

AMENDED IN SENATE SEPTEMBER 1, 2015

AMENDED IN SENATE AUGUST 17, 2015

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, to add Part 13.5 (commencing with Section 31001) to Division 2 of the Revenue and Taxation Code, and to add Section 13276 to the Water Code, relating to medical 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.~~
marijuana.

~~(1) Existing~~

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, contingent on the enactment of AB 266 and SB 643, would state the intent of the Legislature to enact legislation that would establish a dedicated funding source to address environmental damages resulting from illegal cannabis cultivation.

~~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 impose a tax in an unspecified amount on marijuana flowers, marijuana leaves, and immature marijuana plants and would require a designated entity, as specified, to collect the tax from the medical marijuana cultivator. The bill would require the State Board of Equalization to collect the tax 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. The 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 the board to adopt a system for reporting the movement of cannabis and cannabis products through the distribution chain, as specified.~~

~~The bill would require the Legislative Analyst's Office to regularly review the tax levels established under the above provisions and make recommendations to the Legislature regarding adjustments that would further the goal of addressing the public safety and environmental impacts caused by the proliferation of marijuana cultivation.~~

~~The bill would require, on or before January 1, 2021, specified state agencies, including, among others, 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 require 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, to continue its enforcement efforts on a statewide level and permanent 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~~

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

Vote: $\frac{2}{3}$. Appropriation: *yes-no*. Fiscal committee: *yes-no*. State-mandated local program: *yes-no*.

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

1 SECTION 1. ~~Section 11362.769 is added to the Health and~~
 2 ~~Safety Code, to read:~~

3 ~~11362.769. Indoor and outdoor medical marijuana cultivation~~
 4 ~~shall be conducted in accordance with state and local laws and~~
 5 ~~best practices related to land conversion, grading, electricity usage,~~
 6 ~~water usage, water quality, woodland and riparian habitat~~
 7 ~~protection, agricultural discharges, and similar matters. State~~
 8 ~~agencies, including, but not limited to, the State Board of Forestry~~
 9 ~~and Fire Protection, the Department of Fish and Wildlife, the State~~
 10 ~~Water Resources Control Board, the California regional water~~
 11 ~~quality control boards, and traditional state law enforcement~~
 12 ~~agencies shall address environmental impacts of medical marijuana~~
 13 ~~cultivation and shall coordinate, when appropriate, with cities and~~
 14 ~~counties and their law enforcement agencies in enforcement efforts.~~

15 SEC. 2. ~~Section 11362.777 is added to the Health and Safety~~
 16 ~~Code, to read:~~

17 ~~11362.777. (a) The Division of Medical Cannabis Cultivation~~
 18 ~~is established within the Department of Food and Agriculture. The~~
 19 ~~division shall be administered by a person appointed by the~~
 20 ~~Governor and, except as specified in subdivision (c), shall~~

1 administer this section as it pertains to the cultivation of medical
2 marijuana:

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

5 (A) A license, permit, or other entitlement, specifically
6 permitting cultivation pursuant to these provisions, from the county,
7 city, or city and county in which the cultivation will occur.

8 (B) A license issued by the state pursuant to this section:

9 (2) A person or entity shall not submit an application for a
10 license issued by the state pursuant to this section unless that person
11 or entity has received a license, permit, or other entitlement,
12 specifically permitting cultivation pursuant to these provisions,
13 from the county, city, or city and county in which the cultivation
14 will occur.

15 (3) A person or entity shall not submit an application for a
16 license issued by the state pursuant to this section if the proposed
17 cultivation of marijuana will violate the provisions of any local
18 ordinance or regulation, or if medical marijuana is prohibited by
19 the county, city, or city and county in which the cultivation is
20 proposed to occur, either expressly or otherwise under principles
21 of permissive zoning:

22 (e) (1) Except as specified in paragraph (2), and without limiting
23 any other local regulation, a county, city, or city and county,
24 through its current or future land use regulations or ordinance, may
25 issue or deny a conditional permit to cultivate medical marijuana
26 pursuant to this section. A county, city, or city and county may
27 inspect the intended cultivation site for suitability prior to issuing
28 a conditional permit. After the city, county, or city and county
29 have approved a conditional permit, the applicant shall apply for
30 a state medical marijuana cultivation license from the division. A
31 locally issued conditional cultivation permit shall only become
32 active upon licensing by the division and receiving final local
33 approval. A person shall not cultivate medical marijuana prior to
34 obtaining both a conditional permit from the county, city, or city
35 and county and a state medical marijuana cultivation license from
36 the division.

