

ASSEMBLY BILL

No. 1575

**Introduced by Assembly Members Bonta, Cooley, Jones-Sawyer,
Lackey, and Wood**

January 4, 2016

An act to amend Sections 19300.5, 19316, 19321, 19326, 19332, 19334, 19340, 19342, 19344, and 19350 of, to amend and add Section 19328 of, and to add Sections 19310.5, 19319.5, and 19322.5 to, the Business and Professions Code, to amend Sections 12025 and 12029 of the Fish and Game Code, and to amend Sections 11352, 11362.765, 11362.775, and 11379 of the Health and Safety Code, relating to medical marijuana.

LEGISLATIVE COUNSEL'S DIGEST

AB 1575, as introduced, Bonta. Medical marijuana.

(1) Existing law, the Medical Marijuana Regulation and Safety Act, establishes the licensing and regulation of medical marijuana. The act requires the Board of Equalization, in consultation with the Department of Food and Agriculture, to adopt a system for reporting the movement of commercial cannabis and cannabis products.

This bill would also require the Board of Equalization to form an advisory group made up of representatives from financial institutions, the medical marijuana industry, and state and federal banking regulators to examine strategies, such as the use of automated kiosks for accepting cash payments, integrated point-of-sale systems with state track and trace systems, and other measures that will improve financial monitoring of medical marijuana businesses. The bill would require the board, by July 1, 2017, to submit a report to the Legislature with proposed changes

to state law or regulations that will improve financial monitoring of medical marijuana businesses and compliance with federal law.

(2) Under the act, a city, county, or city and county is authorized to adopt an ordinance that establishes standards, requirements, and regulations for local licenses and permits for commercial marijuana activity that exceed statewide standards.

The bill would generally prohibit a city, county, or city and county from adopting an ordinance for packaging safety standards that exceeds statewide standards and would require the State Department of Public Health to establish uniform statewide packaging safety standards.

(3) Under the act, all packaging and sealing of medical marijuana or medical marijuana products is required to be completed prior to their being transported or delivered to a licensee, qualified patient, or caregiver.

This bill would require the Bureau of Medical Marijuana Regulation to specify the manner in which medical marijuana and medical marijuana products meant for wholesale purposes are required to be packaged and sealed prior to transport, testing, quality assurance, quality control testing, or distribution.

(4) The act generally establishes categories of licenses that may be issued and limits a licensee to holding a state license in up to 2 separate license categories. The act provides that, upon licensure, a business shall not be subject to that limitation in a jurisdiction that adopted a local ordinance, prior to July 1, 2015, allowing or requiring qualified businesses to cultivate, manufacture, and dispense medical marijuana or medical marijuana products, with all commercial marijuana activity being conducted by a single qualified business. The act repeals these provisions on January 1, 2026.

This bill would instead repeal only the latter provision effective January 1, 2026.

(5) The act specifically establishes a “nursery license,” to be issued by the Department of Food and Agriculture, for the cultivation of medical marijuana solely as a nursery, and authorizes a licensee with a nursery license to transport live plants.

This bill would specify that a licensee with a nursery license may transport live immature plants, subject to specified tracking, security, and related requirements.

(6) The act specifically establishes a “dispensary license,” to be issued by the Department of Consumer Affairs, and requires a licensed dispensary to implement sufficient security measures, including, at a

minimum, certain specified security measures, such as establishing limited access areas accessible only to authorized dispensary personnel. The act authorizes a dispensary to deliver in a city, county, or city and county that does not explicitly prohibit it by local ordinance.

This bill would also establish a “virtual dispensary license” and would require dispensaries to implement the additional security measure of requiring all medical marijuana and medical marijuana products used for display purposes, samples, or immediate sale to be stored out of reach of any individual who is not employed by the dispensary. The bill would require the Bureau of Medical Marijuana Regulation to establish specified regulations regarding delivery of medical marijuana and medical marijuana products by a dispensary and specified requirements for all dispensary employees who deliver medical marijuana or medical marijuana products.

(7) Under the act, each licensing authority is required to establish a scale of application, licensing, and renewal fees based on the cost of enforcing the act.

This bill would specify that these fees shall be in addition to, and shall not limit, any fees or taxes imposed by any city, county, or city and county in which the licensee operates.

(8) The act makes a license valid for 12 months from the date of issuance and requires that a license be renewed annually.

This bill would, notwithstanding that provision, authorize the Bureau of Medical Marijuana Regulation to issue temporary permits for business events.

(9) The act requires a licensed testing laboratory to analyze samples of medical marijuana or medical marijuana products according to either the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia or a scientifically valid methodology that, in the opinion of the accrediting body, is demonstrably equal or superior.

This bill would instead require a licensed testing laboratory to analyze samples in the final form in which the patient will consume the medical marijuana or medical marijuana product using a scientifically valid methodology approved by the accrediting body.

(10) Existing law authorizes the University of California to create the California Marijuana Research Program, the purpose of which is to develop and conduct studies intended to ascertain the general medical safety and efficacy of marijuana, and if found valuable, to develop

medical guidelines for the appropriate administration and use of marijuana.

This bill would provide that it is not a violation of state law or any local ordinance or regulation for a business or research institution engaged in the research of medical marijuana, medical marijuana products, or devices used for the medical use of marijuana or marijuana products, to possess, transport, purchase, or otherwise obtain small amounts of medical marijuana or medical marijuana products to conduct research and development related to medical marijuana or medical marijuana products. The bill would require the Bureau of Medical Marijuana Regulation to issue a medical marijuana research permit.

(11) Existing law imposes various civil penalties for a violation of specified provisions of law in connection with the production or cultivation of a controlled substance, including marijuana, on land under the management of specified state and federal agencies or within the ownership of a timberland production zone, as prescribed. Existing law also imposes various civil penalties for a violation of those specified provisions of law in connection with the production or cultivation of a controlled substance, including marijuana, on land that the person owns, leases, or otherwise uses or occupies with the consent of the landowner.

The bill would provide that activities that are in compliance with the Medical Marijuana Regulation and Safety Act are not subject to the above-described civil penalties.

(12) Under existing law, collectives and cooperatives that cultivate cannabis are not, solely on that basis, subject to certain criminal penalties, including unauthorized possession, cultivation, and transportation of marijuana. This exception for collectives and cooperatives expires one year after the Bureau of Medical Marijuana Regulation posts a notice on its Internet Web site that the bureau has commenced issuing licenses pursuant to the act and existing law is repealed on the date the bureau issues a license.

This bill would instead provide that the above exception is repealed one year after the bureau posts its notice on its Internet Web site. The bill would also specify that a collective or cooperative subject to this exception may operate on a for-profit basis, a not-for-profit basis, or any combination thereof. The bill would also specify that a licensee under the act may operate on a for-profit basis, a not-for-profit basis, or any combination thereof.

(13) Existing law provides that a qualified patient or a person with an identification card, a designated primary caregiver, and any individual

who provides assistance to a qualified patient or a person with an identification card, or his or her designated primary caregiver, are not, solely on that basis, subject to certain criminal penalties, including unauthorized possession, cultivation, and transportation of marijuana. Existing law specifies that this provision does not authorize any individual or group to cultivate or distribute marijuana.

This bill would instead specify that this provision does not authorize any individual or group to cultivate or distribute marijuana in any manner other than set forth in the Medical Marijuana Regulation and Safety Act or in the Compassionate Use Act of 1996.

(14) Existing law makes it a crime to transport, import into this state, sell, furnish, administer, or give away, or offers to transport, import into this state, sell, furnish, administer, or give away, or attempt to import into this state or transport, or to transport for sale between counties of the state any controlled substance, including marijuana.

This bill would except from these provisions any commercial marijuana activity by a holder of a state license under the Medical Marijuana Regulation and Safety Act.

(15) This bill would also make technical, nonsubstantive changes to the provisions of the act.

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

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

1 SECTION 1. Section 19300.5 of the Business and Professions
2 Code is amended to read:

3 19300.5. For purposes of this chapter, the following definitions
4 shall apply:

5 (a) "Accrediting body" means a nonprofit organization that
6 requires conformance to ISO/IEC 17025 requirements and is a
7 signatory to the International Laboratory Accreditation Cooperation
8 Mutual Recognition Arrangement for Testing.

9 (b) "Applicant," for purposes of Article 4 (commencing with
10 Section 19319), means the following:

11 (1) (A) ~~Owner or owners of a proposed facility, including all~~
12 ~~persons or entities having ownership interest other than a security~~
13 ~~interest, lien, or encumbrance on property that will be used by the~~
14 ~~facility.~~ *facility.*

1 ~~(2) If the owner is an entity, “owner” includes within the entity~~
2 ~~each person participating in the direction, control, or management~~
3 ~~of, or having a financial interest in, the proposed facility.~~

4 *(B) An “owner” means any person having an aggregate*
5 *ownership interest, other than a security interest, lien, or*
6 *encumbrance, of 5 percent or more in the licensee and who has*
7 *the power to direct, or cause to be directed, the management or*
8 *control of the licensee.*

9 ~~(3)~~

10 (2) If the applicant is a publicly traded company, “owner”
11 means the chief executive officer, *any member of the board of*
12 *directors*, or any person or entity with an aggregate ownership
13 interest of 5 percent or more. *If the applicant is a nonprofit entity,*
14 *“owner” means both the chief executive officer and any member*
15 *of the board of directors.*

16 (c) “Batch” means a specific quantity of medical ~~cannabis~~
17 *marijuana* or medical ~~cannabis~~ *marijuana* products that is intended
18 to have uniform character and quality, within specified limits, and
19 is produced according to a single manufacturing order during the
20 same cycle of manufacture.

