

**SAMPLE TITLE & SUMMARY FOR “THE SAFE COMMUNITIES AND PARKS ACT”**

*(Below T&S Prepared by PROPONENTS using initial submission, 15-0024, as a template)*

**MARIJUANA LEGALIZATION. INITIATIVE STATUTE.** Legalizes under state law marijuana possession, production, cultivation, transportation, manufacture, processing, and sale. Creates board to regulate the marijuana industry. Establishes resentencing procedures for persons convicted of non-violent marijuana offenses. Imposes excise tax of \$8 per ounce of dried marijuana and \$1.00 per gram of concentrated marijuana, annually increasing by \$2.00 per ounce dried marijuana and \$0.25 gram of concentrated marijuana for four years. Permits local voter-approved taxes on marijuana sales, up to 5% retail price. Exempts medical marijuana from sales taxes, and terminally ill patients from all taxation. Limits local regulation of marijuana.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Net reduced costs ranging from tens of millions of dollars to potentially exceeding \$100 million annually to state and local governments related to enforcing certain marijuana-related offenses, handling the related criminal cases in the court system, and incarcerating and supervising certain marijuana offenders. Net additional state and local tax revenues of potentially up to several hundred million dollars annually related to the production and sale of marijuana, a portion of which is required to be spent on drug education and counseling services, school construction, restoration of state parks, water supply and quality projects, research related to the medical use of marijuana, and regulation of commercial marijuana activities.**

# THE SAFE COMMUNITIES AND PARKS ACT OF 2016

## SECTION 1. Findings and Declarations

This Act, adopted by the People of the State of California, hereby makes the following Findings and Declarations:

I. Laws in California regulating the use of cannabis have failed and require comprehensive statewide reform. Accordingly, our state urgently needs an effective, clear and consistent statewide regulatory framework pertaining to the responsible adult possession, consumption, production and sale of cannabis.

II. Extensive channels of underground black market commerce have exacerbated the distribution of cannabis and various controlled substances to our children. By establishing a competitive regulated commercial cannabis market, California would likely diminish the availability of unlawfully produced cannabis and controlled substances to minors, and reduce the overall impact of illicit drug-related activity within our communities.

III. Generating hundreds of millions of dollars in cannabis excise tax revenues would allow California to establish dedicated drug education and counseling centers within our schools, which would offer our youth a valuable resource in responsible education, early intervention and comprehensive community-oriented treatment programs related to substance use.

IV. A reasonable excise tax could also generate hundreds of millions of dollars in annual revenues for California to fund the restoration, preservation, and protection of state parks and parklands; watershed protection projects for our state; as well as objective scientific research by the premier research institute of the world, the University of California regarding the efficacy and safety of administering cannabis as part of medical treatment.

V. Laws reasonably regulating commercial cannabis cultivation will significantly undercut the operations of violent drug cartels and criminal enterprises that have caused gross pollution and severe environmental destruction. California's law enforcement resources would have a more beneficial long-term impact if we focused on eradicating unlawful cultivation within our precious state parks, which poses a well-documented threat to wildlife, habitat, and human health.

VI. Independent surveys consistently suggest that people of color and whites consume cannabis equally, yet arrest rates and conviction rates have historically been much higher for people of color, particularly for African Americans, with serious negative effects on their communities.

VII. Zero-tolerance policies and harsh criminal penalties within the United States related to cannabis have substantially discouraged our youth and members of the public from seeking treatment for drug addiction. This approach is inconsistent with the policy recommendations of the National Commission on Marijuana and Drug Abuse, established by the Comprehensive Drug Abuse Prevention and Control Act of 1970, which recommended the decriminalization of marijuana in small amounts for personal use.

VIII. Enactment of the Compassionate Use Act of 1996 has bestowed upon seriously ill Californians the right to obtain and use cannabis for medical purposes, provided that such use is deemed appropriate and has been recommended by a physician who has determined that the person's health would benefit from the use of marijuana in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief.

IX. In spite of the passage of the Compassionate Use Act of 1996 and the Medical Marijuana Program, the state has not implemented an effective statewide system for regulating and controlling commercial cannabis activities. The current state of affairs endangers the safety of consumers, and fails to protect our communities from the ills of large-scale cultivation and manufacture of cannabis in residential areas.

X. Through the adoption of reasonable, enforceable and transparent regulations, the People elect to take a clear and decisive new approach to eliminate the negative impacts of unlawful commercial production of cannabis within our state parks and in our neighborhoods.

SEC. 2. Division 10.4 (commencing with Section 11720) is added to the Health and Safety Code, to read:

**Health and Safety Code Division 10.4. Cannabis and Hemp**

**Chapter 1. General Provisions and Definitions (§11720)**

**Chapter 2. Personal and Medical Use (§11721-11721.82)**

**Article 1. Personal Use (§11721)**

**Article 2. Compassionate Use Act of 1996 (§11721.5)**

**Article 2.5. Medical Marijuana Program (§11721.7-11721.82)**

**Chapter 3. Smoking (§11722-11724)**

**Chapter 4. Unlawful Delivery (§11725-11726)**

**Chapter 5. Unlawful Purchase, Possession or Cultivation (§11727-11728.5)**

**Chapter 6. Temporary Exemptions for Various Commercial Activities (§11729)**

**Chapter 7. Cultivation on State-owned Property (§11730)**

**Chapter 8. General Procedures (§11731-11734)**

**Chapter 9. Limited Arrest Protections for Medical Marijuana Activities (§11735-11735.5)**

**Chapter 10. Conflicting Enforcement, Preemption and Local Regulation (§11736-11737)**

**Chapter 11. Records and Prior Convictions (§11738-11739)**

**Chapter 12. Miscellaneous Provisions (§11739.1-11739.95)**

**Article 1. Study to Develop Uniform Standard of Impairment (§11739.1)**

**Article 2. Cannabis Use in the Workplace (§11739.2)**

**Article 3. Landlord Rights (§11739.3)**

**Article 4. Social Host Liability (§11739.4)**

**Article 5. Paraphernalia (§11739.5)**

**Article 6. Fire Prevention Measures (§11739.6)**

**Article 7. Use of Firearms in the Commission of Certain Offenses (§11739.7)**

**Article 8. General Defense of Act (§11739.9-11739.95)**

*DIVISION 10.4. CANNABIS AND HEMP*

*CHAPTER 1. DEFINITIONS*

*11720. (a) Except as otherwise provided, this division shall be known and may be cited as “The Safe Communities and Parks Act of 2016.”*

*(b) The People of the State of California hereby declare that the intents and purposes of The Safe Communities and Parks Act of 2016 are as follows:*

*(1) To protect the health and well-being of children and adolescents.*

*(2) To preserve the public safety of Californians on the road and in our communities.*

*(3) To create a fair and enforceable set of taxes and regulations that enhances California’s economic and physical health.*

*(4) To ensure that responsible adults have the right to obtain and use cannabis under California law.*

*(5) To ensure that medical cannabis qualified patients and primary caregivers retain their fundamental rights pursuant to the Compassionate Use Act of 1996, as adopted at the November 5, 1996 General Election.*

*(6) To permit the State of California to fulfill obligations under the United States Constitution to enact laws concerning health, morals, public welfare and safety.*

*(7) To remove cannabis, THC, and its referenced paraphernalia, explicitly or by inference, from existing statutes pertaining to the prohibition and regulation of controlled substances, except for:*

*(A) Those statutes pertaining to driving a motor vehicle under the influence of cannabis;*

*(B) Those statutes pertaining to the right of employers to regulate or restrict the use or consumption of cannabis in the workplace; and*

*(C) Those statutes pertaining to providing, transferring or selling cannabis to minors, except as now codified under this division.*

*(c) For purposes of this division:*

*(1) “adult” means any person 21 years of age or older.*

*(2) “cannabis” and “marijuana” are terms to be used interchangeably, meaning all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; concentrated cannabis; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. It does not include hemp.*

*(3) “cannabis-infused product” means any solid, liquid, or gas that infuses, or otherwise includes, more than three-tenths of 1 percent tetrahydrocannabinol (THC) with a non-cannabis product or ingredient.*

*(4) “concentrated cannabis” means the separated resin, whether crude or purified, obtained from cannabis. Concentrated cannabis shall not mean cannabis infused in a food, drink, candy, balm or tincture.*

*(5) “hemp” and “industrial hemp” are terms to be used interchangeably, meaning a fiber or oilseed crop that is limited to non-psychoactive types of the plant Cannabis sativa L. and the seed produced therefrom, having no more than three-tenths of 1 percent tetrahydrocannabinol (THC) contained in the dried flowering tops, and that is cultivated and processed exclusively for the purpose of producing the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the*

plant, or any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, except the resin or flowering tops extracted therefrom, fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

(6) "mature cannabis plant" means:

(A) a cannabis plant that the sex of the plant can be readily determined by the unaided eye, or

(B) a flowering cannabis plant that is at least one foot in width or height.

(7) "minor" means any person under the age of 21 years.

(8) "person" means a person, as defined in Section 6005 of the Revenue and Taxation Code.

## CHAPTER 2. PERSONAL AND MEDICAL USE

### ARTICLE 1. PERSONAL USE

11721. (a) Notwithstanding any other provision of law, no adult shall be arrested or prosecuted nor be subject to any criminal or civil penalties for the possession, production, cultivation, transportation, manufacture, processing, sharing, or giving away of cannabis for personal use in any combination of the following amounts:

(1) Not more than two avoirdupois ounces of dried cannabis per adult.

(2) Not more than 6 mature cannabis plants per adult, or the cultivation of mature cannabis plants in an area not exceeding twenty-five square feet per adult as measured by the combined growth area of mature cannabis plants, whichever amount is greater.

(3) Any cannabis produced by such cannabis plants, or any part thereof, but only in the area or upon the premises where the plants were grown.

(4) Not more than one hundred gallons of cannabis-infused product in liquid form per adult.

(5) Any cannabis obtained from a person or entity, or any of its officers, agents and employees, licensed pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code; provided that the cannabis has a tax stamp or meter impression affixed to the product, package or label in accordance with Part 14.5 (commencing with Section 34001) of Division 2 of the Revenue and Taxation Code, and such cannabis is not intended for resale.

(b) No peace officer shall take any more information or time as necessary in order to determine the age of the individual, unless there is reasonable cause to believe that the information obtained is false or falsified, or that there may reasonably exist a violation of California law.

(c) An adult that purchases, possesses, shares, transports, cultivates, processes or manufactures cannabis in amounts reasonably or demonstrably related to the personal use by an adult shall not, solely on the basis of such fact or facts, be subject to the punishments provided in Section 11727 or 11728.

(d) There shall be a rebuttable presumption that an adult is in compliance with the amounts and conditions specified in this division.

ARTICLE 2. COMPASSIONATE USE ACT OF 1996 (codified in SEC. 20.)

ARTICLE 2.5. MEDICAL MARIJUANA PROGRAM (codified in SEC. 21.)

## CHAPTER 3. SMOKING

11722. (a) It is not a violation of California law for an adult or qualified patient to consume cannabis in one's home, or upon the grounds of a private residence.

(b) Except as otherwise provided in this section, it shall not be a violation of state law for an adult or qualified patient to smoke cannabis in a public place or area at least six hundred feet from the grounds of any school providing instruction in kindergarten or any of grades 1 through 12.

(c) Any person who smokes cannabis in a public place in violation of a local rule or ordinance is guilty of an infraction, punishable by a fine of not more than fifty dollars (\$50). A violation of this subdivision shall not result in the forfeiture or seizure of the cannabis, except as to extinguish the flame or otherwise ensure compliance with state or local law. This subdivision shall not apply to a qualified patient or a person in possession of a valid identification card.

11723. (a) Nothing in this division shall authorize any person to engage in the smoking of cannabis under any of the following circumstances:

(1) In any place where smoking is prohibited pursuant to Section 11722.

(2) In or within 600 feet of the grounds of a school, recreation center, or youth center, unless the use occurs within or upon the property of a residence.

(3) On a schoolbus or on public transportation.

(4) While operating a boat or motor vehicle.

(b) Except as authorized by law, every person who smokes cannabis upon the grounds of, or within, any school providing instruction in kindergarten or any of grades 1 through 12 during hours the school is open for classes or school-related programs, shall be subject to one of the following dispositions:

(1) An infraction or misdemeanor, punishable by a fine of not more than two hundred fifty dollars (\$250), upon a finding that a first offense has been committed.

(2) A misdemeanor, punishable by a fine of not more than five hundred dollars (\$500), or by imprisonment in the county jail or commitment to a juvenile hall, ranch, camp, forestry camp, or secure juvenile home, for a period of not more than 10 days, or by both such fine and imprisonment, upon a finding that a second or subsequent offense has been committed.

11724. It is not a violation of California law, except as provided in subdivision (f) of Section 647 of the Penal Code, for an adult or qualified patient to be under the influence of cannabis. This section shall not preclude such activity from being introduced as evidence in a civil or criminal proceeding alleging a violation of California law.

#### CHAPTER 4. UNLAWFUL DELIVERY

11725. (a)(1) Except as authorized or otherwise provided by law, every person who sells, delivers with remuneration, or possesses for sale cannabis or cannabis-infused products shall be guilty of a misdemeanor, punishable by a fine of not more than two-thousand five hundred dollars (\$2,500), or by imprisonment in the county jail for a period of not more than one year, or by both such fine and imprisonment.

(2) Except as authorized by law, every adult who sells, delivers with remuneration, or possesses for sale to an adult, qualified patient or designated primary caregiver not more than 28.5 grams of cannabis or any cannabis-infused products shall be guilty of an infraction, punishable by a fine of not more than two hundred fifty dollars (\$250) for a first offense within two years prior to the alleged commission of the charged offense.

(b) (1) Except as authorized or otherwise provided by law, every adult who sells, delivers with remuneration, shares, provides, or gives away any cannabis or cannabis-infused products to a person under the age of 21 years shall be guilty of a misdemeanor, punishable by imprisonment in the county jail for a period of not more than six months or by a fine of not more than five hundred dollars (\$500), or by both such fine and imprisonment.

(2) Except as authorized by law, every adult who shares, provides or gives away without remuneration any cannabis or cannabis-infused products to a person under the age of 21, but 18 years of age or older, shall be guilty of an infraction, punishable by a fine of not more than one hundred dollars (\$100).

(c)(1) Except as authorized or otherwise provided by law, every minor who sells, delivers with remuneration, or possesses for sale to another person any cannabis or cannabis-infused products shall be guilty of an infraction, punishable by a fine of not more than two hundred fifty dollars (\$250).

(2) Except as authorized by law, every minor 14 years of age or older who sells, delivers with remuneration, or possesses for sale to a minor under 14 years of age any cannabis or cannabis-infused products shall be guilty of an infraction or misdemeanor, punishable by a fine of not more than two-hundred fifty dollars (\$250). In addition to a fine, the trial court may, at its discretion, impose a term of imprisonment in the county jail or commitment to a juvenile hall, ranch, camp, forestry camp, or secure juvenile home, for a period of not more than 10 days, or by both such fine and imprisonment.

(d) Notwithstanding any other provision of law, every person who possesses amounts of cannabis or cannabis-infused products for personal or medical use or possesses paraphernalia consistent with Section 11739.5 shall not, solely on the basis of those facts, be subject to any punishment or sanction for the possession for sale of cannabis or cannabis-infused products under this section.

(e) Subdivisions (a) and (b) and paragraph (1) of subdivision (c) shall not apply to the delivery of cannabis to minors by a person or entity, or any of its officers, agents and employees licensed pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code if such person demanded, was shown, and reasonably relied upon evidence that the buyer or intended recipient was qualified to purchase and possess cannabis under California law, and no violation otherwise exists under the circumstances. Evidence that such person was "qualified to purchase and possess cannabis under California law" may include a facsimile of or a reasonable likeness of a document issued by a federal, state, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license, a registration certificate issued under the federal Selective Service Act, or an identification card issued to a member of the Armed Forces, that contains information suggesting such individual has reached the age required to lawfully purchase cannabis within the State of California, or any valid medical marijuana identification card.

11726. (a) This chapter shall not apply to the transfer to a minor in order to make a delivery of cannabis in pursuance of the order of his or her parent, responsible adult relative, or any other adult designated by the parent or legal guardian, or in pursuance of his or her employment.

(b) A person who receives compensation for actual expenses, including reasonable compensation incurred for services provided to an adult to enable that person to use cannabis under this division, or for payment for out-of-pocket expenses incurred in providing those services, or both, shall not, on the sole basis of that fact, be subject to prosecution or punishment under this chapter; provided that nothing in this subdivision shall authorize the cultivation or distribution of cannabis for profit unless such individual or group is in compliance with the provisions of Section 11721.775 or 11729, or Division 10 (commencing with Section 26000) of the Business and Professions Code.

#### CHAPTER 5. UNLAWFUL POSSESSION OR CULTIVATION

11727. (a) Except as authorized by law, it is unlawful for a minor to have in his or her physical possession, on any street or highway or in any public place, in any place open to the public, or while driving a motor vehicle upon a highway or on lands, as described in subdivision (b) of Section 23220 of the Vehicle Code, any cannabis or cannabis-infused products. This subdivision shall not apply to the possession of cannabis or cannabis-infused products for personal medicinal purposes pursuant to the requirements of Section 11721.5 or Sections 11721.7 through 11721.82.

(b) Unless otherwise provided by law, where a peace officer has lawfully entered the premises, the peace officer may seize any cannabis or cannabis-infused products in plain view that is in the possession of, or provided to, a minor who is not a qualified patient or a primary caregiver at social gatherings, when those gatherings are open to the public, 10 or more minors are participating, minors are consuming cannabis, and there is no supervision of the social gathering by a parent or guardian of one

or more of the participants. The peace officer shall impound that cannabis for a period not to exceed seven working days pending a request for the release of those products by an adult, qualified patient or primary caregiver who is the lawful owner, lessee, or resident of the property upon which the cannabis was seized. If no one requests release of the seized cannabis within that period, that cannabis shall be destroyed.

(c) A violation of subdivision (a) is an infraction punishable by a fine of not more than one hundred dollars (\$100). In lieu of both the fine and court fees, the offender may opt to perform 40 hours of community service.

(d)(1) It is not a violation of law for a minor, while driving a motor vehicle upon a highway or on lands, as described in subdivision (b) of Section 23220 of the Vehicle Code, to possess cannabis when accompanied by his or her parent or legal guardian.

(2) Subdivision (a) shall not apply to possession by a minor making a delivery of cannabis in pursuance of the order of his or her parent, responsible adult relative, or any other adult designated by the parent or legal guardian, or in pursuance of his or her employment. That person shall have a complete defense if he or she was following, in a timely manner, the reasonable instructions of his or her parent, legal guardian, responsible adult relative, adult designee, or his or her employer, relating to the disposition of the cannabis.

(e) (1) Except as authorized or otherwise provided by law, every adult in possession of useable amounts of cannabis in excess of those amounts protected under subdivision (a) of Section 11721 shall be subject to the following dispositions:

(A) An infraction, punishable by a fine of not more than two hundred fifty dollars (\$250), upon a finding that a first offense has been committed.

(B) A misdemeanor, punishable by a fine of not more than five hundred dollars (\$500), or by imprisonment in the county jail for a period of not more than 90 days, or by both such fine and imprisonment, upon a finding that a second or subsequent offense has been committed.

(2) Except as authorized by law, every person who possesses more than fifty avoirdupois pounds of cannabis shall be punished by imprisonment in a county jail for a period of not more than one year or by a fine of not more than two thousand five hundred dollars (\$2,500), or by both such fine and imprisonment.

(f) This section shall not apply to the possession of cannabis or cannabis-infused products for personal medicinal purposes pursuant to the requirements of Section 11721.5 or Sections 11721.7 through 11721.82.

11728. (a) Except as authorized by law, any person who cultivates cannabis not in excess of 50 total mature cannabis plants is guilty of an infraction, punishable by a fine of not more than twenty five dollars (\$25) per each unlawful mature cannabis plant. This subdivision shall not preclude prosecution of any law that prohibits unauthorized cultivation of cannabis within a state park or on public lands.

(b) Except as authorized by law, any person who cultivates cannabis in excess of 50 total mature cannabis plants, but fewer than or equal to 99 total mature cannabis plants, is guilty of an infraction or misdemeanor, punishable by a fine of not more than fifty dollars (\$50) per each unlawful plant. In addition to a fine, the trial court may, at its discretion, impose a term of imprisonment in the county jail for a period of not more than ten days for any misdemeanor violation of this subdivision. This subdivision shall not preclude prosecution of any law that prohibits unauthorized cultivation of cannabis within a state park or on public lands.

(c) Except as authorized by law, any person who cultivates cannabis in excess of 99 total mature cannabis plants, but fewer than or equal to 300 total mature cannabis plants, is guilty of a misdemeanor, punishable by a fine of not more than one hundred dollars (\$100) per each unlawful plant, or by imprisonment in the county jail for a period of not more than six months, or by both such fine and imprisonment. This subdivision shall not preclude prosecution of any law that prohibits unauthorized cultivation of cannabis within a state park or on public lands.

(d) Except as authorized by law, any person who cultivates cannabis in excess of 300 total mature cannabis plants is guilty of a misdemeanor, and shall be punished by imprisonment in a county jail for a period of not more than one year or by a fine of not more than one hundred dollars (\$100) per each unlawful plant. This subdivision shall not preclude prosecution of any law that prohibits unauthorized cultivation of cannabis within a state park or on public lands.

(e) For the purposes of enforcing this section, if any person exceeds the square footage amount protected pursuant to Section 11721 or 11721.77, such person shall be bound to the applicable mature cannabis plant cultivation protections.

(f) All persons arrested for an alleged violation of this section shall have the right to demand the civil or criminal proceedings for such violation(s) commence within three working days.

(g) This section shall not apply to the cultivation of cannabis or cannabis-infused products for personal medicinal purposes pursuant to the requirements of Section 11721.5 or Sections 11721.7 through 11721.82; provided that such cultivation is in compliance with any ordinance adopted, enacted or carried out pursuant to Section 11736.1.

