

AMENDED IN SENATE AUGUST 19, 2016  
AMENDED IN ASSEMBLY MARCH 18, 2016  
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2679**

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**Introduced by Assembly ~~Member Cooley~~ Members Cooley, Bonta,  
Jones-Sawyer, Lackey, and Wood  
(Coauthor: Assembly Member McCarty)**

February 19, 2016

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An act to amend Section 19353 of the Business and Professions Code, and to amend ~~Section~~ Sections 11362.775 and 11362.9 of the Health and Safety Code, relating to medical marijuana.

LEGISLATIVE COUNSEL'S DIGEST

AB 2679, as amended, Cooley. Medical marijuana: regulation: research.

~~Existing~~

(1) ~~Existing~~ law, the Medical Marijuana Regulation and Safety Act, Act (MMRSA), provides for the licensure of persons engaged in specified activities relating to medical marijuana and establishes other regulatory provisions. That act also requires each licensing authority to prepare and submit to the Legislature an annual report on the authority's activities and post the report on the authority's Internet Web site.

This bill would require the report to also include the number of appeals from the denial of state licenses or other disciplinary actions taken by the licensing authority, the average time spent on these appeals, and the number of complaints submitted by citizens or representatives of cities or counties regarding licensees, as specified.

~~Existing~~

(2) Existing law authorizes the creation by the University of California of the California Marijuana Research Program, the purpose of which is to develop and conduct studies intended to ascertain the general medical safety and efficacy of marijuana, and if found valuable, to develop medical guidelines for the appropriate administration and use of marijuana.

This bill would specify that the studies may include studies to ascertain the effect of marijuana on motor skills.

(3) Existing law, until one year after the Bureau of Medical Cannabis Regulation posts a notice on its Internet Web site that licensing authorities have commenced issuing licenses pursuant to the MMRSA, exempts cooperatives and collectives who cultivate medical cannabis for qualified patients from criminal sanctions for specified activities related to the growing, sale, and distribution of marijuana.

This bill, during that same period, would exempt collectives and cooperatives that manufacture medical cannabis products from criminal sanctions for manufacturing medical cannabis if the cooperative or collective meets specified requirements, including using specified manufacturing processes and possessing a valid local license, permit, or other authorization.

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 19353 of the Business and Professions
- 2 Code is amended to read:
- 3 19353. Beginning on March 1, 2023, and on or before March
- 4 1 of each year thereafter, each licensing authority shall prepare
- 5 and submit to the Legislature an annual report on the authority’s
- 6 activities, in compliance with Section 9795 of the Government
- 7 Code, and post the report on the authority’s Internet Web site. The
- 8 report shall include, but not be limited to, the following information
- 9 for the previous fiscal year:
- 10 (a) The amount of funds allocated and spent by the licensing
- 11 authority for medical cannabis licensing, enforcement, and
- 12 administration.
- 13 (b) The number of state licenses issued, renewed, denied,
- 14 suspended, and revoked, by state license category.

1 (c) The average time for processing state license applications,  
2 by state license category.

3 (d) The number of appeals from the denial of state licenses or  
4 other disciplinary actions taken by the licensing authority and the  
5 average time spent on these appeals.

6 (e) The number of complaints submitted by citizens or  
7 representatives of cities or counties regarding licensees, provided  
8 as both a comprehensive statewide number and by geographical  
9 region.

10 (f) The number and type of enforcement activities conducted  
11 by the licensing authorities and by local law enforcement agencies  
12 in conjunction with the licensing authorities or the bureau.

13 (g) The number, type, and amount of penalties, fines, and other  
14 disciplinary actions taken by the licensing authorities.

15 *SEC. 2. Section 11362.775 of the Health and Safety Code is*  
16 *amended to read:*

17 11362.775. (a) Subject to subdivision—~~(b)~~, (d), qualified  
18 patients, persons with valid identification cards, and the designated  
19 primary caregivers of qualified patients and persons with  
20 identification cards, who associate within the State of California  
21 in order collectively or cooperatively to cultivate cannabis for  
22 medical purposes, shall not solely on the basis of that fact be  
23 subject to state criminal sanctions under Section 11357, 11358,  
24 11359, 11360, 11366, 11366.5, or 11570.