21 (d) “Bureau” means the Bureau of Medical Marijuana
22 Regulation within the Department of Consumer Affairs.

23 (e) “Cannabinoid” or “phytocannabinoid” means a chemical
24 compound that is unique to and derived from cannabis.

25 (f) “Cannabis” *or “marijuana”* means all parts of the plant
26 *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*,
27 whether growing or not; the seeds thereof; the resin, whether crude
28 or purified, extracted from any part of the plant; and every
29 compound, manufacture, salt, derivative, mixture, or preparation
30 of the plant, its seeds, or resin. “Cannabis” *or “marijuana”* also
31 means the separated resin, whether crude or purified, obtained
32 from marijuana. “Cannabis” *or “marijuana”* also means marijuana
33 as defined by Section 11018 of the Health and Safety Code as
34 enacted by Chapter 1407 of the Statutes of 1972. “Cannabis” *or*
35 *“marijuana”* does not include the mature stalks of the plant, fiber
36 produced from the stalks, oil or cake made from the seeds of the
37 plant, any other compound, manufacture, salt, derivative, mixture,
38 or preparation of the mature stalks (except the resin extracted
39 therefrom), fiber, oil, or cake, or the sterilized seed of the plant
40 which is incapable of germination. For the purpose of this chapter,

1 “cannabis” or “marijuana” does not mean “industrial hemp” as
2 defined by Section 81000 of the Food and Agricultural Code or
3 Section 11018.5 of the Health and Safety Code.

4 (g) “Cannabis concentrate” or “marijuana concentrate” means
5 manufactured ~~cannabis~~ *marijuana* that has undergone a process
6 to concentrate the cannabinoid active ingredient, thereby increasing
7 the product’s potency. An edible medical ~~cannabis~~ *marijuana*
8 product is not considered food, as defined by Section 109935 of
9 the Health and Safety Code, or a drug, as defined by Section
10 109925 of the Health and Safety Code.

11 (h) “Caregiver” or “primary caregiver” has the same meaning
12 as that term is defined in Section 11362.7 of the Health and Safety
13 Code.

14 (i) “Certificate of accreditation” means a certificate issued by
15 an accrediting body to a licensed testing laboratory, entity, or site
16 to be registered in the state.

17 (j) “Chief” means Chief of the Bureau of Medical Marijuana
18 Regulation within the Department of Consumer Affairs.

19 (k) “Commercial ~~cannabis~~ *marijuana* activity” includes
20 cultivation, possession, manufacture, processing, storing, laboratory
21 testing, labeling, transporting, distribution, or sale of medical
22 ~~cannabis~~ *marijuana* or a medical ~~cannabis~~ *marijuana* product,
23 except as set forth in Section 19319, related to qualifying patients
24 and primary caregivers.

25 (l) “Cultivation” means any activity involving the planting,
26 growing, harvesting, drying, curing, grading, or trimming of
27 ~~cannabis~~ *marijuana*.

28 (m) “Delivery” means the commercial transfer of medical
29 ~~cannabis~~ *marijuana* or medical ~~cannabis~~ *marijuana* products from
30 a dispensary, up to an amount determined by the bureau to a
31 primary caregiver or qualified patient as defined in Section 11362.7
32 of the Health and Safety Code, or a testing laboratory. “Delivery”
33 also includes the use by a dispensary of any technology platform
34 owned and controlled by the dispensary, or independently licensed
35 under this chapter, that enables qualified patients or primary
36 caregivers to arrange for or facilitate the commercial transfer by
37 a licensed dispensary of medical ~~cannabis~~ *marijuana* or medical
38 ~~cannabis~~ *marijuana* products.

39 (n) “Dispensary” means a facility where medical ~~cannabis~~,
40 *marijuana*, medical ~~cannabis~~ *marijuana* products, or devices for

1 the use of medical-~~cannabis~~ *marijuana* or medical-~~cannabis~~
2 *marijuana* products are offered, either individually or in any
3 combination, for retail sale, including an establishment that
4 delivers, pursuant to express authorization by local ordinance,
5 medical-~~cannabis~~ *marijuana* and medical-~~cannabis~~ *marijuana*
6 products as part of a retail sale. “Dispensary” includes a virtual
7 dispensary for purposes of regulation.

8 (o) “Dispensing” means any activity involving the retail sale of
9 medical-~~cannabis~~ *marijuana* or medical-~~cannabis~~ *marijuana*
10 products from a dispensary.

11 (p) “Distribution” means the procurement, sale, and transport
12 of medical-~~cannabis~~ *marijuana* and medical-~~cannabis~~ *marijuana*
13 products between entities licensed pursuant to this chapter.

14 (q) “Distributor” means a person licensed under this chapter to
15 engage in the business of purchasing medical-~~cannabis~~ *marijuana*
16 from a licensed cultivator, or medical-~~cannabis~~ *marijuana* products
17 from a licensed manufacturer, for sale to a licensed dispensary.

18 (r) “Dried flower” means all dead medical-~~cannabis~~ *marijuana*
19 that has been harvested, dried, cured, or otherwise processed,
20 excluding leaves and stems.

21 (s) “Edible-~~cannabis~~ *marijuana* product” means manufactured
22 ~~cannabis~~ *marijuana* that is intended to be used, in whole or in part,
23 for human consumption, including, but not limited to, chewing
24 gum. An edible medical-~~cannabis~~ *marijuana* product is not
25 considered food as defined by Section 109935 of the Health and
26 Safety Code or a drug as defined by Section 109925 of the Health
27 and Safety Code.

28 (t) “Fund” means the Medical Marijuana Regulation and Safety
29 Act Fund established pursuant to Section 19351.

30 (u) “Identification program” means the universal identification
31 certificate program for commercial medical-~~cannabis~~ *marijuana*
32 activity authorized by this chapter.

33 (v) “Labor peace agreement” means an agreement between a
34 licensee and a bona fide labor organization that, at a minimum,
35 protects the state’s proprietary interests by prohibiting labor
36 organizations and members from engaging in picketing, work
37 stoppages, boycotts, and any other economic interference with the
38 applicant’s business. This agreement means that the applicant has
39 agreed not to disrupt efforts by the bona fide labor organization
40 to communicate with, and attempt to organize and represent, the

1 applicant’s employees. The agreement shall provide a bona fide
2 labor organization access at reasonable times to areas in which the
3 applicant’s employees work, for the purpose of meeting with
4 employees to discuss their right to representation, employment
5 rights under state law, and terms and conditions of employment.
6 This type of agreement shall not mandate a particular method of
7 election or certification of the bona fide labor organization.

8 (w) “Licensing authority” means the state agency responsible
9 for the issuance, renewal, or reinstatement of the license, or the
10 state agency authorized to take disciplinary action against the
11 license.

12 (x) “Cultivation site” means a facility where ~~medical-cannabis~~
13 *marijuana* is planted, grown, harvested, dried, cured, graded, or
14 trimmed, or that does all or any combination of those activities,
15 that holds a valid state license pursuant to this chapter, and that
16 holds a valid local license or permit.

17 (y) “Manufacturer” means a person that conducts the production,
18 preparation, propagation, or compounding of manufactured medical
19 ~~cannabis~~, *marijuana*, as described in subdivision (ae), or medical
20 ~~cannabis~~ *marijuana* products either directly or indirectly or by
21 extraction methods, or independently by means of chemical
22 synthesis or by a combination of extraction and chemical synthesis
23 at a fixed location that packages or repackages ~~medical-cannabis~~
24 *marijuana* or ~~medical-cannabis~~ *marijuana* products or labels or
25 relabels its container, that holds a valid state license pursuant to
26 this chapter, and that holds a valid local license or permit.

27 (z) “Testing laboratory” means a facility, entity, or site in the
28 state that offers or performs tests of ~~medical-cannabis~~ *marijuana*
29 or ~~medical-cannabis~~ *marijuana* products and that is both of the
30 following:

31 (1) Accredited by an accrediting body that is independent from
32 all other persons involved in the ~~medical-cannabis~~ *marijuana*
33 industry in the state.

34 (2) Registered with the State Department of Public Health.

35 (aa) “Transporter” means a person issued a state license by the
36 bureau to transport ~~medical-cannabis~~ *marijuana* or medical
37 ~~cannabis~~ *marijuana* products in an amount above a threshold
38 determined by the bureau between facilities that have been issued
39 a state license pursuant to this chapter.

- 1 (ab) “Licensee” means a person issued a state license under this
2 chapter to engage in commercial ~~cannabis~~ *marijuana* activity.
- 3 (ac) “Live plants” means living medical ~~cannabis~~ *marijuana*
4 flowers and plants, including seeds, immature plants, and
5 vegetative stage plants.
- 6 (ad) “Lot” means a batch, or a specifically identified portion of
7 a batch, having uniform character and quality within specified
8 limits. In the case of medical ~~cannabis~~ *marijuana* or a medical
9 ~~cannabis~~ *marijuana* product produced by a continuous process,
10 “lot” means a specifically identified amount produced in a unit of
11 time or a quantity in a manner that ensures its having uniform
12 character and quality within specified limits.
- 13 (ae) “Manufactured cannabis” or “*manufactured marijuana*”
14 means raw ~~cannabis~~ *marijuana* that has undergone a process
15 whereby the raw agricultural product has been transformed into a
16 concentrate, an edible product, or a topical product.
- 17 (af) “Manufacturing site” means a location that produces,
18 prepares, propagates, or compounds manufactured medical
19 ~~cannabis~~ *marijuana* or medical ~~cannabis~~ *marijuana* products,
20 directly or indirectly, by extraction methods, independently by
21 means of chemical synthesis, or by a combination of extraction
22 and chemical synthesis, and is owned and operated by a licensee
23 for these activities.
- 24 (ag) “Medical cannabis,” “medical cannabis product,” ~~or~~
25 “~~cannabis product~~ *product*,” “*medical marijuana*,” “*medical*
26 *marijuana product*,” or “*marijuana product*” means a product
27 containing ~~cannabis~~, *marijuana*, including, but not limited to,
28 concentrates and extractions, intended to be sold for use by medical
29 ~~cannabis~~ *marijuana* patients in California pursuant to the
30 Compassionate Use Act of 1996 (Proposition 215), found at Section
31 11362.5 of the Health and Safety Code. For the purposes of this
32 chapter, “medical cannabis” or “*medical marijuana*” does not
33 include “industrial hemp” as defined by Section 81000 of the Food
34 and Agricultural Code or Section 11018.5 of the Health and Safety
35 Code.
- 36 (ah) “Nursery” means a licensee that produces only clones,
37 immature plants, seeds, and other agricultural products used
38 specifically for the planting, propagation, and cultivation of medical
39 ~~cannabis~~ *marijuana*.

