

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov).

FISCAL IMPACT REPORT

SPONSOR Ortiz y Pino/ Martinez, J. **ORIGINAL DATE** 1/28/2020
LAST UPDATED _____ **HB** _____
SHORT TITLE Cannabis Regulation Act **SB** 115
ANALYST Daly/Torres

REVENUES (dollars in thousands)*

Estimated Revenue					Recurring or Nonrecurring	Fund(s) Affected
FY2020	FY2021	FY2022	FY2023	FY2024		
\$0	Unknown	Unknown	Unknown	Unknown	Recurring	Cannabis Regulation Fund
\$0	\$1,905.9	\$5,207.1	\$7,342.4	\$8,585.3	Recurring	Community Grants Reinvestment Fund
\$0	\$1,114.8	\$2,975.5	\$4,195.6	\$4,905.9	Recurring	Low-Income Medical Patient Subsidy Fund
\$0	\$167.2	\$446.3	\$629.3	\$735.9	Recurring	Cannabis Workforce Training Fund
\$0	\$334.4	\$892.6	\$1,258.7	\$1,471.8	Recurring	Cannabis Industry Equitable Opportunity Investment Fund
\$0	\$919.7	\$2,454.8	\$3,461.4	\$4,047.4	Recurring	Law Enforcement Protection Fund
\$0	\$83.6	\$223.2	\$314.7	\$367.9	Recurring	Impaired Driving Education Fund
\$0	\$1,003.3	\$2,677.9	\$3,776.1	\$4,415.3	Recurring	Statewide Substance Use Disorder Treatment (HSD)
\$0	\$609.0	\$4,909.2	\$7,730.2	\$9,370.6	Recurring	General Fund (GRT)
\$0	\$6,182.9	\$19,786.5	\$28,707.4	\$33,900.0	Recurring	TOTAL State funds
\$0	\$2,477.3	\$6,612.1	\$9,323.7	\$10,902.0	Recurring	Municipality/County (Excise-4% max)
\$0	\$427.4	\$3,445.9	\$5,425.3	\$6,577.4	Recurring	Municipality/County (GRT)

(Parentheses () indicate Revenue Decreases).

*Estimated revenue as projected by Taxation and Revenue Department. See Fiscal Implications.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	\$0	\$0	\$200.0	\$200.0	Recurring	Cannabis Industry Equitable Opportunity Investment Fund (EDD)
	\$0	\$3,000.0	\$0	\$3,000.0	Nonrecurring	Cannabis Regulation Fund/General Fund (RLD)
	\$0	\$6,820.0	\$6,820.0	\$13,640.0	Recurring	Cannabis Regulation Fund/General Fund (RLD)
	\$0	\$1,220.0	\$1,220.0	\$2,517.0	Recurring	Cannabis Regulation Fund/General Fund (NMED)
	\$0	\$136.4	\$136.4	\$343.6	Recurring	Cannabis Regulation Fund/General Fund (AHO)
		\$1,000.0	\$1,000.0	\$2,000.0	Recurring	General Fund (AOC)
	\$0	\$150.0	\$150.0	\$300.0	Recurring	General Fund (NMSU/NMDA)
	NFI	150.0	\$0	\$150.0	Nonrecurring	General Fund (NMSU/NMDA)

(Parentheses () Indicate Expenditure Decreases)

Duplicates HB 160

SOURCES OF INFORMATION

LFC Files

Responses Received From

- Regulation and Licensing Department (RLD)
- Administrative Hearings Office (AHO)
- Administrative Office of the Courts (AOC)
- Economic Development Department (EDD)
- New Mexico Attorney General (NMAG)
- New Mexico Department of Agriculture (NMDA)
- New Mexico Environment Department (NMED)
- Law Offices of the Public Defender (LOPD)

No Response Received

- Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 115 enacts the Cannabis Regulation Act (CRA), a comprehensive plan for regulation and licensing of commercial cannabis production and distribution, and sale and consumption (of up to two ounces of flowers or 16 grams of extract) by persons age 21 or older. It creates a new Cannabis Control Division (CCD) in RLD, which is charged with promulgating rules and policies related to licensing and regulating the activities authorized by the Act. Unrestricted commercial sales begin January 1, 2022, but existing medical cannabis licenses can begin selling to other non-medical consumers beginning January 1, 2021, subject to a DOH determination of adequate supply for the medical cannabis program.

