

AMENDED IN SENATE JULY 2, 2015
AMENDED IN ASSEMBLY JUNE 1, 2015
AMENDED IN ASSEMBLY APRIL 22, 2015
AMENDED IN ASSEMBLY APRIL 8, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 243

Introduced by Assembly Member Wood
(Coauthors: Assembly Members Rendon and Williams)

February 5, 2015

An act to add Sections 11362.769 and 11362.777 to the Health and Safety Code, and to add Section 13276 to the Water Code, relating to ~~medical marijuana~~ *marijuana, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 243, as amended, Wood. Medical marijuana cultivation.

(1) Existing law, the Compassionate Use Act of 1996, an initiative measure enacted by the approval of Proposition 215 at the November 5, 1996, statewide general election, authorizes the use and cultivation of marijuana for medical purposes. Existing law makes it a crime to plant, cultivate, harvest, dry, or process marijuana, except as otherwise authorized by law. Under existing law, qualified patients, persons with valid identification cards, and the designated primary caregivers of qualified patients and persons with identification cards, who associate in order collectively and cooperatively to cultivate marijuana for medical purposes, are not subject to criminal sanctions solely on the basis of that fact.

~~This bill would generally require all persons who cultivate marijuana for medical purposes, except those cultivating for personal use, as specified, to obtain a permit to cultivate marijuana from the county, city, city and county, or from a state agency to be designated by the Governor if the county, city, or city and county chooses not to be the responsible entity for these purposes. The bill would allow the county, city, city and county, or state agency to charge a fee in an amount sufficient to cover the reasonable cost of issuing the permits and carrying out the program. The bill would prohibit marijuana from being cultivated within 100 feet of an occupied legal residential home or school if grown outdoors, or within 100 feet of a school if grown at a residence. The bill would require the county, city, city and county, or designated state agency to establish a program for the identification of permitted marijuana plants and would allow the county, city, city and county, or state agency to issue a unique identifier and charge a fee to cover the reasonable costs of issuing the unique identifier, monitoring, tracking, and inspecting the plants, and for enforcing specified requirements. The bill would require a copy of a current and valid state-issued medical marijuana ID card or physician recommendation to be displayed at all cultivation sites. The bill would allow a county, city, city and county, or designated state agency to revoke or suspend a permit, deny the reissuance of a permit, or impose fines, for a violation of these requirements, or abate a violation as a nuisance. The bill would not apply to a county, city, or city and county that has an existing ordinance pertaining to cultivation of marijuana.~~

This bill would establish the Division of Medical Cannabis Cultivation in the Department of Food and Agriculture. The bill would authorize a county, city, or city and county to issue or deny a conditional permit to cultivate medical marijuana and would require an applicant to obtain both a conditional permit from the county, city, or city and county and a state medical marijuana cultivation license from the division prior to cultivation occurring. By increasing the duties of local officials relative to issuing a conditional permit to cultivate medical marijuana, the bill would impose a state-mandated local program.

The bill would require the division to implement an identification program for medical marijuana in consultation with the State Water Resources Control Board and the Department of Fish and Wildlife. The bill would authorize the division to charge a fee to cover the reasonable costs of issuing the unique identifier and monitoring, tracking, and inspecting each medical marijuana plant. The bill would allow a county,

city, or city and county to administer the unique identifier program, in which case the bill would authorize the county, city, or city and county, to charge a fee to cover the reasonable costs of issuing the unique identifier and monitoring, tracking, and inspecting each medical marijuana plant. The bill would specify that the unique identifier program established pursuant the bill's provisions does not apply to a county, city, or city and county that has an existing ordinance pertaining to the cultivation of marijuana that provides for the identification of individual plants during the cultivation period.

