

AMENDED IN ASSEMBLY AUGUST 13, 2019

AMENDED IN SENATE APRIL 30, 2019

AMENDED IN SENATE MARCH 28, 2019

SENATE BILL

No. 627

Introduced by Senator Galgiani

February 22, 2019

An act to amend Sections 4825.1, 26000, 26001, 26030, 26050, 26104, 26140, and 26162.5 of, and to add Sections 4826.3 and 26003 to, the Business and Professions Code, *and to amend Section 11156 of the Health and Safety Code*, relating to cannabis.

LEGISLATIVE COUNSEL'S DIGEST

SB 627, as amended, Galgiani. ~~Medicinal cannabis and medicinal Cannabis and cannabis products: medicinal use on an animal:~~ veterinary medicine.

The California Uniform Controlled Substances Act classifies controlled substances into 5 designated schedules, and places cannabis and cannabis products under Schedule I. The act prohibits prescribing, administering, dispensing, or furnishing a controlled substance to or for any person or animal, unless otherwise specified.

This bill would create an exception to the above-described prohibition for medicinal use of cannabis on an animal pursuant to the provisions of the bill described below.

Existing law, the Compassionate Use Act of 1996, an initiative measure enacted by the approval of Proposition 215 at the November 6, 1996, statewide general election, authorizes the use of cannabis for medical purposes and provides certain protections to a physician and surgeon who recommends the use of medical cannabis to a patient. *The*

Control, Regulate and Tax Adult Use of Marijuana Act of 2016 (AUMA), an initiative measure approved as Proposition 64 at the November 8, 2016, statewide general election, authorizes a person who obtains a state license under AUMA to engage in commercial adult-use cannabis activity pursuant to that license and applicable local ordinances. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, provides for the licensure and regulation of commercial medicinal and adult-use cannabis activities and states that the purpose and intent of MAUCRSA is to establish a comprehensive system to control and regulate the cultivation, distribution, transport, storage, manufacturing, processing, and sale of both medicinal cannabis and medicinal cannabis products for patients with a valid physician recommendation and adult-use cannabis and adult-use cannabis products for adults 21 years of age and over. MAUCRSA defines various terms for these purposes, including “medicinal cannabis,” “medicinal cannabis products,” “physician’s recommendation,” and “primary caregiver.” MAUCRSA authorizes a licensed medicinal cannabis retailer to sell or transfer cannabis, cannabis products, and cannabis accessories to a person 18 years of age or older who possesses a valid government-issued identification card and either a specified valid county-issued identification card or a valid physician’s recommendation for themselves or for a person for whom they are a primary caregiver. MAUCRSA provides that information contained in a physician’s recommendation and received by a licensee is deemed medical information for purposes of the Confidentiality of Medical Information Act and prohibits a licensee from that information, except as specified.

The Veterinary Medicine Practice Act provides for the licensure and regulation of veterinarians and the practice of veterinary medicine by the Veterinary Medical Board, which is within the Department of Consumer Affairs. The act authorizes the board to revoke or suspend the license of a person to practice veterinary medicine, or to assess a fine, for specified causes, including discussing medicinal cannabis with a client while the veterinarian is employed by, or has an agreement with, a MAUCRSA licensee and distributing advertising for cannabis in California. The act prohibits the board from disciplining a licensed veterinarian solely for discussing the use of cannabis on an animal for medicinal purposes, absent negligence or incompetence. The act requires the board, on or before January 1, 2020, to adopt guidelines for veterinarians to follow when discussing cannabis within the

veterinarian-client-patient relationship. The act prohibits a licensed veterinarian from dispensing or administering cannabis or cannabis products to an animal patient. The act makes a violation of its provisions a crime.

This bill would authorize a ~~qualified veterinarian, as defined,~~ *veterinarian* to discuss the use of medicinal cannabis or medicinal cannabis products on an animal patient. The bill would require the ~~board to issue guidelines on the appropriate administration and use of medicinal cannabis on an animal patient, as specified.~~ *board, on or before January 1, 2022, to adopt guidelines for veterinarians to follow when recommending cannabis within the veterinarian-client-patient relationship.* The bill, on and after the date that the board ~~issues those guidelines,~~ *adopts the guidelines described in the previous sentence,* would authorize a ~~qualified~~ veterinarian to recommend medicinal cannabis or medicinal cannabis products on an animal patient for any condition for which cannabis or cannabis products provide relief, subject to specified requirements, including that the recommendation include, at a minimum, the condition for which the recommendation is ~~issued~~ *and issued*, the name of the *client, as defined,* and the name of the animal ~~patient and the primary caregiver, as defined.~~ *patient.* The bill would prohibit a ~~licensed~~ veterinarian from recommending medicinal cannabis or medicinal cannabis products on an animal patient without an appropriate examination and a medical indication. The bill also would prohibit a ~~licensed~~ veterinarian from recommending medicinal cannabis or medicinal cannabis products on an animal patient while the veterinarian is employed by, or has an agreement with, a person or entity dispensing medicinal cannabis or medicinal cannabis products. The bill would prohibit a ~~qualified veterinarian who makes a recommendation under these provisions from being punished, or denied any right or privilege, for having recommended medicinal cannabis or medicinal cannabis products for an animal patient for medical purposes, except as provided,~~ *the board from disciplining or denying, revoking, or suspending the license of a veterinarian solely for recommending the use of cannabis on an animal patient,* and would provide that a ~~qualified~~ veterinarian who makes a recommendation pursuant to these provisions is entitled to the same protections as a physician and surgeon under the Compassionate Use Act of 1996. The bill would prohibit a ~~qualified~~ veterinarian from advertising that the ~~qualified~~ veterinarian offers recommendations for medicinal cannabis. Because a violation

of that prohibition would be a crime, the bill would impose a state-mandated local program.