1 (ai) “Permit,” “local license,” or “local permit” means an official
2 document granted by a local jurisdiction that specifically authorizes
3 a person to conduct commercial-~~cannabis~~ *marijuana* activity in
4 the local jurisdiction.

5 (aj) “Person” means an individual, firm, partnership, joint
6 venture, association, corporation, limited liability company, estate,
7 trust, business trust, receiver, syndicate, or any other group or
8 combination acting as a unit and includes the plural as well as the
9 singular number.

10 (ak) “State license,” “license,” or “registration” means a state
11 license issued pursuant to this chapter.

12 (al) “Topical cannabis” or “*topical marijuana*” means a product
13 intended for external use. A topical-~~cannabis~~ *marijuana* product
14 is not considered a drug as defined by Section 109925 of the Health
15 and Safety Code.

16 (am) “Transport” means the transfer of medical-~~cannabis~~
17 *marijuana* or medical-~~cannabis~~ *marijuana* products from the
18 permitted business location of one licensee to the permitted
19 business location of another licensee, for the purposes of
20 conducting commercial-~~cannabis~~ *marijuana* activity authorized
21 pursuant to this chapter.

22 SEC. 2. Section 19310.5 is added to the Business and
23 Professions Code, to read:

24 19310.5. (a) It is the intent of the Legislature to enact a statute
25 that improves the medical marijuana industry’s ability to comply
26 with federal law and regulations that would allow improved access
27 to financial services.

28 (b) (1) The State Board of Equalization shall form an advisory
29 group made up of representatives from financial institutions, the
30 medical marijuana industry, and state and federal banking
31 regulators. By July 1, 2017, the board shall submit a report to the
32 Legislature with proposed changes to state law or regulations that
33 will improve financial monitoring of medical marijuana businesses
34 and improve compliance with federal law.

35 (2) A report submitted pursuant to paragraph (1) shall be
36 submitted in compliance with Section 9795 of the Government
37 Code. The requirement for submitting a report imposed in paragraph
38 (1) is inoperative on July 1, 2021, pursuant to Section 10231.5 of
39 the Government Code.

1 (c) The advisory group shall examine strategies, such as the use
2 of automated kiosks for accepting cash payments, integrated
3 point-of-sale systems with state track and trace systems, and other
4 measures that will improve financial monitoring of medical
5 marijuana businesses.

6 SEC. 3. Section 19316 of the Business and Professions Code
7 is amended to read:

8 19316. (a) ~~Pursuant~~*(1) Except as described in paragraph (2),*
9 *and pursuant to Section 7 of Article XI of the California*
10 *Constitution, a city, county, or city and county may adopt*
11 *ordinances that establish additional standards, requirements, and*
12 *regulations for local licenses and permits for commercial-cannabis*
13 *marijuana activity. Any standards, requirements, and regulations*
14 *regarding health and safety, testing, security, and worker*
15 *protections established by the state shall be the minimum standards*
16 *for all licensees statewide.*

17 *(2) Packaging safety standards shall be uniform across the state*
18 *and shall be established by the State Department of Public Health.*

19 *(3) For purposes of this subdivision, packaging safety standards*
20 *do not include packaging requirements related to appellations of*
21 *origin or other branding or marketing materials.*

22 (b) For facilities issued a state license that are located within
23 the incorporated area of a city, the city shall have full power and
24 authority to enforce this chapter and the regulations promulgated
25 by the bureau or any licensing authority, if delegated by the state.
26 Notwithstanding Sections 101375, 101400, and 101405 of the
27 Health and Safety Code or any contract entered into pursuant
28 thereto, or any other law, the city shall further assume complete
29 responsibility for any regulatory function relating to those licensees
30 within the city limits that would otherwise be performed by the
31 county or any county officer or employee, including a county
32 health officer, without liability, cost, or expense to the county.

33 (c) Nothing in this chapter, or any regulations promulgated
34 thereunder, shall be deemed to limit the authority or remedies of
35 a city, county, or city and county under any provision of law,
36 including, but not limited to, Section 7 of Article XI of the
37 California Constitution.

38 SEC. 4. Section 19319.5 is added to the Business and
39 Professions Code, to read:

1 19319.5. (a) (1) It shall not be a violation of this chapter or
2 any other state law, and it shall not be a violation of any local
3 ordinance or regulation for a business or research institution
4 engaged in the research of medical marijuana, medical marijuana
5 products, or devices used for the medical use of marijuana or
6 marijuana products, to possess, transport, purchase, or otherwise
7 obtain small amounts of medical marijuana or medical marijuana
8 products, as determined by the bureau but not to exceed eight
9 ounces per month, as necessary to conduct research and
10 development related to medical marijuana or medical marijuana
11 products.

12 (2) Medical marijuana or medical marijuana products subject
13 to this section shall be obtained only from a person or entity
14 licensed pursuant to this chapter, who is permitted to provide or
15 deliver the medical marijuana or medical marijuana product. The
16 business or research institution shall obtain a medical marijuana
17 research permit pursuant to subdivision (b).

18 (b) The bureau shall issue a medical marijuana research permit
19 to allow for permitholders to pursue the research described in
20 subdivision (a). It is the intent of the Legislature to establish
21 minimum requirements for the medical marijuana research permit,
22 including the following:

23 (1) The requirement for all medical marijuana and medical
24 marijuana products used under a medical marijuana research permit
25 to be subject to all requirements of the state's track and trace
26 program established pursuant to this chapter.

27 (2) The requirement that all applicants for a medical marijuana
28 research permit obtain permission to operate from the local
29 jurisdiction in which the applicant intends to conduct the research.

30 (3) The maximum amount of medical marijuana and medical
31 marijuana products that may be obtained per month for research
32 purposes. In no case shall a permitholder obtain more than eight
33 ounces per month for research purposes.

34 SEC. 5. Section 19321 of the Business and Professions Code
35 is amended to read:

36 19321. (a) The Department of Consumer Affairs, the
37 Department of Food and Agriculture, and the State Department of
38 Public Health shall promulgate regulations for implementation of
39 their respective responsibilities in the administration of this chapter.

1 (b) ~~A~~ Except as described in subdivision (e), a license issued
 2 pursuant to this section shall be valid for 12 months from the date
 3 of issuance. The license shall be renewed annually. Each licensing
 4 authority shall establish procedures for the renewal of a license.

5 (c) Notwithstanding subdivision (a) of Section 19320, a facility
 6 or entity that is operating in compliance with local zoning
 7 ordinances and other state and local requirements on or before
 8 January 1, 2018, may continue its operations until its application
 9 for licensure is approved or denied pursuant to this chapter. In
 10 issuing licenses, the licensing authority shall prioritize any facility
 11 or entity that can demonstrate to the authority’s satisfaction that
 12 it was in operation and in good standing with the local jurisdiction
 13 by January 1, 2016.

14 (d) Issuance of a state license or a determination of compliance
 15 with local law by the licensing authority shall in no way limit the
 16 ability of the City of Los Angeles to prosecute any person or entity
 17 for a violation of, or otherwise enforce, Proposition D, approved
 18 by the voters of the City of Los Angeles on the May 21, 2013,
 19 ballot for the city, or the city’s zoning laws. Nor may issuance of
 20 a license or determination of compliance with local law by the
 21 licensing authority be deemed to establish, or be relied upon, in
 22 determining satisfaction with the immunity requirements of
 23 Proposition D or local zoning law, in court or in any other context
 24 or forum.

25 (e) *The bureau may issue temporary permits for business events.*
 26 *It is the intent of the Legislature to establish minimum standards*
 27 *and requirements for temporary permits for medical marijuana*
 28 *and medical marijuana products.*

29 SEC. 6. Section 19322.5 is added to the Business and
 30 Professions Code, to read:

31 19322.5. A licensee may operate as a for-profit business, as a
 32 not-for-profit entity, or as a combination of both.

33 SEC. 7. Section 19326 of the Business and Professions Code
 34 is amended to read:

35 19326. (a) A person other than a licensed transporter shall not
 36 transport medical-~~cannabis~~ *marijuana* or medical-~~cannabis~~
 37 *marijuana* products from one licensee to another licensee, unless
 38 otherwise specified in this chapter.

39 (b) All licensees holding cultivation or manufacturing licenses
 40 shall send all medical-~~cannabis~~ *marijuana* and medical-~~cannabis~~

1 *marijuana* products cultivated or manufactured to a distributor, as
2 defined in Section 19300.5, for quality assurance and inspection
3 by the Type 11 licensee and for a batch testing by a Type 8 licensee
4 prior to distribution to a dispensary. Those licensees holding a
5 Type 10A license in addition to a cultivation license or a
6 manufacturing license shall send all medical-~~cannabis~~ *marijuana*
7 and medical-~~cannabis~~ *marijuana* products to a Type 11 licensee
8 for presale inspection and for a batch testing by a Type 8 licensee
9 prior to dispensing any product. The licensing authority shall fine
10 a licensee who violates this subdivision in an amount determined
11 by the licensing authority to be reasonable.

