

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, ~~4884~~, 26000, 26001, 26030, 26050, 26104, 26140, and 26162.5 of, and to add Sections 4826.3 and 26003 to, the Business and Professions Code, relating to cannabis.

LEGISLATIVE COUNSEL'S DIGEST

SB 627, as amended, Galgiani. Medicinal cannabis and medicinal cannabis products: 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.

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 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 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 repeal the provision prohibiting a licensed veterinarian from dispensing or administering cannabis or cannabis products to an animal patient, and would, instead, authorize a qualified veterinarian, as defined, to discuss the use of, and issue a recommendation for the use of, of medicinal cannabis or medicinal cannabis products on an animal patient for any condition for which cannabis or cannabis products provide relief. 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 and after the date that the board issues those guidelines, 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 to include, at a minimum, the~~

condition for which the recommendation is issued 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, 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. ~~The bill would provide that a qualified veterinarian may, but is not required to, follow the guidelines adopted by the board when discussing cannabis within the veterinarian-client-patient relationship. The bill would make related conforming changes.~~

This bill would expand the purpose and intent of MAUCRSA to control and regulate those above-mentioned activities for patients with a valid veterinarian’s recommendation, as defined, and would make conforming changes, including 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 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. 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 provide that information on 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 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.

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

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

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

6 SEC. 2. It is the intent of the Legislature to:

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

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

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

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

15 SEC. 3. Section 4825.1 of the Business and Professions Code
16 is amended to read:

17 4825.1. These definitions shall govern the construction of this
18 chapter as it applies to veterinary medicine.

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

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

25 (c) "Food animal" means any animal that is raised for the
26 production of an edible product intended for consumption by
27 humans. The edible product includes, but is not limited to, milk,

1 meat, and eggs. Food animal includes, but is not limited to, cattle
2 (beef or dairy), swine, sheep, poultry, fish, and amphibian species.

3 (d) “Livestock” includes all animals, poultry, ~~aquatic~~ *aquatic*,
4 and amphibian species that are raised, kept, or used for profit. It
5 does not include those species that are usually kept as pets such
6 as dogs, cats, and pet birds, or companion animals, including
7 equines.

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

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

12 SEC. 4. Section 4826.3 is added to the Business and Professions
13 Code, to read:

14 ~~4826.3.—(a) A~~

15 *4826.3. (a) (1) The board shall issue guidelines for the*
16 *appropriate administration and use of medicinal cannabis on an*
17 *animal patient.*

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

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

29 *(b) A qualified veterinarian may discuss the use of medicinal*
30 *cannabis or medicinal cannabis products on an animal ~~patient and~~*
31 *patient.*

32 *(c) On an after the date that the board issues guidelines on the*
33 *appropriate administration and use of medicinal cannabis on an*
34 *animal patient pursuant to paragraph (1) of subdivision (a), a*
35 *qualified veterinarian may recommend the use of medicinal*
36 *cannabis or medicinal cannabis products on an animal patient for*
37 *any condition for which cannabis or cannabis products provide*
38 *relief. relief, subject to the following requirements:*

39 *(1) There is an established veterinarian-client-patient*
40 *relationship between the licensee and the animal patient for which*

1 *medicinal cannabis or medicinal cannabis products are*
 2 *recommended.*

3 ~~(b)~~

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

6 ~~(1)~~

7 (A) The condition the recommendation is for.

8 ~~(2)~~

9 (B) The name of the animal patient and the name of the primary
 10 caregiver of the animal patient.

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

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

19 ~~(e)~~

20 (f) (1) Notwithstanding any other ~~law~~ *law*, except as provided
 21 in subdivisions (p), (q), and (r) of Section 4883, a qualified
 22 veterinarian who makes a recommendation for an animal patient
 23 under this section shall not be punished, or denied any right or
 24 privilege, for having recommended medicinal cannabis or
 25 medicinal cannabis products for an animal patient for medical
 26 ~~purposes.~~ *purposes pursuant to this section.*

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

32 ~~(d)~~

33 (g) A qualified veterinarian shall not advertise that the
 34 veterinarian offers recommendations for medicinal cannabis.