25 (b) *A collective or cooperative that operates pursuant to this*  
26 *section and manufactures medical cannabis products shall not,*  
27 *solely on the basis of that fact, be subject to state criminal*  
28 *sanctions under Section 11379.6 if the collective or cooperative*  
29 *abides by all of the following requirements:*

30 (1) *The collective or cooperative does either or both of the*  
31 *following:*

32 (A) *Utilizes only manufacturing processes that are either*  
33 *solventless or that employ only nonflammable, nontoxic solvents*  
34 *that are generally recognized as safe pursuant to the federal Food,*  
35 *Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq.).*

36 (B) *Utilizes only manufacturing processes that use solvents*  
37 *exclusively within a closed-loop system that meets all of the*  
38 *following requirements:*

- 1 (i) *The system uses only solvents that are generally recognized*  
2 *as safe pursuant to the federal Food, Drug, and Cosmetic Act (21*  
3 *U.S.C. Sec. 301 et seq.).*
- 4 (ii) *The system is designed to recapture and contain solvents*  
5 *during the manufacturing process, and otherwise prevent the*  
6 *off-gassing of solvents into the ambient atmosphere to mitigate*  
7 *the risks of ignition and explosion during the manufacturing*  
8 *process.*
- 9 (iii) *A licensed engineer certifies that the system was*  
10 *commercially manufactured, safe for its intended use, and built to*  
11 *codes of recognized and generally accepted good engineering*  
12 *practices, including, but not limited to, the American Society of*  
13 *Mechanical Engineers (ASME), the American National Standards*  
14 *Institute (ANSI), Underwriters Laboratories (UL), the American*  
15 *Society for Testing and Materials (ASTM), or OSHA Nationally*  
16 *Recognized Testing Laboratories (NRTLs).*
- 17 (iv) *The system has a certification document that contains the*  
18 *signature and stamp of a professional engineer and the serial*  
19 *number of the extraction unit being certified.*
- 20 (2) *The collective or cooperative receives and maintains*  
21 *approval from the local fire official for the closed-loop system,*  
22 *other equipment, the extraction operation, and the facility.*
- 23 (3) *The collective or cooperative meets required fire, safety,*  
24 *and building code requirements in one or more of the following:*
- 25 (A) *The California Fire Code.*
- 26 (B) *The National Fire Protection Association (NFPA) standards.*
- 27 (C) *International Building Code (IBC).*
- 28 (D) *The International Fire Code (IFC).*
- 29 (E) *Other applicable standards, including complying with all*  
30 *applicable fire, safety, and building codes in processing, handling,*  
31 *and storage of solvents or gasses.*
- 32 (4) *The collective or cooperative is in possession of a valid*  
33 *seller's permit issued by the State Board of Equalization.*
- 34 (5) *The collective or cooperative is in possession of a valid local*  
35 *license, permit, or other authorization specific to the manufacturing*  
36 *of medical cannabis products, and in compliance with any*  
37 *additional conditions imposed by the city or county issuing the*  
38 *local license, permit, or other authorization.*
- 39 (c) *For purposes of this section, "manufacturing" means*  
40 *compounding, converting, producing, deriving, processing, or*

1 *preparing, either directly or indirectly by chemical extraction or*  
2 *independently by means of chemical synthesis, medical cannabis*  
3 *products.*

4 ~~(b)~~

5 (d) This section shall remain in effect only until one year after  
6 the Bureau of Medical Cannabis Regulation posts a notice on its  
7 Internet Web site that the licensing authorities have commenced  
8 issuing licenses pursuant to the Medical Cannabis Regulation and  
9 Safety Act (Chapter 3.5 (commencing with Section 19300) of  
10 Division 8 of the Business and Professions Code).

11 ~~(e)~~

12 (e) This section is repealed one year after the date upon which  
13 the notice is posted pursuant to subdivision~~(b)~~: (d).

14 ~~SEC. 2.~~

15 *SEC. 3.* Section 11362.9 of the Health and Safety Code is  
16 amended to read:

17 11362.9. (a) (1) It is the intent of the Legislature that the state  
18 commission objective scientific research by the premier research  
19 institute of the world, the University of California, regarding the  
20 efficacy and safety of administering marijuana as part of medical  
21 treatment. If the Regents of the University of California, by  
22 appropriate resolution, accept this responsibility, the University  
23 of California shall create a program, to be known as the California  
24 Marijuana Research Program.

25 (2) The program shall develop and conduct studies intended to  
26 ascertain the general medical safety and efficacy of marijuana and,  
27 if found valuable, shall develop medical guidelines for the  
28 appropriate administration and use of marijuana. The studies may  
29 include studies to ascertain the effect of marijuana on motor skills.

30 (b) The program may immediately solicit proposals for research  
31 projects to be included in the marijuana studies. Program  
32 requirements to be used when evaluating responses to its  
33 solicitation for proposals, shall include, but not be limited to, all  
34 of the following:

35 (1) Proposals shall demonstrate the use of key personnel,  
36 including clinicians or scientists and support personnel, who are  
37 prepared to develop a program of research regarding marijuana's  
38 general medical efficacy and safety.

1 (2) Proposals shall contain procedures for outreach to patients  
2 with various medical conditions who may be suitable participants  
3 in research on marijuana.