12 (c) (1) Upon receipt of medical-~~cannabis~~ *marijuana* or medical
13 ~~cannabis~~ *marijuana* products by a holder of a cultivation or
14 manufacturing license, the Type 11 licensee shall first inspect the
15 product to ensure the identity and quantity of the product and then
16 ensure a random sample of the medical-~~cannabis~~ *marijuana* or
17 medical-~~cannabis~~ *marijuana* product is tested by a Type 8 licensee
18 prior to distributing the ~~batch of medical cannabis or medical~~
19 ~~cannabis products.~~ *batch.*

20 (2) Upon issuance of a certificate of analysis by the Type 8
21 licensee that the product is fit for manufacturing or retail, all
22 medical-~~cannabis~~ *marijuana* and medical-~~cannabis~~ *marijuana*
23 products shall undergo a quality assurance review by the Type 11
24 licensee prior to distribution to ensure the quantity and content of
25 the medical-~~cannabis~~ *marijuana* or medical-~~cannabis~~ *marijuana*
26 product, and for tracking and taxation purposes by the state.
27 Licensed cultivators and manufacturers shall package or seal all
28 medical-~~cannabis~~ *marijuana* and medical-~~cannabis~~ *marijuana*
29 products in tamper-evident packaging and use a unique identifier,
30 as prescribed by the Department of Food and Agriculture, for the
31 purpose of identifying and tracking medical-~~cannabis~~ *marijuana*
32 or medical-~~cannabis~~ *marijuana* products. Medical-~~cannabis~~
33 *marijuana* and medical-~~cannabis~~ *marijuana* products shall be
34 labeled as required by Section 19347, *except as otherwise specified*
35 *in this chapter.* All packaging and sealing shall be completed prior
36 to medical-~~cannabis~~ *marijuana* or medical-~~cannabis~~ *marijuana*
37 products being transported or delivered to a licensee, qualified
38 patient, or ~~caregiver.~~ *caregiver, except as otherwise specified in*
39 *this chapter. The bureau shall specify the manner in which medical*
40 *marijuana and medical marijuana products meant for wholesale*

1 *purposes shall be packaged and sealed prior to transport, testing,*
2 *quality assurance, quality control testing, or distribution.*

3 (3) This section does not limit the ability of licensed cultivators,
4 manufacturers, and dispensaries to directly enter into contracts
5 with one another indicating the price and quantity of medical
6 ~~cannabis marijuana~~ or medical ~~cannabis marijuana~~ products to
7 be distributed. However, a Type 11 licensee responsible for
8 executing the contract is authorized to collect a fee for the services
9 rendered, including, but not limited to, costs incurred by a Type
10 8 licensee, as well as applicable state or local taxes and fees.

11 (d) Medical ~~cannabis marijuana~~ and medical ~~cannabis marijuana~~
12 products shall be tested by a registered testing laboratory, prior to
13 retail sale or dispensing, as follows:

14 (1) Medical ~~cannabis marijuana~~ from dried flower shall, at a
15 minimum, be tested for concentration, pesticides, mold, and other
16 contaminants.

17 (2) Medical ~~cannabis marijuana~~ extracts shall, at a minimum,
18 be tested for concentration and purity of the product.

19 (3) This chapter shall not prohibit a licensee from performing
20 on-site testing for the purposes of quality assurance of the product
21 in conjunction with reasonable business operations. On-site testing
22 by the licensee shall not be certified by the State Department of
23 Public Health.

24 (e) All commercial ~~cannabis marijuana~~ activity shall be
25 conducted between licensees, when these are available.

26 SEC. 8. Section 19328 of the Business and Professions Code
27 is amended to read:

28 19328. (a) ~~Except as specified in paragraph (9),~~ a licensee
29 may only hold a state license in up to two separate license
30 categories, as follows:

31 (1) Type 1, 1A, 1B, 2, 2A, or 2B licensees may also hold either
32 a Type 6 or 7 state license.

33 (2) Type 6 or 7 licensees, or a combination thereof, may also
34 hold either a Type 1, 1A, 1B, 2, 2A, or 2B state license.

35 (3) Type 6 or 7 licensees, or a combination thereof, may also
36 hold a Type 10A state license.

37 (4) Type 10A licensees may also hold either a Type 6 or 7 state
38 license, or a combination thereof.

39 (5) Type 1, 1A, 1B, 2, 2A, or 2B licensees, or a combination
40 thereof, may also hold a Type 10A state license.

1 (6) Type 10A licensees may apply for Type 1, 1A, 1B, 2, 2A,
2 or 2B state license, or a combination thereof.

3 (7) Type 11 licensees shall apply for a Type 12 state license,
4 but shall not apply for any other type of state license.

5 (8) Type 12 licensees may apply for a Type 11 state license.

6 (9) A Type 10A licensee may apply for a Type 6 or 7 state
7 license and hold a 1, 1A, 1B, 2, 2A, 2B, 3, 3A, 3B, 4 or
8 combination thereof if, under the 1, 1A, 1B, 2, 2A, 2B, 3, 3A, 3B,
9 4 or combination of licenses thereof, no more than four acres of
10 total canopy size of cultivation by the licensee is occurring
11 throughout the state during the period that the respective licenses
12 are valid. All cultivation pursuant to this section shall comply with
13 local ordinances. ~~This paragraph shall become inoperative on~~
14 ~~January 1, 2026. By January 1, 2025, the bureau shall review the~~
15 ~~appropriateness of continuing licensure under this paragraph and~~
16 ~~shall reports its recommendation for elimination or extension of~~
17 ~~these provisions to the Legislature.~~

18 (b) Except as provided in subdivision (a), a person or entity that
19 holds a state license is prohibited from licensure for any other
20 activity authorized under this chapter, and is prohibited from
21 holding an ownership interest in real property, personal property,
22 or other assets associated with or used in any other license category.

23 (c) (1) In a jurisdiction that adopted a local ordinance, prior to
24 July 1, 2015, allowing or requiring qualified businesses to cultivate,
25 manufacture, and dispense medical ~~cannabis~~ *marijuana* or medical
26 ~~cannabis~~ *marijuana* products, with all commercial ~~cannabis~~
27 *marijuana* activity being conducted by a single qualified business,
28 upon licensure that business shall not be subject to subdivision (a)
29 if it meets all of the following conditions:

30 (A) The business was cultivating, manufacturing, and dispensing
31 medical ~~cannabis~~ *marijuana* or medical ~~cannabis~~ *marijuana*
32 products on July 1, 2015, and has continuously done so since that
33 date.

34 (B) The business has been in full compliance with all applicable
35 local ordinances at all times prior to licensure.

36 (C) The business is registered with the State Board of
37 Equalization.

38 (2) A business licensed pursuant to paragraph (1) is not required
39 to conduct all cultivation or manufacturing within the bounds of
40 a local jurisdiction, but all cultivation and manufacturing shall

1 have commenced prior to July 1, 2015, and have been in full
2 compliance with applicable local ordinances.

3 (d) This section shall remain in effect only until January 1, 2026,
4 and as of that date is repealed.

5 SEC. 9. Section 19328 is added to the Business and Professions
6 Code, to read:

7 19328. (a) A licensee may only hold a state license in up to
8 two separate license categories, as follows:

9 (1) Type 1, 1A, 1B, 2, 2A, or 2B licensees may also hold either
10 a Type 6 or 7 state license.

11 (2) Type 6 or 7 licensees, or a combination thereof, may also
12 hold either a Type 1, 1A, 1B, 2, 2A, or 2B state license.

13 (3) Type 6 or 7 licensees, or a combination thereof, may also
14 hold a Type 10A state license.

15 (4) Type 10A licensees may also hold either a Type 6 or 7 state
16 license, or a combination thereof.

17 (5) Type 1, 1A, 1B, 2, 2A, or 2B licensees, or a combination
18 thereof, may also hold a Type 10A state license.

19 (6) Type 10A licensees may apply for Type 1, 1A, 1B, 2, 2A,
20 or 2B state license, or a combination thereof.

21 (7) Type 11 licensees shall apply for a Type 12 state license,
22 but shall not apply for any other type of state license.

23 (8) Type 12 licensees may apply for a Type 11 state license.

24 (9) A Type 10A licensee may apply for a Type 6 or 7 state
25 license and hold a 1, 1A, 1B, 2, 2A, 2B, 3, 3A, 3B, 4 or
26 combination thereof if, under the 1, 1A, 1B, 2, 2A, 2B, 3, 3A, 3B,
27 4 or combination of licenses thereof, no more than four acres of
28 total canopy size of cultivation by the licensee is occurring
29 throughout the state during the period that the respective licenses
30 are valid. All cultivation pursuant to this section shall comply with
31 local ordinances.

32 (b) Except as provided in subdivision (a), a person or entity that
33 holds a state license is prohibited from licensure for any other
34 activity authorized under this chapter, and is prohibited from
35 holding an ownership interest in real property, personal property,
36 or other assets associated with or used in any other license category.

37 (c) This section shall become operative on January 1, 2026.

38 SEC. 10. Section 19332 of the Business and Professions Code
39 is amended to read:

1 19332. (a) The Department of Food and Agriculture shall
2 promulgate regulations governing the licensing of indoor and
3 outdoor cultivation sites.

