

# DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

## NOTICE OF PROPOSED REGULATORY ACTION

TITLE 13, CALIFORNIA CODE OF REGULATIONS, DIVISION 2,  
ADOPT CHAPTER 13

### CALIFORNIA HIGHWAY PATROL CANNABIS TAX FUND GRANT PROGRAM (CHP-R-2019-06601)

Section 2402 of the California Vehicle Code (CVC) authorizes the Commissioner of the California Highway Patrol (CHP) to make and enforce regulations as necessary to carry out the duties of the CHP. The CHP proposes to adopt regulations within Title 13 of the California Code of Regulations (CCR), Division 2, by adding Chapter 13, which would govern the CHP Cannabis Tax Fund Grant Program, in furtherance of the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA), an initiative measure enacted as Proposition 64 on November 8, 2016, by a statewide general election. The AUMA and subsequent legislation, including Senate Bill 94 (2017) authorizes a person who obtains a state license from a cannabis control agency to engage in commercial adult-use and medicinal cannabis activity pursuant to that license and applicable local ordinances.

#### INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

In accordance with Section 34019 of the Revenue and Taxation Code (RTC) and the passage of the AUMA, the Department has established the Cannabis Tax Fund Grant Program. The purpose of this program is to provide financial assistance to eligible entities for the education, prevention, and/or enforcement of impaired driving laws related to driving under the influence (DUI) of alcohol and other drugs, including cannabis.

This rulemaking package is initiated to implement a new grant program created by Sections 34019(f)(3)(B) RTC. Specifically, the proposed regulations outline general grant provisions, grant project types, specific application requirements, grant evaluation criteria, and necessary administrative procedures for the effective implementation of the program.

The funds disbursed by the California State Controller's Office shall be used to fund *internal CHP programs and grants to qualified nonprofit organizations and local governments for education, prevention, and enforcement of laws related to driving under the influence (DUI) of alcohol and drugs, including cannabis; programs that help enforce traffic laws, educate the public in traffic safety, provide varied and effective means of reducing fatalities, injuries, and economic losses from collisions; and for the purchase of equipment related to enforcement of laws related to DUI of alcohol and other drugs, including cannabis* (refer to Section 34019[f][3][B] RTC).

## **CONSISTENCY AND COMPATIBILITY WITH EXISTING STATE REGULATIONS**

After conducting an evaluation, the CHP has determined these regulations pertain only to the grant program administered within the Department by the authority of Section 34019 RTC. Therefore, the proposed regulations are neither inconsistent nor incompatible with existing state regulations.

## **ANTICIPATED BENEFITS OF THE PROPOSED REGULATION**

This proposed regulatory action will ensure the Cannabis Tax Fund Grant Program has uniform standards, internal controls, and guidelines to ensure consistent and effective administration of the program; the public understands the expectation of the program; and the program targets law enforcement programs designed to reduce DUI of alcohol and other drugs, including cannabis.

## **PUBLIC COMMENTS**

Any interested person may submit written comments on this proposed action via facsimile at (916) 322-3169, by electronic mail to [IDSRegs@chp.ca.gov](mailto:IDSRegs@chp.ca.gov), or by writing to:

California Highway Patrol  
Impaired Driving Section  
Attention: Cathy Perry and Vanessa Martinez  
P.O. Box 942898  
Sacramento, CA 94298-0001

Written comments will be accepted until 5:00 PM, on April 16, 2020.

No public hearing has been scheduled. If any person desires a public hearing, a written request must be received by the CHP, Impaired Driving Section (IDS), no later than 15 days prior to the close of the written comment period.

## **AVAILABILITY OF INFORMATION**

The CHP has available for public review an initial statement of reasons for the proposed regulatory action, the information upon which this action is based (the rulemaking file), and the proposed regulation text. Requests to review or receive copies of this information should be directed to the CHP either in writing to the address above, by facsimile at (916) 322-3169, or by calling the CHP, IDS, at (916) 843-4360. All requests for information should include the following information: the title of the rulemaking package, the requester's name, proper mailing address (including city, state, and zip code), and a daytime telephone number in the event the requestor's information is incomplete or illegible.

The rulemaking file is available for inspection at CHP, IDS, 601 North 7th Street, Sacramento, CA 95811. Interested parties are advised to call for an appointment. All documents regarding the proposed action are available through the CHP's Web site at:

<https://www.chp.ca.gov/programs-services/programs/impaired-driver-enforcement-programs/cannabis-tax-fund-grant-program-overview>.

Any substantial changes to the original proposal will be available for at least 15 days prior to the CHP adopting this resulting regulation.

Any person desiring to obtain a copy of the adopted text and a final statement of reasons may request them at the above noted address. Copies will also be posted on the CHP's Web site.

### **CONTACT PERSON**

Any inquiries concerning the written materials pertaining to the proposed regulations or questions regarding the content of the proposed regulations, should be directed to Cathy Perry or Vanessa Martinez, CHP, IDS, at (916) 843-4360.

### **ADOPTION OF PROPOSED REGULATIONS**

After consideration of public comments, the CHP may adopt the proposal substantially as set forth without further notice. If the proposal is modified prior to adoption and the change is not solely grammatical or non-substantive in nature, the full text of the resulting regulation, with the changes clearly indicated, will be made available to the public for at least 15 days prior to the date of adoption.

### **DISCLOSURES REGARDING THE PROPOSED ACTION**

*The CHP has made the following determinations:*

Mandate on local agencies and school districts: None.

Cost or savings to any state agency: None.

Significant, statewide, adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states: None

Cost to any local agency or school district which must be reimbursed in accordance with Sections 17500 through 17630 of the Government Code (GC): None.

Other nondiscretionary cost or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Cost impacts on a representative private person or business: The CHP is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Effect on Small Business: This proposed regulation will not affect small business for the reason that the grants agreements program is a voluntary program intended to supplement an eligible entities existing budget, not support it.

Significant effect on housing costs: None.

## **RESULTS OF THE ECONOMIC IMPACT ANALYSIS/ASSESSMENT**

The CHP concludes this proposed regulatory action: (1) is unlikely to create additional jobs, nor eliminate any jobs in the State of California; (2) is unlikely to result in the elimination of existing businesses, nor create or expand businesses in the State of California; (3) will continue to provide a benefit to the protection and safety of public health, employees, and the environment by providing financial assistance to eligible entities for goals and objectives set by the grants agreements program as outlined in Section 34019 RTC.

## **CONSIDERATION OF ALTERNATIVES**

In accordance with Section 11346.5(a)(13) GC, the CHP must determine that no reasonable alternative considered by the CHP, or that has otherwise been identified and brought to the attention of the CHP, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. The CHP invites interested parties to present statements or arguments with respect to alternatives to the proposed regulations during the written comment period.

## **AUTHORITY AND REFERENCE**

The authority and references for the proposed regulations contained in this rulemaking are as follows: Sections 2102 and 2402 CVC; Section 34019 RTC; Section 83.5(a), Section 16.5(d) and Section 8356 GC; Section 501(c)(3) of the United States (U.S.) Internal Revenue Code; and Section 5704(a)(1) of the 5 U.S. Code.

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL  
J. T. EPPERSON, Chief  
Enforcement and Planning Division