

AMENDED IN SENATE JUNE 22, 2016

AMENDED IN ASSEMBLY APRIL 6, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2516**

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**Introduced by Assembly Member Wood**

February 19, 2016

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An act to amend Section 19332 of the Business and Professions Code, relating to medical ~~marijuana~~ *cannabis*.

LEGISLATIVE COUNSEL'S DIGEST

AB 2516, as amended, Wood. Medical ~~marijuana~~ *cannabis*: state cultivator license types: specialty cottage type.

The Medical Marijuana Regulation and Safety Act provides for the licensure and regulation of commercial activities relating to medical ~~marijuana~~ *cannabis* and establishes various types of state cultivator licenses to be issued to qualified applicants by the Department of Food and Agriculture.

This bill would also provide for the issuance of a Type 1C, or “specialty cottage,” state cultivator license, as specified, by the Department of Food and Agriculture.

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 19332 of the Business and Professions
- 2 Code, as added by Section 1 of Chapter 688 of the Statutes of
- 3 2015, 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.

9 (c) The State Department of Public Health shall develop  
10 standards for the production and labeling of all edible medical  
11 cannabis 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 are  
25 required to meet standards equivalent to Division 5 (commencing  
26 with Section 12001).

27 (2) Require that cannabis cultivation by licensees is conducted  
28 in accordance with state and local laws related to land conversion,  
29 grading, electricity usage, water usage, agricultural discharges,  
30 and similar matters. Nothing in this chapter, and no regulation  
31 adopted by the Department of Food and Agriculture, shall be  
32 construed to supersede or limit the authority of the State Water  
33 Resources Control Board, regional water quality control boards,  
34 or the Department of Fish and Wildlife to implement and enforce  
35 their statutory obligations or to adopt regulations to protect water  
36 quality, 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 cultivation license, pursuant to Article 8 (commencing with Section

1 19337). All cannabis shall be labeled with the unique identifier  
2 issued by the Department of Food and 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 meets standards equivalent to Division 6  
11 (commencing with Section 11401) of the Food and Agricultural  
12 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~~ *between 2,501 and*  
17 *5,000* square feet of total canopy size on one premises, or up to  
18 50 mature plants on noncontiguous plots.

19 (2) Type 1A, or “specialty indoor,” for indoor cultivation using  
20 exclusively artificial lighting of ~~less than or equal to~~ *between 2,501*  
21 *and 5,000* square 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~~ *between 2,501 and 5,000* square feet of  
26 total canopy size on one premises.

27 (4) Type 1C, or “specialty cottage,” for cultivation using a  
28 combination of natural and supplemental artificial lighting at a  
29 maximum threshold to be determined by the licensing authority,  
30 of 2,500 square feet or less of total canopy size for mixed-light  
31 cultivation, up to 25 plants for outdoor cultivation, or 500 square  
32 feet or less of total canopy size for indoor cultivation, on one  
33 premises.

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

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

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

6 (8) Type 3, or “outdoor,” for outdoor cultivation using no  
7 artificial lighting from 10,001 square feet to one acre, inclusive,  
8 of total canopy size on one premises. The Department of Food and  
9 Agriculture shall limit the number of licenses allowed of this type.

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

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

21 (11) Type 4, or “nursery,” for cultivation of medical cannabis  
22 solely as a nursery. Type 4 licensees may transport live plants.

23 SEC. 2. Section 19332 of the Business and Professions Code,  
24 as added by Section 13 of Chapter 719 of the Statutes of 2015, is  
25 amended to read:

26 19332. (a) The Department of Food and Agriculture shall  
27 promulgate regulations governing the licensing of indoor and  
28 outdoor cultivation sites.

29 (b) The Department of Pesticide Regulation, in consultation  
30 with the Department of Food and Agriculture, shall develop  
31 standards for the use of pesticides in cultivation, and maximum  
32 tolerances for pesticides and other foreign object residue in  
33 harvested cannabis.

34 (c) The State Department of Public Health shall develop  
35 standards for the production and labeling of all edible medical  
36 cannabis products.