SB 115 also enacts the Cannabis Tax Act, which imposes a cannabis excise tax of nine percent applied to the price paid for cannabis. That tax does not apply to retail sales of medical cannabis pursuant to the Lynn and Erin Compassionate Use Act (LECUA). It also allows for the adoption of ordinances by both municipalities and counties of an excise tax on cannabis of no more than four percent, which may be imposed in any number of one-sixteenth percent increments applied to the price of cannabis product; as drafted, the provisions governing these local body excise taxes do not appear to exempt medical cannabis.

Revenues from the excise tax is distributed as follows:

- Six percent to the cannabis industry equitable opportunity investment fund, a new fund administered by EDD created to provide financial assistance to starting and existing cannabis industry businesses owned by members of communities disproportionately affected by past federal and state drug policies;
- Twenty percent to the low-income medical patient subsidy fund, a new fund administered by DOH to support resident qualified patients under LECUA who are sick and indigent or higher use patients who need assistance in obtaining medical cannabis;
- Thirty-five percent to the community grants reinvestment fund, a new fund administered by DOH for the purpose of a) drug education, including promoting cannabis abstinence for persons under 21; b) reinvesting in communities disproportionately affected by past federal and state drug policies, including supporting job placement, mental health treatment, and substance use disorder treatment; and c) funding research on substance use and abuse and other related programs, including funding housing for those using or in treatment for substance abuse;
- Three percent to the cannabis workforce training fund, a new fund administered by WSD to prepare persons to engage in any medical or commercial cannabis activity, including supporting higher education cannabis training and education programs and other programs that train or educate persons to participate in these activities;
- Sixteen and one-half percent to the law enforcement protection fund;
- One and one-half percent to the impaired driving education fund; and
- Eighteen percent to HSD for statewide substance use disorder treatment.

As these distributions allocate 100 percent of excise tax revenues, there will be no distribution of these revenues to the general fund. There will, however, be gross receipts tax distributions to that fund.

SB 115 also amends existing law to provide a gross receipts tax deduction for medical cannabis, as well as updating LECUA in a manner consistent with CRA. It allows local governments to adopt certain reasonable time, place and manner rules for activities authorized under CRA (but not those that completely prohibit the operation of any category of license issued under CRA). It provides for expungement of arrest and conviction records relating to cannabis offenses, as well as providing mechanisms for possible recall or dismissal of sentences for such offenses. Similarly, it amends the Controlled Substances Act, including amending or repealing criminal laws governing cannabis offenses.

The effective date of SB 115 is July 1, 2020.

FISCAL IMPLICATIONS

Continuing Appropriations

Section 43 creates the new Cannabis Workforce Training Fund and Section 44 creates the new Cannabis Industry Equitable Opportunity Investment Fund, and each section provides for continuing appropriations to each fund. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

Additionally, Section 41 creates the new Community Grants Reinvestment Fund and Section 42 creates the Low-Income Medical Patient Subsidy Fund, both of which are subject to appropriation but any balance in each fund at the end of a fiscal year does not revert to the general fund. Section 40 creates a fifth new fund, the Cannabis Regulation Fund, which is subject to appropriation and unexpended or unencumbered balances remaining at the end of each fiscal year revert to the general fund.

Revenues

LFC has received no response or agency analysis from TRD. In an effort to provide some sense of the fiscal impact of SB 115, LFC staff prepared the numbers that appear in this table, starting with the revenue estimates submitted by TRD for HB 356, 2019 session, as originally introduced. That bill, which also authorized sales of recreational cannabis, set a state cannabis excise tax of 9 percent, and a municipal and county excise taxes on cannabis of no more than three percent each. Those figures were then adjusted to reflect the excise tax rates set in this bill: 9 percent state excise tax, and municipal and county cannabis excise taxes of no more than 4 percent each. Because this bill allows existing medical cannabis retailers to begin sales to commercial cannabis consumers beginning January 1, 2021 under specified circumstances, LFC staff calculated the impact of both excise taxes and gross receipts tax revenues in FY 21, as shown in the column for that year. By the start of FY 22, unrestricted commercial retail sales are authorized, and LFC staff has calculated anticipated revenues for that fiscal year and those following. The figures shown in the revenue table use TRD's expected gross sales figures for FYs 21, 22, 23, and 24 (which are based on TRD's analysis of the original HB 356, 2019 session). The revenue in the table reflects the excise and gross receipt taxes that would be collected using those sales figures, and includes a per municipality or county amount, assuming a local public body's imposition of the full 4 percent authorized in SB 115.