This bill, on and after June 1, 2016, would impose a tax a licensed medical marijuana cultivator, at the rate of \$50 per medical marijuana plant with a unique identifier. This bill would require the tax to be administered by the State Board of Equalization, as prescribed, and would require a licensed medical marijuana distributor to collect the tax from the licensed medical marijuana cultivator and remit the amounts collected pursuant to the procedures set forth in the Fee Collection Procedures Law. By expanding the application of the Fee Collection Procedures Law, a violation of which is a crime, this bill would impose a state-mandated local program. This bill would require all moneys less refunds, to be deposited into the Marijuana Production and Environment Mitigation Fund, which this bill would create in the State Treasury, and continuously appropriate those moneys to the board for allocation, as specified. The bill would require a licensed medical marijuana cultivator to sell his or her medical marijuana products only to a licensed medical marijuana distributor, and would prohibit any other sales of medical marijuana by a licensed medical marijuana cultivator. The bill would also prohibit the sale of medical marijuana plants that do not contain a unique identifier by a licensed cultivator to a licensed distributor.

The bill would require, on or before January 1, 2021, specified state agencies, including, among others, the board, the division, and the Department of Justice, to submit reports to the Legislature regarding implementation of the bill.

The bill would specify that its provisions regarding the unique identifier program and cultivation do not apply to certain qualified patients cultivating marijuana if the patient cultivates marijuana for his or her personal medical use and does not sell, distribute, donate, or provide marijuana to any other person or entity, or to certain primary caregivers cultivating marijuana if the primary caregiver cultivates marijuana exclusively for the personal medical use of no more than 5

specified qualified patients for whom he or she is the primary caregiver and who does not receive remuneration, except as specified.

The bill would also require indoor and outdoor medical marijuana cultivation to be conducted in accordance with state and local laws and best practices related to land conversion, grading, electricity usage, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters. This bill would require state agencies to address environmental impacts of medical marijuana cultivation and coordinate, when appropriate, with cities and counties and their law enforcement agencies in enforcement efforts.

The bill would state the intent of the Legislature that the multiagency task force, the Department of Fish and Wildlife and State Water Resources Control Board pilot project to address the Environmental Impacts of Cannabis Cultivation, continue ~~their~~ *its* enforcement efforts on a statewide level and permanent ~~status~~ *basis*.

(2) Under existing law, the Porter-Cologne Water Quality Control Act, the State Water Resources Control Board and the California regional water quality control boards are the principal state agencies with responsibility for the coordination and control of water quality in the state.

This bill would require each regional board, and would allow the state board, to address discharges of waste resulting from medical marijuana cultivation and associated activities.

(3) *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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(4) *This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: ~~no~~-yes.

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

- 1 SECTION 1. It is the intent of the Legislature that the
- 2 multiagency task force, the Department of Fish and Wildlife and

1 State Water Resources Control Board pilot project to address the
2 Environmental Impacts of Cannabis Cultivation, assigned to
3 respond to the damages caused from marijuana cultivation on
4 public and private lands in California, will continue ~~their~~ *its*
5 enforcement efforts on a statewide level and permanent ~~status~~ *basis*
6 to ensure the reduction of the adverse impacts of marijuana
7 cultivation on water quality and fish and wildlife throughout the
8 state.

9 SEC. 2. Section 11362.769 is added to the Health and Safety
10 Code, to read:

11 11362.769. Indoor and outdoor medical marijuana cultivation
12 shall be conducted in accordance with state and local laws and
13 best practices related to land conversion, grading, electricity usage,
14 water usage, water quality, woodland and riparian habitat
15 protection, agricultural discharges, and similar matters. State
16 agencies, including, but not limited to, the State Board of Forestry
17 and Fire Protection, the Department of Fish and Wildlife, the State
18 Water Resources Control Board, the California regional water
19 quality control boards, and traditional state law enforcement
20 agencies shall address environmental impacts of medical marijuana
21 cultivation and shall coordinate, when appropriate, with cities and
22 counties and their law enforcement agencies in enforcement efforts.