4 (3) Proposals shall contain provisions for a patient registry.

5 (4) Proposals shall contain provisions for an information system  
6 that is designed to record information about possible study  
7 participants, investigators, and clinicians, and deposit and analyze  
8 data that accrues as part of clinical trials.

9 (5) Proposals shall contain protocols suitable for research on  
10 marijuana, addressing patients diagnosed with ~~the~~ acquired  
11 immunodeficiency syndrome (AIDS) or ~~the~~ human  
12 immunodeficiency virus (HIV), cancer, glaucoma, or seizures or  
13 muscle spasms associated with a chronic, debilitating condition.  
14 The proposal may also include research on other serious illnesses,  
15 provided that resources are available and medical information  
16 justifies the research.

17 (6) Proposals shall demonstrate the use of a specimen laboratory  
18 capable of housing plasma, urine, and other specimens necessary  
19 to study the concentration of cannabinoids in various tissues, as  
20 well as housing specimens for studies of toxic effects of marijuana.

21 (7) Proposals shall demonstrate the use of a laboratory capable  
22 of analyzing marijuana, provided to the program under this section,  
23 for purity and cannabinoid content and the capacity to detect  
24 contaminants.

25 (c) In order to ensure objectivity in evaluating proposals, the  
26 program shall use a peer review process that is modeled on the  
27 process used by the National Institutes of Health, and that guards  
28 against funding research that is biased in favor of or against  
29 particular outcomes. Peer reviewers shall be selected for their  
30 expertise in the scientific substance and methods of the proposed  
31 research, and their lack of bias or conflict of interest regarding the  
32 applicants or the topic of an approach taken in the proposed  
33 research. Peer reviewers shall judge research proposals on several  
34 criteria, foremost among which shall be both of the following:

35 (1) The scientific merit of the research plan, including whether  
36 the research design and experimental procedures are potentially  
37 biased for or against a particular outcome.

38 (2) Researchers' expertise in the scientific substance and  
39 methods of the proposed research, and their lack of bias or conflict

1 of interest regarding the topic of, and the approach taken in, the  
2 proposed research.

3 (d) If the program is administered by the Regents of the  
4 University of California, any grant research proposals approved  
5 by the program shall also require review and approval by the  
6 research advisory panel.

7 (e) It is the intent of the Legislature that the program be  
8 established as follows:

9 (1) The program shall be located at one or more University of  
10 California campuses that have a core of faculty experienced in  
11 organizing multidisciplinary scientific endeavors and, in particular,  
12 strong experience in clinical trials involving psychopharmacologic  
13 agents. The campuses at which research under the auspices of the  
14 program is to take place shall accommodate the administrative  
15 offices, including the director of the program, as well as a data  
16 management unit, and facilities for storage of specimens.

17 (2) When awarding grants under this section, the program shall  
18 utilize principles and parameters of the other well-tested statewide  
19 research programs administered by the University of California,  
20 modeled after programs administered by the National Institutes of  
21 Health, including peer review evaluation of the scientific merit of  
22 applications.

23 (3) The scientific and clinical operations of the program shall  
24 occur, partly at University of California campuses, and partly at  
25 other postsecondary institutions, that have clinicians or scientists  
26 with expertise to conduct the required studies. Criteria for selection  
27 of research locations shall include the elements listed in subdivision  
28 (b) and, additionally, shall give particular weight to the  
29 organizational plan, leadership qualities of the program director,  
30 and plans to involve investigators and patient populations from  
31 multiple sites.

32 (4) The funds received by the program shall be allocated to  
33 various research studies in accordance with a scientific plan  
34 developed by the Scientific Advisory Council. As the first wave  
35 of studies is completed, it is anticipated that the program will  
36 receive requests for funding of additional studies. These requests  
37 shall be reviewed by the Scientific Advisory Council.

38 (5) The size, scope, and number of studies funded shall be  
39 commensurate with the amount of appropriated and available  
40 program funding.

