

AMENDED IN ASSEMBLY MAY 12, 2016

AMENDED IN ASSEMBLY APRIL 5, 2016

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 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~~ *determine, as specified*, 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 The bill would require the exemption to the local licensing requirement provided by these provisions to be superseded by a subsequent initiative authorizing the City of Los Angeles to issue local licenses to medical marijuana businesses in the city if the voters of Los Angeles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) Notwithstanding any other provision of this chapter:

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

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

28 (ii) The applicant registered with the City of Los Angeles city
29 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 *(C) The determination of the licensing authority that an*
12 *applicant for a state license meets the criteria listed in*
13 *subparagraph (A) shall be based on a written or electronic*
14 *notification provided to the licensing authority by the City of Los*
15 *Angeles that the applicant has met the criteria. If the City of Los*
16 *Angeles does not provide written or electronic notification to the*
17 *licensing authority confirming an applicant has met the criteria,*
18 *the licensing authority shall not issue a state license.*

19 (3) Notwithstanding paragraph (2), if the voters of Los Angeles
20 approve an initiative, after January 1, 2016, but prior to the time
21 that the State of California begins issuing state licenses, that
22 authorizes the City of Los Angeles to issue local licenses to medical
23 marijuana businesses in the City of Los Angeles, the exemption
24 for local licensing in Los Angeles as set forth in paragraph (2)
25 shall be superseded by the local licensing requirements as enacted
26 by that initiative.

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

33 (c) Revocation of a state license shall terminate the ability of a
34 medical cannabis licensee to operate within California until the
35 licensing authority reinstates or reissues the state license. Each
36 licensee shall obtain a separate license for each location where it
37 engages in commercial medical cannabis activity. However,
38 transporters only need to obtain licenses for each physical location
39 where the licensee conducts business while not in transport, or any

1 equipment that is not currently transporting medical cannabis or
2 medical cannabis products, permanently resides.

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

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

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

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

25 (2) Notwithstanding any other provision of this chapter:

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

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

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39 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 *(C) The determination of the licensing authority that an*
12 *applicant for a state license meets the criteria listed in*
13 *subparagraph (A) shall be based on a written or electronic*
14 *notification provided to the licensing authority by the City of Los*
15 *Angeles that the applicant has met the criteria. If the City of Los*
16 *Angeles does not provide written or electronic notification to the*
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20 approve an initiative, after January 1, 2016, but prior to the time
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22 authorizes the City of Los Angeles to issue local licenses to medical
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24 for local licensing in Los Angeles as set forth in paragraph (2)
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28 shall terminate the ability of a medical cannabis business to operate
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30 or reissues the local license, permit, or other required authorization.
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34 medical cannabis licensee to operate within California until the
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36 licensee shall obtain a separate license for each location where it
37 engages in commercial medical cannabis activity. However,
38 transporters only need to obtain licenses for each physical location
39 where the licensee conducts business while not in transport, or any

1 equipment that is not currently transporting medical cannabis or
2 medical cannabis products, permanently resides.

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

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