37 (2) If a county, city, or city and county does not have land use
38 regulations or ordinances regulating or prohibiting the cultivation
39 of marijuana, either expressly or otherwise under principles of
40 permissive zoning, or chooses not to administer a conditional

1 permit program pursuant to this section, then commencing March
2 1, 2016, the division shall be the sole licensing authority for
3 medical marijuana cultivation applicants in that county, city, or
4 city and county.

5 (d) (1) The division, in consultation with, but not limited to,
6 the State Water Resources Control Board and the Department of
7 Fish and Wildlife, shall implement a unique identification program
8 for medical marijuana. In implementing the program, the division
9 shall consider issues, including, but not limited to, water use and
10 environmental impacts. In implementing the program, the division
11 shall ensure that individual and cumulative effects of water
12 diversion and discharge associated with cultivation do not affect
13 the instream flows needed for fish spawning, migration, and
14 rearing, and the flows needed to maintain natural flow variability.
15 The division shall ensure that cultivation will not negatively impact
16 springs, riparian wetlands, and aquatic habitats.

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

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

25 (e) (1) On or before January 1, 2021, the following entities
26 shall submit a report to the Legislature:

27 (A) The multiagency task force, the Department of Fish and
28 Wildlife, and the State Water Resources Control Board, shall
29 submit a report on the project to address the Environmental Impacts
30 of Cannabis Cultivation and how funds allocated to those entities
31 pursuant to Section 31013 of the Revenue and Taxation Code have
32 been used for those purposes.

33 (B) The Department of Justice shall submit a report on how
34 local and state law enforcement agencies have used funds allocated
35 pursuant to Section 31013 of the Revenue and Taxation Code to
36 address illegal marijuana cultivation and related activities.

37 (C) The Natural Resources Agency shall submit a report on how
38 funds allocated to it pursuant to Section 31013 of the Revenue and
39 Taxation Code have been used for environmental cleanup and

1 restoration of public and private lands that have been damaged
2 from illegal marijuana cultivation.

3 (2) It is the intent of the Legislature to use the reports required
4 by this subdivision to determine the necessity of a readjustment
5 to the tax imposed pursuant to Part 13.5 (commencing with Section
6 31001) of Division 2 of the Revenue and Taxation Code.

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

9 (f) A county board of supervisors or city council may adopt a
10 resolution or ordinance to be the responsible entity for purposes
11 of administering the unique identification program specified in
12 subdivision (d), in which case, the county board of supervisors or
13 city council shall designate the appropriate entity to issue the
14 unique identifiers. Counties may designate the local agricultural
15 commissioner, sheriff, or other appropriate entity. Cities may
16 designate the city planning and building department, the Chief of
17 Police, or other appropriate entity. A county, city, or city and
18 county may charge a fee to cover the reasonable costs of issuing
19 the unique identifier and monitoring, tracking, and inspecting each
20 medical marijuana plant, in addition to any other local fees or taxes
21 imposed by the county. Upon adoption of an ordinance or
22 resolution by the county board of supervisors or city council, the
23 division shall cooperate with that local jurisdiction to phase out
24 the division's operation of the program.

25 (g) This section does not apply to a qualified patient cultivating
26 marijuana pursuant to Section 11362.5 if he or she cultivates
27 marijuana for his or her personal medical use and does not sell,
28 distribute, donate, or provide marijuana to any other person or
29 entity. This section does not apply to a primary caregiver
30 cultivating marijuana pursuant to Section 11362.5 if he or she
31 cultivates marijuana exclusively for the personal medical use of
32 no more than five specified qualified patients for whom he or she
33 is the primary caregiver within the meaning of Section 11362.7
34 and who does not receive remuneration for these activities, except
35 for compensation provided in full compliance with subdivision (c)
36 of Section 11362.765. Exemption from the requirements of this
37 section does not limit or prevent a city, county, or city and county
38 from regulating or banning the cultivation, storage, manufacture,
39 transport, provision, or other activity by the exempt person, or
40 impair the enforcement of that regulation or ban.