- 1 (f) All personnel involved in implementing approved proposals  
2 shall be authorized as required by Section 11604.
- 3 (g) Studies conducted pursuant to this section shall include the  
4 greatest amount of new scientific research possible on the medical  
5 uses of, and medical hazards associated with, marijuana. The  
6 program shall consult with the Research Advisory Panel analogous  
7 agencies in other states, and appropriate federal agencies in an  
8 attempt to avoid duplicative research and the wasting of research  
9 dollars.
- 10 (h) The program shall make every effort to recruit qualified  
11 patients and qualified physicians from throughout the state.
- 12 (i) The marijuana studies shall employ state-of-the-art research  
13 methodologies.
- 14 (j) The program shall ensure that all marijuana used in the  
15 studies is of the appropriate medical quality and shall be obtained  
16 from the National Institute on Drug Abuse or any other federal  
17 agency designated to supply marijuana for authorized research. If  
18 these federal agencies fail to provide a supply of adequate quality  
19 and quantity within six months of the effective date of this section,  
20 the Attorney General shall provide an adequate supply pursuant  
21 to Section 11478.
- 22 (k) The program may review, approve, or incorporate studies  
23 and research by independent groups presenting scientifically valid  
24 protocols for medical research, regardless of whether the areas of  
25 study are being researched by the committee.
- 26 (l) (1) To enhance understanding of the efficacy and adverse  
27 effects of marijuana as a pharmacological agent, the program shall  
28 conduct focused controlled clinical trials on the usefulness of  
29 marijuana in patients diagnosed with AIDS or HIV, cancer,  
30 glaucoma, or seizures or muscle spasms associated with a chronic,  
31 debilitating condition. The program may add research on other  
32 serious illnesses, provided that resources are available and medical  
33 information justifies the research. The studies shall focus on  
34 comparisons of both the efficacy and safety of methods of  
35 administering the drug to patients, including inhalational, tinctural,  
36 and oral, evaluate possible uses of marijuana as a primary or  
37 adjunctive treatment, and develop further information on optimal  
38 dosage, timing, mode of administration, and variations in the effects  
39 of different cannabinoids and varieties of marijuana.

1 (2) The program shall examine the safety of marijuana in  
2 patients with various medical disorders, including marijuana's  
3 interaction with other drugs, relative safety of inhalation versus  
4 oral forms, and the effects on mental function in medically ill  
5 persons.

6 (3) The program shall be limited to providing for objective  
7 scientific research to ascertain the efficacy and safety of marijuana  
8 as part of medical treatment, and should not be construed as  
9 encouraging or sanctioning the social or recreational use of  
10 marijuana.

11 (m) (1) Subject to paragraph (2), the program shall, prior to  
12 any approving proposals, seek to obtain research protocol  
13 guidelines from the National Institutes of Health and shall, if the  
14 National Institutes of Health issues research protocol guidelines,  
15 comply with those guidelines.

16 (2) If, after a reasonable period of time of not less than six  
17 months and not more than a year has elapsed from the date the  
18 program seeks to obtain guidelines pursuant to paragraph (1), no  
19 guidelines have been approved, the program may proceed using  
20 the research protocol guidelines it develops.

21 (n) In order to maximize the scope and size of the marijuana  
22 studies, the program may do any of the following:

23 (1) Solicit, apply for, and accept funds from foundations, private  
24 individuals, and all other funding sources that can be used to  
25 expand the scope or timeframe of the marijuana studies that are  
26 authorized under this section. The program shall not expend more  
27 than 5 percent of its General Fund allocation in efforts to obtain  
28 money from outside sources.

29 (2) Include within the scope of the marijuana studies other  
30 marijuana research projects that are independently funded and that  
31 meet the requirements set forth in subdivisions (a) to (c), inclusive.  
32 In no case shall the program accept any funds that are offered with  
33 any conditions other than that the funds be used to study the  
34 efficacy and safety of marijuana as part of medical treatment. Any  
35 donor shall be advised that funds given for purposes of this section  
36 will be used to study both the possible benefits and detriments of  
37 marijuana and that he or she will have no control over the use of  
38 these funds.

- 1 (o) (1) Within six months of the effective date of this section,  
2 the program shall report to the Legislature, the Governor, and the  
3 Attorney General on the progress of the marijuana studies.
- 4 (2) Thereafter, the program shall issue a report to the Legislature  
5 every six months detailing the progress of the studies. The interim  
6 reports required under this paragraph shall include, but not be  
7 limited to, data on all of the following:
  - 8 (A) The names and number of diseases or conditions under  
9 study.
  - 10 (B) The number of patients enrolled in each study by disease.
  - 11 (C) Any scientifically valid preliminary findings.
- 12 (p) If the Regents of the University of California implement  
13 this section, the President of the University of California shall  
14 appoint a multidisciplinary Scientific Advisory Council, not to  
15 exceed 15 members, to provide policy guidance in the creation  
16 and implementation of the program. Members shall be chosen on  
17 the basis of scientific expertise. Members of the council shall serve  
18 on a voluntary basis, with reimbursement for expenses incurred  
19 in the course of their participation. The members shall be  
20 reimbursed for travel and other necessary expenses incurred in  
21 their performance of the duties of the council.
- 22 (q) No more than 10 percent of the total funds appropriated may  
23 be used for all aspects of the administration of this section.
- 24 (r) This section shall be implemented only to the extent that  
25 funding for its purposes is appropriated by the Legislature in the  
26 annual Budget Act.