



June 6, 2017

The Honorable Edmund G. Brown Jr.
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814
FAX: (916) 558-3177

**RE: CITY OF HAYWARD Notice of Opposition
Prop. 64 Trailer Bill Implementing the Adult Use of Marijuana Act**

Dear Governor Brown:

On behalf of the City of Hayward I am writing to express our opposition to the proposed Trailer Bill implementing Proposition 64, the Adult Use of Marijuana Act.

The Trailer Bill purports to “reconcile” Prop. 64 with the Medical Cannabis Regulation and Safety Act (MCRSA), which the League of California Cities supported, together with the California Police Chiefs Association. However, the truth is that the Trailer Bill reconciles nothing. It proposes to delete the MCRSA from the Trailer Bill altogether, and a number of the local control, public health and public safety provisions that the MCRSA contains are currently not carried over into the Trailer Bill.

What does this mean for cities? Here are just a few local control and local enforcement provisions in the MCRSA that are absent from the Trailer Bill, to the detriment of cities:

- Definition of “volatile solvent” – Section 11362.3(d) – p. 3: ***Repealing this definition will undermine local regulation and enforcement vis-a-vis manufacturing operations.***
- State Medical Marijuana ID Card program – Section 11362.712 – p. 5 ***Repealing this program will result in locals taking a hit in sales tax revenue.***
- Fire Safety Standards - Section 26064 – p. 37 ***Repealing this language will set cities up for litigation when they try to enforce the Fire Code. This language should be left intact and amended to expressly authorize cities to enforce the Fire Code.***
- Allow non-storefront retail operations – Section 26070(a)(1)(a) – p. 41 ***Failure to allow non-storefront businesses goes against the advice of local law enforcement in some cities.***
- Codify local agency right of inspection – Section 26160(c) – pp. 52-53 ***Failure to codify this could set cities up for unnecessary litigation when they undertake routine regulatory duties.***
- Provision re: state agency response time (amended) – Section 26200(c) – p. 56 ***This gives locals assurance that state agencies will at least begin an investigation by a date certain once a local***

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permit has been revoked. The trailer bill proposed to delete it. It should instead be amended to give the state more time to respond.

- Effect of revocation of local permit – Business & Professions Code Section 19320(b) – not included in initial draft of Trailer Bill. ***Local permits, once revoked should suspend a state license pending a resolution of the defect that led to the local revocation.***

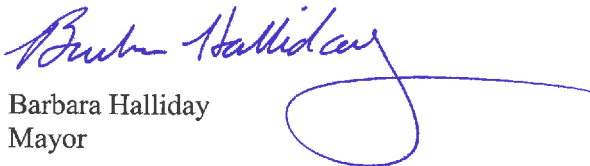
We will oppose any measure regulating cannabis that does not sufficiently protect local control, including the local ability to regulate these businesses.

We have seen in the press the argument that because Prop. 64 was approved by voters by a comfortable margin, it should trump any Act of the Legislature. ***However, the Legislature crafted the regulatory scheme upon which Prop. 64 relied at the time it was pitched to the voters.*** The text of Prop. 64 references the Medical Cannabis Regulation and Safety Act, which the Trailer Bill now proposes to repeal, in several ways. Our City has already begun to draft our local regulations based on what was identified under Prop. 64. These inconsistent changes are hindering our own local process to develop regulations.

Finally, the City of Hayward will not support any proposal that threatens fiscal harm to cities, as does the Trailer Bill's proposed elimination of the state medical marijuana ID card program. All consumers will need to do, to avoid paying sales tax on recreational marijuana, is to get a doctor's recommendation, a very easy thing indeed to get hold of. This will shrink the recreational market, which cities can tax, and expand the medical market, which they cannot. We do not support any proposal that threatens to reduce the City's tax base.

For these reasons, the City of Hayward respectfully opposes this measure.

Sincerely,


Barbara Halliday
Mayor

CC: Assembly Member Bill Quirk, 20th District
Senator Bob Wieckowski, 10th District
Hayward City Council
Kelly McAdoo, City Manager
Richard Harmon, Townsend Public Affairs
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