1 ~~(h) This section does not prevent a city, county, or city and~~
2 ~~county from doing any of the following:~~

3 ~~(1) Adopting local ordinances, whether consistent or inconsistent~~
4 ~~with this section, that do either of the following:~~

5 ~~(A) Regulate the location, operation, or establishment of a~~
6 ~~licensed medical marijuana cultivator or a person that cultivates,~~
7 ~~processes, possesses, stores, manufactures, tests, transports,~~
8 ~~distributes, or sells medical marijuana.~~

9 ~~(B) Prohibit medical marijuana activity within its jurisdiction.~~

10 ~~(2) Providing for the administrative, civil, or criminal~~
11 ~~enforcement of the ordinances described in paragraph (1).~~

12 ~~(3) Enacting and enforcing other laws or ordinances pursuant~~
13 ~~to the authority granted by Section 7 of Article XI of the California~~
14 ~~Constitution.~~

15 ~~(i) This section does not preclude a county from establishing a~~
16 ~~fee for the operation of a licensed medical marijuana cultivator~~
17 ~~within the jurisdiction of the county.~~

18 ~~(j) This section does not preempt any local ordinance regulating~~
19 ~~or banning cultivation of medical marijuana, or otherwise prevent~~
20 ~~or limit a city, county, or city and county from adopting or~~
21 ~~enforcing a zoning ordinance or other law, ordinance, or regulation,~~
22 ~~that bans or regulates the location, operation, or establishment of~~
23 ~~an entity that cultivates medical marijuana.~~

24 ~~SEC. 3. Part 13.5 (commencing with Section 31001) is added~~
25 ~~to Division 2 of the Revenue and Taxation Code, to read:~~

26
27 **PART 13.5. MEDICAL MARIJUANA TAX**

28
29 **CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS**

30
31 ~~31001. This part shall known and may be cited as the Medical~~
32 ~~Marijuana Tax Law.~~

33 ~~31002. As used in this part, the following terms have the~~
34 ~~following definitions:~~

35 ~~(a) "Marijuana" means all parts of the plant Cannabis sativa L.,~~
36 ~~Cannabis indica, or Cannabis ruderalis, whether growing or not;~~
37 ~~the seeds thereof; the resin, whether crude or purified, extracted~~
38 ~~from any part of the plant; and every compound, manufacture, salt,~~
39 ~~derivative, mixture, or preparation of the plant, its seeds, or resin.~~
40 ~~"Cannabis" does not include the mature stalks of the plant, fiber~~

1 produced from the stalks, oil or cake made from the seeds of the
2 plant, any other compound, manufacture, salt, derivative, mixture,
3 or preparation of the mature stalks (except the resin extracted
4 therefrom), fiber, oil, or cake, or the sterilized seed of the plant
5 which is incapable of germination. “Cannabis” also means the
6 separated resin, whether crude or purified, obtained from marijuana.
7 Without limiting the definition, “cannabis” also means marijuana
8 as defined by Section 11018 of the Health and Safety Code, as
9 enacted by Chapter 1407 of the Statutes of 1972.

10 (b) “Marijuana flowers” means the flowers of the plant specified
11 in subdivision (a). “Marijuana flowers” does not include any part
12 of the plant other than the flowers.

13 (c) “Marijuana leaves” means the leaves of the plant specified
14 in subdivision (a). “Marijuana leaves” does not include any part
15 of the plant other than the leaves.

16 (d) “Medical marijuana tax” means the tax imposed pursuant
17 to this part.

18 (e) “Cultivation” means any activity involving the planting,
19 growing, harvesting, drying, curing, grading, or trimming of
20 marijuana.

21 (f) “Cultivator” means a person that plants, grows, cultivates,
22 harvests, dries, cures, grades, or trims medical marijuana, or that
23 does all or any combination of those activities.

24 (g) “Designated entity” means an entity defined by Section ____
25 of the Business and Professions Code, or an entity designated by
26 the board.