This bill would expand the purpose and intent of MAUCRSA to control and regulate those above-mentioned activities for *medicinal cannabis for animal* patients with a valid veterinarian's recommendation, ~~as defined, defined, and for medicinal and adult-use cannabis for medicinal use on an animal by adults 21 years of age and over,~~ and would make conforming changes, including *revising the definition of "cannabis products" to include cannabis products intended for medicinal use on an animal, and* revising the definitions of "medicinal cannabis" and "medicinal cannabis product" to include cannabis and a cannabis product, respectively, intended to be sold for use on an animal patient pursuant to a veterinarian's ~~recommendation~~ *recommendation, or intended to be sold for medicinal use on an animal by adults who are 21 years of age and older* for purposes of MAUCRSA. The bill would authorize a ~~primary caregiver on a veterinarian's recommendation~~ *person* to purchase ~~medicinal cannabis or medicinal cannabis products~~ for use on an animal patient that the ~~primary caregiver owns.~~ *person owns if the person is 21 years of age or older.* The bill would require ~~medicinal cannabis or medicinal cannabis products~~ for use on an animal patient to have cannabis as the primary active ingredient. *The bill would authorize a licensed medicinal cannabis retailer to sell or transfer cannabis, cannabis products, and cannabis accessories to a person 21 years of age or older for medicinal use on an animal that the person owns.* The bill would ~~provide~~ *require* that information ~~on contained in a veterinarian's recommendation and received by a licensee is deemed medical information for purposes of the Confidentiality of Medical Information Act, and would prohibit a licensee from disclosing that information, except~~ *remain a confidential part of an animal patient's record,* as specified. The bill would make related findings and declarations.

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

This bill would provide that no reimbursement is required by this act for a specified reason.

AUMA authorizes legislative amendment of its provisions with a $\frac{2}{3}$ vote of both houses, without submission to the voters, to further its purposes and intent.

This bill would declare that its provisions further the purposes and intent of AUMA.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

~~SECTION 1. The Legislature finds and declares that veterinarians are encouraged to share information about their patients with colleagues and health care professionals as well as cooperate and work with manufacturers on research and development of effective medicinal cannabis products.~~

~~SEC. 2.~~

SECTION 1. It is the intent of the Legislature to:

(a) Prevent the potential danger of animal abuse by regulating the use of medicinal cannabis on animals.

(b) Give veterinarians the tools they need to treat their patients effectively without the fear of jeopardizing their license.

(c) Ensure that access is readily available to animal patients.

(d) Further research and knowledge throughout the health care system and for health care practitioners regarding medicinal cannabis.

~~SEC. 3.~~

SEC. 2. Section 4825.1 of the Business and Professions Code is amended to read:

4825.1. These definitions shall govern the construction of this chapter as it applies to veterinary medicine.

(a) “Diagnosis” means the act or process of identifying or determining the health status of an animal through examination and the opinion derived from that examination.

(b) “Animal” means any member of the animal kingdom other than humans, and includes fowl, fish, and reptiles, wild or domestic, whether living or dead.

(c) “Food animal” means any animal that is raised for the production of an edible product intended for consumption by humans. The edible product includes, but is not limited to, milk, meat, and eggs. Food animal includes, but is not limited to, cattle (beef or dairy), swine, sheep, poultry, fish, and amphibian species.

(d) “Livestock” includes all animals, poultry, aquatic, and amphibian species that are raised, kept, or used for profit. It does

1 not include those species that are usually kept as pets such as dogs,
2 cats, and pet birds, or companion animals, including equines.

3 (e) “Cannabis” or “cannabis products” has the same meaning
4 as in Section 26001.

5 (f) “Medicinal cannabis” or “medicinal cannabis products” has
6 the same meaning as in Section 26001.

7 ~~SEC. 4.~~

8 *SEC. 3.* Section 4826.3 is added to the Business and Professions
9 Code, to read:

10 4826.3. (a) (1) ~~The~~ *On or before January 1, 2022, the board*
11 *shall issue adopt guidelines for the appropriate administration and*
12 ~~use of medicinal cannabis on an animal patient. veterinarians to~~
13 *follow when recommending cannabis within the*
14 *veterinarian-client-patient relationship. The board shall post the*
15 *guidelines on its internet website.*

16 (2) The board shall consult with the California Cannabis
17 Research Program, known as the Center for Medicinal Cannabis
18 Research, authorized pursuant to Section 11362.9 of the Health
19 and Safety Code, on developing the guidelines described in
20 paragraph (1).