35 ~~(e)~~

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

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

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

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

9 ~~SEC. 5. Section 4884 of the Business and Professions Code is~~
10 ~~amended to read:~~

11 ~~4884. (a) Notwithstanding any other law and absent negligence~~
12 ~~or incompetence, a veterinarian licensed under this chapter shall~~
13 ~~not be disciplined by the board or have their license denied,~~
14 ~~revoked, or suspended solely for discussing the use of cannabis~~
15 ~~on an animal for medicinal purposes.~~

16 ~~(b) (1) On or before January 1, 2020, the board shall adopt~~
17 ~~guidelines for veterinarians to follow when discussing cannabis~~
18 ~~within the veterinarian-client-patient relationship. These guidelines~~
19 ~~shall be posted on the board’s internet website.~~

20 ~~(2) A qualified veterinarian, as defined in Section 4826.3, may,~~
21 ~~but is not required to, follow the guidelines adopted by the board~~
22 ~~pursuant to paragraph (1).~~

23 ~~SEC. 6.~~

24 ~~SEC. 5. Section 26000 of the Business and Professions Code~~
25 ~~is amended to read:~~

26 26000. (a) This division shall be known, and may be cited, as
27 the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

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

32 (1) Medicinal cannabis and medicinal cannabis products for
33 patients with valid physician’s recommendations or animal patients
34 with valid veterinarian’s recommendations.

35 (2) Adult-use cannabis and adult-use cannabis products for
36 adults 21 years of age and over.

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

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

5 ~~SEC. 7.~~

6 *SEC. 6.* Section 26001 of the Business and Professions Code
7 is amended to read:

8 26001. For purposes of this division, the following definitions
9 apply:

10 (a) “A-license” means a state license issued under this division
11 for cannabis or cannabis products that are intended for adults who
12 are 21 years of age and older and who do not possess a physician’s
13 recommendation.

14 (b) “A-licensee” means any person holding a license under this
15 division for cannabis or cannabis products that are intended for
16 adults who are 21 years of age and older and who do not possess
17 a physician’s recommendation.

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

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

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

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

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

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

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

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

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

16 (h) “Cannabis accessories” has the same meaning as in Section
17 11018.2 of the Health and Safety Code.

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

25 (j) “Cannabis products” has the same meaning as in Section
26 11018.1 of the Health and Safety Code.

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

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

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

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

- 1 (o) “Customer” means a natural person 21 years of age or older
2 or a natural person 18 years of age or older who possesses a
3 physician’s recommendation or a veterinarian’s recommendation,
4 or a primary caregiver.
- 5 (p) “Day care center” has the same meaning as in Section
6 1596.76 of the Health and Safety Code.
- 7 (q) “Delivery” means the commercial transfer of cannabis or
8 cannabis products to a customer. “Delivery” also includes the use
9 by a retailer of any technology platform.
- 10 (r) “Director” means the Director of Consumer Affairs.
- 11 (s) “Distribution” means the procurement, sale, and transport
12 of cannabis and cannabis products between licensees.
- 13 (t) “Dried flower” means all dead cannabis that has been
14 harvested, dried, cured, or otherwise processed, excluding leaves
15 and stems.
- 16 (u) “Edible cannabis product” means cannabis product that is
17 intended to be used, in whole or in part, for human consumption,
18 including, but not limited to, chewing gum, but excluding products
19 set forth in Division 15 (commencing with Section 32501) of the
20 Food and Agricultural Code. An edible cannabis product is not
21 considered food, as defined by Section 109935 of the Health and
22 Safety Code, or a drug, as defined by Section 109925 of the Health
23 and Safety Code.
- 24 (v) “Fund” means the Cannabis Control Fund established
25 pursuant to Section 26210.
- 26 (w) “Kind” means applicable type or designation regarding a
27 particular cannabis variant or cannabis product type, including,
28 but not limited to, strain name or other grower trademark, or
29 growing area designation.
- 30 (x) “Labeling” means any label or other written, printed, or
31 graphic matter upon a cannabis product, upon its container or
32 wrapper, or that accompanies any cannabis product.
- 33 (y) “Labor peace agreement” means an agreement between a
34 licensee and any bona fide labor organization that, at a minimum,
35 protects the state’s proprietary interests by prohibiting labor
36 organizations and members from engaging in picketing, work
37 stoppages, boycotts, and any other economic interference with the
38 applicant’s business. This agreement means that the applicant has
39 agreed not to disrupt efforts by the bona fide labor organization
40 to communicate with, and attempt to organize and represent, the

