

AMENDED IN SENATE AUGUST 1, 2016

AMENDED IN SENATE JUNE 22, 2016

AMENDED IN ASSEMBLY APRIL 6, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2516

Introduced by Assembly Member Wood

February 19, 2016

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

LEGISLATIVE COUNSEL'S DIGEST

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

The Medical Marijuana *Cannabis* Regulation and Safety Act provides for the licensure and regulation of commercial activities relating to medical 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 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 commercial cultivation sites.

4 (b) The Department of Pesticide Regulation shall develop
5 guidelines for the use of pesticides in the cultivation of cannabis
6 and residue in harvested cannabis.

7 (c) The Department of Food and Agriculture shall serve as the
8 lead agency for purposes of the California Environmental Quality
9 Act (Division 13 (commencing with Section 21000) of the Public
10 Resources Code) related to the licensing of cannabis cultivation.

11 (d) Pursuant to Section 13149 of the Water Code, the State
12 Water Resources Control Board, in consultation with the
13 Department of Fish and Wildlife and the Department of Food and
14 Agriculture, shall ensure that individual and cumulative effects of
15 water diversion and discharge associated with cultivation of
16 cannabis do not affect the instream flows needed for fish spawning,
17 migration, and rearing, and the flows needed to maintain natural
18 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. Nothing in this chapter,
29 and no regulation adopted by the ~~department~~, *Department of Food*
30 *and Agriculture*, shall be construed to supersede or limit the
31 authority of the State Water Resources Control Board, regional
32 water quality control boards, or the Department of Fish and
33 Wildlife to implement and enforce their statutory obligations or
34 to adopt regulations to protect water quality, water supply, and
35 natural resources.

36 (3) Establish procedures for the issuance and revocation of
37 unique identifiers for activities associated with a cannabis
38 cultivation license, pursuant to Article 8 (commencing with Section
39 19337). All cannabis shall be labeled with the unique identifier
40 issued by the Department of Food and Agriculture.

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

4 (f) The Department of Pesticide Regulation shall require that
5 the application of pesticides or other pest control in connection
6 with the indoor or outdoor cultivation of medical cannabis complies
7 with Division 6 (commencing with Section 11401) of the Food
8 and Agricultural Code and its implementing regulations.

9 (g) State cultivator license types issued by the Department of
10 Food and Agriculture may include:

11 (1) Type 1, or “specialty outdoor,” for outdoor cultivation using
12 no artificial lighting of less than or equal to 5,000 square feet of
13 total canopy size on one premises, or up to 50 mature plants on
14 noncontiguous plots.

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

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

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

30 ~~(4)~~

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

34 ~~(5)~~

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

38 ~~(6)~~

39 (7) Type 2B, or “small mixed-light,” for cultivation using a
40 combination of natural and supplemental artificial lighting at a

1 maximum threshold to be determined by the licensing authority,
2 between 5,001 and 10,000 square feet, inclusive, of total canopy
3 size on one premises.

4 (7)

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

9 (8)

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 (9)

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

22 (10)

23 (11) Type 4, or “nursery,” for cultivation of medical cannabis
24 solely as a nursery. Type 4 licensees may transport live plants, if
25 the licensee also holds a Type 12 transporter license issued pursuant
26 to this chapter.

27 ~~SECTION 1. Section 19332 of the Business and Professions~~
28 ~~Code, as added by Section 1 of Chapter 688 of the Statutes of~~
29 ~~2015, is amended to read:~~

30 ~~19332. (a) The Department of Food and Agriculture shall~~
31 ~~promulgate regulations governing the licensing of indoor and~~
32 ~~outdoor cultivation sites.~~

33 ~~(b) The Department of Pesticide Regulation, in consultation~~
34 ~~with the Department of Food and Agriculture, shall develop~~
35 ~~standards for the use of pesticides in cultivation, and maximum~~
36 ~~tolerances for pesticides and other foreign object residue in~~
37 ~~harvested cannabis.~~

38 ~~(c) The State Department of Public Health shall develop~~
39 ~~standards for the production and labeling of all edible medical~~
40 ~~cannabis products.~~

1 ~~(d) The Department of Food and Agriculture, in consultation~~
2 ~~with the Department of Fish and Wildlife and the State Water~~
3 ~~Resources Control Board, shall ensure that individual and~~
4 ~~cumulative effects of water diversion and discharge associated~~
5 ~~with cultivation do not affect the instream flows needed for fish~~
6 ~~spawning, migration, and rearing, and the flows needed to maintain~~
7 ~~natural flow variability.~~

8 ~~(e) The Department of Food and Agriculture shall have the~~
9 ~~authority necessary for the implementation of the regulations it~~
10 ~~adopts pursuant to this chapter. The regulations shall do all of the~~
11 ~~following:~~