21 (3) The board shall report to the Legislature on January 1, 2021,
22 and every six months thereafter, on the status and progress of
23 developing the guidelines described in paragraph (1). The report
24 required to be submitted pursuant to this paragraph shall be
25 submitted in compliance with Section 9795 of the Government
26 Code.

27 (b) ~~A qualified~~ *California licensed* veterinarian may discuss the
28 use of medicinal cannabis or medicinal cannabis products on an
29 animal patient.

30 (c) ~~On an~~ *and after the date that the board issues adopts*
31 *guidelines on the appropriate administration and use of medicinal*
32 ~~cannabis on an animal patient for veterinarians to follow when~~
33 *recommending cannabis within the veterinarian-client-patient*
34 *relationship pursuant to paragraph (1) of subdivision (a), a-qualified*
35 *California licensed* veterinarian may recommend the use of
36 medicinal cannabis or medicinal cannabis products on an animal
37 patient for any condition for which cannabis or cannabis products
38 provide relief, subject to the following requirements:

1 (1) There is an established veterinarian-client-patient relationship
2 between the licensee and the animal patient for which medicinal
3 cannabis or medicinal cannabis products are recommended.

4 (2) The recommendation includes, at a minimum, both of the
5 following:

6 (A) The condition the recommendation is for.

7 (B) The name of the ~~animal patient~~ *client* and the name of the
8 ~~primary caregiver of the animal patient~~.

9 (d) A licensee shall not recommend medicinal cannabis or
10 medicinal cannabis products for an animal patient without an
11 appropriate examination and a medical indication.

12 (e) A licensee shall not recommend medicinal cannabis or
13 medicinal cannabis products for an animal patient while the
14 veterinarian is employed by, or has an agreement with, a person
15 or entity dispensing medicinal cannabis or medicinal cannabis
16 products.

17 (f) (1) Notwithstanding any other law, *absent negligence or*
18 *incompetence*, except as provided in subdivisions (p), (q), and (r)
19 of Section 4883, ~~a qualified veterinarian who makes a~~
20 ~~recommendation for an animal patient under this section shall not~~
21 ~~be punished, or denied any right or privilege, for having~~
22 ~~recommended medicinal cannabis or medicinal cannabis products~~
23 ~~for an animal patient for medical purposes pursuant to this section.~~
24 *the board shall not discipline or deny, revoke, or suspend the*
25 *license of a California licensed veterinarian solely for*
26 *recommending the use of cannabis on an animal patient.*

27 (2) A ~~qualified~~ *California licensed* veterinarian who makes a
28 recommendation pursuant to this section shall be entitled to the
29 same protections as a physician and surgeon who makes a
30 recommendation in accordance with the Compassionate Use Act
31 of 1996 (Proposition 215), found ~~at~~ *in* Section 11362.5 of the
32 Health and Safety Code.

33 (g) A ~~qualified~~ *California licensed* veterinarian shall not
34 advertise that the veterinarian offers recommendations for
35 medicinal cannabis.

36 (h) For purposes of this section, the following terms shall have
37 the following meanings:

38 (1) ~~“Primary caregiver”~~ *“Client”* means a person who is ~~18~~ *21*
39 years of age or older and is the owner of the animal patient that
40 receives the recommendation under this section.

~~(2) “Qualified veterinarian” means a veterinarian with a valid license in good standing under this chapter, as defined in paragraph (1) of subdivision (b) of Section 4848, who has completed a medicinal cannabis continuing education program approved by the American Association of Veterinary State Boards’ Registry of Approved Continuing Education (RACE).~~

~~(3)~~

(2) “Animal patient” does not include livestock or a food animal, as those terms are defined in Section 4825.1.

~~SEC. 5.~~

SEC. 4. Section 26000 of the Business and Professions Code is amended to read:

26000. (a) This division shall be known, and may be cited, as the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

(b) The purpose and intent of this division is to establish a comprehensive system to control and regulate the cultivation, distribution, transport, storage, manufacturing, processing, and sale of both of the following:

(1) Medicinal cannabis and medicinal cannabis products for patients with valid physician’s ~~recommendations~~ *or recommendations*, animal patients with valid veterinarian’s ~~recommendations~~ *recommendations, or medicinal animal use by adults 21 years of age and over.*

(2) Adult-use cannabis and adult-use cannabis products for adults 21 years of age and ~~over~~ *over or medicinal animal use by adults 21 years of age and over.*

(c) In the furtherance of subdivision (b), this division sets forth the power and duties of the state agencies responsible for controlling and regulating the commercial medicinal and adult-use cannabis industry.

(d) The Legislature may, by majority vote, enact laws to implement this division, provided those laws are consistent with the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.

~~SEC. 6.~~

SEC. 5. Section 26001 of the Business and Professions Code is amended to read:

26001. For purposes of this division, the following definitions apply:

1 (a) “A-license” means a state license issued under this division
2 for cannabis or cannabis products that are intended for adults who
3 are 21 years of age and older and who do not possess a physician’s
4 ~~recommendation~~. *recommendation, or for medicinal use on an*
5 *animal by adults who are 21 years of age and older.*

6 (b) “A-licensee” means any person holding a license under this
7 division for cannabis or cannabis products that are intended for
8 adults who are 21 years of age and older and who do not possess
9 a physician’s ~~recommendation~~. *recommendation, or for medicinal*
10 *use on an animal by adults who are 21 years of age and older.*

11 (c) ~~“Animal patient”~~ “Animal” or “animal patient” has the
12 same meaning as “animal patient” in Section 4826.3.

