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 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, 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. The bill, on or before January 1, 2022, to adopt guidelines for veterinarians to follow when recommending cannabis within the veterinarian-client-patient relationship. The bill 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 the name of the client, as defined, and the name of the animal patient and the primary caregiver, as defined. 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, 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, 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 to purchase medicinal cannabis or medicinal cannabis products for use on an animal patient that the primary caregiver 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 that information 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 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.


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

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

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

SEC. 4.

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

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

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

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

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

(c) On and after the date that the board issues guidelines on the appropriate administration and use of medicinal cannabis on an animal patient for veterinarians to follow when recommending cannabis within the veterinarian-client-patient relationship pursuant to paragraph (1) of subdivision (a), a qualified California licensed veterinarian may recommend the use of medicinal cannabis or medicinal cannabis products on an animal patient for any condition for which cannabis or cannabis products provide relief, subject to the following requirements:
(1) There is an established veterinarian-client-patient relationship
between the licensee and the animal patient for which medicinal
cannabis or medicinal cannabis products are recommended.
(2) The recommendation includes, at a minimum, both of the
following:
(A) The condition the recommendation is for.
(B) The name of the animal patient client and the name of the
primary caregiver of the animal patient.
(d) A licensee shall not recommend medicinal cannabis or
medicinal cannabis products for an animal patient without an
appropriate examination and a medical indication.
(e) A licensee shall not recommend medicinal cannabis or
medicinal cannabis products for 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.
(f) (1) Notwithstanding any other law, absent negligence or
incompetence, except as provided in subdivisions (p), (q), and (r)
of Section 4883, a qualified veterinarian who makes a
recommendation for an animal patient under this section shall not
be punished, or denied any right or privilege, for having
recommended medicinal cannabis or medicinal cannabis products
for an animal patient for medical purposes pursuant to this section.
The board shall not discipline or deny, revoke, or suspend the
license of a California licensed veterinarian solely for
recommending the use of cannabis on an animal patient.
(2) A qualified California licensed veterinarian who makes a
recommendation pursuant to this section shall be entitled to the
same protections as a physician and surgeon who makes a
recommendation in accordance with the Compassionate Use Act
of 1996 (Proposition 215), found at in Section 11362.5 of the
Health and Safety Code.
(g) A qualified California licensed veterinarian shall not
advertise that the veterinarian offers recommendations for
medicinal cannabis.
(h) For purposes of this section, the following terms shall have
the following meanings:
(1) “Primary caregiver.” “Client” means a person who is
18 years of age or older and is the owner of the animal patient that
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) “Animal patient” does not include livestock or a food animal, as those terms are defined in Section 4825.1.

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

26001. For purposes of this division, the following definitions apply:
(a) “A-license” means a state license issued under this division for cannabis or cannabis products that are intended for adults who are 21 years of age and older and who do not possess a physician’s recommendation, or for medicinal use on an animal by adults who are 21 years of age and older.

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

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

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

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

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

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

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

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

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

(g) “Cannabis” means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis”
does not include the mature stalks of the plant, fiber produced from
the stalks, oil or cake made from the seeds of the plant, any other
compound, manufacture, salt, derivative, mixture, or preparation
of the mature stalks (except the resin extracted therefrom), fiber,
oil, or cake, or the sterilized seed of the plant which is incapable
of germination. For the purpose of this division, “cannabis” does
not mean “industrial hemp” as defined by Section 11018.5 of the
Health and Safety Code.

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

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

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

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

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

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

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

(o) “Customer” means a natural person 21 years of age or older
or older; a natural person 18 years of age or older who possesses
a physician’s recommendation, or a natural person 21 years of age or older who possesses a veterinarian’s
recommendation, or a primary caregiver.
(p) “Day care center” has the same meaning as in Section 1596.76 of the Health and Safety Code.

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

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

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

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

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

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

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

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

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

This type of agreement shall not mandate a particular method of
election or certification of the bona fide labor organization.