23 ~~SEC. 3. Section 11362.777 is added to the Health and Safety~~
24 ~~Code, to read:~~

25 ~~11362.777. (a) A county, city, or city and county may choose~~
26 ~~not to be the responsible entity for purposes of implementing this~~
27 ~~section. No later than July 1, 2016, a county, city, or city and~~
28 ~~county shall adopt an ordinance to implement this section, or shall,~~
29 ~~by resolution, opt out of the requirements of this section. The~~
30 ~~Governor shall designate an appropriate state agency to implement~~
31 ~~this section in each county, city, or city and county that adopts a~~
32 ~~resolution to opt out of the requirements of this section. For~~
33 ~~purposes of this section, “designated state agency” means the state~~
34 ~~agency designated by the Governor to implement this program in~~
35 ~~a county, city, or city and county that has chosen not to be~~
36 ~~responsible for implementing the requirements of this section.~~

37 ~~(b) Except as provided in subdivision (d), all qualified patients~~
38 ~~and designated primary caregivers cultivating marijuana pursuant~~
39 ~~to Section 11362.5, and all qualified patients, persons with valid~~
40 ~~identification cards, and the designated primary caregivers of~~

1 ~~qualified patients and persons with identification cards, who~~
2 ~~associate within the State of California in order collectively or~~
3 ~~cooperatively to cultivate marijuana for medical purposes, are~~
4 ~~subject to all of the following:~~

5 ~~(1) Each patient, primary caregiver, collective, or cooperative~~
6 ~~that cultivates marijuana shall obtain a permit to cultivate marijuana~~
7 ~~from the sheriff, chief of police, or other entity designated by the~~
8 ~~county, city, city and county, or from the designated state agency.~~
9 ~~Each permit shall specify the location being permitted and the~~
10 ~~number of plants that may be grown at that location. The county,~~
11 ~~city, city and county, or the designated state agency may charge~~
12 ~~a fee in an amount sufficient to cover the reasonable cost of issuing~~
13 ~~the permit and carrying out the requirements of this section. The~~
14 ~~permits authorized by this section shall be renewed annually.~~

15 ~~(2) Each county, city, or city and county shall establish the~~
16 ~~number of plants that may be cultivated on an outdoor parcel or~~
17 ~~at an indoor facility. Except for cultivation at a residential home~~
18 ~~pursuant to paragraph (5), cultivation shall only be permitted in~~
19 ~~areas that are zoned specifically for the cultivation of marijuana.~~
20 ~~In a county, city, or city and county where the requirements of this~~
21 ~~section are being implemented by the designated state agency, the~~
22 ~~maximum number of plants that may be cultivated at any given~~
23 ~~site shall not exceed 99 plants. The county, city, city and county,~~
24 ~~or designated state entity may set a maximum limit on the square~~
25 ~~footage that may be cultivated at a single location.~~

26 ~~(3) Marijuana cultivated outdoors shall not be cultivated within~~
27 ~~100 feet of any occupied legal residential home or within 100 feet~~
28 ~~of a school offering kindergarten and grades 1 to 12, inclusive,~~
29 ~~education. A county, city, or city and county may increase this~~
30 ~~distance, not to exceed one mile. All outdoor cultivation sites shall~~
31 ~~be within a secure fence that is not less than six feet in height and~~
32 ~~that fully encloses the cultivation area. All marijuana cultivated~~
33 ~~outdoors shall be out of the public's view. Use of light assistance~~
34 ~~for outdoor cultivation shall not exceed a maximum of 1,200 watts~~
35 ~~of lighting capacity per 100 square feet of cultivated area.~~

36 ~~(4) Indoor cultivation of marijuana shall not occur within 100~~
37 ~~feet of a school offering kindergarten and grades 1 to 12, inclusive,~~
38 ~~education.~~

39 ~~(5) Marijuana cultivated at a residential home shall not exceed~~
40 ~~the number of plants per home established by the county, city, or~~

1 city and county. In a county, city, or city and county where the
2 requirements of this section are being implemented by the
3 designated state agency, the maximum number of plants that may
4 be cultivated at a residential home shall not exceed six plants unless
5 the county, city, or city and county adopts an ordinance permitting
6 a higher number. Cultivation of marijuana that exceeds the six
7 plants or the number of plants per home established by the county,
8 city, or city and county shall be conducted in areas specifically
9 zoned for the cultivation of marijuana. Cultivation of marijuana
10 at a residential home shall not occur within 100 feet of a school
11 offering kindergarten and grades 1 to 12, inclusive, education. A
12 county, city, or city and county may increase this distance, not to
13 exceed one mile.

