

AMENDED IN ASSEMBLY SEPTEMBER 11, 2015

AMENDED IN ASSEMBLY SEPTEMBER 4, 2015

AMENDED IN ASSEMBLY SEPTEMBER 1, 2015

AMENDED IN ASSEMBLY AUGUST 18, 2015

AMENDED IN ASSEMBLY AUGUST 17, 2015

AMENDED IN SENATE JUNE 3, 2015

AMENDED IN SENATE MAY 6, 2015

AMENDED IN SENATE APRIL 6, 2015

**SENATE BILL**

**No. 643**

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**Introduced by Senator McGuire**

February 27, 2015

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An act amend ~~Section 2220.05~~ of Sections 144, 2220.05, 2241.5, and 2242.1 of, to add Sections 19302.1, 19319, 19320, 19322, 19323, 19324, and 19325 to, to add Article 25 (commencing with Section 2525) to Chapter 5 of Division 2 of, and to add Article 6 (commencing with Section 19331), Article 7.5 (commencing with Section 19335), Article 8 (commencing with Section 19337), and Article 11 (commencing with Section 19348) to Chapter 3.5 of Division 8 of, the Business and Professions Code, relating to medical marijuana.

LEGISLATIVE COUNSEL'S DIGEST

SB 643, as amended, McGuire. Medical marijuana.

~~Existing~~

(1) Existing law, the Compassionate Use Act of 1996, an initiative measure enacted by the approval of Proposition 215 at the November

6, 1996, statewide general election, authorizes the use of marijuana for medical purposes. Existing law enacted by the Legislature requires the establishment of a program for the issuance of identification cards to qualified patients so that they may lawfully use marijuana for medical purposes, and requires the establishment of guidelines for the lawful cultivation of marijuana grown for medical use. Existing law provides for the licensure of various professions by the Department of Consumer Affairs. Existing law, the Sherman Food, Drug, and Cosmetic Law, provides for the regulation of food, drugs, devices, and cosmetics, as specified. A violation of that law is a crime.

~~This bill would, among other things, set forth standards for a physician and surgeon prescribing medical cannabis and require that the Medical Board of California to prioritize its investigative and prosecutorial resources to identify and discipline physicians and surgeons that have repeatedly recommended excessive cannabis to patients for medical purposes or repeatedly recommending cannabis to patients for medical purposes without a good faith examination, as specified. The bill would become operative only if AB 266 of the 2015-16 Regular Session is enacted and takes effect on or before January 1, 2016. The bill would require the Bureau of Medical Marijuana to require an applicant to furnish a full set of fingerprints for the purposes of conducting criminal history record checks. The bill would prohibit a physician and surgeon who recommends cannabis to a patient for a medical purpose from accepting, soliciting, or offering any form of remuneration from a facility licensed under the Medical Marijuana Regulation and Safety Act. The bill would make a violation of this prohibition a misdemeanor, and by creating a new crime, this bill would impose a state-mandated local program.~~

~~This bill would require the Governor, under the Medical Marijuana Regulation and Safety Act, to appoint, subject to confirmation by the Senate, a chief of the Bureau of Medical Marijuana Regulation. The act would require the Department of Consumer Affairs to have the sole authority to create, issue, renew, discipline, suspend, or revoke licenses for the transportation and storage, unrelated to manufacturing, of medical marijuana, and would authorize the department to collect fees for its regulatory activities and impose specified duties on this department in this regard. The act would require the Department of Food and Agriculture to administer the provisions of the act related to, and associated with, the cultivation, and transportation of, medical cannabis and would impose specified duties on this department in this~~

regard. The act would require the State Department of Public Health to administer the provisions of the act related to, and associated with, the manufacturing and testing of medical cannabis and would impose specified duties on this department in this regard.

This bill would authorize counties to impose a tax upon specified cannabis-related activity.

This bill would require an applicant for a state license pursuant to the act to provide a statement signed by the applicant under penalty of perjury, thereby changing the scope of a crime and imposing a state-mandated local program.

This bill would set forth standards for the licensed cultivation of medical cannabis, including, but not limited to, establishing duties relating to the environmental impact of cannabis and cannabis products. The bill would also establish state cultivator license types, as specified.

(2) This bill would provide that its provisions are severable.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(4) Existing constitutional provisions require that a statute that limits the right of access to the meeting of public bodies or the writings of public bodies or the writings of public officials and agencies be adopted with finding demonstrating the interest protected by the limitation and the need for protecting that interest. The bill would make legislative findings to that effect.

(5) The bill would become operative only if AB 266 and AB 243 of the 2015–16 Regular Session are enacted and take effect on or before January 1, 2016.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: ~~no~~ yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 144 of the Business and Professions Code  
2 is amended to read:

3     144. (a) Notwithstanding any other provision of law, an agency  
4 designated in subdivision (b) shall require an applicant to furnish  
5 to the agency a full set of fingerprints for purposes of conducting  
6 criminal history record checks. Any agency designated in  
7 subdivision (b) may obtain and receive, at its discretion, criminal  
8 history information from the Department of Justice and the United  
9 States Federal Bureau of Investigation.