12 ~~(1) Provide that weighing or measuring devices used in~~
13 ~~connection with the sale or distribution of medical cannabis are~~
14 ~~required to meet standards equivalent to Division 5 (commencing~~
15 ~~with Section 12001).~~

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

26 ~~(3) Establish procedures for the issuance and revocation of~~
27 ~~unique identifiers for activities associated with a cannabis~~
28 ~~cultivation license, pursuant to Article 8 (commencing with Section~~
29 ~~19337). All cannabis shall be labeled with the unique identifier~~
30 ~~issued by the Department of Food and Agriculture.~~

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

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

- 1 (g) ~~State cultivator license types issued by the Department of~~
2 ~~Food and Agriculture include:~~
- 3 (1) ~~Type 1, or “specialty outdoor,” for outdoor cultivation using~~
4 ~~no artificial lighting of between 2,501 and 5,000 square feet of~~
5 ~~total canopy size on one premises, or up to 50 mature plants on~~
6 ~~noncontiguous plots.~~
- 7 (2) ~~Type 1A, or “specialty indoor,” for indoor cultivation using~~
8 ~~exclusively artificial lighting of between 2,501 and 5,000 square~~
9 ~~feet of total canopy size on one premises.~~
- 10 (3) ~~Type 1B, or “specialty mixed-light,” for cultivation using a~~
11 ~~combination of natural and supplemental artificial lighting at a~~
12 ~~maximum threshold to be determined by the licensing authority,~~
13 ~~of between 2,501 and 5,000 square feet of total canopy size on one~~
14 ~~premises.~~
- 15 (4) ~~Type 1C, or “specialty cottage,” 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 ~~of 2,500 square feet or less of total canopy size for mixed-light~~
19 ~~cultivation, up to 25 plants for outdoor cultivation, or 500 square~~
20 ~~feet or less of total canopy size for indoor cultivation, on one~~
21 ~~premises.~~
- 22 (5) ~~Type 2, or “small outdoor,” for outdoor cultivation using~~
23 ~~no artificial lighting between 5,001 and 10,000 square feet,~~
24 ~~inclusive, of total canopy size on one premises.~~
- 25 (6) ~~Type 2A, or “small indoor,” for indoor cultivation using~~
26 ~~exclusively artificial lighting between 5,001 and 10,000 square~~
27 ~~feet, inclusive, of total canopy size on one premises.~~
- 28 (7) ~~Type 2B, or “small mixed-light,” for cultivation using a~~
29 ~~combination of natural and supplemental artificial lighting at a~~
30 ~~maximum threshold to be determined by the licensing authority,~~
31 ~~between 5,001 and 10,000 square feet, inclusive, of total canopy~~
32 ~~size on one premises.~~
- 33 (8) ~~Type 3, or “outdoor,” for outdoor cultivation using no~~
34 ~~artificial lighting from 10,001 square feet to one acre, inclusive,~~
35 ~~of total canopy size on one premises. The Department of Food and~~
36 ~~Agriculture shall limit the number of licenses allowed of this type.~~
- 37 (9) ~~Type 3A, or “indoor,” for indoor cultivation using~~
38 ~~exclusively artificial lighting between 10,001 and 22,000 square~~
39 ~~feet, inclusive, of total canopy size on one premises. The~~

1 Department of Food and Agriculture shall limit the number of
2 licenses allowed of this type.

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

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

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

14 19332. (a) The Department of Food and Agriculture shall
15 promulgate regulations governing the licensing of indoor and
16 outdoor cultivation sites.

17 (b) The Department of Pesticide Regulation, in consultation
18 with the Department of Food and Agriculture, shall develop
19 standards for the use of pesticides in cultivation, and maximum
20 tolerances for pesticides and other foreign object residue in
21 harvested cannabis.

22 (c) The State Department of Public Health shall develop
23 standards for the production and labeling of all edible medical
24 cannabis products.

25 (d) The Department of Food and Agriculture, in consultation
26 with the Department of Fish and Wildlife and the State Water
27 Resources Control Board, shall ensure that individual and
28 cumulative effects of water diversion and discharge associated
29 with cultivation do not affect the instream flows needed for fish
30 spawning, migration, and rearing, and the flows needed to maintain
31 natural flow variability.

32 (e) The Department of Food and Agriculture shall have the
33 authority necessary for the implementation of the regulations it
34 adopts pursuant to this chapter. The regulations shall do all of the
35 following:

36 (1) Provide that weighing or measuring devices used in
37 connection with the sale or distribution of medical cannabis are
38 required to meet standards equivalent to Division 5 (commencing
39 with Section 12001).

