

AMENDED IN ASSEMBLY MAY 5, 2014
AMENDED IN ASSEMBLY APRIL 23, 2014
AMENDED IN ASSEMBLY MARCH 18, 2014
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2605

Introduced by Assembly Member Bonilla

February 21, 2014

An act to amend Sections 4022.5, 4040.5, 4043, ~~4045~~, 4053, 4060, 4081, 4101, 4105, 4120, 4126, 4149, 4160, 4161, 4162, 4162.5, 4164, 4165, 4166, 4167, 4168, 4169, 4201, 4305.5, 4312, 4331, and 4400 of, and to amend the heading of Article 11 (commencing with Section 4160) of Chapter 9 of Division 2 of, *to add Section 4025.2 to, and to repeal and add Section 4045 of*, the Business and Professions Code, relating to pharmacy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2605, as amended, Bonilla. Pharmacy: third-party logistics providers.

(1) Under the Pharmacy Law, a violation of which is a crime, the California State Board of Pharmacy licenses and regulates the practice of pharmacy. Existing law restricts the purchase, trade, sale, or transfer of dangerous drugs or dangerous devices, as defined, to licensed wholesalers and other authorized persons. Under the Pharmacy Law, the board licenses and regulates entities, including third-party logistics providers, as wholesalers. The Pharmacy Law defines a “third-party logistics provider” or a “reverse third-party logistics provider” as an entity licensed as a wholesaler that contracts with a dangerous drug manufacturer to provide or coordinate warehousing, distribution, or

other similar services on behalf of a manufacturer, but for which there is no change of ownership in the dangerous drugs. *Existing law, the federal Drug Supply Chain Security Act, prohibits a third-party logistics provider, as defined, from conducting any activities in a state unless each facility of the provider is licensed by the state from which drugs are distributed by the provider in accordance with regulations to be promulgated by the Secretary of the United States Department of Health and Human Services.*

This bill would ~~delete from~~ *revise* the definition of “third-party logistics provider” or “reverse third-party logistics provider” ~~the requirement that the entity be a licensed wholesaler~~ *to conform to federal law, as specified*, and would require a third-party logistics provider of a dangerous drug or dangerous device to be separately licensed by the board as a third-party logistics provider.

(2) The Pharmacy Law requires a person located outside this state that ships, sells, mails, or delivers dangerous drugs or dangerous devices into this state, or sells, brokers, or distributes dangerous drugs or devices within this state to be a licensed nonresident wholesaler.

This bill would, in addition, require a person located outside this state that performs those actions or that warehouses or distributes dangerous drugs or dangerous devices into this state, or warehouses dangerous drugs or devices within this state to be licensed as either a nonresident wholesaler or a nonresident third-party logistics provider. The bill would make conforming changes, and would delete obsolete cross-references and provisions.

(3) Existing law sets the fees for the issuance and renewal of licenses for wholesalers and designated representatives at specified amounts and authorizes those fees to be increased to specified higher amounts.

This bill would instead set the fees at the higher amounts.

(4) Because a violation of the requirements described in paragraphs (1) and (2) above would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

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

1 SECTION 1. Section 4022.5 of the Business and Professions
2 Code is amended to read:

3 4022.5. (a) “Designated representative” means an individual
4 to whom a license has been granted pursuant to Section 4053. A
5 pharmacist fulfilling the duties of Section 4053 shall not be
6 required to obtain a license as a designated representative.

7 (b) “Designated representative-in-charge” means a designated
8 representative or a pharmacist proposed by a wholesaler, third-party
9 logistics provider, or veterinary food-animal drug retailer and
10 approved by the board as the supervisor or manager responsible
11 for ensuring the compliance of the wholesaler, third-party logistics
12 provider, or veterinary food-animal drug retailer with all state and
13 federal laws and regulations pertaining to practice in the applicable
14 license category.

15 *SEC. 2. Section 4025.2 is added to the Business and Professions*
16 *Code, to read:*

17 4025.2. “Facility manager” means the individual who is
18 designated by a third-party logistics provider to oversee the facility
19 of the third-party logistics provider and who, in conjunction with
20 the quality assurance department of the third-party logistics
21 provider, is responsible for ensuring the third-party logistics
22 provider’s compliance with state and federal laws and the
23 third-party logistics provider’s customer specifications.

24 ~~SEC. 2:~~

25 *SEC. 3. Section 4040.5 of the Business and Professions Code*
26 *is amended to read:*

27 4040.5. “Reverse distributor” means every person who acts as
28 an agent for pharmacies, drug wholesalers, third-party logistics
29 providers, manufacturers, and other entities by receiving,
30 inventorying, warehousing, and managing the disposition of
31 outdated or nonsaleable dangerous drugs.

32 ~~SEC. 3:~~

33 *SEC. 4. Section 4043 of the Business and Professions Code is*
34 *amended to read:*

35 4043. “Wholesaler” means and includes a person who acts as
36 a wholesale merchant, broker, jobber, customs broker, reverse
37 distributor, agent, or a nonresident wholesaler, who sells for resale,
38 or negotiates for distribution, or takes possession of, any drug or

1 device included in Section 4022. Unless otherwise authorized by
2 law, a wholesaler may not store, warehouse, or authorize the
3 storage or warehousing of drugs with any person or at any location
4 not licensed by the board.

5 ~~SEC. 4. Section 4045 of the Business and Professions Code is~~
6 ~~amended to read:~~

7 ~~4045. “Third-party logistics provider” or “reverse third-party~~
8 ~~logistic provider” means an entity that contracts with a dangerous~~
9 ~~drug manufacturer to provide or coordinate warehousing,~~
10 ~~distribution, or other similar services on behalf of a manufacturer,~~
11 ~~but for which there is no change of ownership in the dangerous~~
12 ~~drugs.~~

13 ~~SEC. 5. Section 4045 of the Business and Professions Code is~~
14 ~~repealed.~~

15 ~~4045. “Third-party logistics provider” or “reverse third-party~~
16 ~~logistic provider” means an entity licensed as a wholesaler that~~
17 ~~contracts with a dangerous drug manufacturer to provide or~~
18 ~~coordinate warehousing, distribution, or other similar services on~~
19 ~~behalf of a manufacturer, but for which there is no change of~~
20 ~~ownership in the dangerous drugs. For purposes of Sections 4034,~~
21 ~~4163, 4163.1, 4163.2, 4163.3, 4163.4, and 4163.5, a third-party~~
22 ~~logistics provider shall not be responsible for generating or~~
23 ~~updating pedigree documentation, but shall maintain copies of the~~
24 ~~pedigree. To be exempt from documentation for pedigrees, a~~
25 ~~reverse third-party logistic provider may only accept~~
26 ~~decommissioned drugs from pharmacies or wholesalers.~~

27 ~~SEC. 6. Section 4045 is added to the Business and Professions~~
28 ~~Code, to read:~~

29 ~~4045. “Third-party logistics provider” or “reverse third-party~~
30 ~~logistic provider” means an entity that provides or coordinates~~
31 ~~warehousing or other logistics services of a product in interstate~~
32 ~~commerce on behalf of a manufacturer, wholesaler, or dispenser~~
33 ~~of a product, but does not take ownership of the product, nor have~~
34 ~~responsibility to direct the sale or disposition of the product.~~

35 ~~SEC. 5.~~

36 ~~SEC. 7. Section 4053 of the Business and Professions Code is~~
37 ~~amended to read:~~

38 ~~4053. (a) Notwithstanding Section 4051, the board may issue~~
39 ~~a license as a designated representative to provide sufficient and~~
40 ~~qualified supervision in a wholesaler, third-party logistics provider,~~

1 or veterinary food-animal drug retailer. The designated
2 representative shall protect the public health and safety in the
3 handling, storage, warehousing, distribution, and shipment of
4 dangerous drugs and dangerous devices in the wholesaler,
5 third-party logistics provider, or veterinary food-animal drug
6 retailer.