13 (d) “Applicant” means an owner applying for a state license
14 pursuant to this division.

15 (e) “Batch” means a specific quantity of homogeneous cannabis
16 or cannabis product that is one of the following types:

17 (1) Harvest batch. “Harvest batch” means a specifically
18 identified quantity of dried flower or trim, leaves, and other
19 cannabis plant matter that is uniform in strain, harvested at the
20 same time, and, if applicable, cultivated using the same pesticides
21 and other agricultural chemicals, and harvested at the same time.

22 (2) Manufactured cannabis batch. “Manufactured cannabis
23 batch” means either of the following:

24 (A) An amount of cannabis concentrate or extract that is
25 produced in one production cycle using the same extraction
26 methods and standard operating procedures.

27 (B) An amount of a type of manufactured cannabis produced
28 in one production cycle using the same formulation and standard
29 operating procedures.

30 (f) “Bureau” means the Bureau of Cannabis Control within the
31 Department of Consumer Affairs, formerly named the Bureau of
32 Marijuana Control, the Bureau of Medical Cannabis Regulation,
33 and the Bureau of Medical Marijuana Regulation.

34 (g) “Cannabis” means all parts of the plant *Cannabis sativa*
35 *Linnaeus*, *Cannabis indica*, or *Cannabis ruderalis*, whether growing
36 or not; the seeds thereof; the resin, whether crude or purified,
37 extracted from any part of the plant; and every compound,
38 manufacture, salt, derivative, mixture, or preparation of the plant,
39 its seeds, or resin. “Cannabis” also means the separated resin,
40 whether crude or purified, obtained from cannabis. “Cannabis”

1 does not include the mature stalks of the plant, fiber produced from
2 the stalks, oil or cake made from the seeds of the plant, any other
3 compound, manufacture, salt, derivative, mixture, or preparation
4 of the mature stalks (except the resin extracted therefrom), fiber,
5 oil, or cake, or the sterilized seed of the plant which is incapable
6 of germination. For the purpose of this division, “cannabis” does
7 not mean “industrial hemp” as defined by Section 11018.5 of the
8 Health and Safety Code.

9 (h) “Cannabis accessories” has the same meaning as in Section
10 11018.2 of the Health and Safety Code.

11 (i) “Cannabis concentrate” means cannabis that has undergone
12 a process to concentrate one or more active cannabinoids, thereby
13 increasing the product’s potency. Resin from granular trichomes
14 from a cannabis plant is a concentrate for purposes of this division.
15 A cannabis concentrate is not considered food, as defined by
16 Section 109935 of the Health and Safety Code, or a drug, as defined
17 by Section 109925 of the Health and Safety Code.

18 (j) “Cannabis products” has the same meaning as in Section
19 11018.1 of the Health and Safety ~~Code~~. *Code, and includes*
20 *cannabis products intended for medicinal use on an animal.*

21 (k) “Child resistant” means designed or constructed to be
22 significantly difficult for children under five years of age to open,
23 and not difficult for normal adults to use properly.

24 (l) “Commercial cannabis activity” includes the cultivation,
25 possession, manufacture, distribution, processing, storing,
26 laboratory testing, packaging, labeling, transportation, delivery,
27 or sale of cannabis and cannabis products as provided for in this
28 division.

29 (m) “Cultivation” means any activity involving the planting,
30 growing, harvesting, drying, curing, grading, or trimming of
31 cannabis.

32 (n) “Cultivation site” means a location where cannabis is
33 planted, grown, harvested, dried, cured, graded, or trimmed, or a
34 location where any combination of those activities occurs.

35 (o) “Customer” means a natural person 21 years of age or ~~older~~
36 ~~or older~~, a natural person 18 years of age or older who possesses
37 a physician’s ~~recommendation~~ *recommendation*, or *a natural*
38 *person 21 years of age or older who possesses* a veterinarian’s
39 recommendation, or a primary caregiver.

1 (p) “Day care center” has the same meaning as in Section
2 1596.76 of the Health and Safety Code.

3 (q) “Delivery” means the commercial transfer of cannabis or
4 cannabis products to a customer. “Delivery” also includes the use
5 by a retailer of any technology platform.

6 (r) “Director” means the Director of Consumer Affairs.

7 (s) “Distribution” means the procurement, sale, and transport
8 of cannabis and cannabis products between licensees.

9 (t) “Dried flower” means all dead cannabis that has been
10 harvested, dried, cured, or otherwise processed, excluding leaves
11 and stems.

12 (u) “Edible cannabis product” means cannabis product that is
13 intended to be used, in whole or in part, for human consumption,
14 including, but not limited to, chewing gum, but excluding products
15 set forth in Division 15 (commencing with Section 32501) of the
16 Food and Agricultural Code. An edible cannabis product is not
17 considered food, as defined by Section 109935 of the Health and
18 Safety Code, or a drug, as defined by Section 109925 of the Health
19 and Safety Code.