14 (6) All buildings where marijuana is cultivated or stored shall
15 be properly secured to prevent unauthorized entry.

16 (7) A county, city, city and county, or the designated state
17 agency shall establish a program for the identification of permitted
18 medical marijuana plants at a cultivation site during the cultivation
19 period. A county, city, or city and county may designate the sheriff
20 or chief of police to issue a unique identifier, such as, but not
21 limited to, a zip tie. The unique identifier shall be attached at the
22 base of each plant. The county, city, city and county, or designated
23 state agency may charge a fee to cover the reasonable costs of
24 issuing the unique identifier, monitoring, tracking, and inspecting
25 the plants, and for enforcing the requirements of Section
26 11362.769.

27 (8) A copy of a current and valid state-issued medical marijuana
28 ID card or physician recommendation shall be displayed at all
29 cultivation sites in a manner that allows law enforcement officers
30 to see the card or recommendation without entering a building or
31 fenced area.

32 (e) A county, city, city and county, or the designated state
33 agency may revoke or suspend a permit, deny the reissuance of a
34 permit, or impose fines for a violation of this section. A county
35 may also abate a violation of this section through the abatement
36 process established by Section 25845 of the Government Code
37 and a city may declare what constitutes a nuisance by ordinance
38 pursuant to Section 38771 of the Government Code. The county,
39 city, or city and county may set maximum noise levels specifically
40 related to the cultivation of marijuana.

1 ~~(d) This section does not apply to a qualified patient cultivating~~
2 ~~marijuana pursuant to Section 11362.5 if he or she cultivates~~
3 ~~marijuana for his or her personal medical use and does not sell,~~
4 ~~distribute, donate, or provide marijuana to any other person or~~
5 ~~entity. This section does not apply to a primary caregiver~~
6 ~~cultivating marijuana pursuant to Section 11362.5 if he or she~~
7 ~~cultivates marijuana exclusively for the personal medical use of~~
8 ~~no more than five specified qualified patients for whom he or she~~
9 ~~is the primary caregiver within the meaning of Section 11362.7~~
10 ~~and who does not receive remuneration for these activities, except~~
11 ~~for compensation provided in full compliance with subdivision (c)~~
12 ~~of Section 11362.765. This section does not preclude a county,~~
13 ~~city, or city and county from regulating or banning the cultivation,~~
14 ~~possession, storage, manufacture, transport, provision, distribution,~~
15 ~~donation, or sale of marijuana, or any other activity, by a person~~
16 ~~specified in this subdivision, or impair the enforcement of the~~
17 ~~same.~~

18 ~~(e) This section does not apply to a county, city, or city and~~
19 ~~county that has an existing ordinance pertaining to the cultivation~~
20 ~~of marijuana, unless the county, city, or city and county adopts an~~
21 ~~ordinance to participate in the provisions of this section.~~

22 ~~(f) A county, city, or city and county that opts out of the~~
23 ~~requirements of this section pursuant to subdivision (a) may adopt~~
24 ~~an ordinance to participate in the provisions of this section at a~~
25 ~~later date, in which case the designated state agency shall cooperate~~
26 ~~with that local jurisdiction to phase out the designated state~~
27 ~~agency's operation of the program.~~

28 *SEC. 3. Section 11362.777 is added to the Health and Safety*
29 *Code, to read:*

