, state, or federal agencies, and identify any barriers to developing the comprehensive dataset.

(c) The department may enter into an agreement with a nongovernmental organization or educational institution for that entity to conduct the study required by this section.

(d) After the study is completed, the department shall make the results of the study publicly available on its internet website.

SEC. 2. Section 1025 is added to the Fish and Game Code, to read:

1025. (a) (1) (A) The department shall submit a report to the Legislature on or before January 1, 2027, and each year thereafter, on illicit cannabis cultivation, including reconnaissance, eradication, reclamation, and restoration operations involving the department, and on the status of efforts to repair habitat degradation and other environmental damage in watersheds affected by cannabis cultivation on both public and private lands.

(B) As part of the report prepared pursuant to this subdivision, the department shall include all of the following:

(i) An assessment of the number of trespassing cannabis cultivation sites or complexes in order to identify illicit cultivation trends.

(ii) A summary of length of irrigation line and weight of nonhazardous waste, trash, and equipment removed, and number and type of stream structures removed within stream channel by grow site.

(iii) An assessment of opportunities to implement restoration measures to achieve effective watershed-scale restoration of watersheds affected by cannabis cultivation, and opportunities to supplement cannabis-related reclamation and restoration activities with restoration measures to achieve effective watershed-scale restoration, in a manner consistent with state and federal plans for the recovery of native species.

(iv) A list of restoration projects funded annually by the Cannabis Restoration Grant Program to achieve effective watershed-scale restoration of watersheds affected by cannabis cultivation.

(C) The metrics included in the report shall include, but are not limited to, how many reconnaissance, eradication, reclamation, and restoration operations occur on public lands and private lands and in total.

(2) The last report required to be submitted to the Legislature pursuant to paragraph (1) shall be the report due on or before January 1, 2036. The department shall make a report completed pursuant to this section available to interested parties upon request.

(b) (1) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

(2) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2040.

SEC. 3. Section 12025 of the Fish and Game Code is amended to read:

12025. (a) In addition to any penalties imposed by any other law, a person found to have violated the code sections described in paragraphs (1) to (11), inclusive, in connection with the production or cultivation of cannabis or cannabis products on land under the management of the Department of Parks and Recreation, the Department of Fish and Wildlife, the Department of Forestry and Fire Protection, the State Lands Commission, a regional park district, the United States Forest Service, or the United States Bureau of Land Management, or within the respective ownership of a timberland production zone, as defined in Chapter 6.7 (commencing with Section 51100) of Part 1 of Division 1 of Title 5 of the Government Code, of more than 50,000 acres, or while trespassing on other public or private land in connection with the production or cultivation of cannabis or cannabis products, shall be liable for a civil penalty as follows:

(1) A person who violates Section 1602 in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than ten thousand dollars (\$10,000) for each violation.

(2) A person who violates Section 5650 in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than forty thousand dollars (\$40,000) for each violation.

(3) A person who violates Section 5652 in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than forty thousand dollars (\$40,000) for each violation.

(4) A person who violates subdivision (a) of Section 374.3 of the Penal Code in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than forty thousand dollars (\$40,000) for each violation.

(5) A person who violates paragraph (1) of subdivision (h) of Section 374.3 of the Penal Code in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than forty thousand dollars (\$40,000) for each violation.

(6) A person who violates subdivision (b) of Section 374.8 of the Penal Code in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than forty thousand dollars (\$40,000) for each violation.

(7) A person who violates Section 384a of the Penal Code in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than ten thousand dollars (\$10,000) for each violation.

(8) A person who violates subdivision (a) of Section 4571 of the Public Resources Code in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than ten thousand dollars (\$10,000) for each violation.

(9) A person who violates Section 4581 of the Public Resources Code in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than ten thousand dollars (\$10,000) for each violation.

(10) A person who violates Section 2000 in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than ten thousand dollars (\$10,000) for each violation.

(11) A person who violates Section 2002 in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than ten thousand dollars (\$10,000) for each violation.

(b) (1) In addition to any penalties imposed by any other law, a person found to have violated the code sections described in this subdivision in connection with the production or cultivation of cannabis or cannabis products on land that the person owns, leases, or otherwise uses or occupies with the consent of the landowner shall be liable for a civil penalty as follows:

(A) A person who violates Section 1602 in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than eight thousand dollars (\$8,000) for each violation.

(B) A person who violates Section 5650 in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than twenty thousand dollars (\$20,000) for each violation.