11728.5. This chapter shall not be construed to prohibit the production of hemp for fiber, protein and oil, or for horticultural or industrial purposes. The Department of Food and Agriculture shall issue rules concerning the cultivation of hemp. The California Environmental Protection Agency shall issue any rules necessary to protect the environment, including regulations limiting the use of pesticides, controlling water diversion, and preventing other forms of pollution generated by the cultivation of hemp.

## CHAPTER 6. TEMPORARY EXEMPTIONS FOR VARIOUS COMMERCIAL ACTIVITIES

11729. (a) Adults, qualified patients or designated primary caregivers of qualified patients, or persons with valid identification cards, that associate collectively or cooperatively, or as other business entities, to possess, purchase, transport, cultivate, manufacture, process, administer, deliver, or give away cannabis, for use by adults or qualified patients and within amounts not exceeding those established in Section 11721 or Section 11721.77, shall not be subject on that sole basis to civil or

criminal liability under Section 11725, 11727, or 11728. This section applies to all members of an entity formed pursuant to this section regardless of whether those members contribute to all or any of the activities of the entity.

(b) No collective, cooperative, or qualified business entity shall be permitted to locate within a 600-foot radius of a school.

(c) This section shall remain in effect only until 90 days after the Cannabis Regulatory Control Board or the Department of Consumer Affairs posts a notice on its Internet Web site that it has begun issuing commercial licenses pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code; provided that, notwithstanding any other provision of law, if any provision of Division 10 (commencing with Section 26000) of the Business and Professions Code or the application thereof to any person or circumstances is held invalid, and such invalidity unreasonably burdens or prevents the issuance or renewal of licenses consistent with the provisions of such division, the provisions of this section shall retain immediate force and effect.

#### CHAPTER 7. CULTIVATION ON STATE-OWNED PROPERTY

11730. (a) Nothing shall prevent the University of California and the California State University from regulating, restricting or prohibiting the smoking, cultivation and manufacturing of cannabis in residence halls and other areas upon the property in which the state or institution controls.

(b) Except as authorized by law, every person who cultivates cannabis within a state park shall be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code. In addition, the trial court may impose a fine of not less than two hundred fifty dollars (\$250) per square foot.

#### CHAPTER 8. GENERAL PROCEDURES

11731. (a) Except as provided by subdivision (b), nothing that is done or maintained under the express authority of a statute, or any activity that is expressly not a violation of law, included within this division or Division 10 (commencing with Section 26000) of the Business and Professions Code, can be deemed a nuisance; provided that nothing in this section shall prevent a public or private nuisance action from being brought with respect to activities or operations that have a significant effect on the environment.

(b) Cannabis and hemp shall each be considered an agricultural commodity under California law. Accordingly, the provisions of Section 3482.5 and 3482.6 of Title 1 (commencing with Section 3479) of Part 3 of Division 4 of the California Civil Code shall apply to the commercial cultivation of cannabis or hemp consistent with this division or Division 10 (commencing with Section 26000) of the Business and Professions Code.

11732. (a) This division enjoins the prosecution, property seizure, asset forfeiture, imposition of eradication costs, and/or any criminal or civil penalty, or sanction, for activity authorized, or expressly not prohibited, within this division. This subdivision shall not preclude an arrest consistent with a warrant issued by a magistrate upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the cannabis to be seized.

(b) With respect to any investigation by a peace officer into a potential violation of this division, and with respect to a civil or criminal proceeding alleging such violation, the People shall bear the burden of proof beyond a reasonable doubt that such activity is unlawful under California law.

11733. Any other violation of this division is an infraction, punishable by a fine of up to one hundred dollars (\$100).

11734. Any prosecution for a violation of any of the provisions of this division shall be instituted within one year from the date of the commission of the charged offense.

#### CHAPTER 9. LIMITED ARREST PROTECTIONS FOR MEDICAL MARIJUANA ACTIVITIES AND MINORS

11735. (a) If an individual or entity accused of violating this division claims limited immunity or other civil or criminal protections provided under Section 11721.5 or Article 2.5 (commencing with Section 11721.7) of Chapter 2 of this division, a peace officer must perform a reasonable investigation to verify such individual is not prohibited under California law to purchase, possess, share, transport, cultivate, process or manufacture cannabis in the alleged manner; prior to arrest, citation or sanction for violation of such offense.

(b) An individual shall be deemed verified if all of the following apply:

(1) The license of the attending physician has been verified, and the license is in good standing to practice medicine or osteopathy in a state, district, territory, commonwealth, or insular possession of the United States.

(2) If a written or oral recommendation or approval provides an expiration date, the recommendation or approval shall not have expired.

(3) The recommendation or approval, written or oral, can be verified with the attending physician, or an agent of the attending physician, via telephone or Internet web-based system, or the signature of the attending physician affixed on any written recommendation or approval can otherwise be verified as genuine.

(4) The individual, if claiming to be a primary caregiver or an agent of an eligible qualified patient, can provide sufficient information that, by a preponderance of the evidence, such individual was acting on behalf of a qualified patient.

(c) An individual shall be deemed verified if he or she is in possession of a valid identification card issued by the designated agency of a state or territory within the jurisdiction of the United States of America.

(d) A person who is deemed verified shall not be subject to arrest, prosecution, seizure of cannabis, asset forfeiture, or imposition of any criminal or civil penalties or fines for possession, cultivation, manufacture, acquisition, transportation, or

delivery of medical marijuana in an amount and manner established pursuant to Article 2.5 (commencing with Section 11721.7) of Chapter 2 of this division, unless there is reasonable cause to believe that the information obtained is false or falsified.

(e) Nothing in this section shall be construed to abridge the rights, privileges and immunities of Section 11721.5 as it existed prior to November 8, 2016.

11735.5. (a) Any minor shall be immune from prosecution under subdivision (a) of Section 11727 when the person establishes all of the following:

(1) The underage person called 911 and reported that either himself or herself or another person was in need of medical assistance due to, in part or whole, the consumption of cannabis.

(2) The underage person, who reported that a person was in need of medical assistance, remained on the scene until that medical assistance arrived and cooperated with medical assistance and law enforcement personnel on the scene.

(b) This section shall not provide immunity from criminal prosecution for any offense that involves activities potentially made dangerous by the consumption of cannabis, including, but not limited to, a violation of Section 23103 of the Vehicle Code, as specified by Section 23103.5 of the Vehicle Code, or a violation of Sections 23152 and 23153 of the Vehicle Code.

#### CHAPTER 10. CONFLICTING ENFORCEMENT, PREEMPTION AND LOCAL REGULATION

11736. (a) Except as provided in this chapter and subdivision (c), this division is a matter of statewide interest and concern and is applicable uniformly throughout the state. Accordingly, this division, and Division 10 (commencing with Section 26000) of the Business and Professions Code, shall occupy the whole field of cannabis use, possession, cultivation, transportation, distribution and sale under California law.

(b) Except as otherwise provided in this section, state or local funds shall not be expended on, and state or local law enforcement or other personnel shall not assist in, carrying out the enforcement of any federal or other cannabis-related laws or ordinances that are inconsistent with this division, or provide for greater sanctions for conduct prohibited by this division.

(c) Subdivision (a) shall not be construed to prevent the local adoption of ordinances pursuant to any of the following:

(1) Chapter 11 (commencing with Section 26050) of Division 10 of the Business and Professions Code.

(2) Chapter 17 (commencing with Section 26075) of Division 10 of the Business and Professions Code.

(3) Subdivision (c) of Section 11721.77 of the Health and Safety Code.

(4) Article 2 (commencing with Section 11739.2) of Chapter 12 of this division.

11736.1. (a)(1) Nothing shall prevent a city, county, or city and county from retaining or enacting laws or ordinances that expand upon the personal or medical use protections in an amount greater than the statewide amounts provided under Section 11721 and 11721.77; however, no excise taxes or fees, nor license or registration shall be imposed or required in order to participate in the noncommercial possession, cultivation, transportation, manufacture, processing, or delivery of cannabis.

(2) Amounts determined by a city, county, or city and county pursuant to paragraph (1) shall be transmitted to the California Highway Patrol and other state law enforcement agencies to ensure that such persons in each jurisdiction are not subject to arrest, prosecution, asset forfeiture, seizure, penalty or sanction when in compliance with state and local law.

(b) Nothing shall prevent a city, county, or city and county from restricting or prohibiting the group cultivation in residential zones in excess of five persons per residence, parcel or private property.

(c) Except as otherwise provided in this section, nothing shall prevent a city, county, or city and county, from restricting or prohibiting the cultivation of mature cannabis plants in unenclosed spaces that are visible to the unaided eye from the street or from any property generally accessible to the public.

(d) Except as otherwise provided in this section, nothing shall prevent a city, county, or city and county from adopting, enacting or carrying out local ordinances that restrict or prohibit the outdoor cultivation of mature cannabis plants in unenclosed spaces, provided that the ordinance proposing such restriction or prohibition is approved by a majority vote of the qualified voters of the city, county, or city and county, voting in an election on the issue.

(e) Except as provided by subdivision (b), this chapter shall not be construed to permit the local restriction or prohibition of indoor cannabis cultivation, or the cultivation of cannabis within an enclosed space, including, but not limited to, a house, structure, barn, shed, greenhouse, or closet.

(f) Nothing in this chapter shall permit the local restriction or prohibition of an agricultural activity, operation, or facility, or appurtenances thereof, related to cannabis or hemp production conducted and maintained for commercial purposes, in a manner inconsistent with proper and accepted customs and standards, as established and followed by similar agricultural operations in the same locality.

(g) Any person found in violation of a local cultivation ordinance adopted, enacted or carried out pursuant to this chapter or division shall be subject to penalties provided in, or no harsher than those provided in, Section 11728.

11736.2. Nothing shall prevent a city, county, or city and county from adopting, enacting or carrying out ordinances or guidelines prohibiting the smoking of cannabis in public places; however, the right to smoke cannabis in one's home, or upon the grounds of a private residence, shall not be infringed. Persons found in violation of a local smoking ordinance adopted, enacted or carried out pursuant to this section shall be subject to the penalties provided in subdivision (c) of Section 11722.

11736.3. (a) Except as provided by subdivision (b), nothing shall prevent a city, county, or city and county from adopting, enforcing, or carrying out local ordinances that reasonably regulate, but not unreasonably restrict or prohibit, the location, operation, or establishment of a cooperative, collective or business entity operating pursuant to Section 11721.775 or 11729. These regulations shall include, but not be limited to, adopting, enforcing or carrying out regulations that:

(1) Restrict the location of a commercial cultivator to agricultural and industrial zones.

(2) Restrict the location of wholesale operations to industrial and commercial zones.

(3) Restrict the location of a medical cannabis cooperative, collective or business entity to agricultural, industrial or

commercial zones.

(4) Restrict the location of retailers to agricultural, industrial or commercial zones.

(5) Prevent any storefront cooperative, collective or business entity from locating within a 1000-foot radius of a school.

(6) Prevent any storefront cooperative, collective or business entity from operating within a residential zone.

(7) Provide reasonable and appropriate environmental and public health controls to ensure that any operation minimizes any harm to the environment, adjoining and nearby landowners, patrons, employees, and persons passing by.

(b) Nothing shall prevent a city, county, or city and county from adopting, enforcing, or carrying out a moratorium on sales or transactions involving cannabis by individuals or groups operating pursuant to Section 11721.775 or 11729, and not licensed pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code. Such local moratorium shall expire no later than the end of day of March 31, 2018, and as of that date such moratorium shall no longer have any force or effect.

11736.5. Notwithstanding any other provision of law, this division shall not be construed to limit any criminal statute that forbids impairment while engaging in dangerous activities such as driving or operating heavy machinery.

11736.8. Nothing in this division shall prohibit a city, county, or city and county, from adopting, enforcing, or carrying out ordinances that provide for less restrictive penalties than set forth in this division.

11737. (a) No state or local law enforcement or other personnel shall serve as an obstacle to, nor endorse or participate in, the enforcement and implementation of federal law concerning cannabis-related laws that are inconsistent with this division.

(b) Notwithstanding any other provision of law, nothing in this division or Division 10 (commencing with Section 26000) of the Business and Professions Code shall be construed to prevent or obstruct the administration and enforcement of Federal law, nor prevent or obstruct any person from complying with the provisions of the Controlled Substances Act (84 Stat. 1242; 21 U.S.C. 801), the Controlled Substances Import and Export Act (84 Stat. 1285; 21 U.S.C. 951), and the regulations of the Drug Enforcement Administration (21 CFR 1301.28, 1311.27).

#### CHAPTER 11. RECORDS AND PRIOR CONVICTIONS

11738. (a)(1) A person currently serving a sentence for a conviction, whether by trial or plea, of a non-violent misdemeanor or felony under Section 11357, 11358, 11359 or 11360, as the offenses existed prior to July 1, 2015, who would have been guilty of a misdemeanor or infraction under Section 11725, 11727 or 11728 had this act been in effect at the time of the offense may petition for a recall of sentence before the trial court that entered the judgment of conviction in his or her case to request resentencing in accordance with Section 11725, 11727 or 11728. With respect to applicable current trials, the trial court shall automatically resentence the offender in accordance with Section 11725, 11727 or 11728.

(2) A person currently serving a sentence for a conviction, whether by trial or plea, of a non-violent misdemeanor or felony under Section 11357, 11358, 11359 or 11360, as the offenses existed prior to July 1, 2015, who would not have been guilty of a crime under California law had this act been in effect at the time of the offense may petition for a recall of sentence before the trial court that entered the judgment of conviction in his or her case to request resentencing in accordance with Penal Code Section 19 or 19.6. With respect to applicable current trials, the trial court shall automatically resentence the offender in accordance with Penal Code Section 19 or 19.6. The court shall select a term which, in the court's discretion, best serves the interests of justice and shall state the reasons for its choice on the record at the time of the sentence.

(b) Upon receiving a petition under subdivision (a), the court shall determine whether the petitioner satisfies the criteria in subdivision (a). If the petitioner satisfies the criteria in subdivision (a), the petitioner's non-violent misdemeanor or felony sentence shall be recalled and the petitioner resented to a misdemeanor or infraction pursuant to Section 11725, 11727 or 11728, or Penal Code Section 19 or 19.6, unless the court, in its discretion, determines that resentencing the petitioner would pose an unreasonable risk of danger to public safety.

(c) A person who is resented pursuant to subdivision (b) shall be given credit for time served.

(d) Under no circumstances may resentencing under this section result in the imposition of a term longer than the original sentence.

(e) Under no circumstances may a person currently serving a sentence for a conviction, whether by trial or plea, of a felony under Section 11361, as the offense existed prior to July 1, 2015, or of any violation involving the delivery of cannabis to a person under 18 years of age, be subject to resentencing under this section.

(f) Under no circumstances may a person currently serving a sentence for a conviction, whether by trial or plea, of a felony under Section 11358 that involved the cultivation of cannabis within a state park or on public lands, be subject to resentencing under this section.

(g) A person who has completed his or her sentence for a conviction, whether by trial or plea, of a non-violent misdemeanor or felony who would have been guilty of a misdemeanor or infraction under this division had this division been in effect at the time of the offense, may file an application before the trial court that entered the judgment of conviction in his or her case to have the non-violent misdemeanor or felony conviction or convictions designated as misdemeanors or infractions.

(h) Any non-violent misdemeanor or felony conviction that is recalled and resented under subdivision (a) or designated as a misdemeanor or infraction under subdivision (g) shall be considered a misdemeanor or infraction for all purposes.

(i) If the court that originally sentenced the petitioner is not available, the presiding judge shall designate another judge to rule on the petition or application.

(j) Nothing in this section is intended to diminish or abrogate any rights or remedies otherwise available to the petitioner or applicant.

(k) Nothing in this section is intended to diminish or abrogate the finality of judgments in any case not falling within the purview of this act.

(l) A resentencing hearing ordered under this act shall constitute a "post-conviction release proceeding" under paragraph (7) of subdivision (b) of Section 28 of Article I of the California Constitution.

11738.2. (a) This chapter shall mandate the timely destruction of records of the arrest and conviction of any person who has completed his or her sentence for any of the following statutes, as they existed prior to July 1, 2015: Section 11357 [relating to possession]; Section 11358 [relating to cultivation]; subdivision (b) of Section 11360 [related to delivery without remuneration]; and subdivision (b) of Section 23222 of the Vehicle Code [relating to possession].

(b) Destruction of records of arrest or conviction pursuant to subdivision (a) shall be accomplished by permanent obliteration of all entries or notations upon the records pertaining to the arrest or conviction, and the record shall be prepared again so that it appears that the arrest or conviction never occurred. However, where (1) the only entries upon the record pertain to the arrest or conviction and (2) the record can be destroyed without necessarily effecting the destruction of other records, then the document constituting the record shall be physically destroyed.

(c) Notwithstanding subdivision (a) or (b), written transcriptions of oral testimony in court proceedings and published judicial appellate reports are not subject to this section.

(d) No records shall be destroyed pursuant to subdivision (a) if the defendant or a codefendant has filed a civil action against the peace officers or law enforcement jurisdiction which made the arrest or instituted the prosecution and if the agency which is the custodian of those records has received a certified copy of the complaint in the civil action, until the civil action has finally been resolved. Immediately following the final resolution of the civil action, records subject to subdivision (a) shall be destroyed.

11738.4. (a) Commencing July 1, 2017, the Department of Justice shall annually release the total number of arrests, convictions, resentencing proceedings, sanctions, incarcerations, and releases commenced in the state pursuant to this division, Division 10 (commencing with Section 26000) of the Business and Professions Code, or Part 14.5 (commencing with Section 34001) of Division 2 of the Revenue and Taxation Code.

(b) The Attorney General shall establish regulations to assure the security of civil or criminal offender record information from unauthorized access and disclosures by individuals and public and private agencies at all levels of operation in this state.

(c) The Attorney General shall establish any other regulations as he or she finds appropriate to carry out the functions of the Department of Justice under this section.

(d) As used in this section, "civil or criminal offender record information" means records and data compiled by criminal justice agencies for purposes of identifying civil and criminal offenders and of maintaining as to each such offender a summary of arrests, pretrial proceedings, the nature and disposition of civil or criminal sanctions, charges, sentencing, resentencing, incarceration, rehabilitation, and release.

11738.5. (a) Notwithstanding the provisions of Section 68152 of the Government Code, all trial court clerks shall destroy court records of any infraction or misdemeanor violation of this division or Division 10 (commencing with Section 26000) of the Business and Professions Code two years from the date of conviction, or from the date of arrest if no conviction, if the case is no longer subject to review on appeal, all applicable fines and fees have been paid, and the defendant has complied with all terms and conditions of the sentence or grant of probation.

(b) Notwithstanding subdivision (a), the trial court clerk shall destroy court records of any violation of subdivision (a) of Section 11727 once all applicable fines and fees have been paid, and the defendant has complied with all other terms and conditions of the sentence.

11739. (a) Any record subject to destruction or permanent obliteration pursuant to this division shall not be considered to be accurate, relevant, timely, or complete for any purposes by any agency or person. The provisions of this subdivision shall be applicable for purposes of the Privacy Act of 1974 (5 U.S.C. Section 552a) to the fullest extent permissible by law, whenever any information or record subject to destruction or permanent obliteration under this chapter, or a predecessor thereof, was obtained by any state agency, local public agency, or any public or private agency that provides services upon referral under Section 1000.2 of the Penal Code, and is thereafter shared with or disseminated to any agency of the federal government.

(b) The Legislature shall have the power to enact or carry out legislation consistent with this chapter.

## CHAPTER 12. MISCELLANEOUS PROVISIONS

### ARTICLE 1. STUDY TO DEVELOP UNIFORM STANDARD OF IMPAIRMENT

11739.1. (a) Not later than July 1, 2017, the Department of Transportation shall, on a closed course open to the public, and in conjunction with the Center for Medicinal Cannabis Research, conduct extensive randomized, double-blind, placebo-controlled trials of cannabis consumption before and while operating a motor vehicle to determine a scientifically acceptable and uniform standard of impairment. Within six months of completion of the trials, the Department of Transportation shall deliver the results to the Legislature along with recommendations on how to administer and enforce provisions that prohibit driving while under the influence of cannabis.

(b) Funds for the commission of the trials described in subdivision (a) shall be advanced as a loan by the Department of Transportation and shall be repaid by the initial and recurring funds in the Safe Communities and Parks Account, created in Part 14.5 (commencing with Section 34001) of Division 2 of the Revenue and Taxation Code.

(c) The Legislature shall have the power to expand or otherwise amend the scope of this section.

(d) Nothing in this section shall authorize the Department of Transportation to distribute cannabis in violation of federal law.

### ARTICLE 2. CANNABIS USE IN THE WORKPLACE

11739.2. (a) Except as otherwise provided in this section, this division shall not require the accommodation of cannabis use in the workplace, nor prevent an employer, city, county, or city and county from regulating, restricting or prohibiting cannabis impairment, consumption or use in the workplace or as a condition of employment.

(b) This division shall not authorize a city, county, or city and county, to prevent an employer from terminating the employment of, or taking other corrective action against, an employee who is impaired on the property or premises of the place of employment or during the hours of employment, because of the use of cannabis.

#### ARTICLE 3. LANDLORD RIGHTS

11739.3. Nothing shall prevent property owners of any leased property from regulating, restricting or prohibiting, through provisions contained within a lawfully established contract, lease or rental agreement, the use, cultivation, manufacture, or distribution of cannabis by tenants within the household or apartment, or anywhere else upon the grounds of the leased property.

#### ARTICLE 4. SOCIAL HOST LIABILITY

11739.4. (a) A parent or legal guardian who knowingly permits his or her child, or a person in the company of the child, or both, who are under the age of 18 years, to consume cannabis at the home of the parent or legal guardian is guilty of misdemeanor if all of the following occur:

(1) As the result of the consumption of cannabis at the home of the parent or legal guardian, the child or other underage person is under the influence of cannabis.