30 *11362.777. (a) The Division of Medical Cannabis Cultivation*
31 *is established within the Department of Food and Agriculture. The*
32 *division shall be administered by a person appointed by the*
33 *Governor and, except as specified in subdivision (c), shall*
34 *administer this section as it pertains to the cultivation of medical*
35 *marijuana.*

36 *(b) (1) A person or entity shall not cultivate medical marijuana*
37 *without first obtaining both of the following:*

38 *(A) A license, permit, or other entitlement from the county, city,*
39 *or city and county in which the cultivation will occur.*

40 *(B) A license issued by the state pursuant to this section.*

1 (2) A person or entity shall not submit an application for a
2 license issued by the state pursuant to this section unless that
3 person or entity has received a license, permit, or other entitlement
4 from the county, city, or city and county in which the cultivation
5 will occur.

6 (3) A person or entity shall not submit an application for a
7 license issued by the state pursuant to this section if medical
8 marijuana is prohibited by the county, city, or city and county in
9 which the cultivation is proposed to occur.

10 (c) (1) Except as specified in paragraph (2), a county, city, or
11 city and county, through its current or future land use regulations
12 or ordinance, may issue or deny a conditional permit to cultivate
13 medical marijuana. A county, city, or city and county may inspect
14 the intended cultivation site for suitability prior to issuing a
15 conditional permit. After the city, county, or city and county have
16 approved a conditional permit, the applicant shall apply for a state
17 medical marijuana cultivation license from the division. A locally
18 issued conditional cultivation permit shall only become active
19 upon licensing by the division and receiving final local approval.
20 A person shall not cultivate medical marijuana prior to obtaining
21 both a conditional permit from the county, city, or city and county
22 and a state medical marijuana cultivation license from the division.

23 (2) If a county, city, or city and county does not have land use
24 regulations or ordinances pertaining to the cultivation of
25 marijuana, does not have a local cultivation permit process in
26 place, or chooses not to administer a conditional permit program,
27 then commencing March 1, 2016, the division shall be the sole
28 licensing authority for medical marijuana cultivation applicants
29 in that county, city, or city and county.

30 (d) (1) The division, in consultation with, but not limited to,
31 the State Water Resources Control Board and the Department of
32 Fish and Wildlife, shall implement a unique identification program
33 for medical marijuana. In implementing the program, the division
34 shall consider issues, including, but not limited to, water use and
35 environmental impacts.

36 (2) The division shall establish a program for the identification
37 of permitted medical marijuana plants at a cultivation site during
38 the cultivation period. The unique identifier shall be attached at
39 the base of each plant. A unique identifier, such as, but not limited
40 to, a zip tie, shall be issued for each medical marijuana plant.

1 (3) *The division may charge a fee to cover the reasonable costs*
2 *of issuing the unique identifier and monitoring, tracking, and*
3 *inspecting each medical marijuana plant.*

4 (e) (1) *On and after June 1, 2016, there is hereby imposed a*
5 *tax on a licensed medical marijuana cultivator at the rate of \$50*
6 *per medical marijuana plant with a unique identifier. The unique*
7 *identifiers shall serve as the indicator for quantity purposes of*
8 *sales.*

9 (2) *A licensed medical marijuana distributor shall charge the*
10 *licensed medical marijuana cultivator the amount of the tax as a*
11 *charge that is separate from, and not included in, any other fee,*
12 *charge, or other amount paid by the medical marijuana distributor.*

13 (3) *The licensed medical marijuana distributor shall collect the*
14 *tax from the licensed medical marijuana cultivator at the time of*
15 *sale, and may retain reimbursement pursuant to regulations that*
16 *shall be approved by the State Board of Equalization before June*
17 *1, 2016, for startup costs associated with the collection of the tax,*
18 *to be taken on the first return or next consecutive returns until the*
19 *entire reimbursement amount is retained.*

20 (4) *The licensed medical marijuana distributor shall separately*
21 *state the amount of the tax imposed under this subdivision on the*
22 *sales receipt given by the licensed medical marijuana distributor*
23 *to the licensed medical marijuana cultivator at the time of sale.*