Operating Budget Impacts

RLD reports that to set up the CCD, the chief regulator of both medical and commercial cannabis activities, the department will need initial start-up funding to obtain space, purchase vehicles and equipment (computer hardware and software, telephones and copiers), and other office equipment, furniture and infrastructure. Additionally, it will need to set up processes necessary to fulfill its role under the Act, including licensee outreach to promote and ensure compliance with the new regulations, as this industry has not to date been a regulated industry. It estimates, based on information provided by DOH as to the existing medical cannabis program and that provided by other states in which recreational marijuana is legal, that this initial set-up cost would be a one-time, nonrecurring cost in FY 21 of \$3 million, as indicated in the budget impact table. It estimates staffing increase of 51 new FTEs and other recurring costs for a total of \$6.8 million, also reflected in the budget impact table. SB 115 creates the Cannabis Regulation Fund, a new fund consisting in part of fees collected by CCD which is subject to appropriation, and that fund is identified in the budget impact table as the fund affected by SB 115's fiscal impact on RLD, along with the general fund.

EDD reports that it will require additional staff to administer the Cannabis Industry Equitable opportunity Investment Fund, including developing and implementing the plan to provide financial assistance to certain start-up businesses and others, and estimates the annual cost to be \$200 thousand, as shown in the budget impact table.

NMDA expects a 20 percent increase in services required by the cannabis industry for compliance-based inspections of weigh scales, resulting in a need for two additional FTEs and the one-time cost for purchase of additional methodology equipment. It also anticipates the need for one additional FTE due to additional inspection time to address potential mixing of hemp and cannabis in existing hemp-licensed greenhouses. Those additional costs are reflected in the budget impact table.

NMED believes SB 115 will necessitate five additional FTEs to staff the cannabis program in its Environmental Health Bureau, six additional FTEs to develop, train and implement occupational health and safety rules specific to the cannabis industry in its Occupational Health and Safety Bureau, and funding to house these FTEs, the costs for which are shown in the budget impact table.

AHO anticipates an increase in tax protest hearings and Implied Consent Act hearings, which would merit at least one additional hearing officer, as shown in the budget impact table above, plus a one-time nonrecurring expense of \$2.6 thousand for initial office set-up.

LOPD anticipates a reduction in cannabis-related cases, which would allow it to reallocate funding for those cases to more serious cases, resulting in no reduction in fiscal impact. Similar adjustments may be true for district attorneys, while Department of Corrections may see a drop in incarcerations, and a corresponding decrease in budget needs.

AOC reports that SB 115's provisions regarding reopening of cases for persons currently incarcerated for an offense that is no longer a crime under this bill or that would have resulted in a lesser sentence may create a significant burden on the courts, requiring additional personnel and resources. It also points to Section 36, which requires automatic expungement of records relating to arrests or convictions related to certain charges, the automatic nature of which will

create an administrative burden on the courts. However, the agency provides no estimates as to the fiscal impact on the courts' operating budgets, so LFC staff has used the figures submitted by the agency in its analysis of a similar bill in the 2019 session (HB 356, as originally introduced) the budget impact table.

SIGNIFICANT ISSUES

Implementation and Regulation Generally. While SB 115 provides CCD broad authority to regulate and administratively sanction cannabis activity licensees, RLD notes that language granting explicit enforcement authority would be useful in ensuring compliance. In particular, it recommends the addition of explicit enforcement authority for: inspections; tracking the cannabis supply; and obtaining sales information via automatic monthly reports submitted to the CCD by the licensed producers, manufacturers, and retailers or upon request of a compliance officer. With statutorily provided explicit enforcement authority, the CCD can adopt rules for further compliance. RLD also suggests that the CCD Director have subpoena power similar to the subpoena powers delegated to the Director of the Alcoholic Beverage Control Division under the Liquor Control Act. These subpoena powers are useful tools in ensuring compliance.

RLD also suggests adding similar language found in other states' cannabis control laws that would designate as "contraband" cannabis products produced by unattended or unlicensed grow operations, along with statutory language allowing the CCD to implement mechanisms to destroy such contraband in an efficient and safe manner –typically by incineration.