(2) The parent knowingly permits that child or other underage person, after leaving the parent's or legal guardian's home, to operate a motor vehicle.

(3) That child or underage person is found to have caused a traffic collision while driving the motor vehicle.

(b) A person who violates subdivision (a) shall be punished by imprisonment in a county jail for a term not to exceed one year, by a fine not exceeding one thousand dollars (\$1,000), or by both a fine and imprisonment.

(c) Nothing in this section is intended to preclude prosecution under Section 272 of the Penal Code, or any similar provision, where appropriate.

(d) This section shall not apply if the parent or legal guardian is found to be in violation of Section 25658.2 of the Business and Professions Code.

#### ARTICLE 5. PARAPHERNALIA

11739.5. (a) Notwithstanding any other provision of law, it is not a violation of California law for a person to possess, transfer or give away objects, items, tools, equipment, or paraphernalia associated with, or fit for the particular purposes of, the use, cultivation, possession, purchase or delivery of cannabis or cannabis-infused products.

(b) Notwithstanding any other provision of law, it is not a violation of California law for a person to maintain or operate any place of business in which objects, items, tools, equipment, or paraphernalia associated with, or fit for the particular purposes of, the use, cultivation, possession, purchase or delivery of cannabis or cannabis-infused products, is kept, displayed or offered in any manner, sold, furnished, transferred or given away to adults, qualified patients, primary caregivers, or persons with valid identification cards.

#### ARTICLE 6. FIRE PREVENTION MEASURES

11739.6. The State Fire Marshal shall encourage the adoption of fire prevention measures related to the cultivation and manufacture of cannabis by means of education, and shall prepare or cause to be prepared for dissemination information pertaining to fire prevention when engaging in the cultivation and manufacture of cannabis.

#### ARTICLE 7. USE OF FIREARMS IN THE COMMISSION OF CERTAIN OFFENSES

11739.7. (a) Any person who is armed with a firearm in the commission of an offense or combination of offenses specified in subdivision (b) shall upon conviction of such offense or combination of offenses be guilty of a felony, in addition and consecutive to any other punishments provided under this division. The court shall select a term which, in the court's discretion, best serves the interests of justice and shall state the reasons for its choice on the record at the time of the sentence, but shall not exceed a term of three years.

(b) Subdivision (a) shall apply to any combination of the following offenses:

(1) The sale or delivery of cannabis in violation of Section 11725 by a person not licensed under Division 10 (commencing with Section 26000) of the Business and Professions Code.

(2) The offense described in paragraph (2) of subdivision (e) of Section 11727 by a person not licensed under Division 10 (commencing with Section 26000) of the Business and Professions Code.

(3) The offense described in subdivision (b) of Section 11730.

#### ARTICLE 8. GENERAL DEFENSE OF ACT

11739.9. The State of California is hereby ordered to protect and defend all provisions of this division, Division 10 (commencing with Section 26000) of the Business and Professions Code, and Part 14.5 (commencing with Section 34001) of Division 2 of the Revenue and Taxation Code, from any and all challenges or litigation, whether by persons, officials, cities, counties, the state or federal governments.

11739.95. If any provision of this division or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this division that can be given effect without the invalid portion

or application and the conflicting parts shall be implemented to the maximum extent that federal law and the United States Constitution permit, and to this end the provisions of this division are severable. It is the intent of the People that this division would have been adopted regardless if such invalid provision had not been included or any invalid application had not been made.

**SEC. 3.** Section 452.5 is added to Chapter 1 (commencing with Section 450) of Title 13 of Part 1 of the Penal Code, to read:

452.5. (a) Notwithstanding any other provision of law, a person is in violation of law if he or she recklessly uses butane to extract the resin containing the psychoactive ingredient tetrahydrocannabinol (THC) from cannabis plant material and subsequently sets fire to or burns or causes to be burned, any structure, forest land or property.

(b) A violation of subdivision (a) that causes a fire of property is a misdemeanor. For purposes of this paragraph, unlawfully causing a fire of property does not include one burning or causing to be burned his own personal property unless there is injury to another person or to another person's structure, forest land or property.

(c) A violation of subdivision (a) that causes great bodily injury is a felony punishable by imprisonment in the state prison for two, four or six years, or by imprisonment in the county jail for not more than one year, or by a fine, or by both such imprisonment and fine.

(d) Nothing in this section shall be construed to prohibit the Legislature from amending, repealing, enacting, or carrying out further legislation concerning unsafe extraction methods pertaining to cannabis production, nor to interfere with the right of Legislature to exercise the police powers of the state for the protection of the safety, welfare, and health of all persons.

**SEC. 4.** Division 10 (commencing with Section 26000) is added to the Business and Professions Code, to read:

**Business and Professions Code Division 10. Commercial Cannabis Production and Sale**

**Chapter 1. General Intent (§26000)**

**Chapter 2. General Provisions and Definitions (§26001-26010)**

**Chapter 3. Administration (§26011-26014)**

**Chapter 4. Inspections (§26015)**

**Chapter 5. Unauthorized Commercial Activity (§26018-26019)**

**Chapter 6. Licenses and Fees (§26020-26034)**

**Article I. Commercial Cultivator (§26020-26021)**

**Article II. Wholesaler (§26022-26023)**

**Article III. Testing Facility (§26024-26025)**

**Article IV. Medical Cannabis Collective, Cooperative, or Dispensary (§26026-26027.5)**

**Article V. Specialty Establishment (§26028-26029.5)**

**Article VI. Retailer (§26030-26031)**

**Article VII. Temporary Commercial Activity (§26032-26034)**

**Chapter 7. Operational Regulations (§26042-26043)**

**Chapter 8. Applications for Licenses (§26045-26046)**

**Chapter 9. Denial of Licenses (§26047-26047.6)**

**Chapter 10. Suspension and Revocation of Licenses (§26048-26049)**

**Chapter 11. Zoning and Land Use (§26050-26051.5)**

**Chapter 12. Labels, Containers and Product Certification (§26052-26055)**

**Article I. General Requirements (§26052-26053)**

**Article II. Enhanced Certification (§26054-26055)**

**Chapter 13. Hours of Sale and Delivery for On-Site Consumption (§26056-26057)**

**Chapter 14. Minors and Unlawful Sales (§26058-26059)**

**Chapter 15. Patient Verification and Record Handling (§26060-26065)**

**Chapter 16. Additional Regulatory Provisions (§26070-26072)**

**Chapter 17. Local Regulation (§26075-26079)**

**Chapter 18. Enforcement (§26080-26085)**

**Chapter 19. Seizure (§26086-26089.5)**

**Chapter 20. Violations (§26090-26095)**

*DIVISION 10. COMMERCIAL CANNABIS PRODUCTION AND SALE*

*CHAPTER 1. GENERAL INTENT*

26000. (a) This division is an exercise of the police powers of the state for the protection of the safety, welfare, health, peace, and morals of the people of the state, to eliminate the evils of unlicensed and unlawful production, selling, and disposing of cannabis, and to promote temperance in the use and consumption of cannabis. It is hereby declared that the subject matter of this division involves in the highest degree the economic, social, and moral well-being and the safety of the state and of all its people. All provisions of this division shall be liberally construed for the accomplishment of these purposes.

(b) It is the intention of the People in enacting this division to ensure the strict, honest, impartial, and uniform administration and enforcement of cannabis laws throughout the state governing the commercial production and distribution of cannabis. This division is a matter of statewide interest and concern and is applicable uniformly throughout the state.

CHAPTER 2. GENERAL PROVISIONS AND DEFINITIONS

26001. For purposes of this division:

- (a) "adult" means any person 21 years of age or older.
- (b) "board" means the Cannabis Regulatory Control Board in the Department of Consumer Affairs.
- (c) "cannabis" and "marijuana" are terms to be used interchangeably, meaning all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; concentrated cannabis; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. It does not include hemp.
- (d) "cannabis-infused product" means any solid, liquid, or gas that infuses, or otherwise includes, more than three-tenths of 1 percent tetrahydrocannabinol (THC).
- (e) "Concentrated cannabis" means the separated resin, whether crude or purified, obtained from cannabis. Concentrated cannabis shall not mean cannabis infused in a food, drink, candy, balm or tincture.
- (f) "department" means the Department of Consumer Affairs.
- (g) "Executive Director" means the Executive Director of the Cannabis Regulatory Control Board.
- (h) hemp" and "industrial hemp" are terms to be used interchangeably, meaning a fiber or oilseed crop that is limited to non-psychoactive types of the plant *Cannabis sativa* L. and the seed produced therefrom, having no more than three-tenths of 1 percent tetrahydrocannabinol (THC) contained in the dried flowering tops, and that is cultivated and processed exclusively for the purpose of producing the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, or any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, except the resin or flowering tops extracted therefrom, fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.
- (i) "liquid cannabis-infused product" means any product that is in liquid form at room temperature that infuses, or otherwise includes, more than three-tenths of 1 percent tetrahydrocannabinol (THC).
- (j) "minor" means any person under the age of 21 years.
- (k) "person" means a person, as defined in Section 6005 of the Revenue and Taxation Code.
- (l) "person with an identification card" means an individual who has applied for and received a valid medical marijuana identification card by the State Department of Public Health, or its equivalent issued by the designated entity in another state, district, territory, commonwealth, or insular possession of the United States.
- (m) "primary caregiver" means the individual, designated by a qualified patient or by a person with an identification card, who has consistently assumed responsibility for the housing, health, or safety of that patient or person.
- (n) "qualified patient" means a person who is entitled to the protections of Section 11721.5, but who does not have an identification card.

26002. (a) There is hereby created in the Department of Consumer Affairs the Cannabis Regulatory Control Board, under the supervision and control of the Executive Director of the Cannabis Regulatory Control Board.

(b) Not later than April 1, 2017, the Governor shall appoint seven members to the board, subject to Senate confirmation, at a salary to be fixed and determined by the Director of Consumer Affairs with the approval of the Director of Finance. Each member of the board shall serve in accordance with the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code), to the extent feasible. Each member of the board shall be a citizen of the United States and a resident of this state. The board shall consist of the following persons, each appointed for a term of four years, subject to Senate confirmation:

(1) One member shall be selected from the California Department of Consumer Affairs, and shall serve as Executive Director.

(2) One member shall be selected from the California Department of Public Health.

(3) One member shall be selected from the California Department of Food and Agriculture.

(4) One member shall be selected from the California Board of Equalization.

(5) One member shall be selected from the Office of the Attorney General.

(6) One member shall have experience in the cannabis industry obtained through participation in the cannabis industry in a manner consistent with California law, or participation in an academic or advocacy role relating to the cannabis industry.

(7) One member shall be selected from the general public.

(c) No board member selected pursuant to paragraphs (1) through (5) shall have a financial interest in the cannabis industry.

(d) The duty of enforcing and administering this division shall be vested in the Executive Director, who is responsible to the Director of Consumer Affairs. The Executive Director may adopt and enforce those rules and regulations that he or she determines are reasonably necessary to carry out the purposes of this division and declaring the policy of the board.

(e) The Executive Director, as necessary to carry out the provisions of this division, and in accordance with the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code), may appoint and fix the compensation of personnel, including, but not limited to, clerical, inspection, enforcement, investigation, and auditing personnel, as well as an assistant Executive Director. These personnel shall perform their respective duties under the supervision and the direction of the Executive Director.

(f) Every power granted to, or duty imposed upon, the Executive Director under this division may be exercised or performed in the name of the Executive Director by a member of the board, or a deputy or assistant Executive Director, subject to conditions and limitations that the Executive Director prescribes.

(g) Funds for the establishment and support of the board shall be advanced as a loan by the department and shall be repaid by

the initial and recurring funds in the Safe Communities and Parks Account, created in Part 14.5 (commencing with Section 34001) of Division 2 of the Revenue and Taxation Code.

(h) The board shall, by October 31, 2017, determine the effect of the provisions of this division on existing commercial cannabis licenses, conditional licenses, or other types of statewide commercial cannabis registration programs administered by a state office, board, bureau or agency under California law, and offer such affected persons or entities priority in applying for an appropriate license under this division as enacted at the November 8, 2016 General Election.

26003. The Cannabis Regulatory Control Board shall have the exclusive power to license commercial-related activity to cannabis production and sales, to issue any license specified in this division, and to suspend or revoke any license issued pursuant to this division upon determining good cause. The board shall, with consideration for the risks posed by cultivation of a valuable crop with public health implications, issue and enforce regulations concerning commercial cultivation, manufacture, distribution, sale, packaging, and labeling of cannabis and cannabis-infused products by licensees, and the use of cannabis on-premises by licensed cultivators, dispensaries, and specialty establishments. These regulations shall be reasonable and provide for all of the following:

(a) Adequate security to reasonably protect against unauthorized access to the cannabis crop at all stages of cultivation, harvesting, drying, processing, packing, and delivery to licensed sales outlets or wholesalers. Notwithstanding any other provision of law, each licensee shall be required to provide a security plan, including lighting, physical security, alarm, along with satisfactory proof of the financial ability of the licensee to provide for the security, and shall report substantial changes, alterations, or modifications of the security plan to the board.

(b) Appropriate employment rules, including rules prohibiting persons under 18 years of age, with exception to direct descendants of the licensee, from having access to cannabis during cultivation, storage, curing, drying, or packing, or transporting cannabis on behalf of the commercial buyer or commercial seller. Nothing shall prevent the board from determining employment eligibility for minors beyond the scope of this subdivision.

(c) Ensure that all applicable statutory environmental and agricultural requirements are followed in the cultivation of cannabis, including the prohibition of using pesticides, fungicides, and other poisonous chemicals at any stage of cultivation.

(d) Protocols to prevent unlawful diversion of cannabis.

(e) Prohibition of misrepresentation and unfair practices.

(f) Adequate labeling of packages of cannabis consistent with Chapter 12 (commencing with Section 26052), and best practices relating to the labeling, packaging, and testing of cannabis.

(g) Additional procedures and grounds for issuing, renewing, denying, suspending, issuing fines in connection with, restricting, or revoking a license issued pursuant to this division.

(h) Record-keeping consistent with the regulatory needs of the board, but with an effort to maximize confidentiality where possible.

(i) Additional age verification measures to prevent the diversion of cannabis or cannabis-infused products to minors;

(j) Regulations on the transportation or shipment of cannabis or cannabis-infused products to a point outside of the state;

(k) Regulations concerning general zoning, land use, locations, size, hours of operation, occupancy, and protection of adjoining and nearby properties;

(l) Regulations concerning the manufacturing or extraction of cannabis or cannabis-infused items by licensees;

(m) Environmental and public health controls consistent with this division.

(n) Any other regulation in furtherance of the letter and spirit of this division.

26004. Nothing shall prevent the California Department of Food and Agriculture from issuing and enforcing rules concerning the commercial cultivation of cannabis or hemp by any person under California law. Any rules and regulations shall be reasonably applied to the production of consumable plant crops and vineyards.

26005. Nothing shall prevent the California Department of Fish and Wildlife, the California Environmental Protection Agency or the California State Water Resources Control Board from issuing and enforcing any rules necessary to protect the environment and our state's fish, wildlife and natural resources, including regulations limiting the use of pesticides, controlling water diversion, and preventing other forms of pollution generated by the cultivation of cannabis or hemp for commercial purposes by any person.

26006. Nothing shall prevent the California Department of Pesticide Regulation from issuing and enforcing regulations concerning the application of pesticides or other pest control in connection with the indoor or outdoor cultivation of cannabis or hemp for commercial purposes by any person.

26007. (a) Nothing shall prevent the California Division of Labor Standards Enforcement or the Department of Industrial Relations from issuing and enforcing regulations establishing worker health and safety standards for entities licensed pursuant to this division.

(b) The board may propose recommendations to building standards, or regulations related to the implementation or enforcement of commercial building standards, for structures designed to accommodate the commercial cultivation, manufacturing or processing of cannabis or cannabis-infused products, and may submit such proposed building standards to the Building Standards Commission for adoption pursuant to the California Building Standards Code (Title 24 of the California Code of Regulations).

26008. (a) Any rules and regulations issued pursuant to this division shall be promptly transmitted to the Executive Director of the Cannabis Regulatory Control Board and disseminated to applicable licensees accordingly upon effectuation.

(b) The Legislature shall have the power to enact any law concerning the commercial production, cultivation, processing, transportation, and sale of cannabis consistent with this division.

26009. (a) Notwithstanding any other provision of law, having in place or maintaining a valid license to engage in the

cultivation, processing, production, testing, sale or distribution of cannabis pursuant to this division shall not mandate such licensee, and any of its officers, agents and employees, to engage in activities that are in violation of federal law. It shall not be unlawful under California law for any person or entity holding a valid license pursuant to this division to engage in various conduct in pursuance of the laws and regulations set forth in this division.

(b) The licenses adopted within this division shall identify the holder as someone California has elected to exempt from California's sanctions for commercial cannabis production, distribution and sale, under the provisions and nomenclature as adopted herein.

(c) Any person or entity that operates an establishment with any valid commercial cannabis license, issued by the board, shall be bound by the laws and regulations of this division.

26010. If any provision of this division or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this division that can be given effect without the invalid portion or application, and to this end the provisions of this division are severable. It is the intent of the People that this division would have been adopted regardless if such invalid provision had not been included or any invalid application had not been made.

### CHAPTER 3. ADMINISTRATION

26011. The board may create a Marijuana Products Compliance Task Force for the purpose of advising the board on health, risk, and safety issues related to cannabis products.

26012. Commencing January 31, 2019, the Bureau of State Audits shall conduct a performance audit of the licensing and enforcement provisions of this division and shall report its findings to the board, the Board of Equalization and the Legislature by July 1, 2019. The report shall include, but not be limited to:

(a) The actual costs of the program.

(b) The appropriateness of penalties assessed in this division.

(c) The overall effectiveness of enforcement programs and product labeling.

(d) Recommendations to modifications to any of the laws and regulations pertaining to commercial cannabis activities.

26013. Any notice required by this division shall be served personally or by mail. If by mail, the notice shall be placed in a sealed envelope, with postage paid, addressed to the licensee at the address as it appears in the records of the board. The giving of notice shall be deemed complete at the time of deposit of the notice in the United States Post Office, or a mailbox, subpost office, substation, or mail chute, or other facility regularly maintained or provided by the United States Postal Service, without extension of time for any reason. In lieu of mailing, a notice may be served personally by delivering to the person to be served and service shall be deemed complete at the time of delivery. Personal service to a corporation may be made by delivery of a notice to any person designated in the Code of Civil Procedure to be served for the corporation with summons and complaints in a civil action.

26014. (a) The board shall, upon official written request, provide the Attorney General with provisional access to the board's database of licensees. No database maintained by the board shall be used by any other person, office or entity without the written consent of the Attorney General on a per case basis, and the transmittance of sensitive information must adhere to all state laws, policies, and regulations pertaining to the protections of private, personal and other sensitive information.

(b) Except as necessary or required by law, any board employee that directly and knowingly provides identifiable information about licensees to any person other than a board employee or the respective licensee or any of its officers, agents or employees is guilty of a misdemeanor.

### CHAPTER 4. INSPECTIONS

26015. (a) (1) Any peace officer, board or department employee or representative, employee or representative of the Department of Public Health or the Department of Food and Agriculture, or a representative granted limited peace officer status pursuant to paragraph (6) of subdivision (a) of Section 830.11 of the Penal Code, upon presenting appropriate credentials, is authorized to enter any place as described in paragraph (3) and to conduct inspections in accordance with the following paragraphs, inclusive.

(2) Inspections shall be performed in a reasonable manner and at times that are reasonable under the circumstances, taking into consideration the normal business hours of the place to be entered.

(3) Inspections may be at any place at which cannabis or cannabis-infused products are sold, produced, cultivated, manufactured, or stored or at any site where evidence of regulatory evasion exists.

(4) Inspections shall be requested or conducted no more than once in a 24-hour period.

(b) A peace officer, board employee, employee of the Department of Food and Agriculture, or a representative granted limited peace officer status pursuant to paragraph (6) of subdivision (a) of Section 830.11 of the Penal Code, shall have the power to enforce the provisions of this chapter in a manner to be determined by the board.

(c) Any licensee, or any of its officers, agents or employees, that refuses to allow an inspection of the licensed premises by any state or local officials enforcing solely the laws of this state, or any other official expressly prohibited by law from enforcing federal cannabis laws inconsistent with state law, may result in the suspension or termination of the license as determined by the board.

### CHAPTER 5. UNAUTHORIZED COMMERCIAL ACTIVITY

26018. Except as otherwise authorized by law, a person or entity that engages in the business of selling or producing

cannabis or cannabis-infused products in this state for sale after a license issued pursuant to this division has been suspended or revoked, and each officer of any corporation that so engages in this business, shall constitute a violation punishable as provided in Section 26090.

26019. Except as authorized by this division or otherwise provided by law, a person or entity that engages in the business of selling or producing cannabis or cannabis-infused products in this state for sale without an appropriate license issued pursuant to this division, and each officer of any corporation that so engages in this business, shall constitute a violation punishable as provided in Section 11725 of the Health and Safety Code.

## CHAPTER 6. LICENSES AND FEES

### ARTICLE I. COMMERCIAL CULTIVATOR

26020. The board shall license commercial cultivators of cannabis. The fee for the "Commercial Cultivator" license shall be set at five hundred dollars (\$500) per each location for an initial application, and at not more than two hundred fifty dollars (\$250) per each location for each annual renewal.