4 (b) The Department of Pesticide Regulation, in consultation
5 with the Department of Food and Agriculture, shall develop
6 standards for the use of pesticides in cultivation, and maximum
7 tolerances for pesticides and other foreign object residue in
8 harvested ~~cannabis~~ *marijuana*.

9 (c) The State Department of Public Health shall develop
10 standards for the production and labeling of all edible medical
11 ~~cannabis~~ *marijuana* products.

12 (d) The Department of Food and Agriculture, in consultation
13 with the Department of Fish and Wildlife and the State Water
14 Resources Control Board, shall ensure that individual and
15 cumulative effects of water diversion and discharge associated
16 with cultivation do not affect the instream flows needed for fish
17 spawning, migration, and rearing, and the flows needed to maintain
18 natural flow variability.

19 (e) The Department of Food and Agriculture shall have the
20 authority necessary for the implementation of the regulations it
21 adopts pursuant to this chapter. The regulations shall do all of the
22 following:

23 (1) Provide that weighing or measuring devices used in
24 connection with the sale or distribution of medical ~~cannabis~~
25 *marijuana* are required to meet standards equivalent to Division
26 5 (commencing with Section 12001).

27 (2) Require that ~~cannabis~~ *marijuana* cultivation by licensees is
28 conducted in accordance with state and local laws related to land
29 conversion, grading, electricity usage, water usage, agricultural
30 discharges, and similar matters. Nothing in this chapter, and no
31 regulation adopted by the department, shall be construed to
32 supersede or limit the authority of the State Water Resources
33 Control Board, regional water quality control boards, or the
34 Department of Fish and Wildlife to implement and enforce their
35 statutory obligations or to adopt regulations to protect water quality,
36 water supply, and natural resources.

37 (3) Establish procedures for the issuance and revocation of
38 unique identifiers for activities associated with a ~~cannabis~~
39 *marijuana* cultivation license, pursuant to Article 8 (commencing
40 with Section 19337). All ~~cannabis~~ *marijuana* shall be labeled with

1 the unique identifier issued by the Department of Food and
2 Agriculture.

3 (4) Prescribe standards, in consultation with the bureau, for the
4 reporting of information as necessary related to unique identifiers,
5 pursuant to Article 8 (commencing with Section 19337).

6 (f) The Department of Pesticide Regulation, in consultation with
7 the State Water Resources Control Board, shall promulgate
8 regulations that require that the application of pesticides or other
9 pest control in connection with the indoor or outdoor cultivation
10 of medical ~~cannabis~~ *marijuana* meets standards equivalent to
11 Division 6 (commencing with Section 11401) of the Food and
12 Agricultural Code and its implementing regulations.

13 (g) State cultivator license types issued by the Department of
14 Food and Agriculture include:

15 (1) Type 1, or “specialty outdoor,” for outdoor cultivation using
16 no artificial lighting of less than or equal to 5,000 square feet of
17 total canopy size on one premises, or up to 50 mature plants on
18 noncontiguous plots.

19 (2) Type 1A, or “specialty indoor,” for indoor cultivation using
20 exclusively artificial lighting of less than or equal to 5,000 square
21 feet of total canopy size on one premises.

22 (3) Type 1B, or “specialty mixed-light,” for cultivation using a
23 combination of natural and supplemental artificial lighting at a
24 maximum threshold to be determined by the licensing authority,
25 of less than or equal to 5,000 square feet of total canopy size on
26 one premises.

27 (4) Type 2, or “small outdoor,” for outdoor cultivation using
28 no artificial lighting between 5,001 and 10,000 square feet,
29 inclusive, of total canopy size on one premises.

30 (5) Type 2A, or “small indoor,” for indoor cultivation using
31 exclusively artificial lighting between 5,001 and 10,000 square
32 feet, inclusive, of total canopy size on one premises.

33 (6) Type 2B, or “small mixed-light,” for cultivation using a
34 combination of natural and supplemental artificial lighting at a
35 maximum threshold to be determined by the licensing authority,
36 between 5,001 and 10,000 square feet, inclusive, of total canopy
37 size on one premises.

38 (7) Type 3, or “outdoor,” for outdoor cultivation using no
39 artificial lighting from 10,001 square feet to one acre, inclusive,

1 of total canopy size on one premises. The Department of Food and
2 Agriculture shall limit the number of licenses allowed of this type.

3 (8) Type 3A, or “indoor,” for indoor cultivation using
4 exclusively artificial lighting between 10,001 and 22,000 square
5 feet, inclusive, of total canopy size on one premises. The
6 Department of Food and Agriculture shall limit the number of
7 licenses allowed of this type.

8 (9) Type 3B, or “mixed-light,” for cultivation using a
9 combination of natural and supplemental artificial lighting at a
10 maximum threshold to be determined by the licensing authority,
11 between 10,001 and 22,000 square feet, inclusive, of total canopy
12 size on one premises. The Department of Food and Agriculture
13 shall limit the number of licenses allowed of this type.

14 (10) Type 4, or “nursery,” for cultivation of medical-~~cannabis~~
15 *marijuana* solely as a nursery. Type 4 licensees may transport live
16 ~~plants~~: *immature plants, subject to the tracking, security, and*
17 *related requirements of Sections 19334 to 19338, inclusive.*

18 SEC. 11. Section 19334 of the Business and Professions Code
19 is amended to read:

20 19334. (a) State licenses to be issued by the Department of
21 Consumer Affairs are as follows:

22 (1) (A) “Dispensary,” as defined in this chapter. This license
23 shall allow for delivery pursuant to Section 19340.

24 (B) “*Virtual Dispensary*” for a license to permit the retail sale
25 of medical marijuana and medical marijuana products without
26 the requirement of operating a storefront. All virtual dispensaries
27 shall maintain a commercial facility at which all licensed activities
28 are performed under the license, with the exception of direct
29 delivery to a qualified patient or primary caregiver. Virtual
30 dispensaries shall be subject to all of the provisions of this chapter
31 that relate to dispensaries unless specifically excluded.

32 (2) “Distributor,” for the distribution of medical-~~cannabis~~
33 *marijuana* and medical-~~cannabis~~ *marijuana* products from
34 manufacturer to dispensary. A Type 11 licensee shall hold a Type
35 12, or transporter, license and register each location where product
36 is stored for the purposes of distribution. A Type 11 licensee shall
37 not hold a license in a cultivation, manufacturing, dispensing, or
38 testing license category and shall not own, or have an ownership
39 interest in, a facility licensed in those categories other than a
40 security interest, lien, or encumbrance on property that is used by

1 a licensee. A Type 11 licensee shall be bonded and insured at a
2 minimum level established by the licensing authority.

3 (3) “Transport,” for transporters of medical ~~cannabis~~ *marijuana*
4 or medical ~~cannabis~~ *marijuana* products between licensees. A
5 Type 12 licensee shall be bonded and insured at a minimum level
6 established by the licensing authority.

7 (4) “Special dispensary status” for dispensers who have no more
8 than three licensed dispensary facilities. This license shall allow
9 for delivery where expressly authorized by local ordinance.

10 (b) The bureau shall establish minimum security requirements
11 for the commercial transportation and delivery of medical ~~cannabis~~
12 *marijuana* and *medical marijuana* products.

13 (c) A licensed dispensary shall implement sufficient security
14 measures to both deter and prevent unauthorized entrance into
15 areas containing medical ~~cannabis~~ *marijuana* or medical ~~cannabis~~
16 *marijuana* products and theft of medical ~~cannabis~~ *marijuana* or
17 medical ~~cannabis~~ *marijuana* products at the dispensary. These
18 security measures shall include, but not be limited to, all of the
19 following:

20 (1) Preventing individuals from remaining on the premises of
21 the dispensary if they are not engaging in activity expressly related
22 to the operations of the dispensary.

23 (2) Establishing limited access areas accessible only to
24 authorized dispensary personnel.

25 (3) Storing all finished medical ~~cannabis~~ *marijuana* and medical
26 ~~cannabis~~ *marijuana* products in a secured and locked room, safe,
27 or vault, and in a manner as to prevent diversion, theft, and loss,
28 except for limited amounts of ~~cannabis~~ *marijuana* used for display
29 purposes, samples, or immediate sale.

30 (4) *Requiring all medical marijuana and medical marijuana*
31 *products used for display purposes, samples, or immediate sale*
32 *to be stored out of reach of any individual who is not employed by*
33 *the dispensary.*

34 (d) A dispensary shall notify the licensing authority and the
35 appropriate law enforcement authorities within 24 hours after
36 discovering any of the following:

37 (1) Significant discrepancies identified during inventory. The
38 level of significance shall be determined by the bureau.

39 (2) Diversion, theft, loss, or any criminal activity involving the
40 dispensary or any agent or employee of the dispensary.

1 (3) The loss or unauthorized alteration of records related to
2 ~~cannabis~~, *marijuana*, registered qualifying patients, primary
3 caregivers, or dispensary employees or agents.

4 (4) Any other breach of security.

5 SEC. 12. Section 19340 of the Business and Professions Code
6 is amended to read:

7 19340. (a) Deliveries, as defined in this chapter, can only be
8 made by a dispensary and in a city, county, or city and county that
9 does not explicitly prohibit it by local ordinance.

10 (b) Upon approval of the licensing authority, a licensed
11 dispensary that delivers medical-~~cannabis~~ *marijuana* or medical
12 ~~cannabis~~ *marijuana* products shall comply with both of the
13 following:

14 (1) The city, county, or city and county in which the licensed
15 dispensary is located, and in which each delivery is made, do not
16 explicitly by ordinance prohibit ~~delivery, as defined in Section~~
17 ~~19300.5: delivery.~~

18 (2) All employees of a dispensary delivering medical-~~cannabis~~
19 *marijuana* or medical-~~cannabis~~ *marijuana* products shall carry a
20 copy of the dispensary's current license authorizing those services
21 with them during deliveries and the employee's government-issued
22 identification, and shall present that license and identification upon
23 request to state and local law enforcement, employees of regulatory
24 authorities, and other state and local agencies enforcing this
25 chapter.