(C) A person who violates Section 5652 in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than twenty thousand dollars (\$20,000) for each violation.

(D) A person who violates subdivision (a) of Section 374.3 of the Penal Code in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than twenty thousand dollars (\$20,000) for each violation.

(E) A person who violates paragraph (1) of subdivision (h) of Section 374.3 of the Penal Code in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than twenty thousand dollars (\$20,000) for each violation.

(F) A person who violates subdivision (b) of Section 374.8 of the Penal Code in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than twenty thousand dollars (\$20,000) for each violation.

(G) A person who violates Section 384a of the Penal Code in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than ten thousand dollars (\$10,000) for each violation.

(H) A person who violates subdivision (a) of Section 4571 of the Public Resources Code in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than eight thousand dollars (\$8,000) for each violation.

(I) A person who violates Section 4581 of the Public Resources Code in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than eight thousand dollars (\$8,000) for each violation.

(J) A person who violates Section 2000 in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than eight thousand dollars (\$8,000) for each violation.

(K) A person who violates Section 2002 in connection with the production or cultivation of cannabis or cannabis products is subject to a civil penalty of not more than eight thousand dollars (\$8,000) for each violation.

(2) Each day that a violation of a code section described in this subdivision occurs or continues to occur shall constitute a separate violation.

(c) The civil penalty imposed for each separate violation pursuant to this section is in addition to any other civil penalty imposed for another violation of this section, or any violation of any other law.

(d) All civil penalties imposed or collected by a court for a separate violation pursuant to this section shall not be considered to be fines or forfeitures, as described in Section 13003, and shall be apportioned in the following manner:

(1) Thirty percent shall be distributed to the county in which the violation was committed pursuant to Section 13003. The county board of supervisors shall first use any revenues from those penalties to reimburse the costs incurred by the district attorney or city attorney in investigating and prosecuting the violation.

(2) Thirty percent shall be distributed to the investigating agency to be used to reimburse the cost of any investigation directly related to the violations described in this section.

(3) (A) Forty percent shall be deposited into the Cannabis-Impacted Lands Restoration Fund, which is hereby created, to fund the remediation and restoration of lands impacted by cannabis cultivation on public or private lands.

(B) Notwithstanding Section 13340 of the Government Code, the Cannabis-Impacted Lands Restoration Fund is continuously appropriated without regard to fiscal years to the department for the purposes set forth in subparagraph (A).

(e) Civil penalties authorized pursuant to this section may be imposed administratively by the department if all of the following occur:

(1) The chief deputy director or law enforcement division assistant chief in charge of cannabis-related enforcement issues a complaint to any person or entity on which an administrative civil penalty may be imposed pursuant to this section. The complaint shall allege the act or failure to act that constitutes a violation, any facts related to natural resources impacts, the provision of law authorizing the civil penalty to be imposed, and the proposed penalty amount.

(2) The complaint and order is served by personal notice or certified mail and informs the party served that the party may request a hearing not later than 20 days from the date of service. If a hearing is requested, it shall be scheduled before the director or the director's designee, which designee shall not be the chief deputy or assistant chief issuing the complaint and order. A request for a hearing shall contain a brief statement of the material facts the party claims support their contention that no administrative penalty should be imposed or that an administrative penalty of a lesser amount is warranted. A party served with a complaint pursuant to this subdivision waives their right to a hearing if a hearing is not requested within 20 days of service of the complaint, in which case the order imposing the administrative penalty shall become final.

(3) The director, or the director's designee, shall control the nature and order of hearing proceedings. Hearings shall be informal in nature, and need not be conducted according to the technical rules relating to evidence. The director or the director's designee shall issue a final order within 45 days of the close of the hearing. A copy of the final order shall be served by certified mail upon the party served with the complaint.

(4) A party may obtain review of the final order by filing a petition for a writ of mandate with the superior court within 30 days of the date of service of the final order. The administrative penalty shall be due and payable to the department within 60 days after the time to seek judicial review has expired, or, where the party did not request a hearing of the order, within 20 days after the order imposing an administrative penalty becomes final.

(5) The department may adopt regulations to implement this subdivision.

(f) All administrative penalties imposed or collected by the department for a separate violation pursuant to this section shall not be considered to be fines or forfeitures, as described in Section 13003, and shall be deposited into the Cannabis-Impacted Lands Restoration Fund.