26021. A commercial cultivator license shall prohibit the arrest, prosecution, asset forfeiture, seizure, penalty or sanction of any licensee, and any of its officers, agents and employees, for the following activities under California law:

(a) The planting, cultivating, harvesting, manufacturing, drying, extracting, or processing of cannabis or cannabis-infused products for commercial purposes on or within the property of the licensed premises or other cultivation areas designated upon the application, or any of the above;

(b) The possession for sale and transportation of cannabis, or cannabis-infused products, for commercial purposes within the State of California;

(c) The sale, distribution, providing, cooking, preparation, serving, sharing or offering of cannabis, including seeds, plants and cannabis-infused products, for sale or transfer to adults, qualified patients, primary caregivers, or persons with valid identification cards; provided that all cannabis sold intended for consumption off-premises includes adequate certification, or a label affixed to the product, pursuant to Chapter 12 (commencing with Section 26052), and all taxes imposed pursuant to Chapter 2 (commencing with Section 34011) of Part 14.5 of Division 2 of the Revenue and Taxation Code have been paid;

(d) The sale, distribution, providing, cooking, preparation, serving, sharing or offering of cannabis, including seeds, plants and cannabis-infused products, for sale or transfer for sale or transfer at wholesale to other licensees regulated pursuant to this division, at any time;

(e) The purchase or acquisition of cannabis, or cannabis-infused products, at wholesale from a licensee regulated pursuant to this division;

(f) The distribution, sharing or offering of cannabis, or cannabis-infused products, without remuneration to adults, qualified patients, primary caregivers, or persons with valid identification cards.

(g) Any other activity as directed or authorized by the board or by state or local law.

### ARTICLE II. WHOLESALER

26022. (a) The board shall license cannabis wholesalers, who shall not be prohibited from packaging and preparing cannabis for sale, and who shall not be prohibited from transporting, distributing, delivering or selling cannabis to licensees regulated pursuant to this division. The fee for the license shall be set at one thousand dollars (\$1000) per each location for an initial application and for each annual renewal.

(b) The board shall issue regulations that may include a requirement that applicants for licensure under this article receive background checks. At the request of the board, the Attorney General or any local agency shall provide summary criminal history information to the board as provided in Sections 11105 and 13300 of the Penal Code.

26023. A wholesale license issued pursuant to Section 26022 shall prohibit the arrest, prosecution, asset forfeiture, seizure, penalty or sanction of any licensee, and any of its officers, agents and employees, for the following activities under California law:

(a) The possession for sale and transportation of cannabis, or cannabis-infused products, for commercial purposes within the State of California;

(b) The sale, distribution, providing, manufacturing, cooking, preparation, serving, sharing or offering of cannabis products, including seeds, plants and cannabis-infused products, for sale or transfer at wholesale to other licensees regulated pursuant to this division; provided that all cannabis sold includes adequate certification, or a label affixed to the product, pursuant to Chapter 12 (commencing with Section 26052), and all taxes imposed pursuant to Chapter 2 (commencing with Section 34011) of Part 14.5 of Division 2 of the Revenue and Taxation Code have been paid;

(c) Purchasing or acquisition of cannabis, or cannabis-infused products, from a licensee regulated pursuant to this division;

(d) Any other activity as directed or authorized by the board or by state or local law.

### ARTICLE III. TESTING FACILITY

26024. (a) The board shall register cannabis testing facilities, which shall not be prohibited or restricted from activities reasonably related to the testing and inspection of cannabis and cannabis-infused products pursuant to Chapter 12 (commencing with Section 26052) and this division; provided that nothing in this division shall authorize the unlawful use or diversion of cannabis under California law. The annual registration fee for each cannabis testing facility shall be set at an amount that will reasonably cover the costs of assuring compliance with the regulations to be issued, but may not exceed one thousand dollars (\$1000) per each location for an initial application or for each annual renewal.

(b) The board shall issue regulations that may include a requirement that applicants for licensure under this article receive background checks. At the request of the board, the Attorney General or any local agency shall provide summary criminal history information to the board as provided in Sections 11105 and 13300 of the Penal Code.

(c) Registered cannabis testing facilities shall be provided a unique serial identification number for each registration. Notwithstanding any other provision of law, it is a violation of California law to release identifying information associated with registrants for enforcement purposes outside of the scope of this division.

26025. It shall not be a requirement under California law for a seller or distributor to obtain a license under this article in order to ensure compliance with the requirements of Article 1 (commencing with Section 26052) of Chapter 12 of this division.

#### ARTICLE IV. MEDICAL CANNABIS COLLECTIVE, COOPERATIVE OR DISPENSARY

26026. The board shall administer a statewide program to license dispensaries of medical cannabis and cannabis-infused products that only operates to serve qualified patients, primary caregivers, or persons with valid identification cards, and not persons who are not qualified patients, primary caregivers or persons with valid identification cards. The fee for a dispensary license shall be set at five hundred dollars (\$500) per each location for an initial application and two hundred fifty dollars (\$250) per each location for each annual renewal.

26027. A dispensary license issued pursuant to Section 26026 shall prohibit the arrest, prosecution, asset forfeiture, seizure, penalty or sanction of the licensee, and any of its officers, agents and employees, for the following activities:

(a) The possession for sale and transportation of cannabis, or cannabis-infused products, for commercial medical purposes within the State of California;

(b) The planting, cultivating, harvesting, drying, or processing of cannabis for commercial medical purposes, but not in excess of 99 concurrent mature cannabis plants per each cultivation site, with one cultivation site per licensed location or parcel not zoned industrial or agricultural, unless further prescribed by the board;

(c) The sale, distribution, providing, cooking, preparation, serving, sharing or offering of cannabis products, including seeds, plants and cannabis-infused products, for sale or transfer to qualified patients, primary caregivers, and persons with valid identification cards; provided that all cannabis sold or delivered includes adequate certification, or a label affixed to the product, pursuant to Chapter 12 (commencing with Section 26052), and all taxes imposed pursuant to Chapter 2 (commencing with Section 34011) of Part 14.5 of Division 2 of the Revenue and Taxation Code have been paid;

(d) Purchasing or acquisition of cannabis, or cannabis-infused products, at any time.

(e) Any other activities as directed or authorized by the board or by state or local law.

26027.5. Qualified patients, primary caregivers, or persons with valid identification cards who sell, deliver with remuneration, or possess for sale cannabis in amounts consistent with Section 11721.77 of the Health and Safety Code to a person licensed pursuant to Section 26026 shall not, solely on the basis of that fact, be subject to arrest, prosecution, asset forfeiture, seizure, penalty or sanction for violation of Section 11725, 11727 or 11728 of the Health and Safety Code.

#### ARTICLE V. SPECIALTY ESTABLISHMENT

26028. The board shall administer a statewide program to license cannabis specialty establishments. The fee for a cannabis specialty establishment license shall be set at an amount that will reasonably cover the costs of assuring compliance with the regulations to be issued, but may not exceed one thousand dollars (\$1,000) per location for an initial application or five hundred dollars (\$500) per location for each annual renewal.

26029. A cannabis specialty establishment license issued pursuant to Section 26028 shall prohibit the arrest, prosecution, asset forfeiture, seizure, penalty or sanction of any licensee, and any of its officers, agents and employees, for the following activities under California law:

(a) The planting, cultivating, harvesting, drying, or processing of cannabis for commercial purposes, but not in excess of 99 concurrent mature cannabis plants per each cultivation site, with one cultivation site per licensed location or parcel not zoned industrial or agricultural, unless further prescribed by the board;

(b) The possession and transportation of any amount of mature cannabis plants within the State of California;

(c) The possession for sale and transportation of cannabis, or cannabis-infused products, for commercial purposes within the State of California;

(d) The sale, distribution, providing, cooking, preparation, serving, sharing or offering of cannabis products, including seeds, plants and cannabis-infused products, and cannabis plants, for sale or transfer to adults, qualified patients, primary caregivers, or persons with valid identification cards; provided that all cannabis sold intended for consumption off-premises includes adequate certification, or a label affixed to the product, pursuant to Chapter 12 (commencing with Section 26052), and all taxes imposed pursuant to Chapter 2 (commencing with Section 34011) of Part 14.5 of Division 2 of the Revenue and Taxation Code have been paid;

(e) Purchasing or acquisition of cannabis, or cannabis-infused products, at any time;

(f) Any other activity as directed or authorized by the board, or by state or local law.

26029.5. Adults, qualified patients, primary caregivers, or persons with valid identification cards who sell, deliver with remuneration, or possess for sale cannabis in amounts consistent with Section 11721 or 11721.77 of the Health and Safety Code to a person licensed pursuant to Section 26028 shall not, solely on the basis of that fact, be subject to arrest, prosecution, asset forfeiture, seizure, penalty or sanction for violation of Section 11725, 11727 or 11728 of the Health and Safety Code.

#### ARTICLE VI. RETAILER

26030. The board shall administer a statewide program to license retail establishments that sell or deliver cannabis.

*The fee for a retail license shall be set at five hundred dollars (\$500) per each location for an initial application and two hundred fifty dollars (\$250) per each location for each annual renewal.*

*26031. A retail license issued pursuant to Section 26026 shall prohibit the arrest, prosecution, asset forfeiture, seizure, penalty or sanction of the licensee, and any of its officers, agents and employees, for the following activities:*

*(a) The possession for sale and transportation of cannabis, or cannabis-infused products, for commercial purposes within the State of California;*

*(b) The sale, distribution, providing, cooking, preparation, serving, sharing or offering of cannabis products, including seeds, plants and cannabis-infused products, for sale or transfer to adults, qualified patients, primary caregivers, or persons with valid identification cards intended for use, possession, or consumption off-premises; provided that all cannabis sold includes adequate certification, or a label affixed to the product, pursuant to Chapter 12 (commencing with Section 26052), and all taxes imposed pursuant to Chapter 2 (commencing with Section 34011) of Part 14.5 of Division 2 of the Revenue and Taxation Code have been paid;*

*(c) Purchasing or acquisition of cannabis, or cannabis-infused products, at wholesale from a licensee regulated pursuant to this division at any time;*

*(d) Any other activities as directed or authorized by the board, or by state or local law.*

#### *ARTICLE VII. TEMPORARY COMMERCIAL ACTIVITY*

*26032. The board shall administer a statewide program to license temporary commercial activity related to cannabis products. The fee for a temporary license shall be set at an amount that will reasonably cover the costs of assuring compliance with the regulations to be issued, but may not exceed five hundred dollars (\$500). Each license shall be valid for a period as determined by the board, but shall not exceed one year from the date of issuance.*

*26033. A temporary license issued pursuant to Section 26032 shall prohibit the arrest, prosecution, asset forfeiture, seizure, penalty or sanction of the licensee, and any of its officers, agents and employees, for the following activities, under California law:*

*(a) The possession for sale and transportation of cannabis, or cannabis-infused products, for commercial purposes within the State of California;*

*(b) The sale, distribution, providing, cooking, preparation, serving, sharing or offering of cannabis products, including seeds, plants and cannabis-infused products, and cannabis plants, for sale or transfer to adults, qualified patients, primary caregivers, or persons with valid identification cards intended for use, possession, or consumption on-premises or off-premises; provided that all taxes imposed pursuant to Chapter 2 (commencing with Section 34011) of Part 14.5 of Division 2 of the Revenue and Taxation Code have been paid;*

*(c) Purchasing or acquisition of cannabis, or cannabis-infused products, from a licensee regulated pursuant to this division at any time.*

*(d) Any other activity as directed by the board, or by state or local law.*

*26034. Any temporary licensee, or person acting on behalf of the licensee, shall not be arrested or prosecuted for transporting dried cannabis or cannabis plants in any amount within the State of California.*

#### *CHAPTER 7. OPERATIONAL REGULATIONS*

*26042. (a) Except as otherwise required by Section 26075, any individual, group or entity that has in place and maintains a license pursuant to this division may operate as a business entity for profit under California law. Except as otherwise expressly provided by this division, a person or entity that owns or controls more than one location must obtain a separate license for each location, but may submit a single application for each of those licenses.*

*(b) A licensee shall conspicuously display their license at each retail location in a manner visible to the public.*

*(c) A license is not assignable or transferable. A person or entity that obtains a license who ceases to do business as specified in the license, or whose license is suspended or revoked, shall immediately surrender the license to the board.*

*(d) A license shall be valid for a 12-month period, and shall be renewed annually.*

*26042.2. (a) Notwithstanding the schedule of fees provided under Chapter 6 (commencing with Section 26020), all licensed cultivators shall be subject to a special enforcement fee of five thousand dollars (\$5,000) if such licensed cultivator of cannabis requests an exemption to cultivate, under California law, more than 999 total concurrent mature cannabis plants under the control of the licensee.*

*(b) Notwithstanding any other provision of law, no licensee shall cultivate more than 999 total concurrent mature cannabis plants across all cultivation sites without having paid a special enforcement fee to the board. Any person found in violation of this section is guilty of an infraction, punishable by a fine of not more than twenty dollars (\$20) per each mature cannabis plant cultivated by the licensee.*

*26042.5. Any licensee, and any of its officers, agents and employees, authorized to sell cannabis to an adult, qualified patient, primary caregiver, or person with a valid identification card pursuant to this division may make a physical delivery of any product to a location outside of the licensed premises; provided that all cannabis delivered includes adequate certification, or a label affixed to the product, pursuant to Chapter 12 (commencing with Section 26052), and the commercial activity otherwise complies with the rules issued by the board.*

*26043. (a) Notwithstanding Section 26042, the board may issue a temporary license with a scheduled expiration date, as determined by the board, that occurs on or before January 1, 2018. This temporary license shall have full force and effect under California law.*

*(b) A temporary license issued pursuant to this section shall be automatically terminated upon the board's issuance of a license*

pursuant to Section 26046.

(c) A temporary license issued pursuant to this section is subject to the same suspension, revocation, and forfeiture provisions that apply to licenses issued by the board pursuant to Section 26046.

#### CHAPTER 8. APPLICATIONS FOR LICENSES

26045. (a) An application for a license shall be filed on a form prescribed by the board and shall include the following:

(1) The name, address, and telephone number of the applicant.

(2) The business name, address, and telephone number of each establishment or cultivation location. For applicants who control more than one establishment or cultivation location, an address for receipt of correspondence or notices from the board, such as a headquarters or corporate office of the dispensary, shall also be included on the application and listed on the license. Citations issued to licensees shall be forwarded to all addressees on the license.

(3) A statement by the applicant affirming that the applicant has not been convicted of a violent felony offense and has not violated and will not violate or cause or permit to be violated any of the provisions of this division or any rule of the board applicable to the applicant or pertaining to the manufacture, sale, or distribution of cannabis products. If the applicant is unable to affirm this statement, the application shall contain a statement by the applicant of the nature of any violation or the reasons that will prevent the applicant from complying with the requirements with respect to the statement.

(4) If any other licenses or permits have been issued by the board to the applicant, the license or permit number of those licenses or permits.

(5) A statement by the applicant that the contents of the application are complete, true, and correct. Any person who signs a statement pursuant to this subdivision that asserts the truth of any material matter that he or she knows to be false is guilty of a misdemeanor punishable by imprisonment of up to one year in the county jail, or a fine of not more than one thousand dollars (\$1,000), or both the imprisonment and the fine.

(6) Proof that the applicant has in his or her possession a counterfeit-resistant document that specifies a valid account number issued by the Board of Equalization in accordance with Chapter 7 (commencing with Section 34020) of Part 14.5 of Division 2 of the Revenue and Taxation Code. Until 90 days after federal law permits the production and sale of cannabis consistent with California law, the board shall not record such account number on the application.

(7) The signature of the applicant.

(8) Any other information the board may require.

(b) The board may investigate to determine the truthfulness and completeness of the information provided in the application. The board may issue a license without further investigation to an applicant for a location if the applicant holds a valid license from the board for that same location.

(c) The board shall provide electronic means for applicants to download applications, as well as learn and obtain resources on the most current state and local laws and regulations affecting licensees within the State of California.

(d) If a license is reinstated after its expiration, the entity, as a condition precedent to its reinstatement, shall pay a reinstatement fee of one thousand dollars (\$1,000).

26045.5. (a) At the request of the applicant at the time of application, voluntary serialized identification cards may be issued to enable state and local law enforcement officers to immediately verify various licensed or otherwise lawful actors, and ensure their compliance under state law. Such identification card shall be made available to the licensee, and any of its officers, agents and employees, at a cost of not more than twenty dollars (\$20) per card. Each card shall contain all of the following:

(1) A unique identification number of the cardholder.

(2) Photo identification of the cardholder.

(3) The type of license.

(4) The date of expiration of the license.

(5) Designation of that person as either a licensee or one of its officers, agents or employees.

(6) The name and telephone number of the authority that has approved the application.

(7) A 24-hour, toll-free telephone number; and an electronic web-based verification system address, both to be maintained by the board, which will enable state and local law enforcement officers to have immediate access to information necessary to verify the contents of the card.

(b) Any person in possession of a board-issued valid identification card pursuant to subdivision (a) shall not be subject to arrest, prosecution, asset forfeiture, seizure, penalty or sanction for activities consistent with the immunities provided under this division for the respective license type.

(c) A state or local law enforcement agency or officer shall not refuse to accept an identification card issued by the board pursuant to this section unless the state or local law enforcement agency or officer has reasonable cause to believe that the information contained in the card is false or fraudulent, or the card is being used fraudulently.

(d) This section shall be implemented with a high standard and regard for confidentiality and individual privacy. The board shall have the power to appropriately expand the use or administration of the commercial identification card program to enable licensees to dynamically issue serialized identification cards to, or revoke serialized identification cards from, licensee, and any of its officers, agents and employees and other appropriate persons as desired.

26046. (a) The board shall issue a license to a qualified applicant within 60 days of receipt of payment of the applicable fees and a completed application prescribed in Section 26045, unless any of the following apply:

(1) The person or entity has previously been issued a license that is suspended or revoked by the board for violation of any of the provisions of this division.

(2) The application is for a license or renewal of a license for the same location as that of a previous person or entity that had its license revoked or is subject to revocation proceedings for violation of any of the provisions of this division, unless:

(A) It has been more than five years since a previous license for the location was revoked.

(B) The person or entity applying for the license provides the board with documentation demonstrating that the applicant has acquired or is acquiring the premises or business in an arm's length transaction. For purposes of this section, an "arm's length transaction" is defined as a sale in good faith and for valuable consideration that reflects the fair market value in the open market between two informed and willing parties, neither under any compulsion to participate in the transaction. A sale between relatives, related companies or partners, or a sale for the primary purpose of avoiding the effect of the violations of this division that occurred at the retail location, is presumed not to be made at "arm's length."

(3) The person or entity applying for the license has been convicted of a felony pursuant to Section 30473, 30480, or 34033.5 of the Revenue and Taxation Code.

(4) An appropriate action is made by a city, county, or city and county, pursuant to Section 26047.

(b) The board may prescribe additional rules and procedures for the issuance of licenses under this division as necessary.

#### CHAPTER 9. DENIAL OF LICENSES

26047. (a) A city, county, or city and county, may only block a license from being issued or renewed by the board to a person or entity within its jurisdiction upon any of the following conditions:

(1) The proposed location(s) involved would violate a zoning law or ordinance adopted pursuant to Section 26050.

(2) The licensee, or any of its officers, agents or employees have consistently violated environmental and public health controls.

(3) The city, county, or city and county, establishes a clear and compelling interest or concern in the protection of the safety, welfare, or peace of the public if such license were deemed as issued or renewed.

(b) Not later than October 31, 2017, a city, county, or city and county, shall confer with the board the entity within such locality that is responsible for verifying an applicant's compliance with local zoning and land use ordinances in such jurisdiction and raising any applicable objections accordingly.

(c) Upon verification of any claim or statement by a city, county, or city and county made pursuant to this section, the board shall deny the issuance of the license.

(d) The board shall develop protocols to implement a process for a city, county, or city and county, to block applicants pursuant to this section.

26047.5. (a) Any person who is denied a license may petition for a redetermination of the board's denial of the license within 30 days after service upon that person of the notice of the denial of the license. If a petition for redetermination is not filed within the 30-day period, the determination of denial becomes final at the expiration of the 30-day period.

(b) Every petition for redetermination shall be in writing and shall state the specific grounds upon which the petition is founded. The petition may be amended to state additional grounds at anytime prior to the date on which the board issues its order or decision upon the petition for redetermination.

(c) If the petition for redetermination is filed within the 30-day period, the board shall reconsider the determination of the denial and, if the entity has so requested in the petition, shall grant the entity an oral hearing and shall give the entity at least 10 days' notice of the time and place of the hearing. The board may continue the hearing from time to time as may be necessary.

(d) The order or decision of the board upon a petition for redetermination becomes final 30 days after mailing of notice thereof.

26047.6. (a) A person or entity whose license has been suspended or revoked by order of the board shall conspicuously post a notice at both of the following locations:

(1) Each public entrance to the location. The notice shall directly face any person who enters the location and shall not be obstructed from view or placed at a height of less than four feet or greater than nine feet from the floor.

(2) Each cash register and other point of sale. The notice shall be posted so as to be readily viewable by a person standing at or approaching the cash register or other point of sale. The notice shall directly face the purchaser and shall not be obstructed from view or placed at a height of less than four feet or greater than nine feet from the floor.

(b) The notices described in this section shall be in the size and form prescribed by the board. The notice shall be provided by the board and may be reproduced in the same size and form in order to comply with subdivision (a).

(c) A person or business whose license was suspended shall post the notice at the location that was the subject of the suspension for the duration of the suspension.

(d) A person or business whose license was revoked shall post the notice at the location that was the subject of the revocation for a 30-day period from the effective date of the revocation.

(e) Every person or entity who fails to post the notices as required by this section, that alters the notice provided by the board, or that removes the notice before the posting period required in subdivision (c) or (d), as appropriate, expires, shall be subject, notwithstanding Section 26090, to a civil penalty of one thousand dollars (\$1,000) for each offense.

#### CHAPTER 10. SUSPENSION AND REVOCATION OF LICENSES

26048. (a) (1) As provided in this section, licenses issued pursuant to this division shall be subject to suspension or revocation for multiple or repeated violations of this division or the Revenue and Taxation Code.

(2) In addition to any applicable fines or penalties for a violation, upon first conviction of a violation, a licensee shall receive a written notice from the board detailing the suspension and revocation provisions of this division. At its discretion, the board may also suspend a license following a violation for up to 90 days.

