



July 25, 2022

Honorable Kevin McCarty  
1021 O Street, Suite 4250  
Sacramento, CA 95814

RE: AB 1014 (McCarty) - Cannabis Delivery

Dear Assembly Member Kevin McCarty:

The California Minority Alliance, Social Equity Los Angeles, United Cannabis Business Association, Long Beach Collective Association, San Francisco Cannabis Retailers Alliance, and Coachella Valley Cannabis Alliance opposes AB 1014 Unless amended to limit the amount of unordered product that can be carried in a vehicle.

Increasing the limit of cannabis goods a retail driver may carry, might be useful to provide increased access in cannabis deserts, however it will be detrimental in cities which already have existing operators. We recognize the value in allowing increased limits for delivery to address cannabis deserts; therefore, we request that a delivery vehicle is allowed to carry up to a maximum of \$10,000, from which no more than \$5,000 can be composed of unordered products.

AB 1014 allowing for a vehicle to carry up to \$10,000 of unordered products undermines brick and mortar retailers because the legislation would allow for a small to midsize mobile dispensary. The bill allows a delivery vehicle to enter a jurisdiction and undermine retailers that have gone through all the dispensary licensing requirements including paying license fees, taxes and meeting labor peace agreement requirements. For instance, 20 delivery vehicles in a city each carrying \$10,000 of unordered product equals \$200,000 of cannabis products roaming around. The legislation is allowing for overconcentration of cannabis in jurisdictions that already provide access to consumers, including patients because the delivery vehicles can be traveling from neighboring jurisdictions.

AB 1014 will also put delivery drivers in compromising positions having to package or sell a product that has not been prepackaged and ready for immediate delivery. More often than not they have to exit a vehicle to prepare an order they may have received after leaving the licensed premises or compromise their security by leaving the secured compartment opened for extended periods of time during a transaction as they are trying to upsell. Allowing pre-order products perpetuates the ice truck delivery model, when in fact it would be more responsible to model after a pizza delivery model that only carries what has been ordered.

With approximately 80% of California jurisdictions maintaining a ban on all cannabis activities including outside cannabis delivery services, increasing the inventory limit from \$5,000 to \$10,000 per vehicle does nothing to effectively combat the illicit market, if a legal cannabis delivery service cannot enter the jurisdiction to begin with.

In order to reduce the security risk to cannabis delivery drivers a responsible maximum inventory rate was set at the current \$5,000. Delivery vehicles do not have the same security protocols in place that a legal cannabis storefront does, such as a security guard, 90 days of security camera footage, secured inventory control, and more. Doubling that limit to \$10,000 of unordered product may only serve to incentivize the inherent risk to the cannabis delivery driver associated with delivering cannabis products. The ability to carry up to \$10,000 in cash and/or inventory can incentivize robberies.

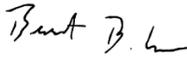
We request for the following amendments:

**26090.1.**

(b) The maximum value of cannabis goods that can be carried during delivery of those cannabis goods by an employee of a licensed retailer in a vehicle is ten thousand dollars (\$10,000). The maximum value of cannabis goods carried during delivery pursuant to this section may include any of the following:

- (1) Cannabis goods for which a delivery order was received and processed by the licensed retailer prior to the delivery employee departing from the licensed premise
- (2) Cannabis goods for which a delivery order was not received and processed by the licensed retailer prior to the delivery employee departing from the licensed premise **must be \$5,000 or less.**
- (3) A combination of cannabis goods described in paragraphs.

For questions, please contact Marvin F. Pineda Legislative Advocate at California Advocacy at 916-869-3685.

Jerred Kiloh	Brent Buhrman	John Delaplane	Adam Hijazi	Virgil Grant	Luis Rivera
					
President United Cannabis Business Association	President Coachella Valley Cannabis Alliance	Director San Francisco Cannabis Retailers Alliance	President Long Beach Collective Association	President California Minority Alliance	Executive Director Social Equity LA