



Global Alliance for Cannabis Commerce

3505 Cadillac Ave Ste. N3
Costa Mesa, CA 92626

April 4, 2019

Assemblymember Blanca Rubio
State Capitol, Room 5175
Sacramento, CA 94249

Re: Assembly Bill 1417 - Advertising & Marketing of Unlicensed and Untaxed Cannabis Businesses

Dear Assemblymember Rubio:

On behalf of the Global Alliance for Cannabis Commerce (GACC), we thank you for introducing AB 1417. This legislation is crucial to ensure public health and public safety. Preventing illegal cannabis operators from advertising is an important step to protect our communities.

GACC is a trade organization based in the United States representing the global cannabis industry. It exists to provide policymakers and legislators with the industry expertise necessary to take this nascent industry from the grey market into a global provider of medical and adult use cannabis products. GACC advocates for the legalization and regulation of the cultivation, manufacture, distribution, and use of medical and adult-use cannabis products globally. GACC further works to ensure that medical and adult users of cannabis are not improperly stigmatized for their ordinary needs and activities. Our members include nearly a half-a-billion dollars' worth of the California cannabis industry.

Many technology companies that generate ad revenue from illegal advertisements are doing nothing to prevent these illegal operations from using their services. If this were the alcohol industry, it would be as if illegal speakeasies and moonshine makers suddenly started running advertisements alongside licensed establishments and tricked the consumer into thinking that it was under regulation for safety and potency.

This is a public safety issue. The financial interests of these advertising and marketing platforms should not violate law established to protect public health and safety. Senate Bill 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), requires the protection of the public to be paramount. This legislation protects Californians and should be enforced.

Unlicensed businesses are not properly testing their cannabis products

Cannabis being advertised by unlicensed businesses is not tested nor is a certificate of analysis issued. Some of the chemicals being tested for are known to cause cancer and birth defects. The public will continue to be subject to these dangers if Assembly Bill 1417 does not pass.

Unlicensed businesses are not paying taxes

Sales of cannabis from unlicensed businesses, which are allowed to advertise with impunity, are not reported. The losses to state and local governments are in the millions of dollars. Assembly Bill 1417 will prevent tax revenue from freely flowing to the illicit market.

Unlicensed businesses threaten public safety

There have been several documented murders and robberies at unlicensed retail cannabis businesses. This is enabled by a lack of necessary safety measures. Licensed retail cannabis businesses are required to have security guards, video surveillance systems, and alarm systems.

Stopping advertisements which direct the public to unlicensed cannabis businesses will keep uninformed customers from visiting unsafe businesses. This will help law enforcement by reducing the amount of resources needed to address the crime associated with these illegal operations.

Assembly Bill 1417 will have a direct economic and public safety impact

Assembly Bill 1417 will protect the public and private sectors, including revenues, taxes generated for state and local budgets, and criminal justice impacts, including, but not limited to, impacts on law enforcement and public resources, job creation, workplace safety, and state and local government agency administrative costs and revenue.

Thank you for introducing this legislation.

Sincerely,
The Global Alliance for Cannabis Commerce