(3) In addition to any applicable fines or penalties for a violation, upon a second conviction of a violation within two years of a previous violation, the license shall be revoked.

(b) The date of the occurrence of a violation shall be used to calculate the duration between subsequent violations. A violation shall be noted in the license record at the board only after judicial conviction or final adjudication of a violation.

(c) Upon updating a record for a violation triggering a suspension, the board shall serve the licensee with a notice of suspension and shall order the licensee to cease the sale, gifting, or displaying for sale of cannabis products for the period of the suspension. The notice of suspension shall inform the licensee of the effective dates of the suspension.

(d) Continued sales, delivery or gifting of cannabis products after the effective date of the suspension shall constitute a violation of this division and result in the revocation of a license.

(e) Upon completion of a suspension period, a license shall be reinstated by the board.

(f) Upon updating a record for a violation triggering a revocation, the board shall serve the licensee with a notice of revocation and shall order the licensee to cease the sale, delivery, gifting, or displaying for sale of cannabis products on and after the effective date of the revocation. The notice of revocation shall inform the licensee of the effective date of the revocation.

(g) After a revocation, a previously licensed applicant may apply for a new license after one year; however, the board may, at its discretion, accept new applications or issue a new license at any time.

(h) Upon updating a license record for a violation, suspension, or revocation of a license of a person or entity that owns or controls more than one location, the board shall send notice in writing of the violations, suspensions, or revocations within 15 days of the board's action to the address included in the application and listed on the license for receipt of correspondence or notices from the board.

(i) Upon suspension or revocation of a license pursuant to this section, the board shall notify the licensee by electronic mail within 48 hours of the suspension or revocation of that license. All licensees shall provide to the board and shall update, as necessary, an electronic mail address that the board can use for purposes of making the notifications required by this subdivision.

(j) Violations by a licensee at one location may not be accumulated against other locations of that same licensee. Violations accumulated against a prior owner at a licensed location may not be accumulated against a new owner at the same licensed location.

(k) For purposes of this section, a violation includes violations of the Revenue and Taxation Code relating to the sale or transaction of cannabis products, and described in this division. Only one violation per discrete action shall be counted toward a suspension or revocation of a license.

26049. A person who, after receiving a notice of suspension or revocation, continues to display for sale cannabis products shall be subject to a civil penalty of one thousand dollars (\$1,000) for each offense, and shall not be subject to Section 26090.

## CHAPTER 11. ZONING AND LAND USE

26050. (a) Except as provided by this chapter and Chapter 17 (commencing Section 26075), a city, county, or city and county, shall not be prevented under California law from adopting, enacting or carrying out local zoning ordinances that reasonably regulate, but not unreasonably restrict or prohibit, the location of licensed persons or entities operating pursuant to this division. For the purposes of this section, reasonable regulation shall include, but not be limited to, adopting, enforcing or carrying out regulations that:

(1) Restrict the location of commercial cultivator licensees to agricultural or industrial zones.

(2) Restrict the location of wholesale licensees to industrial and commercial zones.

(3) Restrict the location of medical cannabis collective, cooperative or dispensary licensees to agricultural, industrial or commercial zones.

(4) Restrict the location of specialty establishment licensees to agricultural, industrial or commercial zones.

(5) Restrict the location of retail-only licensees to commercial zones.

(6) Prevent any storefront licensee from locating within a 250-foot radius of another storefront licensee.

(7) Prevent any storefront licensee from locating within a 1000-foot radius of a school.

(8) Prevent any storefront licensee from locating within a residential zone.

(b) Notwithstanding subdivision (a), a city, county, or city and county, shall not be prevented under California law from adopting, enacting or carrying out local ordinances that unreasonably restrict or prohibit the issuance or renewal of licenses under this division, provided that the ordinance proposing such restriction or prohibition is approved by a majority vote in such jurisdiction of the qualified voters of the city, county, or city and county, voting in an election on the issue.

(c) No ordinance adopted, enacted or carried out pursuant to this chapter shall regulate, restrict or prohibit the issuance or renewal of a license, or the location or operation of a licensed person or entity, based upon the operational date of a license or sellers permit, or based upon a specified date of establishment.

26051. (a) This section shall apply to all qualified business entities applying for a license or renewal under this division, and to all qualified business entities engaging in commercial cannabis activity prior to the adoption of regulations pursuant to this division.

(b) No qualified business entity shall be permitted to locate within a 600-foot radius of a school.

(c) The distance specified in this section shall be the horizontal distance measured in a straight line from the property line of the school to the closest property line of the lot on which the qualified business entity is to be located without regard to intervening structures.

(d) This section shall not apply to a qualified business entity that is also a licensed residential medical or elder care facility.

26051.5. (a) For the purposes of this chapter, "school" means any public or private school providing instruction in

kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

(b) Any person in violation of this chapter is guilty of a misdemeanor, punishable by imprisonment in the county jail for a period of not more than six months, or by a fine of not more than two thousand five hundred dollars (\$2,500), or by both such fine and imprisonment.

## CHAPTER 12. LABELS, CONTAINERS, AND PRODUCT CERTIFICATION

### ARTICLE I. GENERAL REQUIREMENTS

26052. (a) Any product label, product certification or product notice required by this division shall include the following accurate information about the cannabis product or cannabis-infused product:

- (1) The potency of the cannabis or cannabis-infused product, if available;
- (2) The purity, processing, and any adulteration of the product. This requirement is satisfied by a certification that there is no detectable presence of pesticides, fungicides, or potentially poisonous chemicals used within the product;
- (3) The cannabis cultivation area, city, county, city and county, or appellation of origin;
- (4) The date of harvest or manufacture, if the cannabis product is not a living plant;
- (5) Any other information or items as deemed necessary by the board.

(b) Notwithstanding any other provision of law, a product label must be affixed to all edible cannabis sold or delivered by a licensee, and shall include the following information, prominently displayed and in a clear and legible font:

- (1) The statement "KEEP OUT OF REACH OF CHILDREN AND ANIMALS" in bold print.
- (2) Net weight of cannabis in package.
- (3) A warning if nuts or other known allergens are used.
- (4) List of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC) and cannabidiol (CBD) content, clear recommended dosage, and the size or volume of recommended dose.
- (5) All information required in subdivision (a).
- (6) Any other information or items as deemed necessary by the board.

26053. (a) It shall be unlawful for a licensee, or any of its officers, agents or employees to knowingly omit from the packaging or container of a cannabis product, or otherwise knowingly fail to make reasonably available a document, pamphlet or certification that contains the information required by this chapter.

(b) The board and the Legislature shall have the power to amend the enforcement or scope of this section.

### ARTICLE II. ENHANCED CERTIFICATION

26054. (a) Cannabis testing facilities may certify, under penalty of perjury, California-based cannabis that meets certain conditions. Upon certification of the items listed under subdivision (b), the cannabis testing facility may affix a label and provide a certificate concerning the product, in a manner or fashion to be determined by the board.

(b) Cannabis Testing Facilities shall accurately determine when all of the following requirements are met:

- (1) Certification that there is no detectable presence of pesticides, fungicides, or potentially poisonous chemicals used within the product;
- (2) Certification by the applicant, under penalty of perjury, that no stage of cultivation, production or manufacture has occurred outside the State of California;
- (3) Certification that the information required pursuant to this chapter is conspicuous and accurate.
- (4) Any other certification or modifications to the foregoing qualifications, including expansion or clarification of the program by the board to ensure that such program reflects the highest standards of cannabis grown, produced and manufactured within the State of California.

26055. (a) A label affixed pursuant to Sections 26054 shall be conspicuous, and contain all of the following:

- (1) The date of certification;
- (2) A unique serial identification number, provided for confidential reference by the board, of the licensed cannabis testing facility that certified such cannabis met the packaging requirements of this chapter.
- (3) A reference number maintained only by the cannabis testing facility to reference the provided label.

(b) Any person or entity that fraudulently applies a mark of certification identifying cannabis grown or produced in compliance with this chapter to a cannabis product, or delivers such cannabis product with remuneration within the State of California, is guilty of a misdemeanor or felony.

(c) The board shall determine all procedures for application and certification of cannabis in a manner consistent with California law.

(d) The third-party certification made pursuant to Section 26054 shall be a wholly voluntary process that satisfies the certification requirements of this chapter.

## CHAPTER 13. HOURS OF SALE AND DELIVERY FOR ON-SITE CONSUMPTION

26056. (a) Any licensee, or any of its officers, agents or employees who sells, gives, or delivers to any person, other than to another licensee, or any of its officers, agents or employees any cannabis intended for consumption upon the grounds of the licensed premises between the hours of 2 o'clock a.m. and 6 o'clock a.m. of the same day is guilty of an infraction, punishable by a fine of not more than two thousand five hundred dollars (\$2,500).

(b) For the purposes of this section, on the day that a time change occurs from Pacific standard time to Pacific daylight saving time, or back again to Pacific standard time, "2 o'clock a.m." means two hours after midnight of the day preceding the day such change occurs.

(c) This section shall not apply to the sale of cannabis to licensed persons or entities, or officers, agents or employees acting on their behalf, or the sale of cannabis by an off-sale licensee, or a licensee selling packaged cannabis not intended for consumption upon the licensed premises.

26057. Except as otherwise provided by state or local law, it shall not be a violation of California law for an adult or qualified patient to consume cannabis upon the grounds of a licensed premises.

#### CHAPTER 14. MINORS AND UNLAWFUL SALES

26058. (a) Any minor who is not a qualified patient that consumes cannabis upon a premises that is licensed pursuant to this division is guilty of an infraction, punishable by a fine of not more than one hundred dollars (\$100).

(b) Except as authorized or otherwise provided by law, every minor who is not a qualified patient, primary caregiver, or person with an identification card, who purchases cannabis or cannabis-infused products from a licensee is guilty of an infraction, punishable by a fine of not more than one hundred seventy-five dollars (\$175).

(c) Except as authorized or otherwise provided by law, every minor who is not a qualified patient, primary caregiver, or person with an identification card, who attempts to purchase or acquire cannabis or cannabis-infused products from a licensee shall be guilty of an infraction punishable by a fine of not more than one hundred dollars (\$100).

26059. (a) Any licensee who knowingly permits a minor who is not a qualified patient to consume cannabis upon a premises that is licensed pursuant to this division is guilty of an infraction or misdemeanor.

(b) A violation of this section is punishable by a fine of one thousand dollars (\$1000), no part of which shall be suspended, upon a finding that a first offense has been committed. Subsequent violations of this section are punishable by a fine of not less than one thousand dollars (\$1000) and not more than two-thousand five hundred dollars (\$2,500), upon a finding that a second or subsequent offense has been committed.

(c) The board may revoke a license for a second violation of this section or Section 11725 of the Health and Safety Code that occurs within any 24-month period. This provision shall not be construed to limit the board's authority and discretion to revoke a license prior to a second violation when the circumstances warrant that penalty.

(d) For purposes of this section, no violation may be considered for purposes of determination of the penalty until it has become final.

(e) Persons under 21 years of age may be used by peace officers in the enforcement of this section and Section 11725 of the Health and Safety Code to apprehend licensees, or any of its officers, agents and employees, who sell or furnish cannabis or cannabis-infused products to minors. Notwithstanding any other provision of law, any person under 21 years of age who purchases or attempts to purchase any cannabis or cannabis-infused product while under the direction of a peace officer is immune from prosecution for that purchase or attempt to purchase an cannabis or cannabis-infused product. Guidelines with respect to the use of persons under 21 years of age as decoys shall be adopted and published by the board. Law enforcement-initiated minor decoy programs in operation prior to the effective date of regulatory guidelines adopted by the board shall be authorized as long as the minor decoy displays to the seller of cannabis or cannabis-infused products the appearance of a person under 21 years of age. This subdivision shall not be construed to prevent the board from taking disciplinary action against a licensee who sells cannabis or cannabis-infused products to a minor decoy prior to the board's final adoption of regulatory guidelines. After the completion of every minor decoy program performed under this subdivision, the law enforcement agency using the decoy shall notify licensees within 72 hours of the results of the program. When the use of a minor decoy results in the issuance of a citation, the notification required shall be given to licensees and the board within 72 hours of the issuance of the citation. A law enforcement agency may comply with this requirement by both leaving a written notice at the licensed premises addressed to the licensee and by mailing a notice addressed to the licensee.

#### CHAPTER 15. PATIENT VERIFICATION AND RECORD HANDLING

26060. (a) Notwithstanding any other provision of law, no person, entity or government agency, or agency working on their behalf, may collect, attempt to collect, sell, attempt to sell, give away, attempt to give away, furnish, attempt to furnish, allow the distribution of, include in a database, or create a database with, any thumbprint or other biometric data, from any person or entity who applies, attempts to apply, renews, attempts to renew, possesses, uses or attempts to use any commercial license issued under this division.

(b) Notwithstanding any other provision of law, any records of a person or qualified business entity that applies, attempts to apply, renews, attempts to renew, possesses, uses or attempts to use a license issued pursuant to this division which specifically deals only with cannabis-related activities, shall remain confidential. This subdivision shall not restrict or prohibit the board from collecting, sharing and using any information that is necessary for it to conduct its essential regulatory operations.

(c) It shall be unlawful to retain identifiable information from a board-issued card reader for any purposes other than to verify that individual's status as a qualified patient, primary caregiver, or person with a valid identification card.

26062. (a) Upon swiping or scanning a card equipped with a magnetic stripe or quick response code using a board-issued patient identification card-reading device, the system shall either:

(1) display a "VALID" statement, along with returning: (i) the full valid identification card number, (ii) the county of issuance, (iii) the expiration date of the identification card, and (iv) the seal of the county or state of issuance, as displayed on the identification card.

(2) display an "INVALID" statement, or return an error providing that such verification failed, or otherwise could not be processed.

(b) If an unaltered board-issued patient identification card-reading device provides a medical cannabis claim as verified, the information received from the board reasonably matches the related information contained on the identification card, and the photo contained on the identification card reasonably matches the likeness of the person, such person shall be considered eligible to obtain and use medical cannabis under California law.

26064. The board may develop and maintain a reliable method of identifying eligible qualified patients and their designated primary caregivers not in possession of a valid state-issued identification card.

26065. (a) A licensee must verify the age or status of adults, qualified patients, primary caregivers, or persons with valid identification cards to ensure that such individual is qualified to purchase and possess cannabis under California law.

(b) Evidence that such person is "qualified to purchase and possess cannabis under California law" may include a facsimile of or a reasonable likeness of a document issued by a federal, state, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license, a registration certificate issued under the federal Selective Service Act, or an identification card issued to a member of the Armed Forces, that contains information suggesting such individual has reached the age required to lawfully purchase cannabis within the State of California, or any valid medical marijuana identification card.

(c) A person shall be deemed verified as a qualified patient or primary caregiver if all of the following conditions apply:

(1) The license of the attending physician has been verified, and the license is in good standing to practice medicine or osteopathy in a state, district, territory, commonwealth, or insular possession of the United States.

(2) If a written or oral recommendation or approval provides an expiration date, the recommendation or approval shall not have expired.

(3) The recommendation or approval, written or oral, can be verified with the attending physician, or an agent of the attending physician, via telephone or Internet web-based system, or the signature of the attending physician affixed on any written recommendation or approval can otherwise be verified as genuine.

(4) The person, only if claiming to be a primary caregiver or an agent of an eligible qualified patient, can provide sufficient information that, by a preponderance of the evidence, such individual is acting on behalf of a qualified patient.

(d) A person shall be deemed verified as a qualified patient or primary caregiver if he or she is in possession of a valid and verifiable identification card issued by the designated agency of a state or territory within the jurisdiction of the United States of America.

(e) Notwithstanding any other provision of law, no licensee shall knowingly or intentionally sell or deliver cannabis to a qualified patient or primary caregiver under 18 years of age who is not in possession of a valid identification card, unless he or she is accompanied by a parent or guardian.

(f) Nothing in this section shall be construed to abridge the rights, privileges and immunities of Section 11721.5 as it existed prior to November 8, 2016.

#### CHAPTER 16. ADDITIONAL REGULATORY PROVISIONS

26070. (a) The board shall establish a program for licensees to voluntarily report quarterly or annual cannabis production and sales data related to their licensed operations. The board shall quarterly or annually provide to the public a compiled report that includes:

(1) the number and type of licensees participating in the data collection program in each county and in the state;

(2) the total reported amount of dried cannabis, concentrated cannabis, and cannabis-infused products produced and sold in each county and in the state;

(3) the average amount and price of cannabis sold or transacted at wholesale or at retail.

(4) any other information deemed necessary by the board.

(b) Every person who manufactures, produces, sells, offers, or transfers to another any document purporting to be either a truthful or accurate representation of the information collected pursuant to this section, knowing such document to be false or counterfeit and with the intent to deceive, shall be guilty of a misdemeanor, punishable by imprisonment in the county jail for a period of not more than six months or by a fine of not more than five hundred dollars (\$500), or by both such fine and imprisonment.

(c) Beginning 30 days after the date when federal law permits the possession and sale of cannabis consistent with this division, the board shall require the participation in the reporting program provided in this section.

26071. (a) Not later than October 31, 2017, the board shall study and implement enhancements to the possession or cultivation floor amounts set forth in Section 11721 or 11721.77 of the Health and Safety Code. These enhancements shall be made only after public comment and consultation with interested persons and organizations, including, but not limited to, farmers, health care professionals, law enforcement, local governments, members of the general public, qualified patients, and researchers, and shall have the full force and effect of law.

(b) Notwithstanding any other provision of law, nothing shall authorize the board to modify the possession or cultivation protections below the floor amounts set forth in Section 11721 or 11721.77 of the Health and Safety Code.

26072. (a) The board shall adopt regulations as otherwise necessary to implement this division no later than October 31, 2017. Except as otherwise provided under this division, the board may adopt or carry out regulations as needed for the continued everyday operation of the regulatory and enforcement provisions of the program in a manner that promotes the spirit of this division.

*(b) The board shall develop administrative protocols to implement the responsibilities described in subdivision (a), including, but not limited to:*

*(1) protocols to complete the application process, and either approve or deny an applicant pursuant to California law, within 60 days from the date of application;*

*(2) protocols to deny an application or renewal if the licensee operates or intends to operate its facilities within a zone prohibited by California law, or otherwise operates or intends to operate in violation of California law;*

*(3) protocols for inspections, investigations, searches, seizures and such additional activities as may become necessary from time to time;*

*(4) protocols for peace officers and employees of the board to efficiently, effectively and appropriately enforce the regulations of this division.*

*(c) No licenses shall be deemed valid until the operative date of these regulations. With respect to licenses issued prior to January 1, 2018, such licenses shall be valid for one year, beginning January 1, 2018.*

*(d) If the board or department fails to adopt, enforce or carry out regulations to implement this division on or after the end of the evening of October 31, 2017, any citizen may commence a mandamus action in Superior Court to compel the board or department to perform the actions mandated under this division.*

*(e) If the board fails to issue or deny a license within sixty days of the submission of a valid application or renewal pursuant to the regulations adopted by this division, the license shall be deemed issued, and a copy of the license application or renewal shall be deemed a valid license. Such licensee shall be governed by the appropriate regulations and provisions set forth in this division.*

#### CHAPTER 17. LOCAL REGULATION

*26075. (a) Nothing in this division shall prohibit a city, county, or city and county from reasonably requiring a licensee or applicant to obtain a business tax certificate, business operation tax certificate, business registration certificate, or other business license, registration or certificate commonly applied to other businesses in such jurisdiction; provided that a city, county, or city and county shall not unreasonably restrict or prevent a licensee, applicant or other person from applying for, obtaining, or renewing a business license, registration or certificate.*

*(b) Except as otherwise provided by state or local law, a business license, registration or certificate issued by a city, county, or city and county shall not be construed to authorize the commercial production, distribution or sale of cannabis unless such person or entity has an appropriate license as required pursuant to this division.*

*26075.5. A city, county, or city and county, may confer with the board to request the administration of regulations or other types of licenses for commercial activities involving cannabis cultivation, manufacture, sale or distribution. This license shall confer certain rights to the licensee, and any of its officers, agents and employees, to conduct those activities under state law pursuant to the rules and regulations set forth by the board, and such license shall be recognized by all state and local government officials as with any other license. The adoption of new licenses shall not abridge the provisions of this division as they pertain to existing license types provided in Chapter 6 (commencing with Section 26020).*

*26076. (a) Unless otherwise provided by California law, nothing shall prevent a city, county, or city and county, from retaining, enacting or carrying out reasonable and appropriate environmental and public health controls to ensure that any licensed premises or licensed cultivator of cannabis minimizes any harm to the environment, adjoining and nearby landowners, patrons, employees, and persons passing by.*

*(b) Notwithstanding any other provision of law, nothing shall prevent a city, county, or city and county, from otherwise regulating, restricting or prohibiting within its jurisdiction the smoking of cannabis upon a premises that is licensed pursuant to this division.*

*26077. Except as provided by law, no city, county, or city and county, shall restrict or prohibit the transportation of cannabis by any licensee, or any of its officers, agents or employees acting in compliance with this division.*

*26078. A city, county, or city and county, may enact transactional limitations on the quantity of dried cannabis distributed by licensees at retail for adult use to an amount not less than 28.375 grams per person per visit.*

*26079. No state agency shall be required to enforce a local law, ordinance, rule, or regulation regarding the location or operation of a licensee enacted by a city, county, or city and county.*

#### CHAPTER 18. ENFORCEMENT

*26080. Beginning January 1, 2018, or at an earlier date determined by the board, the board shall work with state and local law enforcement agencies to enforce the regulations and other provisions of this division.*

*26085. Neither the board nor a state or local law enforcement agency or officer shall refuse to verify claims that such alleged conduct was consistent with the rights conferred to a licensee, or any of its officers, agents or employees unless the state or local law enforcement agency or officer has reasonable cause to believe that the information provided is false or fraudulent, or is being used fraudulently.*

#### CHAPTER 19. SEIZURE

*26086. The board or a local law enforcement agency may seize only cannabis that is possessed, cultivated, transported, manufactured, processed, sold or delivered in violation of California law.*

*26087. Any person or entity whose cannabis or property, except automobiles or other vehicles, have been seized for*

forfeiture under this division shall, within 10 days after such seizure, petition the board to return the cannabis or property upon the grounds that the cannabis or other property was illegally or erroneously seized.