7 (b) An individual who is at least 18 years of age may apply for
8 a designated representative license. In order to obtain and maintain
9 that license, the individual shall meet all of the following
10 requirements:

11 (1) He or she shall be a high school graduate or possess a general
12 education development certificate equivalent.

13 (2) He or she shall have a minimum of one year of paid work
14 experience in a licensed pharmacy, or with a drug wholesaler,
15 third-party logistics provider, drug distributor, or drug
16 manufacturer, in the past three years, related to the distribution or
17 dispensing of dangerous drugs or dangerous devices or meet all
18 of the prerequisites to take the examination required for licensure
19 as a pharmacist by the board.

20 (3) He or she shall complete a training program approved by
21 the board that, at a minimum, addresses each of the following
22 subjects:

23 (A) Knowledge and understanding of California law and federal
24 law relating to the distribution of dangerous drugs and dangerous
25 devices.

26 (B) Knowledge and understanding of California law and federal
27 law relating to the distribution of controlled substances.

28 (C) Knowledge and understanding of quality control systems.

29 (D) Knowledge and understanding of the United States
30 Pharmacopoeia standards relating to the safe storage and handling
31 of drugs.

32 (E) Knowledge and understanding of prescription terminology,
33 abbreviations, dosages, and format.

34 (4) The board may, by regulation, require training programs to
35 include additional material.

36 (5) The board shall not issue a license as a designated
37 representative until the applicant provides proof of completion of
38 the required training to the board.

1 (c) The wholesaler, third-party logistics provider, or veterinary
2 food-animal drug retailer shall not operate without a pharmacist
3 or a designated representative on its premises.

4 (d) Only a pharmacist or a designated representative shall
5 prepare and affix the label to veterinary food-animal drugs.

6 (e) Section 4051 shall not apply to any laboratory licensed under
7 Section 351 of Title III of the Public Health Service Act (Public
8 Law 78-410).

9 ~~SEC. 6.~~

10 *SEC. 8.* Section 4060 of the Business and Professions Code is
11 amended to read:

12 4060. A person shall not possess any controlled substance,
13 except that furnished to a person upon the prescription of a
14 physician, dentist, podiatrist, optometrist, veterinarian, or
15 naturopathic doctor pursuant to Section 3640.7, or furnished
16 pursuant to a drug order issued by a certified nurse-midwife
17 pursuant to Section 2746.51, a nurse practitioner pursuant to
18 Section 2836.1, a physician assistant pursuant to Section 3502.1,
19 a naturopathic doctor pursuant to Section 3640.5, or a pharmacist
20 pursuant to Section 4052.1, 4052.2, or 4052.6. This section does
21 not apply to the possession of any controlled substance by a
22 manufacturer, wholesaler, third-party logistics provider, pharmacy,
23 pharmacist, physician, podiatrist, dentist, optometrist, veterinarian,
24 naturopathic doctor, certified nurse-midwife, nurse practitioner,
25 or physician assistant, if in stock in containers correctly labeled
26 with the name and address of the supplier or producer.

27 This section does not authorize a certified nurse-midwife, a nurse
28 practitioner, a physician assistant, or a naturopathic doctor, to order
29 his or her own stock of dangerous drugs and devices.

30 ~~SEC. 7.~~

31 *SEC. 9.* Section 4081 of the Business and Professions Code is
32 amended to read:

33 4081. (a) All records of manufacture and of sale, acquisition,
34 or disposition of dangerous drugs or dangerous devices shall be
35 at all times during business hours open to inspection by authorized
36 officers of the law, and shall be preserved for at least three years
37 from the date of making. A current inventory shall be kept by every
38 manufacturer, wholesaler, third-party logistics provider, pharmacy,
39 veterinary food-animal drug retailer, physician, dentist, podiatrist,
40 veterinarian, laboratory, clinic, hospital, institution, or

1 establishment holding a currently valid and unrevoked certificate,
2 license, permit, registration, or exemption under Division 2
3 (commencing with Section 1200) of the Health and Safety Code
4 or under Part 4 (commencing with Section 16000) of Division 9
5 of the Welfare and Institutions Code who maintains a stock of
6 dangerous drugs or dangerous devices.

7 (b) The owner, officer, and partner of a pharmacy, wholesaler,
8 third-party logistics provider, or veterinary food-animal drug
9 retailer shall be jointly responsible, with the pharmacist-in-charge
10 or designated representative-in-charge, for maintaining the records
11 and inventory described in this section.

12 (c) The pharmacist-in-charge or designated
13 representative-in-charge shall not be criminally responsible for
14 acts of the owner, officer, partner, or employee that violate this
15 section and of which the pharmacist-in-charge or designated
16 representative-in-charge had no knowledge, or in which he or she
17 did not knowingly participate.

18 ~~SEC. 8.~~

19 *SEC. 10.* Section 4101 of the Business and Professions Code
20 is amended to read:

21 4101. (a) A pharmacist may take charge of and act as the
22 pharmacist-in-charge of a pharmacy upon application by the
23 pharmacy and approval by the board. Any pharmacist-in-charge
24 who ceases to act as the pharmacist-in-charge of the pharmacy
25 shall notify the board in writing within 30 days of the date of that
26 change in status.

27 (b) A designated representative or a pharmacist may take charge
28 of, and act as, the designated representative-in-charge of a
29 wholesaler, third-party logistics provider, or veterinary food-animal
30 drug retailer upon application by the wholesaler, third-party
31 logistics provider, or veterinary food-animal drug retailer and
32 approval by the board. Any designated representative-in-charge
33 who ceases to act as the designated representative-in-charge at that
34 entity shall notify the board in writing within 30 days of the date
35 of that change in status.

36 ~~SEC. 9.~~

37 *SEC. 11.* Section 4105 of the Business and Professions Code
38 is amended to read:

39 4105. (a) All records or other documentation of the acquisition
40 and disposition of dangerous drugs and dangerous devices by any

1 entity licensed by the board shall be retained on the licensed
2 premises in a readily retrievable form.

