



March 25, 2022

The Honorable Richard Roth
Chair, Senate Business, Professions and Economic Development Committee
1021 O Street, Room 3320
Sacramento, CA 95814

**RE: SB 1097 (Pan): Cannabis and cannabis products: labeling and advertising
NOTICE OF OPPOSITION**

Dear Chairman Roth:

On behalf of the California Cannabis Industry Association (CCIA), I respectfully write in strong opposition to SB 1097 (Pan), which would subject the legal cannabis industry to duplicative and unnecessary labeling requirements, while creating excessive new operational costs and landfill waste. The bill would do nothing to improve public health and safety or reduce demand for cannabis products from the illicit market.

As a leading voice for California's legal cannabis industry, CCIA has a proud history of supporting policies that promote safe and responsible cannabis use. To that end, CCIA proactively worked with this Legislature and state regulators to develop comprehensive regulations aimed at curbing youth access, promoting responsible cannabis consumption, and establishing appropriate standards for the manufacture and labeling of all cannabis products.

Unfortunately, as written, SB 1097 would require cannabis products to include unnecessary and duplicative warnings on all retail cannabis products. Specifically, this bill would require rotating warning labels, covering one-third of the front or principal face of a product with a bright yellow background and 12-point type. This would be accompanied by a corresponding pictorial or graphic element appropriate to the warning message. The bill would further require all cannabis retailers with every purchase to distribute a brochure to consumers, outlining the various warnings, as specified. Such requirements would create an overly onerous and entirely unnecessary burden on legal cannabis businesses and do nothing to curb illicit market activity.

- **The licensed California cannabis industry is struggling under high regulatory costs.** California's illicit cannabis market is estimated to be worth nearly \$8 billion annually, twice the volume of legal sales, as reported by [Politico](#) in October, 2021. SB 1097 is a misguided effort that will only serve to bolster the unlicensed cannabis market in California and increase regulatory costs for tax-paying cannabis companies who are following the law.
- **Licensed cannabis products already carry significant and effective warning labels.** Under the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), licensed cannabis and cannabis products *are already* required to include clear and effective warning labels that communicate scientifically established health risks. There has not been any evidence that the current labeling requirements are insufficient. The information included in SB 1097's warning labels is largely duplicative of what is currently required by regulations, and in some cases, does not accurately reflect current scientific consensus.

- **SB 1097 implementation would lead to increased environmental waste and carbon emissions.** The requirement that the warning label be printed in 12 point font alone would require manufacturers to use larger boxes and packaging to accommodate the label. The increased package size would require additional packaging materials, larger warehouse space and larger transport trucks. Implementation of SB 1097 would necessitate a complete overhaul of current packaging, with significant wasted materials sent to landfills, increased energy and fuel usage and potential costs to licensed cannabis companies in the millions.
- **SB 1097 does nothing to reduce consumer demand for the illicit cannabis market.** The language in SB 1097 implies that the bill is intended to address consumer health and safety concerns around products from the illicit market. Yet the proposed change in labeling does nothing to address them. Rather than educating consumers about the dangers of these products, the bill would only increase costs for licensed cannabis operators who already test and label their products under state law. In his state budget proposal, the Governor offers a more effective approach to consumer education by including an additional investment of \$6.1 million to fund a multi-year consumer education and awareness campaign to inform cannabis consumers about how to identify licensed cannabis businesses and products as well as the risks associated with illicit products. The California Department of Public Health has a similar ongoing effort, as part of its [Let's Talk Cannabis](#) program.

The licensed cannabis industry is proud of the high standards of testing and labeling of our products. While we appreciate the bill's intent, its focus may be more effectively guided toward consumer education already in progress and funded by cannabis tax revenues from the licensed market. For these reasons, CCIA opposes SB 1097 and respectfully requests your NO vote when it is heard in the Senate Business, Professions and Economic Development Committee.

Thank you for your time and attention to our concerns. Please do not hesitate to contact our legislative advocate, Amy O'Gorman Jenkins, at (707) 291-3270 or amy@precisionadvocacy.co.

Sincerely,



LINDSAY ROBINSON
Executive Director

Cc: Senator Richard Pan M.D.
Members, Senate Business, Professions and Economic Development Committee
Alexandra Smith- Davis, Senate Business, Professions and Economic Development Committee
Kayla Williams, Consultant, Senate Republican Caucus

Current Label Requirements vs SB 1097's Requirements

Current warning label [regulations](#) from the California Department of Cannabis Control

Note: Warnings must appear in bold, 6-point font or greater.

For cannabis: "GOVERNMENT WARNING: THIS PACKAGE CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION."

For cannabis products: "GOVERNMENT WARNING: THIS PRODUCT CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. THE INTOXICATING EFFECTS OF CANNABIS PRODUCTS MAY BE DELAYED UP TO TWO HOURS. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION."

Required rotating warning labels, as proposed in SB 1097

Note: Warnings require a bright yellow background and 12-point font, as presented below.

- **WARNING: Buy Legal! Illegally sold cannabis is more likely to contain unsafe additives or harmful contaminants such as mold or pesticides.**
- **WARNING: Do not use if pregnant or breastfeeding. Substances in cannabis are transferred from the mother to the child and may harm your baby's health, including causing low birth weight.**
- **WARNING: Cannabis use may contribute to mental health problems, including psychotic disorders such as schizophrenia. Risk is greatest for frequent users and when using products with high THC levels.**
- **WARNING: Cannabis use may contribute to mental health problems, including increased thoughts of suicide and suicide attempts. Risk is greatest for frequent users.**
- **WARNING: Driving while high is a DUI. Cannabis use increases your risk of motor vehicle crashes.**

- WARNING: Not for Kids or Teens! Starting cannabis use young or using frequently may lead to problem use and, according to the U.S. Surgeon General, may harm the developing brain.
- WARNING: The higher the THC content, the more likely you are to experience adverse effects and impairment. THC may cause severe anxiety and disrupt memory and concentration.

Additional warning labels for inhalable products:

- WARNING: Smoking cannabis may make breathing problems worse.
- WARNING: Prolonged use of cannabis products high in THC may cause recurrent, severe nausea and vomiting.

Additional warning labels for edible products:

WARNING: It can take up to 4 hours to feel the full effects from eating or drinking cannabis. Consuming more within this time period can result in adverse effects that may require medical attention.