37 (d) The Department of Food and Agriculture, in consultation  
38 with the Department of Fish and Wildlife and the State Water  
39 Resources Control Board, shall ensure that individual and  
40 cumulative effects of water diversion and discharge associated

1 with cultivation do not affect the instream flows needed for fish  
2 spawning, migration, and rearing, and the flows needed to maintain  
3 natural flow variability.

4 (e) The Department of Food and Agriculture shall have the  
5 authority necessary for the implementation of the regulations it  
6 adopts pursuant to this chapter. The regulations shall do all of the  
7 following:

8 (1) Provide that weighing or measuring devices used in  
9 connection with the sale or distribution of medical cannabis are  
10 required to meet standards equivalent to Division 5 (commencing  
11 with Section 12001).

12 (2) Require that cannabis cultivation by licensees is conducted  
13 in accordance with state and local laws related to land conversion,  
14 grading, electricity usage, water usage, agricultural discharges,  
15 and similar matters. Nothing in this chapter, and no regulation  
16 adopted by the Department of Food and Agriculture, shall be  
17 construed to supersede or limit the authority of the State Water  
18 Resources Control Board, regional water quality control boards,  
19 or the Department of Fish and Wildlife to implement and enforce  
20 their statutory obligations or to adopt regulations to protect water  
21 quality, water supply, and natural resources.

22 (3) Establish procedures for the issuance and revocation of  
23 unique identifiers for activities associated with a cannabis  
24 cultivation license, pursuant to Article 8 (commencing with Section  
25 19337). All cannabis shall be labeled with the unique identifier  
26 issued by the Department of Food and Agriculture.

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

30 (f) The Department of Pesticide Regulation, in consultation with  
31 the State Water Resources Control Board, shall promulgate  
32 regulations that require that the application of pesticides or other  
33 pest control in connection with the indoor or outdoor cultivation  
34 of medical cannabis meets standards equivalent to Division 6  
35 (commencing with Section 11401) of the Food and Agricultural  
36 Code and its implementing regulations.

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

39 (1) Type 1, or “specialty outdoor,” for outdoor cultivation using  
40 no artificial lighting of ~~less than or equal to~~ *between 2,501 and*

1 5,000 square feet of total canopy size on one premises, or up to  
2 50 mature plants on noncontiguous plots.

3 (2) Type 1A, or “specialty indoor,” for indoor cultivation using  
4 exclusively artificial lighting of ~~less than or equal to~~ *between 2,501*  
5 *and 5,000* square feet of total canopy size on one premises.

6 (3) Type 1B, or “specialty mixed-light,” for cultivation using a  
7 combination of natural and supplemental artificial lighting at a  
8 maximum threshold to be determined by the licensing authority,  
9 of ~~less than or equal to~~ *between 2,501 and 5,000* square feet of  
10 total canopy size on one premises.

11 (4) Type 1C, or “specialty cottage,” for cultivation using a  
12 combination of natural and supplemental artificial lighting at a  
13 maximum threshold to be determined by the licensing authority,  
14 of 2,500 square feet or less of total canopy size for mixed-light  
15 cultivation, up to 25 plants for outdoor cultivation, or 500 square  
16 feet or less of total canopy size for indoor cultivation, on one  
17 premises.

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

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

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

29 (8) Type 3, or “outdoor,” for outdoor cultivation using no  
30 artificial lighting from 10,001 square feet to one acre, inclusive,  
31 of total canopy size on one premises. The Department of Food and  
32 Agriculture shall limit the number of licenses allowed of this type.

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

38 (10) Type 3B, or “mixed-light,” for cultivation using a  
39 combination of natural and supplemental artificial lighting at a  
40 maximum threshold to be determined by the licensing authority,

- 1 between 10,001 and 22,000 square feet, inclusive, of total canopy
- 2 size on one premises. The Department of Food and Agriculture
- 3 shall limit the number of licenses allowed of this type.
- 4 (11) Type 4, or “nursery,” for cultivation of medical cannabis
- 5 solely as a nursery. Type 4 licensees may transport live plants.

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