3 (b) The licensee may remove the original records or
4 documentation from the licensed premises on a temporary basis
5 for license-related purposes. However, a duplicate set of those
6 records or other documentation shall be retained on the licensed
7 premises.

8 (c) The records required by this section shall be retained on the
9 licensed premises for a period of three years from the date of
10 making.

11 (d) Any records that are maintained electronically shall be
12 maintained so that the pharmacist-in-charge, the pharmacist on
13 duty if the pharmacist-in-charge is not on duty, or, in the case of
14 a veterinary food-animal drug retailer, wholesaler, third-party
15 logistics provider, or the designated representative on duty, shall,
16 at all times during which the licensed premises are open for
17 business, be able to produce a hardcopy and electronic copy of all
18 records of acquisition or disposition or other drug or
19 dispensing-related records maintained electronically.

20 (e) (1) Notwithstanding subdivisions (a), (b), and (c), the board,
21 may upon written request, grant to a licensee a waiver of the
22 requirements that the records described in subdivisions (a), (b),
23 and (c) be kept on the licensed premises.

24 (2) A waiver granted pursuant to this subdivision shall not affect
25 the board’s authority under this section or any other provision of
26 this chapter.

27 (f) When requested by an authorized officer of the law or by an
28 authorized representative of the board, the owner, corporate officer,
29 or manager of an entity licensed by the board shall provide the
30 board with the requested records within three business days of the
31 time the request was made. The entity may request in writing an
32 extension of this timeframe for a period not to exceed 14 calendar
33 days from the date the records were requested. A request for an
34 extension of time is subject to the approval of the board. An
35 extension shall be deemed approved if the board fails to deny the
36 extension request within two business days of the time the
37 extension request was made directly to the board.

38 ~~SEC. 10.~~

39 *SEC. 12.* Section 4120 of the Business and Professions Code
40 is amended to read:

1 4120. (a) A nonresident pharmacy shall not sell or distribute
2 dangerous drugs or dangerous devices in this state through any
3 person or media other than a wholesaler or third-party logistics
4 provider who has obtained a license pursuant to this chapter or
5 through a selling or distribution outlet that is licensed as a
6 wholesaler or third-party logistics provider pursuant to this chapter
7 without registering as a nonresident pharmacy.

8 (b) Applications for a nonresident pharmacy registration shall
9 be made on a form furnished by the board. The board may require
10 any information as the board deems reasonably necessary to carry
11 out the purposes of this section.

12 (c) The Legislature, by enacting this section, does not intend a
13 license issued to any nonresident pharmacy pursuant to this section
14 to change or affect the tax liability imposed by Chapter 3
15 (commencing with Section 23501) of Part 11 of Division 2 of the
16 Revenue and Taxation Code on any nonresident pharmacy.

17 (d) The Legislature, by enacting this section, does not intend a
18 license issued to any nonresident pharmacy pursuant to this section
19 to serve as any evidence that the nonresident pharmacy is doing
20 business within this state.

21 ~~SEC. 11.~~

22 *SEC. 13.* Section 4126 of the Business and Professions Code
23 is amended to read:

24 4126. (a) Notwithstanding any other law, a covered entity may
25 contract with a pharmacy to provide pharmacy services to patients
26 of the covered entity, as defined in Section 256b of Title 42 of the
27 United States Code, including dispensing preferentially priced
28 drugs obtained pursuant to Section 256b of Title 42 of the United
29 States Code. Contracts between those covered entities and
30 pharmacies shall comply with guidelines published by the Health
31 Resources and Services Administration and shall be available for
32 inspection by board staff during normal business hours.

33 (b) Drugs purchased pursuant to Section 256b of Title 42 of the
34 United States Code and received by a pharmacy shall be segregated
35 from the pharmacy's other drug stock by either physical or
36 electronic means. All records of acquisition and disposition of
37 these drugs shall be readily retrievable in a form separate from the
38 pharmacy's other records.

39 (c) Drugs obtained by a pharmacy to be dispensed to patients
40 of a covered entity pursuant to Section 256b of Title 42 of the

1 United States Code that cannot be distributed because of a change
 2 in circumstances for the covered entity or the pharmacy shall be
 3 returned to the distributor from which they were obtained. For the
 4 purposes of this section, a change in circumstances includes, but
 5 is not limited to, the termination or expiration of the contract
 6 between the pharmacy and the covered entity, the closure of a
 7 pharmacy, disciplinary action against the pharmacy, or closure of
 8 the covered entity.

9 (d) A licensee that participates in a contract to dispense
 10 preferentially priced drugs pursuant to this section shall not have
 11 both a pharmacy and a wholesaler license, or both a pharmacy and
 12 a third-party logistics provider license.

13 (e) Neither a covered entity nor a pharmacy shall be required
 14 to obtain a license as a wholesaler or a third-party logistics provider
 15 based on acts reasonably necessary to fully participate in the drug
 16 purchase program established by Section 256b of Title 42 of the
 17 United States Code.

18 ~~SEC. 12.~~

19 *SEC. 14.* Section 4149 of the Business and Professions Code
 20 is amended to read:

21 4149. (a) A nonresident distributor shall not sell or distribute
 22 hypodermic needles or syringes in this state without obtaining a
 23 license from the board pursuant to Section 4141.

24 (b) Notwithstanding subdivision (a), a license is not required if
 25 the nonresident distributor sells or distributes solely through a
 26 person who is licensed as a wholesaler or third-party logistics
 27 provider pursuant to Section 4160.

28 (c) The Legislature, by enacting this section, does not intend a
 29 license issued to any nonresident distributor pursuant to this article
 30 to serve as evidence that the entity is doing business within this
 31 state.

32 ~~SEC. 13.~~

33 *SEC. 15.* The heading of Article 11 (commencing with Section
 34 4160) of Chapter 9 of Division 2 of the Business and Professions
 35 Code is amended to read:

36
 37 Article 11. Wholesalers, Third-Party Logistics Providers, and
 38 Manufacturers
 39

1 ~~SEC. 14.~~

2 *SEC. 16.* Section 4160 of the Business and Professions Code
3 is amended to read:

4 4160. (a) A person shall not act as a wholesaler or third-party
5 logistics provider of any dangerous drug or dangerous device unless
6 he or she has obtained a license from the board.

7 (b) Upon approval by the board and the payment of the required
8 fee, the board shall issue a license to the applicant.

9 (c) A separate license shall be required for each place of business
10 owned or operated by a wholesaler or third-party logistics provider.
11 Each license shall be renewed annually and shall not be
12 transferable.

