

AMENDED IN ASSEMBLY APRIL 5, 2016  
AMENDED IN ASSEMBLY MARCH 18, 2016  
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2385**

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**Introduced by Assembly Member Jones-Sawyer**

February 18, 2016

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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 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. *The bill would require the exemption to the local licensing*

*requirement provided by these provisions to be superseded by a subsequent initiative authorizing the City of Los Angeles to issue local licenses to medical marijuana businesses in the city if the voters of Los Angeles approve the initiative prior to the time the State of California begins issuing state licenses.*

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 19320 of the Business and Professions  
2 Code, as added by Section 4 of Chapter 689 of the Statutes of  
3 2015, 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  
12 addition to the state license, a license or permit from the local  
13 jurisdiction in which he or she proposes to operate, following the  
14 requirements of the applicable local ordinance.

15 (2) ~~(A) Notwithstanding any other provision of this article,~~  
16 ~~with regard chapter:~~

17 (A) *With regard* to commercial cannabis activity in the City of  
18 Los Angeles, the licensing authorities shall not require a local  
19 license, permit, or other authorization and shall issue a state license  
20 to engage in commercial cannabis activity only if the licensing  
21 authorities determine the applicant satisfies all of the requirements  
22 of this act and demonstrates that it meets all of the following  
23 criteria established by Measure D, approved by the voters of the  
24 City of Los Angeles at the May 21, 2013, general election:

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

29 (ii) The applicant registered with the City of Los Angeles city  
30 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.

11 *(3) Notwithstanding paragraph (2), if the voters of Los Angeles*  
12 *approve an initiative, after January 1, 2016, but prior to the time*  
13 *that the State of California begins issuing state licenses, that*  
14 *authorizes the City of Los Angeles to issue local licenses to medical*  
15 *marijuana businesses in the City of Los Angeles, the exemption*  
16 *for local licensing in Los Angeles as set forth in paragraph (2)*  
17 *shall be superseded by the local licensing requirements as enacted*  
18 *by that initiative.*

19 (b) Revocation of a local license, permit, or other authorization  
20 shall terminate the ability of a medical cannabis business to operate  
21 within that local jurisdiction until the local jurisdiction reinstates  
22 or reissues the local license, permit, or other required authorization.  
23 Local authorities shall notify the bureau upon revocation of a local  
24 license. The bureau shall inform relevant licensing authorities.

25 (c) Revocation of a state license shall terminate the ability of a  
26 medical cannabis licensee to operate within California until the  
27 licensing authority reinstates or reissues the state license. Each  
28 licensee shall obtain a separate license for each location where it  
29 engages in commercial medical cannabis activity. However,  
30 transporters only need to obtain licenses for each physical location  
31 where the licensee conducts business while not in transport, or any  
32 equipment that is not currently transporting medical cannabis or  
33 medical cannabis products, permanently resides.

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

38 (e) Nothing in this chapter shall be construed to supersede or  
39 limit state agencies, including the State Water Resources Control

1 Board and Department of Fish and Wildlife, from establishing fees  
2 to support their medical cannabis regulatory programs.

3 SEC. 2. Section 19320 of the Business and Professions Code,  
4 as added by Section 8 of Chapter 719 of the Statutes of 2015, is  
5 amended to read:

6 19320. (a) (1) Licensing authorities administering this chapter  
7 may issue state licenses only to qualified applicants engaging in  
8 commercial cannabis activity pursuant to this chapter. Upon the  
9 date of implementation of regulations by the licensing authority,  
10 no person shall engage in commercial cannabis activity without  
11 possessing both a state license and a local permit, license, or other  
12 authorization. A licensee shall not commence activity under the  
13 authority of a state license until the applicant has obtained, in  
14 addition to the state license, a license or permit from the local  
15 jurisdiction in which he or she proposes to operate, following the  
16 requirements of the applicable local ordinance.

17 (2) ~~(A) Notwithstanding any other provision of this article,~~  
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22 to engage in commercial cannabis activity only if the licensing  
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24 equipment that is not currently transporting medical cannabis or  
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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.