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

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

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

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

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

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

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

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

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

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

(aj) “Medicinal cannabis” or “medicinal cannabis product”
means cannabis or a cannabis product, respectively, intended to
be sold for use pursuant to the Compassionate Use Act of 1996
(Proposition 215), found at Section 11362.5 of the Health and
Safety Code, by a medicinal cannabis patient in California who
possesses a physician’s recommendation, or intended to be sold
for use on an animal patient pursuant to a veterinarian’s recommendation under Section 4826.3, or intended to be sold for medicinal use on an animal by an adult who is 21 years of age and older.

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

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

(am) “Owner” means any of the following:

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

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

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

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

(an) “Package” means any container or receptacle used for holding cannabis or cannabis products.

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

(ap) “Physician’s recommendation” means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.

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

(ar) “Primary caregiver” has the same meaning as in Section 11362.7 of the Health and Safety Code and Section 4826.3 Code.

(as) “Purchaser” means the customer who is engaged in a transaction with a licensee for purposes of obtaining cannabis or cannabis products.
“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.

(a) “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.
(2) Type 1A—Cultivation; Specialty indoor; Small.
(3) Type 1B—Cultivation; Specialty mixed-light; Small.
(4) Type 1C—Cultivation; Specialty cottage; Small.
(5) Type 2—Cultivation; Outdoor; Small.
(6) Type 2A—Cultivation; Indoor; Small.
(7) Type 2B—Cultivation; Mixed-light; Small.
(8) Type 3—Cultivation; Outdoor; Medium.
(9) Type 3A—Cultivation; Indoor; Medium.
(10) Type 3B—Cultivation; Mixed-light; Medium.
(11) Type 4—Cultivation; Nursery.
(12) Type 5—Cultivation; Outdoor; Large.
(13) Type 5A—Cultivation; Indoor; Large.
(14) Type 5B—Cultivation; Mixed-light; Large.
(15) Type 6—Manufacturer 1.
(16) Type 7—Manufacturer 2.
(17) Type 8—Testing laboratory.
(18) Type 10—Retailer.
(19) Type 11—Distributor.
(20) Type 12—Microbusiness.

(b) With the exception of testing laboratory licenses, which may be used to test cannabis and cannabis products regardless of whether they are intended for use by individuals who possesses a physician’s recommendation or a veterinarian’s recommendation, or for medicinal use on an animal by a person 21 years of age or older who owns that animal, all licenses issued under this division shall bear a clear designation indicating whether the license is for commercial adult-use cannabis activity as distinct from commercial medicinal cannabis activity by prominently affixing an “A” or “M,” respectively. Examples of such a designation include, but are not limited to, “A-Type 1” or “M-Type 1.” Except as specifically specified in this division, the requirements for A-licenses and M-licenses shall be the same. For testing laboratories, the bureau shall create a license that indicates a testing laboratory may test both adult-use and medicinal cannabis.

(c) A license issued pursuant to this division shall be valid for 12 months from the date of issuance. The license may be renewed annually.

(d) Each licensing authority shall establish procedures for the 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, a client with a valid physician’s recommendation or veterinarian’s recommendation for cannabis for medicinal purposes, purposes, or a person for medicinal use
on an animal by a person 21 years of age or older who owns that animal. A testing laboratory shall not certify samples from a qualified patient, primary caregiver, client, or person who intends to use the cannabis on an animal they own for medicinal purposes for resale or transfer to another person or licensee. All tests performed by a testing laboratory for a qualified patient, primary caregiver, client, or person who intends to use the cannabis on an animal they own for medicinal purposes shall be recorded with the name of the qualified patient, primary caregiver, client, or person who intends to use the cannabis on an animal they own for medicinal purposes and the amount of cannabis or cannabis product received.

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

SEC. 11.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) Sell 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.

(d) The bureau may establish requirements for the purchase of cannabis, cannabis products, or cannabis accessories by a primary
caregiver for a patient to ensure that the status of a person as a primary caregiver is verified.

SEC. 12. Section 26162.5 of the Business and Professions Code is amended to read:

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

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

(c) Information contained in a California licensed veterinarian’s recommendation, issued pursuant to Section 4826.3, shall remain a confidential part of an animal patient’s record pursuant to Section 4857.
SEC. 12. Section 11156 of the Health and Safety Code is amended to read:

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

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

(A) Impaired control over drug use.

(B) Compulsive use.

(C) Continued use despite harm.

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

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

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