26 (c) A county shall have the authority to impose a tax, pursuant
27 to Article 11 (commencing with Section 19348), on each delivery
28 transaction completed by a licensee.

29 (d) During delivery, the licensee shall maintain a physical copy
30 of the delivery request and shall make it available upon request of
31 the licensing authority and law enforcement officers. The delivery
32 request documentation shall comply with state and federal law
33 regarding the protection of confidential medical information.

34 (e) The qualified patient or primary caregiver requesting the
35 delivery shall maintain a copy of the delivery request and shall
36 make it available, upon request, to the licensing authority and law
37 enforcement officers.

38 (f) A local jurisdiction shall not prevent carriage of medical
39 ~~cannabis~~ *marijuana* or medical-~~cannabis~~ *marijuana* products on
40 public roads by a licensee acting in compliance with this chapter.

1 (g) The bureau shall establish the following regulations
2 regarding the delivery of medical marijuana and medical
3 marijuana products:

4 (1) Employee training standards that ensure qualified patients
5 and primary caregivers have adequate information regarding the
6 medical marijuana or medical marijuana products that a
7 dispensary delivers, and to provide employees with information
8 regarding state and federal laws and regulations.

9 (2) Protocols to provide qualified patients and primary
10 caregivers with information regarding laws, regulations, and
11 policies relevant to providing medical marijuana or medical
12 marijuana products to qualified patients and primary caregivers
13 in the local jurisdiction in which the dispensary is located and the
14 area in which the medical marijuana or medical marijuana
15 products are being delivered.

16 (3) A system for registering and maintaining the status of all
17 delivery personnel of dispensaries, including protocols for
18 suspending the registrations of individuals who move out of this
19 state, who discontinue employment at a dispensary, or who are
20 under suspension or inspection by a dispensary or local or state
21 law enforcement. This system shall be made available to local and
22 state law enforcement, qualified patients, primary caregivers, and
23 any other entity deemed appropriate by the bureau. Any fees
24 associated with registration of delivery personnel shall be set by
25 the bureau and shall not exceed the reasonable amount necessary
26 to cover the costs to regulate the delivery personnel and maintain
27 the system.

28 (4) The operating hours for delivery.

29 (5) A requirement that each dispensary employee who delivers
30 medical marijuana or medical marijuana products contract with
31 only one dispensary at time.

32 (6) Minimum requirements for patient information that is stored
33 by each delivery operation, including, but not limited to, the contact
34 information for the patient and, if applicable, his or her primary
35 caregiver, the physician's recommendation, and the condition for
36 which the medical marijuana or medical marijuana product is
37 being recommended. All identifying information obtained about
38 a qualified patient or primary caregiver shall be obtained and
39 stored in compliance with the privacy and security rules of the
40 Health Insurance Portability and Accountability Act (HIPAA).

1 (h) The bureau shall establish requirements for all dispensary
2 employees who deliver medical marijuana or medical marijuana
3 products, including, but not limited to, the following:

4 (1) Possession of a valid driver's license issued by the
5 Department of Motor Vehicles.

6 (2) Provide the bureau with a current address.

7 (3) Provide the bureau with necessary automobile and insurance
8 information.

9 (4) Registration with the bureau.

10 SEC. 13. Section 19342 of the Business and Professions Code
11 is amended to read:

12 19342. (a) For the purposes of testing medical-~~cannabis~~
13 *marijuana* or medical-~~cannabis~~ *marijuana* products, licensees shall
14 use a licensed testing laboratory that has adopted a standard
15 operating procedure using methods consistent with general
16 requirements for the competence of testing and calibration
17 activities, including sampling, using standard methods established
18 by the International Organization for Standardization, specifically
19 ISO/IEC 17020 and ISO/IEC 17025 to test medical-~~cannabis~~
20 *marijuana* and medical-~~cannabis~~ *marijuana* products that are
21 approved by an accrediting body that is a signatory to the
22 International Laboratory Accreditation Cooperation Mutual
23 Recognition Arrangement.

24 (b) An agent of a licensed testing laboratory shall obtain samples
25 according to a statistically valid sampling method for each lot.

26 (c) A licensed testing laboratory shall analyze samples according
27 to either of the following:

28 ~~(1) The most current version of the cannabis inflorescence~~
29 ~~monograph published by the American Herbal Pharmacopoeia.~~

30 ~~(2) Scientifically valid methodology that is demonstrably equal~~
31 ~~or superior to paragraph (1), in the opinion of the accrediting body.~~

32 (1) *In the final form which the patient will consume the medical*
33 *marijuana or medical marijuana product, including moisture*
34 *content and other attributes.*

35 (2) *A scientifically valid methodology approved by the*
36 *accrediting body.*

37 (d) If a test result falls outside the specifications authorized by
38 law or regulation, the licensed testing laboratory shall follow a
39 standard operating procedure to confirm or refute the original
40 result.

1 (e) A licensed testing laboratory shall destroy the remains of
2 the sample of ~~medical-cannabis~~ *marijuana* or ~~medical-cannabis~~
3 *marijuana* product upon completion of the analysis.

4 SEC. 14. Section 19344 of the Business and Professions Code
5 is amended to read:

6 19344. (a) A licensed testing laboratory shall issue a certificate
7 of analysis for each lot, with supporting data, to report both of the
8 following:

9 (1) Whether the chemical profile of the lot conforms to the
10 specifications of the lot for compounds, including, but not limited
11 to, all of the following:

12 (A) Tetrahydrocannabinol (THC).

13 (B) Tetrahydrocannabinolic Acid (THCA).

14 (C) Cannabidiol (CBD).

15 (D) Cannabidiolic Acid (CBDA).

16 (E) The terpenes described in the most current version of the
17 cannabis inflorescence monograph published by the American
18 Herbal Pharmacopoeia.

19 (F) Cannabigerol (CBG).

20 (G) Cannabinol (CBN).

21 (H) Any other compounds required by the State Department of
22 Public Health.

23 (2) That the presence of contaminants does not exceed the levels
24 that are the lesser of either the most current version of the American
25 Herbal Pharmacopoeia monograph or the State Department of
26 Public Health. For purposes of this paragraph, contaminants
27 includes, but is not limited to, all of the following:

28 (A) Residual solvent or processing chemicals.

29 (B) Foreign material, including, but not limited to, hair, insects,
30 or similar or related adulterant.

31 (C) Microbiological impurity, including total aerobic microbial
32 count, total yeast mold count, *P. aeruginosa*, *aspergillus* spp., *s.*
33 *aureus*, aflatoxin B1, B2, G1, or G2, or ochratoxin A.

34 (D) Whether the batch is within specification for odor and
35 appearance.

36 (b) Residual levels of volatile organic compounds shall be below
37 ~~the lesser of either the specifications set by the United States~~
38 ~~Pharmacopoeia (U.S.P. Chapter 467) or those set by the State~~
39 Department of Public Health.

1 SEC. 15. Section 19350 of the Business and Professions Code
2 is amended to read:

3 19350. Each licensing authority shall establish a scale of
4 application, licensing, and renewal fees, based upon the cost of
5 enforcing this chapter, as follows:

6 (a) Each licensing authority shall charge each licensee a
7 licensure and renewal fee, as applicable. The licensure and renewal
8 fee shall be calculated to cover the costs of administering this
9 chapter. The licensure fee may vary depending upon the varying
10 costs associated with administering the various regulatory
11 requirements of this chapter as they relate to the nature and scope
12 of the different licensure activities, including, but not limited to,
13 the track and trace program required pursuant to Section 19335,
14 but shall not exceed the reasonable regulatory costs to the licensing
15 authority.

16 (b) The total fees assessed pursuant to this chapter shall be set
17 at an amount that will fairly and proportionately generate sufficient
18 total revenue to fully cover the total costs of administering this
19 chapter.

20 (c) All *state* license fees shall be set on a scaled basis by the
21 licensing authority, dependent on the size of the business.

22 (d) The licensing authority shall deposit all fees collected
23 *pursuant to this chapter* in a fee account specific to that licensing
24 authority, to be established in the Medical Marijuana Regulation
25 and Safety Act Fund. Moneys in the licensing authority fee
26 accounts shall be used, upon appropriation of the Legislature, by
27 the designated licensing authority for the administration of this
28 chapter.

29 (e) *The fees established by licensing authorities pursuant to this*
30 *chapter shall be in addition to, and shall not limit, any fees or*
31 *taxes imposed by a city, county, or city and county in which the*
32 *licensee operates.*

33 SEC. 16. Section 12025 of the Fish and Game Code is amended
34 to read:

35 12025. (a) In addition to any penalties imposed by any other
36 law, a person found to have violated the code sections described
37 in paragraphs (1) to (11), inclusive, in connection with the
38 production or cultivation of a controlled substance on land under
39 the management of the Department of Parks and Recreation, the
40 Department of Fish and Wildlife, the Department of Forestry and

1 Fire Protection, the State Lands Commission, a regional park
2 district, the United States Forest Service, or the United States
3 Bureau of Land Management, or within the respective ownership
4 of a timberland production zone, as defined in Chapter 6.7
5 (commencing with Section 51100) of Part 1 of Division 1 of Title
6 5 of the Government Code, of more than 50,000 acres, or while
7 trespassing on other public or private land in connection with the
8 production or cultivation of a controlled substance, shall be liable
9 for a civil penalty as follows:

10 (1) A person who violates Section 1602 in connection with the
11 production or cultivation of a controlled substance is subject to a
12 civil penalty of not more than ten thousand dollars (\$10,000) for
13 each violation.

