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California Legislature
Senate Committee
on
Governance & Finance

MIKE MCGUIRE
CHAIR

OVERSIGHT HEARING

July 19, 2017
9:30 AM
California State Capitol
Room 112

Preparing for California's Green Gold Rush – Implementing Prop 64 Taxes

A G E N D A

Opening Comments from Committee Chair Senator McGuire

The taxation scheme for cannabis in Proposition 64 takes effect on January 1, 2018, and requires the coordinated efforts of several state agencies with respect to licensing and administration. What is the status of the implementation plans for cannabis taxation?

Speakers:

- Lori Ajax, Chief, Bureau of Cannabis Control, Department of Consumer Affairs
- Amy Tong, Director, California Department of Technology
- Amber Morris, Branch Chief, Cannabis Program, California Department of Food and Agriculture
- Suzanne Buehler, Director, Business Taxes and Fees Division, California Department of Tax and Fee Administration
- Richard Parrot, Deputy Director, Business Taxes and Fees Division, California Department of Tax and Fee Administration

AGENDA -- Oversight Hearing

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1. Lori Ajax, Chief, Bureau of Cannabis Control, DCA

- Update on the current status of the Proposition 64 implementation efforts: Rules, Regulations and Taxes.
- Potential complications ahead with tax compliance by January 1, 2018.
- Plans to implement BPC Section 26210.5 that requires the Bureau, by July 1, 2018, in coordination with the Department of General Services, to establish an office to process licenses and collect fees/taxes in the County of Humboldt, County of Trinity, or County of Mendocino in order to ensure the safe payment and collection of cash in those counties.

2. Amy Tong, Director, California Department of Technology

- Update on implementation of technology projects needed for licensing and taxation requirements.
- Cannabis Licensing Solutions (CDFA, CDPH & DCA): Timeline for implementation, beta testing and enrolling licensees.
- Cannabis Activity Tracking Solution (CDFA - Track & Trace): Timeline for implementation, beta testing and enrolling licensees.

3. Amber Morris, Branch Chief, Cannabis Program, CDFA

- Emergency regulations to implement cultivator licensing program.
- Status of online licensing software implementation.
- Track and trace implementation.

4. Suzanne Buehler, Director, & Richard Parrot, Deputy Director, Business Taxes and Fees Division, California Department of Tax and Fee Administration

- Update on the transition between the Board of Equalization and California Department of Tax and Fee Administration.
- Status of Outreach efforts to farmers and business owners.
- Cash Policy.
- Implementation of Excise Tax, Cultivation Tax and Sales Tax.