



July 12, 2019

The Honorable Anthony J. Portantino
Chair, Senate Committee on Appropriations
State Capitol, Room 2206
Sacramento, CA 95814

**RE: AB 1417 (Rubio): Cannabis advertisement and marketing
NOTICE OF SUPPORT**

The California Cannabis Industry Association (CCIA) is pleased to support AB 1417, as amended July 11, 2019. This bill imposes civil penalties on advertisers who fail to comply with cannabis advertising laws, and directs much needed funding toward enforcement against illicit cannabis activity. Preventing illicit cannabis operators from advertising is an important step to not only protect local communities, but to strengthen California's compliant cannabis industry.

Since the legalization of adult-use cannabis in 2016, one of the biggest hurdles for our state's emerging industry has remained the illicit cannabis market. Illicit operators do not follow the state's regulatory requirements, do not pay taxes and do not follow the state's rigorous testing and quality assurance protocols. This not only means illicit operators pose a continuing public safety risk, but also allows them to sell products at a far lower cost than compliant businesses. When these unlicensed operations are allowed to advertise their products through websites, digital applications, print, and other methods, consumers are at risk and illegal businesses flourish.

CCIA is proud to support AB 1417 for the following reasons:

- **AB 1417 protects cannabis consumers and medicinal patients.** Cannabis being advertised by unlicensed businesses is not tested, posing a significant health risk to consumers and medicinal patients. By restricting the advertisement of illicit cannabis operations, this bill protects public health and safety and ensures that cannabis consumer and patients are not exposed to harmful pesticides and other toxins.
- **AB 1417 strengthens the compliant cannabis industry and deters unlicensed activity.** By undermining one of the primary methods illicit cannabis operators use to market and sell their products, AB 1417 strengthens our state's legal cannabis industry and improves public safety.
- **AB 1417 directs more resources towards combating illicit activity.** By requiring that all civil penalties collected against illicit operators funds enforcement, AB 1417 directs much needed resources to combat unlicensed commercial cannabis activity.
- **AB 1417 would benefit the economy.** AB 1417 helps ensure that cannabis being sold in California is compliant, which not only benefits public health, but increases tax revenue to local jurisdictions and the state alike.

For the reasons stated above, CCIA is pleased to support AB 1417, and requests your AYE vote when it is heard in committee.

Sincerely,

A handwritten signature in black ink that reads "Lindsay Robinson".

Lindsay Robinson
Executive Director

cc: Assemblymember Blanca Rubio, 48th District
Members, Senate Committee on Appropriations
Samantha Lui, Senate Committee on Appropriations
Policy Consultants, Senate Republican Caucus