20 (v) “Fund” means the Cannabis Control Fund established
21 pursuant to Section 26210.

22 (w) “Kind” means applicable type or designation regarding a
23 particular cannabis variant or cannabis product type, including,
24 but not limited to, strain name or other grower trademark, or
25 growing area designation.

26 (x) “Labeling” means any label or other written, printed, or
27 graphic matter upon a cannabis product, upon its container or
28 wrapper, or that accompanies any cannabis product.

29 (y) “Labor peace agreement” means an agreement between a
30 licensee and any bona fide labor organization that, at a minimum,
31 protects the state’s proprietary interests by prohibiting labor
32 organizations and members from engaging in picketing, work
33 stoppages, boycotts, and any other economic interference with the
34 applicant’s business. This agreement means that the applicant has
35 agreed not to disrupt efforts by the bona fide labor organization
36 to communicate with, and attempt to organize and represent, the
37 applicant’s employees. The agreement shall provide a bona fide
38 labor organization access at reasonable times to areas in which the
39 applicant’s employees work, for the purpose of meeting with
40 employees to discuss their right to representation, employment

1 rights under state law, and terms and conditions of employment.
2 This type of agreement shall not mandate a particular method of
3 election or certification of the bona fide labor organization.

4 (z) “License” means a state license issued under this division,
5 and includes both an A-license and an M-license, as well as a
6 testing laboratory license.

7 (aa) “Licensee” means any person holding a license under this
8 division, regardless of whether the license held is an A-license or
9 an M-license, and includes the holder of a testing laboratory
10 license.

11 (ab) “Licensing authority” means the state agency responsible
12 for the issuance, renewal, or reinstatement of the license, or the
13 state agency authorized to take disciplinary action against the
14 licensee.

15 (ac) “Live plants” means living cannabis flowers and plants,
16 including seeds, immature plants, and vegetative stage plants.

17 (ad) “Local jurisdiction” means a city, county, or city and
18 county.

19 (ae) “Lot” means a batch or a specifically identified portion of
20 a batch.

21 (af) “M-license” means a state license issued under this division
22 for commercial cannabis activity involving medicinal cannabis.

23 (ag) “M-licensee” means any person holding a license under
24 this division for commercial cannabis activity involving medicinal
25 cannabis.

26 (ah) “Manufacture” means to compound, blend, extract, infuse,
27 or otherwise make or prepare a cannabis product.

28 (ai) “Manufacturer” means a licensee that conducts the
29 production, preparation, propagation, or compounding of cannabis
30 or cannabis products either directly or indirectly or by extraction
31 methods, or independently by means of chemical synthesis, or by
32 a combination of extraction and chemical synthesis at a fixed
33 location that packages or repackages cannabis or cannabis products
34 or labels or relabels its container.

35 (aj) “Medicinal cannabis” or “medicinal cannabis product”
36 means cannabis or a cannabis product, respectively, intended to
37 be sold for use pursuant to the Compassionate Use Act of 1996
38 (Proposition 215), found at Section 11362.5 of the Health and
39 Safety Code, by a medicinal cannabis patient in California who
40 possesses a physician’s recommendation, ~~or~~ intended to be sold

1 for use on an animal patient pursuant to a veterinarian's
2 recommendation under Section ~~4826.3~~ 4826.3, or intended to be
3 sold for medicinal use on an animal by an adult who is 21 years
4 of age and older.

5 (ak) "Nursery" means a licensee that produces only clones,
6 immature plants, seeds, and other agricultural products used
7 specifically for the propagation and cultivation of cannabis.

8 (al) "Operation" means any act for which licensure is required
9 under the provisions of this division, or any commercial transfer
10 of cannabis or cannabis products.

11 (am) "Owner" means any of the following:

12 (1) A person with an aggregate ownership interest of 20 percent
13 or more in the person applying for a license or a licensee, unless
14 the interest is solely a security, lien, or encumbrance.

15 (2) The chief executive officer of a nonprofit or other entity.

16 (3) A member of the board of directors of a nonprofit.

17 (4) An individual who will be participating in the direction,
18 control, or management of the person applying for a license.

19 (an) "Package" means any container or receptacle used for
20 holding cannabis or cannabis products.

21 (ao) "Person" includes any individual, firm, partnership, joint
22 venture, association, corporation, limited liability company, estate,
23 trust, business trust, receiver, syndicate, or any other group or
24 combination acting as a unit, and the plural as well as the singular.

25 (ap) "Physician's recommendation" means a recommendation
26 by a physician and surgeon that a patient use cannabis provided
27 in accordance with the Compassionate Use Act of 1996
28 (Proposition 215), found at Section 11362.5 of the Health and
29 Safety Code.

30 (aq) "Premises" means the designated structure or structures
31 and land specified in the application that is owned, leased, or
32 otherwise held under the control of the applicant or licensee where
33 the commercial cannabis activity will be or is conducted. The
34 premises shall be a contiguous area and shall only be occupied by
35 one licensee.

36 (ar) "Primary caregiver" has the same meaning as in Section
37 11362.7 of the Health and Safety Code and Section ~~4826.3~~ Code.