(g) Any civil penalty imposed pursuant to this section for the violation of an offense described in paragraph (4), (5), or (6) of subdivision (a) or subparagraph (D), (E), or (F) of paragraph (1) of subdivision (b) for which the person was convicted shall be offset by the amount of any restitution ordered by a criminal court.

SEC. 4. Section 25141.5.1 is added to the Health and Safety Code, to read:

25141.5.1. (a) For purposes of this section, the following definitions apply:

(1) "Cannabis waste" has the same meaning as defined in Section 15000 of Title 4 of the California Code of Regulations.

(2) "Plant waste" means the waste of plant material that meets the definition of "agricultural material," "green material," or "vegetative food material" in Section 17852 of Title 14 of the California Code of Regulations.

(b) Plant waste and cannabis waste solely exhibiting the hazardous waste characteristic of toxicity pursuant to paragraph (6) of subdivision (a) of Section 66261.24 of Title 22 of the California Code of Regulations shall be excluded from classification as a hazardous waste.

SEC. 5. Section 34019 of the Revenue and Taxation Code is amended to read:

34019. (a) (1) For each fiscal year, the Department of Finance shall estimate revenues to be received pursuant to Sections 34011, 34011.2, and 34012 and provide those estimates to the Controller no later than June 15 of each year. The Controller shall use these estimates when disbursing funds pursuant to this section. Except as provided in paragraph (2), before any funds are disbursed pursuant to subdivisions (b), (c), (d), and (e) of this section, the Controller shall disburse from the tax fund to the appropriate account, without regard to fiscal year, the following:

(A) Reasonable costs incurred by the department for administering and collecting the taxes imposed by this part, except that such costs shall not exceed 4 percent of tax revenues received.

(B) Reasonable costs incurred by the Department of Cannabis Control for implementing, administering, and enforcing Division 10 (commencing with Section 26000) of the Business and Professions Code to the extent those costs are not reimbursed pursuant to Section 26180 of the Business and Professions Code. This paragraph shall remain operative through the 2022–23 fiscal year.

(C) Reasonable costs incurred by the Department of Fish and Wildlife, the State Water Resources Control Board, and the Department of Pesticide Regulation for carrying out their respective duties under Division 10 (commencing with Section 26000) of the Business and Professions Code to the extent those costs are not otherwise reimbursed.

(D) Reasonable costs incurred by the Governor's Office of Business and Economic Development for implementing, administering, and enforcing Chapter 23 (commencing with Section 26240) of Division 10 of the Business and Professions Code.

(E) Reasonable costs incurred by the Controller for performing duties imposed by the Control, Regulate and Tax Adult Use of Marijuana Act, including the audit required by Section 34020.

(F) Reasonable costs incurred by the Department of Finance for conducting the performance audit pursuant to Section 26191 of the Business and Professions Code.

(G) Reasonable costs incurred by the Legislative Analyst's Office for performing duties imposed by Section 34017.

(H) Sufficient funds to reimburse the Division of Labor Standards Enforcement and the Division of Occupational Safety and Health within the Department of Industrial Relations and the Employment Development Department for the costs of applying and enforcing state labor laws to licensees under Division 10 (commencing with Section 26000) of the Business and Professions Code.

(2) Notwithstanding paragraph (1), the Controller shall not make disbursements pursuant to subparagraph (A), (B), (C), (E), or (H) for the 2022–23 and 2023–24 fiscal years.

(b) The Controller shall next disburse the sum of ten million dollars (\$10,000,000) to a public university or universities in California annually beginning with the 2018–19 fiscal year until the 2028–29 fiscal year to research and evaluate the implementation and effect of the Control, Regulate and Tax Adult Use of Marijuana Act, and shall, if appropriate, make recommendations to the Legislature and Governor regarding possible amendments to the Control, Regulate and Tax Adult Use of Marijuana Act. The recipients of these funds shall publish reports on their findings at a minimum of every two years and shall make the reports available to the public. The Department of Cannabis Control shall select the universities to be funded. The research funded pursuant to this subdivision shall include but not necessarily be limited to:

(1) Impacts on public health, including health costs associated with cannabis use, as well as whether cannabis use is associated with an increase or decrease in use of alcohol or other drugs.

(2) The impact of treatment for maladaptive cannabis use and the effectiveness of different treatment programs.

(3) Public safety issues related to cannabis use, including studying the effectiveness of the packaging and labeling requirements and advertising and marketing restrictions contained in the act at preventing underage access to and use of cannabis and cannabis products, and studying the health-related effects among users of varying potency levels of cannabis and cannabis products.