14 (2) A person who violates Section 5650 in connection with the
15 production or cultivation of a controlled substance is subject to a
16 civil penalty of not more than forty thousand dollars (\$40,000) for
17 each violation.

18 (3) A person who violates Section 5652 in connection with the
19 production or cultivation of a controlled substance is subject to a
20 civil penalty of not more than forty thousand dollars (\$40,000) for
21 each violation.

22 (4) A person who violates subdivision (a) of Section 374.3 of
23 the Penal Code in connection with the production or cultivation
24 of a controlled substance is subject to a civil penalty of not more
25 than forty thousand dollars (\$40,000) for each violation.

26 (5) A person who violates paragraph (1) of subdivision (h) of
27 Section 374.3 of the Penal Code in connection with the production
28 or cultivation of a controlled substance is subject to a civil penalty
29 of not more than forty thousand dollars (\$40,000) for each
30 violation.

31 (6) A person who violates subdivision (b) of Section 374.8 of
32 the Penal Code in connection with the production or cultivation
33 of a controlled substance is subject to a civil penalty of not more
34 than forty thousand dollars (\$40,000) for each violation.

35 (7) A person who violates Section 384a of the Penal Code in
36 connection with the production or cultivation of a controlled
37 substance is subject to a civil penalty of not more than ten thousand
38 dollars (\$10,000) for each violation.

39 (8) A person who violates subdivision (a) of Section 4571 of
40 the Public Resources Code in connection with the production or

1 cultivation of a controlled substance is subject to a civil penalty
2 of not more than ten thousand dollars (\$10,000) for each violation.

3 (9) A person who violates Section 4581 of the Public Resources
4 Code in connection with the production or cultivation of a
5 controlled substance is subject to a civil penalty of not more than
6 ten thousand dollars (\$10,000) for each violation.

7 (10) A person who violates Section 2000 in connection with
8 the production or cultivation of a controlled substance is subject
9 to a civil penalty of not more than ten thousand dollars (\$10,000)
10 for each violation.

11 (11) A person who violates Section 2002 in connection with
12 the production or cultivation of a controlled substance is subject
13 to a civil penalty of not more than ten thousand dollars (\$10,000)
14 for each violation.

15 (b) (1) In addition to any penalties imposed by any other law,
16 a person found to have violated the code sections described in this
17 subdivision in connection with the production or cultivation of a
18 controlled substance on land that the person owns, leases, or
19 otherwise uses or occupies with the consent of the landowner shall
20 be liable for a civil penalty as follows:

21 (A) A person who violates Section 1602 in connection with the
22 production or cultivation of a controlled substance is subject to a
23 civil penalty of not more than eight thousand dollars (\$8,000) for
24 each violation.

25 (B) A person who violates Section 5650 in connection with the
26 production or cultivation of a controlled substance is subject to a
27 civil penalty of not more than twenty thousand dollars (\$20,000)
28 for each violation.

29 (C) A person who violates Section 5652 in connection with the
30 production or cultivation of a controlled substance is subject to a
31 civil penalty of not more than twenty thousand dollars (\$20,000)
32 for each violation.

33 (D) A person who violates subdivision (a) of Section 374.3 of
34 the Penal Code in connection with the production or cultivation
35 of a controlled substance is subject to a civil penalty of not more
36 than twenty thousand dollars (\$20,000) for each violation.

37 (E) A person who violates paragraph (1) of subdivision (h) of
38 Section 374.3 of the Penal Code in connection with the production
39 or cultivation of a controlled substance is subject to a civil penalty

1 of not more than twenty thousand dollars (\$20,000) for each
2 violation.

3 (F) A person who violates subdivision (b) of Section 374.8 of
4 the Penal Code in connection with the production or cultivation
5 of a controlled substance is subject to a civil penalty of not more
6 than twenty thousand dollars (\$20,000) for each violation.

7 (G) A person who violates Section 384a of the Penal Code in
8 connection with the production or cultivation of a controlled
9 substance is subject to a civil penalty of not more than ten thousand
10 dollars (\$10,000) for each violation.

11 (H) A person who violates subdivision (a) of Section 4571 of
12 the Public Resources Code in connection with the production or
13 cultivation of a controlled substance is subject to a civil penalty
14 of not more than eight thousand dollars (\$8,000) for each violation.

15 (I) A person who violates Section 4581 of the Public Resources
16 Code in connection with the production or cultivation of a
17 controlled substance is subject to a civil penalty of not more than
18 eight thousand dollars (\$8,000) for each violation.

19 (J) A person who violates Section 2000 in connection with the
20 production or cultivation of a controlled substance is subject to a
21 civil penalty of not more than eight thousand dollars (\$8,000) for
22 each violation.

23 (K) A person who violates Section 2002 in connection with the
24 production or cultivation of a controlled substance is subject to a
25 civil penalty of not more than eight thousand dollars (\$8,000) for
26 each violation.

27 (2) Each day that a violation of a code section described in this
28 subdivision occurs or continues to occur shall constitute a separate
29 violation.

30 (c) The civil penalty imposed for each separate violation
31 pursuant to this section is in addition to any other civil penalty
32 imposed for another violation of this section, or any violation of
33 any other law.

34 (d) All civil penalties imposed or collected by a court for a
35 separate violation pursuant to this section shall not be considered
36 to be fines or forfeitures, as described in Section 13003, and shall
37 be apportioned in the following manner:

38 (1) Thirty percent shall be distributed to the county in which
39 the violation was committed pursuant to Section 13003. The county
40 board of supervisors shall first use any revenues from those

1 penalties to reimburse the costs incurred by the district attorney
2 or city attorney in investigating and prosecuting the violation.

3 (2) (A) Thirty percent shall be distributed to the investigating
4 agency to be used to reimburse the cost of any investigation directly
5 related to the violations described in this section.

6 (B) If the department receives reimbursement pursuant to this
7 paragraph for activities funded pursuant to subdivision (f) of
8 Section 4629.6 of the Public Resources Code, the reimbursement
9 funds shall be deposited into the Timber Regulation and Forest
10 Restoration Fund, created by Section 4629.3 of the Public
11 Resources Code, if there is an unpaid balance for a loan authorized
12 by subdivision (f) of Section 4629.6 of the Public Resources Code.

13 (3) Forty percent shall be deposited into the Timber Regulation
14 and Forest Restoration Fund, created by Section 4629.3 of the
15 Public Resources Code, and used for grants authorized pursuant
16 to Section 4629.6 of the Public Resources Code that improve forest
17 health by remediating former marijuana growing operations.

18 (e) Civil penalties authorized pursuant to this section may be
19 imposed administratively by the department if all of the following
20 occur:

21 (1) The chief deputy director or law enforcement division
22 assistant chief in charge of marijuana-related enforcement issues
23 a complaint to any person or entity on which an administrative
24 civil penalty may be imposed pursuant to this section. The
25 complaint shall allege the act or failure to act that constitutes a
26 violation, any facts related to natural resources impacts, the
27 provision of law authorizing the civil penalty to be imposed, and
28 the proposed penalty amount.

29 (2) The complaint and order is served by personal notice or
30 certified mail and informs the party served that the party may
31 request a hearing not later than 20 days from the date of service.
32 If a hearing is requested, it shall be scheduled before the director
33 or his or her designee, which designee shall not be the chief deputy
34 or assistant chief issuing the complaint and order. A request for a
35 hearing shall contain a brief statement of the material facts the
36 party claims support his or her contention that no administrative
37 penalty should be imposed or that an administrative penalty of a
38 lesser amount is warranted. A party served with a complaint
39 pursuant to this subdivision waives his or her right to a hearing if
40 a hearing is not requested within 20 days of service of the

1 complaint, in which case the order imposing the administrative
2 penalty shall become final.

3 (3) The director, or his or her designee, shall control the nature
4 and order of hearing proceedings. Hearings shall be informal in
5 nature, and need not be conducted according to the technical rules
6 relating to evidence. The director or his or her designee shall issue
7 a final order within 45 days of the close of the hearing. A copy of
8 the final order shall be served by certified mail upon the party
9 served with the complaint.

10 (4) A party may obtain review of the final order by filing a
11 petition for a writ of mandate with the superior court within 30
12 days of the date of service of the final order. The administrative
13 penalty shall be due and payable to the department within 60 days
14 after the time to seek judicial review has expired, or, where the
15 party did not request a hearing of the order, within 20 days after
16 the order imposing an administrative penalty becomes final.

17 (5) The department may adopt regulations to implement this
18 subdivision.

19 (f) All administrative penalties imposed or collected by the
20 department for a separate violation pursuant to this section shall
21 not be considered to be fines or forfeitures, as described in Section
22 13003, and shall be deposited into the Timber Regulation and
23 Forest Restoration Fund, created by Section 4629.3 of the Public
24 Resources Code, to repay any unpaid balance of a loan authorized
25 by subdivision (f) of Section 4629.6 of the Public Resources Code.
26 Any remaining funds from administrative penalties collected
27 pursuant to this section shall be apportioned in the following
28 manner:

29 (1) Fifty percent shall be deposited into the Timber Regulation
30 and Forest Restoration Fund for grants authorized pursuant to
31 subdivision (h) of Section 4629.6 of the Public Resources Code,
32 with priority given to grants that improve forest health by
33 remediating former marijuana growing operations.

34 (2) Fifty percent shall be deposited into the Fish and Game
35 Preservation Fund.