38 (as) "Purchaser" means the customer who is engaged in a
39 transaction with a licensee for purposes of obtaining cannabis or
40 cannabis products.

(at) “Sell,” “sale,” and “to sell” include any transaction whereby, for any consideration, title to cannabis or cannabis products is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a licensee to the licensee from whom the cannabis or cannabis product was purchased.

(au) “Testing laboratory” means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following:

(1) Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state.

(2) Licensed by the bureau.

(av) “Unique identifier” means an alphanumeric code or designation used for reference to a specific plant on a licensed premises and any cannabis or cannabis product derived or manufactured from that plant.

(aw) “Veterinarian recommendation” means a recommendation by a ~~qualified California licensed veterinarian that a patient for use of cannabis provided on an animal patient~~ pursuant to Section 4826.3.

(ax) “Youth center” has the same meaning as in Section 11353.1 of the Health and Safety Code.

~~SEC. 7.~~

~~SEC. 6.~~ Section 26003 is added to the Business and Professions Code, to read:

26003. (a) ~~A primary caregiver, as defined in Section 4826.3, person may purchase medicinal cannabis or medicinal cannabis products for medicinal use on an animal patient if the primary caregiver has a valid veterinarian’s recommendation for an animal patient that the primary caregiver owns and the primary caregiver is 18 that the person owns if the person is 21 years of age or over.~~

(b) All medicinal cannabis or medicinal cannabis products that are intended for use on an animal patient shall have cannabis as the primary active ingredient.

~~(c) Section 11357 of the Health and Safety Code, relating to the possession of cannabis, shall not apply to a primary caregiver described in subdivision (a).~~

~~SEC. 8.~~

SEC. 7. Section 26030 of the Business and Professions Code is amended to read:

26030. Grounds for disciplinary action include, but are not limited to, all of the following:

(a) Failure to comply with the provisions of this division or any rule or regulation adopted pursuant to this division.

(b) Conduct that constitutes grounds for denial of licensure pursuant to Chapter 2 (commencing with Section 480) of Division 1.5 or discipline of a license pursuant to Chapter 3 (commencing with Section 490) of Division 1.5.

(c) Any other grounds contained in regulations adopted by a licensing authority pursuant to this division.

(d) Failure to comply with any state law including, but not limited to, the payment of taxes as required under the Revenue and Taxation Code, except as provided for in this division or other California law.

(e) Knowing violations of any state or local law, ordinance, or regulation conferring worker protections or legal rights on the employees of a licensee.

(f) Failure to comply with the requirement of a local ordinance regulating commercial cannabis activity.

(g) The intentional and knowing sale of cannabis or cannabis products by an A-licensee to a person under 21 years of age.

(h) The intentional and knowing sale of medicinal cannabis or medicinal cannabis products by an M-licensee to a person without a physician's recommendation or a veterinarian's recommendation.

(i) Failure to maintain safe conditions for inspection by a licensing authority.

(j) Failure to comply with any operating procedure submitted to the licensing authority pursuant to subdivision (b) of Section 26051.5.

(k) Failure to comply with license conditions established pursuant to subdivision (b) of Section 26060.1.

~~SEC. 9.~~

SEC. 8. Section 26050 of the Business and Professions Code is amended to read:

26050. (a) The license classification pursuant to this division shall, at a minimum, be as follows:

(1) Type 1—Cultivation; Specialty outdoor; Small.

- 1 (2) Type 1A—Cultivation; Specialty indoor; Small.
- 2 (3) Type 1B—Cultivation; Specialty mixed-light; Small.
- 3 (4) Type 1C—Cultivation; Specialty cottage; Small.
- 4 (5) Type 2—Cultivation; Outdoor; Small.
- 5 (6) Type 2A—Cultivation; Indoor; Small.
- 6 (7) Type 2B—Cultivation; Mixed-light; Small.
- 7 (8) Type 3—Cultivation; Outdoor; Medium.
- 8 (9) Type 3A—Cultivation; Indoor; Medium.
- 9 (10) Type 3B—Cultivation; Mixed-light; Medium.
- 10 (11) Type 4—Cultivation; Nursery.
- 11 (12) Type 5—Cultivation; Outdoor; Large.
- 12 (13) Type 5A—Cultivation; Indoor; Large.
- 13 (14) Type 5B—Cultivation; Mixed-light; Large.
- 14 (15) Type 6—Manufacturer 1.
- 15 (16) Type 7—Manufacturer 2.
- 16 (17) Type 8—Testing laboratory.
- 17 (18) Type 10—Retailer.
- 18 (19) Type 11—Distributor.
- 19 (20) Type 12—Microbusiness.
- 20 (b) With the exception of testing laboratory licenses, which may
- 21 be used to test cannabis and cannabis products regardless of
- 22 whether they are intended for use by individuals who possesses a
- 23 physician's recommendation or a veterinarian's recommendation,
- 24 *or for medicinal use on an animal by a person 21 years of age or*
- 25 *older who owns that animal*, all licenses issued under this division
- 26 shall bear a clear designation indicating whether the license is for
- 27 commercial adult-use cannabis activity as distinct from commercial
- 28 medicinal cannabis activity by prominently affixing an "A" or
- 29 "M," respectively. Examples of such a designation include, but
- 30 are not limited to, "A-Type 1" or "M-Type 1." Except as
- 31 specifically specified in this division, the requirements for
- 32 A-licenses and M-licenses shall be the same. For testing
- 33 laboratories, the bureau shall create a license that indicates a testing
- 34 laboratory may test both adult-use and medicinal cannabis.
- 35 (c) A license issued pursuant to this division shall be valid for
- 36 12 months from the date of issuance. The license may be renewed
- 37 annually.
- 38 (d) Each licensing authority shall establish procedures for the
- 39 issuance and renewal of licenses.