(4) Cannabis use rates, maladaptive use rates for adults and youth, and diagnosis rates of cannabis-related substance use disorders.

(5) Cannabis market prices, illicit market prices, tax structures and rates, including an evaluation of how to best tax cannabis based on potency, and the structure and function of licensed cannabis businesses.

(6) Whether additional protections are needed to prevent unlawful monopolies or anticompetitive behavior from occurring in the adult-use cannabis industry and, if so, recommendations as to the most effective measures for preventing such behavior.

(7) The economic impacts in the private and public sectors, including, but not necessarily limited to, job creation, workplace safety, revenues, taxes generated for state and local budgets, and criminal justice impacts, including, but not necessarily limited to, impacts on law enforcement and public resources, short- and long-term consequences of involvement in the criminal justice system, and state and local government agency administrative costs and revenue.

(8) Whether the regulatory agencies tasked with implementing and enforcing the Control, Regulate and Tax Adult Use of Marijuana Act are doing so consistent with the purposes of the act, and whether different agencies might do so more effectively.

(9) Environmental issues related to cannabis production and the criminal prohibition of cannabis production.

(10) The geographic location, structure, and function of licensed cannabis businesses, and demographic data, including race, ethnicity, and gender, of licenseholders.

(11) The outcomes achieved by the changes in criminal penalties made under the Control, Regulate and Tax Adult Use of Marijuana Act for cannabis-related offenses, and the outcomes of the juvenile justice system, in particular, probation-based treatments and the frequency of up-charging illegal possession of cannabis or cannabis products to a more serious offense.

(c) The Controller shall next disburse the sum of three million dollars (\$3,000,000) annually to the Department of the California Highway Patrol beginning with the 2018–19 fiscal year until the 2022–23 fiscal year to establish and adopt protocols to determine whether a driver is operating a vehicle while impaired, including impairment by the use of cannabis or cannabis products, and to establish and adopt protocols setting forth best practices to assist law enforcement agencies. The Department of the California Highway Patrol may hire personnel to establish the protocols specified in this subdivision. In addition, the Department of the California Highway Patrol may make grants to public and private research institutions for the purpose of developing technology for determining when a driver is operating a vehicle while impaired, including impairment by the use of cannabis or cannabis products.

(d) The Controller shall next disburse the sum of ten million dollars (\$10,000,000) beginning with the 2018–19 fiscal year and increasing ten million dollars (\$10,000,000) each fiscal year thereafter until the 2022–23 fiscal year, at which time the disbursement shall be fifty million dollars (\$50,000,000) each year thereafter, to the Governor's Office of Business and Economic Development, in consultation with the Labor and Workforce Development Agency and the State Department of Social Services, to administer a community reinvestments grants program to local health departments and at least 50 percent to qualified community-based nonprofit organizations to support job placement, mental health treatment, substance use disorder treatment, system navigation services, legal services to address barriers to reentry, and linkages to medical care for communities disproportionately affected by past federal and state drug policies. The office shall solicit input from community-based job skills, job placement, and legal service providers with relevant expertise as to the administration of the grants program. In addition, the office shall periodically evaluate the programs it is funding to determine the effectiveness of the programs, shall not spend more than 4 percent for administrative costs related to implementation, evaluation, and oversight of the programs, and shall award grants annually, beginning no later than January 1, 2020.

(e) The Controller shall next disburse the sum of two million dollars (\$2,000,000) annually to the University of California San Diego Center for Medicinal Cannabis Research to further the objectives of the center, including the enhanced understanding of the efficacy and adverse effects of cannabis as a pharmacological agent.

(f) By July 15 of each fiscal year beginning in the 2018–19 fiscal year, the Controller shall, after disbursing funds pursuant to subdivisions (a), (b), (c), (d), and (e), disburse funds deposited in the tax fund during the prior fiscal year into sub-trust accounts, which are hereby created, as follows:

(1) Sixty percent shall be deposited in the Youth Education, Prevention, Early Intervention and Treatment Account, and disbursed by the Controller to the State Department of Health Care Services for programs for youth that are designed to educate about and to prevent substance use disorders and to prevent harm from substance use. The State Department of Health Care Services shall enter into interagency agreements with the State Department of Public Health and the State Department of Education to implement and administer these programs. The programs shall emphasize accurate education, effective prevention, early intervention, school retention, and timely treatment services for youth, their families, and caregivers. The programs may include, but are not limited to, the following components:

(A) Prevention and early intervention services including outreach, risk survey and education to youth, families, caregivers, schools, primary care health providers, behavioral health and substance use disorder service providers, community and faith-based organizations, foster care providers, juvenile and family courts, and others to recognize and reduce risks related to substance use, and the early signs of problematic use and of substance use disorders.