10    (b) Subdivision (a) applies to the following:

- 11    (1) California Board of Accountancy.
- 12    (2) State Athletic Commission.
- 13    (3) Board of Behavioral Sciences.
- 14    (4) Court Reporters Board of California.
- 15    (5) State Board of Guide Dogs for the Blind.
- 16    (6) California State Board of Pharmacy.
- 17    (7) Board of Registered Nursing.
- 18    (8) Veterinary Medical Board.
- 19    (9) Board of Vocational Nursing and Psychiatric Technicians.
- 20    (10) Respiratory Care Board of California.
- 21    (11) Physical Therapy Board of California.
- 22    (12) Physician Assistant Committee of the Medical Board of  
23 California.
- 24    (13) Speech-Language Pathology and Audiology and Hearing  
25 Aid Dispenser Board.
- 26    (14) Medical Board of California.
- 27    (15) State Board of Optometry.
- 28    (16) Acupuncture Board.
- 29    (17) Cemetery and Funeral Bureau.
- 30    (18) Bureau of Security and Investigative Services.
- 31    (19) Division of Investigation.
- 32    (20) Board of Psychology.
- 33    (21) California Board of Occupational Therapy.
- 34    (22) Structural Pest Control Board.
- 35    (23) Contractors' State License Board.
- 36    (24) Naturopathic Medicine Committee.
- 37    (25) Professional Fiduciaries Bureau.

1 (26) Board for Professional Engineers, Land Surveyors, and  
2 Geologists.

3 (27) *Bureau of Medical Marijuana Regulation.*

4 (c) For purposes of paragraph (26) of subdivision (b), the term  
5 “applicant” shall be limited to an initial applicant who has never  
6 been registered or licensed by the board or to an applicant for a  
7 new licensure or registration category.

8 **SECTION 1.**

9 *SEC. 2.* Section 2220.05 of the Business and Professions Code  
10 is amended to read:

11 2220.05. (a) In order to ensure that its resources are maximized  
12 for the protection of the public, the Medical Board of California  
13 shall prioritize its investigative and prosecutorial resources to  
14 ensure that physicians and surgeons representing the greatest threat  
15 of harm are identified and disciplined expeditiously. Cases  
16 involving any of the following allegations shall be handled on a  
17 priority basis, as follows, with the highest priority being given to  
18 cases in the first paragraph:

19 (1) Gross negligence, incompetence, or repeated negligent acts  
20 that involve death or serious bodily injury to one or more patients,  
21 such that the physician and surgeon represents a danger to the  
22 public.

23 (2) Drug or alcohol abuse by a physician and surgeon involving  
24 death or serious bodily injury to a patient.

25 (3) Repeated acts of clearly excessive prescribing, furnishing,  
26 or administering of controlled substances, or repeated acts of  
27 prescribing, dispensing, or furnishing of controlled substances  
28 without a good faith prior examination of the patient and medical  
29 reason therefor. However, in no event shall a physician and surgeon  
30 prescribing, furnishing, or administering controlled substances for  
31 intractable pain consistent with lawful prescribing, including, but  
32 not limited to, Sections 725, 2241.5, and 2241.6 of this code and  
33 Sections 11159.2 and 124961 of the Health and Safety Code, be  
34 prosecuted for excessive prescribing and prompt review of the  
35 applicability of these provisions shall be made in any complaint  
36 that may implicate these provisions.

37 (4) Repeated acts of clearly excessive recommending of cannabis  
38 to patients for medical purposes, or repeated acts of recommending  
39 cannabis to patients for medical purposes without a good faith

1 prior examination of the patient and a medical reason for the  
2 recommendation.

3 (5) Sexual misconduct with one or more patients during a course  
4 of treatment or an examination.

5 (6) Practicing medicine while under the influence of drugs or  
6 alcohol.

7 (b) The board may by regulation prioritize cases involving an  
8 allegation of conduct that is not described in subdivision (a). Those  
9 cases prioritized by regulation shall not be assigned a priority equal  
10 to or higher than the priorities established in subdivision (a).

11 (c) The Medical Board of California shall indicate in its annual  
12 report mandated by Section 2312 the number of temporary  
13 restraining orders, interim suspension orders, and disciplinary  
14 actions that are taken in each priority category specified in  
15 subdivisions (a) and (b).

16 *SEC. 3. Section 2241.5 of the Business and Professions Code*  
17 *is amended to read:*

18 2241.5. (a) A physician and surgeon may prescribe for, or  
19 dispense or administer to, a person under his or her treatment for  
20 a medical condition dangerous drugs or prescription controlled  
21 substances for the treatment of pain or a condition causing pain,  
22 including, but not limited to, intractable pain.

23 (b) No physician and surgeon shall be subject to disciplinary  
24 action for prescribing, dispensing, or administering dangerous  
25 drugs or prescription controlled substances in accordance with this  
26 section.

27 (c) This section shall not affect the power of the board to take  
28 any action described in Section 2227 against a physician and  
29 surgeon who does any of the following:

30 (1) Violates subdivision (b), (c), or (d) of Section 2234 regarding  
31 gross negligence, repeated negligent acts, or incompetence.

32 (2) Violates Section 2241 regarding treatment of an addict.

33 (3) Violates Section 2242 *or 2525.3* regarding performing an  
34 appropriate prior examination and the existence of a medical  
35 indication for prescribing, dispensing, or furnishing dangerous  
36 ~~drugs.~~ *drugs or recommending medical cannabis.*

37 (4) Violates Section 2242.1 regarding prescribing on the Internet.

38 (5) Fails to keep complete and accurate records of purchases  
39 and disposals of substances listed in the California Uniform  
40 Controlled Substances Act (Division 10 (commencing with Section

1 11000) of the Health and Safety Code) or controlled substances  
2 scheduled in the federal Comprehensive Drug Abuse Prevention  
3 and Control Act of 1970 (21 U.S.C. Sec. 801 et seq.), or pursuant  
4 to the federal Comprehensive Drug Abuse Prevention and Control  
5 Act of 1970. A physician and surgeon shall keep records of his or  
6 her purchases and disposals of these controlled substances or  
7 dangerous drugs, including the date of purchase, the date and  
8 records of the sale or disposal of the drugs by the physician and  
9 surgeon, the name and address of the person receiving the drugs,  
10 and the reason for the disposal or the dispensing of the drugs to  
11 the person, and shall otherwise comply with all state recordkeeping  
12 requirements for controlled substances.