27 (h) “Immature marijuana plant” means a marijuana plant with
28 no observable flowers or buds.

29 (i) “Medical marijuana,” “medical marijuana product,” or
30 “marijuana product” means a product containing marijuana,
31 including, but not limited to, concentrates and extractions intended
32 to be sold for use by medical marijuana patients in California
33 pursuant to the Compassionate Use Act of 1996 (Section 11362.5
34 of the Health and Safety Code).

35 (j) “Sale” means the transfer of title or possession for
36 consideration in any manner or by any means whatever.

~~CHAPTER 2. IMPOSITION OF TAX~~

1
2
3 31005. ~~(a) A marijuana tax shall be imposed upon each~~
4 ~~cultivator and shall be collected by the designated entity at the~~
5 ~~time of distribution at the following rates:~~

- 6 ~~(1) \$___ per ounce on all cannabis flowers.~~
- 7 ~~(2) \$___ per ounce on all cannabis leaves.~~
- 8 ~~(3) \$___ per immature cannabis plant.~~

9 ~~(b) The tax imposed by this section shall be measured by the~~
10 ~~quantities of cannabis flowers, cannabis leaves, and immature~~
11 ~~cannabis plants sold by any cannabis cultivator to the designated~~
12 ~~entity.~~

13 ~~(c) The designated entity shall separately state the amount of~~
14 ~~the tax imposed under this part on the sales receipt given by the~~
15 ~~designated entity to the licensed medical marijuana cultivator at~~
16 ~~the time of sale.~~

17 ~~(d) Any claim for exemption from the tax pursuant to this part~~
18 ~~shall be made to the board in the manner prescribed by the board.~~

19 31006. ~~The Legislative Analyst’s Office shall regularly review~~
20 ~~the tax levels established under this part and make~~
21 ~~recommendations to the legislature, as appropriate, regarding~~
22 ~~adjustments that would further the goal of addressing public safety~~
23 ~~and the environmental impacts caused by the proliferation of~~
24 ~~marijuana cultivation.~~

~~CHAPTER 3. ADMINISTRATION~~

25
26
27
28 31010. ~~(a) The board shall administer and collect the tax~~
29 ~~imposed by this part pursuant to the Fee Collection Procedures~~
30 ~~Law (Part 30 (commencing with Section 55001) of Division 2 of~~
31 ~~the Revenue and Taxation Code) with those changes as may be~~
32 ~~necessary to conform to this section. For purposes of this part, the~~
33 ~~references in the Fee Collection Procedures Law to “fee” shall~~
34 ~~include the tax imposed by this part, and references to “feepayer”~~
35 ~~shall include a person required to pay the cannabis tax imposed~~
36 ~~by this part.~~

37 ~~(b) The tax that is required to be collected by the designated~~
38 ~~entity, and any amount unreturned to the medical marijuana~~
39 ~~cultivator that is not owed as part of the tax, but was collected~~
40 ~~from the medical marijuana cultivator under the representation by~~

1 the designated entity that it was owed as a tax, constitutes debts
2 owed by the designated entity to the state.

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

12 31011. (a) The board may prescribe, adopt, and enforce
13 regulations relating to the implementation, administration, and
14 enforcement of this part, including, but not limited to, applicant
15 requirements, collections, reporting, refunds, and appeals.

16 (b) The board may prescribe, adopt, and enforce any emergency
17 regulations as necessary to implement this part. Any emergency
18 regulation prescribed, adopted, or enforced pursuant to this section
19 shall be adopted in accordance with Chapter 3.5 (commencing
20 with Section 11340) of Part 1 of Division 3 of Title 2 of the
21 Government Code, and, for purposes of that chapter, including
22 Section 11349.6 of the Government Code, the adoption of the
23 regulation is an emergency and shall be considered by the Office
24 of Administrative Law as necessary for the immediate preservation
25 of the public peace, health and safety, and general welfare.

26 31012. (a) The marijuana tax is due and payable to the board
27 quarterly on or before the last day of the month following each
28 calendar quarter.

29 (b) On or before the last day of the month following each
30 calendar quarter, a return for the preceding calendar quarter shall
31 be filed using electronic media with the board.