26088. Any petition filed pursuant to Section 26087 shall be considered by the board within 30 days after filing, and an oral hearing shall be granted the petitioner if requested. The board shall serve notice of its decision upon the petitioner, and provide a copy to the law enforcement agency or entity in physical possession of the seized property.

26089. If found to be illegally or erroneously seized, the board shall order that the cannabis or property seized be returned or made available to the petitioner within five working days.

26089.5. Any cannabis or property seized by the board may be turned over to a state or local law enforcement agency. The person in charge of any state department or institution may file with the board a request that cannabis or property of a kind specified in the request be turned over to such department or institution. No cannabis or property for which a request has been made by a state department or institution shall be destroyed until all requests of state departments and institutions for the type or kind of cannabis or property have been complied with.

## CHAPTER 20. VIOLATIONS

26090. Any person who knowingly and willfully violates any provision of this division, except as otherwise provided by law, is guilty of an infraction. Each offense shall be punishable by a fine not to exceed five thousand dollars (\$5,000). If after 90 days such fine has not been paid or otherwise addressed with the board or a court of competent jurisdiction by the accused, the violation may be escalated to a misdemeanor.

26095. Any prosecution for a violation of any of the provisions of this division shall be instituted within one year from the date of the commission of the charged offense.

SEC. 5. Part 14.5 (commencing with Section 34001) is added to Division 2 of the Revenue and Taxation Code, to read:

### Revenue and Taxation Code Part 14.5 of Division 2. Cannabis Taxes.

#### Chapter 1. General Provisions and Definitions (§34001-34007)

#### Chapter 2. Imposition of Excise Tax and Surtaxes (§34011-34012.5)

#### Chapter 3. Transactions and Use Tax (§34013)

#### Chapter 4. General Tax (§34014)

#### Chapter 5. Special Tax (§34015)

#### Chapter 6. Exemptions (§34017-34019)

#### Chapter 7. Collection and Administration (§34020-34025)

##### Article 1. Title (§34020)

##### Article 2. Tax Stamp Program (§34020.5)

##### Article 3. Meter Impression Program (§34021)

##### Article 4. Record-keeping for Tax Stamp and Meter Impression Programs (§34022)

##### Article 5. Verification (§34022.5.)

#### Chapter 8. Other Administrative Provisions (§34023-34025)

#### Chapter 9. Disposition of Revenues and Proceeds (§34026-34027)

#### Chapter 10. Violations and Penalties (§34031-34034)

#### Chapter 11. Seizure (§34035-34038.5)

## PART 14.5. CANNABIS TAXES

### CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

34001. It is the intent of the people in enacting this part to raise revenue for the State by enacting an excise tax on commercial transactions involving cannabis, and to allow a city, county, or city and county to raise revenue for such jurisdiction through a general tax, special tax, or transactions and use tax on the sale of cannabis.

34002. Except where the context otherwise requires, the definitions set forth in Part 1 (commencing with Section 6001) govern the construction of this part.

34003. For purposes of this part:

(a) "marijuana" and "cannabis" are terms to be used interchangeably, meaning all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; concentrated cannabis; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. It does not include hemp.

(b) "Concentrated cannabis" means the separated resin, whether crude or purified, obtained from cannabis. Concentrated cannabis shall not mean cannabis infused in a food, drink, candy, balm or tincture.

(c) "One-half gram" means one-half of one gram (metric).

(d) "One gram" means one gram (metric).

(e) "One-eighth ounce" means 3.546875 grams (metric).

(f) "One-quarter ounce" means 7.09375 grams (metric).

(g) "One-half ounce" means 14.1875 grams (metric).

(h) "One ounce" means 28.375 grams (metric).

(i) "One-half pound" means 227 grams (metric).

- (j) "One pound" means 454 grams (metric).
- (k) "Person" means a person, as defined in Section 6005 of the Revenue and Taxation Code.
- (l) "Retail sale" means a retail sale, as defined in Section 6007 of the Revenue and Taxation Code.
- (m) "Sale" or "sold" means a sale, as defined in Section 6006 of the Revenue and Taxation Code.

34004. The board shall establish and maintain a cost-effective Internet web-based system to provide an accurate schedule of all fees and taxes applied to cannabis for each city, county, and city and county within the State of California.

34005. Except as authorized by this part, a city, county, or city and county shall not have the power to impose or carry out a general tax, special tax, or a transactions and use tax on cannabis or cannabis-infused items sold within the city, county, or city and county.

34006. For the purposes of this part, "all cannabis sold in this State" shall include the sale or accepting of orders for cannabis which is transported from a point inside this state to a point inside or outside this state.

34007. Notwithstanding any other provision of law, no excise tax, surtax, fee, or levy imposed pursuant to this part shall be applied retroactively to transactions conducted prior to the effectuation date of such excise tax, surtax, fee or levy.

## CHAPTER 2. IMPOSITION OF EXCISE TAX AND SURTAXES

34011. (a) On and after July 1, 2017, an excise tax is hereby imposed upon all cannabis sold in this State by a manufacturer, cultivator, producer, processor, wholesaler, importer, distributor or retailer of cannabis, with respect to which no tax has been paid within areas over which the United States Government exercises jurisdiction, at the following rates:

(1) On all dried cannabis, eight dollars (\$8.00) per ounce of cannabis, and at a proportionate rate for any other quantity.

(2) On all concentrated cannabis, one dollar (\$1.00) per gram of concentrated cannabis, and at a proportionate rate for any other quantity.

(b) The rate imposed in subdivision (a) shall be increased annually each July 1 thereafter; through July 1, 2021, by the following rates:

(1) On all dried cannabis, two dollars (\$2.00) per ounce of cannabis, and at a proportionate rate for any other quantity.

(2) On all concentrated cannabis, twenty-five cents (\$0.25) per gram of concentrated cannabis, and at a proportionate rate for any other quantity.

34012.5. (a) On and after July 1, 2021, the Legislature shall have the power to impose additional excise taxes, surtaxes, fees or levies on cannabis produced or sold in this State by a manufacturer, cultivator, producer, processor, wholesaler, importer, distributor or retailer of cannabis, with respect to which no tax has been paid within areas over which the United States Government exercises jurisdiction; provided that any such change in state statute must be imposed by an Act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature.

(b) Before July 1, 2021, no combination of excise taxes, surtaxes, or fees imposed upon all cannabis produced or sold in this state shall exceed the rates provided in this chapter.

## CHAPTER 3. TRANSACTIONS AND USE TAX

34013. A city, county, or city and county may impose a transactions and use tax on cannabis or cannabis-infused products sold at retail, if all of the following requirements are met:

(1) The ordinance proposing that tax is approved by a two-thirds vote of all members of the governing body and is subsequently approved by a two-thirds vote of the qualified voters of the city, county, or city and county, voting in an election on the issue.

(2) The transactions and use tax conforms to the Transactions and Use Tax Law Part 1.6 (commencing with Section 7251).

(3) The ordinance includes an expenditure plan describing the specific projects for which the revenues from the tax may be expended.

## CHAPTER 4. GENERAL TAX

34014. (a) A city, county, or city and county may impose a general tax or business license tax, or both, at a combined rate not exceeding two and one-half percent (2.5%) on cannabis and cannabis-infused items sold at retail in the city, county, or city and county; provided that the ordinance proposing that tax is approved by a majority vote of the qualified voters of the city, county, or city and county, voting in an election on the issue.

(b) For the purposes of this section, a "general tax" includes a business license tax.

## CHAPTER 5. SPECIAL TAX

34015. A city, county, or city and county may impose a special tax at a rate not exceeding two and one-half percent (2.5%) on cannabis and cannabis-infused items sold at retail in the city, county, or city and county; provided that the ordinance proposing that tax is approved by a two-thirds vote of the qualified voters of the city, county, or city and county, voting in an election on the issue.

## CHAPTER 6. EXEMPTIONS

34017. Notwithstanding any other provision of law, no excise tax, general tax, special tax, or transactions and use tax,

whether now existing or imposed in the future, shall apply to:

(a) The sale or delivery of cannabis, within the State of California, to a person or designated primary caregiver in possession of a valid identification card, as defined in Section 11721.7 of the Health and Safety Code, for the personal medical purposes of a person who is terminally ill, as defined in subdivision (c) of Section 11159.2 of the Health and Safety Code, based on the circumstances and information available to the attending physician at the time of diagnosis.

(b) The sale or delivery of cannabis, within the State of California, to a person or entity, or any of its officers, agents and employees, licensed pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code; provided that the cannabis sold or delivered is intended for resale and shall be subject to all applicable taxes, whether now existing or adopted in the future, upon the next sale. Nothing shall prevent a licensee from requiring that a producer or seller affix a cannabis tax stamp or meter impression prior to acquisition of such cannabis products. This exemption shall not apply to a sale by a person or entity licensed pursuant to Article 2 (commencing with Section 26022) of Chapter 6 of Division 10 of the Business and Professions Code.

(c) The sale or delivery of cannabis, within the State of California, at cost, below cost or without remuneration by a person or entity acting without the possession or authority of a license issued pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code; provided that the cannabis is not intended for resale.

34018. No general tax, special tax, or transactions and use tax shall apply to the retail sale or delivery of cannabis from business entities licensed pursuant to Division 10 of the Business and Professions Code to qualified patients, primary caregivers, or persons with valid identification cards, as defined in Section 11721.7 of the Health and Safety Code. On and after July 1, 2018, the Legislature shall have the power to require that a person have in his or her possession a valid identification card, as defined in Section 11721.7 of the Health and Safety Code, in order to qualify for this exemption; provided that any such change in state statute must be imposed by an Act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature.

34019. The board shall have the power to provide for additional exemptions to the taxes, fees, or levies imposed under this part, whether now existing or adopted in the future.

## CHAPTER 7. COLLECTION AND ADMINISTRATION

### ARTICLE I. TITLE

34020. This chapter shall be known and may be cited as "The Cannabis Tax Stamp and Meter Law."

### ARTICLE II. TAX STAMP PROGRAM

34020.5. (a) Not later than July 1, 2017, the board shall implement a counterfeit-resistant tax stamp program to provide a method of collection of any excise taxes, surtaxes or fees imposed pursuant to Chapter 2 (commencing with Section 34011) of this part. Such tax stamps shall be issued by the board on a cash basis or on a deferred payment basis, and shall be for single-use affixation to commercial cannabis products. The board shall not require any person or entity to produce or provide cannabis or provide any personal or commercial information in pursuit of obtaining such cannabis tax stamps. Stamps shall be of the designs, specifications, and denominations as may be prescribed by the board, but shall include the following counterfeit-resistant stamps:

- (1) For dried cannabis, one-half gram stamps.
- (2) For dried cannabis, one gram stamps.
- (3) For dried cannabis, one-eighth ounce stamps.
- (4) For dried cannabis, one-quarter ounce stamps.
- (5) For dried cannabis, half-ounce stamps.
- (6) For dried cannabis, one ounce stamps.
- (7) For concentrated cannabis, one-half of one gram stamps.
- (8) For concentrated cannabis, one gram stamps.

(b) All tax stamps issued pursuant to this chapter shall be offered by the board at a combined rate of all taxes imposed by Chapter 2 (commencing with Section 34011), and such tax stamps will continue to be worth the applicable rate even if that rate changes; provided that all tax stamps shall expire and have no value one year after the date of issuance.

(c) The board shall not restrict the quantity of tax stamps acquired by a person or entity.

(d) Any tax stamp issued in accordance with this section shall include the following information readily visible for inspection:

- (1) A unique identifier, such as a serial number, for each stamp, available for any board employee to read and verify, both with and without a supplementary electronic verification device.
- (2) The board-issued account number of the person or entity that remitted the tax.
- (3) An indication, such as color coding or a numeric representation on the face, of the type of cannabis and the total net weight prepaid for each stamp.
- (4) A counterfeit-resistant design, such as a hologram, that includes the seal of the state or the seal of the board.
- (5) Transaction date and time.
- (6) Any other information or item as deemed necessary by the board.

(e) Commencing 90 days after federal law permits the production and sale of cannabis consistent with California law, the board shall have the power to discontinue issuance of counterfeit-resistant tax stamps as required by this section.

(f) If the tax stamp program is repealed or discontinued by law, the board shall offer a method for any person or entity

to receive a refund for any unused stamps at the rates imposed when such stamps were acquired.

(g) The board shall develop protocols and regulations to offer cannabis excise tax stamps to any person or entity, and shall develop regulations and protocols necessary for the administration and enforcement of the cannabis excise tax stamp program. These regulations shall include the following:

(1) Developing a method for a person or entity to acquire cannabis tax stamps via cash, credit cards, debit cards, or personal checks.

(2) Developing a method for a person or entity to receive a board-issued account number for record-keeping and verification purposes at the time of acquiring tax stamps. The board shall develop a method to offer counterfeit-resistant documentation of any board-issued account number for a fee of fifteen dollars (\$15).

(3) Developing a method for the board to maintain records of each transaction involving cannabis tax stamps.

(4) Developing a method for the board to associate the unique identifier of a tax stamp to a single unique transaction identifying number.

(5) Developing a method to ensure that the board can efficiently and effectively read and verify any cannabis excise tax stamp, both with and without a special electronic verification device.

#### ARTICLE III. METER IMPRESSION PROGRAM

34021. (a) Not later than July 1, 2017, the board shall implement a technology-based meter impression program to provide a method of collection of any excise taxes, surtaxes or fees imposed pursuant to Chapter 2 (commencing with Section 34011) of this part. Meter impressions shall be of the designs, specifications, and denominations as may be prescribed by the board.

(b) All meter impressions shall include the combined rate of all taxes imposed by Chapter 2 (commencing with Section 34011) at the time the meter impression is made; provided that all meter impressions shall expire and have no value one year after the date of impression.

(c) The board shall offer a low-cost device for any person or entity to print and affix a valid meter impression upon a cannabis product, package or label.

(d) The following information shall be included on each meter impression, readily visible for inspection:

(1) A unique identifier, such as a serial number, for each metered product, package or label, available for any board employee to read and verify, both with and without a special electronic verification device.

(2) An indication, such as a numeric representation, of the total net weight of each metered cannabis product, package or label.

(3) An indication, such as color coding or a numeric representation on the face, of the total net weight prepaid for each stamp.

(4) A counterfeit-resistant design that includes the seal of the state or the seal of the board.

(5) Transaction date and time.

(6) Any other information or item as deemed appropriate by the board.

(e) The board shall develop regulations and protocols necessary for the administration and enforcement of the meter impression program described in this section. These regulations shall include the following:

(1) Developing a low-cost method for people to acquire an approved meter and related supplies from the board.

(2) Developing a method for a person or entity to receive a board-issued account number for record-keeping and verification purposes. The board shall develop a method to offer counterfeit-resistant documentation of any board-issued account number for a fee of fifteen dollars (\$15).

(3) Developing a method for the board to associate the unique identifier for each metered product, package or label to a single unique transaction identifying number.

(4) Developing a method to ensure that the board can efficiently and effectively read and verify a metered impression, both with and without an electronic verification device.

(5) Developing a method for a person or entity to confidentially remit any amount due to the board.

(6) Developing a method for a person or entity to prepay for meter impressions through a board-issued account number using cash, credit cards, debit cards, or personal checks.

#### ARTICLE IV. RECORD-KEEPING FOR TAX STAMP AND METER IMPRESSION PROGRAMS

34022. (a) The board shall employ a technology capable of maintaining records of all cannabis stamps and meter impressions for any cannabis product, package or label. At a minimum, the process shall encrypt the following information into each record or otherwise encrypt in relational database tables:

(1) A unique identifier, such as a serial number, for each stamped or metered product, package or label.

(2) The board-issued account number of the person or entity that remitted the tax.

(3) The name, address, phone number or email address, or any combination thereof, of the person or entity associated with the account number, only if the person or entity voluntarily provided such information.

(4) Transaction date and time.

(5) Type of cannabis.

(6) Weight of the cannabis.

(7) Amount paid.

(8) Method of payment.

(9) Reference number to the method of payment on file with the board.

(10) Amount of times the unique identifier has been verified.

(11) Any other information deemed appropriate by the board.

(b) The board shall develop a method to use (symmetric and asymmetric) encryption in order to ensure the confidentiality, integrity and authentication of all transactions conducted in accordance with this section.

(c) For any remittance made in pursuance of this chapter, the board shall issue an electronic mail message confirmation of remittance to the email address associated with the board-issued account number. This electronic mail message shall include the following elements in the body of the message:

(1) The unique identifier, such as a serial number, for each stamped or metered product, package or label involved in the transaction.

(2) The board-issued account number of the person or entity that remitted the tax.

(3) Transaction date and time.

(4) Type of cannabis.

(5) Weight of the cannabis.

(6) Amount paid.

(7) Method of payment.

(8) Reference number to the method of payment on file with the board.

(9) Any other information deemed appropriate by the board.

34022.2. (a) The board shall employ a technology capable of maintaining records of transactions, transfers and deliveries specified in subdivision (b). At a minimum, the process shall encrypt the following information into each record or otherwise encrypt in relational database tables:

(1) A unique identifier, such as a serial number, for each stamped or metered product, package or label.

(2) The board-issued account number of the person or entity that remitted the tax.

(3) The board-issued account number of the person or entity that is the recipient.

(4) The board-issued account number of the person or entity that sold or delivered the cannabis to the recipient.

(5) Transaction date and time.

(6) Any other information deemed appropriate by the board.

(b) Subdivision (a) shall apply to the following:

(1) The receipt of any cannabis for which the initial sale tax has been paid, if the cannabis is received by a person or entity, or any of its officers, agents and employees, licensed pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code.

(2) The sale or delivery by a person or entity licensed pursuant to Article 2 (commencing with Section 26022) of Chapter 6 of Division 10 of the Business and Professions Code, if not to a person or entity specified in paragraph (1); provided that such cannabis was not sold at retail and is intended for resale.

(c) The board shall develop a method to use (symmetric and asymmetric) encryption in order to ensure the confidentiality, integrity and authentication of all record-keeping actions conducted in accordance with this section.

(d) Upon confirmation of any transaction, transfer or delivery made in accordance with this section, the board shall issue an electronic mail message confirmation to both the email address associated with the board-issued account number of the recipient as well as the person or entity who remitted the tax. This electronic mail message shall include the following elements in the body of the message:

(1) The unique identifier, such as a serial number, for each stamped or metered product, package or label involved in the transaction.

(2) The board-issued account number of the person or entity that remitted the tax.

(3) The board-issued account number of the recipient.

(4) Transaction date and time.

(5) Type of cannabis.

(6) Weight of the cannabis.

(7) Amount paid.

(8) Method of payment.

(9) Reference number to the method of payment on file with the board.

(10) Any other information deemed appropriate by the board.

(e) The board shall develop a method to allow the assignment of a group or lot number for a set of stamped or metered products, packages or labels to facilitate efficient record-keeping practices.

34022.3. (a) In order for any person to request a refund for any cannabis stamp or meter for which the tax has been paid, the requesting person or entity shall provide the board with the following information:

(1) The board-issued account number of the person or entity requesting a refund.

(2) The board-issued account number of the person or entity that remitted the tax.

(3) The unique identifier, such as a serial number, for each stamped or metered product, package or label involved in the refund.

(4) The identification number associated with the valid identification card, as defined in Section 11721.7 of the Health and Safety Code, of a person or primary caregiver of the person who is terminally ill, as defined in subdivision (c) of Section 11159.2 of the Health and Safety Code, based on the circumstances and information available to the attending physician at the time of diagnosis.

- (5) Transaction date and time.
- (6) Type of cannabis.
- (7) Weight of the cannabis.
- (8) Amount paid.

(b) Upon the receipt of a request for refund pursuant to this section, the board shall process and verify each refund request in the following manner:

(1) The board shall electronically verify the identification number associated with the valid identification card, as defined in Section 11721.7 of the Health and Safety Code, of a person or primary caregiver of the person who is terminally ill, as defined in subdivision (c) of Section 11159.2 of the Health and Safety Code, based on the circumstances and information available to the attending physician at the time of diagnosis.

(2) Upon verification, the board shall refund the amount paid to the board-issued account number of the person or entity that initially remitted the tax.

(c) The board shall develop a method to facilitate the requests for refunds described in this section.

(d) If, at a later point in time, the board determines the information provided to the board in accordance with subdivision (b) is false or fraudulent, or is being used fraudulently, the person or entity who requested the refund shall be held liable for any amount imposed in Chapter 2 (commencing with Section 34011) of this part.

34022.4. (a) Except as provided by subdivision (b), the board shall not have the power to require a person or entity to provide a name, address or other identifying information in order to obtain or maintain a board-issued account number described in this chapter, or to conduct any transaction with the board in accordance with this chapter.

(b) Commencing 90 days after federal law permits the production and sale of cannabis consistent with California law, the board shall have the power to require a person or entity disclose his or her name, address or other identifying information in order to obtain or maintain a board-issued account number described in this chapter, or to conduct any transaction with the board in accordance with this chapter.

(c) The board shall have the power to adopt or carry out regulations and protocols necessary for the efficient and effective implementation and administration of the stamp and meter impression programs described in this chapter.

#### ARTICLE V. VERIFICATION PROCEDURES

34022.5. (a) The board shall maintain a 24-hour, toll-free telephone number, and an electronic web-based verification system address which will enable the board and state and local law enforcement officers to have immediate access to information necessary to verify the validity of the stamp or meter impression.

(b) The board may develop an application or other method of verification that is suitable for use on a wireless telephone or any other electronic wireless communications device.

(c) The board shall offer a device at-cost that verifies the validity of a stamp or meter impression issued in accordance with this chapter.