13 (6) Writes false or fictitious prescriptions for controlled  
14 substances listed in the California Uniform Controlled Substances  
15 Act or scheduled in the federal Comprehensive Drug Abuse  
16 Prevention and Control Act of 1970.

17 (7) Prescribes, administers, or dispenses in violation of this  
18 chapter, or in violation of Chapter 4 (commencing with Section  
19 11150) or Chapter 5 (commencing with Section 11210) of Division  
20 10 of the Health and Safety Code.

21 (d) A physician and surgeon shall exercise reasonable care in  
22 determining whether a particular patient or condition, or the  
23 complexity of a patient's treatment, including, but not limited to,  
24 a current or recent pattern of drug abuse, requires consultation  
25 with, or referral to, a more qualified specialist.

26 (e) Nothing in this section shall prohibit the governing body of  
27 a hospital from taking disciplinary actions against a physician and  
28 surgeon pursuant to Sections 809.05, 809.4, and 809.5.

29 *SEC. 4. Section 2242.1 of the Business and Professions Code*  
30 *is amended to read:*

31 2242.1. (a) No person or entity may prescribe, dispense, or  
32 furnish, or cause to be prescribed, dispensed, or furnished,  
33 dangerous drugs or dangerous devices, as defined in Section 4022,  
34 on the Internet for delivery to any person in this state, without an  
35 appropriate prior examination and medical indication, except as  
36 authorized by Section 2242.

37 (b) Notwithstanding any other provision of law, a violation of  
38 this section may subject the person or entity that has committed  
39 the violation to either a fine of up to twenty-five thousand dollars  
40 (\$25,000) per occurrence pursuant to a citation issued by the board

1 or a civil penalty of twenty-five thousand dollars (\$25,000) per  
 2 occurrence.

3 (c) The Attorney General may bring an action to enforce this  
 4 section and to collect the fines or civil penalties authorized by  
 5 subdivision (b).

6 (d) For notifications made on and after January 1, 2002, the  
 7 Franchise Tax Board, upon notification by the Attorney General  
 8 or the board of a final judgment in an action brought under this  
 9 section, shall subtract the amount of the fine or awarded civil  
 10 penalties from any tax refunds or lottery winnings due to the person  
 11 who is a defendant in the action using the offset authority under  
 12 Section 12419.5 of the Government Code, as delegated by the  
 13 Controller, and the processes as established by the Franchise Tax  
 14 Board for this purpose. That amount shall be forwarded to the  
 15 board for deposit in the Contingent Fund of the Medical Board of  
 16 California.

17 (e) If the person or entity that is the subject of an action brought  
 18 pursuant to this section is not a resident of this state, a violation  
 19 of this section shall, if applicable, be reported to the person’s or  
 20 entity’s appropriate professional licensing authority.

21 (f) Nothing in this section shall prohibit the board from  
 22 commencing a disciplinary action against a physician and surgeon  
 23 pursuant to ~~Section 2242~~. 2242 or 2525.3.

24 SEC. 5. Article 25 (commencing with Section 2525) is added  
 25 to Chapter 5 of Division 2 of the Business and Professions Code,  
 26 to read:

27

28 *Article 25. Recommending Medical Cannabis*

29

30 2525. (a) *It is unlawful for a physician and surgeon who*  
 31 *recommends cannabis to a patient for a medical purpose to accept,*  
 32 *solicit, or offer any form of remuneration from or to a facility*  
 33 *issued a state license pursuant to Chapter 3.5 (commencing with*  
 34 *Section 19300) of Division 8, if the physician and surgeon or his*  
 35 *or her immediate family have a financial interest in that facility.*

36 (b) *For the purposes of this section, “financial interest” shall*  
 37 *have the same meaning as in Section 650.01.*

38 (c) *A violation of this section shall be a misdemeanor punishable*  
 39 *by up to one year in county jail and a fine of up to five thousand*



1 dollars (\$5,000) or by civil penalties of up to five thousand dollars  
2 (\$5,000) and shall constitute unprofessional conduct.

3 2525.1. The Medical Board of California shall consult with  
4 the California Marijuana Research Program, known as the Center  
5 for Medicinal Cannabis Research, authorized pursuant to Section  
6 11362.9 of the Health and Safety Code, on developing and adopting  
7 medical guidelines for the appropriate administration and use of  
8 medical cannabis.

9 2525.2. An individual who possesses a license in good standing  
10 to practice medicine or osteopathy issued by the Medical Board  
11 of California or the Osteopathic Medical Board of California shall  
12 not recommend medical cannabis to a patient, unless that person  
13 is the patient's attending physician, as defined by subdivision (a)  
14 of Section 11362.7 of the Health and Safety Code.

15 2525.3. Recommending medical cannabis to a patient for a  
16 medical purpose without an appropriate prior examination and a  
17 medical indication constitutes unprofessional conduct.

18 2525.4. It is unprofessional conduct for any attending physician  
19 recommending medical cannabis to be employed by, or enter into  
20 any other agreement with, any person or entity dispensing medical  
21 cannabis.

22 2525.5. (a) A person shall not distribute any form of  
23 advertising for physician recommendations for medical cannabis  
24 in California unless the advertisement bears the following notice  
25 to consumers:

26  
27 *NOTICE TO CONSUMERS: The Compassionate Use Act of*  
28 *1996 ensures that seriously ill Californians have the right to obtain*  
29 *and use cannabis for medical purposes where medical use is*  
30 *deemed appropriate and has been recommended by a physician*  
31 *who has determined that the person's health would benefit from*  
32 *the use of medical cannabis. Recommendations must come from*  
33 *an attending physician as defined in Section 11362.7 of the Health*  
34 *and Safety Code. Cannabis is a Schedule I drug according to the*  
35 *federal Controlled Substances Act. Activity related to cannabis*  
36 *use is subject to federal prosecution, regardless of the protections*  
37 *provided by state law.*

38  
39 (b) Advertising for attending physician recommendations for  
40 medical cannabis shall meet all of the requirements in Section

1 651. Price advertising shall not be fraudulent, deceitful, or  
2 misleading, including statements or advertisements of bait,  
3 discounts, premiums, gifts, or statements of a similar nature.

