

---

## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair  
2021 - 2022 Regular Session

---

### AB 287 (Quirk) - Civil actions: statute of limitations

**Version:** March 25, 2021

**Policy Vote:** B., P. & E.D. 11 - 0, JUD. 11  
- 0

**Urgency:** No

**Mandate:** No

**Hearing Date:** July 15, 2021

**Consultant:** Janelle Miyashiro

**Bill Summary:** AB 287 extends the statute of limitations to file a civil penalty against a person or business engaged in unlicensed cannabis activity.

**Fiscal Impact:** Unknown, potentially-significant workload cost pressures to the courts to adjudicate charges brought that are outside the current one-year statute of limitation from when the alleged conduct occurred. While the superior courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to increase the amount appropriated to backfill for trial court operations. The Governor's proposed 2021-2022 budget would appropriate \$118.3 million from the General Fund to backfill continued reduction in fine and fee revenue for trial court operations (Trial Court Trust Fund).

**Background:** A statute of limitations provides the length of time a party has to file a complaint. Currently, the Civil Code provides that a claim brought against a person engaging in unlicensed cannabis activity must be brought within the first year of a violation.

In an effort to improve access to licensing and simplify regulatory oversight of commercial cannabis activity, the Governor's 2021 Budget includes a proposal to consolidate the three cannabis licensing entities that are currently housed at the Bureau, the Department of Food and Agriculture, and the Department of Public Health into a single Department of Cannabis Control by July 2021. Establishment of a standalone department with an enforcement arm is designed to centralize and align critical areas to build a successful legal cannabis market, by creating a single point of contact for cannabis licensees and local governments. The goal is to ultimately simplify and centralize State regulatory efforts; improve coordination, including enforcement; reduce barriers to participation in the legal market; and incentivize greater local participation.

### Proposed Law:

- Extends the statute of limitations, from one to three years, to file a civil penalty against a person or business engaged in unlicensed cannabis activity.
- Makes technical changes.

**Staff Comments:** The fiscal impact of this bill cannot be known with certainty, as the actual impact will be dependent on numerous factors. While it is not known how many charges ultimately would be brought outside of the current statute of limitations, it

generally costs about \$8,032 (in FY 2020-2021) to operate a courtroom for one eight-hour day. Consequently, if a significant number of additional cases which would have otherwise been outside of the existing one year statute of limitations for unlicensed cannabis activity are filed, the cost pressures of this measure to the courts would surpass the Suspense File threshold. As indicated above, while courts are not funded on a workload basis, an increase in workload could result in delayed services and would put pressure to increase the backfill amount appropriated from the General Fund for trial court operations.

**-- END --**