

AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2385

Introduced by Assembly Member Jones-Sawyer

February 18, 2016

~~An act relating to medical marijuana.~~ *An act to amend Section 19320 of the Business and Professions Code, relating to marijuana.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2385, as amended, Jones-Sawyer. ~~Medical marijuana: Los Angeles.~~ *Medical Marijuana Regulation and Safety Act: state licenses: Measure D.*

Existing law, the Medical Marijuana Regulation and Safety Act, provides for the licensure and regulation of medical marijuana and authorizes licensing authorities to only issue state licenses to qualified applicants. Existing law prohibits a person from engaging in commercial cannabis activity without possessing both a state license and a local permit, license, or other authorization.

This bill would prohibit licensing authorities from requiring a local license, permit, or other authorization, and would require the issuance of a state license, if the authorities determine that the applicant meets all of the requirements of the act and specified criteria relating to Measure D, which was approved by the voters of the City of Los Angeles at the May 21, 2013, general election. The bill would further provide that a license issued pursuant to the above provision has the same force and effect, and confers the same benefits and responsibilities, as licenses issued to licensees not subject to the above-described exception.

~~Existing law of the City of Los Angeles, Proposition D, approved by voters on the May 21, 2013, ballot for that city, prohibits the operation~~

of medical marijuana businesses, as defined, within the city limits and grants immunity from that prohibition to those businesses that have operated since September 2007, that previously registered in accordance with the city's earlier medical marijuana registration law, and that comply with specified operational requirements.

Existing state law, the Medical Marijuana Regulation and Safety Act, establishes the Bureau of Medical Marijuana Regulation within the Department of Consumer Affairs and under the supervision and control of the Director of Consumer Affairs. Existing law provides that the bureau's licensure and regulation of dispensing facilities, cultivation sites, transporters, and manufacturers of medical marijuana and medical marijuana products is subject to express and specific authorization by the applicable local jurisdiction. Existing law also prohibits the issuance of a state license or a determination of compliance with local law by a licensing authority, in any way that limits the ability of the City of Los Angeles to enforce Proposition D. Existing law prohibits the issuance of a license or determination of compliance with local law by a licensing authority from being deemed to establish, or being relied upon in determining satisfaction with the immunity requirements of Proposition D or local zoning law, in court or in any other context or forum.

This bill would state the intent of the Legislature to enact legislation to enable medical marijuana businesses in Los Angeles granted immunity from prosecution under Proposition D to apply for a state license to engage in commercial medical marijuana activities.

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

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

- 1 SECTION 1. Section 19320 of the Business and Professions
- 2 Code, as added by Section 4 of Chapter 689 of the Statutes of 2015,
- 3 is amended to read:
- 4 19320. (a) (1) Licensing authorities administering this chapter
- 5 may issue state licenses only to qualified applicants engaging in
- 6 commercial cannabis activity pursuant to this chapter. Upon the
- 7 date of implementation of regulations by the licensing authority,
- 8 no person shall engage in commercial cannabis activity without
- 9 possessing both a state license and a local permit, license, or other
- 10 authorization. A licensee shall not commence activity under the
- 11 authority of a state license until the applicant has obtained, in

1 addition to the state license, a license or permit from the local
2 jurisdiction in which he or she proposes to operate, following the
3 requirements of the applicable local ordinance.

4 (2) (A) *Notwithstanding any other provision of this article, with*
5 *regard to commercial cannabis activity in the City of Los Angeles,*
6 *the licensing authorities shall not require a local license, permit,*
7 *or other authorization and shall issue a state license to engage in*
8 *commercial cannabis activity only if the licensing authorities*
9 *determine the applicant satisfies all of the requirements of this act*
10 *and demonstrates that it meets all of the following criteria*
11 *established by Measure D, approved by the voters of the City of*
12 *Los Angeles at the May 21, 2013, general election:*

13 (i) *The applicant was operating in the City of Los Angeles as a*
14 *medical marijuana business by September 14, 2007, as evidenced*
15 *by a business tax registration certificate issued by the City of Los*
16 *Angeles on or before November 13, 2007.*

17 (ii) *The applicant registered with the City of Los Angeles city*
18 *clerk by November 13, 2007, in accordance with all of the*
19 *requirements of the City of Los Angeles' Interim Control*
20 *Ordinance.*

21 (iii) *The applicant obtained a City of Los Angeles business tax*
22 *registration for taxation as a medical marijuana collective (class*
23 *L050).*

24 (B) *A state license issued pursuant to this paragraph for*
25 *commercial cannabis activity shall have the same force and effect*
26 *and shall confer the same benefits and responsibilities as licenses*
27 *issued to licensees outside the City of Los Angeles that obtain a*
28 *license, permit, or other authorization from the local jurisdiction.*

29 (b) Revocation of a local license, permit, or other authorization
30 shall terminate the ability of a medical cannabis business to operate
31 within that local jurisdiction until the local jurisdiction reinstates
32 or reissues the local license, permit, or other required authorization.
33 Local authorities shall notify the bureau upon revocation of a local
34 license. The bureau shall inform relevant licensing authorities.