4 SEC. 6. Section 19302.1 is added to the Business and  
5 Professions Code, to read:

6 19302.1. (a) The Governor shall appoint a chief of the bureau,  
7 subject to confirmation by the Senate, at a salary to be fixed and  
8 determined by the director with the approval of the Director of  
9 Finance. The chief shall serve under the direction and supervision  
10 of the director and at the pleasure of the Governor.

11 (b) Every power granted to or duty imposed upon the director  
12 under this chapter may be exercised or performed in the name of  
13 the director by a deputy or assistant director or by the chief, subject  
14 to conditions and limitations that the director may prescribe. In  
15 addition to every power granted or duty imposed with this chapter,  
16 the director shall have all other powers and duties generally  
17 applicable in relation to bureaus that are part of the Department  
18 of Consumer Affairs.

19 (c) The director may employ and appoint all employees  
20 necessary to properly administer the work of the bureau, in  
21 accordance with civil service laws and regulations.

22 (d) The Department of Consumer Affairs shall have the sole  
23 authority to create, issue, renew, discipline, suspend, or revoke  
24 licenses for the transportation, storage unrelated to manufacturing  
25 activities, distribution, and sale of medical marijuana within the  
26 state and to collect fees in connection with activities the bureau  
27 regulates. The bureau may create licenses in addition to those  
28 identified in this chapter that the bureau deems necessary to  
29 effectuate its duties under this chapter.

30 (e) The Department of Food and Agriculture shall administer  
31 the provisions of this chapter related to and associated with the  
32 cultivation of medical cannabis. The Department of Food and  
33 Agriculture shall have the authority to create, issue, and suspend  
34 or revoke cultivation licenses for violations of this chapter. The  
35 State Department of Public Health shall administer the provisions  
36 of this chapter related to and associated with the manufacturing  
37 and testing of medical cannabis.

38 SEC. 7. Section 19319 is added to the Business and Professions  
39 Code, to read:

1     19319. (a) A qualified patient, as defined in Section 11362.7  
2 of the Health and Safety Code, who cultivates, possesses, stores,  
3 manufactures, or transports cannabis exclusively for his or her  
4 personal medical use but who does not provide, donate, sell, or  
5 distribute cannabis to any other person is not thereby engaged in  
6 commercial cannabis activity and is therefore exempt from the  
7 licensure requirements of this chapter.

8     (b) A primary caregiver who cultivates, possesses, stores,  
9 manufactures, transports, donates, or provides cannabis exclusively  
10 for the personal medical purposes of no more than five specified  
11 qualified patients for whom he or she is the primary caregiver  
12 within the meaning of Section 11362.7 of the Health and Safety  
13 Code, but who does not receive remuneration for these activities  
14 except for compensation in full compliance with subdivision (c)  
15 of Section 11362.765 of the Health and Safety Code, is exempt  
16 from the licensure requirements of this chapter.

17     SEC. 8. Section 19320 is added to the Business and Professions  
18 Code, to read:

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

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

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

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

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

14 *SEC. 9. Section 19322 is added to the Business and Professions*  
15 *Code, to read:*

16 *19322. (a) A person or entity shall not submit an application*  
17 *for a state license issued by the department pursuant to this chapter*  
18 *unless that person or entity has received a license, permit, or*  
19 *authorization by a local jurisdiction. An applicant for any type of*  
20 *state license issued pursuant to this chapter shall do all of the*  
21 *following:*

22 *(1) Electronically submit to the Department of Justice fingerprint*  
23 *images and related information required by the Department of*  
24 *Justice for the purpose of obtaining information as to the existence*  
25 *and content of a record of state or federal convictions and arrests,*  
26 *and information as to the existence and content of a record of state*  
27 *or federal convictions and arrests for which the Department of*  
28 *Justice establishes that the person is free on bail or on his or her*  
29 *own recognizance, pending trial or appeal.*

30 *(A) The Department of Justice shall provide a response to the*  
31 *licensing authority pursuant to paragraph (1) of subdivision (p)*  
32 *of Section 11105 of the Penal Code.*

33 *(B) The licensing authority shall request from the Department*  
34 *of Justice subsequent notification service, as provided pursuant*  
35 *to Section 11105.2 of the Penal Code, for applicants.*

36 *(C) The Department of Justice shall charge the applicant a fee*  
37 *sufficient to cover the reasonable cost of processing the requests*  
38 *described in this paragraph.*

39 *(2) Provide documentation issued by the local jurisdiction in*  
40 *which the proposed business is operating certifying that the*

1 applicant is or will be in compliance with all local ordinances and  
2 regulations.

3 (3) Provide evidence of the legal right to occupy and use the  
4 proposed location. For an applicant seeking a cultivator,  
5 distributor, manufacturing, or dispensary license, provide a  
6 statement from the owner of real property or their agent where  
7 the cultivation, distribution, manufacturing, or dispensing  
8 commercial medical cannabis activities will occur, as proof to  
9 demonstrate the landowner has acknowledged and consented to  
10 permit cultivation, distribution, manufacturing, or dispensary  
11 activities to be conducted on the property by the tenant applicant.

