

AMENDED IN SENATE JUNE 22, 2016

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 *and repeal* 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, 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 The bill would require the exemption to the local licensing requirement provided by these provisions to be superseded by a subsequent initiative authorizing the City of Los Angeles to issue local licenses to medical marijuana businesses in the city if the voters of Los Angeles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. *This bill would make a technical amendment by repealing a duplicate state licensing provision.*

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

1 by a business tax registration certificate issued by the City of Los
2 Angeles on or before November 13, 2007.

3 (ii) The applicant registered with the City of Los Angeles city
4 clerk by November 13, 2007, in accordance with all of the
5 requirements of the City of Los Angeles' Interim Control
6 Ordinance.

7 (iii) The applicant obtained a City of Los Angeles business tax
8 registration for taxation as a medical marijuana collective (class
9 L050).

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

15 (C) The determination of the licensing authority that an applicant
16 for a state license meets the criteria listed in subparagraph (A)
17 shall be based on a written or electronic notification provided to
18 the licensing authority by the City of Los Angeles that the applicant
19 has met the criteria. If the City of Los Angeles does not provide
20 written or electronic notification to the licensing authority
21 confirming an applicant has met the criteria, the licensing authority
22 shall not issue a state license.

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29 shall be superseded by the local licensing requirements as enacted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

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

37 (c) Revocation of a state license shall terminate the ability of a
38 medical cannabis licensee to operate within California until the
39 licensing authority reinstates or reissues the state license. Each
40 licensee shall obtain a separate license for each location where it

engages in commercial medical cannabis activity. However, transporters only need to obtain licenses for each physical location where the licensee conducts business while not in transport, or any equipment that is not currently transporting medical cannabis or medical cannabis products, permanently resides.

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

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

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

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

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

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

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

1 (ii) ~~The applicant registered with the City of Los Angeles city~~
2 ~~clerk by November 13, 2007, in accordance with all of the~~
3 ~~requirements of the City of Los Angeles' Interim Control~~
4 ~~Ordinance.~~

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

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

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

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

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 (e) ~~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 *repealed.*

15 ~~19320. (a) 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~~
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