1 applicant’s employees. The agreement shall provide a bona fide
2 labor organization access at reasonable times to areas in which the
3 applicant’s employees work, for the purpose of meeting with
4 employees to discuss their right to representation, employment
5 rights under state law, and terms and conditions of employment.
6 This type of agreement shall not mandate a particular method of
7 election or certification of the bona fide labor organization.

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

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

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

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

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

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

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

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

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

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

39 (aj) “Medicinal cannabis” or “medicinal cannabis product”
40 means cannabis or a cannabis product, respectively, intended to

1 be sold for use pursuant to the Compassionate Use Act of 1996
2 (Proposition 215), found at Section 11362.5 of the Health and
3 Safety Code, by a medicinal cannabis patient in California who
4 possesses a physician’s recommendation, or intended to be sold
5 for use on an animal patient pursuant to a veterinarian’s
6 recommendation under Section 4826.3.

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

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

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

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

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

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

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

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

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

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

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

38 (ar) “Primary caregiver” has the same meaning as in Section
39 11362.7 of the Health and Safety Code and Section 4826.3.

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

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

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

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

18 (2) Licensed by the bureau.

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

23 (aw) “Veterinarian recommendation” means a recommendation
24 by a qualified veterinarian that a patient use cannabis provided
25 pursuant to Section 4826.3.

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

28 ~~SEC. 8.~~

29 *SEC. 7.* Section 26003 is added to the Business and Professions
30 Code, to read:

31 26003. (a) A primary caregiver, as defined in Section 4826.3,
32 may purchase medicinal cannabis or medicinal cannabis products
33 for use on an animal patient if the primary caregiver has a valid
34 veterinarian’s recommendation for an animal patient that the
35 primary caregiver owns and the primary caregiver is 18 years of
36 age or over.

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

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

4 ~~SEC. 9.~~

5 *SEC. 8.* Section 26030 of the Business and Professions Code
6 is amended to read:

7 26030. Grounds for disciplinary action include, but are not
8 limited to, all of the following:

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

11 (b) Conduct that constitutes grounds for denial of licensure
12 pursuant to Chapter 2 (commencing with Section 480) of Division
13 1.5 or discipline of a license pursuant to Chapter 3 (commencing
14 with Section 490) of Division 1.5.

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

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

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

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

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

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

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

33 (j) Failure to comply with any operating procedure submitted
34 to the licensing authority pursuant to subdivision (b) of Section
35 26051.5.

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

38 ~~SEC. 10.~~

39 *SEC. 9.* Section 26050 of the Business and Professions Code
40 is amended to read:

1 26050. (a) The license classification pursuant to this division
2 shall, at a minimum, be as follows:

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

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

37 (c) A license issued pursuant to this division shall be valid for
38 12 months from the date of issuance. The license may be renewed
39 annually.

1 (d) Each licensing authority shall establish procedures for the
2 issuance and renewal of licenses.

3 ~~SEC. 11.~~

4 *SEC. 10.* Section 26104 of the Business and Professions Code
5 is amended to read:

6 26104. (a) A licensed testing laboratory shall, in performing
7 activities concerning cannabis and cannabis products, comply with
8 the requirements and restrictions set forth in applicable law and
9 regulations.

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

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

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

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

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

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

38 (d) A testing laboratory may receive and test samples of cannabis
39 or cannabis products from a qualified patient or primary caregiver
40 with a valid physician's recommendation or veterinarian's

1 recommendation for cannabis for medicinal purposes. A testing
2 laboratory shall not certify samples from a qualified patient or
3 primary caregiver for resale or transfer to another person or
4 licensee. All tests performed by a testing laboratory for a qualified
5 patient or primary caregiver shall be recorded with the name of
6 the qualified patient or primary caregiver and the amount of
7 cannabis or cannabis product received.

