



CPOA Fact Sheet

Adult Use of Marijuana Act of 2016

BACKGROUND: Backed by Lt. Gavin Newsom and entrepreneur Sean Parker, the Control, Regulate, and Tax Adult Use of Marijuana Act (“the Adult Use of Marijuana Act”) received Title and Summary form the CA Attorney General on January 6, 2016.

At its core it legalizes marijuana and hemp under California law for persons aged 21 or older, and designates certain state agencies to license and regulate the marijuana industry under a complex structure.

HIGHLIGHTS

Regulatory Structure

- Bureau of Marijuana Control, to be created within the Department of Consumer Affairs (DCA) will oversee the entire California marijuana industry.
- DCA will begin issuing licenses in 2018, and will also license and oversee marijuana retailers, distributors, and microbusinesses.
- Department of Food and Agriculture (DFA) will license and oversee marijuana cultivation, ensuring it is environmentally safe.
- Department of Public Health will license and oversee manufacturing and testing, ensuring consumers receive a safe product.

Taxation

- Imposes state excise tax on retail sales of marijuana equal to 15% of sales price, and state cultivation taxes on marijuana of \$9.25 per ounce of flowers and \$2.75 per ounce of leaves.
- Exempts medical marijuana from certain taxes.
- The State Board of Equalization will collect the special marijuana taxes, and the Controller will allocate the revenue to administer the new law and provide the funds to critical investments.

Cultivation

- Prohibits large-scale cultivation for the first five years.
- Require licensed nonmedical marijuana businesses to follow strict environmental and product safety standards as a condition of maintaining their license.
- The living plants and any marijuana produced by the plants in excess of 28.5 grams are kept within the person's private residence (which for purposes of the act means a *house, apartment unit, a mobile home or similar dwelling*), or upon the grounds of that private residence (e.g., in an outdoor garden area), are in a locked space, and are not visible by normal unaided vision from a public place.
- Not more than six living plants may be planted, cultivated, harvested, dried, or processed within a single private residence, or upon the grounds of that private residence, at one time.

Local Enforcement and Prohibitions

- Allows local governments to ban nonmedical marijuana businesses.
- Allows local governments to enforce state laws and regulations for nonmedical marijuana businesses and enact additional local requirements for nonmedical marijuana businesses, but not require that they do so for a nonmedical marijuana business to be issued a state license and be legal under state law.
- Allow local governments to reasonably regulate the cultivation of nonmedical marijuana for personal use by adults 21 years and older through zoning and other local laws, and only to ban outdoor cultivation.
- Prohibits the sale of nonmedical marijuana by businesses that also sell alcohol or tobacco.

CPOA Staff Notes:

Our members of course know what crimes are currently and would be experienced as they relate to marijuana cultivation, sale, theft and mental and physical effects. CPOA can weigh in on what other crimes can be expected based upon language of the initiative.

The Adult Use of Marijuana Act creates a complex regulatory structure, with multiple state agencies overseeing various licensing and regulating operations, which could also be potentially problematic in terms of bureaucratic oversight.

[The Control, Regulate, and Tax Adult Use of Marijuana Act](#)