13 (d) Every wholesaler or third-party logistics provider shall be
14 supervised or managed by a designated representative-in-charge.
15 The designated representative-in-charge shall be responsible for
16 the compliance of the wholesaler or third-party logistics provider
17 with state and federal laws governing wholesalers and third-party
18 logistics providers. As part of its initial application for a license,
19 and for each renewal, each wholesaler or third-party logistics
20 provider shall, on a form designed by the board, provide identifying
21 information and the California license number for a designated
22 representative or pharmacist proposed to serve as the designated
23 representative-in-charge. The proposed designated
24 representative-in-charge shall be subject to approval by the board.
25 The board shall not issue or renew a wholesaler or third-party
26 logistics provider license without identification of an approved
27 designated representative-in-charge for the wholesaler or
28 third-party logistics provider.

29 (e) A wholesaler or third-party logistics provider shall notify
30 the board in writing, on a form designed by the board, within 30
31 days of the date when a designated representative-in-charge ceases
32 to act as the designated representative-in-charge, and shall on the
33 same form propose another designated representative or pharmacist
34 to take over as the designated representative-in-charge. The
35 proposed replacement designated representative-in-charge shall
36 be subject to approval by the board. If disapproved, the wholesaler
37 or third-party logistics provider shall propose another replacement
38 within 15 days of the date of disapproval, and shall continue to
39 name proposed replacements until a designated
40 representative-in-charge is approved by the board.

1 (f) A drug manufacturer premises licensed by the Food and
2 Drug Administration or licensed pursuant to Section 111615 of
3 the Health and Safety Code that only distributes dangerous drugs
4 and dangerous devices of its own manufacture is exempt from this
5 section and Section 4161.

6 (g) The board may issue a temporary license, upon conditions
7 and for periods of time as the board determines to be in the public
8 interest. A temporary license fee shall be required in an amount
9 established by the board as specified in subdivision (f) of Section
10 4400. When needed to protect public safety, a temporary license
11 may be issued for a period not to exceed 180 days, subject to terms
12 and conditions that the board deems necessary. If the board
13 determines that a temporary license was issued by mistake or denies
14 the application for a permanent license, the temporary license shall
15 terminate upon either personal service of the notice of termination
16 upon the licenseholder or service by certified mail, return receipt
17 requested, at the licenseholder's address of record with the board,
18 whichever occurs first. Neither for purposes of retaining a
19 temporary license, nor for purposes of any disciplinary or license
20 denial proceeding before the board, shall the temporary
21 licenseholder be deemed to have a vested property right or interest
22 in the license.

23 ~~SEC. 15.~~

24 *SEC. 17.* Section 4161 of the Business and Professions Code
25 is amended to read:

26 4161. (a) A person located outside this state that (1) ships,
27 sells, mails, warehouses, distributes, or delivers dangerous drugs
28 or dangerous devices into this state or (2) sells, brokers,
29 warehouses, or distributes dangerous drugs or devices within this
30 state shall be considered a nonresident wholesaler or a nonresident
31 third-party logistics provider.

32 (b) A nonresident wholesaler or nonresident third-party logistics
33 provider shall be licensed by the board prior to shipping, selling,
34 mailing, warehousing, distributing, or delivering dangerous drugs
35 or dangerous devices to a site located in this state or selling,
36 brokering, warehousing, or distributing dangerous drugs or devices
37 within this state.

38 (c) A separate license shall be required for each place of business
39 owned or operated by a nonresident wholesaler or nonresident
40 third-party logistics provider from or through which dangerous

1 drugs or dangerous devices are shipped, sold, mailed, warehoused,
2 distributed, or delivered to a site located in this state or sold,
3 brokered, warehoused, or distributed within this state. A license
4 shall be renewed annually and shall not be transferable.

5 (d) The following information shall be reported, in writing, to
6 the board at the time of initial application for licensure by a
7 nonresident wholesaler or a nonresident third-party logistics
8 provider, on renewal of a nonresident wholesaler or nonresident
9 third-party logistics provider license, or within 30 days of a change
10 in that information:

- 11 (1) Its agent for service of process in this state.
- 12 (2) Its principal corporate officers, as specified by the board, if
13 any.
- 14 (3) Its general partners, as specified by the board, if any.
- 15 (4) Its owners if the applicant is not a corporation or partnership.

16 (e) A report containing the information in subdivision (d) shall
17 be made within 30 days of any change of ownership, office,
18 corporate officer, or partner.

19 (f) A nonresident wholesaler or nonresident third-party logistics
20 provider shall comply with all directions and requests for
21 information from the regulatory or licensing agency of the state
22 in which it is licensed, as well as with all requests for information
23 made by the board.

24 (g) A nonresident wholesaler or nonresident third-party logistics
25 provider shall maintain records of dangerous drugs and dangerous
26 devices sold, traded, transferred, warehoused, or distributed to
27 persons in this state or within this state, so that the records are in
28 a readily retrievable form.

29 (h) A nonresident wholesaler or nonresident third-party logistics
30 provider shall at all times maintain a valid, unexpired license,
31 permit, or registration to conduct the business of the wholesaler
32 or nonresident third-party logistics provider in compliance with
33 the laws of the state in which it is a resident. An application for a
34 nonresident wholesaler or nonresident third-party logistics provider
35 license in this state shall include a license verification from the
36 licensing authority in the applicant's state of residence.

37 (i) The board shall not issue or renew a nonresident wholesaler
38 or nonresident third-party logistics provider license until the
39 nonresident wholesaler or nonresident third-party logistics provider
40 identifies a designated representative-in-charge and notifies the

1 board in writing of the identity and license number of the
2 designated representative-in-charge.

3 (j) The designated representative-in-charge shall be responsible
4 for the compliance of the nonresident wholesaler or nonresident
5 third-party logistics provider with state and federal laws governing
6 wholesalers and third-party logistics providers. A nonresident
7 wholesaler or nonresident third-party logistics provider shall
8 identify and notify the board of a new designated
9 representative-in-charge within 30 days of the date that the prior
10 designated representative-in-charge ceases to be the designated
11 representative-in-charge.

12 (k) The board may issue a temporary license, upon conditions
13 and for periods of time as the board determines to be in the public
14 interest. A temporary license fee shall be five hundred fifty dollars
15 (\$550) or another amount established by the board not to exceed
16 the annual fee for renewal of a license to compound injectable
17 sterile drug products. When needed to protect public safety, a
18 temporary license may be issued for a period not to exceed 180
19 days, subject to terms and conditions that the board deems
20 necessary. If the board determines that a temporary license was
21 issued by mistake or denies the application for a permanent license,
22 the temporary license shall terminate upon either personal service
23 of the notice of termination upon the licenseholder or service by
24 certified mail, return receipt requested, at the licenseholder's
25 address of record with the board, whichever occurs first. Neither
26 for purposes of retaining a temporary license, nor for purposes of
27 any disciplinary or license denial proceeding before the board,
28 shall the temporary licenseholder be deemed to have a vested
29 property right or interest in the license.

30 (l) The registration fee shall be the fee specified in subdivision
31 (f) of Section 4400.