24 (5) *The State Board of Equalization shall administer and collect*
25 *the tax imposed by this subdivision pursuant to the Fee Collection*
26 *Procedures Law (Part 30 (commencing with Section 55001) of*
27 *Division 2 of the Revenue and Taxation Code) with those changes*
28 *as may be necessary to conform to this section. For purposes of*
29 *this subdivision, the references in the Fee Collection Procedures*
30 *Law to “fee” shall include the tax imposed by this subdivision,*
31 *and references to “feepayer” shall include the licensed medical*
32 *marijuana distributor.*

33 (6) (A) *The tax is required to be collected by a licensed medical*
34 *marijuana distributor and any amount unreturned to the licensed*
35 *medical marijuana cultivator who paid an amount in excess of the*
36 *tax, but was collected from the licensed medical marijuana*
37 *cultivator under the representation by the licensed medical*
38 *marijuana distributor that it was owed as a tax, constitutes debts*
39 *owed by the licensed medical marijuana distributor to this state.*

1 (B) A licensed medical marijuana cultivator is liable for the tax
2 until it has been paid to the state, except that payment to a licensed
3 medical marijuana distributor relieves the licensed medical
4 marijuana cultivator from further liability for the tax. Any tax
5 collected from a licensed medical marijuana cultivator that has
6 not been remitted to the State Board of Equalization shall be a
7 debt owed to the state by the licensed medical marijuana distributor
8 required to collect and remit the tax. This subdivision does not
9 impose any obligation upon a licensed medical marijuana
10 distributor to take any legal action to enforce the collection of the
11 tax imposed by this subdivision.

12 (7) The State Board of Equalization may prescribe, adopt, and
13 enforce regulations relating to the administration and enforcement
14 of this subdivision, including, but not limited to, collections,
15 reporting, refunds, and appeals. The State Board of Equalization
16 may consult with the division, and the division shall provide to the
17 board any information necessary for the proper administration of
18 the tax imposed by this subdivision.

19 (8) (A) The tax imposed by this subdivision is due and payable
20 to the State Board of Equalization quarterly on or before the last
21 day of the month next succeeding each quarterly period.

22 (B) On or before the last day of the month following each
23 quarterly period, a return for the preceding quarterly period shall
24 be filed with the State Board of Equalization using electronic
25 media, in the form prescribed by the State Board of Equalization.
26 Returns shall be authenticated in a form or pursuant to methods,
27 as prescribed by the State Board of Equalization.

28 (9) (A) A licensed medical marijuana cultivator required to
29 pay the tax imposed under this subdivision shall register with the
30 State Board of Equalization. Every application for registration
31 shall be made in a form prescribed by the State Board of
32 Equalization and shall set forth the name under which the applicant
33 transacts or intends to transact business, the location of the
34 person's place or places of business, and any other information
35 that the State Board of Equalization may require. An application
36 for registration shall be authenticated in a form or pursuant to
37 methods as may be prescribed by the State Board of Equalization.

38 (B) An application for registration filed pursuant to this section
39 may be filed using electronic media as prescribed by the State
40 Board of Equalization. Electronic media includes, but is not limited

1 to, computer modem, magnetic media, optical disc, facsimile
2 machine, or telephone.

3 (10) A licensed medical marijuana cultivator shall sell his or
4 her medical marijuana products only to a licensed medical
5 marijuana distributor and shall not make any other sales of medical
6 marijuana. Medical marijuana plants that do not contain a unique
7 identifier shall not be sold by a licensed cultivator to a licensed
8 distributor.

9 (11) The State Board of Equalization shall deposit all revenues,
10 less refunds, collected pursuant to this subdivision into the
11 Marijuana Production and Environment Mitigation Fund, which
12 is hereby created in the State Treasury. Notwithstanding Section
13 13340 of the Government Code, all moneys deposited in the fund
14 are hereby continuously appropriated, without regard to fiscal
15 years, to the State Board of Equalization for the purposes of this
16 section, to be allocated by the board in the following manner:

17 (A) Five dollars (\$5) shall go to the division to administer the
18 unique identifier program described in subdivision (d).