The "substantially related offense" bar to licensure established in Section 8 is another concern raised by RLD. The department understands the intent of this section is to allow people with prior convictions, particularly past drug convictions, to avail themselves of the economic opportunities that this new regulated cannabis industry offers. Including this language in the bill means that RLD would have to promulgate a rule on "substantially related" offenses, and will probably necessitate conducting a background check which, unavoidably, lengthens the timeline for licensure. The department suggests it may be more efficient to rework this provision to include a self-reporting disclosure form on past convictions that the CCD director can approve or disapprove upon a showing of rehabilitation or one-time application assessment similar to the comparable provision in the Liquor Control Act.

An additional issue relating to licensure requirements is the two-year residency requirement imposed in Section 6(H). RLD expresses concern that this requirement may be an unconstitutional

burden on interstate commerce. *Tennessee Wine and Spirits Retailers v. Thomas (2019)*. However, it notes that several adult-use cannabis states, Colorado in particular, continue to impose a two-year residency requirement which has not been challenged in court. RLD comments that a residency requirement may play a role in cannabis supply. Oregon, the one state that did not impose a two-year residency requirement, saw a massive influx of cannabis producers, particularly large out of state growing conglomerates. The result was an initial overproduction and over-supply in the state; it continues to have as many as three times the number of producers than the other adult-use cannabis states.

NMED points out that certain duties assigned to it are not within its areas of expertise. Section 3(C)(12) requires its participation (along with CCD and NMDA) in establishing standards for pesticides and developing training and education related to their use, which it believes is better

left to NMDA. Similarly, Section 21(A) requires NMED participate in rulemaking related to cannabis research and testing laboratories, while Section 22(C) requires the agency to provide on an annual basis certified reference materials for laboratory testing. Neither of these subject area are within the agency's expertise. Instead, it suggests NMDA and DOH Scientific Laboratory Division (DOH/SLD) be assigned these tasks, as both have direct expertise in laboratory research and testing.

NMDA reads the Act, including language in Section 3(C)(12), as transferring pesticide review and registration authority, currently under NMDA (Pesticide Control Act (Sections 76-4-2 through 76-4-39, NMSA 1978), to the CCD for pesticide use in cannabis. This transfer of authority may result in conflicting pesticide registrations between cannabis, hemp, and medical marijuana. Additionally, enforcement of federal Environmental Protection Agency's (EPA) Worker Protection Standards is not transferred from NMDA to the Division. This is an area of concern regarding enforcement of EPA Worker Protection Requirements related to pesticides that are approved by the CCD for use on cannabis under the Act which may not meet EPA requirements, or NMDA review requirements. Although not a current issue with pesticide registration, primacy agreements between NMDA and EPA will become an issue when marijuana is federally recognized by EPA.

Expungement of Arrest and Conviction Records. LOPD comments that the expungement provisions help prevent individuals convicted of certain offenses under SB 115 law or prior laws from having to face long-term discrimination in employment, housing, or obtaining student loans. The expungement and legalization provisions free otherwise law-abiding citizen from the long-term stigma associated with arrest and conviction.

Medical Cannabis Program. RLD recommends a statutory category of integrated medical licenses, including growing, manufacturing, producing extracts, sales and courier services. While this might be permissible through rule alone, a statutory category would ensure that the current medical cannabis program category remains available going forward. Further, RLD suggests that more flexibility in approving qualifying conditions within the medical cannabis program and allowing other health care professionals (chiropractic, acupuncture, and oriental medicine practitioners) to prescribe could help strengthen the medical cannabis program.

New Job Creation. EDD estimates the creation of this new commercial cannabis industry will in turn create 1,531 new jobs, based on 25 percent of the adult (21 and older) population of each county (representing participating adults), reduced by existing medical cannabis patients, and using that number to reflect the increase in customers to determine the need for new dispensaries/retailers, which in turn would create these new jobs.

Conflict with Federal Law. NMAG notes that cannabis is still a federally controlled substance. In its analyses of HB 356, 2019 session, which sought to authorize commercial cannabis activities, it advised the federal government regulates marijuana through the Controlled Substances Act, 21 U.S.C. § 811 *et seq.* Under current federal law, marijuana is treated like every other controlled substance, such as cocaine and heroin. The federal government places every controlled substance in a schedule, in principle according to the relative potential for abuse and medicinal value of that controlled substance. Under the federal Controlled Substances Act, marijuana is classified as a Schedule I drug, which means that the federal government views marijuana as highly addictive and having no medical value.

