

**SENATE BILL**

**No. 53**

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**Introduced by Senator Calderon**

February 12, 2010

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An act to add Division 8.9 (commencing with Section 22992) to the Business and Professions Code, relating to medical marijuana.

LEGISLATIVE COUNSEL'S DIGEST

SB 53, as introduced, Calderon. Medical Marijuana Licencing Act.

Existing law provides for the imposition of various taxes with respect to the distribution of certain products, including cigarettes and other tobacco products, and provides for the licensure by the State Board of Equalization of sellers of those products that are engaged in business in California.

This bill would, on and after the effective date of an imposition of a tax on the distribution of medical marijuana, require a distributor, as defined, to have in place and maintain a license from the State Board of Equalization to engage in the distribution of medical marijuana, and would require the license to be renewed every 12 months, as provided.

This bill would require an applicant for a license to fill out a form providing specified information, including a statement by the applicant affirming that the applicant is in compliance with state laws that regulate or control the sale of medical marijuana. This bill would also require applicants to pay a one-time fee of \$\_\_\_\_, and a renewal fee of \$\_\_\_\_.

This bill would require all moneys collected to be deposited in the Medical Marijuana Compliance Fund, which would be created in the State Treasury, and all funds therein would be available for appropriation by the Legislature solely for the purpose of implementing, enforcing, and administering the Medical Marijuana Licensing Act.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on January 8, 2010.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on January 8, 2010, pursuant to the California Constitution.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Division 8.9 (commencing with Section 22992)  
2 is added to the Business and Professions Code, to read:

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4 DIVISION 8.9. MEDICAL MARIJUANA LICENCING ACT

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6 CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

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8 22992. This division shall be known, and may be cited, as the  
9 Medical Marijuana Licencing Act.

10 22992.1. The board shall administer a statewide program to  
11 license distributors of medical marijuana.

12 22992.2. For purposes of this division, the following terms  
13 shall have the following meanings:

14 (a) "Board" means the State Board of Equalization.

15 (b) "Distribution" means the sale of untaxed medical marijuana,  
16 other than the lawful sale of untaxed medical marijuana to a  
17 collective or cooperative, as described in Article 2.5 (commencing  
18 with Section 11362.7) of Chapter 6, of Division 10 of the Health  
19 and Safety Code.

20 (c) "Distributor" means a person who engages in this state in  
21 the distribution of medical marijuana.

22 (d) "License" means a license issued by the board pursuant to  
23 this division.

24 (e) "Licensee" means any person holding a license issued by  
25 the board pursuant to this division.

1 (f) “Medical marijuana” means marijuana that is regulated under  
2 Article 2.5 (commencing with Section 11362.7) of Chapter 6 of  
3 Division 10 of the Health and Safety Code.

4 (g) “Person” means a person as defined in Section 30010 of the  
5 Revenue and Taxation Code.

6 (h) “Sale” or “sold” means a sale as defined in Section 30006  
7 of the Revenue and Taxation Code.

8 22992.3. The board shall administer and enforce the provisions  
9 of this division and may prescribe, adopt, and enforce rules and  
10 regulations relating to the administration and enforcement of this  
11 division.

12 22992.4. No person is subject to the requirements of this  
13 division if that person is exempt from regulation under the United  
14 States Constitution, the laws of the United States, or the California  
15 Constitution.

16  
17 CHAPTER 2. LICENSE FOR DISTRIBUTORS OF MEDICAL  
18 MARIJUANA  
19

20 22992.5. (a) On and after the effective date of an imposition  
21 of a tax on the distribution of medical marijuana, a distributor shall  
22 have in place and maintain a license to engage in the distribution  
23 of medical marijuana.

24 (b) A license is not assignable or transferable. A person who  
25 obtains a license as a distributor who ceases to do business as  
26 specified in the license, or who never commenced business, or  
27 whose license is suspended or revoked, shall immediately surrender  
28 the license to the board.

29 (c) A license shall be valid for a 12-month period, and shall be  
30 renewed annually.

31 22992.6 (a) An application for a license shall be filed on a  
32 form prescribed by the board and shall include the following:

33 (1) The name, address, and telephone number of the applicant.

34 (2) A statement by the applicant affirming that the applicant is  
35 in compliance with state laws that regulate or control the sale of  
36 medical marijuana, including, but not limited to, Article 2.5  
37 (commencing with Section 11362.7) of Chapter 6 of Division 10  
38 of the Health and Safety Code.

39 (3) A statement by the applicant that the contents of the  
40 application are complete, true, and correct.

- 1 (4) The signature of the applicant.
- 2 (5) Any other information the board may require.
- 3 (b) The board may investigate to determine the truthfulness and
- 4 completeness of the information provided in the application.
- 5 (c) The board shall provide electronic means for applicants to
- 6 download and submit applications.
- 7 (d) (1) A one-time license fee of \_\_\_\_ dollars (\$\_\_\_\_) shall be
- 8 submitted with each application.
- 9 (2) A fee of \_\_\_\_ dollars (\$\_\_\_\_) shall be submitted for each
- 10 application for renewal of a license. If a license is reinstated after
- 11 its expiration, the distributor, as a condition precedent to its
- 12 reinstatement, shall pay a reinstatement fee of one hundred dollars
- 13 (\$100).
- 14 22992.7. The board shall revoke the license, pursuant to the
- 15 provisions applicable to the revocation of a license as set forth in
- 16 Section 30148 of the Revenue and Taxation Code, of any
- 17 distributor that fails to comply with this division or any rule or
- 18 regulation of the board prescribed and adopted under this part.

19  
20 CHAPTER 3. DISPOSITION OF FUNDS

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- 22 22978.8. (a) All moneys collected pursuant to this division
- 23 shall be deposited in the Medical Marijuana Compliance Fund,
- 24 which is hereby created in the State Treasury.
- 25 (b) All moneys in the Medical Marijuana Compliance Fund are
- 26 available for expenditure, upon appropriation by the Legislature,
- 27 solely for the purpose of implementing, enforcing, and
- 28 administering the Medical Marijuana Licensing Act.
- 29 SEC. 2. This act addresses the fiscal emergency declared by
- 30 the Governor by proclamation on January 8, 2010, pursuant to
- 31 subdivision (f) of Section 10 of Article IV of the California
- 32 Constitution.

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