19 (B) Fifteen dollars (\$15) shall go to the division for
20 disbursement to local law enforcement-related activities, state law
21 enforcement-related activities, or both, pertaining to illegal
22 marijuana cultivation. Funds allocated pursuant to this
23 subparagraph shall be allocated on a competitive grant application
24 process administered by the division. The division shall promulgate
25 guidelines for the grant process as soon as administratively
26 possible, but no later than April 1, 2016.

27 (C) Fifteen dollars (\$15) shall go to the Natural Resources
28 Agency to fund a competitive grant program for environmental
29 cleanup and restoration of public and private lands that have been
30 damaged from illegal marijuana cultivation. Funds allocated
31 pursuant to this subparagraph shall be prioritized to restoration
32 and cleanup projects, on public or private lands, based on the
33 level of damages that have occurred. Not less than 35 percent of
34 the funds shall be used for these purposes related to public lands,
35 and not less than 20 percent of the funds collected shall be used
36 for these purposes in regard to private lands. The agency shall
37 consult and partner with counties, cities, or cities and counties,
38 and may partner with nonprofit organizations recognized by the
39 California Attorney General's office, other appropriate state
40 agencies, and the appropriate federal entities within the United

1 *State Department of Interior, for the purposes of awarding grants*
2 *to state or local government entities and nonprofit organizations*
3 *that engage in environmental cleanup and restoration. The agency*
4 *shall promulgate guidelines for the grant process as soon as*
5 *administratively possible, but no later than April 1, 2016.*

6 *(D) Fifteen dollars (\$15) shall go to the multiagency task force,*
7 *the Department of Fish and Wildlife, and the State Water Resources*
8 *Control Board project to address the Environmental Impacts of*
9 *Cannabis Cultivation and to respond to the damages caused from*
10 *marijuana cultivation on public and private lands in California.*

11 *(f) (1) On or before January 1, 2021, the following entities shall*
12 *submit a report to the Legislature:*

13 *(A) The State Board of Equalization shall submit a report on*
14 *the total amount of revenue that was collected over the five-year*
15 *time period from the tax imposed pursuant to subdivision (e).*

16 *(B) The multiagency task force, the Department of Fish and*
17 *Wildlife, and the State Water Resources Control Board, shall*
18 *submit a report on the project to address the Environmental*
19 *Impacts of Cannabis Cultivation and how funds allocated to those*
20 *entities pursuant to subdivision (e) have been used for those*
21 *purposes.*

22 *(C) The Department of Justice shall submit a report on how*
23 *local and state law enforcement agencies have used funds allocated*
24 *pursuant to subdivision (e) to address illegal marijuana cultivation*
25 *and related activities.*

26 *(D) The Natural Resources Agency shall submit a report on*
27 *how funds allocated to it pursuant to subdivision (e) have been*
28 *used for environmental cleanup and restoration of public and*
29 *private lands that have been damaged from illegal marijuana*
30 *cultivation.*

31 *(2) It is the intent of the Legislature to use the reports required*
32 *by this subdivision to determine the necessity of a readjustment to*
33 *the tax imposed pursuant to subdivision (e).*

34 *(3) The reports required by this subdivision shall be submitted*
35 *in compliance with Section 9795 of the Government Code.*

36 *(g) (1) Except as specified in paragraph (3), no later than*
37 *March 1, 2016, a county, city, or city and county may adopt a*
38 *resolution or ordinance to be the responsible entity for purposes*
39 *of administering the unique identification program specified in*
40 *subdivision (d), in which case, the county, city, or city and county*

1 shall designate the appropriate entity to issue the unique identifiers.
2 Counties may designate the local agricultural commissioner,
3 sheriff, or other appropriate entity. Cities may designate the city
4 planning and building department, the Chief of Police, or other
5 appropriate entity. A county, city, or city and county may charge
6 a fee to cover the reasonable costs of issuing the unique identifier
7 and monitoring, tracking, and inspecting each medical marijuana
8 plant.