In addition, NMAG advised federal law criminalizes a number of activities that would be permitted under New Mexico law pursuant to 2019’s HB 356. For example, it prohibits the distribution, possession with intent to distribute and manufacture of marijuana or its derivatives (21 U.S.C. §§ 841, 960, 962); simple possession of marijuana (21 U.S.C. § 844); and establishing manufacturing operations, i.e. opening, maintaining, financing or making available a place for unlawful manufacture, distribution or use of controlled substances (21 U.S.C. § 856). NMAG also warned that in New Mexico, a person may cross many different jurisdictions when traveling throughout the state, including federal lands. While the possession of cannabis under state law may be lawful within the state, the possession of the same cannabis would be unlawful on federal property, creating a patchwork of regulation (state and federal) with consequences that vary significantly.

DUPLICATION

SB 115 duplicates HB 160.

TECHNICAL ISSUES

In Section 51, SB 115 clearly exempts medical cannabis retail sales from the cannabis excise tax (page 82, lines 20-24), but Sections 52 and 53 do not include or otherwise address such an exemption as to a municipal or county excise tax that a local public body is authorized to impose. The intent of the bill is not clear as to applicability of these local excise taxes to this category of retail sales. Additionally, in all three of those sections, the intent of the phrase “on which the tax imposed by this section has not been paid” (page 82, lines 11-12; page 83, 4-5; page 84, lines 1-2) is not clear

NMED calls attention to the phrase “health and safety standards” which appears in Section 3. It suggest that if Subsections (C) and (I) of SB115 are intended to apply to public health and safety, then the word “public” should be added prior to “health and safety” in (C) (10)(a) (page 14, line 3) and (I)(5) (page 19, line 12). If these provisions are intended to apply to occupational health and safety, then Subsections (C) (10) (a) and (I) should be deleted to resolve the conflict with Section 20 of SB115 and Section 50-9-4 of the existing Occupational Health and Safety Act (which recognizes the department as the state occupational health and safety agency for all purposes under federal legislation).

NMDA points to the definition of cannabis in Section 2(C), which refers to delta-9 tetrahydrocannabinol (THC) only. Absent the use of the qualifier “measured post-decarboxylation”, the definition has led and could lead to some confusion by law enforcement and the industry as to what is measured (i.e., delta-9 measured pre-or measured post-decarboxylation). The 2018 Farm Bill added post-decarboxylation as a qualifier to clarify what was being measured. Post-decarboxylation was also included in the Hemp Manufacturing Act to clarify the basis for measurement. The addition of the phrase “measured post-decarboxylation” to this definition harmonizes it with that in the Hemp Manufacturing Act, as well as federal definitions related to hemp and cannabis.

Section 15 prohibit a licensee from employing a person younger than 18 to engage in commercial cannabis activities, but as AOC notes, that section provides no penalty for violation of that prohibition.

Attachment 1 contains a timeline of deadlines set out in SB 115, and notes in 4 instances where no deadline has been set.

OTHER SUBSTANTIVE ISSUES

NMAG notes that Section 13(A)(2)(c) allows local public bodies to limit cannabis consumption areas to require the cannabis retailer or integrated microbusiness be at least 300 feet from a “school, church or daycare center”, while HB 23 requires an e-cigarette retailer to be 300 feet from “a church or other religious building or school”. It warns the different location restrictions could lead to an equal protection challenge, since legislation aimed at protecting the public health is subject to rational basis review when distinguishing between similarly situated groups. Similarly, the penalties contained in Section 15 for sales to persons under age 21 are significantly lower than those provided in HB 23, for example, which regulates e-cigarettes. NMAG warns these discrepancies could also lead to equal protection challenges because e-cigarettes are arguably less harmful than cannabis (still a federally controlled substance and much more regulated in this bill in all other respects), but violations result in higher penalties.

In addition, NMAG calls attention to Section 26, which bars disciplinary actions against state-licensed professionals when providing professional services or assistance in connection with any activity deemed legal under the Act. In New Mexico, attorneys are regulated exclusively by the state supreme court: this provision when read to apply to attorneys may violate the separation of powers clause of the state constitution. See Article 3, Section 1 of the New Mexico Constitution.