32 ~~SEC. 16.~~

33 *SEC. 18.* Section 4162 of the Business and Professions Code
34 is amended to read:

35 4162. (a) (1) An applicant for the issuance or renewal of a
36 wholesaler or third-party logistics provider license, which is not
37 government owned and operated, shall submit a surety bond of
38 one hundred thousand dollars (\$100,000) or other equivalent means
39 of security acceptable to the board payable to the Pharmacy Board
40 Contingent Fund. The purpose of the surety bond is to secure

1 payment of any administrative fine imposed by the board and any
2 cost recovery ordered pursuant to Section 125.3.

3 (2) For purposes of paragraph (1), the board may accept a surety
4 bond less than one hundred thousand dollars (\$100,000) if the
5 annual gross receipts of the previous tax year for the wholesaler
6 or third-party logistics provider is ten million dollars (\$10,000,000)
7 or less, in which case the surety bond shall be twenty-five thousand
8 dollars (\$25,000).

9 (3) A person to whom an approved new drug application has
10 been issued by the United States Food and Drug Administration
11 who engages in the wholesale distribution of only the dangerous
12 drug specified in the new drug application, and is licensed or
13 applies for licensure as a wholesaler or third-party logistics
14 provider, shall not be required to post a surety bond as provided
15 in paragraph (1).

16 (4) For licensees subject to paragraph (2) or (3), the board may
17 require a bond up to one hundred thousand dollars (\$100,000) for
18 any licensee who has been disciplined by any state or federal
19 agency or has been issued an administrative fine pursuant to this
20 chapter.

21 (b) The board may make a claim against the bond if the licensee
22 fails to pay a fine within 30 days after the order imposing the fine,
23 or costs become final.

24 (c) A single surety bond or other equivalent means of security
25 acceptable to the board shall satisfy the requirement of subdivision
26 (a) for all licensed sites under common control as defined in
27 Section 4126.5.

28 ~~SEC. 17.~~

29 *SEC. 19.* Section 4162.5 of the Business and Professions Code
30 is amended to read:

31 4162.5. (a) (1) An applicant for the issuance or renewal of a
32 nonresident wholesaler or *nonresident* third-party logistics provider
33 license shall submit a surety bond of one hundred thousand dollars
34 (\$100,000), or other equivalent means of security acceptable to
35 the board, such as an irrevocable letter of credit, or a deposit in a
36 trust account or financial institution, payable to the Pharmacy
37 Board Contingent Fund. The purpose of the surety bond is to secure
38 payment of any administrative fine imposed by the board and any
39 cost recovery ordered pursuant to Section 125.3.

1 (2) For purposes of paragraph (1), the board may accept a surety
 2 bond less than one hundred thousand dollars (\$100,000) if the
 3 annual gross receipts of the previous tax year for the nonresident
 4 wholesaler or *the nonresident* third-party logistics provider is ten
 5 million dollars (\$10,000,000) or less, in which case the surety bond
 6 shall be twenty-five thousand dollars (\$25,000).

7 (3) For applicants who satisfy paragraph (2), the board may
 8 require a bond up to one hundred thousand dollars (\$100,000) for
 9 any nonresident wholesaler or *nonresident* third-party logistics
 10 provider who has been disciplined by any state or federal agency
 11 or has been issued an administrative fine pursuant to this chapter.

12 (4) A person to whom an approved new drug application or a
 13 biologics license application has been issued by the United States
 14 Food and Drug Administration who engages in the wholesale
 15 distribution of only the dangerous drug specified in the new drug
 16 application or biologics license application, and is licensed or
 17 applies for licensure as a nonresident wholesaler or *a nonresident*
 18 third-party logistics provider, shall not be required to post a surety
 19 bond as provided in this section.

20 (b) The board may make a claim against the bond if the licensee
 21 fails to pay a fine within 30 days of the issuance of the fine or
 22 when the costs become final.

23 (c) A single surety bond or other equivalent means of security
 24 acceptable to the board shall satisfy the requirement of subdivision
 25 (a) for all licensed sites under common control as defined in
 26 Section 4126.5.

27 ~~SEC. 18.~~

28 *SEC. 20.* Section 4164 of the Business and Professions Code
 29 is amended to read:

30 4164. (a) A wholesaler or third-party logistics provider licensed
 31 by the board that distributes controlled substances, dangerous
 32 drugs, or dangerous devices within or into this state shall report
 33 to the board all distributions of dangerous drugs and controlled
 34 substances that are subject to abuse, as determined by the board.

35 (b) Each wholesaler shall develop and maintain a system for
 36 tracking individual sales of dangerous drugs at preferential or
 37 contract prices to pharmacies that primarily or solely dispense
 38 prescription drugs to patients of long-term care facilities. The
 39 system shall be capable of identifying purchases of any dangerous
 40 drug at preferential or contract prices by customers that vary

1 significantly from prior ordering patterns for the same customer,
2 including by identifying purchases in the preceding 12 calendar
3 months by that customer or similar customers and identifying
4 current purchases that exceed prior purchases by either that
5 customer or similar customers by a factor of 20 percent.

6 (c) Upon written, oral, or electronic request by the board, a
7 wholesaler shall furnish data tracked pursuant to subdivision (b)
8 to the board in written, hardcopy, or electronic form. The board
9 shall specify the dangerous drugs, the customers, or both the
10 dangerous drugs and customers for which data are to be furnished,
11 and the wholesaler shall have 30 calendar days to comply with the
12 request.

13 (d) As used in this section, “preferential or contract prices”
14 means and refers to purchases by contract of dangerous drugs at
15 prices below the market wholesale price for those drugs.

16 ~~SEC. 19.~~

17 *SEC. 21.* Section 4165 of the Business and Professions Code
18 is amended to read:

19 4165. A wholesaler or third-party logistics provider licensed
20 by the board who sells or transfers any dangerous drug or
21 dangerous device into this state or who receives, by sale or
22 otherwise, any dangerous drug or dangerous device from any
23 person in this state shall, on request, furnish an authorized officer
24 of the law with all records or other documentation of that sale or
25 transfer.

26 ~~SEC. 20.~~

27 *SEC. 22.* Section 4166 of the Business and Professions Code
28 is amended to read:

29 4166. (a) Any wholesaler that uses the services of any
30 third-party logistics provider or carrier, including, but not limited
31 to, the United States Postal Service or any common carrier, shall
32 be liable for the security and integrity of any dangerous drugs or
33 dangerous devices through that provider or carrier until the drugs
34 or devices are delivered to the transferee at its board-licensed
35 premises.

36 (b) Nothing in this section is intended to affect the liability of
37 a wholesaler, third-party logistics provider, or other distributor for
38 dangerous drugs or dangerous devices after their delivery to the
39 transferee.

1 ~~SEC. 21.~~

2 *SEC. 23.* Section 4167 of the Business and Professions Code
3 is amended to read:

4 4167. A wholesaler or third-party logistics provider shall not
5 obtain, by purchase or otherwise, any dangerous drugs or dangerous
6 devices that it cannot maintain, in a secure manner, on the premises
7 licensed by the board.