12 (4) If the application is for a cultivator or a dispensary, provide  
13 evidence that the proposed location is located beyond at least a  
14 600 foot radius from a school, as required by Section 11362.768  
15 of the Health and Safety Code.

16 (5) Provide a statement, signed by the applicant under penalty  
17 of perjury, that the information provided is complete, true, and  
18 accurate.

19 (6) (A) For an applicant with 20 or more employees, provide  
20 a statement that the applicant will enter into, or demonstrate that  
21 it has already entered into, and abide by the terms of a labor peace  
22 agreement.

23 (B) For the purposes of this paragraph, “employee” does not  
24 include a supervisor.

25 (C) For purposes of this paragraph, “supervisor” means an  
26 individual having authority, in the interest of the licensee, to hire,  
27 transfer, suspend, lay off, recall, promote, discharge, assign,  
28 reward, or discipline other employees, or responsibility to direct  
29 them or to adjust their grievances, or effectively to recommend  
30 such action, if, in connection with the foregoing, the exercise of  
31 that authority is not of a merely routine or clerical nature, but  
32 requires the use of independent judgment.

33 (7) Provide the applicant’s seller’s permit number issued  
34 pursuant to Part 1 (commencing with Section 6001) of Division 2  
35 of the Revenue and Taxation Code or indicate that the applicant  
36 is currently applying for a seller’s permit.

37 (8) Provide any other information required by the licensing  
38 authority.

39 (9) For an applicant seeking a cultivation license, provide a  
40 statement declaring the applicant is an “agricultural employer,”

1 *as defined in the Alatorre-Zenovich-Dunlap-Berman Agricultural*  
2 *Labor Relations Act of 1975 (Part 3.5 (commencing with Section*  
3 *1140) of Division 2 of the Labor Code), to the extent not prohibited*  
4 *by law.*

5 *(10) For an applicant seeking licensure as a testing laboratory,*  
6 *register with the State Department of Public Health and provide*  
7 *any information required by the State Department of Public Health.*

8 *(11) Pay all applicable fees required for licensure by the*  
9 *licensing authority.*

10 *(b) For applicants seeking licensure to cultivate, distribute, or*  
11 *manufacture medical cannabis, the application shall also include*  
12 *a detailed description of the applicant's operating procedures for*  
13 *all of the following, as required by the licensing authority:*

14 *(1) Cultivation.*

15 *(2) Extraction and infusion methods.*

16 *(3) The transportation process.*

17 *(4) Inventory procedures.*

18 *(5) Quality control procedures.*

19 *SEC. 10. Section 19323 is added to the Business and*  
20 *Professions Code, to read:*

21 *19323. (a) The licensing authority shall deny an application*  
22 *if either the applicant or the premises for which a state license is*  
23 *applied do not qualify for licensure under this chapter.*

24 *(b) The licensing authority may deny the application for*  
25 *licensure or renewal of a state license if any of the following*  
26 *conditions apply:*

27 *(1) Failure to comply with the provisions of this chapter or any*  
28 *rule or regulation adopted pursuant to this chapter, including but*  
29 *not limited to, any requirement imposed to protect natural*  
30 *resources, instream flow, and water quality pursuant to subdivision*  
31 *(a) of Section 19332.*

32 *(2) Conduct that constitutes grounds for denial of licensure*  
33 *pursuant to Chapter 2 (commencing with Section 480) of Division*  
34 *1.5.*

35 *(3) A local agency has notified the licensing authority that a*  
36 *licensee or applicant within its jurisdiction is in violation of state*  
37 *rules and regulation relating to commercial cannabis activities,*  
38 *and the licensing authority, through an investigation, has*  
39 *determined that the violation is grounds for termination or*  
40 *revocation of the license. The licensing authority shall have the*

1 authority to collect reasonable costs, as determined by the licensing  
2 authority, for investigation from the licensee or applicant.

3 (4) The applicant has failed to provide information required by  
4 the licensing authority.

5 (5) The applicant or licensee has been convicted of an offense  
6 that is substantially related to the qualifications, functions, or  
7 duties of the business or profession for which the application is  
8 made, except that if the licensing authority determines that the  
9 applicant or licensee is otherwise suitable to be issued a license  
10 and granting the license would not compromise public safety, the  
11 licensing authority shall conduct a thorough review of the nature  
12 of the crime, conviction, circumstances, and evidence of  
13 rehabilitation of the applicant, and shall evaluate the suitability  
14 of the applicant or licensee to be issued a license based on the  
15 evidence found through the review. In determining which offenses  
16 are substantially related to the qualifications, functions, or duties  
17 of the business or profession for which the application is made,  
18 the licensing authority shall include, but not be limited to, the  
19 following:

20 (A) A felony conviction for the illegal possession for sale, sale,  
21 manufacture, transportation, or cultivation of a controlled  
22 substance.

23 (B) A violent felony conviction, as specified in subdivision (c)  
24 of Section 667.5 of the Penal Code.

25 (C) A serious felony conviction, as specified in subdivision (c)  
26 of Section 1192.7 of the Penal Code.

27 (D) A felony conviction involving fraud, deceit, or embezzlement.

28 (6) The applicant, or any of its officers, directors, or owners,  
29 is a licensed physician making patient recommendations for  
30 medical cannabis pursuant to Section 11362.7 of the Health and  
31 Safety Code.

32 (7) The applicant or any of its officers, directors, or owners has  
33 been subject to fines or penalties for cultivation or production of  
34 a controlled substance on public or private lands pursuant to  
35 Section 12025 or 12025.1 of the Fish and Game Code.