8 (e) A testing laboratory may receive and test samples of cannabis
9 or cannabis products from a person over 21 years of age when the
10 cannabis has been grown by that person and will be used solely
11 for that person’s personal use, as authorized pursuant to Section
12 11362.1 of the Health and Safety Code. A testing laboratory shall
13 not certify samples from the person over 21 years of age for resale
14 or transfer to another person or licensee. All tests recorded pursuant
15 to this subdivision shall be recorded with the name of the person
16 submitting the sample and the amount of cannabis or cannabis
17 product received.

18 ~~SEC. 12.~~

19 *SEC. 11.* Section 26140 of the Business and Professions Code
20 is amended to read:

21 26140. (a) An A-licensee shall not:

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

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

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

28 (4) Sell or transfer cannabis or cannabis products unless the
29 person to whom the cannabis or cannabis product is to be sold first
30 presents documentation which reasonably appears to be a valid
31 government-issued identification card showing that the person is
32 21 years of age or older.

33 (b) Persons under 21 years of age may be used by peace officers
34 in the enforcement of this division and to apprehend licensees, or
35 employees or agents of licensees, or other persons who sell or
36 furnish cannabis to minors. Notwithstanding any provision of law,
37 any person under 21 years of age who purchases or attempts to
38 purchase any cannabis while under the direction of a peace officer
39 is immune from prosecution for that purchase or attempt to
40 purchase cannabis. Guidelines with respect to the use of persons

1 under 21 years of age as decoys shall be adopted and published
2 by the bureau in accordance with the rulemaking portion of the
3 Administrative Procedure Act (Chapter 3.5 (commencing with
4 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
5 Code).

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

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

10 (A) A valid county-issued identification card under Section
11 11362.712 of the Health and Safety Code.

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

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

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

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

22 (A) A valid county-issued identification card under Section
23 11362.712 of the Health and Safety Code.

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

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

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

32 ~~SEC. 13.~~

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

35 26162.5. (a) Identification cards issued pursuant to Section
36 11362.71 of the Health and Safety Code are hereby deemed
37 "medical information" within the meaning of the Confidentiality
38 of Medical Information Act (Part 2.6 (commencing with Section
39 56) of Division 1 of the Civil Code) and shall not be disclosed by
40 a licensee except as (1) necessary for the State of California or any

1 city, county, or city and county to perform official duties pursuant
2 to this chapter, or a local ordinance, or (2) to a contractor providing
3 software services to a licensee for the purpose of conducting a
4 transaction or verifying eligibility, provided that the contractor
5 does not use or retain medical information for any other purpose
6 or share information with any party other than the contracting
7 licensee.

8 (b) Information contained in a physician’s recommendation
9 issued in accordance with Article 25 (commencing with Section
10 2525) of Chapter 5 of Division 2, or in a veterinarian’s
11 recommendation issued in accordance with Section 4826.3 and
12 received by a licensee, including, but not limited to, the name,
13 address, or social security number of the patient, the patient’s
14 medical condition, or the name of the patient’s primary caregiver
15 is hereby deemed “medical information” within the meaning of
16 the Confidentiality of Medical Information Act (Part 2.6
17 (commencing with Section 56) of Division 1 of the Civil Code)
18 and shall not be disclosed by a licensee except as (1) necessary
19 for the State of California or any city, county, or city and county
20 to perform official duties pursuant to this chapter, or a local
21 ordinance, or (2) to a contractor providing software services to a
22 licensee for the purpose of conducting a transaction or verifying
23 eligibility, provided that the contractor does not use or retain
24 medical information for any other purpose or share information
25 with any party other than the contracting licensee.

26 ~~SEC. 14.~~

27 *SEC. 13.* No reimbursement is required by this act pursuant to
28 Section 6 of Article XIII B of the California Constitution because
29 the only costs that may be incurred by a local agency or school
30 district will be incurred because this act creates a new crime or
31 infraction, eliminates a crime or infraction, or changes the penalty
32 for a crime or infraction, within the meaning of Section 17556 of
33 the Government Code, or changes the definition of a crime within
34 the meaning of Section 6 of Article XIII B of the California
35 Constitution.

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