(B) Grants to schools to develop and support student assistance programs, or other similar programs, designed to prevent and reduce substance use, and improve school retention and performance, by supporting students who are at risk of dropping out of school and promoting alternatives to suspension or expulsion that focus on school retention, remediation, and professional care. Schools with higher than average dropout rates should be prioritized for grants.

(C) Grants to programs for outreach, education, and treatment for homeless youth and out-of-school youth with substance use disorders.

(D) Access and linkage to care provided by county behavioral health programs for youth, and their families and caregivers, who have a substance use disorder or who are at risk for developing a substance use disorder.

(E) Youth-focused substance use disorder treatment programs that are culturally and gender competent, trauma informed, evidence based, and that provide a continuum of care that includes screening and assessment (substance use disorder as

well as mental health), early intervention, active treatment, family involvement, case management, overdose prevention, prevention of communicable diseases related to substance use, relapse management for substance use and other cooccurring behavioral health disorders, vocational services, literacy services, parenting classes, family therapy and counseling services, medication-assisted treatments, psychiatric medication, and psychotherapy. When indicated, referrals must be made to other providers.

(F) To the extent permitted by law and where indicated, interventions shall utilize a two-generation approach to addressing substance use disorders with the capacity to treat youth and adults together. This would include supporting the development of family-based interventions that address substance use disorders and related problems within the context of families, including parents, foster parents, caregivers, and all their children.

(G) Programs to assist individuals, as well as families and friends of drug-using young people, to reduce the stigma associated with substance use including being diagnosed with a substance use disorder or seeking substance use disorder services. This includes peer-run outreach and education to reduce stigma, anti-stigma campaigns, and community recovery networks.

(H) Workforce training and wage structures that increase the hiring pool of behavioral health staff with substance use disorder prevention and treatment expertise. Provide ongoing education and coaching that increases substance use treatment providers' core competencies and trains providers on promising and evidence-based practices.

(I) Construction of community-based youth treatment facilities.

(J) The State Department of Health Care Services, the State Department of Public Health, and the State Department of Education may contract with each county behavioral health program for the provision of services.

(K) Funds shall be allocated to counties based on demonstrated need, including the number of youth in the county, the prevalence of substance use disorders among adults, and confirmed through statistical data, validated assessments, or submitted reports prepared by the applicable county to demonstrate and validate need.

(L) The State Department of Health Care Services, State Department of Public Health, and the State Department of Education shall periodically evaluate the programs they are funding to determine the effectiveness of the programs.

(M) The State Department of Health Care Services, State Department of Public Health, and the State Department of Education may use up to 4 percent of the moneys allocated to the Youth Education, Prevention, Early Intervention and Treatment Account for administrative costs related to implementation, evaluation, and oversight of the programs.

(N) If the Department of Finance ever determines that funding pursuant to cannabis taxation exceeds demand for youth prevention and treatment services in the state, the State Department of Health Care Services, State Department of Public Health, and the State Department of Education shall provide a plan to the Department of Finance to provide treatment services to adults as well as youth using these funds.

(O) The State Department of Health Care Services, the State Department of Public Health, and the State Department of Education shall solicit input from volunteer health organizations, physicians who treat addiction, treatment researchers, family therapy and counseling providers, and professional education associations with relevant expertise as to the administration of any grants made pursuant to this paragraph.

(P) On or before July 10, 2023, the State Department of Health Care Services shall provide to the Legislature, pursuant to Section 9795 of the Government Code, a spending report of funds from the Youth Education, Prevention, Early Intervention and Treatment Account for the 2021–22 and 2022–23 fiscal years. On or before July 10, 2024, and annually thereafter, the State Department of Health Care Services shall provide to the Legislature, pursuant to Section 9795 of the Government Code, a spending report of funds from the Youth Education, Prevention, Early Intervention and Treatment Account for the prior fiscal year.