32 (c) Returns shall be authenticated in a form or pursuant to
33 methods as may be prescribed by the board.

34 31013. (a) The Marijuana Production and Environment
35 Mitigation Fund is hereby created in the State Treasury. The fund
36 shall consist of all medical marijuana taxes, interest, penalties, and
37 other amounts collected and paid to the board pursuant to this part,
38 less payments of refunds and reimbursement to the board for
39 expenses incurred in the administration and collection of the
40 medical marijuana tax.

1 ~~(b) Notwithstanding Section 13340 of the Government Code,~~
2 ~~all moneys deposited in the Marijuana Production and Environment~~
3 ~~Mitigation Fund are hereby continuously appropriated, without~~
4 ~~regard to fiscal years, in the following manner:~~

5 ~~(1) Ten percent to the Division of Medical Cannabis Cultivation~~
6 ~~to administer the unique identifier program specified in Section~~
7 ~~11362.777 of the Health and Safety Code.~~

8 ~~(2) Thirty percent to the Division of Medical Cannabis~~
9 ~~Cultivation for disbursement to local law enforcement-related~~
10 ~~activities, state law enforcement-related activities, or both,~~
11 ~~pertaining to illegal marijuana cultivation. Funds allocated pursuant~~
12 ~~to this subparagraph shall be allocated on a competitive grant~~
13 ~~application process administered by the Division of Medical~~
14 ~~Cannabis Cultivation. The Division of Medical Cannabis~~
15 ~~Cultivation shall promulgate guidelines for the grant process as~~
16 ~~soon as administratively possible, but no later than April 1, 2016.~~

17 ~~(3) Thirty percent to the Natural Resources Agency to fund a~~
18 ~~competitive grant program for environmental cleanup and~~
19 ~~restoration of public and private lands that have been damaged by~~
20 ~~illegal marijuana cultivation. Funds allocated pursuant to this~~
21 ~~subparagraph shall be prioritized to restoration and cleanup~~
22 ~~projects, on public or private lands, based on the level of damages~~
23 ~~that have occurred. Not less than 35 percent of the funds shall be~~
24 ~~used for these purposes related to public lands, and not less than~~
25 ~~20 percent of the funds collected shall be used for these purposes~~
26 ~~in regard to private lands. The agency shall consult and partner~~
27 ~~with counties, cities, or cities and counties, and may partner with~~
28 ~~nonprofit organizations recognized by the California Attorney~~
29 ~~General's office, other appropriate state agencies, and the~~
30 ~~appropriate federal entities, including, but not limited to, the United~~
31 ~~States Department of Agriculture and the United States Department~~
32 ~~of the Interior, for the purposes of awarding grants to state or local~~
33 ~~government entities and nonprofit organizations that engage in~~
34 ~~environmental cleanup and restoration. The agency shall~~
35 ~~promulgate guidelines for the grant process as soon as~~
36 ~~administratively possible, but no later than April 1, 2016.~~

37 ~~(4) Thirty percent to the multiagency task force, the Department~~
38 ~~of Fish and Wildlife and State Water Resources Control Board~~
39 ~~pilot project to address the Environmental Impacts of Cannabis~~
40 ~~Cultivation and to respond to the damages caused by marijuana~~

1 cultivation on public and private lands in California, specified in
2 Section 13276 of the Water Code.

3
4 CHAPTER 4. TRACK AND TRACE PROCESS

5
6 31020. ~~The board shall adopt a system for reporting the~~
7 ~~movement of cannabis and cannabis products throughout the~~
8 ~~distribution chain. The system shall also employ secure packaging~~
9 ~~and be capable of providing information to the board. This system~~
10 ~~shall capture, at a minimum, all of the following:~~

11 ~~(a) The amount of tax due by the designated entity.~~

12 ~~(b) The name, address, and license number of the designated~~
13 ~~entity that remitted the tax.~~

14 ~~(c) The name, address, and license number of the succeeding~~
15 ~~entity receiving the product.~~

16 ~~(d) The transaction date.~~

17 ~~(e) Any other information deemed necessary by the board for~~
18 ~~the taxation and regulation of marijuana and marijuana products.~~