36 (8) The applicant, or any of its officers, directors, or owners,  
37 has been sanctioned by a licensing authority or a city, county, or  
38 city and county for unlicensed commercial medical cannabis  
39 activities or has had a license revoked under this chapter in the

1 *three years immediately preceding the date the application is filed*  
 2 *with the licensing authority.*

3 *(9) Failure to obtain and maintain a valid seller's permit*  
 4 *required pursuant to Part 1 (commencing with Section 6001) of*  
 5 *Division 2 of the Revenue and Taxation Code.*

6 *SEC. 11. Section 19324 is added to the Business and*  
 7 *Professions Code, to read:*

8 *19324. Upon the denial of any application for a license, the*  
 9 *licensing authority shall notify the applicant in writing. Within 30*  
 10 *days of service of the notice, the applicant may file a written*  
 11 *petition for a license with the licensing authority. Upon receipt of*  
 12 *a timely filed petition, the licensing authority shall set the petition*  
 13 *for hearing. The hearing shall be conducted in accordance with*  
 14 *Chapter 5 (commencing with Section 11500) of Part 1 of Division*  
 15 *3 of Title 2 of the Government Code, and the director of each*  
 16 *licensing authority shall have all the powers granted therein.*

17 *SEC. 12. Section 19325 is added to the Business and*  
 18 *Professions Code, to read:*

19 *19325. An applicant shall not be denied a state license if the*  
 20 *denial is based solely on any of the following:*

21 *(a) A conviction or act that is substantially related to the*  
 22 *qualifications, functions, or duties of the business or profession*  
 23 *for which the application is made for which the applicant or*  
 24 *licensee has obtained a certificate of rehabilitation pursuant to*  
 25 *Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part*  
 26 *3 of the Penal Code.*

27 *(b) A conviction that was subsequently dismissed pursuant to*  
 28 *Section 1203.4, 1203.4a, or 1203.41 of the Penal Code.*

29 *SEC. 13. Article 6 (commencing with Section 19331) is added*  
 30 *to Chapter 3.5 of Division 8 of the Business and Professions Code,*  
 31 *to read:*

32

33

*Article 6. Licensed Cultivation Sites*

34

35 *19331. The Legislature finds and declares all of the following:*

36 *(a) The United States Environmental Protection Agency has not*  
 37 *established appropriate pesticide tolerances for, or permitted the*  
 38 *registration and lawful use of, pesticides on cannabis crops*  
 39 *intended for human consumption pursuant to the Federal*  
 40 *Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).*



1     ***(b) The use of pesticides is not adequately regulated due to the***  
2 ***omissions in federal law, and cannabis cultivated in California***  
3 ***for California patients can and often does contain pesticide***  
4 ***residues.***

5     ***(c) Lawful California medical cannabis growers and caregivers***  
6 ***urge the Department of Pesticide Regulation to provide guidance,***  
7 ***in absence of federal guidance, on whether the pesticides currently***  
8 ***used at most cannabis cultivation sites are actually safe for use***  
9 ***on cannabis intended for human consumption.***

10     ***19332. (a) The Department of Food and Agriculture shall***  
11 ***promulgate regulations governing the licensing of indoor and***  
12 ***outdoor cultivation sites.***

13     ***(b) The Department of Pesticide Regulation, in consultation***  
14 ***with the Department of Food and Agriculture, shall develop***  
15 ***standards for the use of pesticides in cultivation, and maximum***  
16 ***tolerances for pesticides and other foreign object residue in***  
17 ***harvested cannabis.***

18     ***(c) The State Department of Public Health shall develop***  
19 ***standards for the production and labeling of all edible medical***  
20 ***cannabis products.***

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

28     ***(e) The Department of Food and Agriculture shall have the***  
29 ***authority necessary for the implementation of the regulations it***  
30 ***adopts pursuant to this chapter. The regulations shall do all of the***  
31 ***following:***

32     ***(1) Provide that weighing or measuring devices used in***  
33 ***connection with the sale or distribution of medical cannabis are***  
34 ***required to meet standards equivalent to Division 5 (commencing***  
35 ***with Section 12001).***

36     ***(2) Require that cannabis cultivation by licensees is conducted***  
37 ***in accordance with state and local laws related to land conversion,***  
38 ***grading, electricity usage, water usage, agricultural discharges,***  
39 ***and similar matters. Nothing in this chapter, and no regulation***  
40 ***adopted by the department, shall be construed to supersede or***

1 *limit the authority of the State Water Resources Control Board,*  
2 *regional water quality control boards, or the Department of Fish*  
3 *and Wildlife to implement and enforce their statutory obligations*  
4 *or to adopt regulations to protect water quality, water supply, and*  
5 *natural resources.*

6 *(3) Establish procedures for the issuance and revocation of*  
7 *unique identifiers for activities associated with a cannabis*  
8 *cultivation license, pursuant to Article 8 (commencing with Section*  
9 *19337). All cannabis shall be labeled with the unique identifier*  
10 *issued by the Department of Food and Agriculture.*

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

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

21 *(g) State cultivator license types issued by the Department of*  
22 *Food and Agriculture include:*

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

27 *(2) Type 1A, or “specialty indoor,” for indoor cultivation using*  
28 *exclusively artificial lighting of less than or equal to 5,000 square*  
29 *feet of total canopy size on one premises.*

30 *(3) Type 1B, or “specialty mixed-light,” for cultivation using*  
31 *a combination of natural and supplemental artificial lighting at a*  
32 *maximum threshold to be determined by the licensing authority,*  
33 *of less than or equal to 5,000 square feet of total canopy size on*  
34 *one premises.*

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

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

1 (6) 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 (7) 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 (8) 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) 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 (10) Type 4, or “nursery,” for cultivation of medical cannabis  
22 solely as a nursery. Type 4 licensees may transport live plants.