~~SEC. 10.~~

SEC. 9. Section 26104 of the Business and Professions Code is amended to read:

26104. (a) A licensed testing laboratory shall, in performing activities concerning cannabis and cannabis products, comply with the requirements and restrictions set forth in applicable law and regulations.

(b) The bureau shall develop procedures to do all of the following:

(1) Ensure that testing of cannabis and cannabis products occurs prior to distribution to retailers, microbusinesses, or nonprofits licensed under Section 26070.5.

(2) Specify how often licensees shall test cannabis and cannabis products, and that the cost of testing cannabis shall be borne by the licensed cultivators and the cost of testing cannabis products shall be borne by the licensed manufacturer, and that the costs of testing cannabis and cannabis products shall be borne by a nonprofit licensed under Section 26070.5.

(3) Require destruction of harvested batches whose testing samples indicate noncompliance with health and safety standards required by the bureau, unless remedial measures can bring the cannabis or cannabis products into compliance with quality assurance standards as specified by law and implemented by the bureau.

(4) Ensure that a testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by this division and that the testing laboratory employee transports the sample to the testing laboratory.

(c) Except as provided in this division, a testing laboratory shall not acquire or receive cannabis or cannabis products except from a licensee in accordance with this division, and shall not distribute, sell, or dispense cannabis or cannabis products, from the licensed premises from which the cannabis or cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.

(d) A testing laboratory may receive and test samples of cannabis or cannabis products from a qualified ~~patient~~ or *patient*, primary ~~caregiver~~ *caregiver*, a *client* with a valid physician's recommendation or veterinarian's recommendation for cannabis for medicinal ~~purposes~~ *purposes, or a person for medicinal use*

1 on an animal by a person 21 years of age or older who owns that
2 animal. A testing laboratory shall not certify samples from a
3 qualified ~~patient or patient, primary-caregiver caregiver, client,~~
4 ~~or person who intends to use the cannabis on an animal they own~~
5 ~~for medicinal purposes~~ for resale or transfer to another person or
6 licensee. All tests performed by a testing laboratory for a qualified
7 ~~patient or patient, primary-caregiver caregiver, client, or person~~
8 ~~who intends to use the cannabis on an animal they own for~~
9 ~~medicinal purposes~~ shall be recorded with the name of the qualified
10 ~~patient or patient, primary-caregiver caregiver, client, or person~~
11 ~~who intends to use the cannabis on an animal they own for~~
12 ~~medicinal purposes~~ and the amount of cannabis or cannabis product
13 received.

14 (e) A testing laboratory may receive and test samples of cannabis
15 or cannabis products from a person over 21 years of age when the
16 cannabis has been grown by that person and will be used solely
17 for that person's personal use, as authorized pursuant to Section
18 11362.1 of the Health and Safety Code. A testing laboratory shall
19 not certify samples from the person over 21 years of age for resale
20 or transfer to another person or licensee. All tests recorded pursuant
21 to this subdivision shall be recorded with the name of the person
22 submitting the sample and the amount of cannabis or cannabis
23 product received.

24 ~~SEC. 11.~~

25 *SEC. 10.* Section 26140 of the Business and Professions Code
26 is amended to read:

27 26140. (a) An A-licensee shall not:

28 (1) Sell cannabis or cannabis products to persons under 21 years
29 of age.

30 (2) Allow any person under 21 years of age on its premises,
31 unless the A-licensee holds an M-license and the licensed premises
32 for the A-license and M-license are the same.

33 (3) Employ or retain persons under 21 years of age.

34 (4) Sell or transfer cannabis or cannabis products unless the
35 person to whom the cannabis or cannabis product is to be sold first
36 presents documentation which reasonably appears to be a valid
37 government-issued identification card showing that the person is
38 21 years of age or older.

39 (b) Persons under 21 years of age may be used by peace officers
40 in the enforcement of this division and to apprehend licensees, or

1 employees or agents of licensees, or other persons who sell or
2 furnish cannabis to minors. Notwithstanding any provision of law,
3 any person under 21 years of age who purchases or attempts to
4 purchase any cannabis while under the direction of a peace officer
5 is immune from prosecution for that purchase or attempt to
6 purchase cannabis. Guidelines with respect to the use of persons
7 under 21 years of age as decoys shall be adopted and published
8 by the bureau in accordance with the rulemaking portion of the
9 Administrative Procedure Act (Chapter 3.5 (commencing with
10 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
11 Code).

12 (c) Notwithstanding subdivision (a), an M-licensee may:

13 (1) Allow on the premises any person 18 years of age or older
14 who possesses a valid government-issued identification card, and
15 ~~one~~ *either* of the following:

16 (A) A valid county-issued identification card under Section
17 11362.712 of the Health and Safety Code.

