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July 18, 2013

Honorable Dr. Richard Pan
Chair, Assembly Committee on Health
California State Assembly
State Capitol Room 6005
Sacramento, CA 95814

Senate Bill 439 (Steinberg)
Oppose

Dear Assemblymember Dr. Pan:

The California Police Chiefs Association is in strong opposition to Senate Bill 439 and respectfully requests that you reject this extremely unwise legislation.

Senate Bill 439 is presented as a bill to provide for “regulation of marijuana stores”. In fact the bill regulates nothing. What SB 439 does do is – for the first time – give statutory legitimacy to marijuana dispensaries. Neither Proposition 215 nor Senate Bill 420 (adopted about a decade ago) authorize marijuana dispensaries; in fact some people have argued that SB 439 is such a broad amendment to Proposition 215 that it would require voter approval before enactment. In any case, SB 439 will create high volume/high income marijuana stores. The bill permits marijuana store owners and personnel to receive unspecified “compensation” for providing marijuana. This contemplates the open infusion of mega-dollars into marijuana stores (which is probably why so many monied interests have emerged in support of SB 439). Before voting on this badly conceived bill, please consider the following:

1. **The bill does nothing to rein in rampant marijuana scrip fraud in California.** Marijuana scrip fraud is so widespread that Dr. Kevin Sabat, former drug policy advisor in the Obama Administration, has referred to California’s medical marijuana law as a “sick joke”. So-called pot docs hand out marijuana approvals with little if any medical inquiry. In fact, pot-docs have been known to give out marijuana approvals in “consultations” that take place in only 42 seconds with an unknown doctor on Skype. Contrast California’s refusal to reign in marijuana scrip fraud with Massachusetts’ proposed regulations that will require a bona fide doctor-patient relationship before marijuana may be recommended.
2. **The failure to address scrip fraud has significant health consequences.** There are many medical conditions for which marijuana is contra-indicated. For example,

articles in peer reviewed medical publications have linked marijuana use to mental health issues such as schizophrenia, psychosis, depression and anxiety. But in California, the aforementioned Dr. Skype falsely suggests that schizophrenics should use marijuana. SB 439 permits that type of malpractice to continue. Peer reviewed publications have also connected the health consequences of marijuana use to the risk of heart attack (increases four-fold in the hour after marijuana use)[i]; lung disorders (marijuana smoke contains 50-70 percent more hydrocarbons than tobacco smoke)[ii]; pregnancy risks (marijuana use during pregnancy has been found to reduce birth rates most likely due to impact of carbon monoxide on the developing fetus)[iii]; learning (marijuana use among adolescents has been shown to reduce IQ levels for life)[iv]; academic performance (48 different studies have found that marijuana use is associated with reduced grades and reduced chance of graduating from high school)[v]; job performance (studies have linked marijuana use with increased accidents, workers compensation claims and absenteeism)[vi]; and addiction/dependence (adults using marijuana have a one in eleven chance of becoming addicted/dependent and minors have a one in six chance of becoming addicted/dependent[vii]. These are serious health concerns, and the failure to address scrip fraud in SB 439 is simply irresponsible.

3. **Dispensaries are magnets for criminal activity.** There is a reason that over 200 cities have taken action to impose outright bans on marijuana dispensaries – they create significant public safety and quality of life problems in communities. Dispensaries have high THC marijuana and cash on their premises (it’s an all cash business). As such, they are magnets for robberies – which not infrequently turn violent. In fact some of those robberies have resulted in homicides. Moreover, street drug dealers operate in close proximity to marijuana stores, offering prospective customers “a better deal” than what they can buy inside the dispensary. “Follow-home” robberies are another criminal activity associated with marijuana dispensaries, where customers are robbed of their marijuana and what’s left of their cash after leaving the dispensary. Finally, dispensaries severely diminish the quality of life in communities where they’re located. The actions of the 200 plus cities that have banned marijuana dispensaries have been extremely popular in the affected communities.
4. **Even if SB 439 doesn’t directly overturn the Supreme Court decision allowing cities to ban marijuana dispensaries, it severely undermines that decision.** Here’s why: SB 439 prohibits a local government from using public nuisance actions to close marijuana dispensaries. Under SB 439, a dispensary can simply defy a local ordinance and set up shop, and the city is forbidden from using the tool of public nuisance to shut them down. Moreover, since SB 439 also exempts marijuana dispensaries from criminal exposure for illegal drug trafficking (which they would be doing by operating in violation of a local ban), dispensaries will simply be able to flout the Supreme Court decision and cities will have no practical way to shut them down.
5. **SB 439 will result in Big Marijuana coming into the state.** The forces supporting SB 439 see this bill as their opportunity to cash in on a marijuana market that is fueled

by marijuana scrip fraud. This bill does not regulate the marijuana stores, it enables them; this bill does not address marijuana scrip fraud, it continues to ignore and enable it; this bill opens the door for Walmart like operations to set up marijuana stores.

Passage of Senate Bill 439, with its refusal to address marijuana scrip fraud, will exacerbate health problems, add to public safety challenges and will diminish the quality of life in the fragile neighborhoods that will experience an overconcentration of marijuana stores. The California Police Chiefs Association must respectfully, but unambiguously, request that your Committee reject this ill-considered proposal.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kim Raney', with a stylized, cursive script.

Kim Raney
President

A handwritten signature in blue ink, appearing to read 'John Lovell', with a stylized, cursive script.

John Lovell
Government Relations Manager

CC: Honorable Darrell Steinberg
Teri Boughton, Assembly Committee on Health
Peter Anderson, Assembly Committee on Health
Kevin Hanley, Assembly Committee on Health

SOURCES:

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- [iv] Meier et al. (2012). Persistent cannabis users show neuropsychological decline from childhood to midlife. *Proceedings of the National Academy of Sciences*.
- [v] Macleod, J.; Oakes, R.; Copello, A.; Crome, I.; Egger, M.; Hickman, M.; Oppenkowski, T.; Stokes-Lampard, H.; and Davey Smith, G. Psychological and social sequelae of cannabis and other illicit drug use by young people: A systematic review of longitudinal, general population studies. *Lancet* 363(9421):1579-1588, 2004.
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- [vii] Wagner, F.A. & Anthony, J.C. From first drug use to drug dependence; developmental periods of risk for dependence upon cannabis, cocaine, and alcohol. *Neuropsychopharmacology* 26, 479-488 (2002).