23 19332.5. (a) Not later than January 1, 2020, the Department  
24 of Food and Agriculture in conjunction with the bureau, shall  
25 make available a certified organic designation and organic  
26 certification program for medical marijuana, if permitted under  
27 federal law and the National Organic Program (Section 6517 of  
28 the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec.  
29 6501 et seq.)), and Article 7 (commencing with Section 110810)  
30 of Chapter 5 of Part 5 of Division 104 of the Health and Safety  
31 Code.

32 (b) The bureau may establish appellations of origin for  
33 marijuana grown in California.

34 (c) It is unlawful for medical marijuana to be marketed, labeled,  
35 or sold as grown in a California county when the medical  
36 marijuana was not grown in that county.

37 (d) It is unlawful to use the name of a California county in the  
38 labeling, marketing, or packaging of medical marijuana products  
39 unless the product was grown in that county.

1 19333. An employee engaged in commercial cannabis  
2 cultivation activity shall be subject to Wage Order 4-2001 of the  
3 Industrial Welfare Commission.

4 SEC. 14. Article 7.5 (commencing with Section 19335) is added  
5 to Chapter 3.5 of Division 8 of the Business and Professions Code,  
6 to read:

7  
8 Article 7.5. Unique Identifier and Track and Trace Program  
9

10 19335. (a) The Department of Food and Agriculture, in  
11 consultation with the bureau, shall establish a track and trace  
12 program for reporting the movement of medical marijuana items  
13 throughout the distribution chain that utilizes a unique identifier  
14 pursuant to Section 11362.777 of the Health and Safety Code and  
15 secure packaging and is capable of providing information that  
16 captures, at a minimum, all of the following:

- 17 (1) The licensee receiving the product.
- 18 (2) The transaction date.
- 19 (3) The cultivator from which the product originates, including  
20 the associated unique identifier, pursuant to Section 11362.777  
21 of the Health and Safety Code.

22 (b) (1) The Department of Food and Agriculture shall create  
23 an electronic database containing the electronic shipping manifests  
24 which shall include, but not be limited to, the following  
25 information:

- 26 (A) The quantity, or weight, and variety of products shipped.
- 27 (B) The estimated times of departure and arrival.
- 28 (C) The quantity, or weight, and variety of products received.
- 29 (D) The actual time of departure and arrival.
- 30 (E) A categorization of the product.
- 31 (F) The license number and the unique identifier pursuant to  
32 Section 11362.777 of the Health and Safety Code issued by the  
33 licensing authority for all licensees involved in the shipping  
34 process, including cultivators, transporters, distributors, and  
35 dispensaries.

36 (2) (A) The database shall be designed to flag irregularities  
37 for all licensing authorities in this chapter to investigate. All  
38 licensing authorities pursuant to this chapter may access the  
39 database and share information related to licensees under this

1 chapter, including social security and individual taxpayer  
2 identifications notwithstanding Section 30.

3 (B) The Department of Food and Agriculture shall immediately  
4 inform the bureau upon the finding of an irregularity or suspicious  
5 finding related to a licensee, applicant, or commercial cannabis  
6 activity for investigatory purposes.

7 (3) Licensing authorities and state and local agencies may, at  
8 any time, inspect shipments and request documentation for current  
9 inventory.

10 (4) The bureau shall have 24-hour access to the electronic  
11 database administered by the Department of Food and Agriculture.

12 (5) The Department of Food and Agriculture shall be authorized  
13 to enter into memoranda of understandings with licensing  
14 authorities for data sharing purposes, as deemed necessary by the  
15 Department of Food and Agriculture.

16 (6) Information received and contained in records kept by the  
17 Department of Food and Agriculture or licensing authorities for  
18 the purposes of administering this section are confidential and  
19 shall not be disclosed pursuant to the California Public Records  
20 Act (Chapter 3.5 (commencing with Section 6250) of Division 7  
21 of Title 1 of the Government Code), except as necessary for  
22 authorized employees of the State of California or any city, county,  
23 or city and county to perform official duties pursuant to this  
24 chapter or a local ordinance.

25 (7) Upon the request of a state or local law enforcement agency,  
26 licensing authorities shall allow access to or provide information  
27 contained within the database to assist law enforcement in their  
28 duties and responsibilities pursuant to this chapter.

29 19336. (a) Chapter 4 (commencing with Section 55121) of  
30 Part 30 of Division 2 of the Revenue and Taxation Code shall  
31 apply with respect to the bureau's collection of the fees, civil fines,  
32 and penalties imposed pursuant to this chapter.

33 (b) Chapter 8 (commencing with Section 55381) of Part 30 of  
34 Division 2 of the Revenue and Taxation Code shall apply with  
35 respect to the disclosure of information under this chapter.

36 SEC. 15. Article 8 (commencing with Section 19337) is added  
37 to Chapter 3.5 of Division 8 of the Business and Professions Code,  
38 to read:

Article 8. Licensed Transporters

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19337. (a) A licensee authorized to transport medical cannabis and medical cannabis products between licenses shall do so only as set forth in this chapter.

(b) Prior to transporting medical cannabis or medical cannabis products, a licensed transporter of medical cannabis or medical cannabis products shall do both of the following:

(1) Complete an electronic shipping manifest as prescribed by the licensing authority. The shipping manifest must include the unique identifier, pursuant to Section 11362.777 of the Health and Safety Code, issued by the Department of Food and Agriculture for the original cannabis product.

(2) Securely transmit the manifest to the bureau and the licensee that will receive the medical cannabis product. The bureau shall inform the Department of Food and Agriculture of information pertaining to commercial cannabis activity for the purpose of the track and trace program identified in Section 19335.

(c) During transportation, the licensed transporter shall maintain a physical copy of the shipping manifest and make it available upon request to agents of the Department of Consumer Affairs and law enforcement officers.