9 (2) Licensed cultivators and licensed distributors shall comply
10 with subdivision (e) in a county, city, or city and county that elects
11 to administer the unique identification program pursuant to
12 paragraph (1).

13 (3) If a county, city, or city and county decides at a later date
14 to be the responsible entity for purposes of administering the
15 unique identification program specified in subdivision (d), the
16 county, city, or city and county may adopt an ordinance or
17 resolution to participate in the provisions of this subdivision at a
18 later date, but no later than July 1, 2018, in which case the division
19 shall cooperate with that local jurisdiction to phase out the
20 division's operation of the program.

21 (h) The unique identifier program established pursuant to this
22 section does not apply to a county, city, or city and county that
23 has an existing ordinance pertaining to the cultivation of marijuana
24 that provides for the identification of individual plants during the
25 cultivation period. A county, city, or city and county may choose
26 to opt in to the unique identifier program administered by the
27 division to be eligible for funds pursuant to subdivision (e). A
28 county, city, or city and county that does not participate in a unique
29 identifier program pursuant to this section shall not be eligible
30 for funds pursuant to subdivision (e).

31 (i) This section does not apply to a qualified patient cultivating
32 marijuana pursuant to Section 11362.5 if he or she cultivates
33 marijuana for his or her personal medical use and does not sell,
34 distribute, donate, or provide marijuana to any other person or
35 entity. This section does not apply to a primary caregiver
36 cultivating marijuana pursuant to Section 11362.5 if he or she
37 cultivates marijuana exclusively for the personal medical use of
38 no more than five specified qualified patients for whom he or she
39 is the primary caregiver within the meaning of Section 11362.7
40 and who does not receive remuneration for these activities, except

1 *for compensation provided in full compliance with subdivision (c)*
2 *of Section 11362.765. This section does not preclude a county,*
3 *city, or city and county from regulating or banning the cultivation,*
4 *possession, storage, manufacture, transport, provision, distribution,*
5 *donation, or sale of marijuana, or any other activity, by a person*
6 *specified in this subdivision, or impair the enforcement of the same.*

7 SEC. 4. Section 13276 is added to the Water Code, to read:

8 13276. Each regional board shall, and the State Water
9 Resources Control Board may, address discharges of waste
10 resulting from medical marijuana cultivation and associated
11 activities, including by adopting a general permit, establishing
12 waste discharge requirements, or taking action pursuant to Section
13 13269. In addressing these discharges, each regional board shall
14 include conditions to address items that include, but are not limited
15 to, all of the following:

16 (a) Site development and maintenance, erosion control, and
17 drainage features.

18 (b) Stream crossing installation and maintenance.

19 (c) Riparian and wetland protection and management.

20 (d) Soil disposal.

21 (e) Water storage and use.

22 (f) Irrigation runoff.

23 (g) Fertilizers and soil.

24 (h) Pesticides and herbicides.

25 (i) Petroleum products and other chemicals.

26 (j) Cultivation-related waste.

27 (k) Refuse and human waste.

28 (l) Cleanup, restoration, and mitigation.

29 SEC. 5. *If the Commission on State Mandates determines that*
30 *this act contains costs mandated by the state, reimbursement to*
31 *local agencies and school districts for those costs shall be made*
32 *pursuant to Part 7 (commencing with Section 17500) of Division*
33 *4 of Title 2 of the Government Code.*

34 SEC. 6. *This act is an urgency statute necessary for the*
35 *immediate preservation of the public peace, health, or safety within*
36 *the meaning of Article IV of the Constitution and shall go into*
37 *immediate effect. The facts constituting the necessity are:*

- 1 *In order to address the damage done by illegal marijuana*
- 2 *cultivation at the earliest time possible, it is necessary that this*
- 3 *act take effect immediately.*

O