19 31021. ~~(a) The board shall submit a report to the Legislature~~
20 ~~on the total amount of revenue that was collected for the five-year~~
21 ~~period from the operative date of the tax imposed pursuant to this~~
22 ~~part. The report is due to the Legislature on or before the last day~~
23 ~~of the month commencing 180 days after the 5-year period from~~
24 ~~the operative date of the tax imposed under this part.~~

25 ~~(b) The report required by this section shall be submitted in~~
26 ~~compliance with Section 9795 of the Government Code.~~

27
28 CHAPTER 5. OPERATIVE DATE AND FUNDING

29
30 31030. ~~This part shall become operative on or after the first~~
31 ~~day of the first calendar quarter commencing more than 270 days~~
32 ~~after adequate funding has been received by the board to implement~~
33 ~~and administer this part, or on or after the first day of the first~~
34 ~~calendar quarter commencing more than 180 days from the~~
35 ~~adoption and funding of the cannabis track and trace process~~
36 ~~required pursuant to Section 31020, whichever is later. The board~~
37 ~~shall post a notice on its Internet Web site when this requirement~~
38 ~~has been satisfied.~~

39 31031. ~~Funds for the establishment and support of the~~
40 ~~regulatory activities required pursuant to this part shall be advanced~~

1 as a General Fund or special fund loan, and shall be repaid by the
2 board from the initial proceeds from fees collected pursuant to this
3 part or any rule or regulation adopted pursuant to this part, no later
4 than six months after the operative date specified in Section 31030.

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

6 13276. (a) ~~The multiagency task force, the Department of Fish
7 and Wildlife and State Water Resources Control Board pilot project
8 to address the Environmental Impacts of Cannabis Cultivation,
9 assigned to respond to the damages caused by marijuana cultivation
10 on public and private lands in California, shall continue its
11 enforcement efforts on a permanent basis and expand them to a
12 statewide level to ensure the reduction of adverse impacts of
13 marijuana cultivation on water quality and on fish and wildlife
14 throughout the state.~~

15 (b) ~~Each regional board shall, and the State Water Resources
16 Control Board may, address discharges of waste resulting from
17 medical marijuana cultivation and associated activities, including
18 by adopting a general permit, establishing waste discharge
19 requirements, or taking action pursuant to Section 13269. In
20 addressing these discharges, each regional board shall include
21 conditions to address items that include, but are not limited to, all
22 of the following:~~

23 (c) ~~Site development and maintenance, erosion control, and
24 drainage features.~~

25 (d) ~~Stream crossing installation and maintenance.~~

26 (e) ~~Riparian and wetland protection and management.~~

27 (f) ~~Soil disposal.~~

28 (g) ~~Water storage and use.~~

29 (h) ~~Irrigation runoff.~~

30 (i) ~~Fertilizers and soil.~~

31 (j) ~~Pesticides and herbicides.~~

32 (k) ~~Petroleum products and other chemicals.~~

33 (l) ~~Cultivation-related waste.~~

34 (m) ~~Refuse and human waste.~~

35 (n) ~~Cleanup, restoration, and mitigation.~~

36 SEC. 5. ~~If the Commission on State Mandates determines that
37 this act contains costs mandated by the state, reimbursement to
38 local agencies and school districts for those costs shall be made
39 pursuant to Part 7 (commencing with Section 17500) of Division
40 4 of Title 2 of the Government Code.~~

1 *SECTION 1. It is the intent of the Legislature to enact*
2 *legislation that would establish a dedicated funding source to*
3 *address environmental damages resulting from illegal cannabis*
4 *cultivation.*

5 *SEC. 2. This measure shall become operative only if both*
6 *Assembly Bill 266 and Senate Bill 643 of the 2015–16 Regular*
7 *Session are enacted and become operative.*

8 ~~SEC. 6.~~

9 *SEC. 3. This act is an urgency statute necessary for the*
10 *immediate preservation of the public peace, health, or safety within*
11 *the meaning of Article IV of the Constitution and shall go into*
12 *immediate effect. The facts constituting the necessity are:*

13 *In order to address the damage done by illegal marijuana*
14 *cultivation at the earliest time possible, it is necessary that this act*
15 *take effect immediately.*

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