(d) The licensee receiving the shipment shall maintain each electronic shipping manifest and shall make it available upon request to the Department of Consumer Affairs and any law enforcement officers.

(e) Upon receipt of the transported shipment, the licensee receiving the shipment shall submit to the licensing agency a record verifying receipt of the shipment and the details of the shipment.

(f) Transporting, or arranging for or facilitating the transport of, medical cannabis or medical cannabis products in violation of this chapter is grounds for disciplinary action against the license.

19338. (a) This chapter shall not be construed to authorize or permit a licensee to transport or cause to be transported cannabis or cannabis products outside the state, unless authorized by federal law.

(b) A local jurisdiction shall not prevent transportation of medical cannabis or medical cannabis products on public roads

1 *by a licensee transporting medical cannabis or medical cannabis*  
2 *products in compliance with this chapter.*

3 *SEC. 16. Article 11 (commencing with Section 19348) is added*  
4 *to Chapter 3.5 of Division 8 of the Business and Professions Code,*  
5 *to read:*

6

7

*Article 11. Taxation*

8

9 *19348. (a) (1) A county may impose a tax on the privilege of*  
10 *cultivating, dispensing, producing, processing, preparing, storing,*  
11 *providing, donating, selling, or distributing medical cannabis or*  
12 *medical cannabis products by a licensee operating pursuant to*  
13 *this chapter.*

14 *(2) The board of supervisors shall specify in the ordinance*  
15 *proposing the tax the activities subject to the tax, the applicable*  
16 *rate or rates, the method of apportionment, if necessary, and the*  
17 *manner of collection of the tax. The tax may be imposed for general*  
18 *governmental purposes or for purposes specified in the ordinance*  
19 *by the board of supervisors.*

20 *(3) In addition to any other method of collection authorized by*  
21 *law, the board of supervisors may provide for the collection of the*  
22 *tax imposed pursuant to this section in the same manner, and*  
23 *subject to the same penalties and priority of lien, as other charges*  
24 *and taxes fixed and collected by the county. A tax imposed pursuant*  
25 *to this section is a tax and not a fee or special assessment. The*  
26 *board of supervisors shall specify whether the tax applies*  
27 *throughout the entire county or within the unincorporated area of*  
28 *the county.*

29 *(4) The tax authorized by this section may be imposed upon any*  
30 *or all of the activities set forth in paragraph (1), as specified in*  
31 *the ordinance, regardless of whether the activity is undertaken*  
32 *individually, collectively, or cooperatively, and regardless of*  
33 *whether the activity is for compensation or gratuitous, as*  
34 *determined by the board of supervisors.*

35 *(b) A tax imposed pursuant to this section shall be subject to*  
36 *applicable voter approval requirements imposed by law.*

37 *(c) This section is declaratory of existing law and does not limit*  
38 *or prohibit the levy or collection of any other fee, charge, or tax,*  
39 *or a license or service fee or charge upon, or related to, the*  
40 *activities set forth in subdivision (a) as otherwise provided by law.*

1 *This section shall not be construed as a limitation upon the taxing*  
2 *authority of a county as provided by law.*

3 *(d) This section shall not be construed to authorize a county to*  
4 *impose a sales or use tax in addition to the sales and use tax*  
5 *imposed under an ordinance conforming to the provisions of*  
6 *Sections 7202 and 7203 of the Revenue and Taxation Code.*

7 *SEC. 17. The provisions of this act are severable. If any*  
8 *provision of this act or its application is held invalid, that invalidity*  
9 *shall not affect other provisions or applications that can be given*  
10 *effect without the invalid provision or application.*

11 *SEC. 18. The Legislature finds and declares that Section 14*  
12 *of this act, which adds Section 19335 to the Business and*  
13 *Professions Code, thereby imposes a limitation on the public's*  
14 *right of access to the meetings of public bodies or the writings of*  
15 *public officials and agencies within the meaning of Section 3 of*  
16 *Article I of the California Constitution. Pursuant to that*  
17 *constitutional provision, the Legislature makes the following*  
18 *findings to demonstrate the interest protected by this limitation*  
19 *and the need for protecting that interest:*

20 *The limitation imposed under this act is necessary for purposes*  
21 *of compliance with the federal Health Insurance Portability and*  
22 *Accountability Act of 1996 (42 U.S.C. Sec. 1320d et seq.), the*  
23 *Confidentiality of Medical Information Act (Part 2.6 (commencing*  
24 *with Section 56) of Division 1 of the Civil Code), and the Insurance*  
25 *Information and Privacy Protection Act (Article 6.6 (commencing*  
26 *with Section 791) of Part 2 of Division 1 of the Insurance Code).*

27 *SEC. 19. No reimbursement is required by this act pursuant*  
28 *to Section 6 of Article XIII B of the California Constitution for*  
29 *certain costs that may be incurred by a local agency or school*  
30 *district because, in that regard, this act creates a new crime or*  
31 *infraction, eliminates a crime or infraction, or changes the penalty*  
32 *for a crime or infraction, within the meaning of Section 17556 of*  
33 *the Government Code, or changes the definition of a crime within*  
34 *the meaning of Section 6 of Article XIII B of the California*  
35 *Constitution.*

36 *However, if the Commission on State Mandates determines that*  
37 *this act contains other costs mandated by the state, reimbursement*  
38 *to local agencies and school districts for those costs shall be made*  
39 *pursuant to Part 7 (commencing with Section 17500) of Division*  
40 *4 of Title 2 of the Government Code.*



1     ~~SEC. 2.~~

2     *SEC. 20.* This act shall become operative only if Assembly  
3 Bill 266 and Assembly Bill 243 of the 2015–16 Session ~~is are~~  
4 enacted and ~~takes~~ take effect on or before January 1, 2016.

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