18 (B) A valid physician's recommendation for themselves or for
19 another person for whom that person is a primary caregiver.

20 ~~(C) A valid veterinarian's recommendation for an animal patient
21 for which the person is a primary caregiver.~~

22 (2) Allow any person 21 years of age or older on its premises
23 if the M-licensee holds an A-license and the licensed premises for
24 the M-license and A-license are the same. *premises.*

25 (3) Sell cannabis, cannabis products, and cannabis accessories
26 to a person 18 years of age or older who possesses a valid
27 government-issued identification card and ~~one~~ *either* of the
28 following:

29 (A) A valid county-issued identification card under Section
30 11362.712 of the Health and Safety Code.

31 (B) A valid physician's recommendation for themselves or for
32 another person for whom that person is a primary caregiver.

33 ~~(C) A valid veterinarian's recommendation for an animal patient
34 for which the person is a primary caregiver.~~

35 (4) *Sell cannabis, cannabis products, and cannabis accessories
36 to a person 21 years of age or older for medicinal use on an animal
37 that the person owns.*

38 ~~(4)~~

39 (d) The bureau may establish requirements for the purchase of
40 cannabis, cannabis products, or cannabis accessories by a primary

1 caregiver for a patient to ensure that the status of a person as a
2 primary caregiver is verified.

3 ~~SEC. 12.~~

4 *SEC. 11.* Section 26162.5 of the Business and Professions Code
5 is amended to read:

6 26162.5. (a) Identification cards issued pursuant to Section
7 11362.71 of the Health and Safety Code are hereby deemed
8 “medical information” within the meaning of the Confidentiality
9 of Medical Information Act (Part 2.6 (commencing with Section
10 56) of Division 1 of the Civil Code) and shall not be disclosed by
11 a licensee except as (1) necessary for the State of California or any
12 city, county, or city and county to perform official duties pursuant
13 to this chapter, or a local ordinance, or (2) to a contractor providing
14 software services to a licensee for the purpose of conducting a
15 transaction or verifying eligibility, provided that the contractor
16 does not use or retain medical information for any other purpose
17 or share information with any party other than the contracting
18 licensee.

19 (b) Information contained in a physician’s recommendation
20 issued in accordance with Article 25 (commencing with Section
21 2525) of Chapter 5 of Division ~~2~~, ~~or in a veterinarian’s~~
22 ~~recommendation issued in accordance with Section 4826.3~~ 2 and
23 received by a licensee, including, but not limited to, the name,
24 address, or social security number of the patient, the patient’s
25 medical condition, or the name of the patient’s primary ~~caregiver~~
26 *caregiver*, is hereby deemed “medical information” within the
27 meaning of the Confidentiality of Medical Information Act (Part
28 2.6 (commencing with Section 56) of Division 1 of the Civil Code)
29 and shall not be disclosed by a licensee except as (1) necessary
30 for the State of California or any city, county, or city and county
31 to perform official duties pursuant to this chapter, or a local
32 ordinance, or (2) to a contractor providing software services to a
33 licensee for the purpose of conducting a transaction or verifying
34 eligibility, provided that the contractor does not use or retain
35 medical information for any other purpose or share information
36 with any party other than the contracting licensee.

37 (c) *Information contained in a California licensed veterinarian’s*
38 *recommendation, issued pursuant to Section 4826.3, shall remain*
39 *a confidential part of an animal patient’s record pursuant to*
40 *Section 4857.*

1 *SEC. 12. Section 11156 of the Health and Safety Code is*
2 *amended to read:*

3 11156. (a) Except as provided in Section 2241 of the Business
4 and Professions Code, no person shall prescribe for, or administer,
5 or dispense a controlled substance to, an addict, or to any person
6 representing ~~himself or herself~~ *themselves* as such, except as
7 permitted by this ~~division~~ *division or Division 10 (commencing*
8 *with Section 26000) of the Business and Professions Code.*

9 (b) (1) For purposes of this section, “addict” means a person
10 whose actions are characterized by craving in combination with
11 one or more of the following:

12 (A) Impaired control over drug use.

13 (B) Compulsive use.

14 (C) Continued use despite harm.

15 (2) Notwithstanding paragraph (1), a person whose drug-seeking
16 behavior is primarily due to the inadequate control of pain is not
17 an addict within the meaning of this section.

18 *SEC. 13. The Legislature finds and declares that this act*
19 *furtheres the purposes and intent of the Control, Regulate and Tax*
20 *Adult Use of Marijuana Act of 2016.*

21 ~~SEC. 13.~~

22 *SEC. 14. No reimbursement is required by this act pursuant to*
23 *Section 6 of Article XIII B of the California Constitution because*
24 *the only costs that may be incurred by a local agency or school*
25 *district will be incurred because this act creates a new crime or*
26 *infraction, eliminates a crime or infraction, or changes the penalty*
27 *for a crime or infraction, within the meaning of Section 17556 of*
28 *the Government Code, or changes the definition of a crime within*
29 *the meaning of Section 6 of Article XIII B of the California*
30 *Constitution.*