LOPD suggests that, based on the experience of other states, there is reason to believe passage of the bill will increase public safety by funding drug prevention and rehabilitation programs as well as by regulating an industry that is currently without oversight. In Colorado, for instance, fewer young people use marijuana than used it prior to legalization.

AMENDMENTS

RLD recommends a clarifying amendment to Section 8’s application process so that the 90-day turnaround time for the CCD to approve or deny a license begins to run upon receipt of a “complete” application. Otherwise, if an applicant submits an incomplete application and fails to timely submit any deficient information or documentation, the CCD would have to deny the applicant based solely on an incomplete application, resulting in the applicant being required to reapply. Consistent with many of the RLD administered licensing acts, one simple fix is to insert language stating that the 90-day application processing window starts once an application is “complete”, instead of upon “submittal” (Page 30, line 5).

In light of its lack of subject matter expertise in these areas, NMED recommends that in Subsections 21(A) and 22(C), it be replaced with NMDA and HOH/SLD.

NMDA proposes amending SB 115 to include new provisions and exceptions relating to activities involving hemp being conducted under the existing Hemp Manufacturing Act (HMA). These include adding a new definition for hemp and excluding it from the definition of cannabis; amending the definition of cannabis testing laboratory to allow this type of laboratory to also conduct activities as a separately licensed hemp testing laboratory, excluding hemp activities under the HMA from the definition of commercial cannabis activity; and adding new definitions

for hemp testing laboratory, and hemp breeder.

MD/al

ATTACHMENT 1

SB 115 TIMELINE

July 1, 2020

Effective date of bill

Medical cannabis no longer subject to gross receipts tax

Existing medical cannabis licensees issued new licenses to continue medical cannabis activity

County and municipal excise taxes on medical cannabis begin?

July 31, 2020

Process for recall or dismissal of sentences of persons currently incarcerated for offenses that are no longer criminal or now constitute a lesser offense must begin

September 1, 2020

CCD must convene Cannabis Regulatory Advisory Committee (CRAC) to advise CCD on development of rules

DOH secretary must appoint public health and safety advisory committee (PHSAC)

October 1, 2020

DPS must establish one year pilot project regarding roadside testing and report results within 90 days

January 1, 2021

Cannabis Control Division (CCD) must promulgate rules to carry out duties under Act

DOH must establish medical cannabis subsidy program

CCD must begin issuing temporary licenses to conduct commercial cannabis activity to existing medical cannabis licensees, subject to DOH approval re sale of medical cannabis to other consumers

CCD must begin accepting and processing commercial cannabis licenses

?

CCD must begin reporting annually demographic data on license applicants, controlling persons and cannabis establishment employees

- ? DOH must begin producing annual assessment of affordability and accessibility of medical cannabis, including needs of identified populations
- ? DOT/Travel Safety Bureau must develop and execute multilingual public education campaign promoting road safety and discouraging driving while impaired by cannabis
- ? NMED must promulgate rules imposing labeling and packaging requirements for cannabis products
- April 1, 2021 CCD must promulgate rules for cannabis training and education programs

CCD must begin issuing commercial (non-medical) cannabis licenses for commercial cannabis activities, but no courier or sales activities until January 1, 2022

NMED must identify and annually update certified reference materials to be used in laboratory testing
- July 1, 2021 CCD deadline to develop diversity plan in consultation with CRAC

CCD must begin licensing cannabis training and education programs
- December 1, 2021 CCD must begin issuing cannabis server permits

EDD must propose legislative changes to support its duties regarding the Cannabis Industry Equitable Opportunity Fund
- January 1, 2022 Start date for unrestricted commercial cannabis sales and courier activities; cannabis server permits required for all commercial cannabis activity (exception for research labs and employees)

All public and charter schools must annually provide drug education programs to students in eighth through twelfth grades
- December 1, 2022 PHSAC must begin annual reporting on health effects of legalizing cannabis for adult use
- January 1, 2024 CRAC must begin annual report of activities, recommendations to and implementation by CCD in preceding year, including demographics and geographic

diversity of cannabis workforce and recommendations to legislature concerning rate of cannabis excise tax

Calendar years 2023-2026

Annual CCD meeting with CRAC and specified others to review developments and coordinate efforts re improving economic and social outcomes of Act