8 ~~SEC. 22.~~

9 *SEC. 24.* Section 4168 of the Business and Professions Code
10 is amended to read:

11 4168. A county or municipality shall not issue a business
12 license for any establishment that requires a wholesaler or
13 third-party logistics provider license unless the establishment
14 possesses a current wholesaler or third-party logistics provider
15 license issued by the board. For purposes of this section, an
16 “establishment” is the licensee’s physical location in California.

17 ~~SEC. 23.~~

18 *SEC. 25.* Section 4169 of the Business and Professions Code
19 is amended to read:

20 4169. (a) A person or entity shall not do any of the following:

21 (1) Purchase, trade, sell, warehouse, distribute, or transfer
22 dangerous drugs or dangerous devices at wholesale with a person
23 or entity that is not licensed with the board as a wholesaler,
24 third-party logistics provider, or pharmacy.

25 (2) Purchase, trade, sell, or transfer dangerous drugs that the
26 person knew or reasonably should have known were adulterated,
27 as set forth in Article 2 (commencing with Section 111250) of
28 Chapter 6 of Part 5 of Division 104 of the Health and Safety Code.

29 (3) Purchase, trade, sell, or transfer dangerous drugs that the
30 person knew or reasonably should have known were misbranded,
31 as defined in Section 111335 of the Health and Safety Code.

32 (4) Purchase, trade, sell, or transfer dangerous drugs or
33 dangerous devices after the beyond use date on the label.

34 (5) Fail to maintain records of the acquisition or disposition of
35 dangerous drugs or dangerous devices for at least three years.

36 (b) Notwithstanding any other law, a violation of this section
37 may subject the person or entity that has committed the violation
38 to a fine not to exceed the amount specified in Section 125.9 for
39 each occurrence, pursuant to a citation issued by the board.

1 (c) Amounts due from any person under this section shall be
2 offset as provided under Section 12419.5 of the Government Code.
3 Amounts received by the board under this section shall be deposited
4 into the Pharmacy Board Contingent Fund.

5 (d) This section shall not apply to a pharmaceutical manufacturer
6 licensed by the Food and Drug Administration or by the State
7 Department of Public Health.

8 ~~SEC. 24.~~

9 *SEC. 26.* Section 4201 of the Business and Professions Code
10 is amended to read:

11 4201. (a) Each application to conduct a pharmacy, wholesaler,
12 third-party logistics provider, or veterinary food-animal drug
13 retailer, shall be made on a form furnished by the board, and shall
14 state the name, address, usual occupation, and professional
15 qualifications, if any, of the applicant. If the applicant is other than
16 a natural person, the application shall state the information as to
17 each person beneficially interested therein.

18 (b) As used in this section, and subject to subdivision (c), the
19 term “person beneficially interested” means and includes:

20 (1) If the applicant is a partnership or other unincorporated
21 association, each partner or member.

22 (2) If the applicant is a corporation, each of its officers, directors,
23 and stockholders, provided that no natural person shall be deemed
24 to be beneficially interested in a nonprofit corporation.

25 (3) If the applicant is a limited liability company, each officer,
26 manager, or member.

27 (c) If the applicant is a partnership or other unincorporated
28 association, a limited liability company, or a corporation, and the
29 number of partners, members, or stockholders, as the case may
30 be, exceeds five, the application shall so state, and shall further
31 state the information required by subdivision (a) as to each of the
32 five partners, members, or stockholders who own the five largest
33 interests in the applicant entity. Upon request by the executive
34 officer, the applicant shall furnish the board with the information
35 required by subdivision (a) as to partners, members, or stockholders
36 not named in the application, or shall refer the board to an
37 appropriate source of that information.

38 (d) The application shall contain a statement to the effect that
39 the applicant has not been convicted of a felony and has not
40 violated any of the provisions of this chapter. If the applicant

1 cannot make this statement, the application shall contain a
2 statement of the violation, if any, or reasons which will prevent
3 the applicant from being able to comply with the requirements
4 with respect to the statement.

5 (e) Upon the approval of the application by the board and
6 payment of the fee required by this chapter for each pharmacy,
7 wholesaler, third-party logistics provider, or veterinary food-animal
8 drug retailer, the executive officer of the board shall issue a license
9 to conduct a pharmacy, wholesaler, third-party logistics provider,
10 or veterinary food-animal drug retailer, if all of the provisions of
11 this chapter have been complied with.

12 (f) Notwithstanding any other law, the pharmacy license shall
13 authorize the holder to conduct a pharmacy. The license shall be
14 renewed annually and shall not be transferable.

15 (g) Notwithstanding any other law, the wholesaler license shall
16 authorize the holder to wholesale dangerous drugs and dangerous
17 devices. The license shall be renewed annually and shall not be
18 transferable.

19 (h) Notwithstanding any other law, the third-party logistics
20 provider license shall authorize the holder to provide or coordinate
21 warehousing, distribution, or other similar services of dangerous
22 drugs and dangerous devices. The license shall be renewed annually
23 and shall not be transferable.

24 (i) Notwithstanding any other law, the veterinary food-animal
25 drug retailer license shall authorize the holder to conduct a
26 veterinary food-animal drug retailer and to sell and dispense
27 veterinary food-animal drugs as defined in Section 4042.

28 (j) For licenses referred to in subdivisions (f), (g), (h), and (i),
29 any change in the proposed beneficial ownership interest shall be
30 reported to the board within 30 days thereafter upon a form to be
31 furnished by the board.

32 ~~SEC. 25.~~

33 *SEC. 27.* Section 4305.5 of the Business and Professions Code
34 is amended to read:

35 4305.5. (a) A person that is licensed as a wholesaler,
36 third-party logistics provider, or veterinary food-animal drug
37 retailer, shall notify the board within 30 days of the termination
38 of employment of the designated representative-in-charge. Failure
39 to notify the board within the 30-day period shall constitute grounds
40 for disciplinary action.

1 (b) A person that is licensed as a wholesaler, third-party logistics
2 provider, or veterinary food-animal drug retailer, that willfully
3 fails to notify the board of the termination of employment of the
4 designated representative-in-charge at its licensed place of business,
5 and that continues to operate the place of business in the absence
6 of the designated representative-in-charge for that place of business
7 shall be subject to summary suspension or revocation of its license
8 as a wholesaler, third-party logistics provider, or veterinary
9 food-animal drug retailer at that place of business.

10 (c) A designated representative-in-charge of a wholesaler,
11 third-party logistics provider, or veterinary food-animal drug
12 retailer, who terminates his or her employment at the licensed
13 place of business, shall notify the board within 30 days of the
14 termination of employment. Failure to notify the board within the
15 30-day period shall constitute grounds for disciplinary action.