#### CHAPTER 8. OTHER ADMINISTRATIVE PROVISIONS

34023. Except as otherwise provided in this part, Chapter 5 (commencing with Section 6451), Chapter 6 (commencing with Section 6701), Chapter 7 (commencing with Section 6901), and Chapter 8 (commencing with Section 7051) of Part 1, to the extent feasible or practicable, shall govern returns and payments, determinations, collections of fees and taxes, overpayments and refunds, and administration under this part.

34024. (a) Notwithstanding the provisions of Section 34023, the board may prescribe, adopt, and enforce reasonable regulations relating to the administration and enforcement of this part, including, but not limited to, collections, reporting, refunds, and appeals. The board may prescribe the extent to which any ruling and regulation shall be applied without retroactive effect.

(b) The board may prescribe, adopt, and enforce any emergency regulations as necessary to implement this part. Any emergency regulation prescribed, adopted or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare.

34025. (a) All general taxes and special taxes are due and payable to the board quarterly on or before the last day of the month following each calendar quarter.

(b) Except as where provided by the board or otherwise provided by this chapter, on or before the last day of the month following each calendar quarter, a return for the preceding calendar quarter shall be filed using electronic media with the board.

#### CHAPTER 9. DISPOSITION OF REVENUES AND PROCEEDS

34026. (a) Unless otherwise provided by law, any amount required to be paid to the state under Chapter 2 (commencing with Section 34011) shall be paid to the State Board of Equalization. The board shall transmit the payments to the Treasurer to be deposited in the Safe Communities and Parks Account, which is hereby created in the State Treasury.

(b) The Safe Communities and Parks Account shall be used to reimburse:

(1) The administration, implementation and enforcement of all programs, studies, regulations and taxes promulgated under Division 10.4 (commencing with Section 11720) of the Health and Safety Code, Division 10 (commencing with Section

26000) of the Business and Professions Code, or this part. This shall include any costs incurred in the administration of the Medical Marijuana Identification Card Program, as well as any costs incurred by the Cannabis Regulatory Control Board in the Department of Consumer Affairs.

(2) Any state agency or local law enforcement costs in administering and enforcing regulations promulgated under Division 10.4 (commencing with Section 11720) of the Health and Safety Code, Division 10 (commencing with Section 26000) of the Business and Professions Code, or this part.

(3) The administration of Chapter 11 (commencing with Section 11738) of Division 10.4 of the Health and Safety Code by state trial courts and state and local law enforcement agencies. This shall include any costs incurred in the destruction of records of arrest and conviction for certain cannabis-related crimes, the resentencing of individuals for certain cannabis-related crimes, and the reclassification of various convictions of individuals convicted of certain cannabis-related crimes.

(4) The Attorney General's costs of litigation in defense of the validity of the provisions promulgated under Division 10 (commencing with Section 26000) of the Business and Professions Code, Division 10.4 (commencing with Section 11720) of the Health and Safety Code, and this part.

(5) Any costs incurred which must be reimbursed pursuant to Section 6 of Article XIII B of the California Constitution.

(c) All revenue remaining in the Safe Communities and Parks Account after reimbursement of the costs specified in subdivision (b) shall be available for appropriation by the Legislature in the manner and for the liberal purposes set forth in this chapter in accordance with the following schedule:

(1) 25% shall be allocated to publicly-funded substance abuse treatment programs, as well as dedicated drug education and counseling centers within our schools that provide our children with responsible education, early intervention and comprehensive community-oriented treatment programs related to substance use.

(2) 25% shall be allocated to the construction of new school and classroom facilities primarily used for K-12 school purposes.

(3) 25% shall be allocated to the restoration, preservation, and protection of state parks and parklands, as well as to multi benefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state.

(4) 25% shall be allocated to the Center for Medical Cannabis Research, currently operating pursuant to Section 11362.9 of the Health and Safety Code. This shall include any additional cannabis-related research made available to the Center for Medical Cannabis Research, or a successor research entity, by the Legislature, including, but not limited to, studies in the interest of the public health and safety.

(d) On and after July 1, 2019, the Legislature shall have the power to impose a new plan for the disposition and allocation of revenues in lieu of the provisions of subdivision (c); provided that any such change in state statute must be imposed by an Act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature.

34027. (a) Any amount required to be paid to the state or to a local governing body in accordance with a general tax or special tax imposed pursuant to this part shall be paid to the State Board of Equalization. All revenue remaining after reimbursement of any administrative or enforcement costs incurred by the board shall be available to the local governing body for any purposes as approved by the governing board.

(b) The Legislature shall have the power to adopt, enact or carry out legislation to administer and enforce any general or special tax imposed in accordance with this part by a city, county, or city and county.

## CHAPTER 10. VIOLATIONS AND PENALTIES

34031. Notwithstanding any other penalty provided by law, any person or entity that fails to pay any excise tax, general tax, special tax, or fee prescribed under this part in a timely manner, pursuant to the rules and regulations adopted by the board, or by a city, county, or city and county, shall be subject to the following dispositions:

(a) An infraction, punishable by a fine of not less than double the amount due, or a fine of five hundred dollars (\$500), whichever is greater, upon a finding that a first offense has been committed.

(b) A misdemeanor, punishable by a fine of not less than double the amount due or a fine of two thousand five hundred dollars (\$2,500), whichever is greater, upon a finding that a second or subsequent offense has been committed. In addition to a fine, the trial court may, at its discretion, impose a term of imprisonment in the county jail for a period of not more than one year.

34032. Any person who knowingly or willfully files a false tax return with the board, and any person who refuses to permit the board or any of its representatives to make any inspection or examination for which provision is made in this part, or who fails to keep books of account as prescribed by the board, or who fails to preserve such books for the inspection of the board for such time as the board deems necessary, or who alters, cancels, or obliterates entries in such books of account for the purpose of falsifying the records of sales of cannabis made under this part, is guilty of a misdemeanor and shall be punished by a fine of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000), or by imprisonment in the county jail for not less than one month nor more than six months, or by both such fine and imprisonment.

34033. (a) Notwithstanding the provisions of Section 34031, any person who willfully evades or attempts in any manner to evade or defeat the payment of the excise tax, general tax, special tax, or fee imposed by or in accordance with this part is guilty of a felony.

(b) This section shall not apply to the sale of cannabis by a person or entity in a total amount not exceeding one ounce of dried cannabis per year.

34033.5. Any person or entity that fraudulently produces, possesses or utilizes a tax stamp or meter impression that misrepresents or attempts to misrepresent compliance with this part shall be guilty of a felony and subject to imprisonment for two, three, or four years, or to a fine of not less than one thousand dollars (\$1,000) and not more than twenty-five thousand dollars (\$25,000), or to both a fine and imprisonment. This subdivision shall not apply to a person who possesses a fraudulent

tax stamp or meter impression affixed to a cannabis product possessed and obtained for personal use, and not for sale.

34034. Any prosecution for violation of any of the penal provisions of this part shall be instituted within three years after the commission of the offense, or within two years after the violation is discovered, whichever is later.

#### CHAPTER 11. SEIZURE

34035. The board shall have the power to seize any cannabis product intended for resale that includes a counterfeit or fraudulent stamp or meter impression affixed to the package, or any cannabis that is possessed, transported, sold or delivered in violation of California law.

34035.1. Any person may be used by the board or peace officers in the enforcement of this part to apprehend a person or entity, or any of its officers, agents and employees, who sell or furnish cannabis or cannabis-infused products in violation of this part. Notwithstanding any other provision of law, any person who purchases or attempts to purchase any cannabis or cannabis-infused product while under the direction of the board or a peace officer is immune from prosecution for that purchase or attempt to purchase an cannabis or cannabis-infused product, and for any conduct related to such possession or purchase. Guidelines with respect to the use of persons as decoys shall be adopted and published by the board. This subdivision shall not be construed to prevent the board from taking disciplinary action against a person or entity who sells cannabis or cannabis-infused products without the required tax stamp or meter impression to a decoy prior to the board's final adoption of regulatory guidelines. When the use of a decoy results in an arrest or an issuance of a citation, the notification required shall be given to such person or entity and the board within 72 hours of the date of arrest or issuance of the citation. The board may comply with this requirement by both leaving a written notice at a premises addressed to the person or entity and by mailing a notice addressed to the person or entity.

34036. Any person or entity whose cannabis or property, except automobiles or other vehicles, have been seized for forfeiture under this division shall, within 10 days after such seizure, petition the board to return the cannabis or property upon the grounds that the cannabis or other property was illegally or erroneously seized.

34037. Any petition filed pursuant to Section 34036 shall be considered by the board within 30 days after filing, and an oral hearing shall be granted to the petitioner if requested. The board shall serve notice of its decision upon the petitioner, and provide a copy to the law enforcement agency or entity in physical possession of the seized property.

34038. If found to be illegally or erroneously seized, the board shall order that the cannabis or property seized be returned or made available to the petitioner within five working days.

34038.5. Any cannabis or property seized by the board may be turned over to a state or local law enforcement agency. The person in charge of any state department or institution may file with the board a request that cannabis or property of a kind specified in the request be turned over to such department or institution. No cannabis or property for which a request has been made by a state department or institution shall be destroyed until all requests of state departments and institutions for the type or kind of cannabis or property have been complied with.

**SEC. 6.** Section 6369.3 is added to Article 1 (commencing with Section 6351) of Chapter 4 of Part 1 of Division 2 of the Revenue and Taxation Code, to read:

6369.3. (a) For the purposes of this section, the definitions provided within Division 10.4 (commencing with Section 11720) of the Health and Safety Code shall apply.

(b) On and after July 1, 2017, there are exempted from the taxes imposed by this part the gross receipts from the sale in this state of, and the storage, use, or other consumption, in this state of, cannabis or medical cannabis furnished by a person operating pursuant to 11721.775 of the Health and Safety Code to a qualified patient, primary caregiver, or a person with a valid identification card.

(c) On and after July 1, 2017, there are exempted from the taxes imposed by this part the gross receipts from the sale in this state of, and the storage, use, or other consumption, in this state of, cannabis or medical cannabis furnished by a licensee or an officer, employee or authorized agent of the licensee, holding a license issued pursuant to Article 1 (commencing with Section 26020), Article 4 (commencing with Section 26026), Article 5 (commencing with Section 26028), or Article 6 (commencing with Section 26030) of Chapter 6 of Division 10 of the Business and Professions Code, to a qualified patient, primary caregiver, or a person with a valid identification card.

(d) On and after July 1, 2017, "medicines" as used in Section 6369 means and includes medical cannabis.

(e) On and after July 1, 2018, the Legislature shall have the power to require that a person have in his or her possession a valid identification card in order to qualify for the exemptions provided in this section; provided that any such change in state statute must be imposed by an Act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature.

**SEC. 7.** Section 11006.5 of the Health and Safety Code is repealed.

**SEC. 8.** Section 11018 of the Health and Safety Code is repealed.

**SEC. 9.** Section 11018.5 of the Health and Safety Code is repealed.

**SEC. 10.** Paragraph (13) of subdivision (d) of Section 11054 of the Health and Safety Code, as it existed prior to July 1, 2015, is hereby repealed.

**SEC. 11.** Paragraph (20) of subdivision (d) of Section 11054 of the Health and Safety Code, as it existed prior to July 1, 2015, is

hereby amended by striking the first iteration of “Tetrahydrocannabinols.”

**SEC. 12.** Section 11357 of the Health and Safety Code is repealed.

**SEC. 13.** Section 11358 of the Health and Safety Code is repealed.

**SEC. 14.** Section 11359 of the Health and Safety Code is repealed.

**SEC. 15.** Section 11360 of the Health and Safety Code is repealed.

**SEC. 16.** Section 11361 of the Health and Safety Code is repealed.

**SEC. 17.** Section 11361.5 of the Health and Safety Code is repealed.

**SEC. 18.** Section 11361.7 of the Health and Safety Code is repealed.

**SEC. 19.** Section 11485 of the Health and Safety Code is repealed.

**SEC. 20.** Section 11362.5 of the Health and Safety Code is hereby moved to and re-codified as Section 11721.5, under Article 2 (commencing with Section 11721.5) of Chapter 2 of Division 10.4 of the Health and Safety Code, and is amended to read:

~~11362.5.~~ *11721.5.* (a) This section shall be known and may be cited as the Compassionate Use Act of 1996.

(b) (1) The people of the State of California hereby find and declare that the purposes of the Compassionate Use Act of 1996 are as follows:

(A) To ensure that seriously ill Californians have the right to obtain and use marijuana for medical purposes where that medical use is deemed appropriate and has been recommended by a physician who has determined that the person's health would benefit from the use of marijuana in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief.

(B) To ensure that patients and their primary caregivers who obtain and use marijuana for medical purposes upon the recommendation of a physician are not subject to criminal prosecution or sanction.

(C) To encourage the federal and state governments to implement a plan to provide for the safe and affordable distribution of marijuana to all patients in medical need of marijuana.

(2) Nothing in this section shall be construed to supersede legislation prohibiting persons from engaging in conduct that endangers others, nor to condone the diversion of marijuana for nonmedical purposes.

(c) Notwithstanding any other provision of law, no physician in this state shall be punished, or denied any right or privilege, for having recommended marijuana to a patient for medical purposes.

(d) *Notwithstanding any other provision of law, offenses similar to Section 11357, relating to the possession of marijuana, and Section 11358, relating to the cultivation of marijuana, as the offenses existed prior to July 1, 2015, shall not apply to a patient, or to a patient's primary caregiver, who possesses or cultivates marijuana for the personal medical purposes of the patient upon the written or oral recommendation or approval of a physician.*

(e) For the purposes of this section, "primary caregiver" means the individual designated by the person exempted under this section who has consistently assumed responsibility for the housing, health, or safety of that person.

**SEC. 21.** Article 2.5 (commencing with Section 11721.7) is added to Chapter 2 of Division 10.4 of the Health and Safety Code, to read:

*11721.7. For purposes of this article, the following definitions shall apply:*

(a) *"Attending physician" means an individual who possesses a license in good standing to practice medicine or osteopathy issued by the Medical Board of California or the Osteopathic Medical Board of California and who has taken responsibility for an aspect of the medical care, treatment, diagnosis, counseling, or referral of a patient and who has conducted a medical examination of that patient before recording in the patient's medical record the physician's assessment of whether the patient has a serious medical condition and whether the medical use of cannabis is appropriate.*

(b) *"Department" means the California Department of Public Health.*

(c) *"Person with an identification card" means an individual who is a qualified patient who has applied for and received a valid identification card pursuant to this article.*

(d) *"Primary caregiver" means the individual, designated by a qualified patient or by a person with an identification card, who has consistently assumed responsibility for the housing, health, or safety of that patient or person, and may include any of the following:*

(1) *In any case in which a qualified patient or person with an identification card receives medical care or supportive services, or both, from a clinic licensed pursuant to Chapter 1 (commencing with Section 1200) of Division 2, a health care facility licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2, a residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 (commencing with Section 1568.01) of Division 2, a residential care facility for the elderly licensed pursuant to Chapter 3.2 (commencing with Section 1569) of Division 2, a hospice, or a home health agency licensed pursuant to Chapter 8 (commencing with Section 1725) of Division 2, the owner or operator, or no more than three employees who are designated by the owner or operator, of the clinic, facility, hospice, or home health agency, if designated as a primary caregiver by that qualified patient or person with an identification card.*

(2) An individual who has been designated as a primary caregiver by more than one qualified patient or person with an identification card.

(e) A primary caregiver shall be at least 18 years of age, unless the primary caregiver is the parent of a minor child who is a qualified patient or a person with an identification card or the primary caregiver is a person otherwise entitled to make medical decisions under state law pursuant to Sections 6922, 7002, 7050, or 7120 of the Family Code.

(f) "Qualified patient" means a person who is entitled to the protections of Section 11721.5, but who does not have an identification card issued pursuant to this article.

(g) "Identification card" means a document issued by the California Department of Public Health to persons for whom that medical use is deemed appropriate and has been recommended by a licensed physician who has determined that the person's health would benefit from the use of cannabis. That document identifies a person not prohibited from engaging in the medical use of cannabis and the person's designated primary caregiver, if any.

(h) "Serious medical condition" means all of the following medical conditions:

(1) Acquired immune deficiency syndrome (AIDS).

(2) Anorexia.

(3) Arthritis.

(4) Cachexia.

(5) Cancer.

(6) Chronic pain.

(7) Glaucoma.

(8) Migraine.

(9) Persistent muscle spasms, including, but not limited to, spasms associated with multiple sclerosis.

(10) Seizures, including, but not limited to, seizures associated with epilepsy.

(11) Severe nausea.

(12) Any other chronic or persistent medical symptom that either:

(A) Substantially limits the ability of the person to conduct one or more major life activities as defined in the Americans with Disabilities Act of 1990 (Public Law 101-336).

(B) If not alleviated, may cause serious harm to the patient's safety or physical or mental health.

(i) "Written documentation" means accurate reproductions of those portions of a patient's medical records that have been created by the attending physician, that contain the information required by paragraph (2) of subdivision (a) of Section 11721.715, and that the patient may submit to a county health department or the county's designee as part of an application for an identification card.

(j) "mature cannabis plant" means:

(1) a cannabis plant that the sex of the plant can be readily determined by the unaided eye, or

(2) a flowering cannabis plant that is at least one foot in width or height.

(k) "Visiting qualified patient" means a patient who is not a resident of this state or who has been a resident of this state for less than 30 days and who possesses a valid identification card, or its equivalent, that was issued under the laws of another state, district, territory, commonwealth, or insular possession of the United States that provides for the medical use of cannabis by the qualified patient. A visiting qualifying patient shall be deemed a person with a valid identification card.

11721.71. (a) (1) The department shall establish and maintain a voluntary program for the issuance of identification cards to qualified patients who satisfy the requirements of this article and voluntarily apply to the identification card program.

(2) The department shall establish and maintain a 24-hour, toll-free telephone number that will enable state and local law enforcement officers to have immediate access to information necessary to verify the validity of an identification card issued by the department, until a cost-effective Internet Web-based system can be developed for this purpose.

(b) Every county health department, or the county's designee, shall do all of the following:

(1) Provide applications upon request to individuals seeking to join the identification card program.

(2) Receive and process completed applications in accordance with Section 11721.72.

(3) Maintain records of identification card programs.

(4) Utilize protocols developed by the department pursuant to paragraph (1) of subdivision (d).

(5) Issue identification cards developed by the department to approved applicants and designated primary caregivers. If the applicant or the designated primary caregiver elects to receive the identification card via mail, the department shall issue the card via Certified Mail to the address designated by the applicant or designated primary caregiver. If a card is lost in the mail, the county health department shall deactivate the identification card and re-issue a new identification card via Certified Mail upon confirmation of loss by the United States Postal Service.

(c) The county board of supervisors may designate another health-related governmental or nongovernmental entity or organization to perform the functions described in subdivision (b), except for an entity or organization that cultivates or distributes cannabis.

(d) The department shall develop all of the following:

(1) Protocols that shall be used by a county health department or the county's designee to implement the responsibilities described in subdivision (b), including, but not limited to, protocols to confirm the accuracy of information contained in an application and to protect the confidentiality of program records.

(2) Application forms that shall be issued to requesting applicants.

(3) An identification card that identifies a person authorized to engage in the medical use of cannabis and an identification card that identifies the person's designated primary caregiver, if any. The two identification cards developed pursuant to this paragraph shall be easily distinguishable from each other.

(e) No person or designated primary caregiver in possession of a valid identification card shall be subject to arrest, prosecution, asset forfeiture, seizure, penalty or sanction for possession, transportation, delivery, manufacture, processing, or cultivation of medical cannabis in an amount established pursuant to this article, unless there is reasonable cause to believe that the information contained in the card is false or falsified, the card has been obtained by means of fraud, or the person is otherwise in violation of the provisions of this article.

(f) No peace officer shall take any more information or time as reasonably necessary in order to determine the validity of the identification card, unless there is reasonable cause to believe that the information obtained is false or falsified.

(g) Any person who possesses a valid identification card, or its equivalent, that was issued under the laws of another state, district, territory, commonwealth, or insular possession of the United States, that provides for the medical use of cannabis by the qualified patient or primary caregiver, shall be deemed a person in possession of a valid identification card under California law.

(h) It shall not be necessary for a person to obtain an identification card in order to claim the protections of Section 11721.5.

11721.715. (a) A person who seeks an identification card shall pay the fee, as provided in Section 11721.755, and provide all of the following to the county health department or the county's designee on a form developed and provided by the department:

(1) The name of the person, and proof of his or her residency within the United States.

(2) Written documentation by the attending physician in the person's medical records stating that the person has been diagnosed with a serious medical condition and that the medical use of cannabis is appropriate.

(3) The name, office address, office telephone number, and California medical license number of the person's attending physician.

(4) The name and the duties of the primary caregiver.

(5) A government-issued photo identification card of the person and of the designated primary caregiver, if any. If the applicant is a person under 18 years of age, a certified copy of a birth certificate shall be deemed sufficient proof of identity.

(6) If applicable, written documentation from the patient's attending physician who certifies, under penalty of perjury, the patient is terminally ill, as defined in subdivision (c) of Section 11159.2 of the Health and Safety Code, based on the circumstances and information available to the attending physician at the time of diagnosis.

(b) If the person applying for an identification card lacks the capacity to make medical decisions, the application may be made by the person's legal representative, including, but not limited to, any of the following:

(1) A conservator with authority to make medical decisions.

(2) An attorney-in-fact under a durable power of attorney for health care or surrogate decisionmaker authorized under another advanced health care directive.

(3) Any other individual authorized by statutory or decisional law to make medical decisions for the person.

(c) The legal representative described in subdivision (b) may also designate in the application an individual, including himself or herself, to serve as a primary caregiver for the person, provided that the individual meets the definition of a primary caregiver.

(d) The person or legal representative submitting the written information and documentation described in subdivision (a) shall retain a copy thereof.