(2) Twenty percent shall be deposited in the Environmental Restoration and Protection Account, and disbursed by the Controller as follows:

(A) To the Department of Fish and Wildlife and the Department of Parks and Recreation for the cleanup, remediation, and restoration of environmental damage in watersheds affected by cannabis cultivation and related activities, including, but not limited to, damage that occurred prior to enactment of this part, and to support local partnerships for this purpose. The Department of Fish and Wildlife and the Department of Parks and Recreation may distribute a portion of the funds they receive from the Environmental Restoration and Protection Account through grants for purposes specified in this paragraph. The Department of Fish and Wildlife shall use moneys made available pursuant to subparagraph (D) for purposes of this subparagraph to fund its activities required pursuant to Sections 1024 and 1025 of the Fish and Game Code.

(B) To the Department of Fish and Wildlife and the Department of Parks and Recreation for the stewardship and operation of state-owned wildlife habitat areas and state park units in a manner that discourages and prevents the illegal cultivation, production, sale, and use of cannabis and cannabis products on public lands, and to facilitate the investigation, enforcement, and prosecution of illegal cultivation, production, sale, and use of cannabis or cannabis products on public lands.

(C) To the Department of Fish and Wildlife to assist in funding the watershed enforcement program and multiagency task force established pursuant to subdivisions (b) and (c) of Section 12029 of the Fish and Game Code to facilitate the investigation, enforcement, and prosecution of these offenses and to ensure the reduction of adverse impacts of cannabis cultivation, production, sale, and use on fish and wildlife habitats throughout the state.

(D) For purposes of this paragraph, the Secretary of the Natural Resources Agency shall determine the allocation of revenues between the Department of Fish and Wildlife and the Department of Parks and Recreation. During the first five years of implementation, first consideration should be given to funding purposes specified in subparagraph (A).

(E) Funds allocated pursuant to this paragraph shall be used to increase and enhance activities described in subparagraphs (A), (B), and (C), and not replace allocation of other funding for these purposes. Accordingly, annual General Fund appropriations to the Department of Fish and Wildlife and the Department of Parks and Recreation shall not be reduced below the levels provided in the Budget Act of 2014 (Chapter 25 of the Statutes of 2014).

(3) Twenty percent shall be deposited into the State and Local Government Law Enforcement Account and disbursed by the Controller as follows:

(A) To the Department of the California Highway Patrol for conducting training programs for detecting, testing, and enforcing laws against driving under the influence of alcohol and other drugs, including driving under the influence of cannabis. The Department of the California Highway Patrol may hire personnel to conduct the training programs specified in this subparagraph.

(B) To the Department of the California Highway Patrol to fund internal California Highway Patrol programs and grants to qualified nonprofit organizations and local governments for education, prevention, and enforcement of laws related to driving under the influence of alcohol and other drugs, including cannabis; programs that help enforce traffic laws, educate the public in traffic safety, provide varied and effective means of reducing fatalities, injuries, and economic losses from collisions; and for the purchase of equipment related to enforcement of laws related to driving under the influence of alcohol and other drugs, including cannabis.

(C) To the Board of State and Community Corrections for making grants to local governments to assist with law enforcement, fire protection, or other local programs addressing public health and safety associated with the implementation of the Control, Regulate and Tax Adult Use of Marijuana Act. The board shall not make any grants to local governments that ban both indoor and outdoor commercial cannabis cultivation, or ban retail sale of cannabis or cannabis products pursuant to Section 26200 of the Business and Professions Code or as otherwise provided by law.

(D) For purposes of this paragraph, the Department of Finance shall determine the allocation of revenues between the agencies; provided, however, beginning in the 2022–23 fiscal year the amount allocated pursuant to subparagraph (A) shall not be less than ten million dollars (\$10,000,000) annually and the amount allocated pursuant to subparagraph (B) shall not be less than forty million dollars (\$40,000,000) annually. In determining the amount to be allocated before the 2022–23 fiscal year pursuant to this paragraph, the Department of Finance shall give initial priority to subparagraph (A).

(g) Funds allocated pursuant to subdivision (f) shall be used to increase the funding of programs and purposes identified and shall not be used to replace allocation of other funding for these purposes.

(h) Effective July 1, 2028, the Legislature may amend this section by majority vote to further the purposes of the Control, Regulate and Tax Adult Use of Marijuana Act, including allocating funds to programs other than those specified in subdivisions (d) and (f). Any revisions pursuant to this subdivision shall not result in a reduction of funds to accounts established pursuant to subdivisions (d) and (f) in any subsequent year from the amount allocated to each account in the 2027–28 fiscal year. Prior to July 1, 2028, the Legislature may not change the allocations to programs specified in subdivisions (d) and (f).

SEC. 6. The Legislature finds and declares that this act furthers the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.