16 ~~SEC. 26.~~

17 *SEC. 28.* Section 4312 of the Business and Professions Code
18 is amended to read:

19 4312. (a) The board may cancel the license of a wholesaler,
20 third-party logistics provider, pharmacy, or veterinary food-animal
21 drug retailer if the licensed premises remain closed, as defined in
22 subdivision (e), other than by order of the board. For good cause
23 shown, the board may cancel a license after a shorter period of
24 closure. To cancel a license pursuant to this subdivision, the board
25 shall make a diligent, good faith effort to give notice by personal
26 service on the licensee. If a written objection is not received within
27 10 days after personal service is made or a diligent, good faith
28 effort to give notice by personal service on the licensee has failed,
29 the board may cancel the license without the necessity of a hearing.
30 If the licensee files a written objection, the board shall file an
31 accusation based on the licensee remaining closed. Proceedings
32 shall be conducted in accordance with Chapter 5 (commencing
33 with Section 11500) of Part 1 of Division 3 of Title 2 of the
34 Government Code, and the board shall have all the powers granted
35 in that chapter.

36 (b) If the license of a wholesaler, third-party logistics provider,
37 pharmacy, or veterinary food-animal drug retailer is canceled
38 pursuant to subdivision (a) or revoked pursuant to Article 19
39 (commencing with Section 4300), or a wholesaler, third-party
40 logistics provider, pharmacy, or veterinary food-animal drug

1 retailer notifies the board of its intent to remain closed or to
2 discontinue business, the licensee shall, within 10 days thereafter,
3 arrange for the transfer of all dangerous drugs and controlled
4 substances or dangerous devices to another licensee authorized to
5 possess the dangerous drugs and controlled substances or dangerous
6 devices. The licensee transferring the dangerous drugs and
7 controlled substances or dangerous devices shall immediately
8 confirm in writing to the board that the transfer has taken place.

9 (c) If a wholesaler, third-party logistics provider, pharmacy, or
10 veterinary food-animal drug retailer fails to comply with
11 subdivision (b), the board may seek and obtain an order from the
12 superior court in the county in which the wholesaler, third-party
13 logistics provider, pharmacy, or veterinary food-animal drug
14 retailer is located, authorizing the board to enter the wholesaler,
15 third-party logistics provider, pharmacy, or veterinary food-animal
16 drug retailer and inventory and store, transfer, sell, or arrange for
17 the sale of, all dangerous drugs and controlled substances and
18 dangerous devices found in the wholesaler, third-party logistics
19 provider, pharmacy, or veterinary food-animal drug retailer.

20 (d) If the board sells or arranges for the sale of any dangerous
21 drugs, controlled substances, or dangerous devices pursuant to
22 subdivision (c), the board may retain from the proceeds of the sale
23 an amount equal to the cost to the board of obtaining and enforcing
24 an order issued pursuant to subdivision (c), including the cost of
25 disposing of the dangerous drugs, controlled substances, or
26 dangerous devices. The remaining proceeds, if any, shall be
27 returned to the licensee from whose premises the dangerous drugs
28 or controlled substances or dangerous devices were removed.

29 (1) The licensee shall be notified of his or her right to the
30 remaining proceeds by personal service or by certified mail,
31 postage prepaid.

32 (2) If a statute or regulation requires the licensee to file with
33 the board his or her address, and any change of address, the notice
34 required by this subdivision may be sent by certified mail, postage
35 prepaid, to the latest address on file with the board and service of
36 notice in this manner shall be deemed completed on the 10th day
37 after the mailing.

38 (3) If the licensee is notified as provided in this subdivision,
39 and the licensee fails to contact the board for the remaining
40 proceeds within 30 calendar days after personal service has been

1 made or service by certified mail, postage prepaid, is deemed
2 completed, the remaining proceeds shall be deposited by the board
3 into the Pharmacy Board Contingent Fund. These deposits shall
4 be deemed to have been received pursuant to Chapter 7
5 (commencing with Section 1500) of Title 10 of Part 3 of the Code
6 of Civil Procedure and shall be subject to claim or other disposition
7 as provided in that chapter.

8 (e) For the purposes of this section, “closed” means not engaged
9 in the ordinary activity for which a license has been issued for at
10 least one day each calendar week during any 120-day period.

11 (f) Nothing in this section shall be construed as requiring a
12 pharmacy to be open seven days a week.

13 ~~SEC. 27.~~

14 *SEC. 29.* Section 4331 of the Business and Professions Code
15 is amended to read:

16 4331. (a) A person who is neither a pharmacist nor a
17 designated representative and who does either of the following,
18 except as otherwise provided in this chapter, is guilty of a
19 misdemeanor:

20 (1) Takes charge of a wholesaler, third-party logistics provider,
21 or veterinary food-animal drug retailer.

22 (2) Coordinates the warehousing or distribution of dangerous
23 drugs or dangerous devices or dispenses a prescription or furnishes
24 dangerous devices.

25 (b) A person licensed as a veterinary food-animal drug retailer
26 that fails to place in charge of that veterinary food-animal drug
27 retailer a pharmacist or designated representative, or any person
28 who, by himself or herself, or by any other person, permits the
29 dispensing of prescriptions, except by a pharmacist or designated
30 representative, or as otherwise provided in this chapter, is guilty
31 of a misdemeanor.

32 (c) A person licensed as a wholesaler or third-party logistics
33 provider that fails to place in charge of that wholesaler or
34 third-party logistics provider a pharmacist or designated
35 representative, or any person who, by himself or herself, or by any
36 other person, permits the furnishing of dangerous drugs or
37 dangerous devices, except by a pharmacist or designated
38 representative, or as otherwise provided in this chapter, is guilty
39 of a misdemeanor.

1 ~~SEC. 28.~~

2 *SEC. 30.* Section 4400 of the Business and Professions Code,
3 as added by Section 9 of Chapter 565 of the Statutes of 2013, is
4 amended to read:

5 4400. The amount of fees and penalties prescribed by this
6 chapter, except as otherwise provided, is that fixed by the board
7 according to the following schedule:

8 (a) The fee for a nongovernmental pharmacy license shall be
9 four hundred dollars (\$400) and may be increased to five hundred
10 twenty dollars (\$520). The fee for the issuance of a temporary
11 nongovernmental pharmacy permit shall be two hundred fifty
12 dollars (\$250) and may be increased to three hundred twenty-five
13 dollars (\$325).

14 (b) The fee for a nongovernmental pharmacy license annual
15 renewal shall be two hundred fifty dollars (\$250) and may be
16 increased to three hundred twenty-five dollars (\$325).

17 (c) The fee for the pharmacist application and examination shall
18 be two hundred dollars (\$200) and may be increased to two
19 hundred sixty dollars (\$260).

20 (d) The fee for regrading an examination shall be ninety dollars
21 (\$90) and may be increased to one hundred fifteen dollars (\$115).
22 If an error in grading is found and the applicant passes the
23 examination, the regrading fee shall be refunded.

24 (e) The fee for a pharmacist license and biennial renewal shall
25 be one hundred fifty dollars (\$150) and may be increased to one
26 hundred ninety-five dollars (\$195).