35 (c) Revocation of a state license shall terminate the ability of a
36 medical cannabis licensee to operate within California until the
37 licensing authority reinstates or reissues the state license. Each
38 licensee shall obtain a separate license for each location where it
39 engages in commercial medical cannabis activity. However,
40 transporters only need to obtain licenses for each physical location

1 where the licensee conducts business while not in transport, or any
2 equipment that is not currently transporting medical cannabis or
3 medical cannabis products, permanently resides.

4 (d) In addition to the provisions of this chapter, local
5 jurisdictions retain the power to assess fees and taxes, as applicable,
6 on facilities that are licensed pursuant to this chapter and the
7 business activities of those licensees.

8 (e) Nothing in this chapter shall be construed to supersede or
9 limit state agencies, including the State Water Resources Control
10 Board and Department of Fish and Wildlife, from establishing fees
11 to support their medical cannabis regulatory programs.

12 *SEC. 2. Section 19320 of the Business and Professions Code,*
13 *as added by Section 8 of Chapter 719 of the Statutes of 2015, is*
14 *amended to read:*

15 19320. (a) (1) Licensing authorities administering this chapter
16 may issue state licenses only to qualified applicants engaging in
17 commercial cannabis activity pursuant to this chapter. Upon the
18 date of implementation of regulations by the licensing authority,
19 no person shall engage in commercial cannabis activity without
20 possessing both a state license and a local permit, license, or other
21 authorization. A licensee shall not commence activity under the
22 authority of a state license until the applicant has obtained, in
23 addition to the state license, a license or permit from the local
24 jurisdiction in which he or she proposes to operate, following the
25 requirements of the applicable local ordinance.

26 (2) (A) *Notwithstanding any other provision of this article, with*
27 *regard to commercial cannabis activity in the City of Los Angeles,*
28 *the licensing authorities shall not require a local license, permit,*
29 *or other authorization and shall issue a state license to engage in*
30 *commercial cannabis activity only if the licensing authorities*
31 *determine the applicant satisfies all of the requirements of this act*
32 *and demonstrates that it meets all of the following criteria*
33 *established by Measure D, approved by the voters of the City of*
34 *Los Angeles at the May 21, 2013, general election:*

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36 *medical marijuana business by September 14, 2007, as evidenced*
37 *by a business tax registration certificate issued by the City of Los*
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39 (ii) *The applicant registered with the City of Los Angeles city*
40 *clerk by November 13, 2007, in accordance with all of the*

1 *requirements of the City of Los Angeles' Interim Control*
2 *Ordinance.*

3 *(iii) The applicant obtained a City of Los Angeles business tax*
4 *registration for taxation as a medical marijuana collective (class*
5 *L050).*

6 *(B) A state license issued pursuant to this paragraph for*
7 *commercial cannabis activity shall have the same force and effect*
8 *and shall confer the same benefits and responsibilities as licenses*
9 *issued to licensees outside the City of Los Angeles that obtain a*
10 *license, permit, or other authorization from the local jurisdiction.*

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12 shall terminate the ability of a medical cannabis business to operate
13 within that local jurisdiction until the local jurisdiction reinstates
14 or reissues the local license, permit, or other required authorization.
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20 licensee shall obtain a separate license for each location where it
21 engages in commercial medical cannabis activity. However,
22 transporters only need to obtain licenses for each physical location
23 where the licensee conducts business while not in transport, or any
24 equipment that is not currently transporting medical cannabis or
25 medical cannabis products, permanently resides.

26 (d) In addition to the provisions of this chapter, local
27 jurisdictions retain the power to assess fees and taxes, as applicable,
28 on facilities that are licensed pursuant to this chapter and the
29 business activities of those licensees.

30 (e) Nothing in this chapter shall be construed to supersede or
31 limit state agencies, including the State Water Resources Control
32 Board and Department of Fish and Wildlife, from establishing fees
33 to support their medical cannabis regulatory programs.

34 ~~SECTION 1. It is the intent of the Legislature to enact~~
35 ~~legislation to enable medical marijuana businesses in Los Angeles~~
36 ~~granted immunity from prosecution under Proposition D to apply~~
37 ~~for a state license to engage in commercial medical marijuana~~
38 ~~activities.~~

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