36 (g) Any civil penalty imposed pursuant to this section for the
37 violation of an offense described in paragraph (4), (5), or (6) of
38 subdivision (a) or subparagraph (D), (E), or (F) of paragraph (1)
39 of subdivision (b) for which the person was convicted shall be
40 offset by the amount of any restitution ordered by a criminal court.

1 (h) For purposes of this section, “controlled substance” has the
2 same meaning as defined in Section 11007 of the Health and Safety
3 Code.

4 (i) *This section does not apply to any activity in compliance*
5 *with the Medical Marijuana Regulation and Safety Act (Chapter*
6 *3.5 (commencing with Section 19300) of Division 8 of the Business*
7 *and Professions Code).*

8 SEC. 17. Section 12029 of the Fish and Game Code is amended
9 to read:

10 12029. (a) The Legislature finds and declares all of the
11 following:

12 (1) The environmental impacts associated with marijuana
13 cultivation have increased, and unlawful water diversions for
14 marijuana irrigation have a detrimental effect on fish and wildlife
15 and their habitat, which are held in trust by the state for the benefit
16 of the people of the state.

17 (2) The remediation of existing marijuana cultivation sites is
18 often complex and the permitting of these sites requires greater
19 department staff time and personnel expenditures. The potential
20 for marijuana cultivation sites to significantly impact the state’s
21 fish and wildlife resources requires immediate action on the part
22 of the department’s lake and streambed alteration permitting staff.

23 (b) In order to address unlawful water diversions and other
24 violations of the Fish and Game Code associated with marijuana
25 cultivation, the department shall establish the watershed
26 enforcement program to facilitate the investigation, enforcement,
27 and prosecution of these offenses.

28 (c) The department, in coordination with the State Water
29 Resources Control Board, shall establish a permanent multiagency
30 task force to address the environmental impacts of marijuana
31 cultivation. The multiagency task force, to the extent feasible and
32 subject to available Resources, shall expand its enforcement efforts
33 on a statewide level to ensure the reduction of adverse impacts of
34 marijuana cultivation on fish and wildlife and their habitats
35 throughout the state.

36 (d) In order to facilitate the remediation and permitting of
37 marijuana cultivation sites, the department shall adopt regulations
38 to enhance the fees on ~~any entity~~
39 *medical-cannabis-cultivation-related activities* subject to Section
40 1602 for marijuana cultivation sites that require remediation. The

1 fee schedule established pursuant to this subdivision shall not
2 exceed the fee limits in Section 1609.

3 SEC. 18. Section 11352 of the Health and Safety Code is
4 amended to read:

5 11352. (a) Except as otherwise provided in this division, every
6 person who transports, imports into this state, sells, furnishes,
7 administers, or gives away, or offers to transport, import into this
8 state, sell, furnish, administer, or give away, or attempts to import
9 into this state or transport (1) any controlled substance specified
10 in subdivision (b), (c), or (e), or paragraph (1) of subdivision (f)
11 of Section 11054, specified in paragraph (14), (15), or (20) of
12 subdivision (d) of Section 11054, or specified in subdivision (b)
13 or (c) of Section 11055, or specified in subdivision (h) of Section
14 11056, or (2) any controlled substance classified in Schedule III,
15 IV, or V which is a narcotic drug, unless upon the written
16 prescription of a physician, dentist, podiatrist, or veterinarian
17 licensed to practice in this state, shall be punished by imprisonment
18 pursuant to subdivision (h) of Section 1170 of the Penal Code for
19 three, four, or five years.

20 (b) Notwithstanding the penalty provisions of subdivision (a),
21 any person who transports ~~any~~ a controlled substances specified
22 in subdivision (a) within this state from one county to another
23 noncontiguous county shall be punished by imprisonment pursuant
24 to subdivision (h) of Section 1170 of the Penal Code for three, six,
25 or nine years.

26 (c) For purposes of this section, “transports” means to transport
27 for sale.

28 (d) This section does not preclude or limit the prosecution of
29 an individual for aiding and abetting the commission of, or
30 conspiring to commit, or acting as an accessory to, any act
31 prohibited by this section.

32 (e) *This section does not apply to commercial marijuana activity*
33 *engaged in by a person or entity licensed pursuant to the Medical*
34 *Marijuana Regulation and Safety Act (Chapter 3.5 (commencing*
35 *with Section 19300) of Division 8 of the Business and Professions*
36 *Code).*

37 SEC. 19. Section 11362.765 of the Health and Safety Code is
38 amended to read:

39 11362.765. (a) Subject to the requirements of this article, the
40 individuals specified in subdivision (b) shall not be subject, on

1 that sole basis, to criminal liability under Section 11357, 11358,
2 11359, 11360, 11366, 11366.5, or 11570. However, nothing in
3 this section shall authorize the individual to smoke or otherwise
4 consume marijuana unless otherwise authorized by this article,
5 nor shall anything in this section authorize any individual or group
6 to cultivate or distribute marijuana ~~for profit~~. *in any manner other*
7 *than as set forth in the Medical Marijuana Regulation and Safety*
8 *Act (Chapter 3.5 (commencing with Section 19300) of Division 8*
9 *of the Business and Professions Code) or as described in the*
10 *Compassionate Use Act of 1996.*

11 (b) Subdivision (a) shall apply to all of the following:

12 (1) A qualified patient or a person with an identification card
13 who transports or processes marijuana for his or her own personal
14 medical use.

15 (2) A designated primary caregiver who transports, processes,
16 administers, delivers, or gives away marijuana for medical
17 purposes, in amounts not exceeding those established in subdivision
18 (a) of Section 11362.77, only to the qualified patient of the primary
19 caregiver, or to the person with an identification card who has
20 designated the individual as a primary caregiver.

21 (3) Any individual who provides assistance to a qualified patient
22 or a person with an identification card, or his or her designated
23 primary caregiver, in administering medical marijuana to the
24 qualified patient or person or acquiring the skills necessary to
25 cultivate or administer marijuana for medical purposes to the
26 qualified patient or person.

27 (c) A primary caregiver who receives compensation for actual
28 expenses, including reasonable compensation incurred for services
29 provided to an eligible qualified patient or person with an
30 identification card to enable that person to use marijuana under
31 this article, or for payment for out-of-pocket expenses incurred in
32 providing those services, or both, shall not, on the sole basis of
33 that fact, be subject to prosecution or punishment under Section
34 11359 or 11360.

35 SEC. 20. Section 11362.775 of the Health and Safety Code is
36 amended to read:

37 11362.775. (a) Subject to subdivision (b), qualified patients,
38 persons with valid identification cards, and the designated primary
39 caregivers of qualified patients and persons with identification
40 cards, who associate within the State of California in order

1 collectively or cooperatively to cultivate ~~cannabis~~ *marijuana* for
 2 medical purposes, shall not solely on the basis of that fact be
 3 subject to state criminal sanctions under Section 11357, 11358,
 4 11359, 11360, 11366, 11366.5, or 11570. *A collective or*
 5 *cooperative that operates pursuant to this section may operate for*
 6 *profit, not for profit, or any combination thereof.*

7 (b) This section shall remain in effect only until one year after
 8 the Bureau of Medical Marijuana Regulation posts a notice on its
 9 Internet Web site that the licensing authorities have commenced
 10 issuing licenses pursuant to the Medical Marijuana Regulation and
 11 Safety Act (Chapter 3.5 (commencing with Section 19300) of
 12 Division 8 of the Business and Professions Code), and is repealed
 13 upon issuance of licenses. *that date.*

14 SEC. 21. Section 11379 of the Health and Safety Code is
 15 amended to read:

16 11379. (a) Except as otherwise provided in subdivision (b)
 17 and in Article 7 (commencing with Section ~~4211~~ *4110*) of Chapter
 18 9 of Division 2 of the Business and Professions Code, every person
 19 who transports, imports into this state, sells, furnishes, administers,
 20 or gives away, or offers to transport, import into this state, sell,
 21 furnish, administer, or give away, or attempts to import into this
 22 state or transport any controlled substance which is (1) classified
 23 in Schedule III, IV, or V and which is not a narcotic drug, except
 24 subdivision (g) of Section 11056, (2) specified in subdivision (d)
 25 of Section 11054, except paragraphs (13), (14), (15), (20), (21),
 26 (22), and (23) of subdivision (d), (3) specified in paragraph (11)
 27 of subdivision (c) of Section 11056, (4) specified in paragraph (2)
 28 or (3) of subdivision (f) of Section 11054, or (5) specified in
 29 subdivision (d) or (e), except paragraph (3) of subdivision (e), or
 30 specified in subparagraph (A) of paragraph (1) of subdivision (f),
 31 of Section 11055, unless upon the prescription of a physician,
 32 dentist, podiatrist, or veterinarian, licensed to practice in this state,
 33 shall be punished by imprisonment pursuant to subdivision (h) of
 34 Section 1170 of the Penal Code for a period of two, three, or four
 35 years.

36 (b) Notwithstanding the penalty provisions of subdivision (a),
 37 any person who transports any controlled substances specified in
 38 subdivision (a) within this state from one county to another
 39 noncontiguous county shall be punished by imprisonment pursuant

1 to subdivision (h) of Section 1170 of the Penal Code for three, six,
2 or nine years.

3 (c) For purposes of this section, “transports” means to transport
4 for sale.

5 (d) Nothing in this section is intended to preclude or limit
6 prosecution under an aiding and abetting theory, accessory theory,
7 or a conspiracy theory.

8 (e) *This section does not apply to commercial marijuana activity*
9 *engaged in by a person or entity licensed pursuant to the Medical*
10 *Marijuana Regulation and Safety Act (Chapter 3.5 (commencing*
11 *with Section 19300) of Division 8 of the Business and Professions*
12 *Code).*