27 (f) The fee for a nongovernmental wholesaler or third-party
28 logistics provider license and annual renewal shall be seven
29 hundred eighty dollars (\$780) and may be decreased to no less
30 than six hundred dollars (\$600). The application fee for any
31 additional location after licensure of the first 20 locations shall be
32 three hundred dollars (\$300) and may be decreased to no less than
33 two hundred twenty-five dollars (\$225). A temporary license fee
34 shall be seven hundred fifteen dollars (\$715) and may be decreased
35 to no less than five hundred fifty dollars (\$550).

36 (g) The fee for a hypodermic license and renewal shall be one
37 hundred twenty-five dollars (\$125) and may be increased to one
38 hundred sixty-five dollars (\$165).

39 (h) (1) The fee for application, investigation, and issuance of
40 license as a designated representative pursuant to Section 4053

1 shall be three hundred thirty dollars (\$330) and may be decreased
2 to no less than two hundred fifty-five dollars (\$255).

3 (2) The fee for the annual renewal of a license as a designated
4 representative shall be one hundred ninety-five dollars (\$195) and
5 may be decreased to no less than one hundred fifty dollars (\$150).

6 (i) (1) The fee for the application, investigation, and issuance
7 of a license as a designated representative for a veterinary
8 food-animal drug retailer pursuant to Section 4053 shall be three
9 hundred thirty dollars (\$330) and may be decreased to no less than
10 two hundred fifty-five dollars (\$255).

11 (2) The fee for the annual renewal of a license as a designated
12 representative for a veterinary food-animal drug retailer shall be
13 one hundred ninety-five dollars (\$195) and may be decreased to
14 no less than one hundred fifty dollars (\$150).

15 (j) (1) The application fee for a nonresident wholesaler or
16 third-party logistics provider license issued pursuant to Section
17 4161 shall be seven hundred eighty dollars (\$780) and may be
18 decreased to no less than six hundred dollars (\$600).

19 (2) For nonresident wholesalers or third-party logistics providers
20 that have 21 or more facilities operating nationwide the application
21 fees for the first 20 locations shall be seven hundred eighty dollars
22 (\$780) and may be decreased to no less than six hundred dollars
23 (\$600). The application fee for any additional location after
24 licensure of the first 20 locations shall be three hundred dollars
25 (\$300) and may be decreased to no less than two hundred
26 twenty-five dollars (\$225). A temporary license fee shall be seven
27 hundred fifteen dollars (\$715) and may be decreased to no less
28 than five hundred fifty dollars (\$550).

29 (3) The annual renewal fee for a nonresident wholesaler license
30 or third-party logistics provider license issued pursuant to Section
31 4161 shall be seven hundred eighty dollars (\$780) and may be
32 decreased to no less than six hundred dollars (\$600).

33 (k) The fee for evaluation of continuing education courses for
34 accreditation shall be set by the board at an amount not to exceed
35 forty dollars (\$40) per course hour.

36 (l) The fee for an intern pharmacist license shall be ninety dollars
37 (\$90) and may be increased to one hundred fifteen dollars (\$115).
38 The fee for transfer of intern hours or verification of licensure to
39 another state shall be twenty-five dollars (\$25) and may be
40 increased to thirty dollars (\$30).

1 (m) The board may waive or refund the additional fee for the
2 issuance of a license where the license is issued less than 45 days
3 before the next regular renewal date.

4 (n) The fee for the reissuance of any license, or renewal thereof,
5 that has been lost or destroyed or reissued due to a name change
6 shall be thirty-five dollars (\$35) and may be increased to forty-five
7 dollars (\$45).

8 (o) The fee for the reissuance of any license, or renewal thereof,
9 that must be reissued because of a change in the information, shall
10 be one hundred dollars (\$100) and may be increased to one hundred
11 thirty dollars (\$130).

12 (p) It is the intent of the Legislature that, in setting fees pursuant
13 to this section, the board shall seek to maintain a reserve in the
14 Pharmacy Board Contingent Fund equal to approximately one
15 year's operating expenditures.

16 (q) The fee for any applicant for a nongovernmental clinic
17 license shall be four hundred dollars (\$400) and may be increased
18 to five hundred twenty dollars (\$520) for each license. The annual
19 fee for renewal of the license shall be two hundred fifty dollars
20 (\$250) and may be increased to three hundred twenty-five dollars
21 (\$325) for each license.

22 (r) The fee for the issuance of a pharmacy technician license
23 shall be eighty dollars (\$80) and may be increased to one hundred
24 five dollars (\$105). The fee for renewal of a pharmacy technician
25 license shall be one hundred dollars (\$100) and may be increased
26 to one hundred thirty dollars (\$130).

27 (s) The fee for a veterinary food-animal drug retailer license
28 shall be four hundred five dollars (\$405) and may be increased to
29 four hundred twenty-five dollars (\$425). The annual renewal fee
30 for a veterinary food-animal drug retailer license shall be two
31 hundred fifty dollars (\$250) and may be increased to three hundred
32 twenty-five dollars (\$325).

33 (t) The fee for issuance of a retired license pursuant to Section
34 4200.5 shall be thirty-five dollars (\$35) and may be increased to
35 forty-five dollars (\$45).

36 (u) The fee for issuance or renewal of a nongovernmental sterile
37 compounding pharmacy license shall be six hundred dollars (\$600)
38 and may be increased to seven hundred eighty dollars (\$780). The
39 fee for a temporary license shall be five hundred fifty dollars (\$550)
40 and may be increased to seven hundred fifteen dollars (\$715).

1 (v) The fee for the issuance or renewal of a nonresident sterile
2 compounding pharmacy license shall be seven hundred eighty
3 dollars (\$780). In addition to paying that application fee, the
4 nonresident sterile compounding pharmacy shall deposit, when
5 submitting the application, a reasonable amount, as determined by
6 the board, necessary to cover the board's estimated cost of
7 performing the inspection required by Section 4127.2. If the
8 required deposit is not submitted with the application, the
9 application shall be deemed to be incomplete. If the actual cost of
10 the inspection exceeds the amount deposited, the board shall
11 provide to the applicant a written invoice for the remaining amount
12 and shall not take action on the application until the full amount
13 has been paid to the board. If the amount deposited exceeds the
14 amount of actual and necessary costs incurred, the board shall
15 remit the difference to the applicant.

16 (w) This section shall become operative on July 1, 2014.

17 ~~SEC. 29.~~

18 *SEC. 31.* No reimbursement is required by this act pursuant
19 to Section 6 of Article XIII B of the California Constitution because
20 the only costs that may be incurred by a local agency or school
21 district will be incurred because this act creates a new crime or
22 infraction, eliminates a crime or infraction, or changes the penalty
23 for a crime or infraction, within the meaning of Section 17556 of
24 the Government Code, or changes the definition of a crime within
25 the meaning of Section 6 of Article XIII B of the California
26 Constitution.