1 ~~(2) Require that cannabis cultivation by licensees is conducted~~
2 ~~in accordance with state and local laws related to land conversion,~~
3 ~~grading, electricity usage, water usage, agricultural discharges,~~
4 ~~and similar matters. Nothing in this chapter, and no regulation~~
5 ~~adopted by the Department of Food and Agriculture, shall be~~
6 ~~construed to supersede or limit the authority of the State Water~~
7 ~~Resources Control Board, regional water quality control boards,~~
8 ~~or the Department of Fish and Wildlife to implement and enforce~~
9 ~~their statutory obligations or to adopt regulations to protect water~~
10 ~~quality, water supply, and natural resources.~~

11 ~~(3) Establish procedures for the issuance and revocation of~~
12 ~~unique identifiers for activities associated with a cannabis~~
13 ~~cultivation license, pursuant to Article 8 (commencing with Section~~
14 ~~19337). All cannabis shall be labeled with the unique identifier~~
15 ~~issued by the Department of Food and Agriculture.~~

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

19 ~~(f) The Department of Pesticide Regulation, in consultation with~~
20 ~~the State Water Resources Control Board, shall promulgate~~
21 ~~regulations that require that the application of pesticides or other~~
22 ~~pest control in connection with the indoor or outdoor cultivation~~
23 ~~of medical cannabis meets standards equivalent to Division 6~~
24 ~~(commencing with Section 11401) of the Food and Agricultural~~
25 ~~Code and its implementing regulations.~~

26 ~~(g) State cultivator license types issued by the Department of~~
27 ~~Food and Agriculture include:~~

28 ~~(1) Type 1, or “specialty outdoor,” for outdoor cultivation using~~
29 ~~no artificial lighting of between 2,501 and 5,000 square feet of~~
30 ~~total canopy size on one premises, or up to 50 mature plants on~~
31 ~~noncontiguous plots.~~

32 ~~(2) Type 1A, or “specialty indoor,” for indoor cultivation using~~
33 ~~exclusively artificial lighting of between 2,501 and 5,000 square~~
34 ~~feet of total canopy size on one premises.~~

35 ~~(3) Type 1B, or “specialty mixed-light,” for cultivation using a~~
36 ~~combination of natural and supplemental artificial lighting at a~~
37 ~~maximum threshold to be determined by the licensing authority,~~
38 ~~of between 2,501 and 5,000 square feet of total canopy size on one~~
39 ~~premises.~~

- 1 ~~(4) Type 1C, or “specialty cottage,” 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 ~~of 2,500 square feet or less of total canopy size for mixed-light~~
5 ~~cultivation, up to 25 plants for outdoor cultivation, or 500 square~~
6 ~~feet or less of total canopy size for indoor cultivation, on one~~
7 ~~premises.~~
8 ~~(5) Type 2, or “small outdoor,” for outdoor cultivation using~~
9 ~~no artificial lighting between 5,001 and 10,000 square feet,~~
10 ~~inclusive, of total canopy size on one premises.~~
11 ~~(6) Type 2A, or “small indoor,” for indoor cultivation using~~
12 ~~exclusively artificial lighting between 5,001 and 10,000 square~~
13 ~~feet, inclusive, of total canopy size on one premises.~~
14 ~~(7) Type 2B, or “small mixed-light,” for cultivation using a~~
15 ~~combination of natural and supplemental artificial lighting at a~~
16 ~~maximum threshold to be determined by the licensing authority,~~
17 ~~between 5,001 and 10,000 square feet, inclusive, of total canopy~~
18 ~~size on one premises.~~
19 ~~(8) Type 3, or “outdoor,” for outdoor cultivation using no~~
20 ~~artificial lighting from 10,001 square feet to one acre, inclusive,~~
21 ~~of total canopy size on one premises. The Department of Food and~~
22 ~~Agriculture shall limit the number of licenses allowed of this type.~~
23 ~~(9) Type 3A, or “indoor,” for indoor cultivation using~~
24 ~~exclusively artificial lighting between 10,001 and 22,000 square~~
25 ~~feet, inclusive, of total canopy size on one premises. The~~
26 ~~Department of Food and Agriculture shall limit the number of~~
27 ~~licenses allowed of this type.~~
28 ~~(10) Type 3B, or “mixed-light,” for cultivation using a~~
29 ~~combination of natural and supplemental artificial lighting at a~~
30 ~~maximum threshold to be determined by the licensing authority,~~
31 ~~between 10,001 and 22,000 square feet, inclusive, of total canopy~~
32 ~~size on one premises. The Department of Food and Agriculture~~
33 ~~shall limit the number of licenses allowed of this type.~~
34 ~~(11) Type 4, or “nursery,” for cultivation of medical cannabis~~
35 ~~solely as a nursery. Type 4 licensees may transport live plants.~~

O