

Department of Finance STATE OF CALIFORNIA MANUAL OF STATE FUNDS		Fund: 3388 PAGE 1 Renumbered From:
<u>Legal Title</u> Cannabis Fines and Penalties Account		
<u>Legal Citation/Authority</u> Chapter 70, Statutes of 2021 (AB 141) Business and Professions Code section 26210 (d)		
<u>Fund Classification</u> <u>GAAP Basis</u> Governmental/Special Revenue Funds		<u>Fund Classification</u> <u>Legal Basis</u> Governmental/Other Governmental Cost Funds
<u>Purpose</u> A depository for fees and penalties collected pursuant to Business and Professions Code sections 26031.5 and 26210. In Accordance with Business and Professions Code section 26210 (c), moneys in this fund shall be made available to the department, by appropriation of the Legislature, to repay any General Fund or special fund loan that was used to establish and support the regulatory activities of the state licensing entities, if the initial proceeds from fees is not sufficient to repay the loan.		
<u>Administering Agency/Organization Code</u> Department of Cannabis Control/1115		
<u>Major Revenue Source</u> Fines and Penalties collected pursuant to Business and Professions Code sections 26031.5 and 26210 (d)		
<u>Disposition of Fund (upon abolishment)</u> Pursuant to Government Code section 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment, shall be transferred to the General Fund.		
<u>Appropriation Authority</u> Upon appropriation by the Legislature		
<u>State Appropriations Limit</u> Always Excluded – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from fines and penalties.		
<u>Comments/Historical Information</u> Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act, was approved by voters at the November 8, 2016 general election, effective January 1, 2018. This fund is within Fund 3314 – California Cannabis Tax Fund.		