



RURAL COUNTY REPRESENTATIVES  
OF CALIFORNIA

March 4, 2022

The Honorable Richard Roth  
Member, California State Senate  
State Capitol, Room 7510  
Sacramento, CA 95814

**RE: Senate Bill 1326 (Caballero) – SUPPORT  
As Introduced February 18, 2022**

Dear Senator Roth:

On behalf of the Rural County Representatives of California, we support Senate Bill (SB) 1326, authored by Senator Caballero. This measure would allow the cross-jurisdictional import and export of cannabis and cannabis products by authorizing the Governor to enter into agreements with other states with legalized cannabis to provide for lawful interstate commerce. RCRC is an association of thirty-eight rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties.

The issue of cannabis, particularly issues surrounding cultivation, continues to be of importance to RCRC's member counties. Many of our member counties have sanctioned commercial cannabis, and the cannabis industry plays an important role in the health of our rural economies.

California legalized cannabis for both medicinal and adult use through the passage of Prop 64 (2016). However, state law currently limits commercial cannabis activities within California's borders and prohibits California's cannabis licensees from engaging in interstate commerce. This prohibition has consequently left many California cannabis growers with no viable pathway into the legal, regulated market. Historically, most of the cannabis grown in California was exported, up to 80% by some estimates.

Federal law currently prohibits all cannabis activities - personal or commercial - and does not distinguish between interstate activities and those occurring entirely within one state's borders. However, this does not prevent a state from choosing to legalize some or all cannabis activities under its own state laws, regardless of where those activities occur. As many as 18 states have legalized adult use of cannabis, and 37 states

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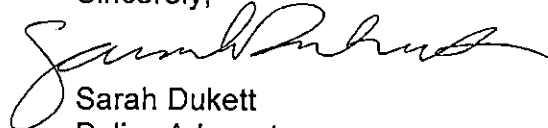
allow medicinal use. Despite the bipartisan momentum to decriminalize and legalize cannabis at the federal level, none have gained traction. Coordinated action by states that have legalized cannabis, and the development of a sensible and secure multi-state legal cannabis market, can provide support for a policy shift and help guide the federal conversation in future years.

Over five years after the passage of Prop 64, the cannabis industry is experiencing overproduction and a steep drop in prices, oversaturation of products, and cannabis businesses struggling to survive. Without considerable market expansion as part of the solution to stabilize the legal industry and incentivize participation in the regulated market, California risks the collapse of portions of the legal industry, particularly for rural producing regions, which could lead to considerable expansion of the illicit market and dire economic impacts to local economies.

SB1326 would authorize the Governor to enter into an agreement with other states to provide lawful cannabis interstate commerce. This would allow the transportation and delivery of cannabis across state lines by cannabis producers and wholesalers. SB 1326 requires the agreement to include public health; safety, and labeling standards; a system to regulate and track cannabis items; and collection of applicable taxes. The measure also requires that out-of-state cannabis items delivered to California are tested, packaged, and labeled in compliance with California state law.

SB 1326 provides a relief valve for the oversupply of cannabis, an opportunity to grow California's brand and market share, supports rural economies in producing regions, provides for job creation, and gives the state a competitive advantage as federal policy develops. For these reasons, RCRC is pleased to support SB 1326. If you have any questions, please do not hesitate to contact me at (916) 447-4806 or [sdukett@rcrcnet.org](mailto:sdukett@rcrcnet.org).

Sincerely,



Sarah Dukett  
Policy Advocate

cc: The Honorable Anna Caballero, Member of the California State Senate  
Members of the Senate Business, Professions and Economic Development  
Committee  
Sarah Mason, Chief Consultant, Senate Business, Professions and Economic  
Development Committee  
Kayla Williams, Consultant, Senate Republican Caucus