11721.72 (a) Within 30 days of receipt of an application for an identification card, a county health department or the county's designee shall do all of the following:

(1) For purposes of processing the application, verify that the information contained in the application is accurate. If the person is an unemancipated minor less than 18 years of age, the county health department or its designee shall also contact the parent with legal authority to make medical decisions, legal guardian, or other person or entity with legal authority to make medical decisions, to verify the information.

(2) Verify with the Medical Board of California or the Osteopathic Medical Board of California, or any other board or agency approved by the department, that the attending physician has a license in good standing to practice medicine or osteopathy in the state.

(3) Contact the attending physician by facsimile, telephone, or mail to confirm that the medical records submitted by the patient are a true and correct copy of those contained in the physician's office records. When contacted by a county health department or the county's designee, the attending physician shall confirm or deny that the contents of the medical records are accurate.

(4) Take a photograph or otherwise obtain an electronically transmissible image of the applicant and of the designated primary caregiver, if any.

(5) Approve or deny the application. If an applicant who meets the requirements of Section 11721.715 can establish that an identification card is needed on an emergency basis, the county or its designee shall issue a temporary identification card that shall be valid for 30 days from the date of issuance. The county, or its designee, may extend the temporary identification card for no more than 30 days at a time, so long as the applicant continues to meet the requirements of this paragraph.

11721.735. (a) An identification card issued by the county health department shall be serially numbered and shall contain all of the following:

(1) A unique user identification number of the cardholder.

(2) The date of expiration of the identification card.

(3) The name and telephone number of the county health department or the county's designee that has approved the application.

(4) A 24-hour, toll-free telephone number, to be maintained by the department, that will enable state and local law enforcement officers to have immediate access to information necessary to verify the validity of the card.

(5) Photo identification of the cardholder.

(b) A separate identification card shall be issued to the person's designated primary caregiver, if any, and shall include a photo identification of the caregiver.

(c) On and after July 1, 2017, any identification card issued by the county health department shall contain the user identification number encoded in a magnetic stripe on the reverse side, as well as any other medium approved by the Department of Consumer Affairs for efficient data entry and verification by state and local law enforcement, and by licensed entities.

(d) On and after July 1, 2017, if the patient's attending physician has certified, under penalty of perjury, the patient is terminally ill, as defined in subdivision (c) of Section 11159.2 of the Health and Safety Code, based on the circumstances and information available to the attending physician at the time of diagnosis, the identification card issued by the county health department shall contain a statement indicating that the associated qualified patient has been certified as terminally ill.

11721.74. (a) The county health department or the county's designee may deny an application only for any of the following reasons:

(1) The applicant did not provide the information required by Section 11721.715, and upon notice of the deficiency pursuant to subdivision (d) of Section 11721.72, did not provide the information within 30 days.

(2) The county health department or the county's designee determines that the information provided was false.

(3) The applicant does not meet the criteria set forth in this article.

(b) Any person whose application has been denied pursuant to subdivision (a) may not reapply for six months from the date of denial unless otherwise authorized by the county health department or the county's designee or by a court of competent jurisdiction.

(c) Any person whose application has been denied pursuant to subdivision (a) may appeal that decision to the department. The county health department or the county's designee shall make available a telephone number or address to which the denied applicant can direct an appeal.

11721.745. (a) An identification card shall be valid for a period of one year.

(b) Upon annual renewal of an identification card, the county health department or its designee shall verify all new information and may verify any other information that has not changed.

(c) The county health department or the county's designee shall transmit its determination of approval or denial of a renewal to the department.

11721.755. (a) Effective July 1, 2017, the total application and renewal fee established for all persons seeking to obtain or renew medical cannabis identification cards shall be set at fifteen dollars (\$15).

(b) The department may collect an additional fee of five dollars (\$5) per each identification card delivered via mail.

(c) Notwithstanding any other provision of law, there shall be no application, renewal or delivery fee for any person seeking an identification card that possesses written documentation from the patient's attending physician who certifies, under penalty of perjury, the patient is terminally ill, as defined in subdivision (c) of Section 11159.2 of the Health and Safety Code, based on the circumstances and information available to the attending physician at the time of diagnosis.

(d) Funds to offset any actual or potential costs incurred by a county health department in administering the identification card program shall be advanced as a loan by the department and shall be repaid by the initial and recurring funds in the Safe Communities and Parks Account, created in Part 14.5 (commencing with Section 34001) of Division 2 of the Revenue and Taxation Code.

11721.765. (a) Subject to the requirements of this article, the individuals specified in subdivision (b) shall not be subject, on that sole basis, to criminal liability under Section 11725, 11727, or 11728. However, nothing in this section shall authorize the individual to smoke or otherwise consume cannabis unless otherwise authorized by this article, nor shall anything in this section authorize any individual or group to cultivate or distribute cannabis for profit.

(b) Subdivision (a) shall apply to all of the following:

(1) A qualified patient or a person with an identification card who transports or processes cannabis for his or her own personal medical use.

(2) A designated primary caregiver who cultivates, transports, processes, administers, delivers, or gives away cannabis for medical purposes, in amounts not exceeding those established in subdivision (a) of Section 11721.77, only to the qualified patient of the primary caregiver, or to the person with an identification card who has designated the individual as a primary caregiver.

(3) Any individual who provides assistance to a qualified patient or a person with an identification card, or his or her designated primary caregiver, in cultivating or administering medical cannabis to the qualified patient or person or acquiring the skills necessary to cultivate or administer cannabis for medical purposes to the qualified patient or person.

(c) A primary caregiver who receives compensation for actual expenses, including reasonable compensation incurred for services provided to an eligible qualified patient or person with an identification card to enable that person to use cannabis under this article, or for payment for out-of-pocket expenses incurred in providing those services, or both, shall not, on the sole basis of that fact, be subject to prosecution or punishment under Section 11725, 11727, or 11728.

11721.768. (a) This section shall apply to individuals specified in subdivision (b) of Section 11721.765.

(b) No medical cannabis cooperative, collective, dispensary, operator, establishment, or provider who possesses, cultivates, or distributes medical cannabis pursuant to this article shall be located within a 600-foot radius of a school.

(c) The distance specified in this section shall be the horizontal distance measured in a straight line from the property line of the school to the closest property line of the lot on which the medical cannabis cooperative, collective, dispensary, operator, establishment, or provider is to be located without regard to intervening structures.

(d) This section shall not apply to a medical cannabis cooperative, collective, dispensary, operator, establishment, or provider that is also a licensed residential medical or elder care facility.

(e) This section shall apply only to a medical cannabis cooperative, collective, dispensary, operator, establishment, or provider that is authorized by law to possess, cultivate, or distribute medical cannabis and that has a storefront or mobile retail outlet.

(f) Nothing in this section shall prohibit a city, county, or city and county from adopting ordinances or policies that further restrict the location or establishment of a medical cannabis cooperative, collective, dispensary, operator, establishment, or provider.

(g) Nothing in this section shall preempt local ordinances, adopted prior to January 1, 2011, that regulate the location or establishment of a medical cannabis cooperative, collective, dispensary, operator, establishment, or provider.

(h) For the purposes of this section, "school" means any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

11721.77. (a) A qualified patient, primary caregiver, or person in possession of a valid identification card, shall not be subject to prosecution nor be subject to any criminal or civil penalties for the possession, cultivation, transportation, manufacture, processing, or delivery of cannabis, for the personal medical purposes of a qualified patient, in any combination of the following amounts:

(1) Not more than eight avoirdupois ounces of dried cannabis per qualified patient.

(2) Not more than 6 mature cannabis plants per qualified patient, or the cultivation of mature cannabis plants in an area not exceeding twenty-five square feet per qualified patient as measured by the combined growth area of mature cannabis plants, whichever amount is greater.

(3) Any cannabis produced by such cannabis plants, or any part thereof, but only in the area or upon the premises where the plants were grown.

(4) Not more than one hundred gallons of cannabis-infused product in liquid form per qualified patient.

(5) Any cannabis obtained from a person or entity, or any of its officers, agents and employees, licensed pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code; provided that the cannabis has a tax stamp or meter impression affixed to the product, package or label in accordance with Part 14.5 (commencing with Section 34001) of Division 2 of the Revenue and Taxation Code, and such cannabis is not intended for resale.

(6) Any other type of cannabis or cannabis-infused product not covered by paragraphs (1) through (5), inclusive.

(b) If a qualified patient or primary caregiver has a doctor's recommendation that this quantity does not meet the qualified patient's medical needs, the qualified patient or primary caregiver may possess an amount of cannabis consistent with the patient's needs.

(c) Counties and cities may retain or enact medical cannabis guidelines protecting qualified patients or primary caregivers that exceed the amounts set forth in subdivision (a). State law enforcement officials shall recognize lawfully adopted amounts in such counties and cities that choose to exercise their authority under this subdivision.

(d) A qualified patient or a person holding a valid identification card, or the designated primary caregiver of that qualified patient or person, may possess amounts of cannabis consistent with this article.

(e) There shall be a rebuttable presumption that a qualified patient, designated primary caregiver, or a person in possession of a valid identification card, is in compliance with the conditions set forth in this section.

(f) Notwithstanding any other provision of law, it is the intent of the People to affirm the decision in *People v. Kelly* (2010) 47 Cal. 4th 1008, 1013. Nothing shall abridge the rights of qualified patients or their primary caregivers pursuant to the Compassionate Use Act of 1996 as adopted at the November 5, 1996 General Election.

11721.775. (a) Qualified patients, persons with valid identification cards, and the designated primary caregivers of qualified patients and persons with identification cards, who associate within the State of California in order collectively or cooperatively, or as other business entities, to possess, purchase, transport, cultivate, manufacture, process, administer, deliver, or give away cannabis for medical purposes, shall not solely on the basis of that fact be subject to state criminal sanctions under Section 11725, 11727, or 11728. This section applies to all members of an entity formed pursuant to this section regardless of whether those members contribute to all or any of the activities of the entity.

(b) This section shall remain in effect only until 90 days after the Cannabis Regulatory Control Board or the Department of Consumer Affairs posts a notice on its Internet Web site that it has begun issuing commercial licenses pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code; provided that, notwithstanding any other provision of law, if any provision of Division 10 (commencing with Section 26000) of the Business and Professions Code or the application thereof to any person or circumstances is held invalid, and such invalidity unreasonably burdens or prevents the issuance or renewal of licenses consistent with the provisions of such division, the provisions of this section shall retain immediate force and effect.

11721.777. (a) Not later than the first working day in July of each year, the Cannabis Regulatory Control Board in the Department of Consumer Affairs, or a future designated entity, shall publish a "Qualified Patient and Primary Caregiver Bill of Rights" document, which shall include the information in subdivision (b), and shall be reviewed and certified by the Attorney General. The Department of Consumer Affairs shall disseminate such document to state and local law enforcement authorities, and licensees under Division 10 (commencing with Section 26000) of the Business and Professions Code, upon release.

(b) The Patient Bill of Rights document shall include the following:

(1) Conspicuous definition of state floor amounts regarding possession and cultivation of cannabis for personal medical use as provided in Section 11721.77, as well as a general summary of the various rules and ordinances in each city, county, and city and county that pertain to the use, possession or cultivation of cannabis for personal medical purposes;

(2) Conspicuous provision that applicable arrest and seizure protections shall be granted if the eligible qualified patient is in possession of a lawful and readily verifiable written documentation from the attending physician at the time of investigation, but that person shall always have the right to prove limited immunity in a court of competent jurisdiction;

(3) Accurate information on participating in the California Medical Cannabis Identification Card program, including relevant fees and a website address to provide information on how to apply for or renew a valid identification card in that county;

(4) Various state and local tax rates and exemptions related to cannabis transactions.

(5) *Any other information as deemed necessary.*

11721.78. *A state or local law enforcement agency or officer shall not refuse to accept an identification card issued by the department unless the state or local law enforcement agency or officer has reasonable cause to believe that the information contained in the card is false or fraudulent, or the card is being used fraudulently.*

11721.785. (a) *Nothing in this article shall require any accommodation of any medical use of cannabis on the property or premises of any place of employment or during the hours of employment or on the property or premises of any jail, correctional facility, or other type of penal institution in which prisoners reside or persons under arrest are detained.*

(b) *Notwithstanding subdivision (a), a person shall not be prohibited or prevented from obtaining and submitting the written information and documentation necessary to apply for an identification card on the basis that the person is incarcerated in a jail, correctional facility, or other penal institution in which prisoners reside or persons under arrest are detained.*

(c) *Nothing in this article shall prohibit a jail, correctional facility, or other penal institution in which prisoners reside or persons under arrest are detained, from permitting a prisoner or a person under arrest who has an identification card, to use cannabis for medical purposes under circumstances that will not endanger the health or safety of other prisoners or the security of the facility.*

(d) *Nothing in this article shall require a governmental, private, or any other health insurance provider or health care service plan to be liable for any claim for reimbursement for the medical use of cannabis.*

11721.795. (a) (1) *Any criminal defendant who is eligible to use cannabis pursuant to Section 11721.5 may request that the court confirm that he or she is allowed to use medical cannabis while he or she is on probation or released on bail.*

(2) *The court's decision and the reasons for the decision shall be stated on the record and an entry stating those reasons shall be made in the minutes of the court.*

(3) *During the period of probation or release on bail, if a physician recommends that the probationer or defendant use medical cannabis, the probationer or defendant may request a modification of the conditions of probation or bail to authorize the use of medical cannabis.*

(4) *The court's consideration of the modification request authorized by this subdivision shall comply with the requirements of this section.*

(b) (1) *Any person who is to be released on parole from a jail, state prison, school, road camp, or other state or local institution of confinement and who is eligible to use medical cannabis pursuant to Section 11721.5 may request that he or she be allowed to use medical cannabis during the period he or she is released on parole. A parolee's written conditions of parole shall reflect whether or not a request for a modification of the conditions of his or her parole to use medical cannabis was made, and whether the request was granted or denied.*

(2) *During the period of the parole, where a physician recommends that the parolee use medical cannabis, the parolee may request a modification of the conditions of the parole to authorize the use of medical cannabis.*

(3) *Any parolee whose request to use medical cannabis while on parole was denied may pursue an administrative appeal of the decision. Any decision on the appeal shall be in writing and shall reflect the reasons for the decision.*

(4) *The administrative consideration of the modification request authorized by this subdivision shall comply with the requirements of this section.*

11721.8. *No professional licensing board may impose a civil penalty or take other disciplinary action against a licensee based solely on the fact that the licensee has performed acts that are necessary or appropriate to carry out the licensee's role as a designated primary caregiver to a person who is a qualified patient or who possesses a lawful identification card issued pursuant to Section 11721.72. However, this section shall not apply to acts performed by a physician relating to the discussion or recommendation of the medical use of cannabis to a patient. These discussions or recommendations, or both, shall be governed by Section 11721.5.*

11721.81. (a) *A person specified in subdivision (b) shall be subject to the following penalties:*

(1) *For the first offense, imprisonment in the county jail for no more than six months or a fine not to exceed one thousand dollars (\$1,000), or both.*

(2) *For a second or subsequent offense, imprisonment in the county jail for no more than one year, or a fine not to exceed one thousand dollars (\$1,000), or both.*

(b) *Subdivision (a) applies to any of the following:*

(1) *A person who fraudulently represents a medical condition or fraudulently provides any material misinformation to a physician, county health department or the county's designee, or state or local law enforcement agency or officer; for the purpose of falsely obtaining an identification card.*

(2) *A person who steals or fraudulently uses any person's identification card in order to acquire, possess, cultivate, transport, use, produce, or distribute cannabis.*

(3) *A person who counterfeits, tampers with, or fraudulently produces an identification card.*

(4) *A person who breaches the confidentiality requirements of this article to information provided to, or contained in the records of, the department or of a county health department or the county's designee pertaining to an identification card program.*

(c) *In addition to the penalties prescribed in subdivision (a), any person described in subdivision (b) may be precluded from attempting to obtain, or obtaining or using, an identification card for a period of up to six months at the discretion of the court.*

11721.82. (a) *If any section, subdivision, sentence, clause, phrase, or portion of this article is for any reason held invalid or unconstitutional by any court of competent jurisdiction, that portion shall be deemed a separate, distinct, and independent provision, and that holding shall not affect the validity of the remaining portion thereof.*

(b) *With exception to the provisions of Section 11721.77, this article shall not become operative until*

**SEC. 22.** Effective July 1, 2017, all provisions of Article 2.5 (commencing with Section 11362.7) of Chapter 6 of Division 10 of the Health and Safety Code enacted prior to July 1, 2015, shall be repealed. The Legislature shall have the power to repeal any provisions after July 1, 2015 that are in conflict with this Act.

**SEC. 23.** Section 23222 of the Vehicle Code is amended to read:

23222. (a) No person shall have in his or her possession on his or her person, while driving a motor vehicle upon a highway or on lands, as described in subdivision (b) of Section 23220, any bottle, can or receptacle, containing any alcoholic beverage which has been opened, or a seal broken, or the contents of which have been partially removed.

(b) Except as authorized by law, every person who ~~possesses, smokes or otherwise consumes,~~ while driving a motor vehicle upon a highway or on lands, as described in subdivision (b) of Section 23220, ~~not more than one avoirdupois ounce of marijuana, other than concentrated cannabis as defined by Section 11006.5 of the Health and Safety Code,~~ is guilty of an infraction and shall be punished by a fine of not more than one hundred dollars (\$100). *This section shall not preclude criminal prosecution for any offense that involves activities potentially made dangerous by the consumption of cannabis, including, but not limited to, a violation of Section 23103 of the Vehicle Code, as specified by Section 23103.5 of the Vehicle Code, or a violation of Sections 23152 and 23153 of the Vehicle Code.*

**SEC. 24.** Section 40000.15 of the Vehicle Code is amended to read:

40000.15. A violation of any of the following provisions shall constitute a misdemeanor, and not an infraction:

Subdivision (g), (j), (k), (l), or (m) of Section 22658, relating to unlawfully towed or stored vehicles.

Sections 23103 and 23104, relating to reckless driving.

Section 23109, relating to speed contests or exhibitions.

Subdivision (a) of Section 23110, relating to throwing at vehicles.

Section 23152, relating to driving under the influence.

~~Subdivision (b) of Section 23222, relating to possession of marijuana.~~

Subdivision (a) or (b) of Section 23224, relating to persons under 21 years of age knowingly driving, or being a passenger in, a motor vehicle carrying any alcoholic beverage.

Section 23253, relating to directions on toll highways or vehicular crossings.

Section 23332, relating to trespassing.

Section 24002.5, relating to unlawful operation of a farm vehicle.

Section 24011.3, relating to vehicle bumper strength notices.

Section 27150.1, relating to sale of exhaust systems.

Section 27362, relating to child passenger seat restraints.

Section 28050, relating to true mileage driven.

Section 28050.5, relating to nonfunctional odometers.

Section 28051, relating to resetting odometers.

Section 28051.5, relating to devices to reset odometers.

Subdivision (d) of Section 28150, relating to possessing four or more jamming devices.

**SEC. 25.** Section 432.8 of the Labor Code is amended to read:

432.8. The limitations on employers and the penalties provided for in Section 432.7 shall apply to a conviction for violation of *Division 10.4 (commencing with Section 11720) of the Health and Safety Code or a statutory predecessor thereof*, subdivision (b) or (c) of Section 11357 of the Health and Safety Code or a statutory predecessor thereof, or subdivision ~~(e)~~ (b) of Section 11360 of the Health and Safety Code, *as they related to marijuana prior to July 1, 2015*, or Section 11364, 11365, or 11550 of the Health and Safety Code as they related to marijuana prior to January 1, 1976, or a statutory predecessor thereof, two years from the date of such a conviction.

**SEC. 26. AMENDMENTS**

Pursuant to subdivision (c) of Section 10 of Article 2 of the California Constitution, this Act may be amended either by a subsequent measure submitted to a vote of the People at a statewide election; or by statute validly passed by the Legislature and signed by the Governor, but only to further the purposes of the Act as codified in Division 10.4 (commencing with Section 11720) of the Health and Safety Code or as otherwise provided in this Act. Such permitted amendments include, but are not limited to:

- (a) Statutory provisions consistent with this act that exercise the police powers of the state for the protection of the safety, welfare, and health of the people of the State of California.
- (b) Statutory provisions that set aside the penalties for violation of any provision of Division 10.4 (commencing with Section 11720) of the Health and Safety Code by a person under 18 years of age and develop alternative responses such as education, counseling, or treatment.
- (c) Statutes to develop a scientifically acceptable and uniform standard of impairment by cannabis.
- (d) Statutes to regulate the use or consumption of cannabis in the workplace, or as a condition of employment.
- (e) Statutes to assist in the operations of the Cannabis Regulatory Control Board.
- (f) Amendments to raise the protected amounts pertaining to the personal or medical possession or cultivation of cannabis, which are minimum statewide arrest thresholds and the Legislature may adopt less restrictive protections.
- (g) Regulations or statutory provisions to assist the Board of Equalization in the administration and enforcement of any cannabis-related tax described in Part 14.5 (commencing with Section 34001) of Division 2 of the Revenue and Taxation Code.
- (h) Statutory provisions to amend or repeal laws now in conflict with this Act, and have no force or effect of law.
- (i) Statutes to regulate the commercial production, manufacture, sale or distribution of cannabis or cannabis-infused products that are ingested or meant to be ingested through the mouth and into the digestive system.
- (j) Laws to regulate the production of hemp for horticultural and industrial purposes.
- (k) Statutes to regulate commercial cannabis activities consistent with the letter and spirit of this Act.

**SEC. 27. ATTORNEY GENERAL GUIDELINES.** Within 30 days of the passage of this Act, the Attorney General shall develop and distribute guidelines to all applicable state and local governments as necessary to ensure the uniform, consistent and timely implementation and enforcement of the provisions of this Act. Such guidelines shall be distributed to all district and city attorneys, as well as all state and local law enforcement agencies in the State.

**SEC. 28. SEVERABILITY**

If any provision of this Act, or part thereof, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions of this Act are severable.